Midland microfin
beyond microfinance

Great Place To Work. Certified INDIA

Digitally Enabled. Economically Empowered.

From financial inclusion to economic empowerment, the Midland way!



ANNUAL REPORT
2022-23

TABLE OF CONTENTS

1	About Midland Microfin Ltd.	6
2	Vision, Mission & Values	8
3	Board of Directors	9
4	Managing Director's Note	12-13
5	Directors' Report	28-76
6	Client Success Stories	77-89
7	Management Discussion & Analysis Report	90-109
8	Secretarial Audit Report	119-122
9	Financial Statements for the F.Y. 2022-23	131-243
	(a) Independent Auditor's Report	
	(b) Balance Sheet	
	(c) Statement of Profit and Loss	
	(d) Cash Flow Statement	
	(e) Statement of Changes in Equity	
	(f) Notes to Financial Statements	
10	Social Performance Management Report	244-252
11	Report on Corporate Social Responsibility (CSR)	253-260
12	New Initiatives	262-269
13	Life at Midland	270-279
14	Our Partners	280-282



ABOUT THE REPORT

Our Approach to Reporting

This Annual Report provides an assessment of the Financial and Non-Financial Disclosure of Midland Microfin Limited for the Financial Year 2022-23 to meet the requirements of our shareholders, investors, lenders and other stakeholders.

Reporting Principle

The financial and statutory data presented in this report is in line with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, master directions issued by The Reserve Bank of India and any other rules and regulation applicable to your company.

Reporting Period

This annual report provides the material information of your company for the Financial Year 2022-23 (April 01, 2022 to March 31, 2023) to provide a holistic view to our stakeholders.

Materiality and Scope

This report includes information which is material to all stakeholders of the Midland Microfin Limited and provides an overview of its business operations and financials. Further, a balanced picture of MML's business, management and commitment towards its stakeholders has been presented. Based on these material matters, we present the performance of our company's Financial Year 2022-23.

Management Responsibility

To optimize governance oversight, risk management, and controls, the contents of this Report have been reviewed by the senior management of the Company and reviewed and approved by the Board of Directors to ensure accuracy, completeness, and relevance of the information presented.

Independent Assurance

We safeguard the quality of the information contained in this report by utilizing our internal knowledge and the assurance provided by SCV & Co. LLP to produce the independent auditor's study that has been annexed to this report.



Microfinance: Nurturing Growth Through Financial Inclusion & Digitization.

- Microfinance provides access to necessary capital to the indigent to get a foothold and boost them up to the first rung.

- Microfinance unleashes new opportunities for the world's poorest entrepreneurs and revitalizes the village economies

- Microfinance is key to ending the extreme poverty and enable the people at the bottom of the pyramid on the road to progression



ABOUT MIDLAND MICROFIN LTD.

At the heart of Punjab, a beacon of hope and transformation emerged in January 2011 – Midland Microfin Limited (MML). With its headquarters nestled in Jalandhar, Punjab, MML embarked on a remarkable journey dedicated to the Financial & Social Empowerment of Women. This pioneering Microfinance Institution (MFI) has been at the forefront of extending small Business Loans, igniting the flames of entrepreneurship and reshaping destinies. MML proudly carries the badge of being the first Punjab-based MFI, registered as an 'NBFC – MFI' with the Reserve Bank of India (RBI), operating as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI). From its inception, MML has fervently adhered to all regulatory and legal requirements, establishing itself as a paragon of integrity.

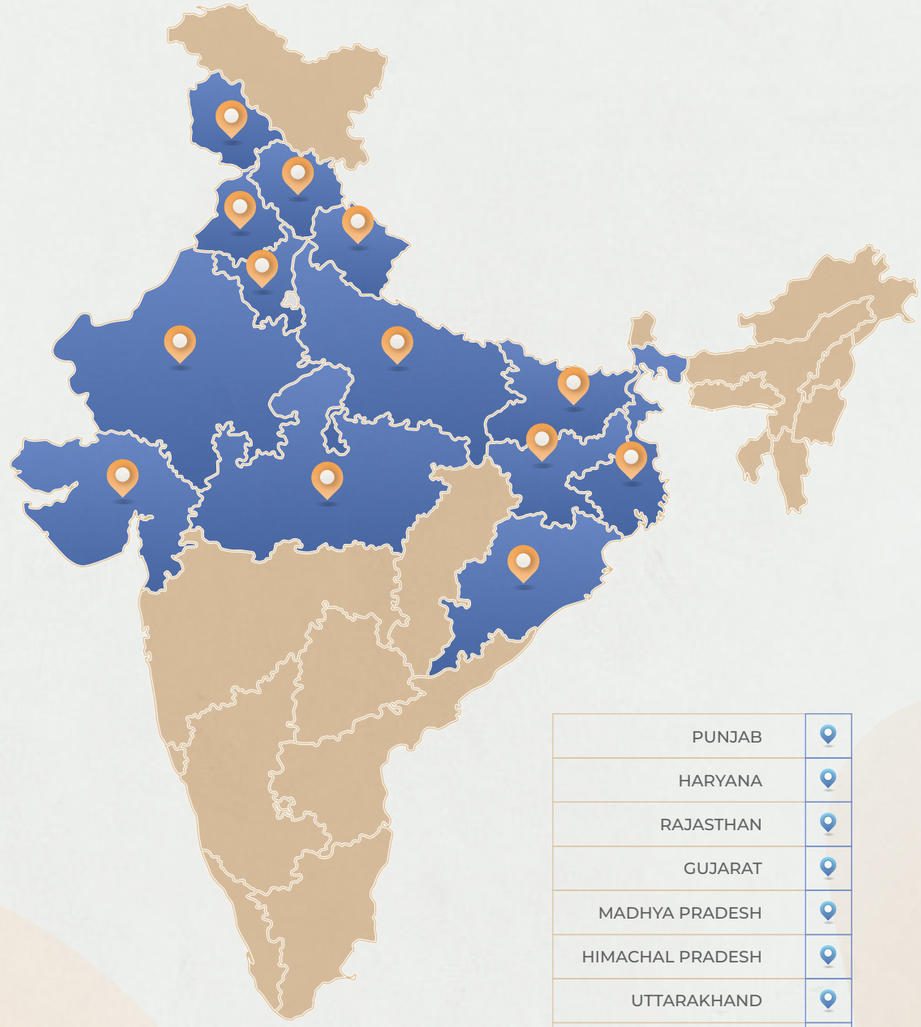
MML's vision resonates as a powerful force – to be a role model, technology driven microfinance institution, steadfast in its commitment to uplifting the progressive poor. With a resolute aim to contribute to the eradication of poverty, MML has scripted its legacy over the past one decade. The institution's geographic footprint spans now across 329 branches, weaving a tapestry across 12 States and 2 Union Territories. Its reach extends from Punjab to Himachal Pradesh, Haryana to Jammu & Kashmir, touching lives in Bihar, Gujarat, Jharkhand, Odisha, Uttar Pradesh, Madhya Pradesh, Uttarakhand, West Bengal, and Chandigarh. MML's indomitable spirit has ventured into Odisha and Jammu and Kashmir, exemplifying its unwavering commitment to organizational goals.

A testament to its dedication, MML has achieved an extraordinary 71% exponential growth in its Portfolio, a monumental feat in its journey. The most significant achievement shines in the form of Assets under Management (AUM), standing tall at Rs. 1939 crores as of 31st March 2023. MML's remarkable dedication to its workforce has been acknowledged with the prestigious & "Great Place to Work" accreditation for four consecutive years. This accolade is a testament to the organization's resolute commitment to fostering an inclusive and positive workplace culture, where employees are empowered to excel and contribute to MML's triumphs.

MML's mission thrives on nurturing women entrepreneurs as a sustainable force for change, providing working capital loans that pave the way for micro enterprises to flourish. With a range of meticulously crafted products and services, MML's offerings cater to the financial needs of progressive, industrious women from humble backgrounds. From JLG loans to individual loans, dairy loans to water & sanitation loans, MML's financial products are designed to not only empower these women economically but also elevate their living standards. Aspiring to be a comprehensive financial partner, MML envisions becoming a one-stop solution, meeting all the diverse financial needs of its clients.

MML's legacy transcends microfinance; it's about fostering enduring relationships. The institution believes in nurturing connections with all stakeholders that extend beyond transactional boundaries. At Midland Microfin, it's the personalized services and the trust fostered through these relationships In essence, Midland Microfin Limited is not just a financial institution; it's a catalyst for change, a partner in progress for the individuals and communities it serves. Through its visionary approach, unwavering commitment, and innovative strategies, MML is making significant strides in reshaping lives and contributing to a more inclusive and prosperous society.

OUR PRESENCE



PUNJAB
HARYANA
RAJASTHAN
GUJARAT
MADHYA PRADESH
HIMACHAL PRADESH
UTTARAKHAND
UTTAR PRADESH
BIHAR
JHARKHAND
WEST BENGAL
CHANDIGARH
ODISHA
JAMMU & KASHMIR



VISION, MISSION & VALUES

Vision

To be a world class, role model, technology driven Micro Finance Institution providing support to progressive poor at low cost.

Mission

Encourage micro enterprise as source of sustainable livelihood, with special emphasis on women by providing financial services with the help of technology. Work for financial and social empowerment of women. Provide easy access to financial services for low income entrepreneurs so they can improve their standard of living and create sustainable assets for themselves.

Values

- Courage
- Respect
- Responsibility
- Commitment
- Achievement



BOARD OF DIRECTORS

The Board of Directors of Midland Microfin Limited comprises highly qualified and experienced directors. During the year under review, Board members, with their experience and guidance, have helped MML achieve the new benchmarks, which is evident in the company's overall performance during the year. The Board of MML is duly comprised of executive, non-executive, women and independent directors, which helps MML to form refined strategies, expansion plans and sustainable business growth. With the continuance guidance of the Board of Directors of Midland Microfin Limited, the company will be going to attain the Mission and Vision of the company, which will help the MML to become an International Microfinance Institution.



VIJAY KUMAR BHANDARI
Chairman



AMARDEEP SINGH SAMRA
Managing Director



SANTOKH SINGH CHHOKAR
Non - Executive Director



PARVEEN KUMAR GUPTA
Independent Director



KAMNA RAJ AGGARWALLA
Independent Woman Director



SHANT KUMAR GUPTA
Independent Director



ASHWANI KUMAR JINDAL
Independent Director

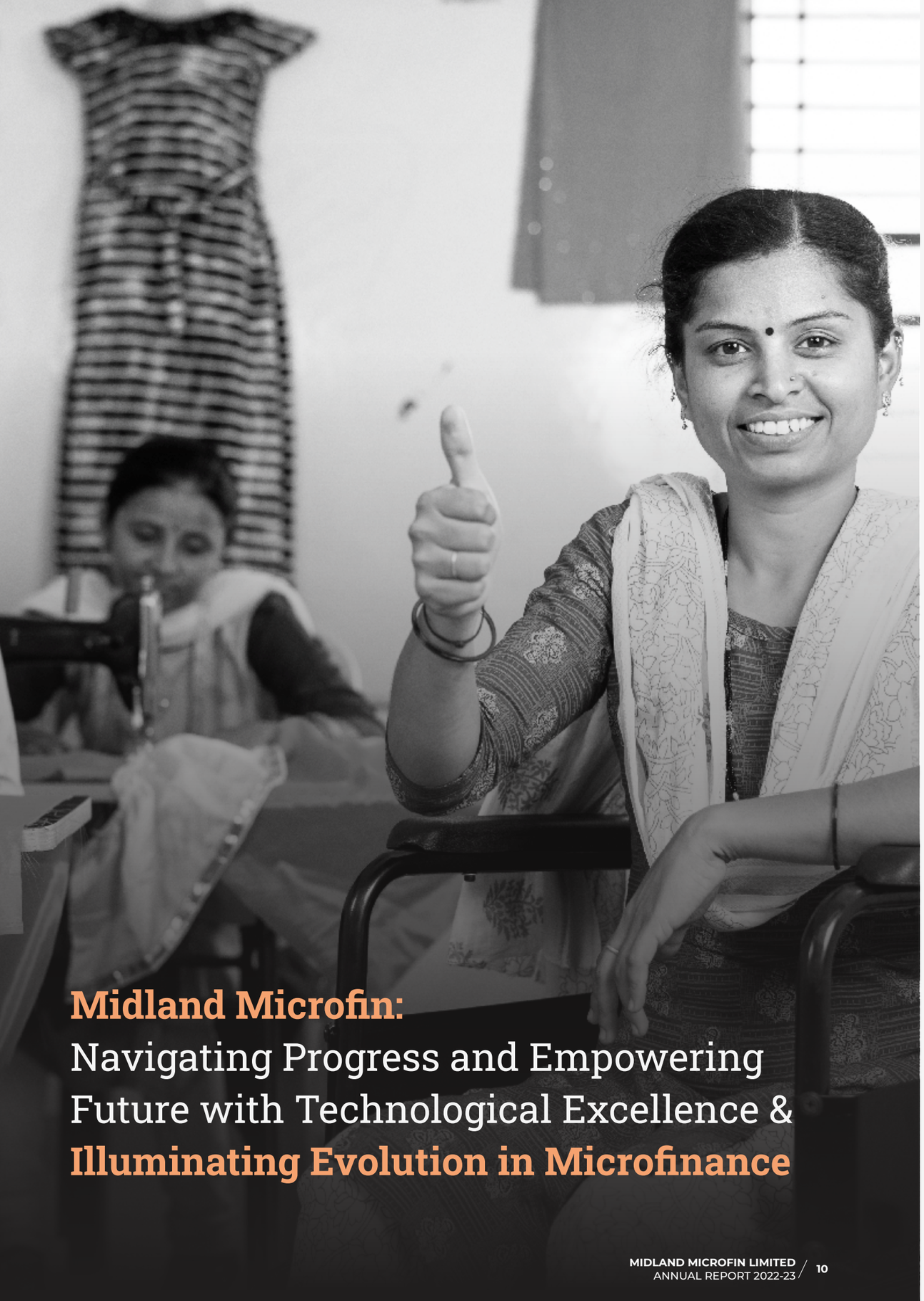


SACHIN NITHYANAND KAMATH
Nominee Director



PRAMOD DUBEY
Bank's Observer, ICICI Bank Limited

*Mr. Pramod Dubey has been appointed as bank's observer on the Board of MML by ICICI Bank Limited (Equity Investor).



Midland Microfin:
Navigating Progress and Empowering Future with Technological Excellence & **Illuminating Evolution in Microfinance**

STATUTORY INFORMATION

STATUTORY AUDITORS

M/S SCV & CO. LLP
Chartered Accountants
B-41, Panchsheel Enclave,
New Delhi - 110017

SECRETARIAL AUDITORS

M/S HARSH GOYAL & ASSOCIATES
Company Secretaries,
1st & 4th Floor, Noble Enclave,
Bhai Wala Chowk,
Ludhiana, Punjab - 141001

REGISTRAR & SHARE TRANSFER AGENT

SKYLINE FINANCIAL SERVICES PVT. LTD.
D-153A, 1st Floor,
Okhla Industrial Area,
Phase – 1
New Delhi - 110020.

DEPOSITORIES

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
Regd. Office: Marathon Futurex, A-Wing, 25th Floor,
NM Joshi Marg, Lower Parel, Mumbai - 400013

NATIONAL SECURITIES DEPOSITORY LIMITED
Trade World, A Wing,
4th Floor, Kamala Mills Compound, Lower
Parel, Mumbai - 400013

DEBENTURE TRUSTEE

CENTBANK FINANCIAL SERVICES LTD.
(Wholly Owned Subsidairy of Central Bank of India)
3rd Floor (East Wing),
Central Bank of India MMO Building, 55-M.G Road, Fort,
Mumbai - 400001

CATALYST TRUSTEESHIP LIMITED
Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina,
Santacruz (East),
Mumbai - 400098

BEACON TRUSTEESHIP LIMITED
4C & D, Siddhivinayak Chambers,Gandhi Nagar,
Opp. M.I.G. Cricket Club,
Bandra (East),
Mumbai - 400051.

KEY MANAGERIAL PERSONNEL (KMP)

MANAGING DIRECTOR
Amardeep Singh Samra

COO & CFO
Amitesh Kumar

COMPANY SECRETARY
Sumit Bhojwani

CORPORATE & REGISTERED OFFICE

MIDLAND MICROFIN LIMITED
The AXIS, Plot No. 1, R.B. Badri Dass Colony,
B.M.C. Chowk, G.T. Road, Jalandhar,
Punjab - 144001
Phone:-0181-5085555 | Fax: 5087777
Email:- info@midlandmicrofin.com

MANAGING DIRECTOR'S NOTE



"Our commitment to a sustainable future remains steadfast, evident in our efforts to reduce carbon footprint, promote financial inclusion, and empower women at the economic grassroots."

Amardeep Singh Samra
Managing Director

Dear stakeholders,

We are pleased to present to you an overview of the remarkable accomplishments at Midland Microfin Limited (MML) during the FY 2022-23 which was a year of substantial growth. These achievements stand as a testament to the company's strong financial foundation and operational prowess.

In tandem with India's dynamic progression as a global economic powerhouse, Microfinance Institutions (MFIs) have emerged as prominent contributors, ensuring that inclusive finance assumes a pivotal role in our nation's development. Notably, MFIs have empowered women by facilitating credit accessibility at the bottom of the pyramid.

A particularly noteworthy shift orchestrated by MFIs lies in their adaptation of digital platforms. Capitalizing on robust technology, the country's footprint has expanded across 729 districts in 28 states and 8 union territories as on March 31, 2023. This digital transition has effectively bridged the gap between the physical and digital realms of India, an embodiment of the industry's strength and adaptability.

MML's aspirations revolve around playing a significant role in propelling an inclusive growth through microfinance in our country. In the previous fiscal year, MML marked its presence with the opening of 55 new branches, solidifying our reach in the state of Odisha and the Union Territory of Jammu and Kashmir. With this expansion, we are now present across 12 states and 2 union territories, including Punjab, Himachal Pradesh, Haryana, Rajasthan, Bihar, Gujarat, Jharkhand, Odisha, Uttar Pradesh, Madhya Pradesh, Uttarakhand, West Bengal, Chandigarh and Jammu & Kashmir.

During FY23, the company demonstrated more robust growth in comparison to the FY22. The notable milestones include a phenomenal 71% increase in Assets under Management (AUM), totaling ₹1939 crores; an impeccable surge of 46% in Total Disbursement amounting to ₹1950 crores; a magnificent 110% growth in Profit After Tax (PAT), totaling ₹47 crores; and an impressive 193% surge in Operating Profits, amounting to ₹113 crores. We have demonstrated healthy asset quality which is one of the best in the industry. Our Net Interest Income witnessed a substantial 80% increase, reaching ₹186 crores, a substantial lead over market standards. This outstanding performance culminated in an impressive Return on Equity (ROE) of 16.01%, coupled with a best Net Non-Performing Assets (NPA) ratio of 0.03%, setting a new benchmark in the industry.

The robustness of our financial performance has garnered confidence from credit rating agencies. SMERA Ratings Private Limited (SMERA) has awarded us the highest MFI Code of Conduct (COCA) Grading of M1C1, reflecting our steadfast commitment to ethical practices.

The Reserve Bank of India implemented new harmonised regulations for microfinance institutions. These regulations brought enhanced regulatory clarity and encouraged responsible lending practices. These regulations will further enhance financial inclusion drive ensuring more stability in the sector.

The alignment of our strategies have translated into enhancements in financial metrics, asset quality, product innovation, customer experiences and employee engagement.

Midland through it's Corporate Social Responsibility (CSR) initiatives such as 'Swachta Evam Swasthya Jagrukta Abhiyan', 'My Pad, My Right – NABARD', 'Medical Camps, 'Nutrition Camps', Digital Didi Campaigns', 'Financial Literacy Awareness Camps through RBI – DEA Programs' have positively impacted millions of beneficiaries.

Our commitment to a sustainable future remains steadfast, evident in our efforts to reduce carbon footprint, promote financial inclusion, and empower women at the economic grassroots. MML is actively working towards integrating Environmental, Social, and Governance (ESG) principles into our eco-system. To lead this endeavour, we have established a dedicated ESG team, collaborating closely with stakeholders to chart our ESG trajectory.

At Midland Microfin Limited, we wholeheartedly embrace the dynamic nature of our ever-evolving world. Guided by our core values and the visionary guidance of our board, we persistently seek fresh avenues for growth in a conscientious and sustainable manner.

We extend sincere appreciation to our dedicated employees for their unmatched commitment and to our esteemed stakeholders, as your continuous support has been our bedrock over the years as we strive for greater heights in future.

PRODUCT OFFERINGS

Midland Microfin Limited provides numerous products to its customers based on the requirement. Every product offered by MML is customer-centric & need based.

MML helps its customers to raise their standard of living by increasing their income by setting up a business with the help of various products. A snapshot of the products is provided below:

Business Loan

We offer different business loans tailored to serve as a sustainable livelihood source for progressive poor rural women. The loans are designed to provide rural women with access to formal financial support for their micro- enterprises. The program empowers female entrepreneurs to address various business requirements, including acquiring tools and equipment, purchasing stock, and managing working capital. Through this initiative, we aim to contribute to the growth and sustainability of women-led businesses, promoting economic empowerment and gender equality.

Ticket Size:
11K - 70K

Tenure
12 - 24 Months

Individual Loan

The loan product is offered to our graduate borrowers and aimed to fuel their business growth by facilitating investments, resource procurement, and operational enhancement. The loan product is aimed at helping current MML borrowers who have successfully gone through at least one business loan cycle using the JLG Model and is specifically designed to support the expansion of their businesses, allowing them to enhance and grow their ventures, thus contributing to overall economic development.

Ticket Size:
60K - 1.5 Lakhs

Tenure
24 Months

Water Supply and Sanitation:

We actively contribute to the Swachh Bharat Initiative by assisting rural Indian villages in enhancing cleanliness and healthcare through our WASH Loans. Our commitment to sustainable finance underscores our understanding of the importance of access to clean water and proper sanitation practices for all. The loan is further delivered based on diverse needs of the borrowers. Midland's Water and Sanitation Loans have brought positive transformations to 14,747 households, funding the creation of household-level toilets and water facilities, thereby impacting the lives of 88,468 families.

a. Water Purifier Loan

aims at providing access to clean drinking water to our borrower and their families, ensuring a better quality of life thus contributing to their overall well-being and development.

b. Sanitation Loans

aimed at improving sanitation facilities across the country by encouraging borrowers in creation and reconstruction of their household level toilets, setup new water pipeline connection, handpump, further enhancing the standards of living and reducing water borne diseases. The effort has been aimed at contributing to a cleaner environment thus fostering community well-being and progress.

Ticket Size:
10K – 30K

Tenure
6 – 18 Months

Dairy Loan

Our Dairy Loan facilitates borrowers in acquiring additional cattle to foster the growth of their dairy enterprises. This initiative also incorporates Cattle Insurance policies to provide protection for cattle purchases, thereby ensuring a sustainable and secure expansion within the dairy industry. With this comprehensive approach, borrowers can confidently pursue their dairy business ambitions.

Ticket Size:
60K - 1.5 Lakhs

Tenure
24 Months



PRODUCT OFFERINGS

Education Loan

Midland extends financial aid to students pursuing post-secondary or higher education endeavors. These education loans are designed to alleviate the financial burden associated with tuition fees, essential books, required gadgets, and related expenses. By facilitating access to education, Midland empowers students to embark on their academic journeys with confidence.

Ticket Size:
10 K - 20K

Tenure
12 Months

Social Impact Products

Tailored to address specific social needs, our green financing products extend beyond traditional financial services and facilitate access to essential resources like clean energy, healthcare, and sanitation. Ranging from kitchen items to solar lights, these products solar bulbs, solar invertors, Induction stoves and others aim to elevate customer living conditions' have been designed to act as catalysts for positive change in our customers' lives.

Ticket Size:
1K - 5K

Tenure
6 - 9 Months

PM Svanidhi Loan

Aligned with our vision of empowering the economically disadvantaged, we recognize the pivotal role of street vendors in local communities. By supporting their livelihoods with Our PM Svanidhi product, we actively contribute to overall well-being and socio-economic upliftment, harmonizing with our mission to foster inclusive growth and prosperity. This aims to foster livelihood opportunities for them and promote their holistic development and socio-economic advancement.

Ticket Size:
10K - 15K

Tenure
12 Months

Ajeevika Loan

Midland Microfin Limited has been shortlisted by the NSFDC (National Scheduled Castes Finance and Development Corporation) to provide the financial assistance to the eligible borrowers under the umbrella of Scheduled Castes, Scheduled Tribes and Backward Classes, to promote their educational and economic interests. The core objective of NSFDC is to provide financial assistance for income generation schemes to the eligible Scheduled Castes through State Channelizing Agencies (SCAs).

Ticket Size:
30K - 40K

Tenure
12 - 24 Months





KEY PERFORMANCE INDICATORS AS ON MARCH 31, 2023

12 & 2
States & UTs

₹42,392
Average Ticket Size

₹1,949 Cr.
Total Disbursement FY 22-23

329
Branches

7,00,677
Borrowers

₹1,939 Cr.
Gross Loan Portfolio

3,339
Total Staff

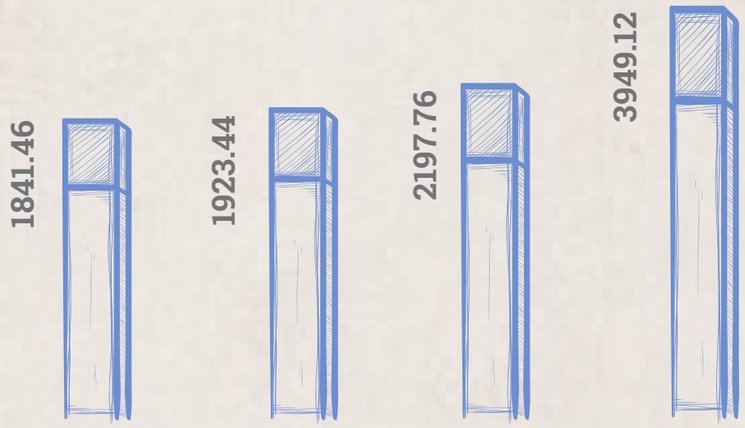
40,628
Villages Covered

₹1,990 Cr.
Asset Size

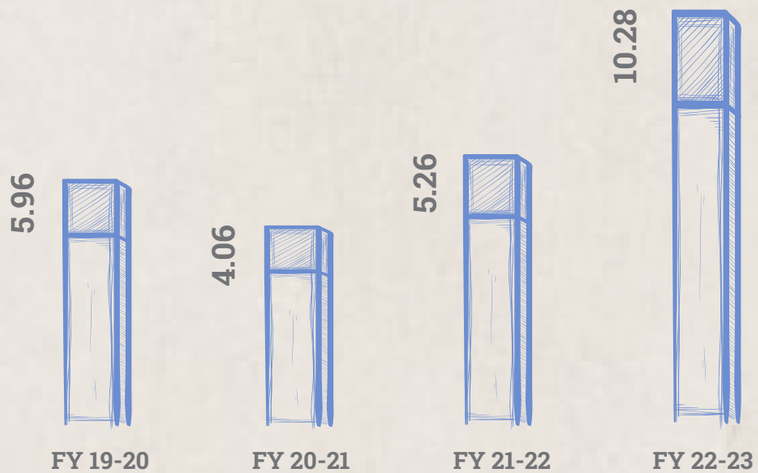


FINANCIAL & OPERATIONAL HIGHLIGHTS

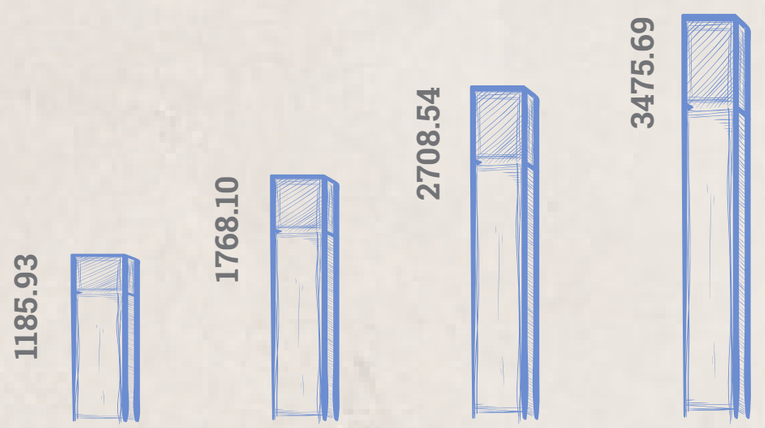
Total Gross Income
(In Mn)



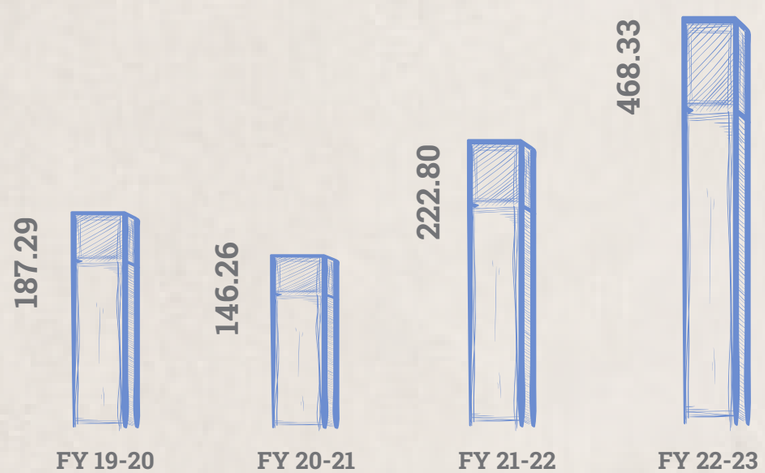
Earning Per Share
(In Rupee)



Networth Excluding Preference Share Capital)
(In Mn)

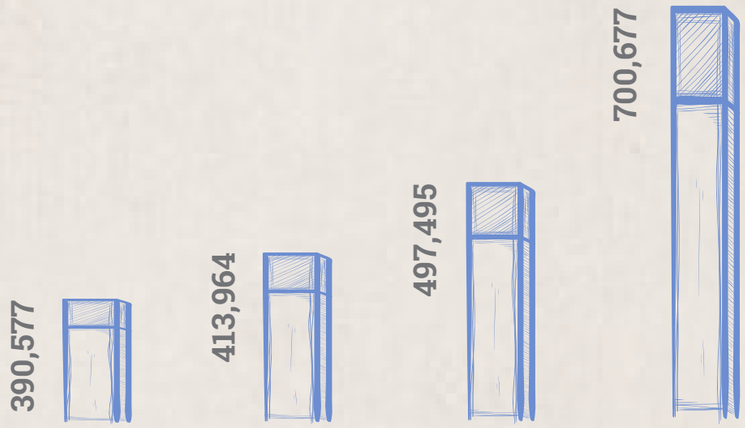


Net Profit After Tax
(In Mn)

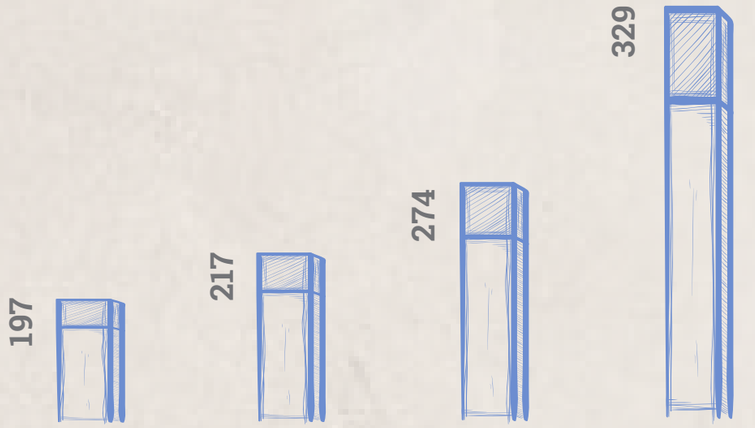


FINANCIAL & OPERATIONAL HIGHLIGHTS

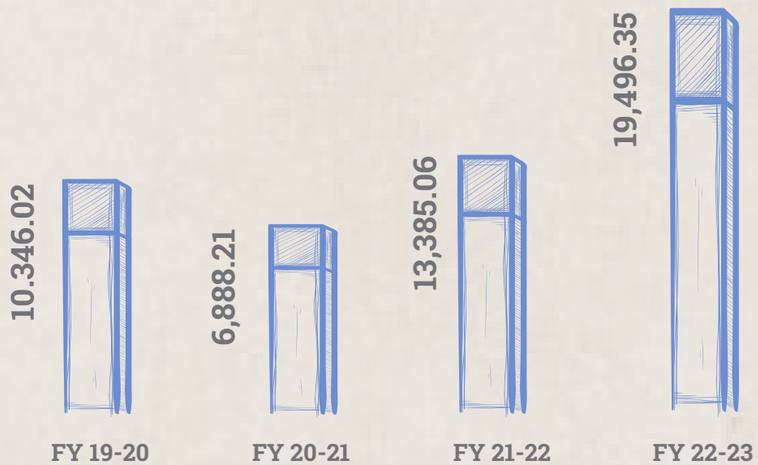
Borrowers



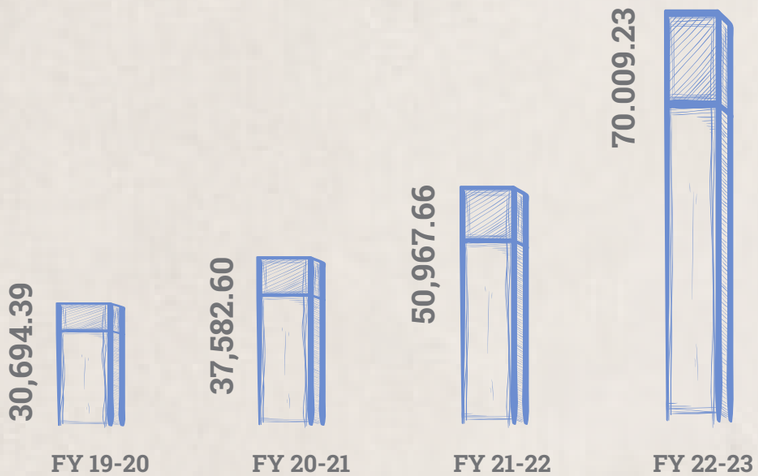
Branches



Disbursement (YOY)
(In Mn)

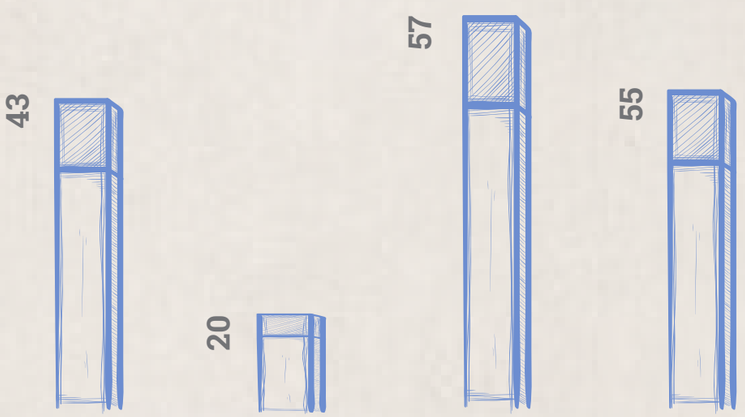


Cumulative Loan

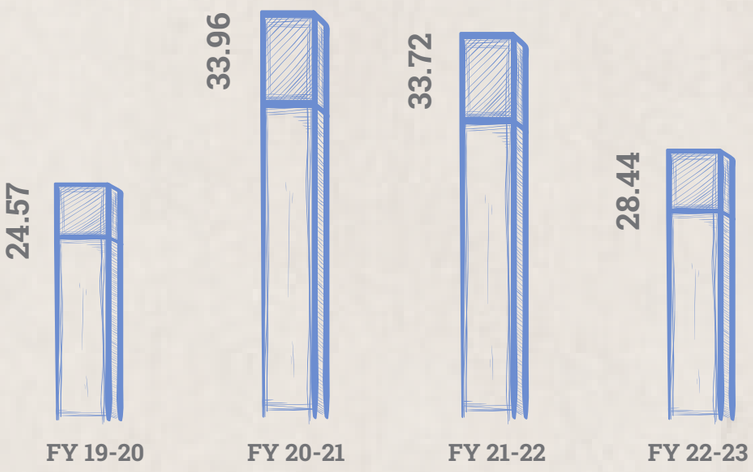


FINANCIAL & OPERATIONAL HIGHLIGHTS

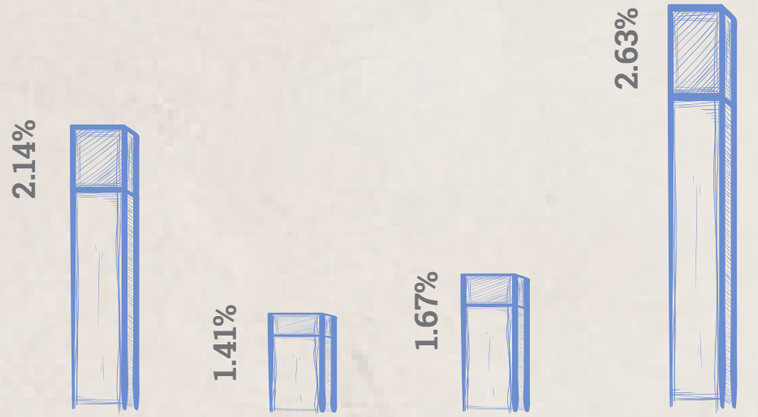
Branches opened year on year



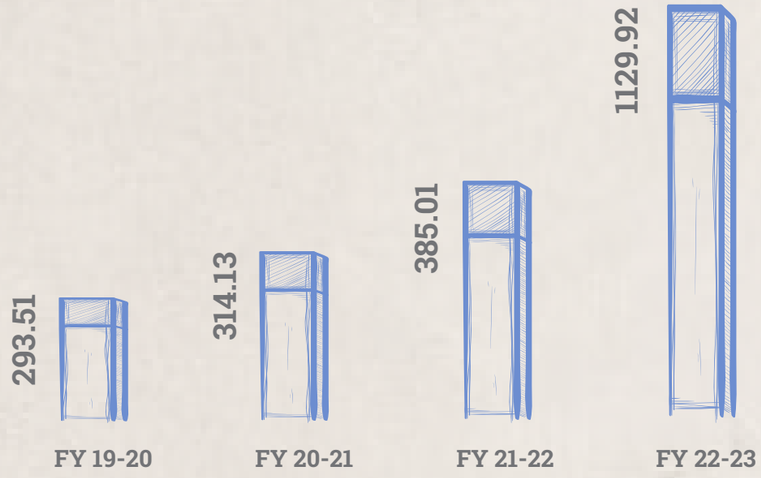
CRAR%



Return on Assets

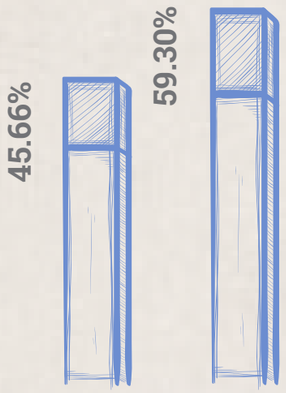


Pre Provisioning Profits
(In Mn)



FINANCIAL & OPERATIONAL HIGHLIGHTS

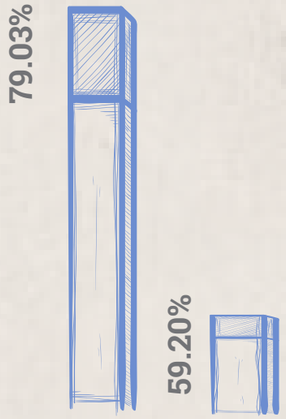
Loan Disbursed in one year



Midland Growth (in %)

MFI Sector Growth (in %)

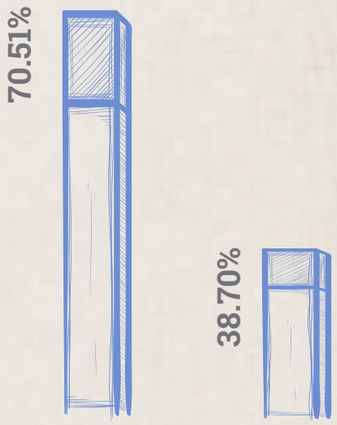
Debt Funding



Midland Growth (in %)

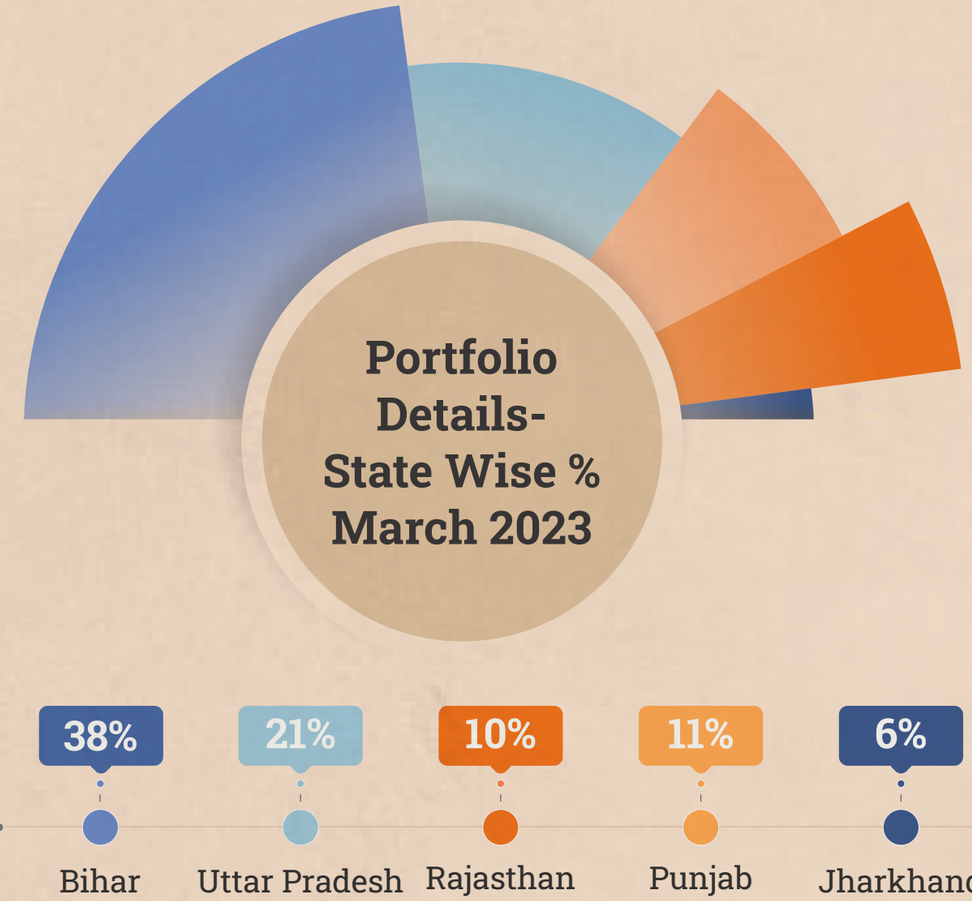
MFI Sector Growth (in %)

Portfolio Outstanding

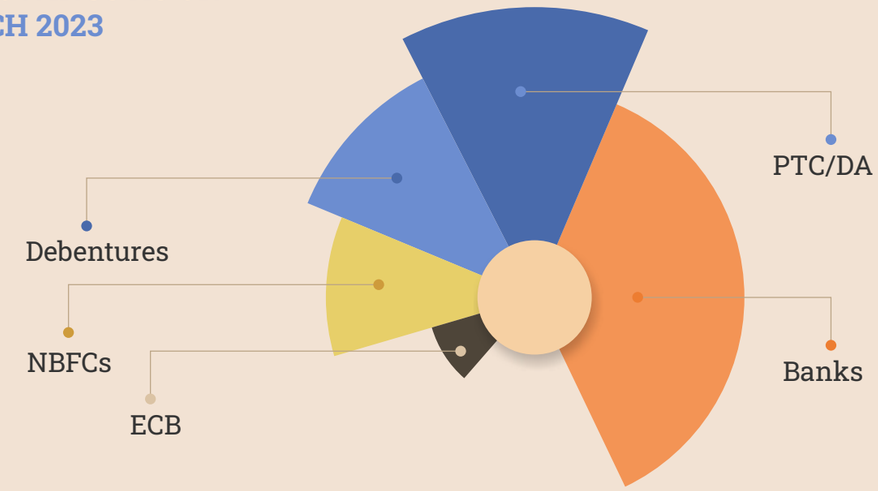


Midland Growth (in %)

MFI Sector Growth (in %)



BORROWINGS AS ON MARCH 2023



DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the 35th Annual Report on the business and operations of your Company for the Financial Year (F.Y) ended March 31, 2023 along with the Audited Financial Statements, Auditor's Report and Secretarial Auditor's Report.

1. FINANCIAL PERFORMANCE/STATE OF AFFAIRS

The highlights of the financial performance of the Company for the Financial Year ended on March 31, 2023 together with the comparative position of the previous financial year, are as under:

Rs.In Millions

S. No.	Particulars	For year ended March 31, 2023 (Audited)	For year ended March 31, 2022 (Audited)
1.	Total Gross Income	3,949.12	2,197.76
2.	Interest Expended	1684.55	1040.25
3.	Operating expenses (i)+(ii)	1134.64	772.50
	(I) Employees cost	747.19	520.11
	(ii) Other operating expenses	387.45	252.39
4.	TOTAL EXPENDITURE (2)+(3) (Excluding provisions and contingencies)	2819.19	1812.75
5.	OPERATING PROFIT (1 - 4) (Profit before Provisions and Contingencies)	1,129.93	385.01
6.	Provisions (other than tax) and contingencies (Net)	514.84	91.82
7.	Profit before Tax (5 - 6)	615.09	293.19
8.	Tax expense	146.76	70.39
9.	Net Profit from Ordinary Activities after Tax (7 - 8)	468.33	222.80
10.	Net Profit/(Loss) for the period	468.33	222.80
11.	Paid-up equity share capital (Face value Rs.10/- per share)	455.70	455.70
12.	Instruments entirely equity in nature (CCPS)	335.16	–
13.	Reserves & Surplus excluding revaluation reserves	2684.83	2252.84
14.	Dividend %		
	- Preference	17%, 0.02% & 0.01%	9%, 17%, 0.02% & 0.01%
	-Equity	7% (Proposed)	7%
15.	Net Worth (excluding Preference Share Capital)	3475.69	2708.54
16.	Earnings Per Share (in Rs.)	10.28	5.26
17.	Capital Adequacy Ratio (in %)	28.44	33.72
18.	Operating Expenses (Opex) Ratio (in %)	7.38	7.98
19.	Return on Total Assets (in %)	2.63	1.67
20.	Return on AUM (in %)	3.04	2.30
21.	Return on Equity (in %)	16.01	9.95

1.1 FINANCIAL HIGHLIGHTS

i) Preparation of Annual Accounts

The Annual Accounts have been prepared on the basis of Ind-AS accounting and the corresponding impact of the same in the previous year has been made accordingly.

ii) Gross Income

The company has earned a Gross Total Income of Rs. 3,949.12 Million for the year ended March 31, 2023, as compared to Rs. 2,197.76 Million as on March 31, 2022 registering a growth of 79.69%. The contributing factor to this growth in income was an increase in the interest income on the JLG loan portfolio. Further, the company has registered a growth of 109% in fees income of Credit Plus Products which has increased to Rs.178.95 Million from Rs. 85.73 Million.

iii) Profit Before Tax (PBT)

Profit before Tax (PBT) increased to Rs. 615.09 Million at the end of the Financial Year 2022-23 recording a growth of 109.79% over the previous year's PBT of Rs. 293.19 Million.

iv) Profit After Tax (PAT)

The Company has booked PAT of Rs. 468.33 Million as on March 31, 2023 as against the profitability of Rs. 222.80 Million as on March 31, 2022 registering an increase of 110.20%. The increase in PAT is due to growth in portfolio, higher fee based income, reduction in operational cost, increase in lending rates and treasury management.

v) Return on Equity and Return on Assets

As mentioned above, increased profitability contributed higher Return on Equity and Return on Total Assets to 16.01% and 2.63% respectively.

vi) Net Worth

During the year under review, the company has been able to meet the challenges of capital and issued compulsorily convertible preference shares to Investors including existing equity shareholders. Thus, the Net Worth of the company increased to Rs. 3,475.69 Million during the current financial year as compared to Rs. 2,708.54 Million in the previous year showing a growth of 28.32%. This growth is also being contributed by the PAT of Rs. 468.33 Million as well.

vii) Earnings Per Share

During the Financial Year 2022-23, the Earning per share of the Company increased to Rs. 10.28 as compared to Rs. 5.26 in the previous year showing a growth of 95.43%.

viii) Capital to Risk Weighted Assets Ratio (CRAR)

The Company's Capital to Risk Weighted Assets Ratio (CRAR) stood at 28.44% as at the end of the year under report, which is within permissible limit of 15% prescribed under RBI norms prescribed for NBFC- MFIs.

1.2 OPERATIONAL HIGHLIGHTS

i) Branch Expansion

The Company has expanded its distribution capabilities and has also expanded its presence in the state of Odisha and Union Territory of Jammu & Kashmir by adding 55 new branches overall to its network that has been scaled to the level of 329 branches as against 274 in the previous year. Concurrently, the Company has emphasized on increasing the operational efficiency of the existing branches.

ii) Operational Cost

During the period under review, the Company has expanded more in technological upgrades to enhance the capability and efficiency of the operations. The Company has been able to create more loan portfolio per branch. Accordingly, the operational cost has reduced to 7.38 % during the current financial year as against 7.98 % for the previous financial year.

During the year, the operational and financial performance of your Company was as follows:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
States	12	11	8
Union Territories	2	1	1
Districts	169	140	112
Villages Covered	40,628	29,658	24,603
Branches	329	274	217
Joint Liability Groups	1,45,889	98,658	81,867
No. of Borrowers	7,00,677	4,97,495	4,13,964
Maximum Loan Amount (Rs.)			
- Individual Loans	1,50,000	1,50,000	1,50,000
- Joint Liability Group	70,000	50,000	50,000
Average Ticket Size (Rs.)	42,392	32,731	24,859
Cumulative Loan disbursement (Rs. In million)	70,463.92	50,967.57	37,582.60
Outstanding Loan Portfolio (Own Book) (Rs. In million)	15,367.67	10,594.10	7,739.09
Managed Portfolio (Rs. In million)	2,526.80	780.04	252.62

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Gross Loan Portfolio (Rs. In million)	19,394.19	11,374.14	7,991.71
Loan Disbursed in FY (Rs. In million)	19,496.35	13,385.06	6,888.21
Equity Share Capital (Rs. In million)	455.70	455.70	391.70
Preference Share Capital (Rs. In million)	746.14	393.33	430.44
Total Assets (Rs. In million)	19,902.18	15,693.48	10,998.10

1.3 FUND MOBILIZATION

During the Financial Year 2022-23, your Company raised a sum of Rs. 1,161 Million by way of Secured Redeemable Non-Convertible Debentures and Rs. 504.40 Million by way of Unsecured Redeemable Non- Convertible Debentures through Private Placement. Further, the Company raised resources aggregating to Rs. 8,984.40 Million in total through various domestic banks and financial Institutions in the form of Working Capital Term loans. The Company also sourced funds through securitization and Direct Assignments.

2. LENDING OPERATIONS

2.1 DISBURSEMENTS

During the Financial Year 2022-23, the loan disbursals were of Rs. 19,496.35 Million showing an increase of 45.66% as compared to previous year's loan disbursals of Rs. 13,385.06 Million.

As on March 31, 2023, the Company's cumulative disbursement stood at Rs. 70,463.92 Million implying the growth of 38.25% as compared to cumulative disbursement of Rs. 50,967.57 Million as on March 31, 2022.

This growth is due to the increment in the number of branches by 55 and also a growth of disbursement per branch to Rs. 59 Million per branch as against Rs. 49 million per branch.

The details of cumulative state-wise sanctions and disbursements are as under:

(Rs. In Million)

Particulars	Particulars
Bihar	17,998.85
Gujarat	1,019.25
Haryana	5,693.75
Himachal Pradesh	173.02
Jammu & Kashmir	4.92
Jharkhand	2,705.82

Particulars	Particulars
Odisha	**30.67**
Punjab	**22,344.74**
Rajasthan	**10,253.20**
Uttar Pradesh	**9,104.48**
Madhya Pradesh	**672.76**
Uttarakhand	**97.85**
West Bengal	**364.61**
Grand Total	**70,463.92**

3. RECOVERY & STRESSED ASSETS MANAGEMENT

As on March 31, 2023, the Gross NPA stood at 0.06% as against the previous year's figure of 3.06%. The Company continued with the recovery actions against the NPAs and overdue cases. These actions resulted in the recovery of an aggregate amount of Rs. 214.27 Million from NPAs. Further, the Company has sold stressed loan assets worth Rs. 1,550.78 Million to an Asset Reconstruction Company during the year under review.

4. RESOURCE MOBILISATION

The total Borrowings of the Company stood at Rs. 15,650.80 Million as on March 31, 2023 as against Rs. 12,456.53 Million in the previous year.

4.1 EXTERNAL RESOURCES

During the Financial Year 2022-23, the Company raised funds amounting to Rs. 641.00 Million by way of rupee denominated Secured, Rated, Listed/Unlisted, Redeemable, Transferable, Non-Convertible Debentures from a foreign fund, the details of which are as under:

	Type of Debentures	Amount	Listed/Unlisted	Maturity	Coupon Rate
1.	Secured, Rated Listed, Redeemable Transferable, Non-Convertible Debentures	**Rs. 561 Million**	Listed (Debt platform of Bombay Stock Exchange)	**48 Months**	11.7702% (eleven decimal seven zero two percent) per annum, net of withholding taxes. The Coupon Rate as on the date of this Placement Memorandum, gross of withholding taxes, shall amount to 12.4500% (twelve decimal four five zero percent) per annum.
2.	Rated, Unlisted, Senior, Unsecured, Transferable, Redeemable, Taxable, Non-Convertible Debentures	**Rs. 80 Million**	Unlisted	**48 Months**	13.63% (thirteen decimal six three percent) per annum.

Further, during the Financial Year ended on March 31, 2023, the Company received foreign direct investment of Rs. 147.21 Million from Kitara PIIN 1501 and Rs. 20.25 Million from Ranjit Kaur Chhokar.

4.2 DOMESTIC RESOURCES

During the Financial Year under review, the Company mobilised funds amounting to Rs. 1024.4 Million by way of Secured/Unsecured Redeemable Non-Convertible Debentures (URNCDs) through Private Placement. The details of URNCDs along with their maturity & coupon rate are provided below.

Sr. No.	Type of Debentures	Amount	Listed/Unlisted	Maturity	Coupon Rate
1.	Secured, Rated Listed, Redeemable, Transferable, Non-Convertible Debentures	Rs. 300 Million	Listed (Debt platform of Bombay Stock Exchange)	24 Months	11.20% (eleven decimal two zero percent) per annum.
2.	Rated, Unlisted, Senior, Unsecured, Transferable, Redeemable, Taxable, Non-Convertible Debentures	Rs. 260 Million	Unlisted	48 Months	13.63% (thirteen decimal six three percent) per annum.
3.	Rated, Secured, Unlisted, Transferable, Redeemable Non-Convertible Debentures	Rs. 300 Million	Unlisted	50 months 29 days	13.20% (thirteen decimal two zero percent) per annum.
4.	Subordinated Debt Bonds (in the nature of Unsecured Redeemable Non-Convertible Debentures)	Rs. 164.4 Millions	Unlisted	7 Years (Quarterly Payment)	9.50%
				7 Years (Compounded Quarterly)	10.00%
				10 Years (Quarterly Payment)	10.00%
				10 Years (Compounded Quarterly)	10.75%

Further, the Company took the term loan facility amounting to Rs. 8,984.40 Million from domestic banks/financial institutions.

5. SHARE CAPITAL AND DEBENTURES

5.1 CAPITAL STRUCTURE

The Authorized Share Capital of your Company as on March 31, 2023 stood at Rs. 120,00,00,000/- (One Billion Two Hundred Million Only) Comprising of Rs. 10 and Rs. 150:

- Rs. 53,00,00,000/- (Rupees Fifty-Three Crores Only) divided into 5,30,00,000 (Five Crores and Thirty Lacs) equity shares of Rs. 10/- (Rupees Ten Only) each; and

- Rs. 22,00,00,000/- (Rupees Twenty-Two Crores Only) divided into 2,20,00,000 (Two Crores and Twenty Lacs) preference shares of Rs. 10/- (Rupees Ten Only) each.

- Rs. 45,00,00,000/- (Rupees Forty-Five Crores Only) divided into 30,00,000 (Thirty Lacs) Compulsorily Convertible Preference Shares of Rs. 150/- (Rupees One Hundred Fifty Only) each.

The Issued Share Capital of your Company as on March 31, 2023 stood at Rs. 102,63,51,620/- (Rupees One Hundred Two Crores Sixty-Three Lacs Fifty-One Thousand Six Hundred and Twenty Only) comprising of:

- Rs. 45,57,01,620/- (Rupees Forty-Five Crores Fifty-Seven Lacs One Thousand Six Hundred and Twenty Only) divided into 4,55,70,162 (Four Crores Fifty-Five Lacs Seventy Thousand One Hundred and Sixty-Two) equity shares of Rs. 10/- (Rupees Ten Only) each

- Rs. 12,06,50,000 (Rupees Twelve Crores and Six Lacs Fifty Thousand Only) divided into 1,20,65,000 (One Crore Twenty Lacs and Sixty-Five Thousand) preference shares of Rs. 10/- (Rupees Ten Only) each

- Rs. 45,00,00,000/- (Rupees Forty-Five Crores Only) divided into 30,00,000 (Thirty Lacs) Compulsorily Convertible Preference Shares of Rs. 150/- (Rupees One Hundred Fifty Only) each.

The Subscribed and Paid-up Share Capital of your Company as on March 31, 2023 stood at Rs. 91,15,11,470/- (Rupees Ninety-One Crores Fifteen Lacs Eleven Thousand Four Hundred and Seventy Only) comprising of:

- Rs. 45,57,01,620/- (Rupees Forty-Five Crores Fifty-Seven Lacs One Thousand Six Hundred and Twenty Only) divided into 4,55,70,162 (Four Crores Fifty-Five Lacs Seventy Thousand One Hundred and Sixty-Two) equity shares of Rs. 10/- (Rupees Ten Only) each

- Rs. 12,06,50,000 (Rupees Twelve Crores and Six Lacs Fifty Thousand Only) divided into 1,20,65,000 (One Crore Twenty Lacs and Sixty-Five Thousand) preference shares of Rs. 10/- (Rupees Ten Only) each

- Rs. 33,51,59,850/- (Rupees Thirty-Three Crores Fifty-One Lacs Fifty-Nine Thousand Eight Hundred Fifty Only) divided into 22,34,399 (Twenty-Two Lacs Thirty-Four Thousand Three Hundred Ninety-Nine) Compulsorily Convertible Preference Shares of Rs. 150/- (Rupees One Hundred Fifty Only) Each

5.2 RAISING OF FUNDS/CAPITAL

Paid-Up Share Capital

During the period under review, the Company has allotted and redeemed shares as follows:

Equity Share Capital					
Date	Particulars	No. of Equity Shares	Nominal Value	Issue Price	Paid up Share Capital
March 31, 2022	Opening Balance	4,55,70,162	10	–	45,57,01,620
There was no Change in Equity Share Capital during the Financial Year 2022-23					
March 31, 2023	**Closing Balance**	**4,55,70,162**	**10**	**–**	**(a) 45,57,01,620**

Preference Share Capital					
Date	Particulars	No. of Preference Shares	Nominal Value	Issue Price	Paid up Preference Share Capital
March 31, 2022	Opening Balance	1,30,90,000	10	–	13,09,00,000
October 12, 2022	Redemption of Preference Share	9,25,000	10	–	12,16,50,000
January 14, 2023	Redemption of Preference Share	1,00,000	10	–	12,06,50,000
March 31, 2023	**Closing Balance**	**1,20,65,000**	**10**	**–**	**(b) 12,06,50,000**

Compulsorily Convertible Preference Share (CCPS)				
Date	Particulars	No. of Preference Shares	Nominal Value & Issue Price	Paid up CCPS
March 31, 2023	Issuance of CCPS	22,34,399	150	33,51,59,850
March 31, 2023	**Closing Balance**	**22,34,399**	**150**	**(c)33,51,59,850**

Paid up Share Capital		
Date	Particulars	Paid Up Share Capital
March 31, 2023	Closing Balance (a + b + c)	91,15,11,470

5.3 NON-CONVERTIBLE DEBENTURES

During the Financial Year ended on March 31, 2023, the Company allotted the Debentures on private placement basis as follows:

a) Unsecured Redeemable Non-Convertible Debentures (Unlisted):

During the Financial Year ended on March 31, 2023, the Company allotted Unlisted Unsecured Redeemable Non-Convertible Debentures worth Rs. 504.4 Million (Rupees Five Hundred Four Decimal Four Million Only) on private placement basis as follows:

Date	No. of Debentures	Nominal Amount (in Rs.)	Total Amount (in Million)
August 19, 2022	16,440	10,000	164.4
December 21, 2022	340	10,00,000	340
TOTAL	**16,780**	**10,000 & 10,00,000**	**504.4**

b) Secured Redeemable Non-Convertible Debentures (Unlisted):

During the Financial Year ended on March 31, 2023, the Company allotted Unlisted Secured Redeemable Non-Convertible Debentures worth Rs. 300 Million (Rupees Three Hundred Million Only) on private placement basis as follows:

Date	No. of Debentures	Nominal Amount (in Rs.)	Total Amount (in Million)
June 06, 2022	300	10,00,000	300
TOTAL	**300**	**10,00,000**	**300**

c) Secured Senior Rated Redeemable Non-Convertible Debentures (Listed):

During the Financial Year ended on March 31, 2023, the Company allotted Listed Secured Senior Rated Redeemable Non-Convertible Debentures worth Rs. 861 Million (Rupees Eight Hundred Sixty-One Million Only) on private placement basis as follows:

Date	No. of Debentures	Nominal Amount (in Rs.)	Total Amount (in Million)
May 23, 2022	561	10,00,000	561
July 01, 2022	300	10,00,000	300
TOTAL	**861**	**10,00,000**	**861**

6. DIVIDEND

The company has declared the interim dividend on 925000 17% Non-Convertible Redeemable Cumulative Preference Shares (“NCRCPS”) (which got redeemed on October 12, 2022) for the period starting from 01.04.2022 to 12.10.2022 on pro-rata basis.

During the year, the Company has shown excellent results. Keeping in view the performance of the Company and to preserve the profits for future expansion, the Board has recommended to pay the Dividend of Rs. 0.70/- (Seventy paise Only) per equity share to the Equity Shareholders of the Company subject to the approval of the shareholders in the ensuing Annual General Meeting.

Also, the Board has recommended the dividend at the rate of 0.01% and 0.02% on Non-Convertible Redeemable Cumulative Preference Shares (“NCRCPS”) subject to the approval of the shareholders in the ensuing Annual General Meeting.

Further as per the terms of the Shareholding Agreement (SHA), the Board has also recommended dividend to the holders of Compulsorily Convertible Preference Shares (CCPS) at the equivalent rate of percentage given to each Equity Share (on as if converted basis) i.e. Rs. 0.70 for each CCPS (inclusive of the fixed dividend of 0.01%).

7. CREDIT RATING

Your Company enjoys strong credit rating from different credit rating agencies such as CARE, SMERA, BRICKWORK and INDIA Ratings. The credit rating ensure that the Company continues to have access to financing at the most competitive rates at all times and even during tight liquidity conditions.

During the financial year ended on March 31, 2023, the rating agencies assigned and reaffirmed the following long term and short-term ratings of the Company:

Name of Agency	No. of Debentures	Nominal Amount (in Rs.)	Nominal Amount (in Rs.)
India Ratings	Non-Convertible Debentures	750	IND BBB
CARE Ratings	Bank Loan	3100	CARE BBB
CARE Ratings	Non-Convertible Debentures	500	CARE BBB
CARE Ratings	Non-Convertible Debentures	80.03	CARE BBB
CARE Ratings	Non-Convertible Debentures	340	CARE BBB
Acuite Ratings	Bank Loan	3250	ACUITE BBB+
Acuite Ratings	Non-Convertible Debentures	600	ACUITE BBB+
SMERA	Code of Conduct Assessment	N.A.	M1C1

8. RISK MANAGEMENT

8.1 ENTERPRISE-WIDE INTEGRATED MANAGEMENT

Risk Management and governance is an elemental part of the Company. Assessing risk has been important to maintain a sustainable approach toward fulfilling the ultimate objective of the organization. Credit risk, operation risk, geographical risk, liquidity risk, interest rate risk, asset-liability management risk and political risk are the major risks faced by the microfinance industry. These risks, if not effectively managed may have a bearing on our financial strength and operations. Bearing this in mind, we continuously improve our risk management policies and procedures and implement them rigorously for the efficient functioning of our businesses. The key objective in the risk management processes is to measure and monitor the risks and effectively contain these within acceptable limits. For safeguarding the interest of all the stakeholders, MML has taken steps to inculcate risk management and mitigation in its operations. MML periodically reviews various risk levels and their movement, composition of the assets and liability portfolios, the status of impaired assets, recovery/ collection etc.

The Company has **Credit risk** frameworks, policies, procedures and systems for managing the credit risk. Management of credit risk rests on the process for evaluating the creditworthiness of customers, transparent and fair valuation of the collateral and prudential loan to value limit.

Our credit policies ensure evaluation of various factors including income, demography, credit history and other indebtedness of the borrower, loan to value ratio, the tenor of the loan, risk gradation and others while evaluating loans.

Operational risks are risks arising from inadequate or failed internal processes, people and systems or external events. To control our operational risks, we have adopted clearly defined loan approval processes and procedures. The internal control includes effective separation of functions, segregation of roles and responsibilities, reliance on the maker-checker concept, monitoring of exceptions, etc. We also attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing policies and procedures to monitor transactions, maintaining necessary back-up procedures and undertaking contingency planning.

Liquidity risk arises due to the unavailability of sufficient amount of funds to meet the Company's financial obligations at an appropriate price and tenure. As most of our loans (at the portfolio level) have maturity shorter than the maturity of our liabilities, we have positive cash flows in all maturity buckets. The Company attempts to minimise this risk through a mix of strategies, including diversification of sources of funds, securitisation and assignment of receivables, fixing caps on short term funds and maintaining liquidity buffer.

To avoid the deficiencies of handling risk initiatives, policies are reviewed at regular intervals and steps are taken to strengthen our management practices in the increasingly uncertain lending environment. All- inclusive, risk management is a very important part of Midland and focuses to provide ample support to business growth with minimized risk and pro-active risk identification and management.

8.2 ASSET LIABILITY MANAGEMENT

The Board of Directors has the overall responsibility for establishing the risk management framework for the Company. The Board in turn has established an Asset Liability Management Committee (ALCO) for evaluating, monitoring and reviewing liquidity and interest rate risks arising in the Company on both sides of the Balance sheet. The Board based on recommendations from the ALCO has prescribed policies and the risk limits for the management of liquidity risk.

ALCO Committee is responsible for managing the risks arising out of Asset Liability mismatches consistent with the regulatory requirements and internal risk tolerances established by the Board. Amongst other responsibilities, ALCO has been empowered to decide the rate of interest for the various portfolios and funding mix for the company in light of the future business strategy, risk matrix, market standards, practices and prevailing market conditions. The scope of ALCO has been commensurate with the requirements of the master directions issued by the Reserve Bank of India.

Your Company has duly constituted an Asset Liability Management Committee (ALCO) chaired by Managing Director for monitoring various risks such as Liquidity risk, Interest rate risk and the Currency risk. The ALCO determines the asset liability management strategy as per the prevailing and expected business environment and reviews major decisions affecting the business and working results, ALM mismatches, budgeting, resources etc. Your Company follows a reporting system of Asset Liability Management to review the mismatches, accordingly, remedial measures are taken.

9. REGULATORY UPDATE

Your Company being registered as an NBFC-MFI (Non-Banking Financial Company–Micro Finance Institution) has complied with all the relevant guidelines and directions issued by the Reserve Bank of India from time to time and other applicable laws.

The Company confirms that being a Debt listed Company, the timely disclosures have been made as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the Financial Year ended on March 31, 2023.

The Company confirms that being an issuer of various debt instruments have complied with applicable provisions, regulations and circulars issued by the Securities Exchange Board of India for the time being in force.

The Company has filed all the requisite information and forms with the Registrar of Companies (ROC), Chandigarh as required under the Companies Act, 2013 during the financial year ended on March 31, 2023.

The Company is registered as a Reporting Entity under Financial Intelligence Unit (FIU), Ministry of Finance.

The Company further confirms that being an issuer of various securities have complied with applicable provisions, terms and conditions of contracts, agreements executed with stock exchange, debenture trustees, depositories, depositories participants and Registrar & Share Transfer Agents for the time being in force.

The Company is also registered in the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI). CERSAI is a risk mitigation tool for the Banks / Housing Finance Companies, Financial Institutions and public at large to prevent multiple financing against the same property.

The Company is also registered with Legal Entity Identifier (LEI). LEI is mandatory for transactions in interest rate, forex and credit derivative market. LEI helps banks and credit providers in monitoring the exposure of corporate borrowers. It prevents banks/financial institutions from issuing multiple loans against the same collateral.

10. DETAILS OF SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES

During the Financial Year ended on March 31, 2023, no company became or ceased to be the subsidiary/ associate or joint venture of Midland Microfin Limited.

11. TRANSFER TO STATUTORY RESERVE

Your Directors are pleased to report that with an objective of reinforcing the financial strength an amount of Rs. 9,36,63,497/- (Rupees Nine Crores Thirty-Six Lacs Sixty-Three Thousand Four Hundred and Ninety- Seven Only) being 20% of the profit after tax (PAT) has been transferred to Statutory Reserve of the Company pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

12. INTERNAL CONTROLS

12.1 INTERNAL FINANCIAL CONTROLS

The Board of Directors confirms that the Company has laid down a set of standards, processes and structure which enables it to implement Internal Financial Controls across the organisation with reference to Financial Statements and that such controls are adequate and are operating effectively. This includes its design, implementation and maintenance along with periodic internal review of operational effectiveness and sustenance, and whether these are commensurate with the nature of its business and the size and complexity of its operations.

This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records, the timely preparation of reliable financial information and prevention and detection of frauds and errors. Internal financial controls with reference to the financial statements were adequate and operating effectively.

Assurance on the effectiveness of Internal Financial Controls is obtained through management reviews, continuous monitoring by functional experts as well as testing of the Internal Financial Control systems by the internal auditors during the course of their audits. During the financial year under review, no material or serious observations have been received from the Auditors of the Company, citing inefficacy or inadequacy of such controls.

12.2 INTERNAL CONTROL SYSTEMS

Your Company has put in place, well defined and adequate Internal Control System and mechanism commensurate with size, scale and complexity of its operations to ensure control of entire business and assets. The functioning of controls is regularly monitored to ensure their efficiency in mitigating risks. A comprehensive internal audit department functions in house to continuously audit and report gaps if any, in the diverse business verticals and statutory compliances applicable.

13. DEPOSITS

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) did not accept any public deposit(s) and maintained the non-acceptance of public deposit NBFC status during the Financial Year ended on March 31, 2023.

14. WEB ADDRESS WHERE ANNUAL RETURN HAS BEEN PLACED

The Annual Return of the Company is available on the Company's website at the web link: https://www.midlandmicrofin.com/

15. LOANS, GUARANTEES OR INVESTMENT

Pursuant to Section 186(11) (a) of the Companies Act, 2013 (the 'Act') read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loans made, guarantee given or security provided or any investment made in the ordinary course of its business by a Non-Banking Financial Company (NBFC) registered with Reserve Bank of India is exempt from the applicability of provisions of Section 186 of the Act. Hence, no disclosure is required to be made.

16. CORPORATE SOCIAL RESPONSIBILITY

Your Company strongly believes in committing to operate in an economically, socially and environmentally sustainable manner. The Company's Corporate Social Responsibility (CSR) initiatives are based on this principle.

The CSR mandate of your Company is to serve, uplift and empower communities that are at the bottom of the income pyramid; particularly those often lacking access to essential amenities such as affordable healthcare, clean and safe drinking water, employment opportunities and quality education as per the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

To oversee the activities of CSR and pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, the Company has in place a Board level CSR Committee. The Committee is responsible for formulating, implementing and monitoring the CSR policy of the Company. The CSR Policy is available on the Company's website and can be accessed by clicking on the following link: www.midlandmicrofin.com.

During the year, apart from striving to improve the Human Development Index indicators in under-served pockets of urban slums, semi-urban and rural areas, your Company has also extended support to needy families by providing medical facilities under the project named as "SWACHTA EVAM SWASTHYA JAGRUKTA ABHIYAN" particularly in rural and slum area. The CSR activities undertaken by your Company are based on the approved CSR policy,

During the financial year under review, your Company has spent Rs. 33,38,787.22/- (Rupees Thirty-Three Lacs Thirty-Eight Thousand Seven Hundred Eighty Seven Decimal Twenty Two only) on its CSR activities through ***'Midland Foundation' ("the Trust")***, a trust duly registered and set by the Company as prescribed under the Companies Act, 2013 and rules framed thereunder as against the required CSR liability of an amount of 48,94,016/- (Rupees Forty-Eight Lac Ninety-Four Thousand and Sixteen only) i.e. 2% of the average net profits of previous three financial years. The CSR initiatives undertaken by your Company along with other CSR related details form part of the Annual Report on CSR activities for F.Y. 2022-23, which is annexed as Annexure – D to this Report.

The CSR policy of your Company, as adopted by the Board, broadly covers the following focus areas–

- **A** To eradicate poverty and malnutrition
- **B** To promote healthcare including sanitization & preventive healthcare
- **C** To promote education, including special education and employment enhancing vocation skills especially among the children, women, elderly and the differently abled and livelihood enhancement projects
- **D** To promote gender equality and women empowerment
- **E** Rural development projects
- **F** Slum area development projects
- **G** All other projects permitted under the Schedule VII of the Companies Act, 2013.

17. AUDITS & INSPECTION OF ACCOUNTS

17.1 STATUTORY AUDITORS

Pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, the Company in its 34 th Annual General Meeting (AGM) held on September 24, 2022 had appointed M/s SCV & Co. LLP, Chartered Accountants (Firm Registration Number: 000235N/N500089) as Statutory Auditors of the Company to hold office for a term of three years until the conclusion of the 36 th Annual General Meeting to be held in the year 2024.

Further, pursuant to the regulations of RBI Circular on appointment of Statutory Auditors the company duly rectified the appointment of M/s SCV & Co. LLP, Chartered Accountants and filed the Form-A with Reserve Bank of India in the due compliance of said regulations.

M/s SCV & Co. LLP, Chartered Accountants, Statutory Auditors of the Company have audited the financial statements of the Company for the Financial Year 2022-2023.

The Statutory Auditors' Report to the members does not contain any qualification.

17.3 STATEMENT IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

During the period under review, 14 (Fourteen) fraud cases for consolidated amount of Rs. 15,15,825/- (Rupees Fifteen Lakh Fifteen Thousand Eight Hundred Twenty Five) were reported and the due intimations through the FMR Reporting Format were filed with Reserve Bank of India within the prescribed timelines. However, the company has put its arduous efforts to recover the hard earned money and been successful to recover entire amount from the said cases during the year.

17.4 RESPONSE OF THE BOARD TO THE AUDITORS' COMMENT

The Auditors' Report, read with notes to the accounts are self-explanatory and therefore, do not require further comments/elaborations pursuant to Section 134 of the Companies Act, 2013.

17.5 INTERNAL AUDIT

In order to ensure that adequate checks and balances are in place and internal control systems are in order, regular and exhaustive Internal Audits are conducted by independent internal auditors. They review internal controls, operating systems and procedures. The Audit function also proactively recommends improvement in operational process and service quality to mitigate various risks. Your Company have a dedicated department of Internal Audit which is headed by Mr. Gagan Deep Sharma, DVP (Audit and Legal) and who has very responsibly and diligently conducted the Internal Audit for the FY 2022-23. Further, The Audit Committee of Board of Directors periodically reviews the significant findings of audits, as prescribed in the Companies Act, 2013.

17.6 SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

M/s Harsh Goyal & Associates, Company Secretaries (COP: 2802), were appointed by the Board of Directors as the Secretarial Auditors of the Company to carry out the secretarial audit of the Company for the financial year ended on March 31, 2023, as required under Section 204 of the Companies Act, 2013 and rules framed thereunder.

The Secretarial Audit Report for the financial year ended on March 31, 2023 is attached herewith as Annexure E to this Report and the same is self-explanatory. There are no observations, qualifications, reservations or adverse remarks, which requires comments from the Board.

17.7 COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

17.7 COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

18. CORPORATE GOVERNANCE

Midland recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, investors, regulators and other stakeholders. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better these practices by adopting best practices.

Midland's governance framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities. Efficient corporate governance requires a clear understanding of the respective roles of the Board of Directors ("Board") and of senior management and their relationships with others in the corporate structure. Sincerity, Fairness, Good Citizenship and Commitment to compliance are key characteristics that drive relationships of the Board and senior management with other stakeholders.

Your Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision, while upholding the core values of transparency, integrity, honesty and accountability.

Midland is committed to taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. This is vital to retain the trust of all stakeholders of the Company. Your Company complies with the best Corporate Governance practices in true letter and spirit. At Midland, we evolve and follow the corporate governance guidelines and best practices diligently. Your Company considers it an inherent responsibility to disclose timely and accurate information regarding the operations & performance, leadership and governance of the Company. Your Company follows a culture based on trusteeship, transparency, empowerment, accountability and corporate ethics. In compliance to the RBI circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 company have provided disclosure realted to corporate governance as **Annexure - F.**

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all related party transactions entered into by the Company, were duly approved by the Audit Committee and were at arm's length and in the ordinary course of business.

The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Companies Act, 2013. Also, there were no material related party transactions entered into by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company for the Financial Year 2022- 23 and hence, does not form part of this report.

Details of related party transactions entered into by the Company, in terms of Ind AS-24 are disclosed in Note No. 9 of the financial statements forming part of this Report.

None of the Directors had any pecuniary relationships or transactions vis-a-vis the Company except as provided in the notes to the accounts.

Pursuant to the requirement of Non-Banking Financial Company – Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the policy on related party transactions is available on the Company's website, and the same can be accessed at web link: www.midlandmicrofin.com

20. GOVERNANCE AND SOCIAL COMMITMENT

20.1 CONSERVATION OF ENERGY: ECOLOGY & ENVIRONMENT

Your Company is engaged in the business of micro financing to self-help groups and lending Business Development Loans to them. The Company has been taking its best efforts to conserve and optimize the use of energy, wherever possible. The Company has allocated specific cost budgets for the same in its head office and all its branches to reduce electricity waste and the same is monitored on periodical basis. During the F.Y. 2022-23 the company has not spent any major amount on the capital expenditure on energy conservation equipments"

20.2 TECHNOLOGY ABSORPTION

Your Company is engaged in financing of loans and does not own any manufacturing facility as on the date of this report, hence, the subject matter is not applicable. However, the Company continued to use technology intensively in its operations during the year under review and there are no significant particulars relating to technology absorption under the Companies (Accounts) Rules, 2014 regarding disclosure of particulars in the Report of Board of Directors.

20.3 FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no foreign exchange earnings and outgo during the year except the payments made under External Commercial Borrowings, Equity subscription, Directors Sitting Fee & reimbursements etc. during the year.

21. DIRECTORS AND COMMITTEES

21.1 BOARD OF DIRECTORS

Keeping with the commitment to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

COMPOSITION

In compliance with the provisions of the Companies Act, 2013 ("the Act"), the Company has an optimum combination of executive and non–executive directors with a woman director.

As on March 31, 2023, the Board of the Company comprised of Eight Directors, of whom four are Independent Directors (including one Woman Director), one Nominee Director, one Non-Executive Director, one Non-Executive Chairman and one Managing Director.

The Board of Directors possess requisite qualifications, experience, expertise, professionalism and diversity in general corporate management, banking, finance, economics, marketing, audits, analytics and other allied fields which enable them to contribute effectively to the Company.

Detailed profile of the Directors is available on the Company's website at the web-link: https://www.midlandmicrofin.com/about-us/?t=2

COMPOSITION AS ON THE DATE OF THE DIRECTOR'S REPORT

DIN	Name of Directors	Designation	Qualification	Brief Profile
00649442	Mr. Amardeep Singh Samra	Promoter Director (Managing Director)	B.Com.	He is passionate about Microfinance and introduced the concept in the region of Punjab, Haryana and Rajasthan. He has a specialization in Finance, Marketing and Administration. He is the Co-ordinator of Punjab & Haryana Finance Companies Association (PHFCA), the prestigious body of major NBFCs in North India. He is also a Director in Microfinance Institutions Network (MFIN), the premier industry Association and Self-Regulatory Organization (SRO) for the microfinance industry in India as regulated under RBI. Furthermore, he is also a member of Young Presidents Organisation (YPO) Punjab Chapter, the world's premium network of chief executives.
00052716	Mr. Vijay Kumar Bhandari	Promoter Director (Chairman)	B. Com (Hons), F.C.A.	Mr. Vijay Kumar Bhandari is a Fellow member of Institute of Chartered Accountants of India. He is a banker by profession and former General Manager of Central Bank of India. He has over 34 years of experience in Banking Industry in various capacities as Senior Internal Auditor, Branch Manager, Regional Manager and Zonal Manager.

DIN	Name of Directors	Designation	Qualification	Brief Profile
				He held his last position as General Manager-In-Charge of Credit, Credit Monitoring, Treasury, Investment, Fund Management, Merchant Banking and International Banking division of Central Bank of India. He is also on the Board of Various renowned companies as an Independent Director.
01571485	Mr. Shant Kumar Gupta	Independent Director	B.Com. M.A. (Eco.)	He is Chairman and Promoter of renowned 'HAMCO GROUP' engaged in manufacturing and trading of Iron and Steel and hand tools. Post graduate in Economics and a businessman by profession. He is also a Founder and Chairman of 'Hamco Charitable Trust', an NGO involved in imparting free computer education to poor and needy students.
07009446	Mrs. Kamna Raj Aggarwalla	Woman Independent Director	B.A.	She is the Managing Partner of GDPA Fasteners', one of the youngest women entrepreneurs to pave way for GDPA Fasteners' entry into exports. She is also the member of the Advisory Board to Government of Punjab for Small Scale Industries. She is also the Regional Chairperson of Northern Region Engineering Export Promotion Council of India. She is a past Chairperson of the Confederation of Indian Industry (CII), Punjab and is also the Member of the board of CII Northern Region. Apart from this, she is also Convener for Education and Skilling Panel of the Confederation of Indian Industry (CII), Punjab and is on Board to Punjab Technical University.
01592593	Mr. Sachin Nithyanand Kamath	Nominee Director	F.C.A.	Mr. Kamath is an experienced Global Asset Manager with a track record in managing multi-million dollar investments across various asset classes and geographies, which include USA, Europe, Middle East and India.

DIN	Name of Directors	Designation	Qualification	Brief Profile
				He co-founded Kitara Capital in 2009, which currently has eco-system of appx. US$800 million. He is a B.Com graduate from Mumbai University and professionally a qualified Chartered Accountant. During his tenure of 34 years, he has worked in India with ICICI Limited, Paradigm Investments, BOI Mutual fund, JV Gokal group before he migrated to Middle East in 1997 and started/managed the investment group for Khimji family in Oman.
00514356	Mr. Santokh Singh Chhokar	Non-Executive Director	B.SC (Hons.), PGD Law	He is originally a medical and social sciences graduate from the University of London, he also completed his Law Society's Post Graduate Diploma in Law in 1991 and the Law Society's final Examination in 1992. After completing his two years training he was admitted as a Solicitor in 1994 Senior Partner in Chhokar & Co. Solicitors. He is a long-standing member of the Solicitors' Family Law Association, and the International Bar Association. He has been a Fellow of the Royal Society since 2005. He served as Chairman of South Bucks District Council for two years. Currently, He is serving as a Councillor in Buckinghamshire Council and as Chairman of Denham, Gerrards Cross and Chalfonts Community Board. He has served as Honorary Treasurer and President of the Middlesex Law Society.
02895343	Mr Parveen Kumar Gupta	Independent Director	Company Secretary, C.A.I.I.B – Indian Institute of Bankers, Mumbai, B.Com	Mr. Gupta has vast experience in the financial services sector of over 40 years. He retired as Managing Director from State Bank of India ("SBI"). During his stint with SBI group, he looked after Retail Banking, Digital Banking, Risk & Compliance functions, Treasury, International Banking, Investment Banking, Private Equity. He was also nominated by SBI on the Boards of various subsidiaries of the Bank as a nominee director.

DIN	Name of Directors	Designation	Qualification	Brief Profile
				He is currently Part Time Non-Executive Chairman of Utkarsh Small Finance Bank, National Securities Depository Limited and of Future Generali India Insurance Company Limited. He is also an Independent Director on the Boards of Bank of India Investment Managers Private Limited and Growth Source Financial Technologies Pvt. Ltd. He has also been appointed as member of the Board of Governors of Indian Institute of Management, Raipur. Mr Gupta is also a past Chairman of Foreign Exchange Dealers Association of India (FEDAI). He holds a bachelor's degree in commerce from Guru Nanak Dev University and is an associate member of the Institute of Company Secretaries of India. He is also a certified associate of the Indian Institute of Bankers. He was a member of the expert committee on Micro, Small & Medium Enterprises, headed by Mr. U.K. Sinha, former Chairman of the SEBI, constituted by RBI.
00670384	Mr. Ashwani Kumar Jindal	Independent Director	Chartered Accountant, Information System Auditors-ICAI, Forensic Auditors-ICAI	Mr. Ashwani Kumar Jindal is a recognized member of the Institute of Chartered Accountants of India. He has an immense knowledge and experience in NBFC Audits, RBI matters, Income Tax & GST and Auditing. He executed Central Statutory Audit of Amritsar Central Co-operative Bank for several years. He is Co-opted Member of Internal Audit Standard Board of ICAI for the year 2020- 21 and remained co-opted member of Committee of Members in Industry & Business of ICAI for the year 2019-20. He remained Co-opted member of Board of Studies of ICAI for the years 2016-2019. He remained as Chairman of Jalandhar Branch of NIRC of ICAI for three years in 2006, 2009 and 2013-14. He is Founder member and General Secretary of Chartered Accountants Association. He is also General Secretary of Income Tax & GST Bar Jalandhar.

Note: *None of the Directors holds office as a director, including alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included. As per declarations received, none of the directors serves as an independent director in more than seven listed companies.*

i. Appointment of Directors

During the year ended on March 31, 2023, the Company has appointed Mr. Ashwani Kumar Jindal (DIN: 00670384), Non-Executive Independent Director.

ii. Retire by Rotation

Pursuant to the provisions of the Companies Act, 2013 ('Act') and Articles of Association of the Company, Mr. Vijay Kumar Bhandari, Non-Executive Director (Chairman) (DIN: 00052716) of the Company is liable to retire by rotation and seek re-appointment as a Director of the Company in the financial year 2023-24.

iii. Cessation of Directors

During the year ended on March 31, 2023, none of the Directors ceased to hold office as a Director of the Company.

21.2 KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following were the KMPs of the Company as on March 31, 2023:

DIN/PAN	Name	Designation
00649442	Mr. Amardeep Singh Samra	Managing Director
BBRPK3548N	Mr. Amitesh Kumar	Chief Operational Officer (COO) & Chief Financial Officer (CFO)
BGCPB7211F	Mr. Sumit Bhojwani	Company Secretary

21.3 MEETINGS OF THE BOARD

Number of Board Meetings

During the financial year 2022-23, the Board met seven (7) times. The maximum gap between any two (2) Board Meetings was not more than one hundred and twenty days at any point of time. The details of Board Meetings conducted are as follows:

Date	Board Strength	No. of Directors Present
May 09, 2022	7	7
June 08, 2022	7	7

Date	Board Strength	No. of Directors Present
August 11, 2022	7	6
November 09, 2022	8	8
December 14, 2022	8	8
February 04, 2023	8	8
February 14, 2023	8	8

Attendance of Directors in Board Meetings

Name of the Directors	Category	No. of Board Meetings		Whether attended last AGM	No. of other Directorships held(excluding Private Companies, ForeignCompanies and Section 25 Companies)
		Held	Attended		
Mr. Amardeep Singh Samra	Managing Director	7	7	Yes	None
Mr. Vijay Kumar Bhandari	Non-Executive Director	7	7	Yes	Six
Mr. Shant Kumar Gupta	Independent Director	7	7	Yes	None
Mrs. Kamna Raj Aggarwalla	Independent Director	7	6	Leave of Absence	One
Mr. Sachin Nithyanand Kamath	Nominee Director	7	7	Leave of Absence	None
Mr. Santokh Singh Chhokar	Non-Executive Director	7	7	Yes	None
Mr. Parveen Kumar Gupta	Independent Director	7	7	Yes	Five*
Mr. Ashwani Kumar Jindal **	Independent Director	7	4	Yes	One

*During the Financial Year 2022-2023, following changes have been recorded in the Board of the company: *The directorship of Mr. Parveen Kumar Gupta from 63 Moons Technologies Limited have been stayed by Supreme Court of India w.e.f. February 10, 2022.*

***Mr. Ashwani Kumar Jindal was appointed as a Non-Executive Independent Director w.e.f. August 11, 2022.*

21.4 MEETING OF INDEPENDENT DIRECTORS

Pursuant to the requirements of Schedule IV to the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was also held on March 31, 2023 through video conferencing, without the presence of non-independent directors and members of the management, to review the performance of non-independent directors and the Board as a whole, the performance of the Chairman of the Company and also to assess the quality, quantity and timeliness of the flow of information between the Company, management and the Board.

21.5 CONFIRMATION/STATEMENT/DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence as laid out in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as independent directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Companies Act, 2013 and applicable rules thereunder) of all Independent Directors on the Board.

Pursuant to Section 150 of the Companies Act, 2013 read with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have registered themselves in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs. The Independent Directors have committed to qualify the online proficiency self-assessment as required under aforesaid Rule within prescribed timeline.

21.6 DISCLOSURE IN RESPECT OF ANY MD / WTD RECEIVING COMMISSION FROM A COMPANY AND ALSO RECEIVING COMMISSION OR REMUNERATION FROM ITS HOLDING OR SUBSIDIARY COMPANY

Since the Company has no holding or subsidiary company, thus, no particulars are required to be given pursuant to the provisions of section 197 (14) of the Companies Act, 2013.

21.7 COMMITTEES

The Company has various Committees, which have been constituted as a part of good corporate governance practices, and the same are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company currently has ten (10) Committees which are as follows:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee
6. Asset Liability Management Committee
7. IT Strategy Committee
8. IT Steering Committee
9. Board Management Committee
10. Head Office Executive Committee

AUDIT COMMITTEE

Pursuant to the provisions of the Companies Act, 2013, your Company has a duly constituted Audit Committee and its composition is in conformity with the requirements of the Act, with minimum of three directors with independent directors forming a majority.

Composition of Audit Committee

Name of Members	Designation
Mr. Vijay Kumar Bhandari	Chairman
Mr. Shant Kumar Gupta	Independent Director
Mrs. Kamna Raj Aggarwalla	Independent Director
Mr. Parveen Kumar Gupta	Independent Director
Mr. Sachin Nithyanand Kamath	Nominee Director

Terms of Reference

The terms of reference of the Audit Committee as approved by the Board of Directors includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors, including cost auditors (if any), for any other services rendered by them;
- Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for its approval,
- Review with the management, the quarterly financial statements before submission to the Board for approval;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Scrutiny of inter-corporate loans and investments;
- Approval or any subsequent modification of transactions with related parties of the Company;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Review the functioning of the Whistle Blower mechanism / oversee the vigil mechanism;
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- Monitoring the end use of funds raised through public offers and related matters;
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Dates of Audit Committee Meetings

During the financial year ended on March 31, 2023, the Audit Committee meetings held 4 times on the below-stated dates:

- May 09, 2022
- August 11, 2022
- November 09, 2022
- February 04, 2023

Attendance in Audit Committee Meetings

Name of Members	Position held	No. of Meetings held	No. of Meetings Attended
Mr. Vijay Kumar Bhandari	Chairman	4	4
Mr. Shant Kumar Gupta	Independent Director	4	4
Mr. Parveen Kumar Gupta	Independent Director	4	4
Mrs. Kamna Raj Aggarwalla	Independent Director	4	3
Mr. Sachin Nithyanand Kamath	Nominee Director	4	4

NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of the section 178 of the Companies Act, 2013, your Company has a duly constituted Nomination and Remuneration Committee with its composition in conformity with the requirements of the Act.

Composition of Nomination and Remuneration Committee

Name of Members	Designation
Mr. Shant Kumar Gupta	Chairman and Independent Director
Mr. Vijay Kumar Bhandari	Non-Executive Director
Mrs. Kamna Raj Aggarwalla	Independent Director
Mr. Parveen Kumar Gupta	Independent Director
Mr. Sachin Nithyanand Kamath	Nominee Director

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee as approved by the Board of Directors includes the following:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- Consider extension or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors;
- Specify the manner for effective evaluation of performance of Board, its Committees and Individual Directors
- Recommend / review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- Review information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Dates of Nomination and Remuneration Committee Meetings

During the financial year ended on March 31, 2023, the Nomination and Remuneration Committee meetings held three times on below-stated dates:

- May 09, 2022
- August 11, 2022
- November 09, 2022

Attendance in Nomination and Remuneration Committee Meetings

Name of Members	Position held	No. of Meetings held	No. of Meetings Attended
Mr. Shant Kumar Gupta	Chairman	3	3
Mr. Vijay Kumar Bhandari	Member	3	2
Mrs. Kamna Raj Aggarwalla	Member	3	2
Mr. Sachin Nithyanand Kamath	Member	3	3
Mr. Parveen Kumar Gupta	Member	3	3

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Pursuant to the provisions of sub-section (5) of section 178 of the Companies Act, 2013, your Company has duly constituted Stakeholders' Relationship Committee to specifically look into the debenture holders', shareholders' and investors' complaints on matters relating to transfer/transmission of securities, non-receipt of annual report, non-receipt of dividend, payment of unclaimed dividends, payment of interest/principal amount to debenture holders, other lenders etc.

Composition of Stakeholders' Relationship Committee

Name of Members	Designation
Mr. Amardeep Singh Samra	Managing Director
Mr. Vijay Kumar Bhandari	Non-Executive Chairman of the Company
Mr. Shant Kumar Gupta	Independent Director

Terms of Reference

The terms of reference of the Stakeholders' Relationship Committee as approved by the Board of Directors includes the following:

- Oversee and review all matters connected with transfer of Company's securities;
- Oversee the performance of the Company's Registrars and Transfer Agents;
- Consider, resolve and monitor various aspects of interest of shareholders, debenture holders and other security holders including the redressal of investors' / shareholders' / security holders' grievances related to transfer / transmission of securities, non-receipt of annual reports, non-receipt of declared dividend, issue new / duplicate certificates, general meetings and so on.
- Review measures taken for effective exercise of voting rights by shareholders.
- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent and recommend methods to upgrade the service standards adopted by the Company.
- To look into matters that can facilitate better security-holder's services and relations

Dates of Stakeholders' Relationship Committee Meetings

During the financial year ended on March 31, 2023, the Stakeholders' Relationship Committee Meetings held four times on below-stated dates:

- April 15, 2022
- July 01, 2022
- October 06, 2022
- January 05, 2023

Attendance in Stakeholders' Relationship Committee Meetings

Name of Members	Position held	No. of Meetings held	No. of Meetings Attended
Mr. Amardeep Singh Samra	Chairman	4	4
Mr. Vijay Kumar Bhandari	Member	4	4
Mr. Shant Kumar Gupta	Member	4	4

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to the provisions of the section 135 of the Companies Act, 2013 and the rules made thereunder, the Company has a duly constituted Corporate Social Responsibility Committee. The Committee has formulated the CSR Policy of the Company indicating CSR activities proposed to be undertaken by the Company pursuant to the provisions of Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time. The CSR Policy may be accessed on the Company's website at the link http://midlandmicrofin.com/wp- content/uploads/CSR-Policy.pdf

The Annual Report on CSR activities undertaken by the Company forms part of the Board Report as Annexure-D.

Composition of Corporate Social Responsibility Committee

Name of Members	Designation
Mr. Amardeep Singh Samra	Managing Director
Mr. Sachin Nithyanand Kamath	Nominee Director
Mrs. Kamna Raj Aggarwalla	Independent Director

Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee as approved by the Board of Directors includes the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the CSR activities;
- Monitor CSR Policy of the Company from time to time;
- Monitor the CSR activities undertaken by the Company;
- Formulate / approve codes and / or policies for better governance;
- Provide correct inputs to the stakeholders so as to preserve and protect the Company's image and standing;
- Disseminate factually correct information to investors, institutions and the public at large;
- Establish oversight on important corporate communication on behalf of the Company with the assistance of consultants / advisors, if necessary;
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Dates of Corporate Social Responsibility Committee Meetings

During the financial year ended on March 31, 2023, the Corporate Social Responsibility Committee Meetings was held three times on the below-stated date:

- May 09, 2022
- November 09, 2022
- March 31, 2023

Attendance in Corporate Social Responsibility Committee Meetings

Name of Members	Position held	No. of Meetings held	No. of Meetings Attended
Mr. Amardeep Singh Samra	Chairman	3	3
Mr. Sachin Nithyanand Kamath	Member	3	3
Mrs. Kamna Raj Aggarwalla	Member	3	3

RISK MANAGEMENT COMMITTEE

Pursuant to the guidelines issued by the Reserve Bank of India, notified vide its circular dated May 8, 2007, your Company has a duly constituted Risk Management Committee to manage the integrated risk of the Company. The Company has established effective risk assessment and minimization procedures, which are reviewed by the Risk Management Committee periodically.

Composition of Risk Management Committee

Name of Members	Designation
Mr. Amardeep Singh Samra	Managing Director
Mr. Shant Kumar Gupta	Independent Director
Mr. Vijay Kumar Bhandari	Non-Executive Director (Chairman of the Company)

Terms of Reference

The terms of reference of the Risk Management Committee as approved by the Board of Directors includes the following:

- The Risk Management Landscape in the company covers the stages of identifying, assessing, measuring, managing, controlling and reporting risk concerns across all the risk classes viz. Credit, Market and Operational Risks and Liquidity Risk.
- Frame Risk Management Plan and Policy;
- Oversee implementation / Monitoring of Risk Management Plan and Policy;
- Validate the process of Risk Management;
- Validate the procedure for Risk Minimisation;
- Periodically review and evaluate the Risk Management Policy and Practices with respect to risk assessment and risk management processes;
- Continually obtain reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed;
- Review of development and implementation of a Risk Management Policy including identification therein of element of risk;
- Review of cyber security and related risks;
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.
- The Risk Management Policies adopted and reviewed periodically articulate, codify the strategy, structure, processes and systems.

- Expanding business arenas, deregulation and globalization of financial activities, emergence of new financial products and increased level of competition has necessitated the need for an effective and structured risk management practice in financial institution.

Dates of Risk Management Committee Meetings

During the financial year ended on March 31, 2023, the Risk Management Committee Meeting held three times on the below-stated date:

- September 28, 2022
- December 30, 2022
- March 31, 2023

Attendance in Risk Management Committee Meeting

Name of Members	Position held	No. of Meetings held	No. of Meetings Attended
Mr. Amardeep Singh Samra	Chairman	3	3
Mr. Vijay Kumar Bhandari	Member	3	3
Mr. Shant Kumar Gupta	Member	3	3

ASSET LIABILITY MANAGEMENT COMMITTEE

Pursuant to the guidelines issued by the Reserve Bank of India (RBI) on Asset Liability Management (ALM) System for NBFCs on June 27, 2001, your Company has a duly constituted an Asset Liability Management Committee (ALCO) to check the asset liability mismatches, interest risk exposure and to help the Company to improve the overall system for effective risk management in various portfolios held by the Company.

Composition of Asset Liability Management Committee

Name of Members	Designation
Mr. Amardeep Singh Samra	Managing Director
Mr. Amitesh Kumar	COO & CFO
Mr. Gopesh Gupta	Dy. Vice President (Finance)
Mr. Gagan Deep Sharma	Dy. Vice President (Legal and Audit)
Mr. Bhimanshu Gupta	Associate Vice President (Finance)
Mr. Ashish Guleria	Senior Manager (Finance)
Mr. Sumit Bhojwani	Company Secretary
Mr. Gagandeep Sharma*	Chief Technology Officer
Mr. Sanjeev Mishra**	DVP (Audit)
Mr. Maninder Kumar	AVP (Credit)

Mr. Gagandeep Sharma was appointed as Chief Technology Officer of the company w.e.f. June 08, 2022.
*** Mr. Sanjeev Kumar Mishra ceased to be a member of ALCO w.e.f. 31.12.2022 due to his resignation.*

Terms of Reference

The terms of reference of the Asset Liability Management Committee as approved by the Board of Directors includes the following:

- The committee actively manages and controls the structure of assets and liabilities and interest rate sensitivities with a view of optimizing profits besides maintaining capital adequacy and sufficient liquidity.
- The Committee Statements for Structured Liquidity, Liquidity Coverage and Interest Rate Sensitivity of company is being prepared in line with the RBI guidelines to actively manage the liquidity and interest rate risks.

Dates of Asset Liability Management Committee Meetings

During the financial year ended on March 31, 2023, the Asset Liability Management Committee Meetings were held six times on the below-stated dates:

- April 30, 2022
- June 30, 2022
- September 30, 2022
- October 29, 2022
- December 31, 2022
- March 31, 2023

Attendance in Asset Liability Management Committee Meetings

Name of Members	Position held	No. of Meetings held	No. of Meetings Attended
Mr. Amardeep Singh Samra	Chairman	6	6
Mr. Amitesh Kumar	Member	6	6
Mr. Gopesh Gupta	Member	6	6
Mr. Gagan Deep Sharma	Member	6	6
Mr. Bhimanshu Gupta	Member	6	6
Mr. Ashish Guleria	Member	6	6
Mr. Sumit Bhojwani	Member	6	6
Mr. Gagandeep Sharma	Member	6	6
Mr. Sanjeev Mishra*	Member	6	2
Mr. Maninder Kumar	Member	6	4

IT STRATEGY COMMITTEE

Pursuant to RBI Master Direction-Information Technology Framework for the NBFC sector dated June 08, 2017, the Company has constituted an IT Strategy Committee on May 16, 2019 to review the IT strategies in line with the corporate strategies, board policy reviews, cyber security arrangements and any other matter related to IT governance.

Composition of IT Strategy Committee

Name of Members	Designation
Mr. Amardeep Singh Samra	Managing Director
Mr. Shant Kumar Gupta	Independent Director
Mr. Amitesh Kumar	COO & CFO
Mr. Gopesh Gupta	Dy. Vice President (Finance)
Mr. Gagan Deep Sharma	Dy. Vice President (Legal and Audit)
Mr. Bhimanshu Gupta	Associate Vice President (Finance)
Mr. Ashish Guleria	Senior Manager (Finance)
Mr. Sumit Bhojwani	Company Secretary
Mr. Gagandeep Sharma	Chief Technology Officer

Terms of Reference

The terms of reference of the IT Strategy Committee as approved by the Board of Directors includes the following:

- Approving IT strategy and policy documents and ensuring effective strategic planning process;
- Ascertaining that implemented processes and practices delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits & that budgets are acceptable;
- Monitoring the method to determine the IT resources which are needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and controls.

Dates of IT Strategy Committee Meetings

During the financial year ended on March 31, 2023, the IT Strategy Committee Meetings were held four times on the below-stated dates:

- July 15, 2022
- August 11, 2022
- November 26, 2022
- March 17, 2023

Attendance in IT Strategy Committee Meeting

Name of Members	Position held	No. of Meetings held	No. of Meetings Attended
Mr. Shant Kumar Gupta	Chairman	4	4
Mr. Amardeep Singh Samra	Member	4	4
Mr. Amitesh Kumar	Member	4	4
Mr. Gopesh Gupta	Member	4	4
Mr. Gagan Deep Sharma	Member	4	4
Mr. Bhimanshu Gupta	Member	4	4
Mr. Ashish Guleria	Member	4	4
Mr. Sumit Bhojwani	Member	4	4
Mr. Gagandeep Sharma*	Member	4	2

**Mr. Gagandeep Sharma was appointed as Chief Technology Officer of the company w.e.f. June 08, 2022.*

IT STEERING COMMITTEE

Pursuant to RBI Master Direction-Information Technology Framework for the NBFC sector dated June 08, 2017, the Company has duly constituted an IT Steering Committee which provides oversight and monitoring of the progress of the project, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable. Also, NBFCs are required to realign their IT systems on a regular basis in line with the changing needs of its customers and business. The changes need to be done in such a way that adverse incidents and disruption to services are minimized while maximizing value for the customers.

Composition of IT Steering Committee

Name of Members	Designation
Mr. Amardeep Singh Samra	Managing Director
Mr. Amitesh Kumar	COO & CFO
Mr. Gopesh Gupta	Dy. Vice President (Finance)
Mr. Gagandeep Sharma	Chief Technology Officer
Mr. Sumit Bhojwani	Company Secretary

Terms of Reference

The terms of reference of the IT Steering Committee as approved by the Board of Directors includes the following:

- Prioritizing and responding to change proposals from business,
- Cost benefit analysis of the changes proposed,
- Assessing risks associated with the changes proposed,
- Change implementation, monitoring and reporting,
- Oversight and monitoring of the progress of the project,
- Deliverables to be realized at each phase of the project,
- Milestones to be reached according to the project timetable.

Dates of IT Steering Committee Meetings

During the financial year ended on March 31, 2023, the IT Steering Committee Meetings were held three times on the below-stated dates:

- April 11, 2022
- October 29, 2022
- March 17, 2023

Attendance in IT Steering Committee Meetings

Name of Members	Position held	No. of Meetings held	No. of Meetings Attended
Mr. Amardeep Singh Samra	Chairman	3	3
Mr. Amitesh Kumar	Member	3	3
Mr. Gopesh Gupta	Member	3	3
Mr. Gagandeep Sharma*	Member	3	2
Mr. Sumit Bhojwani	Member	3	3

**Mr. Gagandeep Sharma was appointed as Chief Technology Officer of the company w.e.f. June 08, 2022.*

BOARD MANAGEMENT COMMITTEE

The Company has constituted the Board Management Committee in order to regulate the operations and processes of the Company in the most effective manner.

Composition of Board Management Committee

Name of Members	Designation
Mr. Amardeep Singh Samra	Managing Director
Mr. Shant Kumar Gupta	Independent Director
Mrs. Kamna Raj Aggarwalla	Independent Director

Terms of Reference

The terms of reference of the Board Management Committee as approved by the Board of Directors includes the following:

- To approve Transfer and Transmission of shares
- To Raise Funds - Borrowing of funds/ loans by the Company in form of Term Loan, Overdraft Facility, Cash Credit Facility, External Commercial Borrowings (ECB), Direct Assignments (DA), Pass Through Certificates (PTC) or any other instrument(s) which the committee may deem fit from all the eligible lenders Including Banks, Financial institutions, NBFCs, Foreign Lenders, Foreign Investors, Institutional Investors, FPIs, Mutual Funds and such other category of lenders
- To transact all the matters relating to allotment of securities including debentures and settle any matter which may arise in relation to the allotment of securities anti to flip the necessary forms, agreements, returns and such other documents pertaining to the securities with the Registrar of the Companies and SEBI as may be required from time to time.
- To create, modify and satisfy the charge created on the assets of the Company.
- To invest the funds of the company.
- To grant loans or give guarantee or provide security in respect of loans.
- To enter into hedging transactions.
- To act as Business Correspondent.
- To approve opening/closure of bank account on the name of the company
- To apply for the internet banking facility for the existing bank accounts of the company
- To consider and approve the terms and conditions of the sanction letters received by the Company from the financial Institutions and Banks, etc. with respect to borrowings of the Company. To execute all agreements, documents, etc. and to enter into borrowing arrangements for the Company.
- To enter into any rent, lease or licence agreement for taking any building for its Business operation including establishment of Branch office/Guest House or any other type of property.
- To avail requisite Insurance, but not limited to cash-in-transit insurance, fidelity insurance, health & accidental insurance, and other insurance as may be necessary during the business operation.
- To authorize for obtaining, activation, deactivation, portability of Sim cards, data cards, mobile connections, voice lines, lease lines, internet connections and other telecommunication services on 'As and when required basis' for the routine work.
- To Consider any other matter specifically referred to the Board Management Committee by the full Board.

Dates of Board Management Committee Meetings

During the Financial Year ended on March 31, 2023, the Board Management Committee Meetings were held 26 times on the below-stated dates:

- April 13, 2022
- May 19, 2022
- June 01, 2022
- June 20, 2022
- June 25, 2022
- June 30, 2022
- July 01, 2022
- July 15, 2022
- July 28, 2022
- August 03, 2022
- August 10, 2022
- August 11, 2022
- August 19, 2022
- August 29, 2022
- September 06, 2022
- September 19, 2022
- September 23, 2022
- October 28, 2022
- December 15, 2022
- December 30, 2022
- February 10, 2023
- February 20, 2023
- March 02, 2023
- March 16, 2023
- March 24, 2023
- March 31, 2023

Attendance in Board Management Committee Meetings

Name of Members	Position held	No. of Meetings held	No. of Meetings Attended
Mr. Amardeep Singh Samra	Chairman	26	25
Mr. Shant Kumar Gupta	Member	26	24
Mrs. Kamna Raj Aggarwalla	Member	26	22

HEAD OFFICE EXECUTIVE COMMITTEE

The Company has constituted the Head Office Executive Committee in order to oversee the day-to-day functioning of the company and to review the policy matters to be put to the board.

Composition of Head Office Executive Committee

Name of Members	Designation
Mr. Amardeep Singh Samra	Managing Director
Mr. Amitesh Kumar	COO & CFO
Mr. Gopesh Gupta	Dy. Vice President (Finance)
Mr. Gagan Deep Sharma	Dy. Vice President (Legal and Audit)
Mr. Sumit Bhojwani	Company Secretary

Dates of Head Office Executive Committee Meetings

During the financial year ended on March 31, 2023, the Head Office Executive Committee Meetings were held four times on the below-stated dates:

- May 07, 2022
- August 10, 2022
- November 08, 2022
- February 03, 2023

Attendance in Head Office Executive Committee Meetings

Name of Members	Position held	No. of Meetings held	No. of Meetings Attended
Mr. Amardeep Singh Samra	Chairman	4	4
Mr. Amitesh Kumar	Member	4	4
Mr. Gopesh Gupta	Member	4	4
Mr. Gagandeep Sharma	Member	4	4
Mr. Sumit Bhojwani	Member	4	4

22. POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("the Act"), the Board of Directors has approved and adopted the Nomination & Remuneration Policy, inter alia, for the appointment and fixation of remuneration of the directors, key managerial personnel and other employees of your Company as applicable.

The Nomination and Remuneration Committee has also developed the criteria for determining the qualifications, positive attributes and independence of Directors.

The Reserve Bank of India has issued circular for all Non-Banking Financial Companies w.r.t. Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management on April 29, 2022 vide circular No. RBI/2022-23/36 DOR.GOV.REC.No.29/18.10.002/2022-23, in which it has required NBFCs to put in place a Board approved compensation policy in order to address the issues arising out of excessive risk-taking caused by misaligned compensation packages. Further, the policy is required to include the constitution of a Remuneration Committee, the principles for fixed/variable pay structures and, malus/clawback provisions. The company has prepared the policy and have been duly approved by the Board of Directors of the Company.

The Nomination and Remuneration Policy of the Company as required under Section 178(3) of the Companies Act, 2013 and applicable rules thereunder is available on our website and the same can be accessed at web link: www.midlandmicrofin.com

The salient features of the Nomination and Remuneration Policy of the Company are mentioned hereunder: -

a) To support the organization's strategy by helping to build a competitive, high performance and innovative company with an entrepreneurial culture that attracts, retains, motivates and rewards high- performing employees;

b) To promote the achievement of strategic objectives within the company's risk appetite;

c) To promote / support positive outcomes across the economic and social context in which the company operates; and

d) To promote an ethical culture and responsible corporate citizenship.

23. ANNUAL EVALUATION-BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS

During the financial year under review, a formal evaluation of the performance of the Board, its Committees and of individual directors was done on the basis of Performance Evaluation Policy.

The feedback was sought from Directors on various parameters including:

- Degree of fulfilment of key responsibilities towards stakeholders;
- Structure, composition, and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board/Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The Nomination and Remuneration Committee reviewed the performance of the individual directors and the Board as a whole. In the subsequent Board Meeting held after the Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was considered.

In a separate meeting of Independent Directors held on March 31, 2023, performance of Non-Independent Directors, the Board as a whole, and the Chairman of the Company has been evaluated, taking into account the views of Executive Directors and Non-Executive Directors. Furthermore, in that separate meeting of Independent Directors, the annual performance evaluation of Non-Independent Directors, the Board as a whole and the Chairman was also carried out. The performance evaluation of the respective Committees and that of Independent and Non-Independent Directors was done by the Board excluding the Director being evaluated.

24. VIGIL MECHANISM /WHISTLE BLOWER POLICY

Your Company has a well formulated and duly Board approved Vigil Mechanism/Whistle Blower Policy. The Policy provides a whistle blowing route to employees, including part-time, temporary and contract employees, directors and other stakeholders of the organization to raise their concerns about serious irregularities, unethical behaviour, actual or suspected fraud within the Company to the Whistle and Ethics Officer.

In compliance with the procedure laid down under the Vigil Mechanism as required under Section 177(9) of the Companies Act, 2013, the Company has established a secured Vigil Mechanism which provides the procedures for:

- Receiving, retaining and treating complaints received by employees, directors and other stakeholders;
- Confidential, anonymous submission of complaints by Employees / Directors / other Stakeholders regarding questionable matters and conduct which results in a violation of law by Company or in a substantial mismanagement of Company resources and any other concern;

NAME AND ADDRESS OF THE WHISTLE BLOWER AND ETHICS OFFICER:

Mr. Amitesh Kumar- COO & CFO

Email: amitesh@midlandmicrofin.com

Contact No.: 078372-18817

The confidentiality of reporting violations is maintained and are not subjected to any discriminatory practice.

During the year under review, the Company received 5 whistle-blower complaints. Investigation against the said cases were done as per the statutory provisions and appropriate actions were taken against them and none of the investigations were pending/underway for the complaints as on March 31, 2023.

25. HUMAN RESOURCE DEVELOPMENT

25.1 HUMAN RESOURCES

Our company views its people as its most precious assets and works to connect them with its corporate objectives while ensuring the efficient functioning of the organization, well-being of employees, and the successful delivery of financial services to clients.

Our people practices are aimed at developing a culture that promotes growth, satisfaction, learning and engagement. We are focused at providing our employees with best in the industry infrastructure, technology, and career progression opportunities.

Over the last year, the Human Resource team in collaboration with other stakeholders have contributed significantly in improving productivity and supporting the business to achieve our goals.

ACHIEVEMENTS:

Great Place To Work – fourth year in a row

700+ trainings programmes conducted for more than 3500 employees

YoY increase in employee strength by 35%

In an ever-evolving digital landscape, the Human Resource Department has embraced technology as a pivotal enabler for optimizing processes, enhancing employee experience, and driving organizational growth.



PERFORMANCE MANAGEMENT SYSTEM:

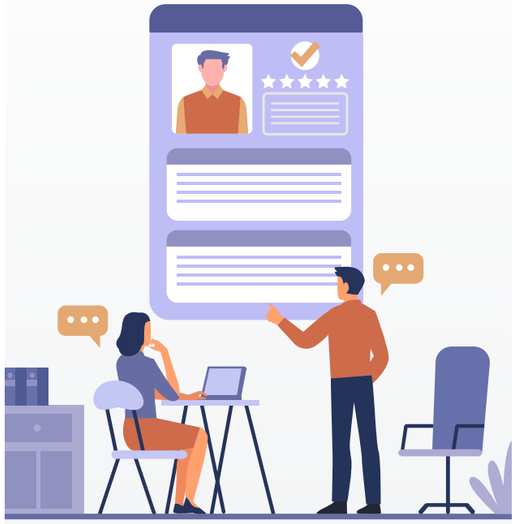
The HR Department also implemented a robust performance management system that includes goal-setting, regular check-ins, and annual review while providing clear performance expectations and regular feedback mechanisms to all employees to drive employee productivity and growth. This approach fosters open communication between employees and their supervisors, enabling them to align their efforts with the institution's objectives and seek opportunities for improvement.

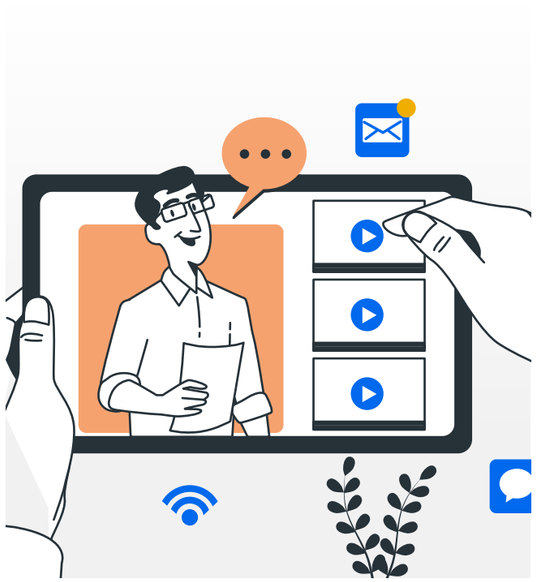
Our robust and unbiased performance management system delivers success through performance-driven parameters. Performance scorecards defining employee KPIs and performance are released at regular intervals and with the inputs from our senior management. Workshops and training sessions are conducted at all levels to align the employees with their scorecards. We shall further be automating our PMS process through our HRMS platform and introducing 360 performance feedback. Midland has completed on-time appraisal for the FY.

DIGITIZATION IN RECRUITMENT:

Midland's vision of providing employment opportunity in every village has been realized by the initiation of our pioneer and one of a kind program - Goan Gaon Rozagar Muhim. The opportunity to provide employment through this mega recruitment mission in all villages across the country is supporting the empowerment and growth of the society, while simultaneously supporting the families of the bottom of the pyramid population.

Midland's digital journey has seen another feature in its cap of digital recruitment methds thought the introduction of our Whatsapp Recruitment BOT - Hire BOT. The BOT presents an easy and convenient channel to the potential candidates who wish to apply for a suitable opportunity with us. Through the BOT, a candidate can now easily navigate through the open positions, experience the ease and reduced TAT of the recruitment process and receive real time update on their applications.





LEARNING & DEVELOPMENT:

With an unswerving focus on nurturing and retaining talent, Midland continues to focus on building cutting-edge competencies through digital learning initiatives.

Learning roadmaps, gamified learning initiatives and mobile learning modules, applications, development programs internal and through the external renowned organization, senior leadership development programs, domain-specific programs and required regulatory certifications on compliance, behavioural training, business ethics, HR policy related issues and other personality building programs, have been a continuous endeavour for Midland and resulted in capacity development.

HUMAN RESOURCE (HR) BENEFITS

We conducted over 5,386 hours of training on topic covering process and non-process aspects.

As an integral part of our commitment to our workforce's well-being and job satisfaction, Midland offers a range of benefits that contribute to our employees' holistic growth and work-life balance.

Our compensation policy has been designed to deliver “Pay to Performance” that allows us to link employee compensation directly to individual performance, through performance evaluation and merit-based scorecards.

Employee Stock Option Plan (ESOPs), Longevity Bonus, Performance Linked Incentives, Employee loans, Insurance Coverage and focus on mental health of the employee through physical wellness sessions, doctor on call services, insurance top ups etc enable us to provide a supportive and enriching environment that enhances the lives of our employees both personally and professionally. We firmly believe in acknowledging and celebrating the outstanding contributions of our employees. Our regular town hall meetings. Throughout the year, we honor individuals and teams who consistently go above and beyond, embodying our company values. Our regular town hall meetings, Reward and Recognition ceremonies, Internal trips for top performers with senior management, strategy meets and many more.

The Company had 3,342 permanent employees on the rolls of the Company as on March 31, 2023.

25.2 PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The statement of disclosure of remuneration under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“Rules”), is appended as Annexure-C and forms part of this report.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure-B and forms part of this report.

25.3 DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has complied with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Prevention of Sexual Harassment (POSH) Policy is in place and Anti Sexual Harassment Committee has been constituted and is fully operational & functional. The constitution of Anti Sexual Harassment Committee is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the committee includes external member with relevant experience. The Committee meets at regular intervals in order to ensure and enhance security of female employees.

During the financial year 2022-23, no complaint pertaining to Sexual Harassment was received by the Committee.

26. DISCLOSURE IN RESPECT OF VOTING RIGHTS NOT EXERCISED DIRECTLY BY THE EMPLOYEES

Pursuant to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014, the Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees, thus, the disclosure is not required to be given in the Report.

27. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

No such application has been made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

28. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The Company has not entered into one-time settlement with any bank or financial institution, thus, the disclosure is not required to be given by the Company.

29. STATUTORY DISCLOSURES

29.1 MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company have occurred after March 31, 2023 till the date of this report.

29.2 SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND OPERATIONS OF THE COMPANY

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

29.3 TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

29.4 DISCLOSURE PERTAINING TO CONSOLIDATED FINANCIAL ACCOUNTS UNDER SECTION 129(3) OF THE COMPANIES ACT, 2013

The Company has no subsidiary or associate companies, thus, the provisions of Section 129(3) of the Companies Act, 2013 are not applicable to the Company.

29.5 CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company in the financial year ended on March 31, 2023. The Company is determined to work efficiently for its growth.

29.6 ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS, SWEAT EQUITY, ESOP ETC.

The Company has not issued any equity shares with differential rights, Sweat Equity, ESOP etc. during the financial year ended on March 31, 2023.

30. DISCLOSURES PURSUANT TO RBI MASTER DIRECTION

Your Company has complied with all the provisions and has made adequate disclosures pursuant to Non- Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Further, the Reserve Bank of India issued a Master Direction called as the Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 on March 14, 2022, which is applicable from April 01, 2022 and mandated all Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks) excluding Payments Banks, All Primary (Urban) Co- operative Banks/ State Co-operative Banks/District Central Co-operative Banks and All Non-Banking Financial Companies (including Microfinance Institutions and Housing Finance Companies) to prepare/modify/update regulatory framework for microfinance loans.

Furthermore, During the Financial Year 2022-23, The Reserve Bank of India has issued few directions, framework and guidelines which were applicable on your company mentioned as follows:

- The Reserve Bank of India has issued the Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs) on December 14, 2021, which is applicable on all Deposit taking and Non-Deposit taking Companies falling under the Middle, Upper and Top Layer. As the Company falls under the Middle Layer category, Company needs to keep monitoring the threshold provided under the said circular w.r.t. the same Board members had gone through the PCA framework and guided the management about the techniques to strengthen the internal systems of the company in order to increase the monitoring for the above said.

- The Reserve Bank of India has issued a Circular in respect to the Compliance Function and Role of Chief Compliance Officer (CCO) - NBFCs on April 11, 2022, which will be applicable from April 01, 2023. As the Company comes under the preview of the said circular as being a Middle Layer (NBFC-ML). The company has taken the proactive measures for the effective implementation of the said.

- The Reserve Bank of India has issued circular on April 29, 2022 in which it has required NBFCs to put in place a Board approved compensation policy in order to address the issues arising out of excessive risk-taking caused by misaligned compensation packages w.r.t the same the company has duly amended its compensation policy during the period under review.

- MFIN has issued 4th Edition of its Industrial Code of Conduct in the month of October 2022 (COC-2022), which have been adopted by your company w.e.f. April 01, 2023.

31. CUSTOMER RELATIONS

31.1 CUSTOMER SERVICE

We strive to create a culture of 'Customer Obsession' — by always listening to customers and driving continuous transformation to provide a frictionless experience across the lifecycle, from pre-disbursal to closure of a loan.

Apart from handling customer grievances through normal mode like telephonic, Midland had introduced many technical innovative ways to connect with customers which include Voice bot, Chat bot, IVR calls & whats app bulk messages. Our only focus is that we should reach to customer on various stages of their loans and update them status of their loan, repayments, eligibility for next loan. This will not make customer aware about their loan but also empower them with different kind of knowledge pertaining to loans.

31.2 CUSTOMER GRIEVANCE REDRESSAL

As per RBI and MFIN guidelines, your Company has a Board approved Customer Grievance Redressal Mechanism for expeditious redressal of customer grievances. The mechanism is to ensure that all disputes arising out of the decisions of lending institution's functionaries are heard and disposed of at least at the next higher level. Your Company has adopted the concept of "First Contact Resolution" in order to redress the grievance of its customers promptly and satisfactorily through their first contact with us.

Grievance Redressal at Branch Level – Your Company has placed suggestion cum complaint boxes in all its branches as the customers' first point of contact for any query resolution of the customers. The utmost importance is given to the placement of suggestion cum complaint boxes in all our branches and the redressal of customer grievances.

Toll Free Customer Helpline - Your Company has a dedicated toll free customer helpline number, which has been displayed in all its branches, and the number has also been given on all the loan cards and applications. The Help Desk ensures that all queries are tracked, resolved and if required, escalated on a timely basis.

Persistent Customer Connect-

Whatsapp ChatBOT:

In the highly competitive landscape of today, Midland comprehends the paramount significance of establishing deeper connections with its customer base. In a concerted effort to elevate customer engagement and satisfaction levels, the company has introduced the ground breaking "Customer Grievance Chatbot Sahayak." This innovative tool engages with customers in their preferred languages, fostering a sense of trust and simultaneously enabling human agents to allocate their expertise towards more intricate matters, such as those involving defaulting customers.

Sahayak the trailblazing chatbot, excels in managing a multitude of customer interactions concurrently, thereby enhancing operational efficiency through rapid responses and efficient issue resolution. By meticulously analysing these interactions and extracting pivotal information, Midland attains profound insights into customer behaviours and preferences. This knowledge empowerment facilitates the delivery of tailor-made services that precisely cater to evolving customer needs. Ultimately, Sahayak emerges as the driving force propelling Midland towards an unparalleled understanding of its customers and the delivery of truly exceptional service.,

AI BOT Calling:

Midland Microfin Limited, a pioneering entity in the realm of Microfinance, has proven its tech-forward approach by originating in Punjab and subsequently expanding its footprint across 12 states. Recognizing the paramount importance of cutting-edge technology, Midland has empowered its workforce, resulting in amplified productivity and efficiency. Moreover, this strategic move has yielded invaluable insights into performance, enabling proactive decision-making.

In its relentless pursuit of streamlined operations and unhindered access to information, Midland has introduced a revolutionary suite of innovative tools. Central among these are the vernacular chatbots and voice bots, emerging as formidable catalysts for change. By nimbly surmounting language barriers, these tools have elevated customer interactions to unprecedented heights. Simultaneously, Midland has crafted ingenious mobile applications that have introduced real-time monitoring of field staff activities. This has effectively established a new paradigm of efficiency in management and coordination.

Through the integration of vernacular AI Voice Bots and Chat Bots, Midland Microfin Ltd. offers instant multilingual support. These tools adeptly address diverse customer inquiries, ranging from account-related questions to balance checks, transaction histories, and policy details. The hallmark of this service is the delivery of real-time responses and personalized assistance. As a result, customers are empowered to seamlessly access information and execute transactions without necessitating human intervention.

IVR Calling:

The organization has embarked on a strategic initiative by implementing Interactive Voice Response (IVR) systems for customers. This move aims to establish a crucial link in last-mile connectivity for social impact. The primary objectives of these IVR calls encompass the collection of valuable feedback and creation of awareness. Through voice applications, the language barrier is effectively surmounted, as these services are offered in four languages: Hindi, Punjabi, Gujarati, and Bengali. Moreover, this approach also addresses limitations posed by literacy constraints.

Capitalizing on the potential of data analytics, AI-powered vernacular voice bots play a pivotal role in unearthing valuable insights for businesses. By employing this data-centric strategy, businesses can make well-informed decisions, refine their products, and tailor marketing campaigns with precision. The utilization of these bots generates a wealth of data that unveils emerging trends, predicts customer needs, and proactively manages potential issues. This strategic employment of data-driven insights propels businesses toward enhanced growth and prosperity.

HireBOT:

The introduction of the Hire Bot brings a transformative shift to the recruitment procedures at MML. This innovation ensures candidates experience enhanced convenience and quicker assistance throughout their application journey. By simplifying the application process, it facilitates rapid and effective communication, prompt HR feedback, and direct interaction with the designated HR Single Point of Contact (SPOC). On the HR front, the Hire Bot significantly diminishes the time-to-fill (TAT) metric for open job positions. This is achieved by optimizing candidate screening and selection, thereby identifying well-suited candidates and boosting overall productivity and operational efficiency.

Grievance Redressal Officer

At the company's headquarters, a Grievance Redressal Officer (GRO) has been assigned the role of overseeing Level III escalations. The GRO's responsibilities encompass the monitoring of customer grievances across all levels, with a primary focus on facilitating timely complaint resolution through the coordinated efforts of Customer Care Representatives and Help Desks. At periodic intervals, a comprehensive report detailing the status of customer grievances undergoes evaluation by various tiers of Management and the Board. This collective review aims to inform decision-making processes and to streamline efforts in order to mitigate the occurrence of complaints.

31.3 RESOLUTION OF GRIEVANCES

The Grievance Redressal Officer (GRO) appointed by the Company ensures closure of all the complaints to the customer's satisfaction. It is ensured that the complaint is escalated to the appropriate levels on a timely basis. Whilst the ultimate endeavour is to ensure to reach a situation where our customers don't have to complain to senior management to get an effective redressal, a robust mechanism is being put in place to handle these complaints, review them from a point of view of understanding reasons for the complaint and for the escalation and working on prevention of recurrence thereof.

31.4 STAFF AND CUSTOMER EDUCATION ON CODE OF CONDUCT AND GRIEVANCE REDRESSAL MECHANISM

As your Company has mainly its customers in the rural areas, thus, considering the educational, social and economic background of the customers, there is a possibility of customers being prone to be misinformed and mis-communicated. Thus, the Company has in place the mechanism that links directly customers to the Company.

Our Company has a Board approved Customer Grievance Redressal Mechanism for expeditious redressal of customer grievances to resolve the queries of the customers efficiently and effectively.

Fair Practice Code and Policy on Code of Conduct have been displayed in vernacular language at all the branch premises.

As your Company is focused on transparency, prompt and efficient customer service, we adhere to all the compliances of MFIN & RBI regarding customer grievances. Our Board has reviewed all the grievances received from customers on quarterly basis and ensure to make required changes in system to give better services to customers.

a) The 'Toll free number' e.g. 1800-137-0600 for grievance is printed on members' passbook. Members are being educated on registering the complaints and whole Redressal mechanism. Along with Toll Free number, we have two dedicated customer **helpline number 0181-5085555 & 0181- 5086666** to capture customer grievances.

b) Members are also educated about toll free number where they can call for any queries & complaints during disbursement calling verification from head office.

c) The details of grievance Redressal officer are also placed on the website of the Company. Members can lodge complaint on given phone number of head office i.e. **0181-5076000.**

d) If the member is not satisfied with the resolution provided, he/she can approach MFIN or the nodal officer of Reserve Bank of India. The MFIN **Toll free number** i.e. **1800- 2700-317** and Reserve Bank nodal officer's contact number i.e. **0172-2540320** both are printed on passbook provided to the member for better transparency.

e) **HR Toll free no. (1800-137-9600)** is provided to all the employees to report the grievances, if any anonymously. Employee can approach the HR toll free, if he/she is not satisfied with the solutions provided by their senior.

31.5 FAIR PRACTICE CODE

The Company is committed towards dealing with its customers in a transparent manner and in executing the fair deals. Thus, the Company has adopted the Board approved Fair Practices Code, which provides operating guidelines for effective dissemination and implementation of responsible business practices and grievance redressal system. The Company follows various guidelines issued by Reserve Bank of India (RBI) and Microfinance Institutions Network (MFIN) on Fair Practices Code for NBFC-MFIs and has also adopted Industry Code of Conduct developed by Sa-Dhan, a Self-Regulatory Organisation (SRO) recognized by the Reserve Bank of India.

During the Financial Year 2022-23, MFIN has issued 4th Edition of its Industrial Code of Conduct in the month of October 2022 (COC-2022), which have been duly adopted by your company w.e.f. April 01, 2023 and has also amended its Fair Practice Code in accordance to the Industry Code of Conduct issued by SROs'.

The Company's Fair Practice Code can be accessed at the link
https://www.midlandmicrofin.com/fair- practice-code/.

The Fair Practice Code of the Company has been displayed at all the branch offices, in English as well as in vernacular language.

32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's business in India, risk management systems and other material developments during the year under review, as per Annexure-A.

33. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3) (c) of the Companies Act, 2013, the Board of Directors of the Company state and confirm that:

a) In the preparation of annual accounts for the financial year ended on March 31, 2023, the applicable accounting standards had been followed and there are no material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the statement of profit and loss of the Company for the financial year ended on March 31, 2023;

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

d) The Directors had prepared the annual accounts of the financial year ended on March 31, 2023 on a going concern basis;

e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

34. ACKNOWLEDGEMENT

The Board of Directors would like to express their sincere thanks to various organizations of the Government of India, Reserve Bank of India, Securities and Exchange Board of India and other regulatory authorities for the continuous support, guidance, co-operation and assistance.

The Board of Directors is also thankful to the Statutory Auditors for their diligently conducted audit and to the team of employees for their dedicated and committed efforts and look forward for their continuous involvement in achieving common future goals.

The Board of Directors is also thankful to the valued customers, partners, professionals, members/ shareholders, debenture holders, and well-wishers for the assistance and co-operation received and for their trust and support.

For & on Behalf of Board of Directors of Midland Microfin Limited

Date: May 10, 2023
Place: Jalandhar

Amardeep Singh Samra
(Managing Director)
DIN: 00649442

Vijay Kumar Bhandari
(Chairman)
DIN: 00052716

CLIENT SUCCESS STORIES

By partnering with Midland, clients unlock benefits beyond the financial realm. With a dedicated ally invested in their welfare, they experience holistic advancement across all aspects of their journey.





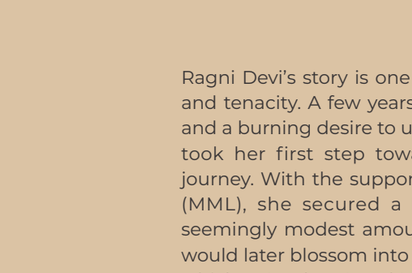
The Journey of Ragni Devi from Chhoti Khejarpur

Ragni Devi's story is one that resonates with hope and tenacity. A few years ago, armed with a vision and a burning desire to uplift her family's life, Ragni took her first step towards her entrepreneurial journey. With the support of Midland Microfin Ltd. (MML), she secured a loan of Rs. 30,000. This seemingly modest amount became the seed that would later blossom into a thriving stationery shop, which not only catered to the educational needs of the town's children but also planted the seed of change within her own life. With sheer dedication, she nurtured her stationery shop, watching it grow day by day. The initial loan, which might have seemed like a simple financial aid, turned out to be a catalyst for her ambitions. Recognizing her potential, MML extended their support once again, this time with a loan of Rs. 60,000. Ragni seized this opportunity to invest in her business, propelling it into an era of growth and expansion. In a world where dreams often remain unfulfilled due to lack of opportunities, Ragni Devi's journey stands as a beacon of hope. Her partnership with Midland Microfin Ltd. has not only helped her business flourish but has also transformed her life and the lives of those around her.



Resilience Rewarded: Sukhjit Kaur's Journey from Bathinda

In the heart of Bathinda, Punjab, Sukhjit Kaur's story unfolds as a testament to determination. After the unexpected loss of her husband, Sukhjit found herself at the crossroads of adversity, facing not only the emotional burden but also the mounting challenges of running a general store amidst the relentless waves of inflation. Determined to safeguard her family's future, she envisioned expanding her modest general store, offering an array of products that could cater to the evolving demands of her customers. This vision, however, required financial backing. Turning to Midland Microfin Limited (MML), she found not just financial aid but a steadfast partner. With a loan of Rs. 30,000 from MML, Sukhjit's journey of transformation commenced. The infusion of funds became the catalyst that ignited the spark of growth within her store. What was once a store struggling to meet the daily demands of customers now stood as a thriving hub, earning Sukhjit a steady income of Rs. 400 each day. However, Sukhjit's journey was not confined to a single chapter. It was the beginning of an ongoing partnership with MML. Over the course of five years, she accessed five additional loans from MML, each serving as a stepping stone to her dreams. These subsequent loans empowered her to introduce new products, diversify her offerings, and elevate her store's presence in the local market. As her store thrives, as her earnings grow, Sukhjit's inspiring journey epitomizes the spirit of resilience – the audacity to persist despite adversity. It is a narrative of turning challenges into opportunities, and dreams into reality. And at the heart of this journey lies the support of Midland Microfin Limited, an unwavering companion that believed in Sukhjit's potential, providing the financial means to turn her aspirations into achievements.





Empowering Dreams: Kiranpal Kaur's Journey to Financial Independence from Pakka Kalan, Bhatinda

Kiranpal Kaur, a beacon of determination hailing from Pakka Kalan, Bathinda, embarked on a transformative journey with Midland Microfin Ltd (MML) three years ago. Her aspirations were simple yet profound: to achieve financial independence, secure quality education for her children, and offer her family a life of comfort and opportunity. With a heart brimming with ambition, Kiranpal walked into MML's office. Armed with a vision, she obtained a loan of Rs 25,000 – a sum that would ignite her clothing business and lay the foundation for her dreams. Her unwavering resolve to uplift her family's economic status fuelled her endeavours as she navigated the competitive market landscape. The early days were tough, a tale of resilience in the face of competition. Yet, Kiranpal's unrelenting commitment bore fruit. Her business blossomed, and her efforts began to shape the trajectory of her family's future. Today, her children proudly attend a reputable school, a testament to the dreams she has woven for them. With gratitude in her heart, Kiranpal acknowledges the vital role that MML played in her family's growth. "Today we can dream for our business and for a better life for our children" she says, a sentiment that resonates with every ounce of her determination and every step of her journey.



Rising to Success: Manju's Journey to Empowerment from Rawatsar, Rajasthan

In the heart of Rawatsar, Rajasthan, Manju's journey shines as a beacon of empowerment. Determined to uplift her family's lifestyle, she embarked on a path less travelled, opening a bangle shop within her home. In April 2018, armed with a vision and MML's support, Manju secured a Rs. 25,000 loan, igniting her entrepreneurial dreams. Her dedication and sound financial management caught MML's attention, resulting in a subsequent loan of Rs. 30,000 in August 2019. These funds acted as stepping stones, enabling her to expand her business. Manju's commitment to growth, evident in her punctuality at center meetings and timely repayments, didn't go unnoticed. MML's trust in her was rewarded when she was chosen for an MSME loan in October 2022. With Rs. 1,00,000 at her disposal, she expanded her business further, diversifying into cosmetics. This transformation led to a thriving business that now supports her family's needs. Today, Manju's bangle shop is more than just a source of income; it's a testament to her resilience and the power of support. Her earnings provide a better life for her children, affording them the opportunity to study in an English medium school. Grateful for Midland Microfin Ltd.'s unwavering belief, Manju's story stands as an embodiment of determination and the transformative impact of financial empowerment.



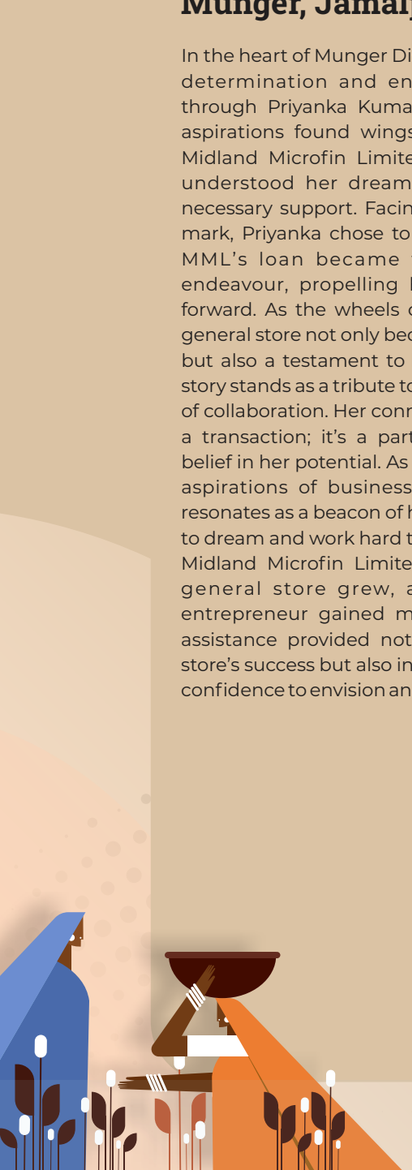
Empowering Dreams: Priyanka Kumari's Journey to Entrepreneurship from Munger, Jamalpir

In the heart of Munger District's Jamalpur, a story of determination and entrepreneurship unfolds through Priyanka Kumari. A year ago, Priyanka's aspirations found wings as she connected with Midland Microfin Limited (MML), a partner that understood her dreams and provided her the necessary support. Facing the desire to make her mark, Priyanka chose to invest in a general store. MML's loan became the foundation of her endeavour, propelling her business aspirations forward. As the wheels of time turned, Priyanka's general store not only became a source of livelihood but also a testament to her dedication. Priyanka's story stands as a tribute to the transformative power of collaboration. Her connection with MML isn't just a transaction; it's a partnership that reflects the belief in her potential. As Priyanka looks ahead with aspirations of business expansion, her journey resonates as a beacon of hope for all those who dare to dream and work hard to achieve their goals. With Midland Microfin Limited by her side, Priyanka's general store grew, and her journey as an entrepreneur gained momentum. The financial assistance provided not only contributed to her store's success but also instilled in her the hope and confidence to envision an even grander future.



Empowering Livelihoods: Sarvesh Devi's from Talaspur

In the tranquil village of Talaspur, a tale of empowerment and progress unfolds through the life of Sarvesh Devi. At 50 years old, Sarvesh embraced change by partnering with Midland Microfin Ltd (MML), a decision that not only transformed her family's income but also brought stability to their lives. Sarvesh's journey began with a loan of Rs. 40,000 from MML. This modest amount became the foundation for her general store, a venture that would alter the trajectory of her family's economic condition. The shift was tangible – from a daily income of Rs. 200 to a remarkable Rs. 600 to 700 per day. The impact on her family's life was profound, turning their dreams into attainable realities. As the sun rises over Talaspur, Sarvesh's story stands as a testament to the power of financial support. Sarvesh Devi's journey encapsulates the essence of empowerment – a transformation that transcends numbers to touch lives. Her partnership with Midland Microfin Ltd isn't just about loans; it's about the metamorphosis of aspirations into achievements. As her family rejoices in their newfound stability, Sarvesh's story serves as an inspiration, demonstrating how a single partnership can spark a cycle of progress, upliftment, and happiness.





Pathways to Prosperity: Sita Devi's Journey from Dharmpur

Sita Devi's journey shines as a testament to the transformative power of partnership with MML. As a resident and a proud member of Midland Microfin Limited, Sita's story mirrors the transformative power of financial support. Sita's journey commenced when she took her first step into the realm of possibilities, joining a group of like-minded individuals facilitated by Midland Microfin Limited. With a loan of Rs. 30,000, her general store began to evolve. The initial boost acted as a stepping stone for greater aspirations, and in a few months' time, Sita found herself in need of further financial assistance to expand her business. Determined and resolute, Sita turned to MML once again. Through her association with the group, she secured a second loan, this time amounting to Rs. 60,000. This infusion of funds became the catalyst that propelled her general store into newfound dimensions, expanding it beyond its previous boundaries. The results were evident – her business grew, and with it, her family's financial situation experienced a notable uplift. As Sita's general store flourishes and her family experiences improved financial stability, her journey serves as an inspiration for others. With gratitude in her heart, Sita Devi extends her thanks to Midland Microfin Ltd. Their provision of loan facilities not only empowered her to pursue her business dreams but also contributed to the betterment of her family's circumstances. Her words resonate as a testament to the positive impact that financial support can have on individuals and families.



Cultivating Dreams: Bidamis from Sikar Blossoming her Business

In the rustic embrace of Chhot village, Sikar, Rajasthan, Bidami's tale unfolds as a testimony to the power of opportunity and growth. As a resident of this tranquil land, Bidami's journey with Midland Microfin Limited (MML) has transformed her life and dreams. In the year 2017, Bidami took a leap of faith by obtaining a loan of Rs. 20,000 from MML. With this modest yet empowering sum, she established a general store within her home's walls. Determined and steadfast, Bidami not only initiated her business but also ensured timely repayments. This decision sparked the beginning of her entrepreneurial journey, igniting the flame of progress These actions became the stepping stones that led to a series of additional loans from MML. With each loan, her store flourished and expanded, a testament to her unwavering commitment and MML's support. Today, Bidami's shop stands as a vibrant hub of commerce, serving her community and her family alike. Through these efforts, she has created a stable source of income that resonates beyond financial stability. It's a symphony of hope, offering her children a pathway to quality education and a brighter future. Bidami's gratitude for Midland Microfin Limited echoes in her words. She recognizes the pivotal role the company has played in her journey. MML's timely loans have not only bolstered her business but also empowered her dreams and aspirations.



Rising Beyond Challenges: Story of Anita Devi's Triumph from Chakia, East Champaran

From the serene village of Govindpur, Chakia, East Champaran emerges the story of Anita Devi – a story that resonates with resilience, community, and the transformative power of Midland Microfin Limited (MML). When the tide of lockdown swept across the nation, like many, Anita's family felt the tremors of economic uncertainty. In those trying times, they found hope through a distant relative's mention of MML. This beacon of financial support stood as a lifeline, promising to pull them out of the depths of crisis. Anita's resourcefulness shone as she rallied her neighbour's and formed a group, a collective determined to overcome their challenges together. United by a common goal, they accessed MML's loans, turning their collective strength into a source of economic revival. With the borrowed funds, she invested in a buffalo, a decision that was not just a financial move but a step towards rebuilding their lives. The buffalo became more than an animal; it was a symbol of transformation. As Anita's family nurtured and cared for it, they saw a steady improvement in their financial condition. What once seemed like a daunting crisis now had a glimmer of solution and progress. Anita's gratitude echoes through her words as she thanks Midland Microfin Ltd for their support during their challenging times. This isn't just a story of financial assistance; it's a narrative of community, unity, and the power of standing together to overcome obstacles.



Pioneering Progress: Gayatri Devi's Thriving Journey from Chhoti Keshorpur

From the heart of Chhoti Keshorpur comes the inspiring journey of Gayatri Devi, a testament to the spirit of entrepreneurship and partnership with Midland Microfin Limited (MML). Gayatri's entrepreneurial aspirations took flight as she expanded her grocery shop in Jamalpur. The wings for this endeavour were the loans she secured, including one from MML. Amidst choices, the comfort and reliability of MML's loan stood out, aligning perfectly with Gayatri's vision. With dedication and financial prudence, Gayatri ensured that her shop's income was channelled towards loan repayment. MML's commitment to providing timely loans proved to be a pivotal factor that propelled her business forward, offering it wings to soar. Gayatri's gratitude for MML echoes in her words. Their support wasn't just about a loan; it was about the backbone of her expanding business. As her grocery shop flourished, her family's prospects brightened, and a path to a more secure future was forged.



Sanitation for Progress: Kavita Devi's Hygiene Initiative from Ram Nagar

Amidst the serene landscapes of Ram Nagar in Roorkee, Kavita Devi's story shines as a beacon of transformation, illuminating the profound impact of MML. Kavita's journey transcends personal boundaries, embodying the power of collective change and improved hygiene practices. Kavita's quest for a cleaner and healthier environment led her to MML's doorstep. With a wash loan of Rs. 30,000, she embarked on a mission to bring about change in her community. Recognizing the pivotal role of proper sanitation, she channelled the loan towards constructing a toilet – a small yet significant step that reverberated through her village. Beyond her personal endeavours, Kavita's experience with the wash loan revealed its potential for broader impact. She recognized the profound importance of good sanitation practices for enhanced well-being and financial savings on healthcare expenses. Kavita's foresight and determination propelled her community towards a healthier future. In Kavita's journey, she finds a leader of change, and MML stands as a catalyst for progress. Her story underscores how even the simplest steps can bring about significant shifts, highlighting the immense potential for change when financial assistance aligns with a noble cause.



Empowerment Unleashed: Budhi Barik's Dairy Success from Bahirpur

From the heart of Bahirpur, Budhi Barik's journey shines as a beacon of empowerment, entrepreneurship, and the transformative role of Midland Microfin Limited (MML). In 2023, Budhi Barik's aspirations took root as she secured a loan of Rs. 30,000 from MML. With determination as her guide, she ventured into the realm of dairy business, a decision that would reshape her life. Through diligent efforts and the foundation of MML's support, Budhi's dairy business flourished, delivering her a stable income of Rs. 1,500 to Rs. 2,000 each day. The financial stability she garnered wasn't just about numbers; it became the key to elevating her living standards. Budhi Barik's story encapsulates the spirit of women's empowerment and entrepreneurship. It is a testament to the power of dreams cultivated through collaboration. Her journey serves as an inspiration for women everywhere, reiterating that with the right support and unwavering commitment, the path to progress opens wide, paving the way to a brighter future. Budhi's gratitude resonates in her acknowledgment of MML's support. Their assistance reached beyond monetary help, acting as a catalyst for her growth, her financial independence, and her journey towards an improved life.



From Dreams to Reality: Ambika Nayak's Goat Farming Triumph from Narsingh Prasad

Nestled in the village of Narsingh Prasad, Ambika Nayak's journey unfurls as a testament to determination, innovation, and the transformative impact of Midland Microfin Limited (MML). In 2023, Ambika's aspirations took flight with a loan of Rs. 40,000 from MML. This financial seed became the foundation of her goat farming venture, igniting a journey of growth and progress. Day by day, as the sun rose over Narsingh Prasad, Ambika's business flourished, mirroring her unwavering dedication. The echoes of her progress resonate in tangible ways. With her flourishing goat farming business, Ambika's strides are evident not just in numbers but in the opportunities they create. Recently, she achieved a milestone that once seemed distant – purchasing an LPG Gas Cylinder. This simple act underscores the profound impact her business has had on her life. As she looks back at her strides and forward to her dreams, her journey serves as an inspiration to others, reminding them that with the right opportunities, aspirations can flourish and uplift lives. Ambika's gratitude shines as she expresses her appreciation for Midland Microfin Limited. Their support wasn't just about financial assistance; it became a catalyst that propelled her towards self-reliance and achievement. Through her journey, Ambika's words affirm that the right partnership, coupled with hard work, can make even the loftiest dreams a reality.



Dreams Amplified: Soaring Success of Asha Chatterjee's from Durgapur

From the vibrant city of Durgapur, Asha Chatterjee's journey stands as a testament to the power of ambition, expansion, and the instrumental role played by MML. Asha's aspirations for business growth found their wings through MML. In her pursuit of expansion, she discovered a partner that understood her dreams and provided the necessary support. With MML's financial backing, Asha's small business flourished into a thriving venture, a reflection of her dedication and MML's belief in her potential. The transformation in her life is tangible. From contemplating expansion to now making a substantial income, Asha's journey embodies the essence of progress. With her business thriving, Asha's quality of life has improved, underlining the profound impact of her partnership with MML. Asha's gratitude resonates as she thanks Midland Microfin Limited for their pivotal role in her journey. MML's support wasn't just about providing a loan; it was about nurturing dreams, fostering growth, and creating opportunities.



Blossoming Fortunes: Varsha Patel's Dairy Triumph from Usapur, Amatola

Amidst the tapestry of Uaspur Amatola, Varsha Patel's story emerges as a testament to transformation, resilience, and the impactful role of MML. In 2022, Varsha's aspirations found a companion in MML's loan of Rs. 35,000. With determination and the right support, she initiated a dairy business that would shape her future. As the days turned into months, Varsha's income graph surged steadily, bringing her between Rs. 1,500-2,000 each day. The numerical increase in income bore more significance than mere digits. It meant access to new possibilities and improved living standards. The newfound financial stability empowered Varsha to afford an electricity connection in her home – a symbolic representation of progress and a better life. Varsha's words of gratitude are an ode to Midland Microfin Limited. Their financial assistance wasn't just about providing a loan; it was about enabling dreams, catalysing growth, and sparking a cycle of positive change.



Flourishing Dreams: Laxmi Devi's Flour Mill Success from Nawada

From the heart of Mirzapur Nawada, Laxmi Devi's journey unfolds as a testament to entrepreneurship, growth, and the instrumental role of MML. In 2022, armed with a vision to expand her floor mill business, Laxmi Devi turned to MML for financial support. A loan of Rs. 40,000 became the catalyst for her aspirations. With this financial backing, her business flourished, yielding profits and elevating her family's economic status. Laxmi's success wasn't just a stroke of luck; it was a result of consistent effort and dedication. By paying her instalments punctually, she demonstrated her commitment to her business and the partnership with MML. In extending their support, MML didn't just provide a loan; they opened doors to economic growth and self-sufficiency for Laxmi's family. Laxmi's gratitude resonates through her words as she acknowledges the pivotal role of Midland Microfin in her journey. In Laxmi's, MML emerges as a catalyst for change, underscoring that with the right support, dreams can be kneaded into reality.



Milking Success: Vidhyavati's from Babu Patti Revritha

From the serene enclave of Babu Patti Revritha, Vidhyavati's journey unfolds as a tale of prosperity, persistence, and the vital role played by MML. In 2021, Vidhyavati's aspirations sprouted wings with a loan of Rs. 30,000 from MML. This financial catalyst became the cornerstone for her dairy business, a venture that would paint her future with shades of progress. With each passing day, her income swelled, reflecting her dedication and MML's support. Today, Vidhyavati's daily earnings stand strong, ranging from Rs. 1,500 to Rs. 2,000. Her dairy business symbolizes more than milk and cows; it signifies progress, empowerment, and the means to shape a brighter tomorrow. Beyond the numbers, this increase signifies empowerment – an ability to provide better educational opportunities for her children. The transformation in her life reverberates not just in her income but in the hopes she nurtures for her family's future. Vidhyavati's gratitude for Midland Microfin Limited knows no bounds. Their assistance went beyond just providing a loan; it became the catalyst for her dreams, the bridge to her aspirations, and the conduit for her family's betterment.



Catalysts of Progress: Geeta Yadav's Success Story Karodi, Varanasi

From the vibrant streets of Karodi, Varanasi, emerges Geeta Yadav's journey – a testament to discovery, growth, and the instrumental role played by MML. In 2021, Geeta's path intersected with MML, a connection that would fuel her aspirations. With a loan of Rs. 30,000, she took her first step towards progress. The financial foundation laid by MML became the bedrock upon which she built her dreams. Emboldened by her initial success, Geeta's second venture was even more ambitious. A second loan, this time of Rs. 60,000, fortified her determination and her business's foundation. As days turned into weeks, Geeta's venture blossomed, a tribute to her tenacity and MML's unwavering support. Her narrative becomes a beacon of inspiration for others, a reminder that with the right opportunities and a steadfast spirit, progress is attainable, and gratitude is well-deserved. Geeta's satisfaction with her progress reflects in her words. The services of Midland Microfin Limited weren't just about loans; they were about enabling growth, nurturing dreams, and fostering a journey towards self-reliance.



Empowerment Unveiled: Asmin's Stitching Revolution from Nanpara, Bahraich

From the heart of Nanpara, Bahraich in Uttar Pradesh emerges Asmin's tale – a story of entrepreneurship, empowerment, and the transformative force of Midland Microfin Limited (MML). Asmin's journey began with a vision and a loan of Rs. 40,000 from MML. Armed with determination, she invested in sewing machines and launched her own business. With a heart committed to progress, she initially employed trained individuals to help her business flourish. However, Asmin's aspirations transcended mere business growth. Her compassion and leadership took shape as she began training other women and girls in the vicinity – a gesture that transformed lives beyond her own. Asmin's initiative didn't just boost her confidence; it empowered a community, igniting aspirations and unlocking opportunities for every woman in the village. These women, now skilled, not only became self-sufficient but also contributed to their families' incomes. As her stitching center weaves dreams and futures, Asmin's journey serves as an inspiration for all, a reminder that empowerment isn't just a solitary endeavours; it's a tapestry woven with community, compassion, and the right support. Asmin's gratitude towards Midland Microfin Limited reverberates through her words. Their support didn't just make her financially independent; it paved the path for her to touch numerous lives and bring smiles of respect and empowerment.



A Journey of Resilience and Prosperity: Momina's Path from Bulandshahr

From the heart of Ginora Sheikh Village in Bulandshahr emerges the story of Momina – a story of triumph over adversity, economic empowerment, and the instrumental role played by MML. In the year 2022, faced with challenging economic circumstances, Momina took a decisive step towards change by availing a loan of Rs. 30,000 from MML's Bulandshahr branch. This financial aid breathed life into her aspirations, transforming her family's destiny. Previously working as labourers in other people's fields, Momina's decision to leverage the loan to invest in buffalo rearing was a turning point. Today, with a thriving herd of 6 buffaloes, she and her husband have transitioned into the realm of animal husbandry. The sale of buffalo milk has become their source of livelihood, leading to a daily income of around Rs. 1,500 – a substantial improvement from their earlier struggles. Momina's satisfaction and gratitude shine as she expresses her desire to maintain a lasting connection with Midland Microfin Limited. The impact of MML's support transcended mere financial assistance; it laid the foundation for self-sufficiency and a brighter future.



Rural Entrepreneurship Flourishes: Dilsukh's Inspiring Journey from Tailoring to General Store

In the rustic village of Lasadiya Kala, within Rajasthan's Chittorgarh District, resides Dilsukh—an emblem of rural entrepreneurship. With loans from Midland Microfin Limited, Dilsukh's journey unfolded over three years. In 2021 and 2022, she borrowed Rs. 25,000 and Rs. 40,000 loans, respectively, igniting a tailoring venture. This endeavor, fueled by creativity and borrowed capital, stitched success into her life, garnering attention within and beyond her village.

However, Dilsukh's ambitions expanded. In 2023, armed with a Rs. 70,000 loan, she ventured into a new realm: a general store. Her once-modest space now housed everyday essentials, catering to Lasadiya Kala's needs. Dilsukh's dual success as a tailor and store owner transformed her into an inspiration. Her tenacity kindled a spirit of entrepreneurship in the village, illustrating the boundless potential residing in rural landscapes.

Dilsukh's journey from Rajasthan's heartland to a local commerce exemplar echoes the power of determination, innovation, and strategic financial aid. Her tale celebrates rural entrepreneurship's resilience and influence, etching her name onto the canvas of India's rural business narrative.



Rural Resilience: Suman Devi's Journey from Diaries to Repair Shop

From the serene village of Suratgarh in Rajasthan emerges Suman Devi, a shining example of rural entrepreneurship fueled by determination and strategic financial support. A loyal patron of Midland Microfin Limited, Suman's journey unfolds through three critical loans, each marking a milestone in her pursuit of a better life.

In 2019, armed with a loan of Rs. 23,000, Suman embarked on her first venture—an enterprise as delicate as the pages of a diary. This initial foray into the diary business showcased her attention to detail and marked the genesis of her entrepreneurial spirit.

Undeterred by challenges, Suman secured a second loan of Rs. 30,000 in 2021, propelling her diary business to greater heights. This expansion not only solidified her local presence but also showcased her unwavering commitment to growth.

In 2022, Suman's narrative took an intriguing turn. With a substantial Rs. 50,000 loan, she transitioned into the realm of a repair shop. Her wise investment in tools and equipment transformed her shop into a vital community hub, addressing the mechanical needs of her village.

Suman Devi's journey encapsulates rural entrepreneurship's core—resilience, adaptability, and the synergy between ambition and financial aid. Her trajectory, from diaries to a repair shop, illustrates seizing opportunities and navigating shifting local dynamics. Beyond Suratgarh's lanes, Suman's success resonates as an inspiration for budding entrepreneurs scripting their own destinies.



Empowering Change: Sukhpreet Kaur's Entrepreneurial Triumph in Ramuwala Village

Sukhpreet Kaur, a resident of Ramuwala village in Faridkot District, Punjab, epitomizes the spirit of rural entrepreneurship. With a Rs. 40,000 loan from Midland Microfin Limited, she ventured into the business world by establishing a general store. This move wasn't just about commerce; it was about crafting a better life.

Her general store swiftly became a local cornerstone, providing everyday essentials to her community. As the store flourished, so did Sukhpreet's economic standing and quality of life. The financial boost, coupled with her unwavering dedication, transformed her aspirations into reality.

Sukhpreet's narrative is a tale of metamorphosis. The once elusive dreams of stability and growth materialized through her relentless efforts. Her gratitude extended to Midland Microfin Limited, the driving force behind her success.

In the heart of Ramuwala village, Sukhpreet's journey resonates as a symbol of resilience and triumph. Her impact transcends geographical boundaries, inspiring others to seize opportunities and pursue their ambitions. Through her entrepreneurial journey, Sukhpreet not only elevated her own life but also illuminated a path of progress for her community. Her story underscores that, with the right support, dreams can indeed be transformed into impactful realities.



Empowering Progress: Nani's Rural Entrepreneurship Journey in Nichlagarh Village

Nani, a resident of Nichlagarh village in Sirohi District, Rajasthan, embodies the spirit of rural entrepreneurship. Utilizing loans from Midland Microfin Limited, her journey unfolds across three distinct chapters. In 2020, she harnessed a Rs. 25,000 loan to establish a food stall—a venture that quickly gained popularity, becoming a village staple.

Undeterred, Nani secured a Rs. 40,000 loan in 2021, further fueling her food stall's success. Her determination not only sustained her economic status but also enriched the local culinary landscape.In 2023, a new chapter emerged. With a Rs. 30,000 loan, Nani diversified her entrepreneurial path by opening a general store, catering to broader community needs.

Throughout her journey, Nani's appreciation for Midland Microfin Limited's support remained steadfast. Her story symbolizes the profound impact of financial aid when coupled with determined efforts.

Nani's tale reverberates as a beacon of empowerment in Nichlagarh's fabric. Her entrepreneurial journey transcends local boundaries, inspiring those who dare to dream amidst constraints. Nani's narrative reminds us that with resilience and apt support, modest beginnings can blossom into transformative ventures.

Annexure - A
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Macro Economy Review

During the Financial Year (FY) 2022-23, the global economy, which was gradually recovering from the COVID-19 related shocks, was challenged by various factors such as high inflation, supply chain disruptions due to escalation in geo-political tensions and reduced business and consumer confidence amidst heightened uncertainty. In the midst of the challenges, India continued to be a 'bright spot' in the global economy with resilient economic expansion. Several domestic factors helped to insulate the economy from the global turmoil.

The finance sector balance sheet has improved over the past couple of years, which has led to pick up in the investment cycle. Furthermore, the balance sheets of Microfinance Institutions (MFIs) have been strengthened, aiding the MFIs system to come out of the asset quality cycle and support the uptick in the credit demand. Additionally, pick up in the pace of economic activity, aided partially by higher capex, especially on infrastructure, created a multiplier effect on the economy. Consumer demand has also strengthened with better economic prospects. These factors helped the domestic economic activity to remain in an expansionary mode during the year. Furthermore, India continued to maintain its position as one of the fastest growing major economies globally and has upped its share in the global economy. The credit offtake also remained healthy during the year under scoring the unabated pick-up in the pace of economic activity.

Going forward, India's economic growth is likely to remain healthy in FY 2023-24 and beyond. It is likely that the inflationary pressures in the economy have peaked and would ease going ahead, aided by the measures taken by the policymakers as well as the base effect. This would help in supporting the domestic consumption demand, spurring further investment in the economy.

OUTLOOK

Global Economy Overview

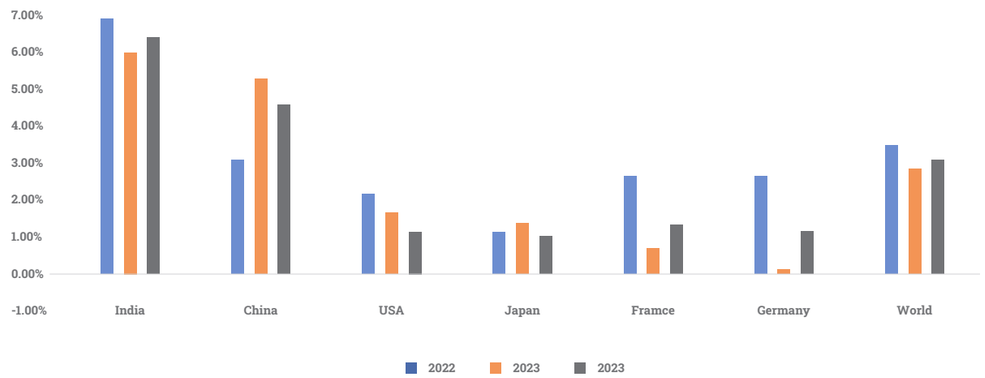
The world economy seemed to be on the verge of a gradual recovery from the pandemic and shock created by Russia's invasion of Ukraine by the end of 2022. However, the aftereffects of such events led to stressed financial markets and consistently high inflation across all ranges of commodities. Gradually, inflation has returned to target levels due to the widespread and synchronised tightening of monetary policy by the majority of central banks.

However, such effects eventually subsided, thereby reducing supply-chain disruptions. The weakening of consumer spending and investment has resulted in significant global economic declines in terms of growth. The global economy is anticipated to grow by 2.8% in 2023 and 3.0% in 2024, as compared to 3.4% in 2022. There are indications that the tightening of monetary policy is beginning to dampen demand and inflation, but its full impact is unlikely to be realised until 2024.

For emerging markets and developing economies like India, the growth rates have recovered post- pandemic. According to The International Monetary Fund (IMF), the fourth quarter growth for emerging markets and developing economies of 2022 was at 4.5% compared to 2.8% during the same quarter last year.

For 2023, economists believe that the downside risks dominate – with talks of mild recession being heard more frequently in investment circles in addition. The global economy appears to be poised for a gradual recovery from the powerful blows of the pandemic and of Russia's war on Ukraine. China has reopened its economy. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks has started to tame inflation.

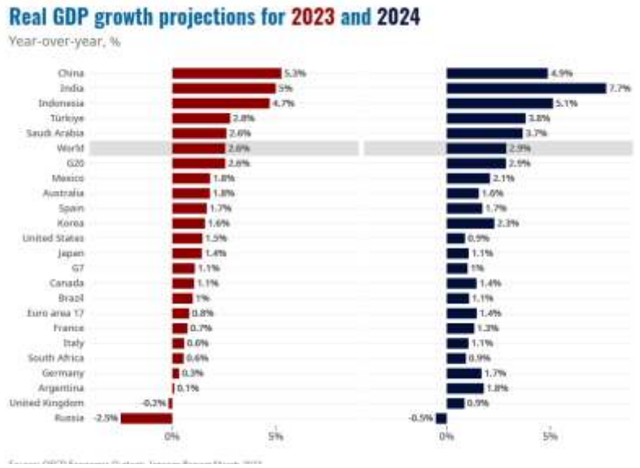
Global GDP growth (%YoY)



Europe's fight against the repercussions of war

Europe was significantly impacted by the war, which led to high energy and food prices created by the supply chain disruption. This stretched the purchasing power of the consumers while also impacting the manufacturing sector, that led to production cuts. In Q4 CY 2022, the energy crisis improved, supported by high gas inventory levels, favourable weather conditions, and the central bank's monetary policy tightening, which eased inflation. IMF estimates the Euro area to have grown by 3.5% in CY 2022[1]. The monetary tightening is expected to limit the GDP growth in CY 2023 to 0.8% before increasing to 1.4% in CY 2024.

Impact of Russia-Ukraine War on global GDP



US Economy strong against recession fear

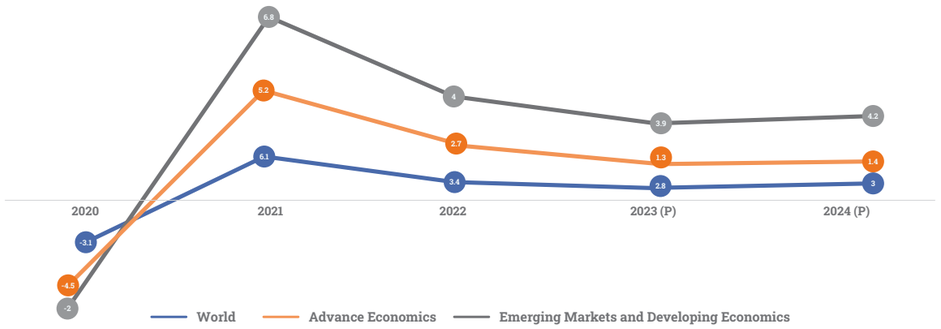
Inflation in the world's largest economy soared to a 40-year high, mainly driven by low labour participation and supply-chain crisis influenced by the external environment. The subsequent monetary tightening by the Federal Reserve Bank impacted the country's economic growth. Rising fed rates led to a further strengthening of the US dollar, thus stretching the current account deficit of import-dependent countries. Despite the negative outlook, the US economy has performed better than expected. The inflation level which reached 9.06% in June 2022 declined to 6.04% in February 2023[2]. The US economy grew by 2.1% in CY 2022 but is expected to decelerate to 1.6% in CY 2023 and 1.1% in CY 2024 [1].



China's reopening to global economy

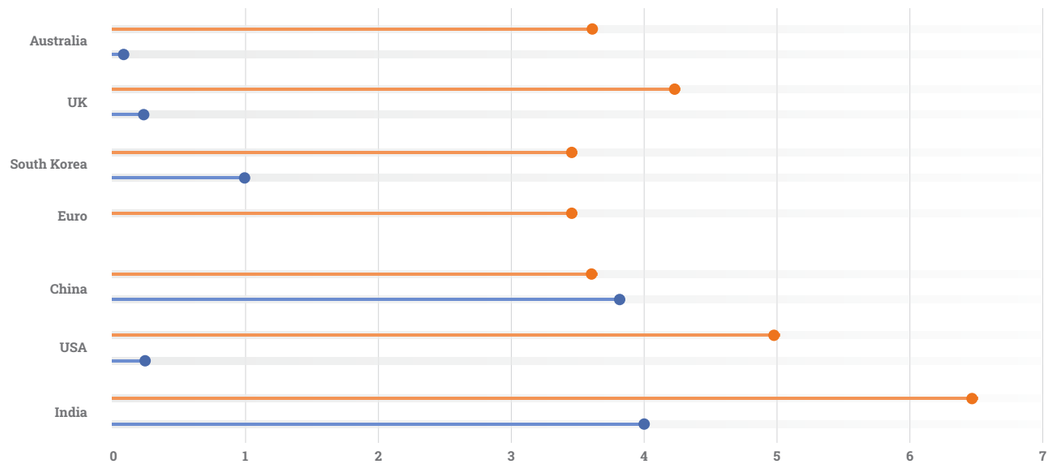
The Chinese economy dealt with multiple challenges in CY 2022, including the real estate sector, severe COVID-19 infection, and its mitigation with Zero-COVID Policy. Unlike other countries, its central bank loosened the monetary policy to encourage domestic growth, in addition to the stimulus package to boost consumption. China's manufacturing activity after facing a slowdown in CY 2022 with a growth of 3% is coming out strong and is projected to grow by 5.2% in CY 2023 and 4.5% in CY 2024 [1].

World Economy Growth (%)



Conversely, the rapid rise in interest rates has contributed to stresses in parts of the financial system raising financial stability concerns. The unanticipated failures of two regional banks in the United States and the collapse of the Credit Suisse have exerted significant pressure on financial markets. The fall in fuel and energy prices, particularly in the United States, Euro area and Latin America has contributed to the decline in global headline inflation.

Central Bank's Interest Rate



In the current complex situation of geopolitical and monetary pressures, the overall global outlook is still optimistic especially powered by strong developments in emerging and developing economies. Growth in emerging and developing Asia is expected to rise in 2023 and 2024 to 5.3% and 5.2% respectively. While inflation and supply chain challenges will continue to affect many countries in the short term, underlying trends are expected to improve. Technological advancements will deliver major economic production and make consumption structures more sustainable. Institutions will need to prepare for their digital future and not remain just passive observers to the ongoing digital revolution. They should prepare for the ongoing changes with a strategic end-to-end digital transformation.



Latest World Economic Outlook Growth Projections

Real GDP, annual precent change

	2022	2023	2024
World output	3.4	2.8	3.0
Advanced Economies	2.7	1.3	1.1
United States	2.1	1.6	3.4
Euro Area	3.5	0.8	1.4
Germany	1.8	-0.1	1.1
France	2.6	0.7	1.3
Italy	3.7	0.7	0.8
Spain	5.5	1.5	2.0
Japan	1.1	1.3	1.0
United Kingdom	4.0	-0.3	1.0
Canada	3.4	1.5	1.5
Other Advanced Economies	2.6	1.8	2.2
Emerging Market and Developing Economies	4.0	3.9	4.2
Emerging and Developing Asia	4.4	5.3	5.1
China	3.0	5.2	4.5
India	6.8	5.9	6.3
Emerging and Developing Europe	0.8	1.2	2.5
Russia	-2.1	0.7	1.3
Latin America and the Caribbean	4.0	1.6	2.2
Brazil	2.9	0.9	1.5
Mexico	3.1	1.8	1.6
Middle East and Central Asia	5.3	2.9	3.5
Saudi Arabia	8.7	3.1	3.1
Sub-Saharan Africa	3.9	3.6	4.2
Nigeria	3.3	3.2	3.0
South Africa	2.0	0.1	1.8
Memorandum			
Emerging Market and Middle-Income Economies	3.9	3.9	4.0
Low-Income Developing Countries	5.0	4.7	5.4

Source: IMF, World Economic Outlook, April 2023

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2022/2023 (starting in April 2022) shown in the 2022 column. India's growth projections are 5.4 percent in 2023 and 6.3 percent in 2024 based on calendar year.

Indian Economy

In an environment of formidable geo-economic fragmentation, elevated global food, energy and commodity prices, aggressive monetary policy tightening and spillovers, the Indian economy exhibited resilience in 2022-23. Overlapping supply shocks caused inflation to remain above the upper tolerance level of the inflation target for several months during the year.

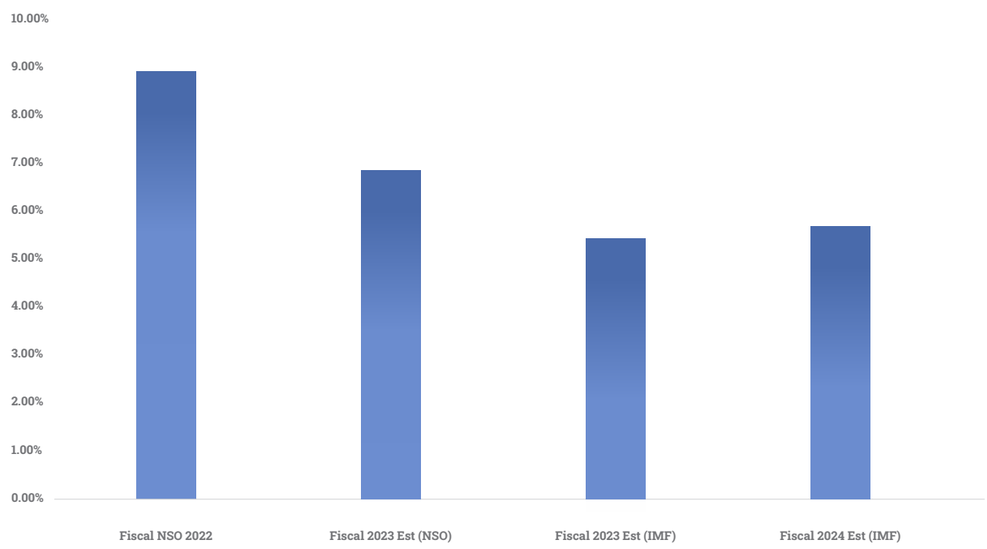
With the Reserve Bank acting pro-actively to tame inflation, monetary and credit conditions evolved in sync with the policy stance, even as targeted fiscal measures to contain inflation and fiscal consolidation strengthened macroeconomic stability. The current account deficit in the balance of payments remained sustainable and the health of the financial sector improved enabling a rebound in credit growth.

India's economic activity has remained consistent despite extensive global uncertainty, and it is in a considerably stronger position than the majority of other economies. Strong investment activity, bolstered by the government's capital expenditure drive, and stable private consumption, especially among upper income earners, aided the growth of the Indian economy.

However, persistently escalating inflationary pressures and longer-term forecasts of higher interest rates may impact the global economy, dragging India's economic growth trajectory downward.

According to the NSO, India's GDP is anticipated to increase by 7.0% in FY 2022-23 as compared to the 9.1% growth witnessed in FY 2021-22, making it one of the major economies with the fastest growth. On the other hand, prolonged geopolitical tensions, tightening global financial conditions, and weakening external demand may continue to pose threats to domestic output growth. The RBI's (Reserve Bank of India) SPF (Survey of Professional Forecasters) report has projected that India's real GDP will grow by 6% in FY 2023-24.

India GDP Growth



India has emerged stronger and more resilient from the pandemic, partly due to the wave of digital transformation. Transactions routed through digital modes recorded a marked expansion in 2022-23 over and above the strong growth witnessed a year ago. In 2022-23, total digital payments recorded growth of 57.8 per cent and 19.2 per cent in volume and value terms, respectively, on top of growth of 63.8 per cent and 23.1 per cent, respectively, in the previous year. India outpaced other nations to emerge as the largest player in real-time transactions at the global level, with a 46 per cent share in 2022. The strong penetration and growth in Unified Payments Interface (UPI) were buoyed by rapid merchant onboarding, growing digital awareness and policy thrust on continuous enhancements in the scope and reach of payment systems.

Non-banking financial companies (NBFCs) maintained robust credit growth during 2022-23, supported by the broad-based revival in economic activity and targeted policy initiatives. The sector strengthened its financial soundness during the year through robust capital buffers, improved asset quality and consolidation of balance sheet. A scale based regulatory framework was implemented for NBFCs during 2022-23.

(Source: Annual Report of Reserve Bank of India dated May 30, 2023)

Microfinance Industry:

A Boon to the people at the Bottom of the Pyramid

The Indian microfinance industry comprises of various entities serving the bottom of the pyramid including NonBanking Financial Companies - Micro Finance Institutions (NBFC-MFIs), Banks, Small Finance Banks (SFBs), NBFCs, and non-profit MFIs. At the end of March 2023, the Indian microfinance industry's total gross loan portfolio (GLP) stood at Rs 3,48,339 Cr, including DPD 180+ portfolio of Rs 29,828 Cr. The total number of active loans accounts were 13.0 Cr with 6.6 Cr unique borrowers as on 31 March 2023. The YoY (31 March 2022 to 31 March 2023) growth of GLP is 22.0%.

As on 31 March 2023, 82 NBFC-MFIs are the largest provider of micro-credit with a loan amount outstanding of Rs 1,38,310 Cr, accounting for 39.7% to total industry portfolio. 13 Banks hold the second largest share of portfolio in micro-credit with total loan outstanding of Rs 1,19,133 Cr, which is 34.2% of total micro-credit universe. SFBs have a total loan amount outstanding of Rs 57,828 Cr with total share of 16.6%. NBFCs account for another 8.5% and Other MFIs account for 1.0% of the universe.

Organization Structure and Development

Midland Microfin Limited is a Non-Deposit taking Systemically Important Non-Banking Financial Company (NBFC-ND-SI) registered with the Reserve Bank of India (RBI) and is engaged in the business of lending on the 'Grameen Model' having Joint Liability Groups (JLGs) of the borrowers in 12 states and 2 Union Territory viz. Punjab, Himachal Pradesh, Haryana, Rajasthan, Bihar, Gujarat, Jharkhand, Odisha, Uttar Pradesh, Madhya Pradesh, Uttarakhand, West Bengal, Chandigarh and Jammu & Kashmir.

MML continued to maintain a strategic focus on profitable growth in business, bolstered by a strong balance sheet, healthy capital adequacy and prudent provisioning. The broad contours of the MML's business strategy continued to be centered on its intended positioning as a Microfinance Institution. To further strengthen its retail franchise, the company added 55 new branches to its network during the year. As on March 31, 2023, the Company had a wide presence with a network of 329 branches across the nation.

We at Midland Microfin Limited (MML) aspire to play a pivotal role in the growth of the microfinance industry. In the Financial Year 2022-23, your Company demonstrated a strong and resilient performance. Compared to FY 2021-22, Assets under Management (AUM) increased by 71% to ₹1939 crores. Total Disbursement rose to an all-time high 1950 crores (up 46%), PAT increased to ₹47 crores (up 110%) and Operating Profits increased at ₹113 crores (up 193%).

Our Net Interest Income grew to ₹186 crores an increase of 80% which is significantly ahead of the market, leading to handsome Returns on Equity (ROE) of 16.01%. Your company secured a top-notch COCA Grading i.e., M1C1 and has least Net NPA percentage of 0.03% in comparison to the industry standards.

Non-Banking Financial Companies ("NBFCs"), are one of the most critical pillars for financial services in India. NBFCs cater to the needs of both retail as well as commercial sectors and, at times, develop strong niches with their specialized credit delivery models that even larger players including banks have found hard to match. They play a critical role in supporting economic growth across income levels, sectors as well as geographies, and in doing so, leading to more employment opportunities and greater wealth creation.

MICRO FINANCE INSTITUTIONS (MFIS)

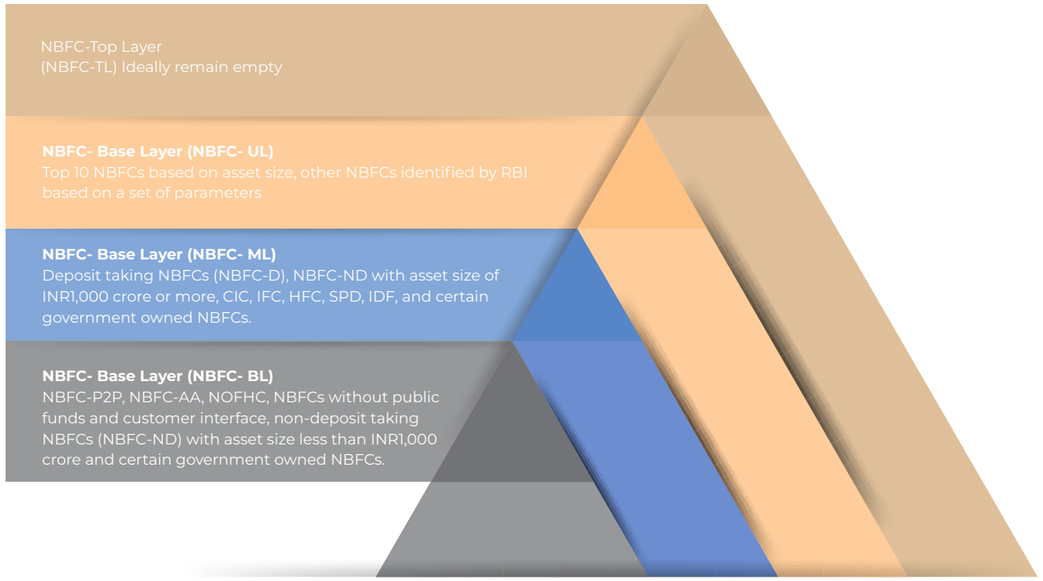
Non-Banking Financial Companies – Micro Finance Institutions (NBFC-MFIs) have increasingly been playing a significant role in financial intermediation by complementing and competing with banks, and by bringing in efficiency and diversity into the financial ecosystem.

In the F.Y. 2022-23 India's microfinance industry witnessed a growth of 22.0% in its Gross Loan Portfolio (GLP). Microfinance industry has total loan portfolio (i.e., loan amount outstanding) of Rs 3,48,339 Cr, including DPD 180+ portfolio of Rs 29,828 Cr. Currently, Microfinance operations are present in 729 districts across 28 states and 8 union territories (UTs), including very small portfolio in the UT of Ladakh and Lakshadweep.

As on 31 March 2023, the industry serves to 6.6 Cr unique borrowers through 13.0 Cr loan accounts. Further, 82 NBFC-MFIs are the largest provider of micro-credit with a loan amount outstanding of Rs 1,38,310 Cr, accounting for 39.7% to total industry portfolio. 13 Banks hold the second largest share of portfolio in micro-credit with total loan outstanding of Rs 1,19,133 Cr, which is 34.2% of total micro-credit universe. SFBs have a total loan amount outstanding of Rs 57,828 Cr with total share of 16.6%. NBFCs account for another 8.5% and Other MFIs account for 1.0% of the universe. (Data Source: Micrometer of Q4 issued by MFIN)

With a view to develop a strong and resilient financial system, in October 2021, the Reserve Bank of India (RBI) came up with a 'scale-based regulation' for the NBFC sector. The Scale-Based Regulatory (SBR) approach renders the regulation and supervision of the NBFCs to be a function of their size, activity and perceived riskiness. Subsequently, RBI has issued clarifications on various provisions of the SBR. These regulations were applicable on NBFDs with effect from October 01, 2022. However, an amendment with regard to ceiling on an IPO funding was applicable from 1 April 2022. The SBR framework can be visualised as a pyramid with regulatory intervention being the least at the bottom of the pyramid and increasing as one moves up. This is depicted in figure mentioned below:

NBFC-ICC, NBFC-MFI, NBFC-Factors,and NBFCMGC can lie in any of the



Abbreviations Used	
NBFC-P2P: NBFC-Peer to Peer lending platform	SPDs: Standalone Primary Dealers
NBFC-AA: NBFC Account Aggregator	IDF: Infrastructure Debt-Fund- NBFCs
NOFHC: Non-Operative Financial Holding Company	NBFC-ND-SI: Systemically Important NBFC-ND
CIC: Core Investment Companies	NBFC-ICC: Investment and Credit Companies
IFC: Infrastructure Finance Companies	NBFC-MFI: Micro Finance Institutions
HFC: Housing Finance Companies	NBFC:MGC: Mortgage Guarantee Companies

MICRO FINANCE INSTITUTIONS (MFIS)

Base layer (NBFC-BL)

The base layer will be equivalent to the existing non-deposit taking non-systemically important NBFCs (NBFC-NDs) Systemically important, non-deposit taking NBFCs having asset size of INR500 crore and above but below INR 1,000 crore (except those necessarily featuring in the middle layer) will be part of NBFC-BL. It will specifically include:

- NBFC-P2P (NBFC-Peer to Peer lending platform)
- NBFC-AA (NBFC-Account Aggregator)
- NOFHC (Non-Operative Financial Holding Company) and
- NBFCs without public funds and customer interface1.

While higher level of prudential regulations will not be applicable to such entities, there will be an increase in the transparency requirements through additional disclosures and improved governance standards.

Middle layer (NBFC-ML)

The middle layer will be equivalent to the existing deposit taking NBFCs (NBFC-D) and systemically important non-deposit taking NBFCs (NBFC-ND-SI). It will specifically include the SPD (i.e. Standalone Primary Dealers) and IDF (Infrastructure Debt Funds) (which will always remain in the middle layer). It will also include NBFC-D, irrespective of their asset size, NBFC-ND-SI with asset size greater than INR 1,000 crore, CIC, IFC and HFCs. Government owned NBFCs will not be placed in the upper layer, till further notice, and accordingly, will be placed in NBFC-BL or NBFC-ML. There will be a higher level of regulatory supervision in this layer, which aims to plug the areas of regulatory arbitrage between banks and NBFCs.

Upper layer (NBFC-UL)

The upper layer has been conceived as a new category of NBFCs, in which a chosen few, systemically significant NBFCs would be specifically identified by RBI through parametric analysis of certain quantitative and qualitative criteria, which will be reviewed periodically. Accordingly, entities that meet the specified criteria will move from the middle layer to the upper layer of the scale-based framework. The top 10 eligible NBFCs in terms of their asset size will always reside in the upper layer, irrespective of any other factor. Higher prudential regulations and intensive supervision will be applicable for such entities proportionate to their systemic significance.

With the applicability of the above said Scale Based Regulations, The Reserve Bank of India has made various changes w.r.t. Net Owned Fund (NOF), Capital Guidelines, Prudential & Governance Norms, according to which every NBFC has to make certain changes in its affairs related to capital, governance and risk exposures of the Company. Your Company have made all the requisite changes and is fully complied with the said Regulations.

Industry Structure and Developments

Microfinance in India plays a major role in the development. It acts as an anti-poverty vaccine for the people living in rural areas. It aims at assisting communities of the economically excluded to achieve greater level of asset creation and income security at the household and community level. The utmost significance of microfinance in India is that it dispenses the access to the capital to small entrepreneurs. The concept of microfinance focuses on women by granting them loans. It acts as a tool for the financial and social empowerment of progressive poor women as women are becoming independent, they are able to contribute directly to the well beings of their families and are able to confront all the gender inequalities. The major targets of microfinance are the poor rural and urban households and women too.

Microfinance is an effective channel for providing credit to low-income population and those in the informal sector. Hence, microfinance is instrumental in ensuring financial inclusion at the bottom of the economic pyramid.

Over the years, the industry has metamorphosed extensively – formulation of structured guidelines, Government's supportive initiatives, digital interventions and a redefined customer servicing approach.

Some highlights of Microfinance Sector for this quarter/ financial year are as under:

- As on 31 March 2023, 3.9 Cr clients have loan outstanding from NBFC-MFIs, which is 20.0% higher than clients as on 31 March 2022.
- The Asset Under Management (AUM) of MFIs is Rs 1,31,163 Cr as on 31 March 2023, including owned portfolio Rs 1,07,232 Cr and managed portfolio (off BS) of Rs 23,931 Cr. The owned portfolio of MFIN members is about 77.5% of the NBFC-MFI universe portfolio of Rs 1,38,310 Cr.
- On a YoY basis AUM has increased by 38.7% as compared to 31 March 2022 and by 15.7% in comparison to 31 December 2022.
- Loan amount of Rs 1,30,563 Cr was disbursed in FY 22-23 through 3.1 Cr accounts, including disbursement of Owned as well as Managed portfolio. This is 59.3% higher than the amount disbursed in FY 21-22.
- Average loan amount disbursed per account during FY 22-23 was Rs 42,010 which is an increase of around
- 12.9% in comparison to the last financial year.
- As on 31 March 2023, the borrowings O/s were Rs 97,420 Cr. Banks contributed 60.3% of borrowings O/s followed by 22.2% from Non-Bank entity, 9.3% from AIFIs, 4.1% from other sources and 4.1% from External Commercial Borrowings (ECB).
- During FY 22-23, NBFC-MFIs received a total of Rs 74,787 Cr in debt funding, which is 59.2% higher than FY 21-22. Banks contributed 69.2% of the total Borrowing received followed by Non-Bank entities 21.0%, AIFIs 6.7%, ECB 1.8% and Others 1.3%.
- Total equity increased by 25.4% as compared to end of Q4 FY 21-22 and is at Rs 26,332 Cr as on 31 March 2022.
- Portfolio at Risk (PAR)>30 days as on 31 March 2023 has reduced to 4.0% as compared to 9.7% as on 31 March 2022.
- MFIs have presence in 27 states and 5 union territories.
- In terms of regional distribution of portfolio (GLP), East and North-East accounts for 32% of the total NBFC- MFI portfolio, South 26%, North 17%, West 15%, and Central contributes 10%.

(SOURCE: MFIN MICROMETER Q4 2022-23)

The sector serves the underserved lower and mid-income households and micro, small and medium enterprises (MSMEs). It devises affordable credit while transforming lives of millions of its beneficiaries. It is, thereby, propelling a significant boost in the loan portfolio and the number of borrowers.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company operates in a single business segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment for the purpose of Ind AS 108 on 'Operating Segments' notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company operates in a single geographical segment i.e. domestic.

STRENGTH AND OPPORTUNITIES

Strengths

- Strong expansion momentum in a contiguous manner driving deeper penetration in core markets
- Omni channel distribution strategy with growing digital channel contribution
- Digital initiatives driving scalability
- Strong collection process and culture
- Data science backed underwriting

Opportunities

- Low mortgage penetration in India–huge potential
- Much demographic factors such as urbanisation, Nuclearization and population growth
- Government initiatives to boost & promote the microfinance

RISK MANAGEMENT AND CONCERNS

Being in the business of financing and buying risk, Midland Microfin Limited is exposed to credit, liquidity and interest rate risk; therefore, making an effective risk management framework becomes paramount. The Company has invested in people, processes and technology to mitigate risks posed by the external environment and by its borrowers. Several other risks that could affect each of the functions of the Company.

In accordance with the requirements of the Companies Act, 2013 and RBI Regulations, the Company, has adopted and formulated the Risk Management Framework which lays down the procedure for risk assessment and mitigation. The Board has delegated the responsibility of overseeing the Risk Management framework to Risk Management Committee.

In order to mitigate the interest rate risk and liquidity risk, the Company has developed innovative resource mobilization techniques and prudent fund management practices, among others. Besides, superior credit rating of the Company's financial instruments enables us to raise funds at competitive rates. The Company's Asset Liability Management Committee regularly reviews the interest rate and liquidity risks. Details of the Material risk and mitigations are written as under:

Material Risks and Mitigations:

Sr. No.	Material Risks	Mitigation Strategies:
1.	**Credit Risk:** Borrower's inability to repay the loan	The Company's prudent lending strategies and robust credit appraisal system minimizes the probability of default. Also, various processes backed by technology, proactively help the Company identify people with negative intentions.
2.	**Regulatory Risk:** Non-compliance with regulations lead to stringent actions and penalties from the Regulator or Statutory Authorities	The Company diligently complies with all the regulatory framework imposed by respective authorities, along with timely reporting.
3.	**Operational Risk:** Risk of possible losses, arising due to inadequate controls over the internal processes, people, systems and operations.	The Company promptly took several measures, along with SROs viz. MFIN and Sa-dhan, to address the concerns. Additionally, cashless disbursement and collection mitigate cash-based operation risks.
4.	**Information Technology/Cyber Security Risk:** Unavailability of systems and/or loss or manipulation of information or information data security	The Company has the prevalence of a robust Information Security Management System, which helps safeguard sensitive customer data.
5.	**Liquidity Risk:** Liquidity squeeze due to a skewed asset-liability profile could result in significantly higher costs of funds	The Company has prudent asset-liability management and well-diversified liability profile which insulates it from market turbulences.

FINANCIAL AND OPERATIONAL PERFORMANCE

The Company always focus on three key principles - operating efficiency, customer centricity and skill up. Following are the key financial parameters –

Loans:
₹ 15,285.34 Million

Total income:
₹ 3,949.12 Million

Profit before tax (PBT):
₹ 615.09 Million

Profit after tax (PAT):
₹ 468.33 Million

Key Ratios:

Ratios	2022-23	2021-22	Change (%)	Reasons
Debtors Turnover	N.A.	N.A.	–	
Inventory Turnover	N.A.	N.A.	–	
Interest Coverage Ratio	N.A.	N.A.	–	
Current Ratio	N.A.	N.A.	–	
Debt Equity Ratio (in times)	4.38	4.45	-1.66%	
Operating Profit Margin (%)	N.A.	N.A.	–	
Net Profit Margin (%)	11.86	10.14	16.96%	Due to increase in interest income and facilitation feeincome.
Sector specific equivalent ratios, as applicable:				
Capital Adequacy Ratio (%)	28.44	33.72	-15.66%	Due to increase in the AUM by 57% with less amount of equity infusion in the current year.

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof

Increased profitability contributed higher Return on Net Worth to 16.01%. as compared to 9.95% in the previous year showing a growth of 60.87%.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an independent Internal Audit function which is commensurate with its size and scale. It evaluates the adequacy of all internal controls and processes and ensures strict adherence to clearly laid down processes and procedures as well as to the prescribed regulatory and legal framework. The Company has further strengthened its Internal Audit function by investing in domain specialists to increase the effectiveness of controls. The Audit Committee of the Board of Directors reviews the internal audit reports on regular basis and the adequacy and effectiveness of the internal controls.

The Company's internal controls commensurate with its business requirements, its scale of operation and applicable statutes. Hence leading to orderly and efficient conduct of business. The controls are designed to safeguard the Company's assets, prevent and detect errors and frauds, ensure strict compliance with applicable laws and assure reliability of financial statements and financial reporting. The Audit Committee ensures that all procedures are properly authorized, documented, described, and monitored. The Company has technologically advanced infrastructure with automated operations, including accounts and MIS in place.

MML has a complete in-house Internal Audit department. It has processes and systems to design an Annual Audit Plan, ensuring optimum portfolio quality while keeping risks at bay.

The Regional Office Audit, Branch Audit and system Audit is conducted on a quarterly basis, based on the risk- based audit methodology. The Audit team comprises seasoned auditors with good understanding of systems and processes. The Audit Committee of the Board of Directors, comprising independent directors, periodically reviews the internal audit reports, covering findings, adequacy of internal controls and ensuring compliances. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on the financial statements. This includes the financial reporting system, compliance with accounting policies and procedures, adequacy and effectiveness of the internal controls and systems.

REVOLUTIONIZING EXCELLENCE THROUGH TECHNOLOGICAL INNOVATIONS: A GLIMPSE INTO I.T. ADVANCEMENTS

In its unwavering commitment to operational excellence, exceptional customer service, and informed decision-making, the Company consistently directs its resources towards enhancing its IT systems, including robust backup solutions. These strategic investments have proven instrumental in elevating operational efficiency and fortifying the customer service experience.

The fiscal year 2022-23 stands as a testament to the Company's resolute dedication to technological progress. Significant investments have been channelled into the augmentation of the Information Technology infrastructure, where the Information Security Management System emerges as a pivotal driving force behind the realization of the Company's strategic pursuits. A selection of these advancements is outlined below:



Introducing the UTR Number Upload Utility: Enhancing Funds Transfer Process

In a bid to optimize and expedite the funds transfer procedure while effectively monitoring UTR numbers, the company is proud to introduce the UTR Tracking Platform. This innovative platform has been meticulously designed to empower all branches with seamless access to UTR numbers and facilitate their download through the dedicated UTR Tracking Portal, thoughtfully provided by our IT Team. The tool serves as a comprehensive solution to not only access UTR numbers but also to gain insights into the actual fund status and reasons behind any potential holds. Its user-friendly interface ensures a hassle-free experience, promoting efficiency and accuracy throughout the UTR Management System.

Key Advantages:

- User-Friendly: The platform's intuitive design ensures easy navigation and utilization.
- Process Optimization: Aims to streamline and enhance the UTR Management System.
- Real-time Tracking: Provides a window into the real-time status of UTR transactions.
- Enhanced Visibility: Enables users to identify reasons for any holds, fostering informed decision-making.

By introducing this UTR Number Upload Utility, the company aims to elevate the efficiency and transparency of the funds transfer operations, ultimately contributing to an enhanced customer experience and improved internal processes.

Efficiency Enhanced: Introducing Quick Bill Software for Streamlined Invoice Management

The Quick Bill software introduces an array of features tailored to optimize invoice management processes. Users can initiate the creation of invoices, perform approvals, forwarding, and rectifications, and execute invoice payments seamlessly within the platform. A standout feature of the software lies in its automated email notifications, triggered upon invoice creation, approval, forwarding, and payment. This intelligent system aligns with the software hierarchy, ensuring the relevant user receives automated notifications at each step. The driving motivation behind the Quick Bill Software is to offer users a convenient and digital approach to uphold their invoice data, complete with robust audit trails. The platform facilitates instant access to invoice attachments, promoting flexibility by enabling downloads from any location, at any time. The software's intuitive design simplifies the approval process and enhances invoice tracking.

Key Advantages:

- Enhanced Internal Payment Workflow: Elevate the efficiency of daily internal payment processes.
- Heightened Productivity: Empower users to achieve higher levels of productivity.
- Structured Payment Approval: Implement a well-defined payment approval matrix.
- Optimized User Efficiency: Streamline processes to amplify user efficiency.
- Embrace Paperless Operations: Transition into a complete paperless workflow, aligning with sustainability goals.

With the launch of the Quick Bill Software, the Company aims to revolutionize invoice management, offering users an efficient, transparent, and accessible platform that aligns with contemporary digital practices.

Streamlined Vendor Onboarding: The Vendor Management System

The implementation of the Vendor Management System for IT vendor onboarding stands as a notable achievement for the Company. This in-house development initiative has introduced a streamlined and efficient procedure for bringing vendors onboard. The system acts as a central repository, capturing and managing vital vendor information including KYC details, GST information, and bank particulars.

Key Advantages:

- Centralized Vendor Repository: The system ensures the maintenance of a unified database encompassing all IT vendors.
- Efficient GST Tracking: Facilitates the organized tracking of GST details associated with each vendor.
- Enhanced Payment Process: Vendor bank details are seamlessly integrated, expediting payment procedures, aided by the inherent two-step verification process.

With the introduction of this Vendor Management System, the Company reinforces its dedication to optimizing operational processes, ensuring compliance, and promoting transparency in vendor- related interactions.

Relocation of Disaster Recovery Setup: Transitioning from CTRLS to On-Premises Jalandhar Data Center

In a strategic move, the Company has successfully executed the migration of its Disaster Recovery (DR) Setup from the CTRLS Data Center in Hyderabad to its on-premises facility situated in Jalandhar. This transition not only guarantees business continuity but also establishes a cost-effective solution, safeguarding against data loss and ensuring uninterrupted operations.

Key Advantages:

- Seamless Business Continuity: The relocation reinforces the Company's commitment to
- maintaining uninterrupted business operations in the face of disruptions.
- Enhanced Data Recovery Speed: The new setup facilitates swift data recovery, minimizing downtime and maximizing efficiency.
- Economical Resolution: The decision to migrate contributes to cost-effectiveness, optimizing resource allocation without compromising on performance.

Through this strategic shift, the Company reiterates its dedication to maintaining a resilient infrastructure that aligns with business goals while upholding data security and operational continuity.

Quick Infra Setup for New Branches

Branch Setup Completed in FY 2022-23

Region	Branch Count
Ahmedabad	4
Bhubaneswar	4
Chandigarh	1
Delhi	6
Indore	8
Jharkhand	4
Patna	4
Varanasi	21
West Bengal	7
Grand Total	59

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES:

Human Capital is the most valuable asset for your Company. The Company believes in providing a conducive environment for work to its employees. Living the culture of being an employee-centric organization, regular workshops/trainings/discussion sessions are organized across locations and communication is shared with employees updating them on various organizational developments.

Our Human Resource Department at Midland Microfin Limited plays a paramount role in shaping the culture, values and driving strategic goals of the organization. Our company views its people as its most precious assets and works to connect its human resources with its corporate objectives. Our people practices are aimed at developing a culture that promoted growth, satisfaction, learning and engagement. We are focused at providing our employees with best in the industry infrastructure, technology, and career progression opportunities. Over the last year, the Human Resource team in collaboration with other stakeholders have contributed significantly in improving productivity and supporting the business to achieve our goals.

Talent Acquisition Strategies:

Midland's hiring strategies have been aligned with the vision of expansion and thus introduction of innovative methods used to attract top talent, such as improved recruitment processes, expanded employer branding efforts, and enhanced candidate experiences have been adopted and seen a 35% increase in the hiring numbers.

Advancements by using digital methods to streamline our recruitment and onboarding process set us apart. The use of WhatsApp ChatBOT communication for internal HRMS related daily queries, helpdesk tickets, attendance marking, onboarding, recruitment etc have revamped our delivery systems.

Diversity and Inclusion:

Midland's focus on creating a more diverse and inclusive workforce, include diversity recruitment goals, training programs, introduction of Creche facility, adoption of remote working for women

Career Progression & Growth:

Fast track quarterly promotions, internal lateral movements, mentorship programs, first time manager programs, step-up programs for our trainers and many more programs for employee development.

Impact and Sustainability Taskforce:

To align our practices with the United Nations Sustainable Development Goals (SDGs), we are forming an Impact and Sustainability Taskforce. Comprising representatives from various departments, this taskforce will develop strategies to measure and enhance our social and environmental impact. By embedding sustainability in our operations, we aim to contribute to a more equitable and resilient world.

Skills Exchange Program:

To encourage knowledge sharing and cross-functional collaboration, the L&D department initiated a Skills Exchange Program. This program allows employees to diversify their knowledge by cross trainings i.e. training ones colleagues from different department on basic skills required for upskilling and persoanl development. This is also related to our Reverse Mentoring Program; where his initiative pairs experienced senior employees with younger colleagues to exchange insights, perspectives, and skills. This two-way learning approach enriches the professional development of both mentors and mentees.

LEADERSHIP DEVELOPMENT PROGRAMS:



1. Front Line Officers of Microfinance by UPMA

A workshop for Front Line Officers of Microfinance & SFB was organized by UPMA (Microfinance Association of Uttar Pradesh) on topics regarding team building, soft skills & behavioral training, and ring leader handling.

2. Program on "Consumer Protection for Officers in the Office of Grievance Redressal Officer, Principal Nodal Officers & Internal Ombudsman of NBFCs by RBI

The topics covered were regarding consumer protection, grievance redressal, important KYC guidelines, and fair practice codes.





3. 'Capacity Building of Micro Finance Institutions [MFIs]' by BIRD, Lucknow

Training Program conducted by BIRD covered topics on liquidity avenues for MFIs- Borrowing from Banks /Bank Lending to MFIs, Code of conduct for MFIs, Role of Self-Regulatory Organisation (SRO), and Governance issues in MFIs.

4. Strategy Meet

In publishing and graphic design, Lorem ipsum is a placeholder text commonly used to demonstrate the visual form of a document or a typeface without relying on meaningful content. Lorem ipsum may be used as a placeholder before final copy is available. Wikipedia





5. Employee Engagement

Midland introduced "Employee Scholarship Programme" supports meritorious and encourages education and thus launched a scholarship program for the underprivileged children of the society. Based on merit and their educational requirement, they were shortlisted and awarded with "educational tabs" to help support their educational journey.

Cautionary Statement

Certain statements in the Management Discussion and Analysis could be forward-looking statements within the meaning of applicable law. Actual results may vary significantly from the forward-looking statements due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political risks within and outside India, volatility in interest rates, change in Government or regulatory policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

Annexure -B

DETAILS OF REMUNERATION

Statement under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for year ended March 31, 2023

Sr. No.	Particulars	Disclosures
(I)	the ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year;	111/1
(ii)	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, If any, In the Financial Year; *[See Annexure C for details]*	Managing Director: 19.62% CFO: 36.36% Company Secretary: 26.23%
(iii)	the percentage increase in median remuneration of employees in the financial Year	22.71%
(iv)	the number of permanent employees on the rolls of the company as on March 31, 2023;	3342
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	19.62%
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

Name of every employee of the Company who:-

a) If employed throughout the financial Year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees:
Mr. Amardeep Singh Samra

Employee Name	Designation	Qualification	Remuneration received		Nature of Employment	Date of Commencement of Employment	Age	Experience (Years)	Last Employment details	Whether relative of any director/ Manager
			Gross	Net						
Mr. Amardeep Singh Samra	Managing Director	B.com	1,89,09,686	1,16,68,037	Full time employment	07-06-2010	52	24	PRINCE HIGHWAYS LIMITED	NO

b) If employed for a part of the financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand per month: **NIL**

c) If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, in excess of that drawn by the managing director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: **NIL**

Annexure-C

DETAILS OF REMUNERATION

Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2022- 2023, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022- 2023 are as under:

S. No.	Name of Director / KMP	Designation	Remuneration Director/KMP for the Financial Year 2022- 23 (Rs. in crores)	Remuneration of Director /KMP for the Financial Year 2021- 22 (Rs. in crores)	% increase in Remuneration in the Financial Year 2022- 23	% increase in Remuneration In the Financial Year 2021- 22	Ratio of Remuneration of each Director to median remuneration
1.	Mr. Amardeep Singh Samra	Managing Director	1.89	1.58#	19.62%	72.88	111:1
2.	Amitesh Kumar	Chief Financial Officer/Chief Operating Officer	0.75	0.55	36.36%	42.30	–
3.	Sumit Bhojwani	Company Secretary	0.10	0.08	26.23%	24.95	–

The variable pay of Rs. 2,299,437/- with the approval of the Nomination and Remuneration committee of the Company and is paid in the Financial Year 2021-22.

Note: - the information disclosed above relates to complete financial year.

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year:

The median remuneration of employees of the Company during the Financial Year was Rs. 170,328 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

The percentage increase in the median remuneration of employees in the Financial Year:

In the Financial Year, there was an increase of 22.71% in the median remuneration of employees.

The number of permanent employees on the rolls of Company:

There were 3342 permanent employees on the rolls of the Company as on 31st March, 2023.

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	FY. 2022-23	F.Y. 2021-22
Increase in Salary of employees other than managerial	**14.00**	**17.60**
Managerial	**19.62**	**72.88**

Affirmation that the remuneration is as per the remuneration policy of the company: Yes

Annexure-D

CSR ACTIVITIES

1. Brief outline on CSR Policy of Midland Microfin Limited

The Company believes that CSR is a way of creating shared value and contributing to social and environmental good. Company's strategy has been to integrate its activities in community development, social responsibility, and environmental responsibility and encourage each business unit or function to include these considerations into its operations. These projects are in accordance with Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meeting of CSR Committee attended during the year
1.	Mr. Amardeep Singh Samra	Chairman & Managing Director	3	3
2.	Mr. Sachin Nithyanath Kamath	Nominee Director	3	3
3.	Mrs. Kamna Raj Aggarwalla	Nominee Director	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: http://midlandmicrofin.com/wp-content/uploads/CSR- Policy.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.

5. Details of the amount available for set o in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set o for the financial year, if any:

S. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
N.A			

6. Average net profit of the company as per section 135(5): 24,47,00,778/-

7. (a) Two percent of average net profit of the company as per section 135(5): 48,94,016/-
(b) Surplus arising out of the CSR projects or programs or acvies of the previous financial years: No surplus.
(c) Amount required to be set off for the financial year, if any: No.
(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 48,94,016/-.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year.(in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
3,338,787.00	1,555,228.00	30-04-2023	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Agency	
				State	District						Name	CSR Registration No.
1.	Distribution of clothes to needy people	Eradication of Hunger & Poverty & Malnutrition	Yes	Punjab	Jalandhar	1 Year	48,708.00	48,708.00	–	No	Midland Foundation	–
2.	Awareness drive to impart financial literacy to customers. (Social Influence)	Financial Literacy & Awareness Drive	No	PAN India Level	Rajatalab, Sindhora, Jamalpur, Basti, Harraiya etc	1 Year	506,543.00	506,543.00	–	No	Midland Foundation	–
3.	My Pad MY Right, Medical Camp, Abhar Kits	Evam Swasth Jagrukta Abhiyaan	No	PAN India Level	Bagha Purana, Mansa, Banswara etc	3 Years	4,338,765.00	2,762,965.00	1,575,800.00	No	Midland Foundation	

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project.	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs.).	Mode of Implementation - Direct (Yes/No).	
				State	District		Name	Registration
N.A								

(d) Amount spent in Administrative Overheads: _Rs.20571_
(e) Amount spent on Impact Assessment, if applicable: Not Applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 3,338,787/-

(g) Excess amount for set off, if any: NA*

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	4,894,016.00
(ii)	Total amount spent for the Financial Year	3,338,787.00
(iii)	Excess amount spent for the financial year [(ii)-(I)]	–
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	–
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	–

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer.	
1	2021- 22	1,977,031.00	1,977,031.00				0
2	2020 -21	895,067.00	895,067.00				0
2	2019 -20	–					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total Amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project- Completed/ Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: N.A.

(a) Date of creation or acquisition of the Capital Asset(s):
(b) Amount of CSR spent for creation or acquisition of capital asset:
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): The amount is allocated to an ongoing project with a duration of 3 (three) years, hence the pending amount transferred to unspent CSR account will be spent in the succeeding Financial Years.

For and Behalf of Board of Directors

Date: May 10, 2023
Place: Jalandhar

Kamna Raj Aggarwalla
Independent Director

DIN: 07009446

Amardeep Singh Samra
Managing Director & Chairman of CSR Committee

DIN: 00649442

Annexure-E

SECRETARIAL AUDIT REPORT

To,
The Members,
Midland Microfin Limited
Jalandhar.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Midland Microfin Limited (hereinafter referred to as Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31 st March, 2023 according to the provisions of:

I) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)Regulations, 1993 regarding the Companies Act and dealing with client;

(b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

The following regulations and Guidelines of SEBI are not applicable to the company as only the debt securities are listed:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(c) Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021;

(d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We have also examined the compliance of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that, having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof on test check basis, the company has complied with the following laws applicable specifically to the company:

(a) Reserve Bank of India Act, 1934 and directions, regulations and circulars issued therein relating to Non- Banking Finance Companies – Micro Finance Institutions and;

(b) Reserve Bank of India Act, 1934 and directions, regulations and circulars issued therein relating to Non- Banking Finance Companies –Systemically Important NBFCs–ND (NBFCs–ND–SI) including Scale Based Regulations with effect from 01.10.2022

We further report that

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Harsh Goyal & Associates
Company Secretaries

(Harsh Kumar Goyal)
Prop.
FCS 3314
COP No.:2802

Place: Ludhiana
Date: 10.05.2023
UDIN: F003314E000280877
Peer Review No. S1998PB021900

This report is to be read with our letter of even date which is annexed as' Annexure A' and forms an integral part of this report.

Annexure-A of
Secretarial Audit Report

To
The Members,
Midland Microfin Limited
Jalandhar

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. Wehave followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Harsh Goyal & Associates
Company Secretaries

(Harsh Kumar Goyal)
Prop.
FCS 3314
COP No.2802
Place: Ludhiana
Date: 10.05.2023

Annexure-F

A. Corporate governance

As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Paragraph C of Schedule V - Annual Report) as amended from time to time, specifies disclosures to be made in the section on the corporate governance of the Annual Report.

S. No.	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Director-ships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee	Com-mission	
1.	Amardeep Singh Samra	07-06-2010	Managing Director	00649442	7	7	Nil	1,89,09,686	70,000	Nil	3675554
2.	Vijay Kumar Bhandari	28-03-2014	Chairman	00052716	7	7	6	6,00,000	1,00,000	Nil	489486
3.	Santokh Singh Chhokar	21-12-2021	Non-Executive Director	00514356	7	7	Nil	Nil	70,000	Nil	Nil
4.	Shant Kumar Gupta	01-09-2011	Independent Director	01571485	7	7	Nil	3,00,000	1,05,000	Nil	5000
5.	Kamna Raj Aggarwal	17-08-2016	Independent Woman Director	07009446	7	6	1	3,00,000	75,000	Nil	20000
6.	Parveen Kumar Gupta	21-12-2021	Independent Director	02895343	7	7	5	9,00,000	1,05,000	Nil	Nil
7.	Sachin Nithyanand Kamath	31-03-2016	Nominee Director	01592593	7	7	Nil	Nil	1,05,000	Nil	Nil
8.	Ashwani Kumar Jindal	11-08-2022	Independent Director	00670384	7	4	1	Nil	40,000	Nil	184701

Details of change in composition of the Board during the current and previous financial year.

S. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent) Capacity	Nature of change (resignation, appointment)	Effective date
1.	Ashwani Kumar Jindal	Independent Director	Appointment	11-08-2022
2.	Santokh Singh Chhokar	Non-Executive Director	Appointment	21-12-2021
3.	Parveen Kumar Gupta	Independent Director	Appointment	21-12-2021
4.	Harpal Singh Chhokar	Non-Executive Director	Resignation	21-12-2021

Audit Committee and their composition

S. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Vijay Kumar Bhandari	15-04-2014	Chairman	4	4	489486
2.	Mr. Shant Kumar Gupta	15-04-2014	Independent Director	4	4	5000
3.	Mr. Parveen Kumar Gupta	21-12-2021	Independent Director	4	4	Nil
4	Mrs. Kamna Raj Aggarwalla	17-08-2016	Independent Director	4	3	20000
5.	Mr. Sachin Nithyanand Kamath	17-08-2016	Nominee Director	4	3	Nil

Nomination and Remuneration Committee and their composition

S. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Shant Kumar Gupta	28-03-2014	Chairman	3	3	5000
2.	Mr. Vijay Kumar Bhandari	28-03-2014	Member	3	2	489486
3.	Mrs. Kamna Raj Aggarwalla	05-10-2021	Member	3	3	20000
4.	Mr. Sachin Nithyanand Kamath	09-11-2016	Member	3	3	Nil
5.	Mr. Parveen Kumar Gupta	21-12-2021	Member	3	3	Nil

Stakeholders' Relationship Committee and their composition

S. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of		No. of shares held in the NBFC
				Held	Attended	
1.	Mr.Amardeep Singh Samra	28-03-2014	Chairman	4	4	3675554
2.	Mr. Vijay Kumar Bhandari	14-01-2015	Member	4	4	489486
3.	Mr. Shant Kumar Gupta	28-03-2014	Member	4	4	5000

Corporate Social Responsibility Committee and their composition

S. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of		No. of shares held in the NBFC
				Held	Attended	
1.	Mr.Amardeep Singh Samra	17-08-2016	Chairman	3	3	3675554
2.	Mr. Sachin Nithyanand	17-08-2016	Member	3	3	Nil
3.	Mrs. Kamna Raj Aggarwalla	17-08-2016	Member	3	3	20000

Risk Management Committee and their composition

S. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of		No. of shares held in the NBFC
				Held	Attended	
1.	Mr.Amardeep Singh Samra	01-09-2011	Chairman	3	3	3675554
2.	Mr. Vijay Kumar Bhandari	13-02-2016	Member	3	3	489486
3.	Mrs. Kamna Raj Aggarwalla	13-02-2016	Member	3	3	5000

Asset liability Management Committee and their composition

S. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of		No. of shares held in the NBFC
				Held	Attended	
1.	Mr.Amardeep Singh Samra	16-05-2019	Managing Director	6	6	3675554

IT Strategy Committee and their composition

S. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Amardeep Singh Samra	16-05-2019	Managing Director	4	4	3675554
2.	Mr. Shant Kumar Gupta	17-08-2016	Independent Director	4	4	5000

Board Management Committee and their composition

S. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Amardeep Singh Samra	01-09-2011	Managing Director	26	25	3675554
2.	Mr. Shant Kumar Gupta	31-03-2016	Member	26	24	5000
3.	Mrs. Kamna Raj Aggarwalla	20-03-2021	Member	26	22	20000

Head Office Executive Committee and their composition

S. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Amardeep Singh Samra	28-04-2011	Managing Director	4	4	3675554

General Body Meetings

S. No.	Type of Meeting (Annual/ Extraordinary)	Date and Place		Special Resolution Passed
1.	AGM	September 24,2022 Midland Microfin Limited, BMC Chowk, G.T. Road, Jalandhar, Punjab (144001)		To approve the appointment of Mr. Santokh Singh Chhokar (DIN: 00514356) as a Non-Executive Director
2.	AGM	September 24,2022 Midland Microfin Limited, BMC Chowk, G.T. Road, Jalandhar, Punjab (144001)		To approve the appointment of Mr. Ashwani Kumar Jindal (DIN: 00670384) as a Non-Executive Independent Director
3.	AGM	September 24,2022 Midland Microfin Limited, BMC Chowk, G.T. Road, Jalandhar , Punjab (144001)		To approve the appointment of Mr. Parveen Kumar Gupta (DIN: 02895343) as a Non-Executive Independent Director
4.	EGM	March 23,2023 Hotel Prithvi Planet, Near GTB Market, Guru Teg Bahadur Nagar, Jalandhar, Punjab-144001.		To Issue and offer of compulsory convertible preference shares on private placement basis
5.	EGM	March 23,2023 Hotel Prithvi Planet, Near GTB Market, Guru Teg Bahadur Nagar, Jalandhar, Punjab-144001.		To reclassify and increase the authorised capital and subsequent amendment in the Memorandum of Association of the company

Details of non-compliance with requirements of Companies Act, 2013

In the financial year 2022-23 the company performed all the compliances applicable under the Companies Act, 2013. Hence there were no non- compliances.

Details of penalties and strictures

No penalties or stricture were imposed on the Company by the Reserve Bank or any other statutory authority in the financial year 2022-23.

CLIENT AWARENESS PROGRAMS

Empowering Communities

At the core of the company's operations lies an unwavering commitment to client-centricity, underpinned by insights gleaned from comprehensive client needs and feedback.

Client-centricity serves as the foundational principle that underpins Midland's array of product and service offerings. The institution maintains an unwavering commitment to comprehending the needs of its clients and crafting solutions that directly enhance their well-being, personal growth and fostering lasting progress. Midland places significant value in offering beyond financial services; it encompasses holistic empowerment and sustainable growth





Financial Literacy Program

Awareness programs to equip clients with knowledge for better finances management in associate, digital modes of payment, it's associated advantages and risks through our association with RBI for DEA ('Depositor Education and Awareness Fund) programs, Nukkad Natak.





Empowerment; Health and Hygiene

Breaking barriers and taboos surrounding menstrual heath and women hygiene through educative programs and access to sanitary products while not losing focus on nutrition health through distribution of essentials – fruits and food.

Offering access to healthcare facilities and modern medicine through medical camps.

Focus and commitment to ensure access to clean water and better sanitation facilities through trainings and sessions conducted in collaboration with Micro Energy Credit (MEC).



















FINANCIAL STATEMENTS FOR THE F.Y. 2022-23

AUDITORS REPORT

MIDLAND MICROFIN LIMITED
Independent Auditor's Report
for the financial year ended March 31, 2023

To the Members of,
Midland Microfin Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

1. We have audited the accompanying Ind AS Financial Statements of Midland Microfin Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income) for the year ended March 31, 2023, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended (hereinafter referred to as ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other Comprehensive Income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing ('Sas'), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Ind AS Financial Statements" 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 Ind AS 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 audit opinion on the Ind AS Financial Statements.

Key Audit Matters

4. Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS Financial Statements for the current year. This matter was addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming and opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS Financial Statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS Financial Statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying Ind AS Financial Statements.

Key Audit Matters	How our audit addressed the key audit matters
Impairment of financial instruments (including provision for expected credit loss) (as described in Note 8 of the Ind AS financial statements)	
Ind AS 109 requires the Company to provide for impairment of its loan receivables (financial instruments) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management for: • Defining Staging of loans (i.e., classification in 'significant increase in credit risk' ("SICR") and 'default' categories); • Grouping of borrowers based on homo-geneity by using appropriate statistical techniques; • Estimation of losses for loan products with no/ minimal historical defaults; and • Estimating recoveries to determine loss given default on a collective basis for loans that have defaulted. • Determining effect of less frequent past events on future probability of default. • Management overlay for macro-economic factors and estimation of their impact on the credit quality.	• Our audit procedures included reading and considering Company's accounting policies for impairment of financial assets and assessing compliance with Ind AS 109 and the governance framework approved by the Board of Directors. • We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates; and underlying computation by testing the input data • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. • Tested samples to ascertain the completeness and accuracy of the input data used for determining the Probability of Default (PD) and Loss Given Default (LGD) rates and agreed the data with underlying books of accounts and records. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of Company's policy on one-time restructuring.

Key Audit Matters	How our audit addressed the key audit matters
Impairment of financial instruments (including provision for expected credit loss) (as described in Note 8 of the Ind AS financial statements)	
	• For samples of exposure, we tested the appropriateness of determining Exposure at Default, Probability of Default and Loss Given Default. • Assessed the floor/ minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults by testing the input data. • Tested assumptions used by the management in determining the overlay for macro-economic factors in accordance with the governance framework approved by the Board of Directors pursuant to RBI guidelines. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 and Ind AS 109 in relation to ECL especially in relation to judgements used in estimation of ECL provision.

Information other than the Ind AS Financial Statements and Auditor's Report Thereon

5. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the Ind AS Financial Statements and our auditor's report thereon. Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards), Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibility for the Audit of the Ind AS Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements 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 Standard of Auditing, specified under section 143(10) of the Act, 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 Ind AS Financial Statements.

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

   • Identify and assess the risks of material misstatement of the Ind AS Financial Statements, 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 on 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 Ind AS Financial Statements 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 Company's ability 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 Ind AS Financial Statements 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 auditors' 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 Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements 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 Ind AS Financial Statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of the most significance in the audit of the Ind AS Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

9. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

10. As required by Section 143 (3) of the Companies Act, 2013, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account, as required by law have been kept by the Company so far, as appears from our examination of such books;

(c) The Balance Sheet, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS Financial Statements comply with the IND AS / Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

(e) On the basis of written representations received from the Directors as on March 31, 2023, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2023, from being appointed as a Director in terms of under sub-section (2) of Section 164 of the Companies Act, 2013.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, issued by the Central Government of India in terms of clause (j) of sub-section (3) of section 143 of the Companies Act, 2013 as amended in our opinion and to the best of our information and explanations given to us:

I. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Also Refer Note 46(iii) to the Ind AS Financial Statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note No. 45(xii)(a) to the Ind AS Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note No. 45(xii)(b) to the Ind AS Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared & paid during the year by the Company is in compliance with Section 123 of the Act.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

11. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Companies Act, 2013, as amended:

In our opinion and to the best of our information and according to the explanations given to us, managerial remuneration for the year ended March 31, 2023, has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with schedule V to the Companies Act, 2013.

Place: Noida
Dated: May 10, 2023

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

(Rajiv Puri)
Partner
Membership No.: 084318
UDIN: 23084318BGYVNQ7167

ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 9 of the Independent Auditors' Report of even date to the members of MIDLAND MICROFIN LIMITED on the Ind AS Financial Statements for the year ended March 31, 2023

(I) (a) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the verification of Property, Plant and Equipment and Right-of-use assets has been conducted by the management during the year. All the Property, Plant and Equipment have not been physically verified by the management during the year, however, there is a regular phased programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), therefore requirements to report under paragraph 3(i)(c) of the order are not applicable to the Company.

(d) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has not revalued its property, plant, and equipment (including Right-of-use assets) and/or intangible assets during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Register Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right Of Use Assets) or intangible Assets does not arise.

(e) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, no proceedings have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company does not have any inventory, therefore requirements to report under paragraph 3(ii)(a) of the Order are not applicable to the Company.

(b) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has not been sanctioned any working capital limit in excess of Rs. 5 Crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets, therefore requirements to report under paragraph 3(ii)(b) of the order are not applicable to the Company.

(iii) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(a) The Company's principal business is to give loans, and hence requirements to report paragraph 3(iii)(a) of the Order is not applicable to the Company.

(b) The terms and conditions of grant of all loans and advances in the nature of loans, and investments made in 'Mutual Funds' and 'Security-Receipts' during the year under audit, in our opinion, are prima-facie not prejudicial to the Company's interest. There are no other investments made or guarantees provided or security given during the year under audit.

(c) The Company, being a Non-Banking Financial Company – Microfinance Company, is registered under provisions of Reserve Bank of India Act, 1934 and rules made thereunder, in pursuance of its compliance with the provisions of the said Act/ Rules, particularly, the income Recognition, Asset Classification and Provisioning norms and generally accepted business practices by the lending institutions, repayments scheduled are stipulated basis the nature of the loan products. The repayment of the principal and the payment of interest by the borrower's are as per the stipulated repayment schedule except in case of default cases.

Note 3.6 to the Ind AS Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2023, aggregating ₹ 9.08 million were categorized as credit impaired ("Stage 3") and ₹ 242.31 million were categorized as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 8 to the Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating ₹ 15,198.64 million, where credit risk has not significantly increased since initial recognition (categorized as "Stage 1"), overdue in the repayment interest and/or principal aggregating ₹ 67.61 million were also identified. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemized list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 9.08 million. In our opinion, reasonable steps are being taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.

(e) The Company's principal business is to give loans, and hence requirements to report under paragraph 3(iii)(e) of the Order is not applicable to the Company.

(f) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, requirements to report under paragraph 3(iii)(f) of the Order is not applicable to the Company.

(iv) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has complied with the provisions of section 186 of the Companies Act 2013 (to the extent applicable) in respect of investment made in 'Mutual Funds' and 'Security-Receipts'. Further, the Company has not given any loans, or provided any guarantee or security or made any investments (other than in 'Mutual Funds' and 'Security-Receipts') as specified under Section 185 & 186 of the Companies Act, 2013.

(v) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder to the extent applicable. Accordingly, the requirements to report under Paragraph 3(v) of the Order are not applicable to the Company.

(vi) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, the requirements to report under Paragraph 3(vi) of the Order are not applicable to the Company.

(vii) (a) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. The Company does not have liability in respect of sales-tax, service tax, duty of excise, and value added tax, since effective July 01, 2017, these statutory dues has been subsumed into GST. Further no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, there were no dues referred in sub-clause (vii-a) above, which have not been deposited on account of disputes.

(viii) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, there were no transactions in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the requirements to report under paragraph 3(viii) of the Order are not applicable to the Company.

(ix) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that,

(a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans availed by the Company were, applied by the Company during the year for the purposes for which such term loans were obtained.

(d) On an overall examination of the Ind AS Financial Statements, funds raised on short-term basis have, prima facie, not been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate, or Joint Venture as defined under the Companies Act, 2013 and therefore, the requirements to report under Paragraph 3(ix)(e) & (f) of the Order are not applicable to the Company.

(x) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and accordingly, the requirements to report under Paragraph 3(x)(a) of the Order are not applicable to the Company.

(b) The Company, during the year under audit, has made private placement of compulsory convertible preference shares. For such allotment, the requirements of Section 42 of the Companies Act, 2013 have been complied with. Also, the funds raised therefrom have been applied for the purpose for which those were raised. There were no preferential allotment of shares or convertible debentures (fully, partially, or optionally convertible) during the year, therefore compliance with the provisions of Section 62 of the Companies Act, 2013 is not applicable. Further, the Company, during the year under audit, has not made any private placement of convertible debentures, though has made private placement of non-convertible debentures.

(xi) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(a) Few fraud cases for cash embezzlement by employees of the Company aggregating to ₹ 2.47 million were reported during the year and the due intimations vide FMR-1 and FMR-2 were filed with Reserve Bank of India within the prescribed timelines. Other than these fraud cases, we have not come across any instance of material fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by management.

(b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing, and extent of our audit procedures.

(xii) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company is not a Nidhi Company. Accordingly, requirements to report under Paragraph 3(xii) of the Order are not applicable to the Company.

(xiii) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the Ind AS Financial Statements as required by the applicable IND-AS.

(xiv) (a) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued during the year and covering the period upto March 31, 2023.

(xv) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, reporting on the compliance of the provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that,

(a) The Company has been registered under Section 45-IA of the Reserve Bank of India Act, 1934, as required.

(b) The Company has not conducted any business of non-banking financial or Housing Finance activities without a valid certificate of Registration (COR) as required under Section 45-IA of Reserve Bank of India Act, 1934.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, requirements to report under Paragraph 3(xvi) (c) of the Order are not applicable to the Company.

(d) The company does not have any CICs, which are a part of the Group. We have not, however, separately evaluated whether the information provided by the Management is accurate and complete. Accordingly, requirements to report under Paragraph 3(xvi) (d) of the Order are not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.

(xix) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, asset liability maturity (ALM) pattern and other information accompanying the Ind AS Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that;

(a) There are no unspent amounts towards Corporate Social Responsibilities (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Hence, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount to a Special account within a period of 30 days from the end of the financial year in compliance with the provision of sub-section (6) of section 135 of the Companies Act, 2013.

(xxi) According to the information and explanations given to us, the Company does not have subsidiary, associate and joint venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable to the Company.

Place: Noida
Dated: May 10, 2023

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

(Rajiv Puri)
Partner
Membership No.: 084318
UDIN: 23084318BGYVNQ7167

ANNEXURE-B TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 10(f) of the Independent Auditors' Report of even date to the members of MIDLAND MICROFIN LIMITED on the Ind AS Financial Statements for the year ended March 31, 2023

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MIDLAND MICROFIN LIMITED ("the Company") as of March 31, 2023, in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that;

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Noida
Dated: May 10, 2023

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

(Rajiv Puri)
Partner
Membership No.: 084318
UDIN: 23084318BGYVNQ7167

BALANCE SHEET, PROFIT & LOSS AND CASH FLOW STATEMENT



Balance Sheet as at March 31, 2023

(Rupees in millions unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	1,235.82	2,348.07
Bank balances other than cash and cash equivalents	5	2,026.70	2,470.58
Derivative financial instruments	6	41.13	18.36
Receivables			
Trade Receivables	7	25.79	14.94
Other Receivables	7	-	-
Loans	8	15,285.34	10,345.95
Investments	9	800.00	150.00
Other financial assets	10	243.24	106.32
Total financial assets		**19,658.02**	**15,454.22**
Non-financial assets			
Current tax assets (net)	11	53.57	2.83
Deferred tax assets (net)	30	10.98	52.58
Property, plant and equipment	12	120.91	106.44
Intangible assets	12	10.66	13.35
Other non-financial assets	13	48.04	64.06
Total non-financial assets		**244.16**	**239.26**
Total assets		**19,902.18**	**15,693.48**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	14	51.12	24.68
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	14	1.35	2.75
Other payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	14	2.18	3.77
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	14	18.48	7.09
Debt securities	15	2,635.08	1,321.93
Borrowings (other than debt securities)	15	11,754.98	9,973.75
Subordinated liabilities	15	1,260.56	1,160.85
Other financial liabilities	16	655.19	452.20
Total financial liabilities		**16,378.94**	**12,947.02**
Non-financial liabilities			
Provisions	17	23.63	20.58
Other non-financial liabilities	18	23.92	17.34
Total non-financial liabilities		**47.55**	**37.92**

Balance Sheet as at March 31, 2023

(Rupees in millions unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2023
EQUITY			
Equity share capital	19	455.70	455.70
Instruments entirely equity in nature	20	335.16	-
Other equity	21	2,684.83	2,252.84
Total equity		**3,475.69**	**2,708.54**
Total liabilities and equity		**19,902.18**	**15,693.48**
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date
For S.C.V & Co. LLP
Chartered Accountants
ICAI Firm registration number : 000235N/N500089

per Rajiv Puri
Partner
Membership No. 084318

Date: May 10, 2023
Place: Noida

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

Amardeep Singh Samra
Managing Director
DIN: 00649442

Shant Gupta
Director
DIN: 01571485

Amitesh Kumar
Chief Financial Officer

Sumit Bhojwani
Company Secretary
Membership No.: A36611

Place: Jalandhar

Statement of Profit and Loss for the year ended March 31, 2023

(Rupees in millions unless otherwise stated)

Particulars	Notes	"For year ended March 31, 2023"	"For year ended March 31, 2022"
Revenue from operations			
Interest income	22	3,546.79	2,075.53
Fees and commission income	23	178.95	85.73
Net gain on derecognition of financial instruments under amortised cost category	24	218.31	33.92
Total revenue from operations		**3,944.05**	**2,195.18**
Other income	25	5.07	2.58
Total income		**3,949.12**	**2,197.76**
Expenses			
Finance cost	26	1,684.55	1,040.25
Impairment on financial instruments	27	514.84	91.82
Employee benefit expenses	28	747.19	520.11
Depreciation and amortization expense	12	30.09	30.09
Other expenses	29	357.36	222.30
Total expenses		**3,334.03**	**1,904.57**
Profit before tax		**615.09**	**293.19**
Tax expense:			
Current tax	30	104.81	83.02
Deferred tax	30	41.95	(12.63)
Income tax expense		**146.76**	**70.39**
Profit for the year (A)		**468.33**	**222.80**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gain on defined benefit plans		3.82	3.50
Income tax effect		(0.96)	(0.88)
Items that will be reclassified subsequently to profit or loss			
Fair value (loss)/income on derivative financial instruments		(5.22)	2.99
Income tax effect		1.31	(0.75)
Other comprehensive (loss)/income (B)		**(1.05)**	**4.86**
Total comprehensive income for the year (A+B)		**467.28**	**227.66**
Earnings per share (equity share, par value of Rs.10 each)			
Computed on the basis of total profit for the year	31	10.277	5.26
Basic	31	10.275	5.26
Diluted		10.00	10.00
Nominal value			
Summary of significant accounting policies The accompanying notes are an integral part of the financial statements.	3		

As per our report of even date
For S.C.V & Co. LLP
Chartered Accountants
ICAI Firm registration number : 000235N/N500089

Rajiv Puri
Partner
ICAI Firm registration number : 000235N/N500089

Date: May 10, 2023
Place: Noida

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

Amardeep Singh Samra
Managing Director
DIN: 00649442

Shant Gupta
Director
DIN: 01571485

Amitesh Kumar
Chief Financial Officer

Sumit Bhojwani
Company Secretary
Membership No.: A36611

Place: Jalandhar

Statement of Cash Flows for the year ended March 31, 2023

(Rupees in millions unless otherwise stated)

Particulars	"For year ended March 31, 2023"	"For year ended March 31, 2022"
Cash flow from operating activities		
Profit before tax	615.09	293.19
Adjustments for:		
Depreciation and amortization	30.09	30.09
Provision for employee benefits	6.88	6.56
Impairment of financial instruments	(129.45)	91.11
Net gain on derecognition of financials instruments under amortised cost category	(169.13)	(33.92)
Profit on sale of mutual fund units	(3.25)	(0.05)
Other provisions and write offs	1.45	0.60
Interest expense	3.84	6.17
Lease rental reversed upon implementation of Ind AS 116	(11.46)	(15.44)
Operating profit before working capital changes	**344.06**	**378.31**
Movements in working capital :		
Increase in payables	31.43	22.78
Increase in other financial liabilities (excluding lease liabilities)	221.50	214.54
Increase in other non financial liabilities	6.58	2.10
Decrease / (increase) in bank balances other than cash and cash equivalents	443.88	(828.08)
(Increase) in receivables	(10.85)	(12.93)
(Increase) in loan portfolio	(4,807.74)	(2,879.80)
Decrease in other financial assets	28.56	7.81
Decrease / (increase) in other non financial assets	16.01	(36.44)
Cash (used in) operating activities post working capital changes	**(3,726.57)**	**(3,131.71)**
Income taxes paid	(155.54)	(81.62)
Net cash (used in) operating activities (A)	**(3,882.11)**	**(3,213.33)**
Cash flow from investing activities		
Purchase of property, plant and equipment (excluding right of use assets)	(51.39)	(21.44)
Purchase of intangible assets	(1.36)	(5.85)
Purchase of investments	(3,295.00)	(160.00)
Sale of investments	2,648.25	10.06
Net cash (used in)/from investing activities (B)	**(699.50)**	**(177.23)**
Cash flow from financing activities		
Proceeds from issue of equity shares	-	64.00
Premium on issue of equity shares	-	680.12
Proceeds from issue of compulsorily convertible preference shares	335.15	
Share issue expenses	-	(7.86)
Proceeds from issue (redemption) of Debt securities (net)	1,313.15	7.06
Proceeds from issue of Borrowings (other than debt securities) (net)	1,753.25	3,421.11
Proceeds from issue of Subordinated liabilities (net)	99.71	107.41
Dividend on equity shares	(31.90)	(23.50)
Net cash from financing activities (C)	**3,469.36**	**4,248.34**
Net (decrease) / increase in cash and cash equivalents (A + B + C)	**(1,112.25)**	**857.78**

Statement of Cash Flows for the year ended March 31, 2023

(Rupees in millions unless otherwise stated)

Particulars	"For year ended March 31, 2023"	"For year ended March 31, 2022"
Cash and cash equivalents at the beginning of the year	2,348.07	1,490.29
Cash and cash equivalents at the end of the year (refer note 4)	**1,235.82**	**2,348.07**
Components of cash and cash equivalents as at the end of year		
Cash in hand	10.96	14.10
Balance with banks - on current account	116.23	413.62
Deposits with original maturity of less than or equal to 3 months	1,108.63	1,920.35
Total cash and cash equivalents	**1,235.82**	**2,348.07**

Note:

1. Cash flow statement has been prepared under indirect method as set out in the Ind AS 7 "Cash Flow Statement".
2. Previous year figures have been regrouped / reclassified wherever applicable.
3. For disclosures relating to changes in liabilities arising from financing activities, refer note 44.

As per our report of even date
For S.C.V & Co. LLP
Chartered Accountants
ICAI Firm registration number : 000235N/N500089

Rajiv Puri
Partner
Membership No. 084318

Date: May 10, 2023
Place: Noida

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

Amardeep Singh Samra
Managing Director
DIN: 00649442

Shant Gupta
Director
DIN: 01571485

Amitesh Kumar
Chief Financial Officer

Place: Jalandhar

Sumit Bhojwani
Company Secretary
Membership No.: A36611

Statement of Changes in Equity for the year ended March 31, 2023

A. Equity Share Capital

Equity Share of Rs. 10 each issued, subscribed and fully paid

(Rupees in millions unless otherwise stated)

Particulars	No. of Shares	Amount
As at March 31, 2021	**39,170,206**	**391.70**
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year ended March 31, 2022 (refer note 19(b))	6,399,956	64.00
As at March 31, 2022	**45,570,162**	**455.70**
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year ended March 31, 2023	-	-
As at March 31, 2023	**45,570,162**	**455.70**

B. Instruments entirely equity in nature

Particulars	No. of Shares	Amount
As at March 31, 2021	**-**	**-**
Changes in compulsorily convertible preference shares due to prior period errors	-	-
Changes in compulsorily convertible preference shares during the year ended March 31, 2022 (refer note 20(b))	-	-
As at March 31, 2022	**-**	**-**
Changes in compulsorily convertible preference shares due to prior period errors	-	-
Changes in compulsorily convertible preference shares during the year ended March 31, 2023 (refer note 20(b))	2,234,399	335.16
As at March 31, 2023	**2,234,399**	**335.16**

C. Other Equity

(Rupees in millions unless otherwise stated)

Particulars	Notes	Reserves & Surplus					Other Comprehensive Income		Grand total
		Securities Premium	"Retained Earnings"	Statutory Reserve	"Debenture Redemption Reserve"	"Capital Redemption Reserve"	Total	Effective Portion of Cashflow hedges	Re-measurement gain on defined benefit plans	
Balance as at March 31, 2021	**21**	**958.18**	**282.59**	**110.21**	**36.63**	**4.00**	**1,391.61**	**(17.92)**	**2.71**	**1,376.40**
Profit for the year		-	222.80	-	-	-	222.80	-	-	222.80
Other comprehensive income		-	-	-	-	-	-	2.24	2.62	4.86
Total comprehensive income for the year		**-**	**222.80**	**-**	**-**	**-**	**222.80**	**2.24**	**2.62**	**227.66**
Transfer to Statutory Reserve		-	(44.56)	44.56	-	-	-	-	-	-
Issue of share capital during the year	19	680.12	-	-	-	-	680.12	-	-	680.12
Share issue expenses		(7.84)	-	-	-	-	(7.84)	-	-	(7.84)
Transfer to Capital Redemption Reserve		-	(28.55)	-	-	28.55	-	-	-	-
Dividend on equity shares		-	(23.50)	-	-	-	(23.50)	-	-	(23.50)
Balance as at March 31, 2022	**21**	**1,630.46**	**408.78**	**154.77**	**36.63**	**32.55**	**2,263.19**	**(15.68)**	**5.33**	**2,252.84**
Profit for the year		-	468.33	-	-	-	468.33	-	-	468.33
Other comprehensive income		-	-	-	-	-	-	(3.91)	2.86	(1.05)
Total comprehensive income for the year		**-**	**468.33**	**-**	**-**	**-**	**468.33**	**(3.91)**	**2.86**	**467.28**
Transfer to Statutory Reserve		-	(93.67)	93.67	-	-	-	-	-	-
Issue of share capital during the year	19	-	-	-	-	-	-	-	-	-
Share issue expenses		(3.39)	-	-	-	-	(3.39)	-	-	(3.39)
Transfer to Capital Redemption Reserve		-	(10.25)	-	-	10.25	-	-	-	-
Dividend on equity shares		-	(31.90)	-	-	-	(31.90)	-	-	(31.90)
Balance as at March 31, 2023	**21**	**1,627.07**	**741.29**	**248.44**	**36.63**	**42.80**	**2,696.23**	**(19.59)**	**8.19**	**2,684.83**

Statement of Changes in Equity for the year ended March 31, 2023

As per our report of even date
For S.C.V & Co. LLP
Chartered Accountants
ICAI Firm registration number : 000235N/N500089

Rajiv Puri
Partner
Membership No. 084318

Date: May 10, 2023
Place: Jalandhar

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

Amardeep Singh Samra
Managing Director
DIN: 00649442

Shant Gupta
Director
DIN: 01571485

Amitesh Kumar
Chief Financial Officer

Sumit Bhojwani
Company Secretary
Membership No.: A36611

Place: Jalandhar

NOTES TO FINANCIAL STATEMENTS



NOTES TO FINANCIAL STATEMENTS

1.Corporate information

Midland Microfin Limited ('the Company') is a public limited company incorporated under the provision of the Companies Act, 1956 ('the Act'). The Company was registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and was classified as a Non-Banking Financial Company - Micro Finance Institution ('NBFC-MFI') with effect from January 2, 2015 vide registration no. B-06.00458. The Company came out with a Public Issue of Secured Redeemable Non-Convertible Debentures in 2014 and the said securities are listed with Bombay Stock Exchange (BSE). As such, the Company has acquired the status of Listed Company pursuant to section 2(52) of Companies Act, 2013.

The RBI has introduced the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs ('the Framework) through Circular No. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021. Under this Framework, NBFCs are categorized into different layers, namely Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL) and Top Layer (NBFC-TL).The Company has been classified as s "Middle Layer" NBFC in accordance with the Framework.

The Company is engaged primarily in providing micro finance services to women in the rural areas of India who are enrolled as members and organized as Joint Liability Groups ('JLG'). The Company has its operations spread across twelve states and two union territories namely Punjab, Haryana, Rajasthan, Uttar Pradesh, Bihar, Jharkhand, Himachal Pradesh, Gujarat, Madhya Pradesh, Uttarakhand, West Bengal, Odisha, Chandigarh and Jammu & Kashmir.

These Ind AS Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 10, 2023.

2.Basis of preparation

a. Statement of compliance in preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian accounting standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), regulatory guidance issued by RBI on Implementation of Indian Accounting Standards vide circular- DOR (NBFC). CC. PD.No.109/22.10.106/2019-20 dated March 13, 2020 and the Master Direction- Non-Banking Financial Company- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 ('NBFC Master Directions') issued by RBI.

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values through other comprehensive income (FVOCI) as explained in relevant accounting policies. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest millions, except when otherwise indicated.

The regulatory disclosures as required by the NBFC Master Directions to be included as a part of the Notes to Accounts are also prepared as per the Ind AS financial statements.

b. Presentation of financial statements

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i. The normal course of business
ii. The event of default
iii. The event of insolvency or bankruptcy of the Group and/or its counterparties

3A. Summary of significant accounting policies

3.1 Use of estimates, judgments and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

a. Fair Value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

b. Impairment of Loan portfolio

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments of the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ and resulting in changes to the impairment allowance.

c. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

d. Provisions other than impairment on loan portfolio

Provisions are held in respect of range of future obligations such as employee entitlements and litigation provisions. Some of the provisions involve significant judgement about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgements about the ultimate outcomes of the transactions. Payments that are expected to be incurred after more than 1 year are discounted at a rate that reflects both current interest rates and the risk specific to that provision.

e. Estimating the incremental cost of borrowing

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available.

f. Business model assessment

Refer Note 3.14(i) to the financial statements.

g. Effective interest rate (EIR)

Refer Note 3.2(a) to the financial statements.

h. Other estimates

These includes contingent liabilities, useful lives of tangibles & intangibles assets etc.

3.2 Recognition of Income and Expense

The Company earns revenue primarily from giving loans. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised:

a. Interest Income

Interest revenue is recognised using the effective interest method (EIR). The effective interest method calculates the amortized cost of a financial instrument and allocates the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or liability.

The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates the interest income to the extent recoverable.

If the financial assets cures and are no longer credit-impaired, the Company reverts to calculating interest income on gross basis.

b. Interest expense

Interest expense includes issue costs that are initially recognised as part of carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commission payable to arrangers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

Overdue interest is recognised on a realization basis.

c. Fees and commission income

Income in the form of fees and commission is recognised as and when the services are rendered as per agreed terms and conditions of the contract.

d. Investments income

Interest income from investments is recognised when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably.

e. Assignment income

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transactions. Further the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the expected life of the asset) is recognised on the date of derecognition itself as excess interest spread and correspondingly recognised as profit on derecognition of financial asset.

f. Other incomes and expenses

All other incomes and expenses are recognised in the period they occur.

3.3 Property, plant and equipment (PPE) and intangible asset

PPE

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Any item of property, plant & equipment and any significant part initially recognised is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of asset (calculated as the difference between the net disposals proceeds and carrying amount of the asset) is included in the statement of profit & loss when the asset is derecognised.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

3.4 Depreciation and amortization on PPE and intangible assets

Depreciation and amortization on PPE and intangible assets are provided on a straight-line basis using the rates arrived at, based on the expected useful life of the assets prescribed under Schedule II of the Companies Act, 2013 which is also the useful life of the assets estimated by the management and also supported by technical advice:

a) Furniture and fixtures	10 years
b) Computers	
- Servers and networks	6 years
- End user devices, such as, desktops, laptops,	3 years
c) Office equipment	10 years
d) Vehicles	8 years
e) Leasehold improvements	Life based on the lease period
f) Intangible Assets	6 Years

3.5 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

3.6 Impairment of financial assets

Overview of the principle for measuring expected credited loss ('ECL') on financial assets

In accordance with Ind AS 109, the Company is required to measure expected credit losses on its financial instruments designated at amortized cost and fair value through other comprehensive income. Accordingly, the Company is required to determine lifetime losses on financial instruments where credit risk has increased significantly since its origination. For other instruments, the Company is required to recognise credit losses over the next 12-month period.

The Company has an option to determine such losses on an individual basis or collectively depending upon the nature of the underlying portfolio. The Company has a process to assess credit risk of all exposures at each year end as follows:

Stage I

These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e. exposures with no overdue) and exposures upto 30 days overdue fall under this category. In accordance with Ind AS 109, the Company measures ECL on such assets over the next 12 months.

Stage II

Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed a period of 30 days and upto 90 days. Accordingly, the Company classifies all exposures with overdues exceeding 30 days at each reporting date under this Stage. The Company measures lifetime ECL on stage II loans.

Stage III

All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Methodology for calculating ECL

The Company determines ECL based on a probability weighted outcome of factors indicated below to measure the shortfalls in collecting contractual cash flows.

Probability of default (PD)

The probability of default is an estimate of the likelihood of default over a given time horizon (12-month or lifetime, depending upon the stage of the asset).

Exposure at default (EAD) –

It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs.

Loss given default (LGD)

It represents an estimate of the loss expected to be incurred when the event of default occurs.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the company analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Definition of Default

The Company considers a financial instrument as defaulted and considered it as Stage 3 (credit-impaired) for ECL calculations in all cases, when the borrower becomes more than 90 days past due on its contractual payments.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

3.7 Leases (where the Company is the lessee)

Lease under Ind AS 116

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use asset

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 3.5 Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments, and amounts expected to be paid under residual value guarantees.
In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the lease payments.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3.8 Foreign currency transactions

Functional & presentation currency

The financial statements are presented in Indian Rupees (INR), which is the functional currency of the company and the currency of the primary economic environment.

Transaction and balance

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.9 Retirement and other employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company operates following employee benefit plans:

i. Employee Provident Fund and Employee State Insurance Scheme

Retirement benefit in the form of Employee Provident Fund and Employee State Insurance Scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and Employee State Insurance scheme. The Company recognises contribution payable to the provident fund and Employee State Insurance scheme as an expense when an employee renders the related service.

ii. Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of profit and loss in subsequent periods.

iii. Leaves

The Company treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short- term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

3.10 Income taxes

Tax expenses comprises current tax and deferred tax.

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.11 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings Per Share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue and bonus element in a rights issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduce the earnings per share or increases loss per share are included.

3.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

3.13 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.
A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not have any contingent assets in the financial statements.

3.14 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the entity becomes a party to contractual provisions of the instruments.

i) Financial Assets

Initial Measurement

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e. the date that the Company becomes a party to the contractual provisions of the instrument.

Loans and advances to customers are recognised when funds are disbursed to the customers. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification & Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Loan Portfolio at amortized cost
- Investment in mutual funds at fair value through profit & loss.
- Other financial assets at amortized cost.

Loan portfolio at amortized cost:

A loan portfolio is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Business model:

The business model reflects how the Company manages the assets in order to generate cash flows. The company considers the frequency, volume and timing of sales in prior years, the reason for such sales, and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of a holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flows are realised. Therefore, the company considers information about past sales in the context of the reasons for those sales, and the conditions that existed at that time as compared to current conditions. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward. That is, where the Company's objective is solely to collect the contractual cash flows from the assets, the same is measured at amortized cost or where the Company's objective is to collect both the contractual cash flows and cash flows arising from the sale of assets, the same is measured at fair value through other comprehensive income (FVTOCI). If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

SPPI:

Where the business model is to hold assets to collect and earn contractual cash flows (i.e. measured at amortized cost), the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method less impairment.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described in Note 3.6.

Investment in mutual funds

Mutual funds included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

ii) Financial Liabilities

Initial measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

iii) De-recognition of financial assets and liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognised the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition.

The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset or
  It retains the rights to the cash flows, but has assumed an obligation to pay the received
- cash flows in full without material delay to a third party under an assignment arrangement.

Assignment arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the "original asset"), but assumes a contractual obligation to pay those cash flows to one or more entities ("eventual recipients"), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.
- In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the year between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for de-recognition if either:

- The Company has transferred substantially all the risks and rewards of the asset or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay. If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on de-recognition of such financial asset previously carried under amortisation cost category. The resulting interest only strip initially is recognised at FVTPL.

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

iv) Derivative financial instruments and hedging

The Company uses derivative financial instruments such as range forward and par forward currency contracts to hedge its foreign currency risks. Such derivative instruments are initially recognised at fair value on the date at which the derivative contract is entered and are subsequently re-measured at fair value as at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged, and the type of hedge relationship designated.

The Company designates their derivatives as hedges of foreign exchange risks associated with the cash flows of loan repayments including the interest part.

Cash flow hedges

For hedge accounting, hedges are classified as Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a risk associated with a recognised asset or liability or the foreign currency risk in the committed payments.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedge reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss, within other gains/(losses).

When a hedging instrument expires, or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time is recognised in the Statement of Profit and Loss.

v) Reclassification of financial assets and liabilities

The Company doesn't reclassify its financial assets and liabilities subsequent to their initial recognition.

3.15 Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date using various valuation techniques.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three-level fair- value-hierarchy which reflects the significance of inputs used in the measurement).

Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows:

- **Level 1 financial instruments -**

  Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- **Level 2 financial instruments -**

  Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

- **Level 3 financial instruments**

  include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

3.16 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank with an original maturity of three months or less.

3.17 Preference Shares

Compulsorily Convertible Preference shares

Compulsorily Convertible Preference shares (CCPS) are classified as a liability or equity components based on the terms of the contract and in accordance with Ins AS 32. CCPS issued by the Company classified as equity is carried at its transaction value and shown within “Equity”.

Non-Convertible Preference shares

A preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability. Financial liability is measured at cost using effective interest rate method (net of transaction costs) until it is extinguished on conversion or redemption as per Ind AS 32.

3.18 Investment in Security Receipts

Investment in Security Receipts issued by trust floated by asset reconstruction company are accounted for at fair value through profit and loss (FVTPL).

3B. Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendment requires companies to disclose their material accounting policies instead of their significant accounting policies. Accounting policy information is considered material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have a significant impact on its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 has been narrowed so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, on its financial statements.

Ind AS 8 – Accounting Policies, Change in Accounting Estimates and Errors

The amendments help entities distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have a significant impact on its financial statements.



4: Cash and cash equivalents

(Rupees in millions unless otherwise stated)

	"As at March 31, 2023"	"As at March 31, 2022"
Cash on hand	10.96	14.10
Balances with banks		
On current accounts	116.23	413.62
Deposit with original maturity of less than three months	1,108.63	1,920.35
	1,235.82	**2,348.07**

Balances with banks in current accounts do not earn any interest. Short-term deposits are made for varying periods of between one day and three months, depending upon the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

5: Bank balances other than cash and cash equivalents

(Rupees in millions unless otherwise stated)

	"As at March 31, 2023"	"As at March 31, 2022"
Deposit with remaining maturity of less than 12 months	963.61	992.39
Deposit with remaining maturity of more than 12 months	101.16	418.10
Margin money deposits (refer note below)	961.71	1,060.06
Unpaid dividend accounts*	0.22	0.03
	2,026.70	**2,470.58**

Fixed deposits and margin money deposits with banks earns interest at fixed rates or floating rates based on daily bank deposit rates.
Margin money deposits are placed with banks to avail term loans from banks and financial institutions and placed as cash collateral in connection with securitization transactions.
*These balances are not available for use by the company and corresponding balance is disclosed as unclaimed dividend under note 16.

6: Derivative Financial Instruments

(Rupees in millions unless otherwise stated)

Part I	"As at March 31, 2023"			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Currency Derivatives:				
-Currency Swaps	598.75	41.13	-	-
Total derivative financial instruments	598.75	41.13	-	-

Part II	"As at March 31, 2023"			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Included in above are derivatives held for hedging and risk management purposes as follows:				
Cash flow hedging:				
-Currency Swaps	598.75	41.13	-	-
Total derivative financial instruments	598.75	41.13	-	-

Part I	"As at March 31, 2022"			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Currency Derivatives:				
-Currency Swaps	597.02	18.36	-	-
Total derivative financial instruments	597.02	18.36	-	-

Part II	"As at March 31, 2022"			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
	Amount	Amount	Amount	Amount
Included in above are derivatives held for hedging and risk management purposes as follows:				
Cash flow hedging:				
-Currency Swaps	597.02	18.36	-	-
Total derivative financial instruments	597.02	18.36	-	-

6.1: Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and foreign currency risk.

(a) Cash flow hedges

The company uses Currency Swap to hedge its risks associated with foreign currency risk arising from External Commercial Borrowings. Currency Swap provides hedging of both principal and coupon payments on the underlying exposure.

The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in “Cash Flow Hedge Reserve”. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Currency Swaps match that of the external commercial borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the FCS contracts are identical to the hedged risk components.

	"As at March 31, 2023"				
	Notional amounts	Carrying amount	"Line item in the statement of financial position"	"Change in fair value"	Cash flow hedge reserve as at March 31, 2023
The impact of hedging instruments (Net)	598.75	67.30	Derivative Financial Asset	41.13	(19.58)

	"As at March 31, 2022"				
	Notional amounts	Carrying amount	"Line item in the statement of financial position"	"Change in fair value"	Cash flow hedge reserve as at March 31, 2022
The impact of hedging instruments (Net)	597.02	39.32	Derivative Financial Asset	18.36	(15.68)

7: Receivables

(Rupees in millions unless otherwise stated)

	"As at March 31, 2023"	"As at March 31, 2022"
Trade Receivables*		
(I) Secured, considered good	-	-
(ii) Unsecured, considered good	25.79	14.94
Other Receivables		
(I) Secured, considered good	-	-
(ii) Unsecured, considered good	-	-
	25.79	**14.94**

*Trade receivables are non-interest bearing and generally due in short-term. Based on the management's assessment, no impairment allowance is considered necessary for trade receivables.

Ageing for trade receivables outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	25.79	-	-	-	25.79
(ii) Undisputed Trade Receivables – which have significant increase in credit risk"	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-

Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	14.94	-	-	-	14.94
"(ii) Undisputed Trade Receivables – which have significant increase in credit risk"	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-

*in case where due date of payment is not specified, disclosure has been given based on the date of transaction.

8: Loans

(Rupees in millions unless otherwise stated)

	"As at March 31, 2023"	"As at March 31, 2022"
	At amortised cost	At amortised cost
Secured, considered good*	-	-
Less: Impairment loss allowance	-	-
Unsecured, considered good*	15,440.95	10,316.10
Less: Impairment loss allowance	(159.58)	(69.97)
Unsecured, Considered doubtful**	9.08	326.19
Less: Impairment loss allowance	(5.11)	(226.37)
Total	**15,285.34**	**10,345.95**

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
	At amortised cost	At amortised cost
Above amount includes Loans provided in India	15,285.34	10,345.95
Total	**15,285.34**	**10,345.95**

* Represents assets classified under stage I and stage II in accordance with Company's asset classification policy [refer note 3.6]
** Represents assets classified under stage III in accordance with Company's asset classification policy [refer note 3.6]

The table below discloses credit quality of the Company's exposures (net of impairment loss allowance) as at reporting date:

Portfolio classification as at March 31, 2023

Particulars	Stage I	Stage II	Stage III	Total
Considered good	15,172.10	109.27	-	15,281.37
Considered doubtful	-	-	3.97	3.97
Total	**15,172.10**	**109.27**	**3.97**	**15,285.34**

Portfolio classification as at March 31, 2022

Particulars	Stage I	Stage II	Stage III	Total
Considered good	10,076.05	170.08	-	10,246.13
Considered doubtful	-	-	99.82	99.82
Total	**10,076.05**	**170.08**	**99.82**	**10,345.95**

Gross Portfolio Movement for the year ended March 31, 2023

(Rupees in millions unless otherwise stated)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2022	10,096.80	219.29	326.20	10,642.29
Total(A)	**10,096.80**	**219.29**	**326.20**	**10,642.29**
Inter-stage movements				
Stage I	(18.62)	10.94	7.68	-
Stage II	0.80	(1.37)	0.57	-
Stage III	0.24	0.09	(0.33)	-
Total(B)	**(17.58)**	**9.66**	**7.92**	**-**
New assets originated, repaid and derecognised during the year	5,119.40	13.36	(325.02)	4,807.74
Total (C)	**5,119.40**	**13.36**	**(325.02)**	**4,807.74**
Gross carrying amount as at March 31, 2023 (A+B+C)	**15,198.62**	**242.31**	**9.10**	**15,450.03**

Gross Portfolio Movement for the year ended March 31, 2022

(Rupees in millions unless otherwise stated)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2021	7,077.25	554.17	131.06	7,762.48
Total(A)	**7,077.25**	**554.17**	**131.06**	**7,762.48**

(Rupees in millions unless otherwise stated)

Particulars	Stage I	Stage II	Stage III	Total
Inter-stage movements				
Stage I	(188.68)	134.68	54.00	-
Stage II	22.36	(96.10)	73.74	-
Stage III	4.20	3.44	(7.64)	-
Total(B)	**(162.12)**	**42.02**	**120.10**	**-**
New assets originated, repaid and derecognised during the year	3,181.67	(376.90)	75.04	2,879.81
Total (C)	**3,181.67**	**(376.90)**	**75.04**	**2,879.81**
Gross carrying amount as at March 31, 2023 (A+B+C)	**10,096.80**	**219.29**	**326.20**	**10,642.29**

ECL movement during the year ended March 31, 2023 :-

(Rupees in millions unless otherwise stated)

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	20.75	49.21	226.38	296.34
Provision made/ (reversed) during the year	5.79	83.83	(221.27)	(131.65)
Write off	-	-	-	-
Closing Balance	26.54	133.04	5.11	164.69

ECL movement during the year ended March 31, 2022:-

(Rupees in millions unless otherwise stated)

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	31.13	69.04	104.94	205.11
Provision made/ (reversed) during the year	(10.38)	(19.83)	121.44	91.24
Write off	-	-	-	-
Closing Balance	20.75	49.21	226.38	296.34

9: Investments

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Investment in mutual funds (at fair value through profit or loss) Nil (March 31, 2022: 1,31,779.405) units of Rs. 10 each fully paid-up of DSP Mutual Fund - Overnight Fund	-	150.00
Investment in security receipts (at fair value through profit or loss) 80,00,00 (March 31, 2022: Nil) security receipts of Rs. 1000 each fully paid-up of Phoenix Trust (Trust floated by Phoenix ARC Private Limited)	800.00	-
Total	**800.00**	**150.00**
Investment in India	**800.00**	**150.00**

10: Other financial assets (at amortised cost)

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Security deposits	4.98	3.48
Unsecured, considered good		
Other Assets		
Retained interest on asset assigned	219.60	50.47
Employee loans	6.09	5.29
Less: Impairment loss allowance*	(8.28)	(4.63)
Other financial assets	20.85	51.71
Total	**243.24**	**106.32**

*Represent impairment loss allowance on retained interest on asset assigned and employee loans (considered doubtful).

11: Current Tax Assets (net)

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Advance income tax (net of provision)	53.57	2.83
Total	**53.57**	**2.83**

12: Property, plant and equipment

(Rupees in millions unless otherwise stated)

Particulars	Right of use assets (refer note 33)	Furniture and fixtures	Vehicles	Leasehold improve-ments	Computers	Office equipments	Total
Gross block (at cost)							
At March 31, 2021	82.24	24.61	12.95	29.01	45.89	20.03	214.73
Addition	3.06	4.86	-	-	12.00	4.83	24.75
Disposals	-	-	-	-	(1.70)	(0.22)	(1.92)
Adjustments	(6.73)	-	-	-	-	-	(6.73)
At March 31, 2022	78.57	29.47	12.95	29.01	56.19	24.64	230.83
Addition	9.16	11.67	6.98	3.65	21.06	8.56	61.08
Disposals	-	(0.10)	-	-	(1.74)	(0.64)	(2.48)
Adjustments	(20.04)	-	-	-	-	-	(20.04)
At March 31, 2023	67.69	41.04	19.93	32.66	75.51	32.56	269.39
Depreciation							
At March 31, 2021	36.12	7.64	2.03	13.30	34.04	5.89	99.02
Charge for the year	9.79	2.52	1.54	4.11	7.01	2.07	27.04
Disposals	-	-	-	-	(1.58)	(0.09)	(1.67)
At March 31, 2022	45.91	10.16	3.57	17.41	39.47	7.87	124.39
Charge for the period	3.95	3.24	1.63	4.16	10.31	2.75	26.04
Disposals	-	(0.05)	-	-	(1.65)	(0.25)	(1.95)
At March 31, 2023	49.86	13.35	5.20	21.57	48.13	10.37	148.48
Net Carrying Amount							
At March 31, 2021	46.12	16.97	10.92	15.71	11.85	14.14	115.71
At March 31, 2022	32.66	19.31	9.38	11.60	16.72	16.77	106.44
At March 31, 2023	17.83	27.69	14.73	11.09	27.38	22.19	120.91

Intangible assets

Particulars	Software	Licenses	Total
Gross block (at cost)			
At March 31, 2021	10.57	8.90	19.47
Addition	2.27	3.58	5.85
At March 31, 2022	12.84	12.48	25.32
Addition	-	1.36	1.36
At March 31, 2023	12.84	13.84	26.68
Amortization			
At March 31, 2021	3.99	4.93	8.92
Charge for the year	1.65	1.40	3.05
At March 31, 2022	5.64	6.33	11.97
Charge for the period	2.08	1.97	4.05
At March 31, 2023	7.72	8.30	16.02
Net Carrying Amount			
At March 31, 2021	6.58	3.97	10.55
At March 31, 2022	7.20	6.15	13.35
At March 31, 2023	5.12	5.54	10.66

13: Other non-financial assets

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Unsecured, considered good		
Prepaid expenses	25.53	19.02
"Balances with statutory / government authorities"	9.65	39.93
Other Non Financial Assets	12.86	5.11
Total	48.04	64.06

14: Payables

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Trade Payables		
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	51.12	24.68
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1.35	2.75

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Other Payables		
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	2.18	3.77
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	18.48	7.09
Total	73.13	38.29

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Ageing for payables outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	53.30	-	-	-	53.30
(ii) Others	19.83	-	-	-	19.83
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-

Ageing for payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	28.45	-	-	-	28.45
(ii) Others	9.84	-	-	-	9.84
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-

*in case where due date of payment is not specified, disclosure has been given based on the date of transaction.

Details of dues to micro, small and medium enterprises as defined under MSMED Act, 2006:

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
(a) Dues remaining unpaid to any supplier at the year end		
- Principal	53.30	28.45
- Interest on above	-	-
"(b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year"		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d) Amount of interest accrued and remaining unpaid	-	-
(e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

15: (a) Debt Securities (at amortised cost)

(Rupees in millions unless otherwise stated)

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Secured Debentures*		
NIL (March 31, 2022 : 380), Series I, 11.75% Secured, Simple, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was September 10, 2012. Put option is available after 4 years from the date of allotment.	-	3.80
NIL (March 31, 2022 : 325), Series I, 12% Secured, Simple, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was September 10, 2012. Put option is available after 4 years from the date of allotment.	-	3.25
NIL (March 31, 2022 : 548), Series I, 11.85% Secured, Compounded, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was September 10, 2012. Put option is available after 4 years from the date of allotment.	-	15.78
NIL (March 31, 2022 : 325), Series I, 12.10% Secured, Compounded, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was September 10, 2012. Put option is available after 4 years from the date of allotment.	-	6.83
222 (March 31, 2022 : 222), Series II, 12% Secured, Simple, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was May 31, 2013. Put option is available after 4 years from the date of allotment.	2.22	2.21
520 (March 31, 2022 : 520), Series II, 12.25% Secured, Simple, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was May 31, 2013. Put option is available after 5 years from the date of allotment.	5.20	5.18
805 (March 31, 2022 : 805), Series II, 12% Secured, Compounded, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was May 31, 2013. Put option is available after 5 years from the date of allotment.	12.63	20.70
780 (March 31, 2022 : 1300), Series II, 12.25% Secured, Compounded, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was May 31, 2013. Put option is available after 5 years from the date of allotment.	22.43	33.91

15: (a) Debt Securities (at amortised cost)

(Rupees in millions unless otherwise stated)

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Secured Debentures*		
927 (March 31, 2022 : 927), Series I, 11.00% - 12.25% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of Rs. 10,000 each redeemable within 4 to 10 years from the date of allotment i.e. July 4, 2014.	9.51	9.47
7,108 (March 31, 2022 : 7,108), Series I, 11.00% - 12.25% Secured, Listed, Compounded, Redeemable, Non-Convertible Debentures of Rs. 10,000 each redeemable within 4 to 10 years from the date of allotment i.e. July 4, 2014.	201.82	179.02
NIL (March 31, 2022 : 3,880), Series VI, 10.25% Secured, Simple, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was July 13, 2018. Put option is available after 15 months from the date of allotment.	-	38.75
NIL (March 31, 2022 : 1,950), Series VI, 10.40% Secured, Compounded, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was July 13, 2018. Put option is available after 15 months from the date of allotment.	-	27.65
50 (March 31, 2022 : 50), Series IV, 12.25% Secured, Simple, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was July 21, 2015. Put option is available after 7 years from the date of allotment.	0.50	0.50
550 (March 31, 2022 : 550), Series IV, 12.25% Secured, Compounded, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was July 21, 2015. Put option is available after 7 years from the date of allotment.	12.73	11.41
3,360 (March 31, 2022 : 3,360), Series VI, 10.40% Secured, Simple, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was July 13, 2018. Put option is available after 4 years from the date of allotment.	33.44	33.35
2,550 (March 31, 2022 : 2,550), Series VI, 10.60% Secured, Compounded, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was July 13, 2018. Put option is available after 4 years from the date of allotment.	40.04	36.28
320 (March 31, 2022 : 320), Series V, 12.25% Secured, Simple, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was October 6, 2015. 15. Put option is available after 7 years from the date of allotment.	3.20	3.20
35 (March 31, 2022 : 35), Series V, 12.25% Secured, Compounded, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was October 6, 2015. Put option is available after 7 years from the date of allotment.	0.79	0.71

15: (a) Debt Securities (at amortised cost)

(Rupees in millions unless otherwise stated)

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Secured Debentures*		
9,300 (March 31, 2022 : 9,300), Series VII, 16% Secured, Simple, Redeemable, Non- Convertible Debentures of Rs. 10,000 each. The date of allotment was 1st May 2020. Put option is available after 3 years from the date of allotment.	92.40	92.21
187.5 (March 31, 2022 : 250), Series VIII, 12.40% Secured, Listed, Simple, Redeemable, Non- Convertible Debentures of Rs. 10,00,000 each. The date of allotment was 26th November, 2020.	194.70	259.40
187 (March 31, 2022 : 250), Series IX, 12.30% Secured, Listed, Simple, Redeemable, Non- Convertible Debentures of Rs. 10,00,000 each. The date of allotment was 18th January, 2022.	191.53	255.00
187.5 (March 31, 2022 : 187), Series XI, 12.45% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of Rs. 10,00,000 each. The date of allotment was 31st March, 2022.	186.66	186.82
1,910 (March 31, 2022 : 1,910), Series VI, 10.80% Secured, Simple, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was July 13, 2018. Put option is available after 8 years from the date of allotment.	18.93	18.89
561 (March 31, 2022 : NIL), Series XII, 12.45% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of Rs. 10,00,000 each. The date of allotment was 23rd May, 2022.	584.12	-
300 (March 31, 2022 : NIL), Series XIII, 13.20% Secured, Simple, Redeemable, Non-Convertible Debentures of Rs. 10,00,000 each. The date of allotment was 30th June, 2022.	309.65	-
2,690 (March 31, 2022 : 2,690), Series VI, 10.85% Secured, Compounded, Redeemable, Non-Convertible Debentures of Rs. 10,000 each. The date of allotment was July 13, 2018. Put option is available after 8 years from the date of allotment.	42.32	38.34
97.5 (March 31, 2022 : NIL), Series XIV, 11.20% Secured, Listed, Simple, Redeemable, Non-Convertible Debentures of Rs. 10,00,000 each. The date of allotment was 1st July 2022.	97.49	-
Unsecured Debentures		
340 (March 31, 2022 : Nil), Series VIII, 15.03% Unsecured, Rated, Simple, Redeemable, Non-Convertible Debentures of Rs. 10,00,000 each redeemable within 2 to 4 years from the date of allotment i.e. December 21, 2022.	339.32	-

15: (a) Debt Securities (at amortised cost)

(Rupees in millions unless otherwise stated)

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Secured Debentures*		
Borrowing under securitisation arrangement**		
From Banks	151.85	10.13
From non-banking financial companies	81.60	29.14
Total Debt Securities	**2,635.08**	**1,321.93**

*The above debentures are secured by hypothecation of moveable property (assets given as loans, financial or other investments, receivables on loans, marketable or other securities including shares, rights, present and/or future receivables relating to loans and advances and other movable assets).
**The securitisation liabilities are secured by hypothecation of loans and margin money deposits.

(b) Borrowings (Other than Debt Securities at amortised cost)

(Rupees in millions unless otherwise stated)

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Term Loans (Secured)*		
Banks	7,942.54	7,772.28
Non-banking financial companies	3,009.37	1,511.37
External commercial borrowings	673.06	640.27
Overdraft facility	80.03	-
Term Loans (Unsecured)		
Others	49.98	49.83
Total Borrowings (Other than Debt Securities)	**11,754.98**	**9,973.75**
***Nature of Security for Term Loans:**		
Secured by hypothecation (exclusive charge) of loans and margin money deposits	6,602.82	6,140.14
Secured by hypothecation (exclusive charge) of loans	5,092.77	3,778.03
Secured by fixed assets (Car Loan)	9.41	5.75
Total Outstanding	**11,705.00**	**9,923.92**

(c) Subordinated Liabilities (at amortised cost)

(Rupees in millions unless otherwise stated)

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Unsecured Debentures		
5,738 (March 31, 2022 : 5,738), Series III, 11.00% - 11.25% Unsecured, Simple, Non-Convertible Debentures of Rs. 10,000 each redeemable within 6 to 10 years from the date of allotment i.e. July 23, 2016.	7.19	57.35
6,262 (March 31, 2022 : 6,262), Series III, 11.00% - 11.25% Unsecured, Compounded, Non-Convertible Debentures of Rs. 10,000 each redeemable within 6 to 10 years from the date of allotment i.e. July 23, 2016.	26.76	110.63
2,350 (March 31, 2022 : 2,350), Series IV, 10.60% - 11.10% Unsecured, Simple, Non-Convertible Debentures of Rs. 10,000 each redeemable within 6 to 10 years from the date of allotment i.e. September 30, 2019.	23.24	23.16
9,310 (March 31, 2022 : 9,310), Series IV, 10.85% - 11.50% Unsecured, Compounded, Non-Convertible Debentures of Rs. 10,000 each redeemable within 6 to 10 years from the date of allotment i.e. September 30, 2019.	132.21	119.06
820 (March 31, 2022 : 820), Series IV, 10.60% - 11.10% Unsecured, Simple, Non-Convertible Debentures of Rs. 10,000 each redeemable within 6 to 10 years from the date of allotment i.e. October 29, 2019.	8.06	8.02
2,170 (March 31, 2022 : 2,170), Series IV, 10.85% - 11.50% Unsecured, Compounded, Non-Convertible Debentures of Rs. 10,000 each redeemable within 6 to 10 years from the date of allotment i.e. October 29, 2019.	30.55	27.42
871 (March 31, 2022 : 871), Series V, 10.00% - 10.80% Unsecured, Simple, Non-Convertible Debentures of Rs. 10,000 each redeemable within 7 to 10 years from the date of allotment i.e. February 09, 2022.	85.80	85.62
1,881 (March 31, 2022 : 1,881), Series V, 10.10% - 11.10% Unsecured, Compounded, Non-Convertible Debentures of Rs. 10,000 each redeemable within 7 to 10 years from the date of allotment i.e. February 09, 2022.	229.70	207.45
8,810 (March 31, 2022 : 8810), Series VI, 9.95% - 10.50% Unsecured, Compounded, Non-Convertible Debentures of Rs. 10,000 each redeemable within 7 to 10 years from the date of allotment i.e. July 02, 2022.	102.43	92.95
3,650 (March 31, 2022 : 3650), Series VI, 9.50% - 10.00% Unsecured, Simple, Non-Convertible Debentures of Rs. 10,000 each redeemable within 7 to 10 years from the date of allotment i.e. July 02, 2022.	35.94	35.86
6730 (March 31, 2022 : Nil), Series VII, 9.50% - 10.00% Unsecured, Simple, Non-Convertible Debentures of Rs. 10,000 each redeemable within 7 to 10 years from the date of allotment i.e. August 18, 2022	66.22	-
9710 (March 31, 2022 : Nil), Series VII, 10.00% - 10.75% Unsecured, Compounded, Non-Convertible Debentures of Rs. 10,000 each redeemable within 7 to 10 years from the date of allotment i.e. August 18, 2022.	101.48	-

(Rupees in millions unless otherwise stated)

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Preference shares other than those that qualify as Equity		
NCPS*	410.98	393.33
Total Subordinated Liabilities	**1,260.56**	**1,160.85**
	15,650.62	**12,456.53**
Borrowings in India	14,977.56	11,816.26
Borrowings outside India	673.06	640.27
Total	**15,650.62**	**12,456.53**

*In the event of liquidation of the company before redemption of NCPS, the holders of all classes of preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

(d) Terms of conversion/ redemption of NCPS

11,65,000 (March 31, 2021: 15,00,000) NCPS of Rs.10 each fully paid-up issued at a premium of Rs. 10 per share carry a cumulative dividend @ 0.02% p.a. NCPS are compulsorily redeemable within Five to Eight years from the date of allotment at a premium of Rs 10 each. The date of allotment was March 30, 2017.

Nil (March 31, 2021: 3,45,000) NCPS of Rs.10 each fully paid-up issued at a premium of Rs. 10 per share carry a cumulative dividend @ 17% p.a. NCPS are compulsorily redeemable within five years from the date of allotment at a premium of Rs 10 each. The date of allotment was March 30, 2017.

1,01,50,000 (March 31, 2021: 1,18,25,000) NCPS of Rs.10 each fully paid-up issued at a premium of Rs. 10 per share carry a cumulative dividend @ 0.01% p.a. NCPS are compulsorily redeemable within four years to ten years from the date of allotment at a premium of Rs 10 each. The date of allotment was October 13, 2017.

9,25,000 (March 31, 2021: 9,25,000) NCPS of Rs.10 each fully paid-up issued at a premium of Rs. 10 per share carry a cumulative dividend @ 17% p.a. NCPS are compulsorily redeemable within five years from the date of allotment at a premium of Rs 10 each. The date of allotment was October 13, 2017.

7,50,000 (March 31, 2021: 12,50,000) NCPS of Rs.10 each fully paid-up issued at a premium of Rs. 10 per share carry a cumulative dividend @ 0.01% p.a. NCPS are compulsorily redeemable within four years to ten years from the date of allotment at a premium of Rs 10 each. The date of allotment was January 15, 2018.

1,00,000 (March 31, 2021: 1,00,000) NCPS of Rs.10 each fully paid-up issued at a premium of Rs. 10 per share carry a cumulative dividend @ 17% p.a. NCPS are compulsorily redeemable within five years from the date of allotment at a premium of Rs 10 each. The date of allotment was January 15, 2018.

Terms of repayment of borrowings as on March 31, 2023

Repayment Frequency	Interest rate (Range)	Due within 1 year		Due within 1 to 3 years		Due within 3 to 5 years		Due beyond 5 years		Grand Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Debt Securities										
Monthly	9.01%-12.00%	9	222.80	-	-	-	-	-	-	222.80
	12.01%-15.00%	2	10.25	-	-	-	-	-	-	10.25
Yearly	9.01%-12.00%	1	67.50	1	30.00	-	-	-	-	97.50
	12.01%-15.00%	2	375.00	3	140.25	3	607.75	-	-	1,123.00
	15.01%-18.00%	-	-	4	136.00	2	204.00	-	-	340.00
Bullet	9.01%-12.00%	7	93.27	-	-	2	46.00	-	-	139.27
	12.01%-15.00%	8	75.10	-	-	1	300.00	-	-	375.10
	15.01%-18.00%	-	-	-	-	1	93.00	-	-	93.00
Sub-total (A)		29	843.92	6	306.25	9	1,250.75	-	-	2,400.92
Borrowings (Other than Debt Securities)										
Monthly	5.01%-9.00%	64	542.12	54	352.56	2	0.36	-	-	895.04
	9.01%-12.00%	372	4,190.47	303	2,670.58	13	57.70	-	-	6,918.75
	12.01%-15.00%	229	1,429.12	116	557.19	-	-			1,986.31
Quarterly	5.01%-9.00%	4	37.50	4	37.50	-	-	-	-	75.00
	9.01%-12.00%	28	545.56	13	241.72	-	-	-	-	787.28
	12.01%-15.00%	11	176.13	10	174.80	-	-	-	-	350.93
Half Yearly	5.01%-9.00%	-	-	-	-	-	-	-	-	-
	9.01%-12.00%	4	21.20	1	5.60	-	-	-	-	26.80
	12.01%-15.00%	-	-	-	-	-	-	-	-	-
Bullet	5.01%-9.00%	-	-	-	-	-	-	-	-	-
	9.01%-12.00%	2	110.67	1	398.20	-	-	-	-	508.87
	12.01%-15.00%	1	139.88	-	-	-	-	-	-	139.88
Sub-total (B)		715	7,192.65	502	4,438.15	15	58.06	-	-	11,688.86
Subordinated Liabilities										
Bullet	0.01%-3.00%	-	-	3	126.80	2	114.50	-	-	241.30
	9.01%-12.00%	-	-	4	67.05	4	35.40	14	629.10	731.55
	15.01%-18.00%	-	-	-	-	-	-	-	-	-
Sub-total (C)		-	-	7	193.85	6	149.90	14	629.10	972.85
Total (A+B+C)		744	8,036.57	515	4,938.25	30	1,458.71	14	629.10	15,062.63

*The amounts mentioned above represents only principal outstanding on all types of borrowings.

Terms of repayment of borrowings as on March 31, 2022

Repayment Frequency	Interest rate (Range)	Due within 1 year		Due within 1 to 3 years		Due within 3 to 5 years		Due beyond 5 years		Grand Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Debt Securities										
Monthly	9.01%-12.00%	2	32.45	-	-	-	-	-	-	32.45
	12.01%-15.00%	1	6.71	-	-	-	-	-	-	6.71
Half Yearly	9.01%-12.00%	-	-	-	-	-	-	-	-	-
	12.01%-15.00%	2	125.00	2	375.00	2	187.00	-	-	687.00
Bullet	6.01%-9.00%	12	140.20	2	27.60	2	46.00	-	-	213.80
	9.01%-12.00%	11	30.10	2	52.75	-	-	-	-	82.85
	12.01%-15.00%	-	-	1	93.00	-	-	-	-	93.00
Sub-total (A)		28	334.46	7	548.35	4	233.00			1,115.81
Borrowings (Other than Debt Securities)										
Monthly	5.01%-9.00%	63	653.46	82	758.80	8	55.05	-	-	1,467.31
	9.01%-12.00%	287	3,073.31	267	2,272.65	-	-	-	-	5,345.96
	12.01%-15.00%	145	863.83	47	275.55	-	-			1,139.38
Quarterly	5.01%-9.00%	-	-	-	-	-	-	-	-	-
	9.01%-12.00%	7	122.75	16	227.25	-	-	-	-	350.00
	12.01%-15.00%	12	145.88	3	59.33	-	-	-	-	205.21
Half Yearly	5.01%-9.00%	1	100.00	-	-	-	-	-	-	100.00
	9.01%-12.00%	4	21.20	2	26.80	-	-	-	-	48.00
	12.01%-15.00%	-	-	-	-	-	-	-	-	-
Bullet	5.01%-9.00%	4	640.00	-	-	-	-	-	-	640.00
	9.01%-12.00%	-	-	2	110.67	-	-	-	-	110.67
	12.01%-15.00%	2	396.48	1	139.88	-	-	-	-	536.36
Sub-total (B)		524	6,016.91	420	3,870.93	8	55.05	-	-	9,942.89
Subordinated Liabilities										
Bullet	0.01%-3.00%	-	-	3	126.80	-	-	2	114.50	241.30
	9.01%-12.00%	2	99.15	-	-	6	80.45	12	486.70	666.30
	15.01%-18.00%	2	20.50	-	-	-	-	-	-	20.50
Sub-total (C)		4	119.65	3	126.80	6	80.45	14	601.20	928.10
Total (A+B+C)		556	6,471.02	430	4,546.08	18	368.50	14	601.20	11,986.80

*The amounts mentioned above represents only principal outstanding on all types of borrowings.

16: Other Financial liabilities

(Rupees in millions unless otherwise stated)

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Employee benefits payable	24.22	13.10
Loans pending disbursement	178.77	141.26
Payable towards direct assignment transactions	308.63	180.74
Payable towards ARC transaction	47.09	-
Unclaimed Dividend	0.22	0.03
Application money received for allotment of securities and due for refund*	-	0.00
Lease liability (refer note 33)	24.18	42.68
Other payable	72.08	74.39
Total	655.19	452.20

*Application money received for allotment of securities and due for refund: Nil (Previous year: Rs.77)

17: Provisions

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Provision for employee benefits		
Provision for gratuity	16.27	13.54
Provision for compensated absences	7.36	7.04
Total	23.63	20.58

18: Other Non-Financial liabilities

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Statutory Dues Payable	23.92	17.34
Total	23.92	17.34

19: Equity Share capital

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Authorized		
5,30,00,000 (March 31, 2022: 5,30,00,000) equity shares of Rs.10 each	530.00	530.00
2,20,00,000 (March 31, 2022: 2,20,00,000) preference shares of Rs.10 each	220.00	220.00
Total	750.00	750.00
Issued, subscribed and paid-up		
4,55,70,162 (March 31, 2022: 4,55,70,162) equity shares of Rs.10/- each fully paid up	455.70	455.70
Total	455.70	455.70

(a) Terms / rights attached to equity shares

"The Company has only one class of equity shares of par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company declares and pays dividends in Indian rupees.

The Board of Directors at their meeting proposed a dividend of Rs. 0.70 per share @7.00% for the year ended March 31, 2023 (Previous Year: Rs. 0.70 per shares @7.00%), subject to the approval of the members at the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders."

(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	"As at March 31, 2023"		"As at March 31, 2022"	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	45,570,162	455.70	39,170,206	391.70
Issued during the year	-	-	6,399,956	64.00
Outstanding at the end of the year	45,570,162	455.70	45,570,162	455.70

Details of shareholders holding more than 5% in the Company:

As per the records of the Company, including register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the shareholding given below represents both legal and beneficial ownership of shares.

Name of the shareholder	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
Kitara PIIN 1501	14,907,510	32.71%	14,907,510	32.71%
Ranjit Kaur Chhokar	4,992,000	10.95%	2,242,000	4.92%
ICICI Bank Limited	4,508,169	9.89%	4,508,169	9.89%
Amardeep Singh Samra	3,675,554	8.07%	3,500,528	7.68%
Mohinder Kaur Chhokar	-	-	2,750,000	6.03%
International Township Developers Pvt. Ltd.	2,453,740	5.38%	2,453,740	5.38%

(c) Shareholding of Promoters in the Company:

For year ended March 31, 2023

Shares held by promoters at the end of the year				% Change during the year
S.No.	Promoter Name	No. of Shares	% of total shares	
1	Amardeep Singh Samra	3,675,554	8.07%	0.38%
2	Gagan Samra	825,443	1.81%	0.00%
3	Balbir Singh	485,700	1.07%	-1.32%
4	Hamco Ispat Private Limited	316,750	0.70%	0.00%
5	Vijay Kumar Bhandari	489,486	1.07%	0.07%
6	Sneh Bhandari	469,486	1.03%	0.15%
7	Ranjit Kaur Chhokar	4,992,000	10.95%	6.03%
8	Ashish Bhandari	1,884,954	4.14%	0.22%
9	Inderjit Vasudev	355,300	0.78%	0.00%
10	Mohinder Kaur Chhokar	-	0.00%	-6.03%
	Total	**13,494,673**	**29.61%**	**-0.49%**

For year ended March 31, 2022

Shares held by promoters at the end of the year				% Change during the year
S.No.	Promoter Name	No. of Shares	% of total shares	
1	Amardeep Singh Samra	3,500,528	7.68%	-0.11%
2	Gagan Samra	825,443	1.81%	-0.30%
3	Balbir Singh	1,085,700	2.38%	-0.39%
4	Hamco Ispat Private Limited	316,750	0.70%	-0.11%
5	Vijay Kumar Bhandari	459,486	1.01%	-0.16%
6	Sneh Bhandari	399,486	0.88%	-0.14%
7	Ranjit Kaur Chhokar	2,242,000	4.92%	-0.80%
8	Ashish Bhandari	1,784,954	3.92%	-0.64%
9	Inderjit Vasudev	355,300	0.78%	-0.13%
10	Mohinder Kaur Chhokar	2,750,000	6.03%	-0.99%
	Total	**13,719,647**	**30.11%**	**-3.77%**

20: Instruments entirely equity in nature

(Rupees in millions unless otherwise stated)

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Authorized		
30,00,000 (March 31, 2022: Nil) preference shares of Rs.150 each	450.00	-
	450.00	-
Issued, subscribed and paid-up		
22,34,399 (March 31, 2022: Nil) Cumulative Compulsorily Convertible Preference Shares of Rs.150 each fuly paid up	335.16	-
	335.16	-

(a) Terms / rights attached to cumulative compulsorily convertible preference shares

"During the year ended March 31, 2023, the Company has issued 22,34,399, 0.01% Cumulative Compulsorily Convertible Preference Shares (CCCPS) at a face value Rs. 150 per CCCPS through private placement. The terms of CCCPS are as follows:
(i) Tenor & Conversion: On or before 10 (Ten) years.
(ii) CCCPS shall have voting rights on conversion into Equity Shares of the Company i.e. the Equity Shares to be issued on conversion of the NCCCPS shall rank senior in all respects with the existing Equity Shares of the Company.
(iii) Priority with respect to payment of dividend : CCCPS will carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend."

(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	-	-	-	-
Issued during the year	2,234,399	335.16	-	-
Outstanding at the end of the year	2,234,399	335.16	-	-

Details of shareholders holding more than 5% in the Company:

As per the records of the Company, including register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the shareholding given below represents both legal and beneficial ownership of shares.

Name of the shareholder	March 31, 2023		March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
Kitara PIIN 1501	981,399	43.92%	-	-
Gurdip Singh Samra	219,000	9.80%	-	-
Ranjit Kaur Chhokar	135,000	6.04%	-	-
Sanjeev Kumar	140,000	6.27%	-	-

(c) Shareholding of Promoters in the Company:

For year ended March 31, 2023

Shares held by promoters at the end of the year				% Change during the year
S.No.	Promoter Name	No. of Shares	% of total shares	
1	Ranjit Kaur Chhokar	135,000	6.04%	6.04%
	Total	135,000	6.04%	6.04%

21: Other Equity

(Rupees in millions unless otherwise stated)

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Securities premium (refer Note 21.1)		
Balance as per the last financial statements	1,630.46	958.18
Add: Premium on issue of equity shares	-	680.12
Less: Share issue expenses	(3.39)	(7.84)
Closing balance	1,627.07	1,630.46
Debenture redemption reserve (refer Note 21.2)		
Balance as per the last financial statements	36.63	36.63
Closing balance	36.63	36.63
Capital redemption reserve (refer Note 21.3)		
Balance as per the last financial statements	32.55	4.00
Add: amount transferred from surplus balance in the statement of profit and loss	10.25	28.55
Closing balance	42.80	32.55
Statutory reserve (refer Note 21.4)		
Balance as per the last financial statements	154.77	110.21
Add: Amount transferred from surplus of profit and loss	93.67	44.56
Closing balance	248.44	154.77
Retained earnings (refer Note 21.5)		
Balance as per the last financial statements	408.78	282.59
Add: Profit for the year	468.33	222.80
Less: Transfer to Statutory Reserve [@ 20% of profit after tax as required by Section 45-IC of Reserve Bank of India Act, 2034]	(93.67)	(44.56)
Less: Dividend on equity shares (includes dividend distribution tax)	(31.90)	(23.50)
Less: Transfer to Capital Redemption Reserve	(10.25)	(28.55)
Closing balance	741.29	408.78

(Rupees in millions unless otherwise stated)

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Other comprehensive income		
Re-measurement gain on defined benefit plans (refer Note 21.6)		
Balance as per the last financial statements	5.33	2.71
Add: Other comprehensive income	2.86	2.62
Closing balance	8.19	5.33
Cashflow hedge reserve (refer Note 21.7)		
Balance as per the last financial statements	(15.68)	(17.92)
Add: Other comprehensive income	(3.91)	2.24
Closing balance	(19.59)	(15.68)
Total other equity	2,684.83	2,252.84

Nature and purpose of reserves

21.1: Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

21.2: Debenture redemption reserve

"The Companies Act 2013 required companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

As per the Companies (Share Capital and Debentures) Amendment Rules, 2020 issued vide MCA notification dated 16th August, 2020, NBFCs registered with RBI under section 45-IA of RBI Act, 2034 have been exempted from the creation of Debenture Redemption Reserve in case of debentures."

21.3: Capital redemption reserve

Where the preference shares are redeemed out of the profits available for distribution, a sum equivalent to the nominal amount of shares being redeemed shall be transferred to the Capital Redemption Reserve. The CRR can be utilized for issue of bonus shares.

21.4: Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 2034)

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 2034.

21.5: Retained earnings

Retained earnings represents the surplus in Profit and Loss Account and appropriations. The Company also recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings.

21.6: Re-measurement gain on defined benefit plans

Remeasurement of the net defined benefit liabilities comprise actuarial gain/ loss.

21.7: Cashflow hedge reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

22: Interest Income

(Rupees in millions unless otherwise stated)

Particulars	"For year ended March 31, 2023"	"For year ended March 31, 2022"
Measured at amortised cost		
Interest on loan portfolio other than inter corporate advances	3,258.67	1,856.02
Interest on fixed deposits	140.63	99.52
Interest on margin money deposits*	51.62	51.49
Interest income on unwinding of assigned portfolio	95.87	68.50
Total	3,546.79	2,075.53

*Note: Represent interest on margin money deposits placed with banks to avail term loans from banks and financial institutions and placed as cash collateral in connection with securitisation transactions.

23: Fees and commission income

(Rupees in millions unless otherwise stated)

Particulars	"For year ended March 31, 2023"	"For year ended March 31, 2022"
Servicer fee and facilitation charges	178.95	85.73
Total	178.95	85.73

24: Net gain on derecognition of financial instruments under amortised cost category

Particulars	"For year ended March 31, 2023"	"For year ended March 31, 2022"
Net gain on derecognition of financial instruments under amortised cost category	218.31	33.92
Total	218.31	33.92

25: Other income

Particulars	"For year ended March 31, 2023"	"For year ended March 31, 2022"
Profit on sale of mutual fund units	3.25	0.06
Miscellaneous income	1.82	2.52
Total	5.07	2.58

26: Finance cost

Particulars	"For year ended March 31, 2023"	"For year ended March 31, 2022"
Interest		
On Debt Securities	285.32	184.83
On Borrowings (Other than Debt Securities)	1,245.85	716.83
On Subordinated Liabilities	136.31	125.01
On Others	8.96	10.39
Other finance cost	8.11	3.19
Total	1,684.55	1,040.25

27: Impairment on financial instruments

Particulars	"For year ended March 31, 2023"	"For year ended March 31, 2022"
Measured at amortised cost		
Impairment on loans	(131.65)	91.23
Portfolio Loans written off	13.51	-
Loss on transfer of stressed loans	630.78	-
Impairment on other financial assets	2.20	0.59
Total	514.84	91.82

28: Employee benefits expense

Particulars	"For year ended March 31, 2023"	"For year ended March 31, 2022"
Salaries, wages and bonus	669.44	469.75
Contribution to provident fund and other funds	60.84	45.99
Staff welfare expenses	16.91	4.37
Total	747.19	520.11

29: Other expenses

Particulars	"For year ended March 31, 2023"	"For year ended March 31, 2022"
Rent including lease rent (refer note 33)	58.16	37.16
Rates and taxes	22.80	19.70
Bank charges	0.56	0.33
Cash deposit charges	27.33	19.35
Insurance	17.45	9.89
Training Expenses	2.95	0.64
Business Promotion	5.06	2.66
Repairs and maintenance	19.18	16.61
Electricity charges	10.53	8.41
Travelling expenses	92.80	53.20
Communication expenses	34.33	16.61
Credit information service charges	6.95	3.82
Printing and stationery	6.23	9.15
Legal and professional charges	28.46	12.88
Directors sitting fees	0.70	0.42
Remuneration to directors	2.10	-
Auditors remuneration (refer details below)	2.30	1.83
CSR Expenses	4.89	3.85
Miscellaneous expenses	12.89	5.13
Donation	-	0.01
Loss on sale of fixed assets	0.24	0.05
Other provisions	1.45	0.60
Total	357.36	222.30
Payment to auditors		
As auditor:		
Audit fee	1.55	0.80
Limited review fee	0.75	0.80
Other services fee	-	0.20
Out of pocket expenses	-	0.03
Total	2.30	1.83

30: Income Tax Expense

Particulars	"For year ended March 31, 2023"	"For year ended March 31, 2022"
A. Income tax expense in the statement of profit and loss consists of: Current Income Tax:		
Income Tax	104.81	83.02
Deferred Tax	41.95	(12.63)
Income Tax expense reported in the statement of profit or loss	146.76	70.39
Income tax recognised in other comprehensive income		
Deferred tax arising on re-measurement gain on defined benefit plans	0.96	0.88
Deferred tax arising on fair value income on derivative financial instruments	(1.31)	0.75
Total	(0.35)	1.63
Total income tax expense	146.41	72.02

30: Income Tax Expense

Particulars	"For year ended March 31, 2023"	"For year ended March 31, 2022"
B. Reconciliation between the provision of Income Tax of the Company and amounts computed by applying the Indian statutory Income Tax rate to profit before taxes is as follows:		
Profit before tax	615.09	293.19
Re-measurement gain on defined benefit plans	3.82	3.50
Fair value income on derivative financial instruments	(5.22)	2.99
Profit before tax (Re-measurement gain on defined benefit plans/ Fair value income on derivative financial instruments)	613.69	299.68
Enacted tax rates in India	25.17%	25.17%
Computed tax expense	154.46	75.43
Effect of :		
Non-deductible expenses	168.90	23.58
Additional tax allowances	(176.95)	(26.99)
Total Income Tax expense	146.41	72.02

C. Deferred Tax Assets (net)

Particulars	"As at March 31, 2023"	"As at March 31, 2022"
Effects of deferred tax assets/ liabilities :		
Deferred Tax Assets		
Impairment allowance for financial assets	42.42	62.06
Provisions allowable on payment basis	5.95	5.18
Impact on Loans using effective rate of Interest	27.27	12.04
Impact of capitalisation leases under Ind AS 116	1.60	2.53
Derivative instruments in Cash flow hedge relationship	6.59	5.27
Differences of written down value of Property, plant and equipment and Intangible assets	0.42	0.22
Total	84.25	87.30

Deferred Tax Liabilities

Remeasurement gain/(loss) on defined benefit plan	(2.76)	(1.80)
Impact on Borrowings using effective rate of Interest	(14.02)	(13.41)
Impact of re-recognition of securitization transactions in books	(1.80)	(6.95)
Impact of upfronting of EIS with respect to assigned loans	(54.69)	(12.56)
Total	(73.27)	(34.72)
Net deferred tax assets/(liabilities)	10.98	52.58

Particulars	As at April 01, 2022	(Charged)/credited to statement of profit and loss during the year	(Charged)/credited to other comprehensive income during the year	As at March 31, 2023
Deferred Tax Assets				
Impairment allowance for financial assets	62.06	(19.64)	-	42.42
Provisions allowable on payment basis	5.18	1.73	(0.96)	5.95
Impact on Loans using effective rate of Interest	12.04	15.23	-	27.27
Impact of capitalisation leases under Ind AS 116	2.53	(0.93)	-	1.60
Derivative instruments in Cash flow hedge relationship	5.27	-	1.31	6.59
Differences of written down value of Property, plant and equipment and Intangible assets	0.22	0.20	-	0.42
Total	87.30	(3.40)	0.35	84.25
Deferred Tax Liabilities				
Remeasurement gain/(loss) on defined benefit plan	(1.80)	(0.96)	-	(2.76)
Impact on Borrowings using effective rate of Interest	(13.41)	(0.61)	-	(14.02)
Impact of re-recognition of securitization transactions in books	(6.95)	5.15	-	(1.80)
Impact of upfronting of EIS with respect to assigned loans	(12.56)	(42.13)	-	(54.69)
	(34.72)	(38.55)	-	(73.27)
Net deferred tax assets/(liabilities)	52.58	(41.95)	0.35	10.98

Particulars	As at April 01, 2021	(Charged)/credited to statement of profit and loss during the year	(Charged)/credited to other comprehensive income during the year	As at March 31, 2022
Deferred Tax Assets				
Impairment allowance for financial assets	44.24	17.82	-	62.06
Provisions allowable on payment basis	4.41	1.65	(0.88)	5.18
Impact on Loans using effective rate of Interest	13.23	(1.19)	-	12.04
Impact of capitalisation leases under Ind AS 116	2.40	0.13	-	2.53
Derivative instruments in Cash flow hedge relationship	6.03	-	(0.75)	5.27
Differences of written down value of Property, plant and equipment and Intangible assets	(0.23)	0.45	-	0.22
Total	70.08	18.85	(1.63)	87.30
Particulars				
Deferred Tax Liabilities				
Remeasurement gain/(loss) on defined benefit plan	(0.92)	(0.88)	-	(1.80)
Impact on Borrowings using effective rate of Interest	(14.69)	1.28	-	(13.41)
Impact of re-recognition of securitization transactions in books	(8.74)	1.79	-	(6.95)
Impact of upfronting of EIS with respect to assigned loans	(4.14)	(8.42)	-	(12.56)
Total	(28.49)	(6.23)	-	(34.72)
Net deferred tax assets/(liabilities)	41.59	12.62	(1.63)	52.58

31: Earnings per Share

(Rupees in millions unless otherwise stated)

Particulars	"For year ended March 31, 2023"	"For year ended March 31, 2022"
Net profit after tax as per Statement of Profit and Loss	468.33	222.80
Net profit for calculation of basic earnings per share	**468.33**	**222.80**
Net profit as above	468.33	222.80
Net profit for calculation of diluted earnings per share	**468.33**	**222.80**
Calculation of weighted average number of equity shares for basic EPS		
Equity shares		
Opening No. of shares	45.57	39.17
Add: Issued during the year	-	3.21
Weighted average number of equity shares for basic EPS	**45.57**	**42.38**
Effect of dilution		
Conversion of OCPS	0.01	-
Weighted average number of equity shares for diluted EPS	**45.58**	**42.38**
Basic earnings per share (In rupees)	**10.277**	**5.26**
Diluted earnings per share (In rupees)	**10.275**	**5.26**

Nominal value per share: Rs.10 (Previous year: Rs.10)

32. Segment information

The Company operates in a single business segment i.e. financing, which has similar risks and returns for the purpose of Ind AS 108 on 'Operating segments' notified under the companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Company operates in a single geographical segment i.e. domestic.

33. Leases

The carrying amounts of right-of-use assets recognised and the movements during the year are as follows:

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	32.66	46.12
Modification in Lease Term	(16.93)	(6.73)
Additions made during the year	9.16	3.06
Depreciation charged during the year	(3.95)	(9.79)
Derecognition of right-of-use assets	(3.11)	–
Balance at the end of the year	17.83	32.66

The carrying amounts of lease liabilities and the movements during the year are as follows:

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	42.68	- 55.64
Modification in Lease Term	(16.93)	(6.73)
Additions made during the year	9.16	3.06
Derecognition of lease liability	(4.55)	–
Interest accretion for the year	3.84	6.16
Payments made during the year	(10.02)	(15.45)
Balance at the end of the year	24.18	42.68

The maturity analysis of lease liabilities is disclosed under Other financial liabilities in Note 40(b).
The followings are the amounts recognised in the statement of profit and loss:

Particulars	March 31, 2023	March 31, 2022
Depreciation expense in respect of right-of-use-of-asset	3.95	9.79
Interest Expense in respect of lease liabilities	3.84	6.16
Expense relating to short term lease (included in other expenses)	58.16	37.16
Total amount recognised in profit and loss	65.37	53.11

34. Related parties

a. Related parties under Ind AS 24 with whom transactions have taken place during the year

Key Management Personnel

Amardeep Singh Samra	Managing Director
Amitesh Kumar	Chief Financial Officer &Chief Operating Officer
Sumit Bhojwani	Company Secretary
Vijay Kumar Bhandari	Non-Executive Chairman
Sachin Nityanand Kamath	Nominee Director
Shant Kumar Gupta	Independent Director
Janak Raj Gupta	Independent Director (retired w.e.f. March 18, 2021)
Kamna Raj Aggarwalla	Independent Women Director
Harpal Singh Chhokar	Non-Executive Director (resigned w.e.f. December 21, 2021)
Santokh Singh Chhokar	Non-Executive director (w.e.f. December 21, 2021)
Ashwani Kumar Jindal	Independent Director (w.e.f. August 11, 2022)

Relatives of Key Management Personnel

Surinder Kaur Samra	Mother of Mr Amardeep Singh Samra
Amarjit Singh Samra	Father of Mr Amardeep Singh Samra
Sarvjit Singh Samra	Brother of Mr Amardeep Singh Samra
Gagan Samra	Wife of Mr Amardeep Singh Samra
Lata Kumari	Wife of Mr Amitesh Kumar
Mohinder Kaur Chhokar	Mother of Mr Santokh Singh Chhokar
Sneh Bhandari	Wife of Mr V.K. Bhandari
Ashish Bhandari	Son of Mr V.K. Bhandari
Ranjit Kaur Chhokar	Wife of Mr Santokh Singh Chhokar
Neha Gupta	Wife of Shant Kumar Gupta
Prerna Bhandari	Wife of Mr. Ashish Bhandari
Ashish Gupta	Son of Mr J.R. Gupta
Rekha Jindal	Wife of Ashwani Kumar Jindal
Isha Jindal	Daughter of Ashwani Kumar Jindal
Ashwani Kumar Jindal (HUF)	HUF of Ashwani Kumar Jindal

Investing party in respect of which the reporting enterprise is an associate:

Investing party in respect of which the reporting enterprise is an associate:

Other related pay in accordance with Ind AS 24:

Midland Foundation

b. Transactions with Related Parties

S. No.	S. No.	Nature of Transactions	Transaction during the year ended 31st March 2023	Transaction during the year ended 31st March 2022	(Payable)/Receivables	
					March 31, 2023	March 31, 2022
1.	Amardeep Singh Samra	Remuneration	18.91	15.83	–	–
		Rent	1.57	1.31	–	–
		Sitting fees	0.07	0.06	–	(0.01)
		Payment of dividend on equity shares	2.45	1.83	–	–
2.	Amitesh Kumar	Remuneration	7.52	5.52	–	–
		Loans given & repayment thereof	–	–	0.53	0.53
		Payment of dividend on equity shares	0.19	0.16	–	–
3.	Sumit Bhojwani	Remuneration	0.99	0.78	–	–
4.	Surinder Kaur Samra	Rent	0.13	0.12	–	–
5.	Amarjit Singh Samra	Rent	0.13	0.12	–	–
6.	Sarvjit Singh Samra	0.93	1.57	1.31	–	–
7.	Gagan Samra	Payment of dividend on equity shares	0.58	0.50	–	–
8.	Lata Kumari	Rent	1.93	0.93	–	–
9.	Kitara PIIN 1501	Issue of equity shares (including premium)		219.96	–	–
				–	–	–
		Issue of compulsory convertible preference shares	147.21		–	–
		Payment of dividend on equity shares	10.44	7.81		
10.	Vijay Kumar Bhandari	Payment of dividend on equity shares	0.32	0.28	–	–
		Director's remuneration	0.60	–	–	–
		Payment of dividend on preference shares	0.00	0.00	–	
		Sitting fees	0.10	7.81	–	(0.01)
11.	Sachin Nityanand Kamath	Sitting fees	0.11	0.07		(0.03)
12.	Shant Kumar Gupta	Director's remuneration	0.30	–	(0.03)	–
		Sitting fees	0.11	0.09	–	(0.01)
13.	Ashwani Kumar Jindal	Payment of interest on debentures	0.13	0.16	–	–
		Sitting fees	0.04	–	–	–
		Payment of dividend on equity shares	0.13	0.11	–	–

S. No.	S. No.	Nature of Transactions	Transaction during the year ended 31st March 2023	Transaction during the year ended 31st March 2022	(Payable)/Receivables	
					March 31, 2023	March 31, 2022
14.	Kamna Raj Aggarwalla	Director's remuneration	0.30	–	(0.03)	–
		Sitting fees	0.08	0.05	–	(0.01)
15.	Sneh Bhandari	Payment of dividend on equity shares	0.28	0.24	–	–
		Payment of dividend on preference shares	0.00	0.00	–	–
16.	Ashish Bhandari	Payment of dividend on equity shares	1.25	1.07	–	–
17.	Mohinder Kaur Chhokar	Payment of dividend on equity shares	1.93	1.65	–	–
18.	Neha Gupta	Payment of dividend on equity shares	0.17	0.15	–	–
19.	Ranjit Kaur Chhokar	Issue of compulsory convertible preference shares	20.25	–	–	–
		Payment of dividend on equity shares	1.57	1.35	–	–
20.	Santokh Singh Chhokar	Sitting fees	0.07	0.03	–	(0.01)
21.	Parveen Kumar Gupta	Sitting fees	0.11	0.03	–	(0.01)
		Director's remuneration	0.90	–	(0.08)	–
22.	Midland Foundation	Corporate social responsibility expenditure	4.89	3.85	–	–
23.	Rekha Jindal	Payment of dividend on equity shares	0.08	0.07	–	–
		Payment of interest on debentures	0.13	0.16	–	–
24.	Isha Jindal	Payment of dividend on equity shares	0.05	0.04	–	–
25.	Ashwani Kumar Jindal (HUF)	Payment of interest on debentures	0.28	0.50	–	–
		Payment of dividend on equity shares	0.03	0.00	–	–
26.	Janak Raj Gupta	Payment of dividend on equity shares	–	0.05	–	–
		Payment of dividend on preference shares	–	0.06	–	–
		Interest on debentures	–	0.32	–	–
27.	Ashish Gupta	Payment of dividend on equity shares	–	0.01	–	–
28.	Harpal Singh Chhokar	Sitting fees	–	0.02	–	–

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

35. Contingent Liabilities and commitments (to the extent not provided for)

There are no contingent liabilities and commitments as at end of the current year and the previous year.

36. Fair Value Measurement

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly/ indirectly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair Value hierarchy of Asset and Liabilities measured at fair value

Particulars	As at March 31, 2023			
	Level 1	Level 2	Level 3	Level 4
At fair value through OCI				
Derivative Asset – Forward currency swaps	–	41.13	–	41.13

Particulars	As at March 31, 2023			
	Level 1	Level 2	Level 3	Level 4
At fair value through Profit and Loss				
Investments – Security Receipts	–	–	800.00	**800.00**
Total	**–**	**41.43**	**800.00**	**841.13**

Particulars	As at March 31, 2022			
	Level 1	Level 2	Level 3	Level 4
At fair value through OCI				
Derivative Asset – Forward currency swaps	–	18.36	–	**18.36**
At fair value through Profit and Loss				
Investments – Mutual Funds	–	150.00	–	**150.00**
Total	**–**	**168.36**	**–**	**168.36**

Fair Value hierarchy of Asset and Liabilities not measured at fair value

The management assessed that carrying value of financial asset and financial liabilities are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values.

Valuation technique used

For Loan Portfolio

The scheduled future cash flows (including principal and interest) are discounted using the lending rate prevailing as at the Balance sheet date. The discounting factor is applied assuming the cash flows will be evenly received in a month. Further the overdue cash flows upto 90 Days (upto stage 2) are discounted assuming they will be received in the third month. Fair value of cash flows for stage 3 loans are assumed as carrying value less provision for expected credit loss.

For Borrowings

The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

For Derivatives

Currency swaps held for the purpose of hedging foreign currency denominated external commercial borrowings are accounted as cash flow hedge. These swaps are considered under Level 2 for fair valuation which is performed through discounted cash flow method by deriving future forward rates. All future cashflows for both the paying and receiving legs in the swap contract are discounted to present value using these forward rates and accordingly arrived at the valuation for a point of time.

37. Capital Management

The Company's objective for capital management is to maximize shareholders' value, safeguard business continuity, meet the regulatory requirement and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through borrowings, retained earnings and operating cash flows generated.

As an NBFC-MFI, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times (refer Note 46(i)).

Particulars	March 31, 2023	March 31, 2022
Debts	15,239.64	12,063.20
Net Worth	3,475.69	2,708.54
Debt to Net Worth (In times)	4.38	4.45

38. Retirement benefits

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of Rs. 2.00 mn as per The Payment of Gratuity Act, 1972.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the amounts recognised in the Balance Sheet for the gratuity plan.

Movement in Defined Benefit Obligations

Particulars	March 31, 2023	March 31, 2022
Defined benefit obligations as at the beginning of Year	13.54	11.92
Current Service Cost	6.61	5.07
Interest on defined benefit obligations	0.99	0.81
Re-measurements - Actuarial (Gain)/Loss on total Liabilities	(3.82)	(3.50)
Benefits paid	(1.05)	(0.76)
Defined benefit obligations as at the end of Year	**16.27**	**13.54**

Balance Sheet

Amount recognised in balance sheet

Particulars	March 31, 2023	March 31, 2022
Present Value of obligations	16.27	13.54
Fair value of plan assets	–	–
Net defined benefit liability recognised in balance sheet	**(16.27)**	**(13.54)**

Expense charged to the statement of profit and loss

Particulars	March 31, 2023	March 31, 2022
Current service cost	6.61	5.07
Interest Cost	0.99	0.81
Total	7.60	5.88

Re-measurement (gain)/loss in other comprehensive income

Particulars	March 31, 2023	March 31, 2022
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	(3.60)	(2.77)
- Changes in demographic assumptions	–	–
- Changes in financial assumptions	(0.22)	(0.73)
Amount recognised under other comprehensive income	**(3.82)**	**(3.50)**

Summary of Actuarial Assumptions

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.406%	7.26%
Rate of Increase in compensation levels	5.00%	5.00%
Retirement age (years)	60	60

A quantitative sensitivity analysis for significant assumptions as at the balance sheet date are as shown below:

Particulars	March 31, 2023	March 31, 2022
Discount rate (+0.5%)	(0.93)	(0.77)
Discount rate (-0.5%)	1.02	0.85
Salary Inflation (+0.5%)	0.98	0.80
Salary Inflation (-0.5%)	(0.89)	(0.73)

Maturity Profile of Defined Benefit Obligation

Particulars	March 31, 2023	March 31, 2022
Year 1	0.52	0.43
Year 2	0.48	0.42
Year 3	0.56	0.51
Year 4	0.67	0.58
Year 5	0.74	0.62
Year 6	0.70	0.59
After 6 years	12.61	10.39

Discount rate: The discount rate is based on government bond yields as at the balance sheet date for the estimated term of the obligations

Salary escalation rate: The estimate of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors

39. Dues to micro, small and medium enterprises

Refer Note 14 to the financial statements.

40. Risk Management & financial objectives

Risk is an integral part of the Company's business and sound risk management is critical to its success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company continuously identifies potential risks in advance, analyzes them and takes precautionary steps to reduce/curb the risk. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

a. Credit Risk

Credit risk is the risk of loss that may occur from defaults by Borrowers under loan agreements. In order to address credit risk, we have stringent credit assessment policies for client selection. Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk. The Company also follows a systematic methodology in the opening of new branches, which takes into account factors such as the demand for credit in the area; income and market potential; socio- economic and law and order risks in the proposed area. Further, client due diligence procedures encompass various layers of checks, designed to assess the quality of the proposed group and to confirm that they meet the company's criteria.

The Company is a rural focused NBFC with a geographically diversified presence in India and offers income generation loans under the joint liability group model, predominantly to women from low- income households in rural areas. Further, as it focuses on providing micro-loans in rural areas, The Company's results of operations are affected by the performance and the future growth potential of microfinance in rural India. The Company's clients typically have limited sources of income, savings and credit histories and the loans are typically provided free of collateral. Such clients generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. In addition, the Company rely on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of loans.

In order to mitigate the impact of credit risk in the future profitability, the Company makes reserves basis the expected credit loss (ECL) model for the outstanding loans as at balance sheet date.

The below discussion describes the Company's approach for assessing impairment as stated in note 3.6 of the significant accounting policies.

A) Probability of Default (PD)

A) Probability of Default (PD) The company uses flow rates information of its loan portfolio to estimate its PD. The Company's loans largely consist of Joint Liability Group Loans and have similar characteristics. Thus, the Company estimates its PD on a collective basis without further stratifying its portfolio. However, the Company performs a separate assessment to determine the effect of uncertainties and risks arising from its operations in different geographical states in the country on its PD.

Based on review of macro-economic developments and economic outlook, the Company assesses any adjustments required for temporary overlays to determine qualitative impact on its PD(s).

In determining the PD, an effort is made to eliminate outliers for a particular observation period which are not likely to happen in future.

B) Exposure at Default (EAD)

The outstanding balances as at the reporting date is considered as EAD by the Company. Considering that the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

C) Loss given default

The Company determines its expectation of lifetime losses by estimating recoveries towards its entire loan portfolio through an analysis of historical information. The Company determines its recovery rates by analysing the recovery trends by discounting such recoveries over different periods of time after a loan has defaulted. In estimating LGD, the Company reviews macro- economic developments taking place in the economy.

Credit Risk on Derivative financial Instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

b. Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financing activities to meet its financial obligations as and when they fall due. Our resource mobilization team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilization team is responsible for diversifying fundraising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, and insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed. The maturity schedule for all financial liabilities is regularly reviewed and monitored. Company has an Asset Liability Management (ALM) policy and has constituted an ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement.

The tables below provide details regarding the contractual maturities of significant financial assets and liabilities as on:

Maturity pattern of Liabilities as on March 31, 2023:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*	1,013.81	782.10	899.05	2,387.92	4,427.22	5,173.11	2,234.88	748.22	17,666.31
Other financial liabilities	705.06	0.96	0.96	2.89	5.26	14.40	7.95	5.53	743.01

*Represents debt securities, borrowings (other than debt securities) and Subordinated liabilities.

Maturity pattern of Liabilities as on March 31, 2022:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*	839.11	533.68	548.49	2,403.94	2,805.61	4,598.10	1,409.27	1,569.73	14,707.93
Other financial liabilities	448.77	0.98	0.98	3.06	6.10	25.03	17.40	4.48	506.80

*Represents debt securities, borrowings (other than debt securities) and Subordinated liabilities.

c. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes. The Company is exposed to two types of market risks as follows:

A) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our ALM Committee evaluates the maturities of assets and liabilities and ensures that all significant mismatches, if any, are being managed appropriately. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax is affected through the impact on floating rate borrowings as follows:

Finance Cost*	March 31, 2023	March 31, 2022
0.50% increase	(38.28)	(17.59)
0.50% decrease	38.28	17.59

B) Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

C) Foreign currency risk

The Company is exposed to foreign currency fluctuation risk for its external commercial borrowings (ECB). The ECB are governed by RBI guidelines. The Company hedges its entire ECB exposure for the full tenure of the ECB as per Board approved hedging policy.

The Company manages its currency risks by entering into derivative contracts as hedge positions. The Company's exposure of foreign currency risk at the end of the reporting period expressed in INR is as follows:

Finance Cost*	As at March 31, 2023		As at March 31, 2022	
	EUR	GBP	EUR	GBP
Hedged				
ECB	448.04	218.01	423.30	213.04
Derivative*	398.20	200.55	396.48	200.55

** represents the notional amount of the derivative financial instrument*

d. Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities. The company recognises that operational risk event types that have the potential to result in substantial losses includes Internal fraud, external fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management. The company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

41. Transfer of Financial Assets

Transfers of financial assets that are not derecognised in their entirety

a. Securitisation Transaction:

During the period, the Company has entered into securitisation arrangement with various parties. Under such arrangement, the Company has transferred a pool of loans which does not fulfil the derecognition criteria specified under Ind AS 109 as the Company has concluded that risk and rewards with respect to these assets are not substantially transferred.

The value of financial assets and liabilities as on:

Particulars	March 31, 2023	March 31, 2022
Carrying amount of transferred assets measured at amortised cost	203.22	21.37
Carrying amount of associated liabilities	233.45	39.27

The carrying amount of above assets and liabilities is a reasonable approximation of their fair values.

b. Assignment Transaction:

During the period ended March 31, 2023, the company has sold some loans and advances measured at amortised cost as part of assignment deals, as a source of finance. As per the terms of deal, the derecognition criteria as per Ind AS 109, including transaction of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised.

The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plan, the company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset:

Loans and advances measured at amortised cost	For the year ended March 31, 2023	For the year ended March 31, 2022
Carrying amount of derecognised financial assets	3,088.76	971.60
Gain/(loss) from derecognition	390.44	99.58

Since the company transferred the above financial asset in a transfer that qualified for derecognition in its entirety, the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as interest only strip receivable and correspondingly recognised as profit on derecognition of financial asset.

42. Expenditure on Corporate Social Responsibility:

Loans and advances measured at amortised cost	March 31, 2023	March 31, 2022
a) Gross amount required to be spent by the Company during the year	4.89	3.85
b) Amount of Expenditure incurred		
(I) Construction/acquisition of any asset	–	–
(ii) On purpose other than (i) above	3.34	1.87
c) Shortfall at the end of the year (a-b)	1.55	1.98
Total of previous years short fall	–	0.87
Reason for shortfall of CSR expenditure	The amount is allocated to an ongoing project with a duration of 3 years, hence the pending amount transferred to unspent CSR account will be spend in the succeeding Financial Year.	The amount is allocated to an ongoing project with a duration of 3 years, hence the pending amount transferred to unspent CSR account will be spend in the succeeding Financial Year.

Loans and advances measured at amortised cost	March 31, 2023	March 31, 2022
Nature of CSR activities	Eradication of Hunger & Poverty & Malnutrition, Financial Literacy & Awareness Drive, Swastha Evam Swasth Jagrukta Abhiyaan.	Environment Safety & Plantation Drive, Eradication of Hunger & Poverty Malnutrition, Financial Literacy & Awareness Drive, Rural Area Development Energy.
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard.	Contribution to a trust controlled by the Company	Contribution to a trust controlled by the Company
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	N.A.	N.A.

Details of unspent obligations
In case of section 135(5) of the Companies Act, 2013 (ongoing project)

F.Y.	Opening balance		Amount required to bespent during the year	Amount spent during the year		Closing balance	
	With Company	In separate CSR Unspent account		From Company's bank account	From separate CSR unspent account	With Company	In separate CSR Unspent account
2022-23	–	2.85	4.89	3.34	2.85	–	1.55
2022-23	–	0.87	3.85	1.87	–	–	2.85

43. Maturity analysis of assets and liabilities

Maturity analysis of assets and liabilities as at March 31, 2023

Loans and advances measured at amortised cost	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	1,235.82	–	1,235.82
Bank balances other than cash and cash equivalents	1,139.02	887.68	2,026.70
Derivative financial instruments	8.50	32.63	41.13
Receivables			
Trade Receivables	25.79	-	25.79
Other Receivables	-	-	-
Loan portfolio	10,769.92	4,515.42	15,285.34
Investments	173.92	626.08	800.00
Other financial assets	230.63	12.61	243.24
Total financial assets	**13,583.60**	**6,074.42**	**19,658.02**
Non-financial assets			
Current tax assets (net)	53.57	–	53.57
Deferred tax assets (net)	–	10.98	10.98
Property, plant and equipment	–	120.91	120.91
Intangible assets	–	10.66	10.66
Other non-financial assets	35.18	12.86	48.04
Total non-financial assets	**88.75**	**155.41**	**244.16**
Total assets	**13,672.35**	**6,229.83**	**19,902.18**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	51.12	–	51.12
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1.35	–	1.35
Other payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	2.18	–	2.18
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	18.48	–	18.48
Debt securities	843.92	1,791.16	2,635.08
Borrowings (other than debt securities)	7,192.65	4,562.33	11,754.98
Subordinated liabilities	–	1,260.56	1,260.56
Other financial liabilities	594.93	60.26	655.19
Total financial liabilities	**8,704.63**	**7,674.31**	**16,378.94**
Non-financial liabilities			
Provisions	1.26	22.37	23.63
Other non-financial liabilities	23.92	-	23.92
Total non-financial liabilities	**25.18**	**22.37**	**47.55**
EQUITY			
Equity share capital	–	455.70	455.70
Instruments entirely equity in nature	–	335.16	335.16
Other equity	–	2,684.83	2,684.83
Total equity	**–**	**3,475.69**	**3,475.69**
Total liabilities and equity	**8,729.81**	**11,172.37**	**19,902.18**

Maturity analysis of assets and liabilities as at March 31, 2022

Loans and advances measured at amortised cost	Within 12 months	After 12 months	Total
ASSETS			
Financial assets			
Cash and cash equivalents	2,348.07	–	2,348.07
Bank balances other than cash and cash equivalents	1,551.31	919.27	2,470.58
Derivative financial instruments	17.39	0.97	18.36
Receivables			
Trade Receivables	14.94	-	14.94
Other Receivables	-	-	-
Loan portfolio	7,105.06	3,240.89	10,345.95
Investments	150.00	–	150.00
Other financial assets	106.32	–	106.32
Total financial assets	**11,293.09**	**4,161.13**	**15,454.22**
Non-financial assets			
Current tax assets (net)	2.83	–	2.83
Deferred tax assets (net)	–	52.58	52.58
Property, plant and equipment	–	106.44	106.44
Intangible assets	–	13.35	13.35
Other non-financial assets	64.06	–	64.06
Total non-financial assets	**66.89**	**172.37**	**239.26**
Total assets	**11,359.98**	**4,333.50**	**15,693.48**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	–	–	–
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	27.43	–	27.43
Other payables			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	3.72	–	3.72
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	7.14	–	7.14
Debt securities	334.46	987.47	1,321.93
Borrowings (other than debt securities)	6,016.91	3,956.84	9,973.75
Subordinated liabilities	119.65	1,041.20	1,160.85
Other financial liabilities	421.59	30.61	452.20
Total financial liabilities	**6,930.90**	**6,016.12**	**12,947.02**

Loans and advances measured at amortised cost	Within 12 months	After 12 months	Total
Non-financial liabilities			
Provisions	1.10	19.48	20.58
Other non-financial liabilities	17.34	-	17.34
Total non-financial liabilities	**18.44**	**19.48**	**37.92**
EQUITY			
Equity share capital	–	455.70	455.70
Other equity	–	2,252.84	2,252.84
	–		
Total equity	**–**	**2,708.54**	**2,708.54**
Total liabilities and equity	**6,949.34**	**8,744.14**	**15,693.48**

44. Disclosure of investing and financing activities that do not require the use of cash and cash equivalents

For the year ended March 31, 2023

Name of instrument	Opening	Cash flows	Exchange differences	Others	Closing
Equity share capital (including securities premium)	2,086.16	–	–	(3.39)	2,082.77
Compulsorily convertible preference shares (including securities premium)	–	335.16	–	–	335.16
Borrowings (other than debt securities)	9,973.75	1,753.25	27.98	–	11,754.98
Right-of-use assets	32.66	–	–	(14.83)	17.83
Lease liabilities	42.68	(10.02)	–	(8.48)	24.18
Total	12,135.25	2,078.39	27.98	(26.70)	14,214.92

For the year ended March 31, 2022

Name of instrument	Opening	Cash flows	Exchange differences	Others	Closing
Equity share capital (including securities premium)	1,349.88	744.12	–	(7.84)	2,086.16
Borrowings (other than debt securities)	6,562.83	3,421.11	(10.19)	–	9,973.75
Right-of-use assets	46.12	3.06	–	(16.52)	32.66
Lease liabilities	55.64	(15.44)	–	2.48	42.68
Total	8,014.47	4,152.85	(10.19)	(21.88)	12,135.25

45. Additional regulatory information

i. The Company does not hold any immovable property as on March 31, 2023 and March 31, 2022. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

ii. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder, as at March 31, 2023 and March 31, 2022.

iii. The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2023 and March 31, 2022.

iv. The Company does not have any transactions with the companies Struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2023 and March 31, 2022.

v. There was no delay in the registration or satisfaction of any charges with Registrar of Companies during the year ended March 31, 2023 and March 31, 2022.

vi. The company does not have any investment in any subsidiary company. Therefore, there is no requirement to comply with the number of layers prescribed under clause (87) of section 2 of Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

vii. Analytical Ratios

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	%Variance	Reasons for variance (if above 25%)
I) Capital to risk-weighted assets ratio	4,650.45	16,350.89	28.44%	33.72%	-5.28%	NA
iii) Tier I CRAR	3,436.14	16,350.89	21.01%	24.48%	-3.47%	NA
iv) Tier II CRAR	1,214.31	16,350.89	7.43%	9.24%	-1.81%	NA
v) Liquidity Coverage Ratio	NA	NA	NA	NA	NA	Note 1 below

Note: 1. Applicable for Non-deposit taking NBFCs with asset size of Rs. 50,000 million.

viii. There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year ended March 31, 2023 and March 31, 2022.

ix. The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the books of accounts of the Company for the respective quarters.

x. The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at March 31, 2023 are held by the Company in the form of deposits till the time the utilisation is made subsequently.

xi. There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2023 and March 31, 2022, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2023 and March 31, 2022.

xii. As a part of normal lending business, the company grants loans and advances on the basis of security/guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence.

Other than the transactions described above,

a. No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

b. No funds have been received by the Company from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

xiii. The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2023 and March 31, 2022.

46. Additional disclosures required by the RBI

(Disclosures are made as per Ind AS financial statements except otherwise stated)

i. Capital to Risk Assets Ratio ('CRAR'):

Loans and advances measured at amortised cost	March 31, 2023	March 31, 2022
I) CRAR	28.44%	33.72%
ii) CRAR – Tier I Capital	21.01%	24.48%
iii) CRAR – Tier II Capital	7.43%	9.24%
iv) Amount of Subordinated debt raised as capital Tier-II capital	849.58	767.52
v) Amount raised by issuing perpetual debt instrument	–	–

Notes:

- CRAR as at 31 March, 2023 has been computed in line with RBI notification No. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March, 2020 w.r.t. implementation of Indian Accounting Standards.
- The company has considered impairment allowance towards stage I as contingent provision for standard assets for calculating Tier II capital.
- The securitised assets not qualifying for de-recognition under Ind AS due to credit enhancement given by the originating NBFC on such assets shall be risk weighted at zero percent.

ii. Investments:

Particulars	March 31, 2023	March 31, 2022
(1) Value of Investments		
(i) Gross Value of Investments	800.00	150.00
(a) In India	–	–
(b) Outside India		
(ii) Provisions for Depreciation		
(a) In India	–	–
(b) Outside India	–	–
(iii) Net Value of Investments		
(a) In India	800.00	150.00
(b) Outside India	–	–
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	–	–
(ii) Add: Provisions made during the year	–	–
(iii) Less Write-off/ write-back of excess	–	–
(iv) Closing Balance	–	–

iii. Derivatives:

Qualitative Disclosure

The Company's activities expose it to the financial risks of changes in foreign exchange rates. The Company uses derivative contracts such as currency swaps to hedge its exposure to movements in foreign exchange. The use of these derivative contracts reduces the risk to the Company and the Company does not use those for trading or speculation purposes. The Company uses hedging instruments that are governed by the approvals of Board of Directors. The officials authorized by the board to enter into derivative transactions for the company are kept separate from the authorized signatories to confirm the derivative transactions. All derivative transactions that are entered into by the company are reported to the board, and the mark-to-market on its portfolio is monitored regularly by the senior management.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date. Derivatives are classified as assets when the fair value is positive (positive marked to market value) or as liabilities when the fair value is negative (negative marked to market value). Derivative assets and liabilities are recognised on the balance sheet at fair value. Fair value of derivatives is ascertained using valuation techniques described in Note 36 which is verified with the mark to market and accrual values received from the counter-party banks. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, no longer qualifies for hedge accounting or the Company chooses to end the hedging relationship.

Quantitative Disclosure

Particulars	March 31, 2023	March 31, 2022
i) Derivatives (Notional Principal Amount)	598.75	597.02
ii) Marked to Market Positions	41.13	18.36
(a) Assets (+)	41.13	18.36
(b) Liabilities (-)	-	-
iii) Credit Exposure	Nil	Nil
iv) Unhedged Exposures	Nil	Nil

iv. Disclosures relating to securitisation:

During the year the Company has sold loans through securitisation. The information on securitisation activity is as below:

Particulars	March 31, 2023	March 31, 2022
Total number of loans securitised (including over collateralized loans) during the year	21,534	40,691
Total book value of loans securitised during the year	492.22	661.31
Total book value of loans securitised including loans placed as collateral during the year	550.30	743.45
Sale consideration received for loans securitised	492.22	661.31
Credit enhancements provided and outstanding (Gross) as at balance sheet date		
Interest subordination	-	-
Principal subordination	58.08	57.04
Cash Collateral	37.13	29.27

Particulars	March 31, 2023	March 31, 2022
1 No. of SPVs sponsored by the NBFC for securitisation transactions	2	2
2 Total amount of securitised assets as per the books of the SPVs sponsored by the NBFC as on date of balance sheet:	261.30	78.41
3 Total amount of exposures retained to comply with minimum retention requirement ('MRR') as on date of balance sheet:		
a) Off balance sheet exposures	-	-
- First loss	-	-
-Others		
b) On balance sheet exposures (cash collateral and over collateral)	95.21	86.31
- First loss	-	-
- Others		
4 Amount of exposures to other than MRR:		
a) Off balance sheet exposures		
i) Exposure to own securitisations		
- First loss	-	-
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

Particulars	March 31, 2023	March 31, 2022
b) On balance sheet exposures		
i) Exposure to own securitisations		
- First loss	-	-
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

v. Details of assignment transaction undertaken:

Particulars	March 31, 2023	March 31, 2022
No. of Accounts	1,69,900	1,26,145
Aggregate value of account sold	3630.19	1792.44
Aggregate consideration	3630.19	1792.44
Additional consideration realized in respect of accounts transferred	-	-
In earlier years		
Aggregate gain/ (loss) over net book value	-	-

vi. Details of financial assets sold to Securitisation / Reconstruction Company for asset reconstruction:

The Company has not sold financial assets to Securitisation/Reconstruction companies for asset reconstruction in the current and previous year.

vii. Details of non-performing financial assets purchased / sold:

The Company has not purchased / sold non-performing financial assets in the current and previous year.

viii. Asset Liability Maturity pattern of certain items of Assets and Liabilities:

Maturity pattern of assets and liabilities as on March 31, 2023**

Particulars	1 to 7 days	8 to 14 days	15 to 30/31 days	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances	-	-	888.91	1,094.11	998.90	2,652.92	5,126.07	4,579.58	3.98	-	15,344.47
Investments	-	-	-	-	17.39	52.18	104.35	626.08	-	-	800.00
Borrowings*	170.51	237.87	350.82	681.12	773.77	2,074.17	3,791.51	4,365.43	1,850.47	687.17	14,982.83

Maturity pattern of assets and liabilities as on March 31, 2022**

Particulars	1 to 7 days	8 to 14 days	15 to 30/31 days	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances	-	-	618.13	703.61	681.31	1,831.77	3,000.23	3,416.12	100.48	-	10,351.65
Investments	150.00	-	-	-	-	-	-	-	-	-	150.00
Borrowings*	172.94	121.29	406.16	450.38	456.55	2,097.67	2,408.14	3,963.28	1,246.25	656.25	11,978.91

**Borrowings include foreign currency borrowings in the form of ECB which have been fully hedged.*
***The amounts mentioned above represent only principal outstanding on advances and borrowings.*

ix. Exposures:

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current or previous year.

x. Details of financing of parent company products:

This disclosure is not applicable as the Company does not have any holding / parent company.

xi. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

The Company has not exceeded the Single Borrower Limit (SGL) i.e. 15% of its Owned fund / Group Borrower Limit (GBL) i.e. 25% of its own fund, during the current or previous year.

xii. Value of Imports calculated on CIF basis:

The Company has not imported any goods therefore value of import on CIF basis is Nil in the current and previous year.

xiii. Unsecured advances:

Refer Note 8 to the financial statements.

xiv. Registration obtained from other financial sector regulators:

The Company is registered with the Ministry of Finance (Financial Intelligence Unit).

xv. Disclosure of penalties imposed by RBI and other regulators:

No penalties were imposed by RBI or any other regulator during the current or the previous year.

xvi. Related Party Transactions:

Refer Note 34 of Financial Statements for related party transactions disclosure.

xvii. Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2023:

Particulars	Name of the rating agency	Date of rating assigned/reviewed*	Amount	Rating assigned*
Bank Loan Rating (Long Term Bank facilities)	CARE Ratings	December 16, 2022	3,100.00	CARE BBB
Bank Loan Rating (Long Term Bank facilities)	Acuite Ratings	October 3, 2022	3,250.00	ACUITE BBB+
MFI Grading	SMERA	December 14, 2022	N.A.	SMERA M1C1
Non-convertible debentures	CARE Ratings	December 16, 2022	500.00	CARE BBB
Non-convertible debentures	CARE Ratings	December 16, 2022	80.30	CARE BBB
Non-convertible debentures	CARE Ratings	December 16, 2022	340.00	CARE BBB
Non-convertible debentures	India Ratings	March 21, 2023	750.00	IND BBB
Non-convertible debentures	Acuite Ratings	October 3, 2022	750.00	ACUITE BBB+
Securitisation	ICRA Ratings	November 17, 2022	292.30	A1 PTC - ICRA A (SO) A2 PTC - ICRA A-(SO)
Securitisation	CARE Ratings	December 1, 2022	200.00	A1 PTC-CARE A (SO)
Covered Term Loan Facility	CARE Ratings	Feb 9, 2023	51.90	CARE A- (CE)

xvii. Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2022:

Particulars	Name of the rating agency	Date of rating assigned/reviewed*	Amount	Rating assigned*
Bank Loan Rating (Long term Facilities)	Brickwork Ratings	August 6, 2021	3,000.00	BWR BBB+
Bank Loan Rating (Long Term Bank facilities)	CARE Ratings	February 15, 2022	3,100.00	CARE BBB
MFI Grading	Brickwork Ratings	December 9, 2021	N.A.	BWR MF2
MFI Grading	SMERA	November 30, 2021	N.A.	SMERA M2C1
Non-convertible debentures	CARE Ratings	February 7, 2022	500.00	CARE BBB
Non-convertible debentures	CARE Ratings	February 7, 2022	118.90	CARE BBB
Non-convertible debentures	India Ratings	March 22, 2022	750.00	IND BBB
Securitisation	ICRA Ratings	August 3, 2021	201.20	A1 PTC - ICRA A (SO) A2 PTC - ICRA BBB+(SO)
Securitisation	CARE Ratings	September 6, 2021	193.20	A1 PTC-CARE A (SO) A2 PTC-CARE A- (SO)
Securitisation	CARE Ratings	October 29, 2021	266.90	CARE A (SO)
Covered Term Loan Facility	CARE Ratings	March 22, 2022	87.80	CARE A- (CE)

**The ratings are subject to annual surveillance till the final repayment/redemption of rated facilities.*

xviii.Remuneration of Directors:

The Company has not entered into any transactions or in a pecuniary relationship with the non-executive directors other than those as disclosed in note 34 of Financial Statements.

xix.Provisions and Contingencies (shown in Statement of Profit and Loss):

Particulars	March 31, 2023	March 31, 2022
Provision made towards Income Tax	104.81	83.02
Provision towards NPA	(221.27)	121.44
Provision for Standard Assets	89.62	(29.62)
Provision for leave benefits	0.32	1.45
Provision for gratuity	3.77	2.38
Provision for Other Doubtful Debts	3.65	1.19

xx.Draw down from Reserves:

There has been no draw down from Reserves during the year ended March 31, 2023 (previous year: Nil) other than those disclosed under Note 21.

xxi.Concentration of Deposits:

The Company has not accepted any deposits during the year ended March 31, 2023 (previous year: Nil).

xxii.Concentration of Advances, Exposures and NPAs:

Particulars	March 31, 2023	March 31, 2022
Concentration of Advances		
Total Advances to twenty largest borrowers	2.61	2.59
(%) of Advances to twenty largest borrowers to Total Advances	0.02%	0.02%
Concentration of Exposures		
Total Advances to twenty largest borrowers	2.61	2.59
(%) of Advances to twenty largest borrowers to Total Exposure	0.02%	0.02%
Concentration of NPAs		
Total Exposure to top four NPA accounts	0.16	0.44

xxiii.Sector-wise NPAs:

S. No.	Particulars	(%) of NPAs to total advances in that sector as at March 31, 2023	(%) of NPAs to total advances in that sector as at March 31, 2022
1	Agriculture & allied activities	0.10%	2.81%
2	MSME	0.00%	0.00%
3	Corporate borrowers	0.00%	0.00%
4	Services	0.08%	3.20%
5	Unsecured personal loans	0.00%	0.00%
6	Auto loans	0.00%	0.00%
7	Other personal loans	0.00%	0.00%

xxiv.Movement of NPAs:

S. No.	Particulars	March 31, 2023	March 31, 2022
(I)	**Net NPAs to Net Advances (%)**	0.03%	0.96%
(ii)	**Movement of NPAs (Gross)**		
(a)	Opening balance	326.19	131.06
(b)	Additions during the year	860.53	195.13
(c)	Reductions during the year	1,177.64	-
(d)	Closing balance	9.08	326.19
(iii)	**Movement of Net NPAs**		
(a)	Opening balance	99.82	26.12
(b)	Additions during the year	484.59	73.70
(c)	Reductions during the year	580.44	-
(d)	Closing balance	3.97	99.82
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets):**		
(a)	Opening balance	226.37	104.94
(b)	Additions during the year	375.94	121.43
(c)	Reductions during the year	597.20	-
(d)	Closing balance	5.11	226.37

xxv.Overseas Assets and Off-Balance Sheet SPVs sponsored:

The Company does not own any assets outside the country and any off-balance Sheet SPVs sponsored.

xxvi.Postponement of Revenue Recognition

There is no significant uncertainty which requires postponement of revenue recognition.

xxvii.Disclosure of Customer Complaints:

Particulars	March 31, 2023	March 31, 2022
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	2298	2688
(c) No. of complaints redressed during the year	2291	2688
(d) No. of complaints pending at the end of the year	7	-

xxviii.Comparison of Provision required under IRACP norms and impairment allowances made under Ind AS 109:

For the year ended March 31, 2023:

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	15198.64	26.54	15172.10	143.61	(117.07)
	Stage 2	242.31	133.05	109.26	2.33	130.72
Subtotal (A)		**15440.95**	**159.59**	**15281.36**	**145.94**	**13.65**
Non-Performing Assets (NPA)						
Sub-standard	Stage 3	9.08	5.11	3.97	5.17	(0.06)
Doubtful						
Upto 1 year	-	-	-	-	-	-
year 1 to 3 years	-	-	-	-	-	-
More than 3 years	-	-	-	-	-	-
Loss assets	-	-	-	-	-	-
Subtotal (B)		**9.08**	**5.11**	**3.97**	**5.17**	**(0.06)**
Total	Stage 1	15198.64	26.54	15172.10	143.61	(117.07)
	Stage 2	242.31	133.05	109.26	2.33	130.72
	Stage 3	9.08	5.11	3.97	5.17	(0.06)
	Total	**15450.03**	**164.70**	**15285.33**	**151.11**	**13.59**

* The provision required as per IRACP norms has been calculated on the aggregate loan portfolio after derecognising the securitised assets which meets the de-recognition criteria under the previous GAAP.

For the year ended March 31, 2022:

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	10096.81	20.76	10076.05	87.35	(66.59)
	Stage 2	219.29	49.21	170.08	1.90	47.31
Subtotal (A)		**10316.10**	**69.97**	**10246.13**	**89.25**	**(19.28)**
Non-Performing Assets (NPA)						
Sub-standard	Stage 3	326.19	226.37	99.82	109.00	117.37
Doubtful						
Upto 1 year	-	-	-	-	-	-
year 1 to 3 years	-	-	-	-	-	-
More than 3 years	-	-	-	-	-	-
Loss assets	-	-	-	-	-	-
Subtotal (A)		**326.19**	**226.37**	**99.82**	**109.00**	**117.37**
Total	Stage 1	10096.81	20.76	10076.05	87.35	(66.59)
	Stage 2	219.29	49.21	170.08	1.90	47.31
	Stage 3	326.19	226.37	99.82	109.00	117.37
	Total	**10642.29**	**296.34**	**10345.95**	**198.25**	**98.09**

* The provision required as per IRACP norms has been calculated on the aggregate loan portfolio after derecognising the securitised assets which meets the de-recognition criteria under the previous GAAP.

xxix.Information on instances of fraud:

Particulars	March 31, 2023	March 31, 2022
Number of frauds reported during the year	14	2
Amount involved in fraud	2.47	0.48
Recovery*	0.60	0.42
Amount written off	-	0.06

*Includes claims received from insurance company.

xxx.Information on Net Interest Margin

Quarterly Net Interest Margin

Particulars	March 31, 2023			
	Quarter 1	Quarter 2	Quarter 1	Quarter 2
Average lending rate**	25.00%	25.00%	25.50%	25.50%
Average effective cost of borrowing*	11.51%	12.69%	12.64%	13.00%

Particulars	March 31, 2022			
	Quarter 1	Quarter 2	Quarter 1	Quarter 2
Average lending rate**	21.47%	21.94%	21.86%	21.69%
Average effective cost of borrowing*	13.06%	12.04%	13.00%	12.61%

*Represents the average effective cost of borrowings for preceding quarter.

The company has calculated above average lending as per pricing of loans guidelines prescribed in master directions issued by Reserve Bank of India no. RBI/DOR/2021-22/89 DoR.FIN.REC.95/03.10.038/2021-22.

xxxi.Disclosures as required for liquidity risk

a.Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	March 31, 2023	March 31, 2022
Number of significant counter parties*	25	25
Amount (in mn)	12,670.52	10,142.46
Percentage of funding concentration to total deposits	N.A.	N.A.
Percentage of funding concentration to total liabilities	77.13%	78.11%

*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

b.Top 20 large deposits

Particulars	March 31, 2023	March 31, 2022
Total amount of top 20 deposits	N.A.	N.A.
Percentage of amount of top 20 deposits to total deposits	N.A.	N.A.

c.Top 10 borrowings

Particulars	March 31, 2023	March 31, 2022
Total amount of top 10 borrowings	8,633.05	6,708.84
Percentage of amount of top 10 borrowings to total borrowings	55.16%	53.86%

d.Funding Concentration based on significant instrument/product*

Sr. No.	Name of the instrument/product	March 31, 2023	% of Total Liabilities
1	Non-Convertible Debentures (Secured)	2062.31	12.55%
2	Term Loans from Banks	7942.54	48.35%
3	Term Loans from Non-banking financial companies	3009.37	18.32%
4	External commercial borrowings	673.06	4.10%
5	Non-Convertible Debentures (Unsecured)	1188.90	7.24%
6	Non-Convertible Preference Shares	410.98	2.50%

Sr. No.	Name of the instrument/product	March 31, 2022	% of Total Liabilities
1	Non-Convertible Debentures (Secured)	1,282.66	9.88%
2	Term Loans from Banks	7,772.28	59.86%
3	Term Loans from Non-banking financial companies	1,511.37	11.64%
4	External commercial borrowings	640.27	4.93%
5	Non-Convertible Debentures (Unsecured)	767.52	5.91%
6	Non-Convertible Preference Shares	393.33	3.03%

*Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD)

C.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

e.Stock ratios

Sr. No.	Stock Ratios	March 31, 2023	March 31, 2022
1	Commercial papers as a % of total public funds	N.A.	N.A.
2	Commercial papers as a % of total liabilities	N.A.	N.A.
3	Commercial papers as a % of total assets	N.A.	N.A.
4	Non-Convertible Debentures (original maturity of less than one year) as a % of total public funds	N.A.	N.A.
5	Non-Convertible Debentures (original maturity of less than one year) as a % of total liabilities	N.A.	N.A.
6	Non-Convertible Debentures (original maturity of less than one year) as a % of total assets	N.A.	N.A.
7	Other short-term liabilities as a % of total public funds	55.78%	55.79%
8	Other short-term liabilities as a % of total liabilities	53.14%	53.52%
9	Other short-term liabilities as a % of total assets	43.86%	44.28%

*Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

f.Institutional set-up for liquidity risk Management

The Company's Board of Directors has the overall responsibility of management of liquidity risk The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance/limits decided by it.

The Company also has a Risk Management Committee, which is a sub-committee of the Board and is responsible for evaluating the overall risk faced by the Company including liquidity risk.

Asset Liability Management Committee (ALCO) of the Company is responsible ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company.

The ALM support group consist of CFO and Head-Treasury who shall be responsible for analysing, monitoring, and reporting the liquidity profile to ALCO.

xxxii.Disclosure on Transfer of Loan Exposures

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:

Particulars	For year ended March 31, 2023
Number of loan accounts assigned	1,69,900
Aggregate amount of loans transferred	4,405.76
Weighted average residual tenor of the loans assigned (in months)	15.24
Weighted average holding period (in months)	6.95
Retention of beneficial economic interest by the originator	20%/10%
Tangible security cover	Nil
Rating-wise distribution of rated loans	Not Applicable

(ii)The Company has not acquired any loan through assignment during the year ended March 31, 2023.

(iii)Details of stressed loans transferred during the quarter and year ended March 31, 2023:

Particulars	To ARC	To permitted transferees
Number of loan accounts	91,973	Nil
Aggregate principal outstanding of loans transferred (₹ in millions)	1,550.78	Nil
Weighted average residual tenor of the loans transferred (in months)	7.16	Nil
Net book value of loans transferred at the time of transfer (₹ in millions)*	922.92	Nil
Aggregate consideration (₹ in millions)	920.00	Nil
Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil

*excludes ECL provision of ₹ 627.86 Mn which has been reversed on account of sale of portfolio of such loans.

Particulars	As at March 31, 2023
Investment in Security Receipts under trust floated by ARC (₹ in millions)	800.00

xxxiii.Additional information required by Reserve Bank Of India vide circular DOR. ACC.REC.No.20/21.04.018/2022-23

(A) Exposure

1) Exposure to real estate sector

The Company does not have any real estate exposure and accordingly the disclosure is not applicable to the Company.

2) Exposure to capital market

The Company does not have any capital market exposure and accordingly the disclosure is not applicable to the Company.

3) Sectoral exposure

Particulars	As at March 31, 2023			As at March 31, 2022		
	Total Exposure*	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	6,910.44	12.50	0.18%	4,091.62	10.28	2.70%
2. Industry	10,964.11	18.50	0.17%	7,265.38	223.02	3.07%
3. Services	-	-	-	-	-	-
4. Personal Loans	-	-	-	-	-	-
5. Others	-	-	-	-	-	-

*includes on balance sheet and off-balance sheet exposure

4) Intra-group exposures

The Company does not have any intra-group exposure and accordingly the disclosure is not applicable to the Company.

5)Unhedged foreign currency exposure

The Company does not have any unhedged foreign currency exposure and accordingly the disclosure is not applicable to the Company.

(B) Related Party Disclosure

March 31, 2023:

Related Party	Key Management Personnel	Relative of Key Management Personnel	Directors	Relatives of Directors	Investing party in respect of which the reporting enterprise is an associate	Trust in which the company have control and significant influence	Others
Borrowings	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Placement of Deposits	-	-	-	-	-	-	-
Advances (Maximum amount outstanding during the year: 0.53)	0.53	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Purchase of fixed/ other assets	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-
Interest paid	-	-	0.13	0.41	-	-	-
Interest received	-	-	-	-	-	-	-
Remuneration	27.42	-	2.10	-	-	-	-
Issue of compulsory convertible preference shares	-	-	-	20.25	147.21	-	-
Payment of dividend on equity shares	2.64	0.58	0.45	5.35	10.44	-	-
Others	1.64	3.75	0.60	0.00	157.65	4.89	-
Total	**32.23**	**4.33**	**3.28**	**26.01**	**157.65**	**4.89**	**-**

March 31, 2022:

Related Party	Key Management Personnel	Relative of Key Management Personnel	Directors	Relatives of Directors	Investing party in respect of which the reporting enterprise is an associate	Trust in which the company have control and significant influence	Others
Borrowings	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Placement of Deposits	-	-	-	-	-	-	-
Advances (Maximum amount outstanding during the year: 0.53)	0.53	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Purchase of fixed/ other assets	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-

Related Party	Key Management Personnel	Relative of Key Management Personnel	Directors	Relatives of Directors	Investing party in respect of which the reporting enterprise is an associate	Trust in which the company have control and significant influence	Others
Interest paid	-	-	0.49	0.65	-	-	-
Interest received	-	-	-	-	-	-	-
Issue of Equity Shares	-	-	-	-	219.96	-	-
Others	25.51	2.98	0.86	4.58	7.81	3.85	-
Total	**26.04**	**2.98**	**1.35**	**5.23**	**227.77**	**3.85**	**-**

(C)Disclosure of complaints

Sr. No.	Particulars	March 31, 2023	March 31, 2022
Complaints received by the NBFC from its customers			
1	Number of complaints pending at beginning of the year	-	-
2	Number of complaints received during the year	2,298	2,688
3	Number of complaints disposed during the year	2,291	2,688
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	7	-
Maintainable complaints received by the NBFC from Office of Ombudsman			
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	4	1
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	4	1
5.2	Of 5, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.
* It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

Grounds of Complaints (i.e. Complaints relating to)	Number of Complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ Decrease in the number of complaints received over the previous years	Numbers of Complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days.
1	2	3	4	5	6
Current Year					
Ground 1- Insurance Claim settlement	-	730.00	16%	7.00	-

Grounds of Complaints (i.e. Complaints relating to)	Number of Complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ Decrease in the number of complaints received over the previous years	Numbers of Complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days.
1	2	3	4	5	6
Current Year					
Ground 2-Updation of repayment records	-	20.00	-38%	-	-
Ground 3- Digital transactions	-	46.00	-27%	-	-
Ground 4-Updation/ disputeon data with CIR	-	526.00	83%	-	-
Ground 5- Repayment issues	-	367.00	-49%	-	-
Ground 6-Third party products	-	223.00	37%	-	-
Ground 7-Employee related	-	152.00	21%	-	-
Ground 8- Others	-	234.00	-65%	-	-
Total	**-**	**2,298.00**	**-**	**7.00**	**-**
Previous Year					
Ground 1- Insurance Claim settlement	-	631.00	-19%	-	-
Ground 2-Updation of repayment records	-	32.00	-33%	-	-
Ground 3- Digital transactions	-	63.00	2%	-	-
Ground 4-Updation/ disputeon data with CIR	-	287.00	-50%	-	-
Ground 5- Repayment issues	-	716.00	-16%	-	-
Ground 6-Third party products	-	163.00	28%	-	-
Ground 7-Employee related	-	126.00	-40%	-	-
Ground 8- Others	-	670.00	-24%	-	-
Total	**-**	**2,688.00**	**-**	**-**	**-**

(D) Breach of covenant

As at March 31, 2023

There was no breach of covenant as at March 31, 2023.

As at March 31, 2022

Lender Name	Description of breached covenants	Nature of borrowings
Northern Arc Capital Limited	Maximum permissible ratio of sum of the Par > 30 and write-offs (on the Borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to Gross Loan Portfolio shall be 5.00%.	Term Loan-NBFC
Maanaveya Development and Finance Private Limited	PAR> 90 days (including rescheduled loans) below 3.00%. PAR> 30 days (including rescheduled loans) below 5.00%.	Term Loan-NBFC Term Loan-NBFC
Triple Jump B.V.	PAR> 30 days + Refinanced Loans Ratio below 3%.	Term Loan-NBFC
Aviator Emerging Market Fund	PAR> 30 days + Refinanced Loans Ratio below 5%.	Term Loan-NBFC
Blue Orchard Finance Limited	The issuer shall at all times maintain a ratio of the (x) Loan Loss Reserves divided by (y) the Portfolio At Risk over 90 (ninety) days plus Restructured Loans of no less than 100% (one hundred percent) The issuer shall at all times maintain a ratio of the (x) Loan Loss Reserves divided by (y) Portfolio at Risk great over 90 days + Rescheduled Loans of greater than 85% until and including June 30th 2022, and greater than 100% thereafter.	Debt Securities Debt Securities
HDFC Bank Limited	Gross NPA + restructured assets to be less than 3%.	Term Loan-Bank
MUDRA	PAR> 90 days below 3.00%.	Term Loan-NBFC
The Federal Bank Limited	GNPA below 3%.	Term Loan-Bank
DBS Bank India Limited	GNPA ratio to be maintained at less than 3%.	Term Loan-Bank
Hinduja Leyland Finance Limited	PAR> 90 days and write offs (including managed portfolio) not to exceed 3%.	Term Loan-NBFC
Vivriti Capital Private Limied	GNPA below 3%.	Term Loan-NBFC
Magma Fincorp Limited	PAR> 90 days and write offs (including managed portfolio) not to exceed 3%.	Term Loan-NBFC
Magma Fincorp Limited	PAR> 90 days and write offs (including managed portfolio) to Adjusted Tangible Net Worth not to exceed 10%.	Term Loan-NBFC

(E) Divergence in Asset Classification and Provisioning

The RBI has neither assessed any additional provisioning requirements in excess of 5 percent of the reported profits before tax and impairment loss on financial instruments for the financial year ended March 31, 2023, nor identified any additional Gross NPAs in excess of 5% of the reported Gross NPAs for the said period.

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

Particulars	Year ended March 31, 2023
(1) Debt-equity ratio	4.38
(2) Debt service coverage ratio	Not Applicable
(3) Interest service coverage ratio	Not Applicable
(4) Outstanding redeemable preference shares (quantity and value)	
-Quantity	1,20,65,000
-Value	410.98
(5) Capital Redemption Reserve (In mn)	42.80
(6) Debenture Redemption Reserve (In mn)	36.63
(7) Net worth (In mn)	3,475.69
(8) Net profit after tax (In mn)	468.33
(9) Earnings per share	
-Basic	10.28
-Diluted	10.28
(10) Current ratio	Not Applicable
(11) Long term debt to working capital	Not Applicable
(12) Bad debts to account receivable ratio	Not Applicable
(13) Current liability ratio	Not Applicable
(14) Total debts to total assets	0.77
(15) Debtors turnover	Not Applicable
(16) Inventory turnover	Not Applicable
(17) Operating margin (%)	Not Applicable
(18) Net profit margin (%)	11.86
(19) Sector specific equivalent ratios, as applicable:	
(a) Capital Adequacy Ratio (%)	28.44
(b) Tier-I Capital (%)	21.01
(c) Tier-II Capital (%)	7.43
(b) Gross Non-Performing Assets (GNPA) ratio(%)	0.06
(c) Net Non-Performing Assets (NNPA) ratio (%)	0.03

48.Details of the Code on Social Security Code, 2020 ('Code') relating to employee benefits:

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.

49.Miscellaneous:

i. During the year ended March 31, 2023, the Company has redeemed 10,25,000 (17%, Cumulative, Non-Participative and Non-convertible Preference Shares) shares of ₹ 10 each at a premium of ₹ 10 each amounting to ₹ 20.50 Mn. Accordingly, the Company has transferred ₹ 10.25 Mn to Capital Redemption Reserve during the year ended March 31, 2023.

As per our report of even date

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

For S.C.V & Co. LLP
Chartered Accountants
ICAI Firm registration
Number: 000235N/N500089

Per Rajiv Puri	Amardeep Singh Samra	Shant Gupta
Partner	Managing Director	Director
Membership No.: 084318	DIN: 00649442	DIN: 01571485

Place: Noida

Amitesh Kumar	Sumit Bhojwani
Chief Financial Officer	Company Secretary
	Membership No.:A36611

Date: May 10, 2023

Place: Jalandhar

Schedule to Balance Sheet as per RBI for the year ended March 31, 2023		
Particulars		
Liabilities side	Amount Outstanding	Amount Overdue
1. Loans and advances availed by non-banking financial company inclusive of interest accrued there on but not paid		
(a)Debentures: Secured	2,401.63	-
: Unsecured (other than falling within the meaning of public deposits*)	849.58	-
(b)Deferred Credits	-	-
(c)Term Loans	11,754.98	-
(d)Inter corporate loans and borrowing	-	-
(e)Commercial Paper	-	-
(f)Public Deposits*	-	-
(g)Other Loans - Securitisation**	233.45	-
* Please see note 1 below		
** Other Loans exclude NCPS		
2. Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a)In the form of Unsecured debentures	-	-
(b)In the form of partly Secured debentures i.e. debentures where there is shortfall in the value of security	-	-
(c)Other public deposits	-	-
* Please see note 1 below		

Assets side	Amount Overdue
3.Break up of Loans and Advances including bills receivables [other than those included in (4) below]	
(a)Secured	-
(b)Unsecured	15,450.03
4.Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	
(i)Lease assets including lease rentals under sundry debtors:	-
(a) Finance Lease	-
(b) Operating Lease	-
(ii)Stock on hire including hire charges under sundry debtors:	-
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii)Others loans counting towards asset finance activities	-
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
5. Break up of Investments	
Current Investments	
1 Quoted	
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others (Please specify)	-

Schedule to Balance Sheet as per RBI for the year ended March 31, 2023	
Particulars	
Assets side	Amount Overdue
Current Investments	
2 Unquoted	
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others (Please specify)	-
Long Term Investments	
1 Quoted	
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others (Please speciify)	-
2 Unquoted	
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others - Investment in Security Receipts of ARC	800.00

6. Borrower group-wise classification of assets financed as in (3) and (4) above:		
Please see Note (2) below		
Category	Amount net of provisions	
	Secured	Unsecured
1 Related Parties **	-	-
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2 Other than related parties	-	15,285.34
Total	-	**15,285.34**

7. Investor group-wise classification of ll investments (current and long term) in shares and securities (both quoted and unquoted) :		
Please see note 3 below		
Category	Amount net of provisions	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties **	-	-
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2 Other than related parties	-	-
Total	-	-

** As per accounting standard of ICAI (Please see Note 3)

8. Other Information	
Liabilities side	Amount
(i)Gross Non-Performing Assets	9.08
(a) Related parties	-
(b) Other than related parties	9.08
(ii)Net Non-Performing Assets	3.97
(a) Related parties	-
(b) Other than related parties	3.97
(iii)Assets acquired in satisfaction of debt	-

Notes:

1. As defined in point xxvii of paragraph 3 of chapter-II of NBFC Master Directions.
2. Provisions have been calculated as per the Ind AS framework.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrspective of whether they are classified as long term or current in (5) above.

Schedule to Balance Sheet as per RBI for the year ended March 31, 2023		
Particulars		
Liabilities side	Amount Outstanding	Amount Overdue
1. Loans and advances availed by non-banking financial company inclusive of interest accrued there on but not paid		
(a)Debentures: Secured	1,282.66	-
: Unsecured	767.52	-
(other than falling within the meaning of public deposits*)		
(b)Deferred Credits	-	-
(c)Term Loans	9,973.75	-
(d)Inter corporate loans and borrowing	-	-
(e)Commercial Paper	-	-
(f)Public Deposits*	-	-
(g)Other Loans - Securitisation**	39.27	-
* Please see note 1 below		
** Other Loans exclude NCPS		

2. Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):

Schedule to Balance Sheet as per RBI for the year ended March 31, 2022		
Particulars		
2. Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a)In the form of Unsecured debentures	-	-
(b)In the form of partly Secured debentures i.e. debentures where there is shortfall in the value of security	-	-
(c)Other public deposits	-	-
* Please see note 1 below		

Assets side	Amount Overdue
3.Break up of Loans and Advances including bills receivables [other than those included in (4) below]	
(a)Secured	-
(b)Unsecured	10,642.29
4.Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	
(i)Lease assets including lease rentals under sundry debtors:	-
(a) Finance Lease	-
(b) Operating Lease	-
(ii)Stock on hire including hire charges under sundry debtors:	-
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii)Others loans counting towards asset finance activities	-
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
5. Break up of Investments	
Current Investments	
1 Quoted	
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	150.00
(v) Others (Please specify)	-
2 Unquoted	
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others (Please specify)	-
Long Term Investments	

Schedule to Balance Sheet as per RBI for the year ended March 31, 2022		
Particulars		
6. Borrower group-wise classification of assets financed as in (3) and (4) above:		
Please see Note (2) below		
Category	Amount net of provisions	
	Secured	Unsecured
1 Related Parties **	-	-
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2 Other than related parties	-	10,345.95
Total	-	**10,345.95**

7. Investor group-wise classification of ll investments (current and long term) in shares and securities (both quoted and unquoted) :		
Please see note 3 below		
Category	Amount net of provisions	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties **	-	-
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2 Other than related parties	-	-
Total	-	-

** As per accounting standard of ICAI (Please see Note 3)

8. Other Information	
Liabilities side	Amount
(i)Gross Non-Performing Assets	326.19
(a) Related parties	-
(b) Other than related parties	326.19
(ii)Net Non-Performing Assets	99.82
(a) Related parties	-
(b) Other than related parties	99.82
(iii)Assets acquired in satisfaction of debt	-

Notes:

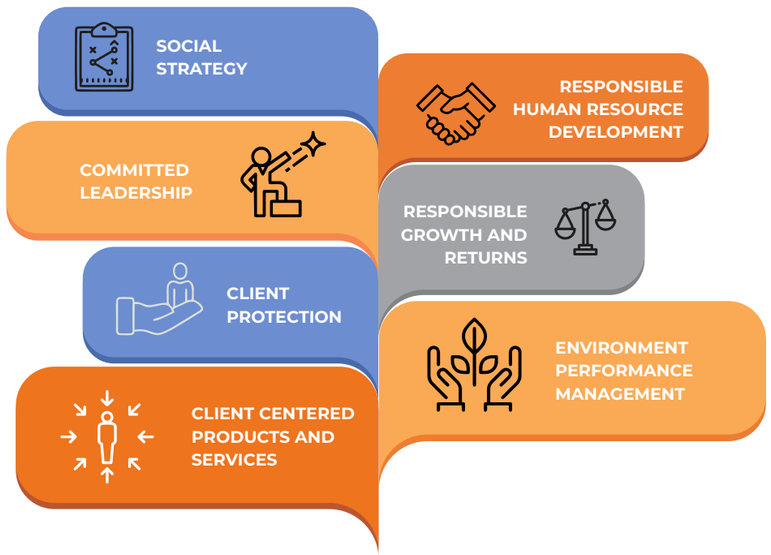
1. As defined in point xxvii of paragraph 3 of chapter-II of NBFC Master Directions.
2. Provisions have been calculated as per the Ind AS framework.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrspective of whether they are classified as long term or current in (5) above.

SOCIAL PERFORMANCE MANAGEMENT REPORT

Midland Microfin Ltd places significant emphasis on its Social Performance Management (SPM) strategy, which is deeply integrated with the organization's overarching mission of empowering individuals and enriching communities. Through a meticulous approach, Midland has strategically defined its social objectives, focusing on specific client segments and establishing quantifiable indicators to effectively gauge progress. While notable advancements have been made in collecting, analysing, and reporting data aligned with the social goals, the organization recognizes the importance of enhancing precision in data collection pertaining to client outcomes.

The board of directors, in tandem with dedicated senior management, demonstrates unwavering commitment by steering strategic decisions that harmonize financial accomplishments with a positive social footprint. At the core of the company's operations lies an unwavering commitment to client-centricity, underpinned by insights gleaned from comprehensive client data analysis and feedback. The organization's steadfast dedication to client protection is evident through transparent product terms, equitable pricing, and a robust mechanism for addressing client grievances. The institution's resolute devotion to responsible human resource development fosters an empowered workforce aligned with the larger social mission. Guided by a responsible growth framework harmonizing with the social agenda, Midland's expansion strategy adheres to transparent financial and social structures.

Within the realm of social performance management, Midland Microfinance's operations have been evaluated across seven distinct dimensions, each playing a crucial role in the institution's dedication to responsible financial services and sustainable development.



These dimensions, as outlined by the Universal Standards, encompass the organization's commitment to fostering comprehensive social impact and adhering to ethical financial practices.

This alignment is a testament to Midland Microfinance's unwavering determination to ensure that every aspect of its operations contributes positively to societal advancement, while also upholding the highest standards of integrity and responsibility. In the upcoming sections, there is a comprehensive exploration of each dimension, delving into the intricate specifics that illustrate how Midland Microfinance embodies these principles within its daily operations.

Dimension 1: Defining Social Goals

Midland Microfinance demonstrates an unwavering commitment to achieving its social objectives through a meticulously designed strategy that serves as a guiding framework for its operational endeavours and influence. The institution has effectively crafted a transparent and coherent strategy that not only defines the intended target client segments and articulates the social goals but also outlines the strategic pathways undertaken to realize these ambitions. By harnessing technological advancements, the institution propels comprehensive progress across pivotal domains including child education, gender equality, women's empowerment, financial literacy, and healthcare. With a customer base surpassing 700,000, Midland is unwavering in its dedication to catalysing transformative change through accessible and cost-effective microfinance solutions. The unwavering focus remains on catering to India's underserved sectors, predominantly women in rural and semi-urban settings. This is achieved by extending small-ticket micro loans that not only foster entrepreneurship but also fortify income-generating capacities, ultimately alleviating poverty. The organization's triumphs are seamlessly interwoven with sustainable community development, underscoring its profound commitment to the well-being of its patrons. Midland Microfin's strategic approach not only underscores its unyielding dedication to driving positive societal shifts but also highlights the assimilation of quantifiable metrics and a ceaseless pursuit of enhancement to amplify its societal influence.

Dimension 2: Committed Leadership

A foundation of dedicated leadership underpins Midland's social performance, where the strong commitment to our social objectives is shared by both the board of directors and senior management. The board of directors plays an active role in holding management accountable for the achievement of social goals. Their involvement extends to strategic decision-making, which is informed by a thoughtful blend of social and financial data, thus fostering a balanced approach to growth. The oversight provided by the board is intrinsically aligned with our core social mission. This alignment remains steadfast even during periods of institutional change, underscoring the significance of upholding our social objectives. The onus of translating the organisation social strategy into tangible actions rests with the senior management. By seamlessly integrating social goals into the operational plan, a culture of accountability is instilled across all tiers of the organization.

Dimension 3: Client-Centered Products and Services

Client-centricity serves as the foundational principle that underpins Midland's array of product and service offerings. The institution maintains an unwavering commitment to comprehending the needs of its clients and crafting solutions that directly enhance their well-being. Midland places significant value on refining its offerings to align with client preferences, a process facilitated by meticulous market research and pilot testing. This iterative approach ensures that client feedback and preferences are seamlessly integrated into the evolution of products and services.

Business Loans for Women Entrepreneurs

We offer different business loans tailored to serve as a sustainable livelihood source for progressive poor rural women. The loans are designed to provide rural women with access to formal financial support for their micro- enterprises. The program empowers female entrepreneurs to address various business requirements, including acquiring tools and equipment, purchasing stock, and managing working capital. Through this initiative, we aim to contribute to the growth and sustainability of women-led businesses, promoting economic empowerment and gender equality.

Individual Enterprise Loan

The loan product is offered to our graduate borrowers and aimed to fuel their business growth by facilitating investments, resource procurement, and operational enhancement. The loan product is aimed at helping current MML borrowers who have successfully gone through at least one business loan cycle using the JLG Model and is specifically designed to support the expansion of their businesses, allowing them to enhance and grow their ventures, thus contributing to overall economic development.

Dairy Loans:

Our Dairy Loan facilitates borrowers in acquiring additional cattle to foster the growth of their dairy enterprises. This initiative also incorporates Cattle Insurance policies to provide protection for cattle purchases, thereby ensuring a sustainable and secure expansion within the dairy industry. With this comprehensive approach, borrowers can confidently pursue their dairy business ambitions.

Sanitation Loans

aimed at improving sanitation facilities across the country by encouraging borrowers in creation and reconstruction of their household level toilets, setup new water pipeline connection, handpump, further enhancing the standards of living and reducing water borne diseases. The effort has been aimed at contributing to a cleaner environment thus fostering community well-being and progress.

Education Loan

Midland extends financial aid to students pursuing post-secondary or higher education endeavors. These education loans are designed to alleviate the financial burden associated with tuition fees, essential books, required gadgets, and related expenses. By facilitating access to education, Midland empowers students to embark on their academic journeys with confidence.

PM Svanidhi Loan

Aligned with our vision of empowering the economically disadvantaged, we recognize the pivotal role of street vendors in local communities. By supporting their livelihoods with Our PM Svanidhi product, we actively contribute to overall well-being and socio-economic upliftment, harmonizing with our mission to foster inclusive growth and prosperity. This aims to foster livelihood opportunities for them and promote their holistic development and socio-economic advancement.

Dimension 4: Client Protection

Ensuring client protection remains an unwavering pillar of Midland's operations, underscored by its steadfast dedication to ethical conduct and equitable treatment throughout its processes and policies. The institution diligently enforces measures to avert over-indebtedness, basing loan decisions on client's repayment capabilities. Every applicant seeking a loan undergoes a thorough eligibility assessment encompassing factors such as FOIR (Fixed Obligation to Income Ratio), overdue payments, risk scores, and Credit Bureau scores. This holistic evaluation involves meticulous KYC verification, on-site visits, bank account validation, tele-verification, and microfinance risk scoring. While borrowers with prior Joint Liability Group (JLG) loan history are automatically considered, they must still meet the prescribed assessment benchmarks. Successful applicants who pass credit bureau checks and satisfy the specified criteria are deemed eligible for loans.

At Midland Microfin, the organization places significant importance on prioritizing fair and respectful treatment of clients. This commitment is prominently reflected in the institution's policies, which require considerate conduct towards clients. The organization's extensive code of conduct underscores the vital significance of treating clients fairly and respectfully, a principle that is rigorously upheld. The organization refrains from utilizing aggressive sales methods, thereby reinforcing its commitment to promoting the well-being of its clients. Furthermore, the organization ensures that clients receive respectful treatment throughout the loan collection process, thereby emphasizing their welfare in all activities. Midland's commitment to transparency, unambiguous communication, and equitable treatment is woven into every client interaction. Midland places paramount importance on safeguarding client's data and upholding their data rights. The organization meticulously maintains the security and confidentiality of client information, thereby fostering a secure environment for their financial interactions.

The organisation prioritizes a dedicated approach to managing grievance Redressal, providing members with multiple means to voice their concerns and overcome challenges. These tools encompass toll-free and helpline numbers, as well as a dedicated grievance Redressal email. Every complaint, grievance, and escalation communicated by members is systematically captured in our system, with each interaction assigned a specific ticket-based Turnaround Time (TAT) for efficient resolution.

Dimension 5: Responsible Human Resource Development

Midland Microfin ensures the establishment of a secure and impartial work environment, reflecting its commitment to employee well-being. A comprehensive Human Resources policy, accessible to all employees, elucidates and safeguards their rights. Employee compensation is structured to be both equitable and sufficient, exemplifying Midland's dedication to fair remuneration.

The organization has implemented a robust safety and health management system, further reinforcing its commitment to ensuring a secure workplace. Midland's Human Resource Development system is thoughtfully designed to attract and retain a skilled and motivated workforce, aligned with its strategic objectives. The institution provides employees with comprehensive employment documentation and training to foster a clear understanding of job expectations. Formal avenues for communication with management are actively fostered at Midland, nurturing an open and collaborative work environment. Midland's Human Resource Development system harmonizes with its social strategy, accentuating its dedication to holistic employee well-being.

During the recruitment and selection process, candidate's commitment to Midland's social goals and its target client base is thoughtfully evaluated. Committed to maintaining a workforce aligned with its ethos, Midland provides training to all employees on its social goals and client protection. Furthermore, Midland's evaluation and incentive structure for employees encompass both social and financial criteria, acknowledging their contributions across multiple dimensions.

Promoting gender diversity involves addressing gender imbalances, eliminating biases, and ensuring equal opportunities for all employees, regardless of their gender. At Midland, the board has displayed a significant commitment to enhancing gender diversity within the workplace. The management has implemented a range of strategies aimed at achieving a balanced representation of female employees across various levels. This deliberate effort towards greater diversity has the potential to break down gender barriers by expanding women's professional horizons, providing them with relatable role models, and bolstering their confidence in assuming leadership positions. The diverse workforce at Midland brings together a spectrum of perspectives, fostering an environment ripe for generating innovative ideas and solutions.

The company has established a robust framework for incentivizing and recognizing employee contributions. The institution's comprehensive reward and recognition policy encompasses various parameters and scorecards, motivating employees and cultivating a positive work environment. The policy outlines how employees are acknowledged and rewarded, promoting a culture of performance excellence. This commitment to recognition is reflected in the introduction of diverse financial and non-financial incentive policies, including weekly, monthly, and quarterly options. Additionally, Midland's focus on continuous learning is evident through its transformative approach to training. Leveraging the Edurigo Learning Experience Platform, the organization offers a variety of learning modules, including digital and interactive classroom sessions, ensuring consistent implementation of policies. Monthly quizzes further gauge employee comprehension, affirming the achievement of learning objectives. This integration of incentive policies and robust training reflects Midland's dedication to employee growth and organizational advancement.

The organization received its fourth consecutive year accreditation by "Great Place to Work". This esteemed recognition underscores the organization's dedication to cultivating a positive and inclusive workplace culture that empowers employees to excel and contribute to the company's achievements.

Dimension 6: Responsible Growth and Returns

Midland Microfin's business model is fundamentally driven by responsible growth, anchored in the alignment of expansion with its profound social objectives. The institution's strategic plan exemplifies this commitment, with clear and meticulously outlined responsible growth targets. These targets are reinforced by a resolute dedication to ensuring that all pricing of services and products remains both fair and reasonable, substantiating the institution's integrity.

When considering performance, Midland Microfin's metrics stand as a testament to their capabilities. The incorporation of cutting-edge machine learning algorithms and extensive big data analytics has facilitated precise risk evaluations, leading to enhanced lending choices and diminished default rates.

The organization's loan portfolio has showcased remarkable growth with a notable Compound Annual Growth Rate (CAGR) of 37% from the last 5 years, all the while maintaining impressively low default rates of less than 2% for GLP of 193,942 million as of Mar-23.

This solid financial footing has provided the means for Midland Microfin to consistently broaden its reach, positively impacting the lives of countless individuals who previously faced restricted access to financial opportunities.

MML's aspirations center around playing a pivotal role in propelling the growth of the microfinance industry. During the Fiscal Year 2022-23, the company demonstrated remarkable resilience in comparison to the Financial Year 2020-21. The notable milestones include a remarkable 71% increase in Assets under Management (AUM), totalling ₹1939 crores; a 46% surge in Total Disbursement, reaching an unprecedented ₹1950 crores; a remarkable 110% growth in Profit After Tax (PAT), totalling ₹47 crores; and an impressive 193% surge in Operating Profits, amounting to ₹113 crores. Furthermore, the Net Interest Income witnessed a substantial 80% increase, reaching ₹186 crores, a substantial lead over market standards. This outstanding performance culminated in an impressive Return on Equity (ROE) of 16.01%, coupled with a nominal Net Non-Performing Assets (NPA) ratio of 0.03%, establishing a new benchmark for excellence.

A testament to the organization's unwavering commitment to corporate governance is the significant equity investment from one of the second largest private sector banks, ICICI Bank. This endorsement, spanning over 12 years, showcases the steadfast adherence to strong corporate governance practices at Midland Microfin.

Dimension 7: Environmental Performance Management

Recognizing the significance of environmental performance, Midland is dedicated to ongoing enhancement in this realm. While possessing an established environmental strategy, the institution acknowledges the need for continued efforts to strengthen data collection, analysis, and reporting associated with environmental objectives. Midland's governance framework ensures diligent oversight of the environmental strategy, including the identification and management of environmental risks across multiple tiers.

Continuing its journey of marked advancements in various dimensions, Midland Microfin maintains its proactive stance toward improving environmental performance management. By seamlessly integrating environmental strategies into internal systems and service offerings, the institution strives to reinforce its dedication to environmental responsibility. An illustration of this commitment is reflected in the initiative of promoting paperless branches. Midland actively advocates for the extensive use of technology in daily operations, aiming to substantially reduce paper usage and contribute to a healthier environment. The organization is progressively embracing electronic document management and digital tools, paving the way for a paperless approach. A prime example is the increased utilization of tablets for fieldwork, facilitating client onboarding and end-to-end loan processing. This not only drives cost savings but also fosters a greener environment and ecological balance.

An illustrative instance of our dedication is our partnership with Micro Energy Credits (MEC) [Clean Energy Loan] for their 2019 Global Carbon Program, which centered on clean energy loans. This initiative aimed to deliver clean energy solutions to millions of Indians. Through our unwavering commitment, we have positively impacted the lives of over 100,000 individuals and secured our participation in the UNFCCC's Clean Development Program (CDM). The collective outcome of our clean energy program has translated into a notable reduction of 8616 tonnes of CO_2 emissions. This substantial achievement is mirrored in our empowerment efforts: households empowered reach 316,630, individuals empowered total 1,519,824, and the remarkable reduction in CO_2 emissions amounts to 8616.

The organization is engaged in more than just microfinance. By fostering a spirit of community collaboration, the organisation has initiated impactful social initiatives that address healthcare, education, and sustainable livelihoods. This holistic approach has transformed the organisation into a catalyst for holistic development, transcending mere financial assistance to become a true partner in progress.

Menstrual Hygiene Awareness Campaigns :

Sanitary Napkin Distribution

The organisation conducts the CSR activity ***"Swachta Evam Swasthya Jagrukta Abhiyan"*** across Midland Microfin Limited's operational areas. This initiative aimed to enhance women's well-being by distributing sanitary napkins and providing education about their correct usage and environmentally friendly disposal. By distributing sanitary napkins to almost all disbursed loans, the initiative benefited 252,225 individuals, aligning with Midland's commitment to cleanliness and health awareness.





My Pad My Right

"My Pad My Right (Uthaan)" is an Awareness Camp that promotes Menstrual Hygiene. This initiative, supported by NABARD, distributes 400 kits containing sanitary napkins, hand sanitizer, soap, and other essentials. Midland aims to reduce health risks, empower women, and educate them about the proper usage and disposal of sanitary napkins. The Foundation's commitment aligns with Midland Microfin's dedication to addressing crucial social issues and enhancing community well-being.





Skill Development

Distributed art and craft supplies, fostering creativity and engagement within the Community Engagement : Skill Development benefiting 100 individuals.





Financial Literacy Programs:

The organisation takes proactive steps to enhance financial literacy and awareness among individuals. Through engaging activities like the Nukkad Natak, the organisation imparts essential information about MFIN and RBI guidelines, repayment norms, and various aspects of financial decision-making. By actively involving the audience, the aim is to empower them with the necessary knowledge and understanding to make informed financial choices and navigate complex financial scenarios. Financial literacy equips clients to manage their income, budget effectively, save, and invest wisely, while also addressing financial risks through strategies like insurance.





Through these initiatives, Midland Foundation contributes to the overall financial well-being of individuals, helping them overcome challenges and achieve stability. The foundation's comprehensive financial literacy programs have educated 1093 members, providing them with the tools for making sound financial decisions.



Digital Didi Campaign:

Through initiatives like the DIGITAL DIDI CAMPAIGN, Midland Foundation proactively empowers women and advances their overall well-being. This campaign seeks to enhance women's financial independence and engagement in the digital economy by equipping them with the necessary knowledge and tools for digital transactions. Midland Foundation's efforts exemplify its recognition of the transformative impact of digital payments and its dedication to bridging the gender gap in financial inclusion.





This initiative underscores the foundation's proactive use of technology to empower women and foster a more inclusive and prosperous society, ultimately benefiting 150 individuals who received training in digital payment systems from empowered center members.

Empowering Lives, One Stitch at a Time: Our Annual Cloth Donation Drive

Providing warmth and comfort to those in need, Midland distributed clothes to roadside poor people and Ashrams, benefiting 100 individuals.



Scholarship Programme:

Distributed tablets to bright-performing kids, both from clients and staff, enhancing educational opportunities for 65 individuals.







At Midland, the commitment is directed towards nurturing a more sustainable, inclusive, and interconnected world. As a responsible entity within the microfinance sector, there's a steadfast incorporation of Environmental, Social, and Governance (ESG) considerations within the core business strategy. This proactive approach propels a substantial influence on the progress of both clients and communities, with a pronounced emphasis on environmental conservation and the betterment of employee well-being. Essential focal areas have been identified, effectively covering the pertinent ESG aspects. These alignments underscore Midland Microfin Limited's dedication to generating augmented stakeholder value.

In conclusion, Midland Microfinance steadfastly persists in its endeavour to achieve holistic social performance, combining responsible financial services with an unwavering commitment to sustainable development.

Nourishing the Nation
National Nutrition Week:

The distribution of food, fruits, and essential items to orphanages benefited 400 individuals, promoting improved nutrition and overall well-being.



Medical and Health Camps
Comprehensive Medical Camps:

The organisation continually organised Medical and Health Camps with a focus on eye check-ups and health assessments, offering free medicines to borrowers. These medical camps ensured wellness for 2,400 individuals.



REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

MIDLAND FOUNDATION 2022-23

About Midland Foundation

The collaboration between Midland Foundation and Midland Microfin Limited aims to promote social welfare through CSR activities, aligned with the philosophy of 'Bringing Hope'. Midland Microfin Limited goes beyond microfinance and believes in creating shared value and contributing to social and environmental well-being.

The company's strategy focuses on integrating community development, social responsibility, and environmental responsibility into its operations. The company encourages all its business units and functions to consider these aspects and incorporate them into their operations. These CSR projects are conducted as per/within the ambit of Schedule VIII of the Companies Act, 2013.

Mission

The mission of the organization is to initiate constructive societal transformation by harnessing technological progress to elevate underprivileged communities. Through focused interventions, the organization endeavours to facilitate comprehensive social progress in key domains such as child education, gender equality, women's empowerment, financial literacy, healthcare, and additional vital areas.

Vision

Envisioning a brighter tomorrow, the organization aspires to ignite optimism for an improved societal landscape. By disrupting the cycle of poverty, it aims to elevate marginalized communities to the forefront of social progress.

Objectives

Midland Foundation's policies and initiatives are guided by the vision and mission that aim at contributing towards the sustainable development of the society and the environment. The CSR team is entrusted with the responsibility for carrying out it's mission and vision through it's activities and engagement with the clients.

Education.

Financial Literacy and stability.

Gender equality and women empowerment.

Crisis Management

Ensuring environmental sustainability.

Female Hygiene and Sanitation.

Any other activity as may be approved by the Management on a case to case basis.

SWACHTA EVAM SWASTHYA JAGRUKTA ABHIYAN

Midland Foundation conducted the CSR activity -"SWACHTA EVAM SWASTHYA JAGRUKTA ABHIYAN" across the operational areas of Midland Microfin Limited.

This CSR initiative aimed to enhance the well-being of women by distributing sanitary napkins to those in need. In addition to the distribution, Midland Foundation provided essential education and information about the correct usage of sanitary napkins, their advantages, and environment friendly disposal methods. The objective of this Abhiyaan was to positively impact women's lives by focusing on cleanliness and raising health awareness.

Midland Foundation aimed to promote menstrual hygiene, reduce health risks and empower women with knowledge and resources by providing sanitary napkins and educating women about their proper usage and disposal.

This initiative highlights the commitment of Midland Foundation and Midland Microfin Limited to address important social issues and contribute to the overall well-being of the communities they serve.





MY PAD MY RIGHT (NABARD)

Midland Foundation in association with NABARD started a project named "Utthan" which aims to manufacture and distribute affordable sanitary pads, addressing the stigma around menstruation and promoting environmentally safe disposal of menstrual waste. This initiative, supported by NABARD and its NAB Foundation, focuses on improving livelihoods and menstrual hygiene for women in rural areas through grants, wage support, and capital equipment.

The "Utthan" project by Midland Microfin Limited aims to help rural women and Self-Help Groups set up a low-cost sanitary napkin production unit. The goal is to improve their economic conditions and raise awareness about menstrual hygiene. The project provides resources like a pad-making machine, raw materials, wages and thorough training. Midland Foundation actively supports awareness campaigns and facilitates the distribution of free sample pads, while the Bathinda unit operates with a well-organized space and implements a comprehensive production process encompassing wood pulp preparation, core formation, sealing, sterilization, and packaging, all geared towards ensuring a sustainable supply of top-notch sanitary pads.





DIGITAL DIDI CAMPAIGN

Midland Foundation organized the "DIGITAL DIDI CAMPAIGN" in Varanasi and Jaipur Region, demonstrating its commitment to embracing technological advancements. This campaign successfully raised awareness about digital payments among women, engaging numerous participants. The campaign's primary focus was to educate women about the numerous benefits of cashless transactions, including expense tracking, additional discounts, reduced risks and enhanced convenience. Through initiatives like the "DIGITAL DIDI CAMPAIGN," the foundation continues proactively empowering women and promoting their overall welfare. Midland Foundation's efforts reflect its understanding of the transformative potential of digital payments and its commitment to bridging the gender gap in financial inclusion. The campaign aimed to enhance their financial independence and participation in the digital economy by equipping women with the knowledge and tools to embrace digital transactions. Midland Foundation's initiatives demonstrate its proactive approach to leveraging technology to empower women and create a more inclusive and prosperous society.





MEDICAL CAMP

Midland Foundation firmly believes in its responsibility to contribute to the needs of society. In our ongoing efforts to uplift communities, we organized a "Medical Camp" in various operational areas. Our aim is to bring smiles to the faces of community members, as their happiness encourages us to strive for greater social empowerment.

Through the Medical Camp, our aim was to address the healthcare needs of people who don't have access to proper medical services. We wanted to make healthcare accessible and of good quality for those who are often overlooked or underserved. By providing free essential healthcare services, we hope to make a real difference in the lives of individuals and families.

We believe that we can significantly impact society by focusing on critical healthcare challenges and supporting marginalized communities. By reaching more people, making a bigger difference, and creating positive and long-lasting changes, we can help everyone and improve their lives.





SKILL DEVELOPMENT

Midland Foundation collaborated with schools in our areas of operations to educate children on various skills of Art and Craft while also conducting a competition for these talented students. As part of the education drive, MF distributed educational kits.





SANITARY NAPKIN - VENDING MACHINE

The Midland Foundation is deeply committed to improving women's menstrual hygiene and overall well-being. We are installing a 'Sanitary Napkin Vending Machine' at Midland Microfin Limited Head Office.

This significant initiative is driven by our strong desire to support women by ensuring they have convenient and free access to sanitary napkins. We firmly believe that every woman should have the necessary resources to maintain good menstrual hygiene, which is essential for their health and well-being. Through this vending machine, we aim to break down barriers and empower women, providing them with a safe and reliable solution for their menstrual needs. We are proud to take this step towards promoting women's health and are dedicated to impact their lives positively.





EMPOWERING LIVES, ONE STITCH AT A TIME: OUR ANNUAL CLOTH DONATION DRIVE

Amidst a season marked by chilly temperatures, our team orchestrated a well-coordinated effort to collect, sort, and distribute clothing items to orphanages, old age homes. With careful attention to their diverse needs, we curated a selection of warm clothing essentials including jackets, sweaters, scarves, gloves, and blankets.





SCHOLARSHIP PROGRAMME

Recognizing that financial constraints should not hinder access to education, we designed a Scholarship programme to provide essential financial support, educational digital platforms through TABS, solar lamps to students who displayed both merit, academic excellence and personal need. Our partnership with educational institutions, community organizations, and local stakeholders was integral to its success.





FINANCIAL LITERACY WORKSHOP

The inception of the Financial Literacy Workshop stemmed from a profound vision: to empower our clients with the indispensable knowledge and skills required to navigate the increasingly intricate domain of financial management. We recognize the pivotal role that informed decision-making plays in attaining financial stability. Thus, our workshop was meticulously crafted to encompass a comprehensive range of essential topics vital to our clients' financial well-being.

This workshop covers the fundamentals of constructing and adhering to budgets, a cornerstone of sound financial planning. It also delves into the art of managing savings effectively and making informed choices concerning credit and debt management—a critical aspect of financial success.

Acknowledging the rapidly evolving landscape of digital finance, our workshop extends its purview to offer guidance on navigating the digital realm, understanding digital repayment methods, and adapting to the ever-evolving world of online financial tools.

By instilling these financial competencies, our Financial Literacy Workshop seeks to empower individuals to make informed financial decisions and adapt to the dynamic financial environment, ultimately leading to a more secure and prosperous financial future.





NUTRITION WEEK CELEBRATION

Midland Foundation successfully implemented an initiative focused on distributing nutritious fruits to underprivileged individuals in slums, orphanages and old age homes. The main objective was to alleviate their limited access to health resources and improve their overall well-being and health. Through strategic collaborations and partnerships, Midland Foundation remains dedicated to making a positive and lasting impact in the lives of the underprivileged.





SANITARY PAD DISTRIBUTION AND MENSTRUAL AWARENESS CAMP

The Health Awareness Camp organized by Midland Foundation had a special focus on women's well-being. The camp included a "Sanitary Pad Distribution and Menstrual Awareness" session where free sanitary napkins were distributed to women.

Additionally, participants received essential information on menstrual hygiene, including the proper use of sanitary napkins and the importance of environmentally safe disposal. The camp aimed to empower women with knowledge and resources to ensure their menstrual health and well-being.





HAR GHAR TIRANGA CAMPAIGN II AZADI KA AMIT MAHOTSAV

Midland Foundation actively participated in the "Har Ghar Tiranga Campaign" initiated by the Government of India on the occasion of the 76th Independence Day. Patriotism and awareness about the Indian National Flag as part of the "Azadi Ka Amrit Mahotsav" initiative, our members and staff Offices joined in the celebration.





EYE CHECK-UP CAMP

Our CSR wing organized various Eye Check-Up Camp. The objective was to promote eye health among our clients and their families, ensuring a brighter future. This initiative underlines our dedication to fostering strong, healthy partnerships that extend beyond business benefits.




Midland Microfin:
Nurturing financial growth and **uplifting lives in rural India**

NEW INITIATIVES AT MML (2022-23)

Environment, Social and Governance (ESG)

We at Midland Microfin Limited firmly believe that access to financial services should be accompanied by social empowerment. Keeping that in mind, many new initiatives pertaining to sustainability were taken in the financial year 2022-23' to contribute more on Environment, Social Responsibility and Governance parameters under various facets.



From adopting paperless operations through our digital technology adoption of new Loan Origination System (LOS), Human Resource Management System (HRMS) and other tech advancements at the organization to opening of digital branches across our operational states, we made sure to reduce our carbon footprint.

Along with this, as part of our efforts to mitigate climate change, **greenhouse gas emissions worth 8,616 tons** were curtailed by generation of renewable energy through our products such as solar lanterns, solar hand torch, water purifier, induction, energy efficient fans and inverter bulbs. Energy-saving practices were also implemented, like using LED lighting, electronic devices with 3-star and above ratings and in all offices and running a pilot project for installing solar electricity systems in our branches.

A total of **185 kgs worth of e-waste** were handed over for recycling to concerned vendors to reduce its negative environmental effect and combat e-waste pollution. Usage of plastic was reduced to a great extent at offices and branches by introducing alternates. To promote sustainable finance, **40% of the financial offerings** were utilized for agriculture and allied sectors along with financing WASH initiatives during FY 2022-23.

Along with our flagship project of distribution of **biodegradable sanitary napkins** impacting **2,51,825 beneficiaries** for the financial year, many new initiatives like supporting girl child education and organization of free medical camps at Pan India level were taken to promote health and hygiene at the bottom of the pyramid.

Apart from getting certified as Great place to work again to introduction of Environment, Health & Safety (EHS) policy, approximately **1,60,000 training hours** were also conducted for upskilling and leadership trainings of employees. New risk mitigation measures were introduced as part of risk management approach at the organization along with our diverse board of directors setting strategic goals for the coming financial year.

Overall, the year saw the rise of many new opportunities in terms of better ESG framework at the organization which hopefully will reach new heights in the coming years.



Elevating Lives and Sustainability

MIDLAND's Transformative Contributions to Society

As of March 31, 2023, MIDLAND has made a remarkable impact on various fronts. They have empowered 90,587 lives, and provided solar lighting solutions to 22,187 school-aged children, resulting in improved education access. Additionally, MIDLAND's initiatives have led to substantial savings of $3,389,511 in energy-related expenses and the creation of 19,494,527 productive hours for work and study. Their commitment to environmental sustainability is evident through the offsetting of 20,609 tons of CO2 emissions and the generation of 731,946 kWh of renewable energy. These achievements showcase MIDLAND's dedication to fostering positive change in communities and promoting a greener, more sustainable future.

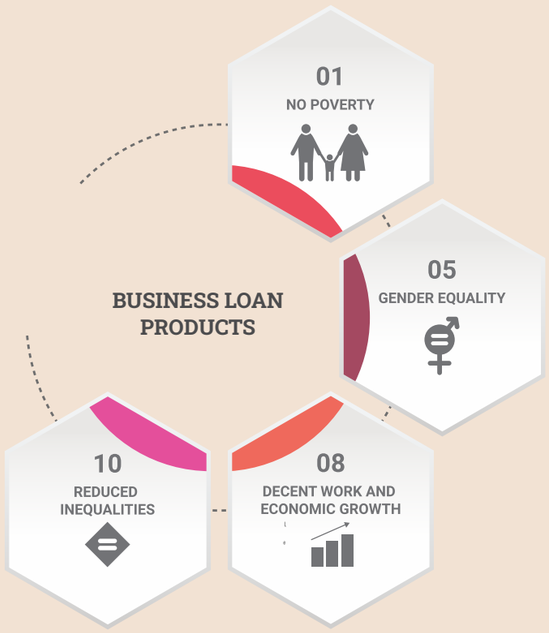


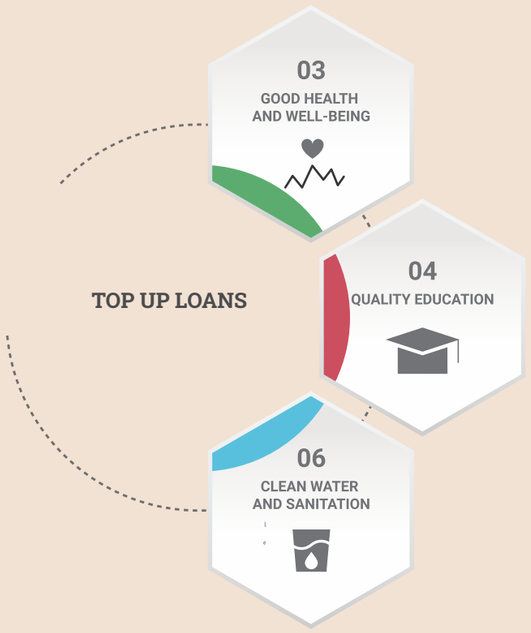
"MIDLAND MICROFIN LTD.: PIONEERING POSITIVE CHANGE THROUGH SUSTAINABLE DEVELOPMENT GOALS ALIGNMENT"

Midland Microfin Ltd. is unwavering in its commitment to fostering positive change by aligning its policies and operational processes with the United Nations Sustainable Development Goals (SDGs). This alignment is extensive, encompassing 12 SDGs, and serves as a testament to our dedication to sustainable practices that not only resonate with our core business values but also fulfill our broader responsibilities to society and the planet.

Our range of product offerings, including business and top-up loans, actively contribute to a multitude of SDGs. These contributions extend to goals such as Reduced Inequalities, Clean Water and Sanitation, Quality Education, and the Eradication of Poverty. Through our financial solutions, we empower individuals and businesses, helping bridge the gap between economic disparities and promoting access to essential resources, including clean water and education.

Additionally, we are deeply committed to promoting Affordable and Clean Energy, a crucial goal for a sustainable future. Our social impact products and green financing initiatives are tangible steps toward mitigating the effects of climate change, advocating for renewable energy sources, and reducing carbon footprints.



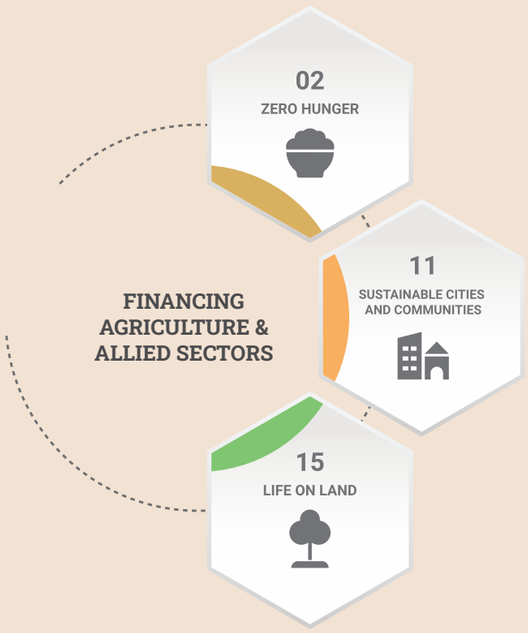


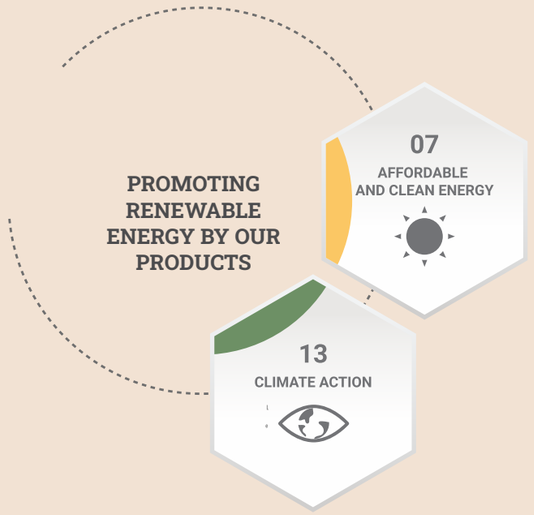
Beyond the tangible impacts, our alignment with the SDGs has inspired a culture of creativity and innovation across all facets of our business. From reimagining product design to optimizing operational processes, this alignment encourages us to seek inventive ways to deliver value while remaining acutely conscious of our societal and environmental responsibilities.I

In essence, Midland Microfin Ltd. serves as a driving force for positive change, guided and inspired by the transformative potential of the SDGs. We remain resolute in our commitment to sustainability, working tirelessly to make a meaningful difference in the world.

Our dedication to the SDGs is not just a corporate ethos; it's a shared belief that extends to every member of our organization. We foster a culture of sustainability and responsibility, encouraging our employees to actively engage in initiatives that align with the SDGs. Through volunteer programs, educational workshops, and community outreach efforts, our team members play an integral role in bringing about positive change. This internal commitment amplifies the ripple effect of our SDG-aligned policies, ensuring that our mission for sustainability extends far beyond our corporate borders.

Looking ahead, we are unwavering in our resolve to evolve and innovate continually. We recognize that the world's challenges are dynamic, and as such, our strategies and actions must evolve in tandem. By staying agile, adaptable, and responsive to emerging global challenges, we aim to remain at the forefront of sustainable development, continuing our journey towards catalyzing lasting, meaningful, and positive change for both current and future generations.





Human Resource at Midland:

Delivering excellence through innovation

Learning and Developments

- ## Refresher Training Programs

Refresher program are training sessions conducted by regional and divisional trainers in branches to refresh the knowledge of the employees on recent changes and updates in product, policies and process. These training helps to enhance the knowledge of the employees and check the improvement in employees after the program through pre and post tests.

- ## Step Up Certification Program

Step up certification program is internal training program for trainers to keep their knowledge up to date with the recent changes and new process & policies of the company. Specialized departmental training are being delivered by departmental representatives for trainers and after the training session, a test is being taken to certify the knowledge of the trainer.

- ## First Time Manger Program

First Time Manager program is being held in the second month of every quarter after completion of the promotion process and final results. Behavioral training, work ethics, time management and new software training for the new position is being provided in FTM program.

- ## Training Need Identification Activity

Training need identification is being done by all the trainers at the end of each month. Trainers consult the regional managers, departmental personnel of the region and take Management Information System (MIS) of the region to identify the branches where training is required and also on which topic the training is needed.















Information Technology Developments

Tableau

Tableau is a visual analytics platform transforming the way we use data to solve problems — empowering people and organizations to make the most of their data. The company has developed dashboards for the smooth working of various departments which includes the following key dashboards:

Leegality

Leegality is India's first unified Document Infrastructure Platform. 1000+ Indian businesses use their comprehensive set of e-Sign, e-Stamp, Compliance Logistics, Document Security and Document Automation tools to digitize their paperwork processes - and drive fantastic business results. During the Financial Year 2022-23 Midland Microfin Limited has implemented document e-Sign with Leegality.

WhatsApp BOT

Midland's AI driven WhatsApp appplications "Sahayak" for employee grievances and "HireBOT" for recruitment and onboarding, aid the advancement and ease of product offerings to its customers and potential employees. These AI-powered tool has enable effective grievance management, real-time loan-related updates, and an enhanced customer experience, setting the organization apart. An additional layer of enhancement is provided through two-way communication channels with borrowers, further underlining the organization's commitment to fostering seamless and meaningful interactions with its clients; available in vernacular languages

Accomplishments at MML



1. Sanction of Direct Assignment transaction from State Bank of India of Rs. 450 Cr.

Midland Microfin has got the sanction of Direct Assignment transaction from State Bank of India of Rs. 450 Cr in Jan, 2023. This is the highest sanctioned amount which the company has got till date among all types of borrowings. Mr. Vinod Jaiswal, Chief General Manager (CGM) of SBI himself came to the corporate office of Midland to present the cheque of Rs. 450 Cr to the management of our company which is a very proud moment for the company.

2. Top notch COCA Grading of M1C1 from SMERA.

Midland Microfin has been assigned the top notch COCA Grading of M1C1 from SMERA. M1 indicates Highest capacity of the MFI to manage its operations in a sustainable manner and C1 indicates Excellent performance on Code of Conduct dimensions.

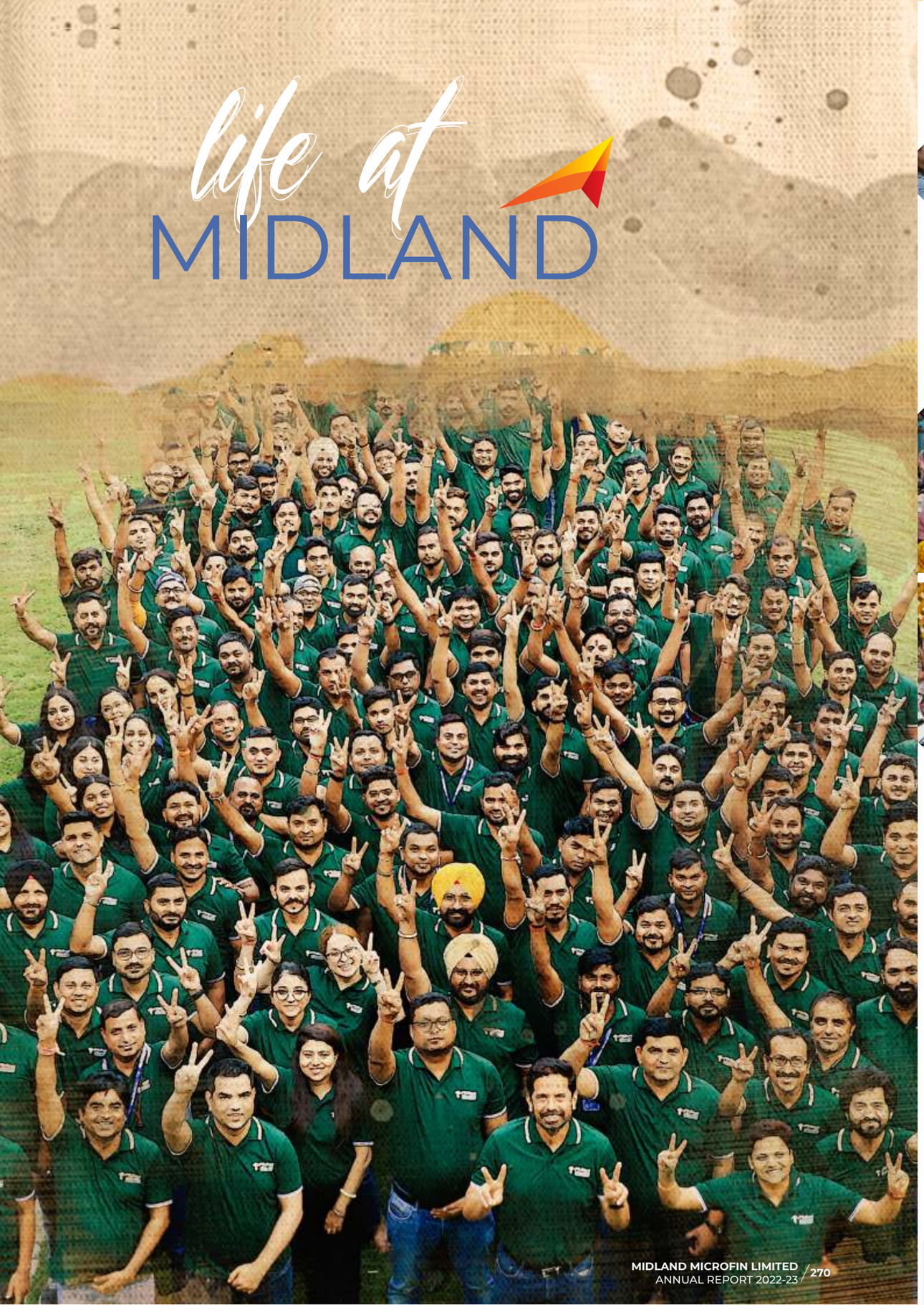




3. D. Light Certification

Renewable sources of energy have emerged as greener alternatives to solve the never-ending power crisis as well as address the issue of environmental degradation. Midland has joined hand with D.light for solar product and has become an enabler for rural masses in remote villages to adopt solar power, since it helps them bridge the viability gap. D.light is a global leader in social transformation by making transformative products available and affordable to low-income families. Together we have impacted more than 10,00,00 lives.

life at MIDLAND





Great Place To Work.
Certified
APR 2023 – APR 2024
INDIA
™

MIDLAND MOMENTS:
ILLUMINATING TOGETHER

We at Midland Microfin Limited believe in recognizing the efforts of our employees continuously, which keeps them motivated to set new benchmarks and to achieve new heights of growth. Every year MML organize an event for employees on PAN India basis to recognize and reward them for their performance. The top performing employees get recognised in the “Employee of the Year” category and get selected for Chairman Club. The employees selected in Chairman Club get an opportunity to go abroad with the top management of the company.





















SAMVAAD -
A VISIONARY FORUM

Beyond the confines of our daily tasks, we unite as a team to explore new horizons. Through exciting adventures, laughter-filled moments, and shared experiences, we solidify our bonds and bring the spirit of camaraderie to life.

These townhalls are a testament to our teamwork outside the office walls. As we reminisce on these cherished memories, we celebrate the unity and shared experiences that define our exceptional team.





















FESTIVALS AND CELEBRATIONS AT MML

Our team exemplifies the true essence of togetherness as we celebrate various festivals. Through shared laughter and vibrant traditions, we honour our diverse backgrounds and foster a spirit of collaboration.

Holi Celebrations




Teej Celebrations




Christmas Celebrations





Teachers Day Celebrations




Diwali Celebrations





Womens Day




Raksha Bandhan




MIDLAND'S IMPACTFUL ODYSSEY
TOWARDS EXCELLENCE AND PROGRESS











































OUR PARTNERS

Banks

Financial Institutions

Credit Bureau

Technology Partners

Equity Partners

Auditors:

Network Organisations

Insurance Partners

Rating Agency

Self Regulatory Organizations (SRO)



Midland microfin
beyond microfinance

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