ANNUAL REPORT 2016



BREAKING THE BARRIERS

MIDAS FINANCING LIMITED

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Letter of Transmittal

All Shareholders,
Bangladesh Bank,
Bangladesh Securities and Exchange Commission,
Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange Limited,
Chittagong Stock Exchange Limited,
Aziz Halim Khair Choudhury, Auditor.

Dear Sir / Madam

Annual Report for the period of 18 (Eighteen) months ended on December 31, 2016.

On behalf of the Board of Directors of the Company, I am hereby presenting "Annual Report 2016" containing Audited Financial Statements as of and for the period of 18 months ended on December 31, 2016 of MIDAS Financing Limited and its subsidiary for kind information and record.

Thanking you.

With best regards,

Md. Abdul Wadud FCA
GM & Company Secretary

OUR VISION

To be a leading financial institution of the country with diversified financial services towards development of an enterprising society.



OUR MISSION

1. To provide value added financial services to valued customers.

2. Maintain the highest level of ethical standards in financial operation.

3. Assist in development of industrial and financial sectors by offering diverse and innovative products and solutions.

4. Pursue proactive approach for reaping maximum benefits and well-being for all the stakeholders.

Milestones

Issues	Date
Date of incorporation	: May 16, 1995
License from Bangladesh Bank	: October 11, 1999
Commencement of Commercial Operation	: January 01, 2000
Initial Public Offering (IPO) of Shares (Date of Allotment)	: August 12, 2002
Listing with Dhaka Stock Exchange Limited	: October 26, 2002
Listing with Chittagong Stock Exchange Limited	: July 27, 2004
Entry in CDBL	: March 23, 2005
First Issue of Right Share (Date of Allotment)	: May 15, 2005
Second issue of Right Share (Date of Allotment)	: November 06, 2014

Corporate Profile

Registered Name of the Company	:	MIDAS Financing Limited
Legal Form	:	A public limited company incorporated in Bangladesh on May 16, 1995 under the Companies Act 1994 and licensed as Financial Institution on October 11, 1999 under Financial Institution Act 1993. Listed with Dhaka Stock Exchange on October 26, 2002 and Chittagong Stock Exchange on July 27, 2004.
Company Registration Number	:	C- 28404 (2250)/95
Bangladesh Bank License Number	:	FID(L)/22 Dated October 11,1999
Type of organization	:	Non-Banking Financial Institution
Corporate Head Office	:	'MIDAS Centre' (10th & 11th Floor) House # 5, Road # 16 (New), Dhanmondi, Dhaka-1209.
Auditors	:	Aziz Halim Khair Choudhury Chartered Accountants Phulbari House House 25, Road 1, Sector 9, Uttara Model Town, Dhaka-1230 Phone: 880-2-8933357, Fax: 880-2-8950995.
Tax Consultant	:	ADN Associates Kaizuddin Tower (8th Floor), 176(new), 47 (old) Shahid Syed Nazrul Islam Sarani, Bijoy Nagar, Dhaka-1000. Phone: 880-2-9358799, Fax: 880-2-9361116
Legal Advisor	:	Ruhul Ameen & Associates Nurjahan Sharif Plaza, 34, Purana Paltan, Dhaka-1000. Azad & Company K.R. Plaza (6th Floor), 31 Purana Paltan, Dhaka-1000.
Membership	:	Bangladesh Leasing & Finance Companies Association (BLFCA) Bangladesh Association of Publicly Listed Companies (BAPLC)
Company Email	:	info@mfl.com.bd
Company website	:	www.mfl.com.bd
Principal Bankers	:	United Commercial Bank Ltd. Standard Bank Ltd. Jamuna Bank Ltd. Pubali Bank Ltd. Sonali Bank Ltd. Janata Bank Ltd. Agrani Bank Ltd. Uttara Bank Ltd. Mercantile Bank Ltd. Dutch-Bangla Bank Ltd. Dhaka Bank Ltd. One Bank Ltd. Premier Bank Ltd. Shahjalal Islamic Bank Ltd. Bangladesh Development Bank Ltd.

Products and Services

Loans and Advances

- Lease Finance
- Term Loan (SME)
- Term Loan (MIDI)
- Housing Loan
- Auto Loan
- LLS (Loan against lien of securities)
- Consumer Credit

Deposits

- Term deposit 3 months
- Term deposit 6 months
- Term deposit 1 year
- Monthly income deposit
- Quarterly income deposit
- Double money deposit
- Triple money deposit

Board of Directors and its Committees



Board of Directors

Chairman
Ms. Rokia Afzal Rahman

Directors
Mr. Md. Ikramullah
Mr. M. Hafizuddin Khan
Mr. Abdul Karim
Mr. Ali Imam Majumder
Mr. Siddiqur Rahman Choudhury
Mr. Mohammed Nasir Uddin Chowdhury
Mr. Md. Shahedul Alam
Mr. Shamsul Alam
Mr. S. M. Azad Hossain

Managing Director
Mr. Shafique-ul-Azam

Company Secretary
Md. Abdul Wadud

Executive Committee

Chairman
Mr. Md. Ikramullah

Members
Ms. Rokia Afzal Rahman
Mr. Mohammed Nasir Uddin Chowdhury
Mr. Ali Imam Majumder
Mr. Shamsul Alam

Audit Committee

Chairman
Mr. Ali Imam Majumder

Members
Ms. Rokia Afzal Rahman
Mr. M. Hafizuddin Khan
Mr. Md. Ikramullah
Mr. Siddiqur Rahman Choudhury



Ms. Rokia Afzal Rahman
Chairman
Director Nominated by MIDAS

Ms. Rokia Afzal Rahman is a leading Woman Entrepreneur and a former Adviser to the Caretaker Government of Bangladesh. Ms. Rahman started her business career with an agro-based company in 1980 and further diversified into insurance, media, financial institution and real estate. Ms. Rahman is the Chair and Managing Director of R. R. Group of Companies. She is also the Chair of Arlinks Group of Companies. Ms. Rahman is a member of the Board of Directors of Grameenphone Ltd., Marico Bangladesh Ltd. and Bangladesh Lamps Ltd. She is currently the Vice-President of International Chamber of Commerce (ICC) Bangladesh; Trustee Board Member of Transparency International Bangladesh (TIB) and a member of BRAC Governing Body. Ms. Rahman is the founder President of Bangladesh Federation of Women Entrepreneurs (BFWE) and former President of Metropolitan Chamber of Commerce and Industries (MCCI). She is the founder Chair of Presidency University Foundation and former Chair of Asian University for Women (AUW), Chittagong. Ms. Rahman has received several national and international awards.

Directors' Profile



Mr. Md. Ikramullah
Director
Nominated by MIDAS

Mr. Mohammed Ikramullah is a B.Sc. Engineer (Electrical) and an M.S. in Telecom Engineering from the Engineering University and Technology, Lahore, Pakistan. Mr. Ikramullah started his career with the Army as a Commissioned Officer in the Corps of Electrical and Mechanical Engineers (EME) and served there with distinction for 12 years. He left the Army on voluntary retirement in 1975. Then he joined CARITAS Bangladesh. He established the Mirpur Agricultural Workshop & Training School (MAWTS), a Swiss CARITAS funded Project. As Head of MAWTS, he developed and introduced 3-year apprenticeship program that turned out to be the most successful technician training course in the country for NGOs engaged in poverty alleviation and rural development. Later, Mr. Ikramullah established Prism Bangladesh and he became its chairman. It is one of the pioneers in the introduction of rural micro-credit in the coastal areas of Bangladesh. His outstanding performance in Prism Bangladesh attracted the attention of all and sundries. USAID came calling and requested him to set up similar-type micro enterprise that would cover the needs of all institutions throughout the country. Subsequently, Mr. Ikramullah mobilized development organizations (NGOs) in Bangladesh to establish a micro enterprise development organization called MIDAS. He is one of the founder Directors of MIDAS. He is also one of the Sponsor Directors and a former Chairman of MIDAS Financing Ltd.



Mr. Bazlur Rahman Khan
Director
Nominated by MIDAS

Mr. Bazlur Rahman Khan is an Enterprise Development Specialist and Management Consultant with broad experience in financing, training, teaching, consulting, monitoring and evaluating the profitable and non-profit sectors. He taught in a number of universities and institutes. Previously, he was in senior management positions of MIDAS, MIDAS Financing Ltd, Glaxo Smithkline Bangladesh, Bata Shoe, Bangladesh Shilpa Bank and British American Tobacco. Mr. Khan is the Managing Director and CEO of Fuchs Lubricants Bangladesh Ltd, a member of Fuchs Group, Germany. He is the Chairman of Pacific Trade Technology Ltd., Executive Director of Agro Industrial Trust and Chairman of SS GATE Workshop (Global Asset and Technology Exchange Program of UNDP) in Dhaka. Mr. Rahman obtained his M.Sc. in Mechanical Engineering, specializing in Thermal power from Lahore, Pakistan and B.Sc. in Mechanical Engineering from Pakistan University of Engineering and Technology, Lahore. He is also an MBA from IBA, Dhaka University.

N.B. MIDAS withdrew its nomination of Mr. Bazlur Rahman Khan as on 22 February 2017.

Board of Directors' Profile



Mr. M. Hafizuddin Khan
Independent Director

Mr. M. Hafizuddin Khan was the Independent Director and Chairman of Audit Committee of MIDAS Financing Ltd. and currently the Director representing MIDAS. Mr. Khan is a familiar face in Bangladesh. He obtained his B.A. (Honours) and M. A. in Political Science from the Dhaka University in 1960 and 1961 respectively. Later on he obtained Diploma in Development Finance from the Birmingham University, UK. In 1964, he joined the government service through Central Superior Service Examination in the Audit and Accounts Cadre and spent twelve years in the Railway and Military Finance. In 1977 he joined the Senior service Pool as Deputy Secretary to the Government. After serving the Government for 35 years he retired in 1999 as the 6th Comptroller and Auditor General of Bangladesh. Mr. Khan is a well-known reformer in administrative and financial management. He was the Director of the Agrani Bank, Basic Bank and Rupali Bank. He was also the Chairman of the Agrani Bank for a short period. He was Director Finance of the Integrated Rural Development Programme, now Bangladesh Rural development Board and Member Finance of the Bangladesh Agricultural Development Corporation. As Joint Secretary to the Government he has served in a number of Ministries including Ministries of Works, Internal Resources Division and Local Government Division. As Additional Secretary he has worked in the Prime Minister's Secretariat and on being prompted as Secretary to the Government he served in the Ministries of Disaster Management & Relief and Posts & Telecommunications. Mr. Khan was made an Adviser to the Caretaker Government of 2001 in charge of the Ministries of Finance, Planning, Jute and Textiles. He was the Chairman and currently a member of the Board of Trustees of the Transparency International Bangladesh, President of the Retired Government Employees Welfare Association, Vice-President of the Anjuman Mofidul Islam and is now Chairman of Shujan (Citizens for Good Governance). He is a devoted civil society activist working for combating corruption, establishing good governance and for political reforms.

N.B. Mr. M. Hafizuddin Khan resigned from the post of independent Director on 30 January 2017 and appointed as representative director of MIDAS with effect from 28 February 2017.



Mr. Siddiqur Rahman Choudhury
Independent Director

Mr. Siddiqur Rahman Choudhury, former Finance Secretary of the Government of Bangladesh joined the Board of MIDAS Financing Ltd. as an Independent Director on March 19, 2014. Mr. Choudhury was born in Sylhet in the year 1949. He had his education in the University of Dhaka, Sylhet Government College and in the Aided High School, Sylhet. Besides 30 years of service in the government, Mr. Choudhury has a long experience of serving in the Boards of a number of financial institutions. He was the Chairman of the Board of Directors of Agrani Bank, Sonali Bank (UK) Ltd. and Sadharan Bima Corporation. He also served, as a member, in the Boards of Bangladesh Bank, Sonali Bank, House Building Finance Corporation, Saudi Bangladesh Investment Company (SABINCO) and Infrastructure Development Company Limited (IDCOL).

Board of Directors' Profile



Mr. Ali Imam Majumder
Independent Director

Mr. Ali Imam Majumder is one of the Independent Directors of MIDAS Financing Limited. Mr. Majumder is a familiar face in Bangladesh with versatile knowledge. He is an M.Sc in Mathematics. He attended different training courses in home and abroad like, Advanced Course on Administrstion and Development (ACAD), Common Wealth Training Program on Ledership Development held in Canada, Managing the Top (MATT) held in United Kingdom, Disaster Management held in United Kingdom, etc. He joined BCS (Adminidtration) Cadre on February 11, 1977 and since then he served in various important positions in his career, which includes Cabinet Secretary; Principal Secretary of Prime Minister's Office; Member, Planning Commission; Secretary, Ministry of Labour and Employment; Additional Secretary, Ministry of Information, etc. While performing in the position of the Cabinet Secretary and the Principal Secretary simultaneously he served Sonali Bank Ltd. and Biman Bangladesh Airines Ltd. as Chairman of the Board of Directors. He involves himself in several social activities like Honorary Member, Dhaka Club Ltd, Honorary Life Member, Officers Club. He visited many countries including USA, UK, Canada, Switzerland, Sweden, Russia, Saudi Arabia, UAE, Malaysia, China, India, Sri Lanka, Bhutan, Nepal, Japan, Thailand and Singapore. Further, he is a regular contributor to the Daily Prothom Alo on important national issues. He is civil society activist and member of the Executive Committee of the SHUJAN, an independent think tank on good governance.



Mr. S. M. Azad Hossain
Director (Representing General Shareholders Group)

Mr. S. M. Azad Hossain is a commerce graduate and a prominent businessman. Mr. Hossain was elected as director represented by General Shareholders. He is the Executive Director of Nur-Nahar Spinning Mills Ltd. Mr. Azad was a Member of Dhaka Stock Exchange. He is associated with various social welfare activities.

Board of Directors' Profile



Mr. Mohammad Khairul Anam Chowdhury is a seasoned stock broker with skills and confidence. He worked in the leading stock brokerage company of the Country LankaBangla Securities Ltd. as CEO & Director. During his journey, he under took a number of professional trainings including Versatile Engine for Centralized Training & Online Reporting (VECTOR) from India and Fraud Risk Management for Banking, Financial Sectors, and Insurance from Marcus Evans. He earned his Bachelor's Degree in 1992 from the University of Chittagong. He was a member of the Board of Directors of Chittagong Stock Exchange Limited.

Mr. Mohammad Khairul Anam Chowdhury
Director
Nominated by LankaBangla Finance Ltd.



Mohammed Nasir Uddin Chowdhury
Director
Nominated by LankaBangla Finance Ltd

Mr. Mohammed Nasir Uddin Chowdhury is serving as Managing Director of LankaBangla Securities Limited. Before joining in the current position Mr. Chowdhury served LankaBangla Finance Limited (LBFL) as the Managing Director. Mr. Chowdhury also served LankaBangla Securities Limited as Chief Executive from July 2002 to April 2011. Under his sound and proven leadership LankaBangla Finance Limited and its subsidiaries have been able to hold strong position in the respective industries.

Mr. Chowdhury also served as the Senior Vice President and Director of Dhaka Stock Exchange Limited from May 2010 to March 2011 and May 2008 to May 2010 respectively. Mr. Chowdhury now chairs one of the first venture capital organizations in Bangladesh, called BD Venture Ltd. He is also the vice chairman of Financial Excellence Limited. He holds directorship at Eastern Cables Ltd. and LankaBangla investment Ltd. as well.

Mr. Chowdhury attended a number of training, workshop and seminar at home and abroad including Harvard Business School at Boston, USA, Hong Kong, Singapore, Srilanka, India, Thailand and other countries. Mr. Chowdhury has a rare blend of expertise in money market and capital market. He is a prominent private equity arranger and successfully arranged financing for many start-ups in Bangladesh.

Mr. Chowdhury completed his graduation and post-graduation from the University of Chittagong. He is a life time member at International business forum of Bangladesh (IBFB). Currently, he is the President of Old Faujian Association, Dhaka Chapter. Mr. Chowdhury is an active member of Dhaka Club and Chittagong Club also.

N.B. LankaBangla Finance Ltd. withdrew its nomition of Mr. Mohammad Khairul Anam Chowdhury and nominated Mr. Mohammed Nasir Uddin Chowdhury on 15 February 2017. Mr. Nasir Uddin Chowdhury was appointed as Director with effect from 28 February 2017

Board of Directors' Profile



Mr. Md. Shamsul Alam
Director (Representing
General Shareholders Group)

After completion of B.Com (Hons), M.Com. in Accounting from University of Dhaka, Mr. Alam started his career in business. He was the sponsor Director of Intech Online Limited from 2001-2012. He is proprietor of Arafat Agro Trade. Mr. Alam is representing the general shareholders group in the board of MIDAS Financing Ltd.



Mr. Md. Shahedul Alam
Director (Representing
General Shareholders Group)

Mr. Md. Shahedul Alam graduated from the U.K in Business Admisnistration and did his MBA from Dhaka university. He started his business career in Radiovision, a trading company for Home Appliances. He is also the Chairman of Hay Agro Pvt. Ltd. He is the Director of Standard Bank Securities Ltd. and SBL Capital Management Ltd.



Mr. Abdul Karim
Director
Nominated by MIDAS

Mr. Abdul Karim joined the Board of MIDAS Financing Limited on February 28, 2017. He is a retired secretary to the Government of People's Republic of Bangladesh and served the Government in different capacities. He had worked in the Ministries of Communications, Defense and Finance and held the posts of Member (Finance) and Chairman, Bangladesh Inland Water Transport Authority (BIWTA), Director, Bangladesh Small and Cottage Industries Corporation, Managing Director, Bangladesh House Building Finance Corporation and Managing Director, Bangladesh Shilpa Bank. After serving government more than 31 years he joined Micro Industries Development Assistance and Services (MIDAS) in December, 1992 and discharged the responsibilities of MIDAS till December 11, 2011. He had also served as Managing Director of MIDAS Financing Limited from May, 1995 to April, 2004.

Mr. Karim is a B.A (Hons) and M.A in Economics from Dhaka University and had training in Advanced Accounting, Management Accounting, Public Administration, and Small Enterprise Promotion at both home and abroad. He travelled to the U.S.A., Canada, France, the U.K., Federal Republic of Germany, Thailand, Malaysia, the Philippines, South Korea, Hong Kong, Singapore, the People's Republic of China, Saudi Arabia, Nepal, as well as India to carry out studies and attend training courses, seminars, workshops and conferences.

Mr. Karim had taught Economics and Statistics in Dhaka University in his early years. He is also now on the Boards of Director of Village Education Resource Centre (VERC), Savar, Dhaka and of South Asia Partnership (SAP), Dhaka, Bangladesh, as honorary Treasurer.

We Remember



Mirza Ali Behrouze Ispahani
(1950-2017)

We remember with deep sorrow Mirza Ali Behrouze Ispahani who breathed his last on Jnanuary 23, 2017 (Inna Lillahe wa Inna Elaihe Rajeun). He was one of the Directors of MIDAS Financing Limited. We are deeply shocked and overwhelmed with grief at his early demise. The effect of his loss are being felt and we will miss his sincere effort and support to us as our path finder.

Mirza Ali Behrouze Ispahani was born in a respectable Perso-Bengali business family in Bangladesh. He completed his graduation from the USA and thereafter joined his family business conglomerate, the renowned Ispahani Group. Mirza Ali Behrouze Ispahani took the responsibility of the Chairman of the well established Ispahani Group after demise of his father, Mirza Mehdy Ispahani, a prominent businessman. Mirza Ali Behrouze Ispahani was a man of vision and virtues and engaged in various social and welfare organizations.

We acknowledge and appreciate the contributions made by him to the progress of the Company.

Brief Profile of the top Executives



Mr. Shafique-ul- Azam
Managing Director

After completing his BSS (Hons) degree in Economics, Mr. Shafique-ul-Azam obtained his MBA degree from institute of Business Administration (IBA), University of Dhaka in year 1986. In the same year he started his career in MIDAS as probationary officer. Since then he has been serving and holding different managerial positions in the company. He was the head of operation department for different tenure and played a key role in developing and introducing new investment and deposit schemes.

Being satisfied on his performance, the Board of Directors of the Company appointed him as the Managing Director of the company in March 2010. As a Managing Director he has been trying his best to accelerate the growth of the Company in every sphere. The company has now arrived at a new dimension by introducing new products and services.

During his career he attended various training courses and participated in seminars and workshops on different aspects of banking, especially in project appraisal, entrepreneurship development and risk management in home and abroad.



Mr. Atiar Rahman Ansary
General Manager Monitoring and Recovery

Mr. Ansary became associated with MIDAS after completing of his B. Sc. (Hons), M.Sc. from University of Dhaka in 1985. There after he formally joined in MIDAS as entry level officer in 1987. There after he completed Post Graduate Diploma in Personnel Management. He has been working with integrity, sincerity and devotion for the Company since the date of his joining. He worked in different managerial positions with full satisfaction of the management. During his career he attended in many local and foreign trainings, workshops and seminars.

Brief Profile of the top Executives



Mr. Mohammod Monirul Islam
General Manager
(Business Development)

Mr. Mohammod Monirul Islam has joined MIDAS Financing Limited (MFL) as General Manager (Business Development) in 2015. Prior to his joining he worked as Senior Executive Vice President with International Leasing and Financial Services Limited. Mr. Islam started his career at Agrani Bank Limited as Senior Officer. Subsequently, he worked in IDLC Finance Limited, LankaBangla Finance Limited, National Housing Finance & Investment Limited, Union Capital Limited at different capacities. Mr. Islam obtained a Masters degree on International Business Administration from Banaras Hindu University, India under Indian Government Scholarship Program. He completed his graduation in Economics from same institution under similar scholarship program. He attended several trainings and workshops at home and abroad.



Mr. Anisul Kabir
General Manager
(Operations)

Mr. Anisul Kabir has joined MIDAS Financing Limited (MFL) as General Manager (Operations) in 2015. Previously he was the Senior Executive Vice President of Shahjalal Islami Bank Limited for more than 4 years. He worked at Shahjalal Islami Bank for about 15 years at different capacities. Mr. Kabir started his career at AB Bank Limited, and continued his service for about 8 years. Later on he joined at PRIME Bank Limited as Senior Officer and served the organization for 2 years. Mr. Kabir holds a Masters Degree in Management obtained from Dhaka University. He completed his graduation from same institution. He attended various trainings, seminars and workshops in Dhaka, Malaysia and Hong Kong.



Mr. Md. Abdul Wadud FCA
General Manager (FA&T) and
Company Secretary

Mr. Md. Abdul Wadud FCA joined MIDAS Financing Limited (MFL) as General Manager & Company Secretary in 2015. Prior to joining MFL he served at Delta Brac Housing Finance Corporation Ltd. for about 8 years. He started his career with Mission Group as Senior Accounts Officer and served there for about 1 year. Later on he worked as Executive Accounts at Asset Developments & Holdings Ltd. for about 1 year. Mr. Wadud is a Chartered Accountant and a fellow member of the institute of Chartered Accountants of Bangladesh (ICAB). He obtained his Masters Degree in Business Studies from Dhaka College. He attended several trainings in home and abroad.

Different Committees

Management Committee

Mr. Shafique-ul-Azam
Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Anisul Kabir
Mr. Md. Abdul Wadud
Mr. Shameem Ahmed
Mr. Anowar Hossain Chowdhury

Integrity Committee

Mr. Shafique-ul-Azam
Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Anisul Kabir
Mr. Md. Abdul Wadud
Ms. Nasreen Ahmed
Mr. Shameem Ahmed

Promotion and Selection Committee

Mr. Shafique-ul-Azam
Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Anisul Kabir
Mr. Md. Abdul Wadud
Mr. Shameem Ahmed

Credit Committee

Mr. Shafique-ul-Azam
Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Anisul Kabir
Mr. Md. Abdul Wadud

Monitoring and Recovery Committee

Mr. Shafique-ul-Azam
Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Anisul Kabir
Mr. Md. Abdul Wadud
Mr. Mohammad Abdullah

ICT Development Committee

Mr. Shafique-ul-Azam
Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Anisul Kabir
Mr. Md. Abdul Wadud
Mr. Shameem Ahmed
Mr. Anowar Hossain Chowdhury

Risk Management Forum

Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Anisul Kabir
Mr. Md. Abdul Wadud
Ms. Nasreen Ahmed
Ms. Morsheda Hasin
Mr. Shameem Ahmed
Mr. Ahmed Ibne Mazid Khan
Ms. Nilufar Sultana
Mr. Md. Enamul Haque Khan
Mr. Md. Saidur Rahman
Mr. Mohammad Abdullah
Ms. Sanjida Islam
Mr. Sikander Mahmood

Purchase and Disposal Committee

Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Anisul Kabir
Mr. Md. Abdul Wadud
Mr. Shameem Ahmed

Asset Liability Management Committee

Mr. Shafique-ul-Azam
Mr. Md. Atiar Rahman Ansary
Mr. Md. Monirul Islam
Mr. Anisul Kabir
Mr. Md. Abdul Wadud
Ms. Nasreen Ahmed
Mr. Md. Saidur Rahman
Ms. Sanjida Islam

Operational and Financial Highlights (Consolidated)

(Figures in million Taka except ratios and per share data)

Particulars	30-Jun-12	30-Jun-13	30-Jun-14	30-Jun-15	31-Dec-16
Loan disbursement	2,713.26	1,467.77	1,306.05	1,849.64	7,347.11
Lease, loans and advances	6,205.60	5,408.01	4,806.73	5,017.16	8,744.96
Profit before tax	(91.10)	79.71	(358.71)	52.05	351.25
Profit after tax	(119.41)	9.34	(370.70)	42.54	267.22
Shareholders' fund	604.27	613.64	242.94	886.82	1,154.04
Total deposit	1,878.31	2,231.92	3,011.79	3,185.03	6,656.21
Total balance sheet size	7,922.33	6,985.94	6,220.42	6,365.84	10,396.46
NPL ratio (%)	13.41%	16.59%	32.86%	21.73%	12.00%
Return on equity (average equity)	(17.98%)	1.50%	(87.00%)	7.53%	17.46%
Earnings per share (restated)	(1.99)	0.16	(5.01)	0.41	2.22
Net Asset Value Per Share	10.05	10.05	3.71	7.37	9.60

Figures of 31 Dec 2016 stated above refer to data covering 18 months (from July 01, 2015 to December 31, 2016) or as of that date.

(Amount in Million Taka)

Financial performance (Consolidated)					
Particulars	2011-2012	2012-2013	2013-2014	2014-2015	July 2015 to Dec 2016
Operating profit before provision	64.91	101.83	(82.91)	99.67	309.29
Profit before tax	(91.10)	79.71	(358.71)	52.05	351.25
Profit after tax	(119.41)	9.34	(370.70)	42.54	267.22



(Amount in Million Taka)

Deposits and Lease, loans and advances					
	30-Jun-12	30-Jun-13	30-Jun-14	30-Jun-15	31-Dec-16
Deposit	1,878	2,232	3,012	3,185	6,656
Lease, loans and advances	6,206	5,408	4,807	5,017	8,745



(Amount in Million Taka)

Shareholders' Equity				
2011-12	2012-13	2013-14	2014-15	2016
604	614	243	887	1,154



Message from the Chairman



Dear Shareholders, Respected guests, Ladies and Gentleman
At the outset, I pay homage to the departed soul of my dear colleague, Mirza Ali Behrouze Ispahani who left us all on a sudden on January 23, 2017.

I feel privileged to welcome you to the 21st AGM of your Company. Your continuous trust, encouragement, support and fair criticism based on data and facts generate energy, enthusiasm, confidence and motivation in us to strive to do better. I believe that your support would be an important catalyst in the pursuit of our efforts for the progress of the Company.

Dear valued shareholders,
The Bangladesh economy has emerged as one of the resilient developing economies in the world. The economy grew at an average GDP rate of 6.20 percent over the last decade (FY2005–06 to FY2014-15). According to the estimate of BBS, in FY 2015-16 the economy grew by 7.11 percent, a 0.56 percentage point pick up from 6.55 percent of previous fiscal year. The growth target for 2016-17 has been set at 7.2 percent. The rate of inflation stood at 5.5% in December 2016 as against 6.2% in December 2015. The per capita national income reached US$1,465 in FY2015-16, up by US$149, from US$1,316 in the previous year.

The Monetary Policy Statement (MPS) for the first half of FY2015-16 was drawn up by the Central Bank in the backdrop of a sustained spell of Consumer Price Index (CPI) inflation moderation and growth supportive stance of monetary and financial policies pursued in recent years. In the MPS for the second half of FY2015 - 16, Bangladesh Bank set targets to contain reserve money growth to 14.3 percent, broad money growth to 15.0 percent and private sector credit growth to 14.8 percent. The Central Bank discount rate was 5% whereas call money market was steady at 3.50% to 5.00% in FY 2015-2016.

Dear valued shareholders,
Over the last few years, MIDAS Financing Limited (MFL) has made all out efforts to recover from its cumulative loss and regain its position in the financial sector as an ideal Non Bank Financial Institution. The Company provides value added services to its valued customers and maintains strict ethical standards in its financial operation with a view to distinguishing itself as a leading Non Bank Financial Institution. It is proud to have been associated with many success stories of business ventures, especially women entrepreneurs. Our main focus is to continue endeavors for development towards value addition as a real friend of entrepreneurs and through our strong presence in the financial service market.

SMEs are the growth engine for any developing country. MFL has built its brand image as one of the pioneers in SME loan financing. It contributes to the economic development of the country by financing a sizeable number of small, medium and micro industries throughout the country. Its strength lies in the loyalty of its SME customers who have become the business ambassadors of the Company.

However, our path has been strewn with challenges. Prior to 2014-15,we had to contend with NPL and its associated provisioning requirement and the devastating capital market loss. However, MFL has returned to the positive curve since 2014-15. The paid up capital has been raised to 120 crore, NPL has

been reduced, business of the Company has accelerated and capital gain has been made from investment in shares. As a result the financial result of the company has been encouraging. The Company (solo) gained profit after tax of Taka 27.92 crore during the period from July 01, 2015 to Dec 31, 2016 compared to Taka 3.25 crore in the previous year (2014-15). The portfolio of loans and advances increased to Taka 893.28 crore, registering a record growth rate of 72%. The Deposit portfolio has grown by102%. Total assets also increased by 62% compared to the previous year, from Taka 651.43 (in 2014-15) crore to Taka 1,055.53 crore. This performance has reduced the Company's cumulative loss to Taka (12.73) crore from Taka (47.07) crore.

However, I am very sorry to say that in spite of having such good profit, we were unable to declare any dividend to the shareholders for this year because of the cumulative loss of Taka (12.73) crore. But, you will be happy to know that we have already made up cumulative loss by the end of 1st Quarter of 2017 (based on un-audited accounts). We are trying our utmost to make your Company strong again by expanding business operations, developing appropriate strategies and sustaining positive trends.

Capital Adequacy Ratio of your Company stood at 19.34% as against Bangladesh Bank's stipulation of 10.00%. MFL has taken all necessary steps to remain compliant in keeping with the regulatory requirements and in accordance with its growth forecast.

Dear valued shareholders,
As we move forward with our business goal taking on competitive challenges, we are also committed to our Corporate Social Responsibilities (CSR). Your company strongly believes that any kind of social and benevolent activities would improve the quality of lives of underprivileged people, increase public awareness and thereby assist in sustainable development of the country. Like the other years, last year we distributed blanket to cold effected people and participated in Disaster Management campaign as our commitment towards CSR.

The Company is also committed to keep the environment green and safeguard the planet from warming. We have extended our credit facilities to agro based products and are focusing on green and eco-friendly financing.

Dear valued shareholders,
MFL's vision is to become a leading Non-bank Financial Institution by creating, spreading and sustaining entrepreneurs and upholding the highest levels of ethics and values. Our objective is to develop efficient professionals equipped with cutting edge knowledge to provide highest level of service to the customers and to protect the shareholders' interest. The Company is keen to ensure that its employees are regularly updated with new skills and knowledge of regulations of the country so as to be able to fulfil the ever changing needs of the market and cope with the future needs.

Finally, I want to assure you that the Board is always pursuing pragmatic strategies to optimize the value of all the stakeholders by maintaining business growth and keeping the risk exposure at a minimum level. I express my sincere thanks to my fellow members of the Board of Directors and all employees of the Company, respected shareholders and the regulatory bodies for the continuous trust, support and cooperation extended by them to the Company.

May Allah keep us in peace and bless us all.
With warm regards.



Rokia Afzal Rahman
Chairman

Managing Director's Review



Distinguished shareholders, guests of honor, ladies and gentlemen

I am extending a heartfelt and gracious welcome to our esteemed stakeholders.

2016 is a momentous year in the history of MIDAS Financing Limited (MFL) for regaining the confidence of stakeholders with lots of accomplishments. Our business faced challenges in 2015 and earlier years marking slow investment growth, intensified competition, high NPL rate, increasing pressure from customers for rate reduction and political instability. However, unlashing these difficulties, MFL delivered a strong performance during the last period in respect of all the indicators of performance measurement, mainly, Credit growth, EPS, NPL, NAV, COF and Deposits as well. Greetings to all the concern for their support, encouragement, assistance, hard work and devotion that enabled us to boost earnings and sustainable growth.

We continued our effort to increase our capacity by strengthening our operation system and technological advancement for better services delivery aiming in mind to achieve maximum customer satisfaction and to provide them the required services as per their need. We tried to keep our growth steady by improving our fundamentals, focusing our main stream of business, strengthening our recovery efforts and acquisition of new businesses.

Bangladesh has emerged as one of the fastest growing countries in the world based on the GDP growth rate. Bangladesh steps up as a lower middle income country as its per capita income reached at UDS 1,466 in FY 2016. Political stability has fostered an environment that has encouraged investment under the government Annual Development Program, resulting in a favorable business environment.

Performance of MIDAS Financing Limited and its subsidiary for the period from July 01, 2015 to December 31, 2016

MFL reinforced its presence in the Financial Sector as a respectable Financial Solution provider rebranding its position. The performances of the Company are summarized below:

Consolidated interest income of the Company increased from Taka 868.83 million to Taka1,228.75 million which was 41.43% higher than the interest income of previous year. The net profit after tax increased to Taka 267.22 million from Taka (1,49.12) million of the previous period. During the current period EPS has stood at Taka 2.22 against Taka (1.24) of last period. As of June 30, 2015 retained earnings was Taka (441.10) million which now stands at Taka (109.72) million (as of December 31, 2016).

With our relentless effort and strong recovery drive we were able to reduce our Non performing Loan (NPL) significantly. NPL has radically been reduced to 12.00% as of December 31, 2016 from 21.73% as of June 30, 2015.

Lease, Loans and Advances shows a record 74% growth compare to previous period. As of December 31, 2016 the said investment portfolio stood at Taka 8,744.96 million which was Taka 5,017.16 million as of June 30, 2015.

The Company was able to double its deposit portfolio during the reporting period. Introduction of dedicated deposit marketing team and quality customer services helped us to boost our deposit portfolio at Taka 6,656 million from Taka 3,185 million.

During the last 18 month period we have earned a sound amount of gain from our investment in shares. Investment in shares were all about Taka 246 to 266 million throughout the year.

Capital Adequacy Ratio (CAR) for 2016 was stood at 19.34% against the Bangladesh Banks stipulation of 10%. This shows our strength of capital and the commitment to the compliance of regulatory framework.

After a long waiting our subsidiary, MIDAS Investment Limited (MIL), got its license from the Bangladesh Securities and Exchange Commission (BSEC) to do business as full pledged Merchant Bank on September 06, 2016. We appointed a full time CEO for MIL and the Company started its operation officially from January 01, 2017. Inauguration ceremony of MIL was held on January 22, 2017 in the presence of Honorable Finance Minster of People's Republic of Bangladesh, Mr. Abul Maal Abdul Muhit, Honorable Chairman of the Company, Ms. Rokia Afzal Rahman and distinguished guests.

Future endeavor

Considering the current economic and political scenario it can be predicted that the over all business environment will remain stable in next year but Finance Industry may face challenges of increased competition in the area of emerging commercial business, SME and retail segments. Alarming increase of NPL may be the hurdle for the flourishment of the industry.

Our vision is to be one of the leading financial institutions in Bangladesh by delivering quality services, innovative financial products, minimizing the NPLand increasing good portfolio. To increase investment portfolio, we concentrated on SME Financing throughout the country through our branch network as well as corporate lending with target & client based marketing.

To reduce our dependency on commercial bank as high cost funding source, we planned to focus more on deposit mobilization from corporate & individual. This strategy not only opens up an effective source of fund mobilization but also reduce our average cost of fund.

We believe that human resources are the greatest asset of the company; we aim to recruit right people, develop their capacities, train up the incumbents, recognize and reward their performance, retain them with competitive packages.

Appreciations

I express my profound gratitude to the Board of Directors for their active support and proper guidance. I also thankfully acknowledge the support and co operation that the Company received from Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies and Firms and also Central Depository Bangladesh Limited. Sincere thanks are also expressed to all of our customers and lenders who remained loyal to the Company and kept faith on the management. Sincere thanks also goes to my fellow colleagues of the management and staff of MIDAS Financing Limited whose loyalty, dedication, professionalism, positive attitude and commitment have been fundamental to our performance in the year 2016 and to paving the way forward for smooth functioning in the years to come.

We look forward to your continued support, co-operation and guidance that are our constant source of encouragement and strength in the days ahead.

May Almighty bless us.
Wishing you all the best.



Shafique-Ul-Azam
Managing Director

Directors' Report

to the shareholders of MIDAS Financing Ltd. (MFL)

Dear Shareholders,

The Board of Directors of MIDAS Financing Limited (MFL) has the pleasure to present to you the Annual Report and the Audited Financial Statements of your Company as of and for the period ended on 31 December 2016 together with the Auditors' Report thereon. This Annual Report has been prepared in compliance with the Companies Act 1994, Financial Institutions Act, 1993, Listing Regulations of DSE and CSE, guidelines of BSEC and Bangladesh Bank and other applicable Laws, Rules and Regulations. Disclosures and explanations relating to certain issues considered relevant and important to ensure compliance, transparency and good governance practices have been incorporated. It is hoped that the report will provide a clear picture of the Company's performance during the period.

Macro-Economic condition

The country achieved the highest GDP growth rate of 7.11% in FY 2015- 16 compared to 6.55% in 2014-15, which was highest since 2008-2009. During the period per capita national income reached US $1,465 as compare to US $1,316 in the previous period and thus the country was placed itself in the middle income status. The average inflation rate remained 5.5% in FY 2016 as against 6.2% in FY 2015.

Annual Development Plan (ADP) was increased by 28% with respect to last year, however, implementation of ADP remained low as usual. Credit growth during the 1st quarter of FY 2015-16 was about 13.8% as against budgeted 14.3%. It was not as expected during remaining quarters. Besides, local corporate bodies continued to borrow from foreign funding agencies at lower rate. The combined effect led the money market to be flourished with huge liquidity and thereby causing an unhealthy competition among the financing institutions with regard to interest rate.

The Monetary Policy Statement by Bangladesh Bank aimed at higher Broad Money, Domestic Credit, Public Sector Credit and Private Sector Credit. To accelerate economy & achieve higher GDP growth, the Bank has cut its policy rate by 50 basis points after keeping the rate steady for three years. Economy is on the way to recovery and credit growth has been slowly picking up. Business confidence is improving and stable exchange rate has led to higher import of machineries. Hopefully, falling interest rate will boost private credit growth in the next year.

Although textile, garment accessories and capital machineries import registered moderate growth, the overall import of the country witnessed a decrease in FY16 due to decrease of oil price in the international market. Exports grew by 8.9% in FY 2016, up from 3.1% a year earlier, spurred by a shift to garments with higher value added, and enabled by political stability. Garment exports, accounting for over 80% of exports, grew briskly at 10.2%, up from 4.1% in FY 2015. Remittance, one of the major components of GDP stood at $15.3 billion in 2014-15, compared to $14.2 billion in 2013-14. Financial service sector is yet to pick up, as the asset quality of different banks and non banks still requires improvement.

GDP growth is expected to moderate to 6.9% in FY 2017 (BBS predicts 7.24%) as domestic demand rises more slowly and the slide in workers' remittances deepens. Private investment will rise only slightly as investors turn cautious ahead of national election. Public investment is expected to strengthen through fiscal expansion as the authorities speed up their implementation of infrastructure projects. Inflation is projected to pick up in FY 2017 to average 6.1%. Export growth is expected to strengthen in the second half of FY 2017 on higher projected growth in the industrial economies. Imports are expected to grow by 9.0% in FY 2017 and 10.0% in FY 2018 on broadly stable domestic demand and some pickup in global prices for commodities, especially oil. Remittance inflows dipped by 17.6% to $6.2 billion in the first half of FY 2017 as economic tightening continued in Gulf Cooperation Council economies and newly constrained inflows from the US and the United Kingdom appear to reflect political uncertainties there.

Source: 1) ADB outlook 2) Monetary policy, Bangladesh Bank

Industry outlook and prospect

Bangladesh has now become a middle income country. Both GDP and per capita income have gone up. Remarkable infrastructural development along with the mega construction of Padma Bridge, advancement of information technology, digitalization and government's focus on human resource development, will enhance the economic growth. Considering the current economic and political scenario it may be predicted that business environment will remain stable next year. But, the finance industries is likely to face increased competition in the coming years particularly in the growing business areas of corporate, SME and retail segments. However, it is hoped that MIDAS Financing limited will be able to retain its position in the financial sector through its strong background, skilled human resources and innovations. Its investment in technology, human capital and wide spread branch network will definitely enhance its profit potential.

MFL's performance during the period

MIDAS Financing Limited (MFL) is one of the leading Non-Banking Financial Institutions in Bangladesh. The Company was established to finance mainly small and medium enterprises (SME) for alleviation of poverty through creation of employment opportunities and generation of income on a sustainable basis. Now, MFL has ventured into various other sectors beyond the SME sector with its financing operations and has been playing a significant role in the economic development of Bangladesh.

The Company has diversified its products and is now extending credit facilities like lease financing, term loan, home loan, portfolio loan, etc. to different corporate organizations, small and medium enterprises and individuals. The Company offers its services through its 15 (Fifteen) branches located at different places in the country as well as Head office. MFL also maintains its own portfolio of investment in listed companies' shares and securities. It accepts term deposits of different types, offering competitive interest rates. There was no significant change in the nature of these activities during the period.

The financial period of the Company under report covers the period of 18 (eighteen) months commencing from July 01, 2015 and ending on December 31, 2016. In lieu of the regular 12(twelve) months period (July to June) the said change was done in a view of section 9(F) of Finance Act 2015 and in terms of the notification no. SEC/SMRIC/2011/1240/494 dated September 28, 2016 of BSEC. The Financial year of the next year and onwards would be from January to December.

Consolidated Financial results of the Company:

Taka in crore

Particulars	July 15 to Dec 16	Jan 2014 to June 15
Net interest income	36.16	13.82
Other operating income	22.22	14.70
Total operating income	58.38	28.52
Total operating expenses	27.45	23.83
Profit before provisions	30.93	4.69
Provision for loans/ investments	(4.20)	18.14
Profit before tax	35.13	(13.45)
Provision for tax	8.40	1.47
Net profit after tax	26.73	(14.91)
Transfer to statutory reserve	5.58	0.65
Retained surplus	21.14	(15.56)

A robust progress in the Company's consolidated financial performance compared to the previous period may be noticed. At the end of previous period the Company's sustained consolidated loss was Taka 14.91crore caused by increasing provision of Taka 18.14 crore. Political turmoil in the last period interrupted total economy and lessened the earnings of Banks and FIs. However, subsequent macroeconomic stability, bullish trend in the capital market and expansion of business helped it to overcome the gridlock and be on the way to sustainable development. During the period under report the Company transferred Taka 12(twelve) crore from statutory reserve to retained earnings and notified the matter to the Central Bank as per the relevant provision of law. The auditor mentioned the matter in their report under the head "Emphasis of matter".

Quarterly and annual financial performance (Consolidated):

Taka in crore

Particulars	Q1 (July 15 to Sep 15)	Q2 (Oct 15 to Dec 15)	Q3 (Jan 16 to Mar 16)	Annual (July 15 to June 16)	Q1 (July 16 to Sep 16)	Q2 (Oct 16 to Dec 16)	Total 18 months (July 15 to Dec 16)
Net interest income	2.61	3.49	7.85	21.71	6.89	7.56	36.16
Other operating income	7.88	0.96	3.66	16.58	6.41	(0.77)	22.22
Total operating income	10.49	4.45	11.51	38.29	13.30	6.79	58.38
Total operating expenses	4.60	4.44	4.65	18.15	4.65	4.65	27.45
Profit before provisions	5.89	0.01	6.86	20.14	8.65	2.14	30.93
Provision for loans/ investments	4.21	(3.24)	1.83	(1.80)	0.38	(2.78)	(4.20)
Profit before tax	1.68	3.25	5.03	21.94	8.27	4.92	35.13
Provision for tax	0.17	0.43	1.13	3.62	1.38	3.40	8.40
Net profit after tax	1.51	2.82	3.90	18.32	6.89	1.52	26.73

The Company expanded its business by recruiting new personnel and adopting new business policies and strategies. The Capital Market passed through ups and downs during the period. However, on the whole period DSEX index moved upfrom 4500 to 5000. This helped the Company

to make considerable gains from its investment in shares and securities compared to the earlier period. The Company earned Taka10.65 crore from capital market operation compared to Taka 3.02 crore of the previous period. Fluctuating capital market gains and improved recovery of overdue loans were the main reasons for the variation in the quarterly and annual performance.

Segment wise performance

a) Lease, Loans and Advances:

The Company expanded its business aggressively than before during the period. Favorable business environment, stable political situation, sufficient liquidity and new business policy fueled the growth. The loan portfolio increased to 893.28 crore (solo) as of December 31, 2016 from 519.34 crore as of June 30, 2015, marking 72% growth in eighteen months.

b) Non Performing Loan (NPL):

The Company reduced its NPL rate remarkably from 21.73% to 12.00% with its relentless efforts and strong recovery drives. Nevertheless, its NPLrate is still high compared to the industry average. A strong drive for recovery along with the improvement of its loan portfolio quality is continuing to reduce NPL ratio to a tolerable level.

c) Deposits and borrowings:

Deposits, borrowings from commercial Banks, Non-Banking Financial Institutions and Shareholders' Equity are the main sources of fund of the Company. The funds are used for the disbursement for lease, loans and advance and working capital purposes. The Company also receives various low cost funds under Bangladesh Bank refinance scheme and from SME Foundation, etc. The Company adopted various policies to keep the cost of fund low. Its endeavor was to reduce Bank borrowing and increase core deposits during the period.

As of December 31, 2016 , the deposit portfolio increased to Taka 687.43 crore from Taka 340.25 crore as of June 30, 215 registering a record growth of 102.04% over eighteen months. On the other hand, bank borrowing increased by 28.55 crore, recording 27.15% growth.

Subsidiary operation

MIDAS Financing Limited is the owner of 99.9992% of the shares (2,49,99,800 nos. of shares of Taka10 each) of MIDAS Investment Limited (MIL). MIDAS Investment Limited is a private Limited Company and incorporated under the Companies Act 1994 on 09 April, 2012 (bearing Registration No C-100772/12) with the Registrar of Joint Stock Companies and Firms. The Company was formed with a view to operating Merchant Banking activities. The Company got its license from BSEC on 06 September 2016 and started its commercial operation from 01 January 2017. The inauguration ceremony of MIDAS Investment Limited was held on 22 January 2017 with the honorable Finance Minister of the People's Republic of Bangladesh, Mr. Abul Maal Abdul Muhit, MP as Chief Guest. Ms. Rokia Afzal Rahman, Chairman of the Company and distinguished guests were present in the ceremony.

MIDAS Centre

MIDAS Centre, a 13 storied building of MIDAS Financing Limited and MIDAS Investments Limited has created confidence of the Company's depositors, clients and shareholders. It is treated as a symbol of trust and confidence of our stakeholders. Corporate office of MIDAS Financing Ltd. and MIDAS Investments Ltd. are situated in this magnificent building. MIDAS Financing Limited complied with the relevant laws regarding the possession of immovable properties as per Financial Institutions Act,1993.

Related party transaction

As per BAS 24 "Related party transactions" related parties are those who have the control, joint control or have significant influence over the Company. Hence, MFL considered such parties as related parties. The details of contract and transactions executed with related parties during this period are described in note 45 of Notes to the Financial Statements for the period ended 31 December 2016.

Risk and concerns

Setting risk management right is an essential element of success. Identification, evaluation and elimination or minimization comprise the risk management system. Different committees, subcommittees, departments, units are in place to manage different risks associated with business, operation, finance, credit, liquidity, market, etc.

The Credit Risk Management (CRM) department scrutinizes the projects independently. It clearly defines exceptionally high risk sectors and prohibits lending to those projects as the Company should not undertake.

The Asset Liability Committee (ALCO) is constituted by the Company's senior management team which regularly evaluates issues related to markets, credit and liquidity and recommends accordingly and takes appropriate measures to mitigate risks.

The Credit Disbursement Department (CDD) and the Internal Control and Compliance (ICC) Department are responsible for assessing the operational risks of the Company and also for ensuring an appropriate framework to manage such risks.

Internal Control and compliance

Strong internal controls are essential for sound management. A separate department headed by an experienced professional is devoted to maintaining strict financial, operational and risk management control over all of the activities of the Company.

The Board of Directors is ultimately responsible for instituting an effective internal control system and reviewing the effectiveness of the system. However, the development of internal control system is an ongoing process in response to changes in external and internal operating environment for achieving sustainable growth and creating a long term source of competitive advantages. The board is satisfied with the effectiveness of the Company's internal control system for the period under review.

Financial reporting framework

- The financial statements, prepared by the management of the Company represent a fair presentation of its state of affairs, results of its operation, cash flow and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparing the financial statements to ensure that the accounting estimates are based on reasonable and prudent judgement.
- In preparation and presentation of financial statements International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted in Bangladesh as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) respectively have been adhered to. Any change or deviation has been properly disclosed.
- Accounting estimates are based on reasonable and prudent judgment.
- No significant doubt exists upon the Company's ability to continue as a going concern.
- There is no extraordinary gain or loss during the period.

Key operational and financial data
Highlights of the key operational and financial performance are presented at page 22 of the Annual Report.

Proposed dividend
During the period the Company (solo) earned profit amounting to Taka 27.92 crore and after transfer of Taka 5.58 crore to statutory reserve it had profit of Taka 22.33 crore available. The Board in its 277th meeting held on May 07, 2017 recommended no dividend on its paid up capital. No dividend was declared for the Company's shareholders for this year in view of the cumulative loss of Taka 12.73 crore as of 31 December 2016.

Board Meetings and attendance
During the period total 21 nos of Board Meeting were held and the attendance was as under:

Name of the Director	Position	Meetings Attended
Ms. Rokia Afzal Rahman	- Chairman	18
Mr. Md. Ikramullah	- Director	2
Mr. Mirza Ali Behrouze Ispahani (expired on January 23, 2017)	- Director	14
Mr. Bazlur Rahman Khan	- Director	17
Mr. Md. Shamsul Alam	- Director	20
Mr. M. Hafizuddin Khan	- Independent Director	18
Mr. Ali Imam Majumder	- Independent Director	20
Mr. S.M. Azad Hossain	- Director	21
Mr. Siddiqur Rahman Choudhury	- Independent Director	18
Mr. Mohammad Khairul Anam Chowdhury	- Director	15
Mr. Md. Shahedul Alam	- Director	17

Remuneration paid to the Directors including Independent Directors is stated in note 30 of Notes to the Financial Statements.

Shareholding Pattern
The shareholding pattern as on December 31, 2016 is shown in annexure-1 of the Directors' Report.

Directors' retirement, re-appointment
In accordance with the provisions in the Articles of Association of the Company and the Companies Act 1994, one-third of the Directors of the Company are required to retire by rotation at each Annual General Meeting (AGM). The retiring Directors are eligible for re-election. The following Directors will retire in the 21st Annual General Meeting:

i) Mr. Md. Ikramullah	Director, Nominee of MIDAS
ii) Mr. Mohammed Nasir Uddin Chowdhury	Director, Institutional Shareholders Group
iii) Mr. Shamsul Alam	Director, General Shareholders Group

A brief profile of the retiring Directors is provided in page 13, 16 and 17 respectively of the Annual Report 2016.

Corporate Social Responsibility (CSR)

MIDAS Financing Limited sees itself as an integral part of the communities in which it operates. The Company recognizes that its activities have an impact on the community in which MIDAS Financing Limited does business. The Company also realizes that the basis for any good business is trust and that the society expects the highest standards of service from MIDAS Financing Limited in respect of ethics and corporate responsibilities. MIDAS Financing Limited in carrying out its business activities is keeping to its commitments to sustainable development and transparent corporate conduct. The Company is and always has been founded on solid long-term relationships with all of its stakeholders and has achieved this by promoting a corporate culture that adheres to its business principles and by generating good and sustainable returns for its shareholders. The objective of Company's involvement in CSR is to ensure mutual value creation for the Company as well as its employees and stakeholders.

The Company feels proud of its participation in the CSR activities. During the period under report the Company took part in the following areas of CSR activities:

- Distribution of blankets to the cold affected poor people.
- Disaster Management Campaign.

The Company worked for the growth of the SME sector as well as the development of women entrepreneurs. Over the periods MFL also played a significant role in the economic development of the nation by providing information relating to services and products, technical support and instant loan processing for the benefit of small, medium and women entrepreneurs.

Certification by MD and CFO

The Managing Director (MD) and Chief Financial Officer (CFO) have jointly certified to the Board of Directors of the Company that:

(i) They have reviewed the financial statements for the period ended 31st December 2016 and that to the best of their knowledge and belief;
  (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  (b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the period are fraudulent, illegal or violation of the Company's code of conduct.

Status of Compliance on Corporate Governance

The status of compliance with the condition set forth by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 along with a certificate from a practicing Chartered Secretary has been enclosed at page 40 of the Annual Report 2016.

Acknowledgement

The Board of Directors takes this opportunity of expressing its heart-felt appreciation and gratitude to the valued clients, depositors, lenders, bankers, patrons and business partners for their continued support and cooperation. The Board also expresses its deep gratitude to Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange (DSE),

Chittagong Stock Exchange (CSE), Registrar of Joint Stock Companies and Firms, RJSC National Board of Revenue (NBR) and other regulatory bodies for their help, assistance, valuable guidance and advice extended to the Company from time to time. The Board also thanks M/s Aziz Halim Khair Choudhury, Chartered Accountants, the Auditors of the Company, for their efforts.

MIDAS Financing Limited has recorded growth, outperforming its competitors. One of the major reasons for this success was its strong work ethic which has improved productivity at all levels. High and sincere appreciation of the Board of Directors is also due to the management and members of the staff of the Company, for their hard work, loyalty, sincere services and dedication. Finally, the Board of Directors thanks the valued shareholders and assures them that it will continue its efforts to maximize the shareholders' wealth through further strengthening and development of the Company. Let the spirit of open and honest partnership continue. The Board will always remain ready to listen to constructive criticisms at all times and make appropriate decisions in the greater interest of the Company.

On behalf of the Board of Directors.



Ms. Rokia Afzal Rahman
Chairman

Shareholding Pattern

as at 31 December 2016

Annexure-1 of Directors' report

SL	Name of Shareholder	Description	Number of Shares	Amount (Taka)	%
A.	Parent/Subsidiary/Associated Companies and other related parties (name wise details)		0	0	0
B. (i) Directors and their spouses and minor children (name wise details)					
1	Ms. Rokia A. Rahman, Chairman	Nominated by MIDAS	1,192,554	11,925,540	0.99%
2	Mr. Md. Ikramullah	Nominated by MIDAS	871,508	8,715,080	0.72%
3	Mirza Ali Behrouze Ispahani*	Nominated by MIDAS	0	0	0.00%
4	Mr. Bazlur Rahman Khan**	Nominated by MIDAS	246,774	2,467,740	0.21%
5	Mr. Shamsul Alam	Representative of General Shareholders Group.	10,946	109,460	0.01%
6	Mr. Md. Shahedul Alam	Representative of General Shareholders Group.	1,909,320	19,093,200	1.59%
7	Mr. S. M. Azad Hossain	Representative of General Shareholders Group.	200,000	2,000,000	0.17%
8	Mr. Mohammad Khairul Anam Chowdhury***	Nominated by LankaBangla Finance Limited	6,831,000	68,310,000	5.68%
9	Mr. M. Hafizuddin Khan****	Independent Director	0	0	0.00%
10	Mr. Ali Imam Majumder	Independent Director	0	0	0.00%
11	Mr. Siddiqur Rahman Choudhury	Independent Director	0	0	0.00%
12	Mr. Shafique-ul-Azam	Managing Director	0	0	0.00%
B. (ii) CFO, Company Secretary & Head of Internal Audit and their spouses and minor children (name wise details)					
13	Ms. Nasreen Ahmed	Chief Financial Officer	0	0	0.0%
14	Md. Abdul Wadud	Company Secretary	0	0	0.0%
15	Mr. Ahmed Ibne Majid Khan	Head of Internal Audit	0	0	0.0%
C. Executives [Top 5 salaried employees]					
16	Mr. Atiar Rahman Ansary	GM, Monitoring and Recovery	2,600	26,000	0.00%
17	Mr. Monirul Islam	GM, Business Development	0	0	0.00%
18	Mr. Anisul Kabir	GM, Operation	0	0	0.00%
19	Ms. Morshed Hasin	AGM, CAD	0	0	0.00%
20	Mr. Md. Anwar Hossain Chowdhury	AGM, MIS	0	0	0.00%
D. Shareholders holding ten percent (10%) or more voting interest in the company					
21	MIDAS	Sponsor	36,139,766	361,397,660	30.05%
22	LANKABANGLA INVESTMENTS LTD.	Institutional Shareholder	16,000,000	160,000,000	13.30%
E.	Others		56,864,208	568,642,080	47.28%
23	**Total**		**120,268,676**	**1,202,686,760**	**100.00%**

* Mirza Ali Behrouse Ispahani expired on 23 January 2017.

** MIDAS withdrew ltd nomination of Mr. Bazlur Rahman Khan and Nominated Mr. Abdul Karim as representative Director. Mr. Abdul Karim was appointed as director with effect from 28 February 2017.

*** LankaBangla Finance Limited withdrew its nomination of Mr. Mohammad Khairul Anam Chowdhury and nominated Mr. Mohammed Nasir Uddin Chowdhury as representative Director. Mr. Mohammed Nasir Uddin Chowdhury was appointed as director with effect from 28 February 2017.

**** Mr. M Hafizuddin Khan resigned from the post of Independent Director on 30 January 2017 and appointed as representative Director of MIDAS with effect from 28 February 2017.

Report of the Board Audit Committee

Audit Committee of MIDAS Financing Limited (MFL) works as the subcommittee of the Board. It efforts to ensure implementation of the process set out in the business plan and policies within its scope. The committee also looks after compliance of corporate governance guidelines and rules & regulations of the Company's regulators.

Composition of Audit Committee

The Board of Directors of the Company constituted the Audit Committee in accordance with the Bangladesh Bank guideline on internal control and compliance (ICC) and Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission. During the period under audit (July 01, 2015 to December 31, 2016) the following members of the board comprised the Audit Committee:

Sl.No.	Name of Member	Status in the Organization	Status in the Committee
1.	Mr. M. Hafizuddin Khan*	Independent Director	Chairman
2.	Ms. Rokia Afzal Rahman	Chairman	Member
3.	Mr. Md. Ikramullah	Director	Member
4.	Mr. Siddiqur Rahman Choudhury	Independent Director	Member
5.	Mr. Mirza Ali Behrouze Ispahani**	Director	Member

**Mr. M Hafizuddin Khan retired from the post of Independent Director on 30 January 2017. Later on Mr. Ali Imam Majumder, Independent Director of the Board, was appointed as chairman of the Audit Committee on 13 February 2017.*

*** Mr. Mirza Ali Behrouze Ispahani died on January 23, 2017. Mr. M Hafizuddin Khan was appointed as member of the committee on March 31, 2017 in lieu of Mr. Ispahani.*

The Chairman of the Committee was one of the Independent Directors of the Company. He was a government service holder and held different senior positions in his long service life. He retired from the government service in 1999 as the 6th Comptroller and Auditor General of Bangladesh after serving for 35 years. He possesses extensive experiences in the field of Audit, Finance and Management.

The Managing Director attends in the Audit Committee meetings by invitation. The Company Secretary functions as the Secretary of the Committee.

Scope of work of the Audit Committee

The scope of work of the Audit Committee of MFL is determined by directives from its principal regulators, the Bangladesh Bank (BB), the Bangladesh Securities and Exchange Commission (BSEC) and the Board. These include, but are not limited to, exercising oversight over:

a) The internal control system and risk management process of the Company
b) Financial reporting
c) The activities of Internal Control and Compliance (ICC) department
d) Interaction with external auditors (hiring and performance)
e) Compliance with regulatory requirements
f) Other responsibilities; e.g. review management letter issued by auditor, inspection report of Bangladesh Bank, etc.

The Committee presents a summary of its activities to shareholders and other interested parties by means of this report. The Chairman of the Audit Committee attends all general meetings of the Company's shareholders to answer any questions on the Committee's activities.

Meetings

During the period under review (from July 01, 2015 to December 31, 2016) six meetings of the Committee were held. The Managing Director attended the meetings by invitation. Members of the senior management of the Company were invited to participate at meetings as and when required. The proceedings of the Audit Committee meetings are regularly reported to the Board of Directors.

Activities

As set out by Bangladesh Bank and Bangladesh Securities and Exchange Commission in addition to other responsibilities the Committee is responsible for the following matters:

i) Financial reporting:

The Committee supports the Board of Directors to discharge their responsibilities for preparation of Financial Statements by:

- reviewing the systems and procedures to ensure that all transactions are completely and accurately recorded in the books of accounts;
- determining the most appropriate accounting policies;
- strict adherence and compliance with the Bangladesh Accounting Standards and recommended best accounting practices; and
- reviewing the Annual Financial Statements and the Quarterly Financial Statements prepared for publication, prior to submission to the Board.

ii) Internal Controls and Risk Management:

The Board believes, with the concurrence of the Audit Committee, that the systems of internal control, including financial, operational and compliance control and risk management system maintained by the Company's management that was in place throughout the financial year and up to the date of this report, is adequate to meet the needs of the Company in its current business environment. However, the Board also notes that no system of internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities. The Committee

- reviews the processes for identification, recording, evaluation and management of all significant risks throughout the Company and other entities of the group;
- evaluates the procedures made by the management for building a suitable management information system (MIS) including computerization system and its application;
- considers the internal control strategies recommended by internal auditor and external auditor and
- reviews the existing risk management procedures for ensuring an effective internal checking system.

iii) Internal audit:

- The Audit Committee approves the terms of reference of internal audit, audit plan and reviews the effectiveness of the internal audit functions.
- The Committee supports the internal audit team to work on the adequacy of the system of

internal control, risk based audit approach and ensures that no unjustified restrictions or limitations are made.

- The Committee also reviews the findings and recommendations made by the internal auditors for removing and controlling the irregularities detected.

iv) External audit:

- The committee reviews the auditing performance of the external auditors and their audit reports;
- It also reviews the findings and recommendations made by the external auditor for removing the irregularities detected and takes necessary actions;
- It make recommendation to the Board regarding appointment of the external auditors.

M/S Aziz Halim Khair Choudhury, Chartered Accountants acted as external auditor for the period according to their appointment at the 20th Annual General Meeting by the shareholders.
The external auditors are not engaged by the Company on any material non-audit work such as:

a) Appraisal or valuation services or fairness opinions;
b) Financial information systems design and implementation;
c) Book-keeping or other services related to the accounting records or financial statement; and Internal audit services;
d) Broker-dealer services;
e) Internal audit services, etc.

v) Regulatory Compliance:

The Committee ensures that Company's procedures are in place to ensure compliance with laws and regulations formed by the regulatory authorities (Bangladesh Bank and other bodies) and internal policies approved by the Board. The Committee monitors due compliance with all requirements through different reports submitted to it.

vi) Other responsibilities:

Audit committee examines the management letter submitted by external auditor, inspection report of Bangladesh Bank, internal audit report and any other report they think to be reviewed. It also reports to the board regarding findings, recommendations, regularization of error and omissions, fraud and forgeries and other irregularities as detected. It also performs other oversight functions as requested by the board and evaluates its performance on regular basis. The Committee also reviews the financial statements of subsidiary Company.

Acknowledgment

The Audit Committee of the Board expressed its sincere thanks to the members of the Board, Management and the auditors for their relentless support in carrying out the Committee's duties and responsibilities.

M. Hafizuddin Khan
Chairman, Audit Committee.

Certificate on compliance of conditions of Corporate Governance guidelines

Certificate on Compliance of Corporate Governance Guidelines
[Issued under Condition # 7(i) of Corporate Governance Guidelines of BSEC vide Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012]

I have reviewed the Compliance of Conditions of the Corporate Governance Guidelines by MIDAS FINANCING LIMITED ("the Company") for the period from 01 July 2015 to 31 December 2016. Such compliance is the responsibility of the Company as stipulated in the above mentioned notification issued by Bangladesh Securities and Exchange Commission ("BSEC").

I have conducted my review in a manner that has provided me a reasonable basis for evaluating the compliances and expressing my opinion thereon. This review has been limited to the measures adopted by the Company in ensuring such compliances and this has not been for expression of opinion on the financial statements or future viability of the Company.

According to the information and explanations provided to me by the Company, I hereby certify that all the conditions of the Corporate Governance Guidelines have been complied with by the Company.

S. Abdur Rashid FCS

Dhaka, 25 May 2017

Corporate Governance Compliance Status

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006 -158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 :

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status (" √ " in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1	**BOARD OF DIRECTORS:**			
1.1	Board's Size [number of Board members to be 5-20]	√		
1.2	**Independent Directors**			
1.2 (i)	Number of Independent Directors [at least 1/5]	√		
1.2 (ii)	Independent Director (ID) means a director:			
1.2 (ii) (a)	Holding no share or holding less than 1% shares	√		
1.2 (ii) (b)	Not being a sponsor and connected with any sponsor or director or shareholder holding 1% or more shares	√		
1.2 (ii) (c)	Not having any pecuniary or otherwise relationship with the company or its subsidiary/associated companies	√		
1.2 (ii) (d)	Not being member/director/officer of any stock exchange	√		
1.2 (ii) (e)	Not being shareholder/director/officer of any member of stock exchange or intermediary of capital market	√		
1.2 (ii) (f)	Not being partner/executive at present or during the preceding 3 years of the company's statutory audit firm	√		
1.2 (ii) (g)	Not being an ID in more than 3 listed companies	√		
1.2 (ii) (h)	Not convicted as defaulter in any loan of a bank or NBFI	√		
1.2 (ii) (i)	Not convicted for a criminal offence	√		
1.2 (iii)	To be appointed by BOD and approved in the AGM	√		
1.2 (iv)	The post cannot remain vacant for more than 90 days	√		
1.2 (v)	Laying down of code of conduct of Board members and recording of annual compliance of the code	√		
1.2 (vi)	Tenure of ID : 3 years, may be extended for one term	√		
1.3	**Qualification of Independent Director**			
1.3 (i)	Being knowledgeable, having integrity, ability to ensure compliance with laws and make meaningful contribution	√		
1.3 (ii)	Being a Business Leader/ Corporate Leader/ Bureaucrat/ University Teacher (Economics/Business/Law)/CA/CMA/CS having 12 years of management/professional experience	√		
1.3 (iii)	Prior approval of the Commission in special cases			N/A
1.4	**Appointment of Chairman and CEO, defining their roles**	√		
1.5	**The Director's Report to Shareholders shall include**			
1.5 (i)	Industry outlook and possible future developments	√		
1.5 (ii)	Segment - wise or product- wise performance	√		
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	Discussion on COGS, Gross Profit and Net Profit Margins	√		
1.5 (v)	Discussion on continuity of Extra -Ordinary gain or loss			N/A
1.5 (vi)	Basis for and a statement of related party transactions	√		
1.5 (vii)	Utilization of proceeds from issuing instruments			N/A
1.5 (viii)	Explanation, if the financial results deteriorate after going for IPO, RPO, Right Offer, Direct Listing, etc			N/A
1.5 (ix)	Explanation about significant variance between Quarterly Financial performance and Annual Financial Statements	√		
1.5 (x)	Remuneration to directors including IDs	√		

Condition No.	Title	Compliance Status (" √" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5 (xi)	Fair presentation in financial statements	√		
1.5 (xii)	Maintaining proper books of accounts	√		
1.5 (xiii)	Consistent application of appropriate accounting policies, and accounting estimates being reasonable and prudent	√		
1.5 (xiv)	Following applicable IAS/BAS/IFRS/BFRS, and adequate disclosure for any departure there -from, if any	√		
1.5 (xv)	Soundness and monitoring of internal control system	√		
1.5 (xvi)	Statement regarding ability to continue as going concern	√		
1.5 (xvii)	Significant deviations from last year's operating results	√		
1.5 (xviii)	Summary of key operating/financial data of last 5 years	√		
1.5 (xix)	Reason for non declaration of Dividend	√		
1.5 (xx)	Number of Board meetings and attendance of directors	√		
2	**CFO, HEAD OF INTERNAL AUDIT AND CS:**			
2.1	Appointment of a CFO, a Head of Internal Audit and a CS and defining their roles, responsibilities & duties	√		
2.2	Attendance of CFO and CS in the meetings of the Board	√		
3	**AUDIT COMMITTEE:**			
3 (i)	Having Audit Committee as a sub-committee of the BOD	√		
3 (ii)	Audit Committee to assist the BOD in ensuring fairness of financial statements and a good monitoring system	√		
3 (iii)	Audit Committee being responsible to the BOD ; duties of Audit Committee to be clearly set forth in writing	√		
3.1	Constitution of the Audit Committee			
3.1 (i)	Audit Committee to be composed of at least 3 members	√		
3.1 (ii)	Audit Committee members to be appointed by BOD and at least one Independent Director to be included	√		
3.1 (iii)	Audit Com mittee members to be "financially literate" and at least one to have accounting/financial experience	√		
3.1 (iv)	Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within 1 month			N/A
3.1 (v)	The CS to act as the secretary of the Audit Committee	√		
3.1 (vi)	No quorum in Audit Committee meeting without one ID	√		
3.2	Chairman of the Audit Committee			
3.2 (i)	Chairman to be an ID, selected by the BOD	√		
3.2 (ii)	Chairman of audit committee to remain present in AGM	√		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review the annual financial statements	√		
3.3 (vi)	Review the quarterly and half yearly financial statements	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions	√		
3.3 (ix)	Review Letters issued by statutory auditors	√		
3.3 (x)	Review disclosures/statements/declarations about uses of funds raised through IPO/RPO/Rights Issue	√		
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	Reporting on the activities of Audit Committee	√		
3.4.1 (ii) (a)	Reporting on conflicts of interests			N/A

Condition No.	Title	Compliance Status (" √" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
3.4.1 (ii) (b)	Reporting on suspected/presumed fraud or irregularity or material defect in the internal control system			N/A
3.4.1 (ii) (c)	Reporting on suspected infringement of laws			N/A
3.4.1 (ii) (d)	Reporting on any other matter to disclose immediately			N/A
3.4.2	Reporting to BSEC			N/A
3.5	Reporting to the Shareholders and General Investors	√		Given in the Annual Report
4	**EXTERNAL / STATUTORY AUDITORS**			
4.00 (i)	Non -engagement in appraisal/valuation/fairness opinions	√		
4.00 (ii)	Non -engagement in designing & implementation of FIS	√		
4.00 (iii)	Non -engagement in Book Keeping or accounting	√		
4.00 (iv)	Non -engagement in Broker -Dealer services	√		
4.00 (v)	Non -engagement in Actuarial services	√		
4.00 (vi)	Non -engagement in Internal Audit services	√		
4.00 (vii)	Non -engagement in services determined by Audit Com.	√		
4.00 (viii)	Possessing no share by any partner or employee of the external audit firm during the tenure of assignment	√		
4.00 (ix)	Non -engagement in Audit/Certification Services on Compliance of Corporate Governance as required under clause (i) of condition No. 7	√		
5	**SUBSIDIARY COMPANY**			
5 (i)	Composition of BOD to be similar to holding company	√		
5 (ii)	One ID to be in both holding and subsidiary company	√		
5 (iii)	Minutes of Board meetings of subsidiary company to be placed at following Board meeting of holding company	√		
5 (iv)	Minutes of respective Board meeting of holding company to state that affairs of subsidiary company be reviewed	√		
5 (v)	Audit Committee of holding company to review financial statements/ investments of subsidiary company	√		
6	**DUTIES OF CEO AND CFO:**			
6 (i) (a)	To certify that they've reviewed FSs which contain no untrue or misleading statement or omit no material fact	√		
6 (i) (b)	To certify that the statements present a true and fair view of affairs and are in compliance with accounting standards and applicable laws	√		
6 (ii)	To certify that no transaction is fraudulent, illegal or violation of company's code of conduct	√		
7	**REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:**			
7 (i)	Obtaining certificate regarding compliance and sending it to shareholders along with the Annual Report	√		Given in the Annual Report
7 (ii)	To state, in accordance with annexure, in directors' report whether the conditions has been complied with	√		

Album



AGM











CSR Activities











Projects Financed















Receiving of Citi Micro entrepreneurship Award 2017 by the women entrepreneurs whose projects are financed by MIDAS Financing Ltd.





Inauguration ceremony of MIDAS Investment Ltd.





Celebration of 20th Anniversary of Mini Mart (project financed by MIDAS Financing Ltd.)

Independent Auditors' Report

to the Shareholders of MIDAS Financing Limited and its Subsidiary

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of MIDAS Financing Limited and its subsidiary (the "Group") as well as the separate financial statements of MIDAS Financing Limited (the "Company"), which comprise the consolidated and separate balance sheets for the period ended 31 December 2016 and the consolidated and the separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for 18 months period ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of the consolidated financial statements of the Group and also the separate financial statements of the Company that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank, Bangladesh Securities and Exchange rules 1987, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Company based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and the separate financial statements of the Company. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Company, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements of the Group and the separate financial statements of the company that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company for the period ended December 31, 2016 and of the consolidated and the separate financial performance and cash flows of the Company for the period then ended in accordance with Bangladesh Financial Reporting Standards (BFRs) and comply with the applicable sections of the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Emphasis of Matter

We draw attention to the following matters though our opinion is not qualified in respect of the same: We refer to the Note 16 & 17 to the financial statements that company has transferred an amount of Taka 120.00 million to retained earnings from statutory reserve account, which if not been transferred, the balance in retained earnings/(loss) account would have been Taka (247.35) million instead of existing Taka (127.35) million.

Report on Other Legal and Regulatory Requirements

We also report that:

(a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(b) financial statements of a subsidiary company, MIDAS Investment Limited, have been audited by Mahfel Huq & Co., Chartered Accountants and have been properly reflected in the consolidated financial statements and issued unqualified reports;

(c) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

(d) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and profit and loss account of the Company together with annexed note from 1 to 46 dealt with by the report are in agreement with the books of account and returns;

(e) the expenditure incurred during the year were for the purposes of the business of the Company;

(F) the Company has complied with relevant laws pertaining to capital and reserves and found satisfactory except as stated above;

(g) the consolidated financial statements of the Group and the separate financial statements of the Company have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;

(h) adequate provisions have been made in line with letter no. FIID/1-20/2017-346 dated 28 March 2017 as issued by Bangladesh Bank and disclosed in note 7.7 and 13 relating to loans and advances and other assets which are, in our opinion, doubtful of recovery;

(i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(j) the information and explanations required by us have been received and found satisfactory; and

(k) we have reviewed over 80% of the risk weighted assets of the Company and we have spent over 2,470 person hours for this audit.

Dr. Fazlul A. Choudhury

Aziz Halim Khair Choudhury
Chartered Accountants

Dhaka
07 May 2017

MIDAS Financing Limited and its subsidiary

Consolidated Balance Sheet

As at 31 December 2016

Particulars	Note	Amount in Taka	
		31 Dec. 2016	30 Jun. 2015
PROPERTY AND ASSETS			
Cash			
Cash in hand	3(a)	10,881,991	10,280,347
Balance with Bangladesh Bank and its agent	3(b)	139,568,181	73,468,751
		150,450,172	83,749,098
Balance with other banks and financial institutions			
Inside Bangladesh	4(a)	474,416,305	219,290,068
Outside Bangladesh		-	-
		474,416,305	219,290,068
Money at call and short notice	5	-	-
Investment			
Government		-	-
Others	6(a)	266,064,975	246,345,276
		266,064,975	246,345,276
Lease, loans and advances	7(a)	8,744,961,162	5,017,159,160
Fixed assets including land, building, furniture and fixtures	8(a)	512,586,301	530,798,227
Other assets	9(a)	195,278,445	215,801,773
Non-banking assets	10	52,700,000	52,700,000
Total Assets		10,396,457,360	6,365,843,602
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	1,336,884,759	1,051,403,563
Deposits and other accounts			
Term deposits	12(a)	6,637,383,599	3,150,165,561
Other deposits	12(b)	18,827,275	34,865,121
		6,656,210,874	3,185,030,682
Other liabilities	13(a)	1,249,316,825	1,242,582,401
Total Liabilities		9,242,412,458	5,479,016,646
Capital/Shareholders' equity			
Paid-up capital	14.2	1,202,686,760	1,202,686,760
General reserve	15	-	-
Statutory reserve	16	61,072,846	125,242,834
Retained earnings	17(a)	(109,716,871)	(441,104,901)
Total Shareholders' equity		1,154,042,735	886,824,693
Non-controlling interest		2,167	2,263
Total Liabilities & Shareholders' Equity		10,396,457,360	6,365,843,602

Consolidated Off- Balance Sheet Items

Particulars	Note	Amount in Taka	
		31 Dec. 2016	30 Jun. 2015
OFF BALANCE SHEET EXPOSURES			
Contingent liabilities	18.1		
Acceptances and endorsements		-	-
Letters of guarantee		75,000,000	75,000,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
		75,000,000	75,000,000
Other commitments	18.2		
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		1,105,598,190	23,350,000
Claims against the bank not acknowledged as debts		-	-
Total		1,105,598,190	23,350,000
TOTAL OFF BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES		1,180,598,190	98,350,000

This financial statements should be read in conjunction with the annexed notes 1 to 46.

Chairman | Director | Director | Managing Director | Company Secretary

Sign as per annexed report on even date.

Dhaka
07 May 2017

Aziz Halim Khair Choudhury
Chartered Accountants

MIDAS Financing Limited and its subsidiary

Consolidated Profit and Loss Account

For the 18 months period from 1 July 2015 to 31 December 2016

Particulars	Note	Amount in Taka	
		1 Jul. 2015 to 31 Dec. 2016	1 Jan. 2014 to 30 Jun. 2015
Interest income	20(a)	1,228,754,323	868,838,124
Less: Interest on deposits & borrowings, etc.	21(a)	867,171,632	730,665,460
Net interest income		361,582,691	138,172,664
Income from Investment	22(a)	70,479,319	24,351,750
Commission, exchange and brokerage		375,000	750,000
Other operating income	23(a)	151,361,022	121,927,662
		222,215,341	147,029,412
Total operating income		583,798,032	285,202,075
Salaries and allowances	24(a)	162,397,008	122,328,439
Rent, taxes, insurances, electricity, etc.	25(a)	29,764,653	24,530,613
Legal expenses	26(a)	10,051,965	7,001,567
Postage, stamps, telecommunication, etc.	27(a)	5,744,579	5,675,901
Stationery, printings, advertisements, etc.	28(a)	6,007,076	6,016,895
Managing Director's salary and benefits	29	9,675,414	8,886,496
Directors' fees and expenses	30(a)	2,549,324	2,683,286
Auditors' fees		263,916	232,667
Depreciation and repair of company's assets	31(a)	36,383,117	43,300,601
Other expenses	32(a)	11,669,993	17,656,496
Total operating expenses		274,507,045	238,312,961
Profit before Provision		309,290,987	46,889,114
General provisions	33(a)	16,837,885	(20,568,355)
Specific provisions	33(b)	(110,512,893)	216,826,672
Provisions for diminution in value of investments	33 (c)	8,818,561	(14,906,761)
Other provisions	33(f)	42,892,533	-
Total Provision		(41,963,914)	181,351,556
Total profit before taxation		351,254,901	(134,462,442)
Current tax	33(d)	80,709,023	12,886,236
Deferred tax	33(e)	3,327,632	1,771,674
		84,036,655	14,657,910
Net profit after taxation		267,218,246	(149,120,352)
Attributable to			
Shareholders of the Company		267,218,042	(149,120,432)
Non-controlling interest		204	80
		267,218,246	(149,120,352)
Appropriations to			
General reserve	15	-	-
Statutory reserve	16	55,830,012	6,503,730
		55,830,012	6,503,730
Retained surplus		211,388,234	(155,624,082)
Earnings Per Share (EPS)	34(a)	2.22	(1.24)

This financial statements should be read in conjunction with the annexed notes 1 to 46.

Chairman | Director | Director | Managing Director | Company Secretary

Sign as per annexed report on even date.

Dhaka
07 May 2017

Aziz Halim Khair Choudhury
Chartered Accountants

MIDAS Financing Limited and its subsidiary

Consolidated Cash Flow Statement

For the 18 months period from 1 July 2015 to 31 December 2016

Particulars	Note	Amount in Taka	
		1 Jul. 2015 to 31 Dec. 2016	1 Jan. 2014 to 30 Jun. 2015
Cash Flow from Operating Activities			
Interest received	35(a)	1,193,129,445	869,807,554
Interest paid	36(a)	(725,432,417)	(750,679,754)
Dividend and capital gain received		13,688,940	21,962,884
Fees & commission received		375,000	750,000
Recoveries of loans previously written off		22,026,195	3,872,078
Cash payments to employees		(172,072,422)	(131,214,935)
Cash payments to suppliers		(6,007,076)	(6,016,895)
Income tax paid		(74,018,312)	(44,757,068)
Received from other operating activities	37(a)	208,151,101	130,199,910
Payments for other operating activities		(71,190,493)	(66,583,161)
Operating profit before changes in operating assets & liabilities		388,649,962	27,340,613
Changes in operating assets and liabilities			
Purchases/Sale of trading securities		(19,719,699)	109,648,797
Loans and lease finance to customers		(3,813,120,938)	(93,751,496)
Other assets	39(a)	(33,881,576)	(74,886,506)
Deposits from Banks & individuals		3,471,180,192	484,126,931
Other liabilities	40(a)	50,280,552	245,302,893
Sub Total		(345,261,469)	670,440,619
A) Net Cash from Operating Activities		43,388,492	697,781,232
Cash flow from Investing Activities			
Purchases/sale of property, plant & equipments		(7,042,377)	156,990,482
B) Net Cash from Investing Activities		(7,042,377)	156,990,482
Cash flow from Financing Activities			
Increase/(decrease) of borrowings		285,481,196	(927,404,944)
Dividend		-	-
C) Net Cash from Financing Activities		285,481,196	(927,404,944)
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		321,827,311	(72,633,231)
E) Cash and cash equivalents at the beginning of the year		303,039,166	375,672,397
F) Cash and cash equivalents at the end of the year (D+E)	42(a)	624,866,477	303,039,166

This financial statements should be read in conjunction with the annexed notes 1 to 46.

Chairman | Director | Director | Managing Director | Company Secretary

Dhaka
07 May 2017

MIDAS Financing Limited and its subsidiary

Consolidated Statement of Changes in Equity

For the 18 months period from 1 July 2015 to 31 December 2016

Amount in Taka

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total
Balance as at 1 July 2015	1,202,686,760	125,242,834	(441,104,901)	886,824,693
Changes During the period				
Profit/(Loss) for the period	-	-	267,218,042	267,218,042
Transfer from statutory reserve	-	(120,000,000)	120,000,000	-
Transfer to statutory reserve	-	55,830,012	(55,830,012)	-
Net change	-	(64,169,988)	331,388,030	267,218,042
Balance as at 31 December 2016	**1,202,686,760**	**61,072,846**	**(109,716,871)**	**1,154,042,735**
Balance as at 1 January 2014	601,343,380	118,739,104	(285,480,739)	434,601,745
Changes During the period				
Profit for the year	-	-	(149,120,432)	(149,120,432)
Transfer to statutory reserve	-	6,503,730	(6,503,730)	-
Right share	601,343,380	-	-	601,343,380
Net change	601,343,380	6,503,730	(155,624,162)	452,222,948
Balance as at 30 June 2015	**1,202,686,760**	**125,242,834**	**(441,104,901)**	**886,824,693**

This financial statements should be read in conjunction with the annexed notes 1 to 46.

Chairman Director Director Managing Director Company Secretary

Dhaka
07 May 2017

MIDAS Financing Limited

Balance Sheet

As at 31 December 2016

Particulars	Note	Amount in Taka	
		31 Dec. 2016	30 Jun. 2015
PROPERTY AND ASSETS			
Cash			
Cash in hand	3.1	10,871,991	10,275,214
Balance with Bangladesh Bank and its agent	3.2	139,568,181	73,468,751
		150,440,172	83,743,965
Balance with other banks and financial institutions			
Inside Bangladesh	4.1	474,016,469	219,281,452
Outside Bangladesh		-	-
		474,016,469	219,281,452
Money at call and short notice	5	-	-
Investments			
Government		-	-
Others	6	227,173,029	207,951,174
		227,173,029	207,951,174
Lease, loans and advances	7	8,932,787,014	5,193,397,798
Fixed assets including land, building, furniture and fixtures	8	312,181,249	323,756,003
Other assets	9	406,014,753	433,471,750
Non-banking assets	10	52,700,000	52,700,000
Total Assets		10,555,312,686	6,514,302,142
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	1,336,884,759	1,051,403,562
Deposits and other accounts			
Term deposits	12.1	6,855,459,984	3,367,672,561
Other deposits		18,827,275	34,865,121
		6,874,287,259	3,402,537,682
Other liabilities	13	1,207,730,646	1,203,100,934
Total Liabilities		9,418,902,664	5,657,042,178
Capital/Shareholders' equity			
Paid-up capital	14.2	1,202,686,760	1,202,686,760
General reserve	15	-	-
Statutory reserve	16	61,072,846	125,242,834
Retained earnings	17	(127,349,584)	(470,669,630)
Total Shareholders' equity		1,136,410,022	857,259,964
Total Liabilities & Shareholders' Equity		10,555,312,686	6,514,302,142

Off- Balance Sheet Items

Particulars	Note	Amount in Taka	
		31 Dec. 2016	30 Jun. 2015
OFF BALANCE SHEET ITEMS			
Contingent liabilities	18.1		
Acceptances and endorsements		-	-
Letters of guarantee		75,000,000	75,000,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
		75,000,000	75,000,000
Other commitments	18.2		
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		1,105,598,190	23,350,000
Claims against the Bank not acknowledged as debts		-	-
		1,105,598,190	23,350,000
TOTAL OFF BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES		1,180,598,190	98,350,000

This financial statements should be read in conjunction with the annexed notes 1 to 46.

Chairman Director Director Managing Director Company Secretary

Sign as per annexed report on even date.

Dr. Tamohd S. A. Choudhury

Dhaka
07 May 2017

Aziz Halim Khair Choudhury
Chartered Accountants

MIDAS Financing Limited

Profit and Loss Account

For the 18 months period from 1 July 2015 to 31 December 2016

Particulars	Note	Amount in Taka	
		1 Jul. 2015 to 31 Dec. 2016	1 Jan. 2014 to 30 Jun. 2015
Interest income	20	1,259,338,401	909,169,190
Less: Interest on deposits & borrowings, etc.	21	900,983,286	771,940,537
Net interest income		358,355,115	137,228,653
Income from investment	22	106,457,255	30,235,133
Commission, exchange and brokerage		375,000	750,000
Other operating income	23	108,931,272	81,409,621
		215,763,527	112,394,754
Total operating income		574,118,642	249,623,406
Salaries and allowances	24	158,896,346	119,749,922
Rent, taxes, insurances, electricity, etc.	25	27,703,790	24,511,334
Legal expenses	26	9,759,613	6,974,900
Postage, stamps, telecommunication, etc.	27	5,744,395	5,674,431
Stationery, printings, advertisements, etc.	28	5,928,031	5,983,924
Managing Director's salary and benefits	29	9,675,414	8,886,496
Directors' fees and expenses	30	2,411,824	2,623,286
Auditors' fees		221,111	186,667
Depreciation and repair of company's assets	31	28,586,825	33,691,906
Other expenses	32	11,453,613	17,555,508
Total operating expenses		260,380,962	225,838,374
Profit before Provision		313,737,680	23,785,032
General provisions		16,837,885	(20,568,355)
Specific provisions		(110,512,893)	216,826,672
Provisions for diminution in value of investments		9,694,904	(18,516,058)
Other provisions		41,218,293	-
Total Provision	33	(42,761,811)	177,742,259
Total profit before taxation		356,499,491	(153,957,227)
Current tax		74,114,935	4,650,000
Deferred tax		3,234,498	547,381
		77,349,433	5,197,381
Net profit after taxation		279,150,058	(159,154,608)
Appropriations to			
General reserve	15	-	-
Statutory reserve	16	55,830,012	6,503,730
		55,830,012	6,503,730
Retained surplus		223,320,047	(165,658,337)
Earnings Per Share (EPS)	34	2.32	(1.32)

This financial statements should be read in conjunction with the annexed notes 1 to 46.

Chairman | Director | Director | Managing Director | Company Secretary

Sign as per annexed report on even date.

Dr. Tanvir S.A. Choudhury

Aziz Halim Khair Choudhury
Chartered Accountants

Dhaka
07 May 2017

MIDAS Financing Limited

Cash Flow Statement

For the 18 months period from 1 July 2015 to 31 December 2016

Particulars	Note	Amount in Taka	
		1 Jul. 2015 to 31 Dec. 2016	1 Jan. 2014 to 30 Jun. 2015
Cash Flow from Operating Activities			
Interest received	35	1,223,713,523	916,134,088
Interest paid	36	(759,244,071)	(791,954,831)
Dividend received		49,667,176	21,962,884
Fees & commission received		375,000	750,000
Recoveries of loans previously written off		22,026,195	3,872,078
Cash payments to employees		(168,571,760)	(128,636,418)
Cash payments to suppliers		(5,928,031)	(5,983,924)
Income tax paid		(65,244,811)	(14,113,143)
Received from other operating activities	37	165,721,351	89,681,869
Payments for other operating activities	38	(68,270,845)	(66,518,929)
Operating profit before changes in operating assets & liabilities		394,243,727	25,193,674
Changes in Operating Assets and Liabilities			
Purchases/Sale of trading securities		(19,221,855)	107,345,448
Loans and lease finance to customers	41	(3,824,708,152)	82,487,142
Other assets	39	(35,721,407)	(59,313,722)
Deposits from banks & individuals		3,471,749,575	484,126,931
Other liabilities	40	55,643,710	242,286,006
Sub Total		(352,258,129)	856,931,805
A) Net Cash from Operating Activities		41,985,598	882,125,480
Cash flow from Investing Activities			
Purchases/sale of Property, Plant & Equipments		(6,035,572)	156,439,860
B) Net Cash from Investing Activities		(6,035,572)	156,439,860
Cash flow from Financing Activities			
Increase/(decrease) of borrowings		285,481,197	(1,103,643,582)
Paid-up Capital Increase		-	-
C) Net Cash from Financing Activities		285,481,197	(1,103,643,582)
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		321,431,224	(65,078,244)
E) Cash and cash equivalents at the beginning of the year		303,025,417	368,103,661
F) Cash and cash equivalents at the end of the year (D+E)	42	624,456,641	303,025,417

This financial statements should be read in conjunction with the annexed notes 1 to 46.

Chairman | Director | Director | Managing Director | Company Secretary

Dhaka
07 May 2017

MIDAS Financing Limited

Statement of Changes in Equity

For the 18 months period from 1 July 2015 to 31 December 2016

Amount in Taka

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Total
Balance as at 1 July 2015	1,202,686,760	125,242,834	(470,669,630)	857,259,963
Changes During the year period				
Profit/(Loss) for the period	-	-	279,150,058	279,150,058
Transfer from statutory reserve	-	(120,000,000)	120,000,000	-
Transfer to statutory reserve	-	55,830,012	(55,830,012)	-
Net change	-	(64,169,988)	343,320,047	279,150,058
Balance as at 31 December 2016	1,202,686,760	61,072,846	(127,349,583)	1,136,410,022
Balance as at 1 January 2014	601,343,380	118,739,104	(305,011,293)	415,071,190
Changes During the period				
Profit for the year	-	-	(159,154,608)	(159,154,608)
Transfer to statutory reserve	-	6,503,730	(6,503,730)	-
Right Share	601,343,380	-	-	601,343,380
Net change	601,343,380	6,503,730	(165,658,338)	442,188,772
Balance as at 30 June 2015	1,202,686,760	125,242,834	(470,669,630)	857,259,963

This financial statements should be read in conjunction with the annexed notes 1 to 46.

Chairman Director Director Managing Director Company Secretary

Dhaka
07 May 2017

MIDAS Financing Limited

Liquidity Statements
As at 31 December 2016

Amount in Taka

Particulars	Up to 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total
Assets						
Cash in hand	10,871,991	-	-	-	-	10,871,991
Balance with Bangladesh Bank and its agent	139,568,181	-	-	-	-	139,568,181
Balance with other banks and financial institutions	34,016,468	90,000,000	350,000,000	-	-	474,016,469
Money at call and short notice	-	-	-	-	-	-
Investment in securities	10,230,179	45,012,787	71,611,253	77,749,360	22,569,450	227,173,029
Investment (Loans and Advances)	761,060,828	657,081,098	1,371,440,347	4,347,611,170	1,795,593,570	8,932,787,014
Fixed assets including land, building, furniture and fixtures	509,679	1,019,358	4,587,110	32,109,767	273,955,337	312,181,249
Other assets	11,119,459	33,784,893	19,875,073	80,418,676	260,816,650	406,014,752
Non-banking assets	18,445,000	18,445,000	15,810,000	-	-	52,700,000
Total Assets (i)	**985,821,785**	**845,343,136**	**1,833,323,782**	**4,537,888,972**	**2,352,935,007**	**10,555,312,686**
Liabilities						
Borrowings from other banks, financial institutions and agents	307,413,928	147,600,138	442,800,413	394,561,668	44,508,612	1,336,884,759
Deposits and other accounts	687,480,882	1,439,652,606	4,318,957,817	278,949,795	149,246,160	6,874,287,259
Provision and other liabilities	338,715,744	98,487,441	295,462,323	246,294,195	228,770,944	1,207,730,646
Total Liabilities (ii)	**1,333,610,553**	**1,685,740,184**	**5,057,220,552**	**919,805,658**	**422,525,716**	**9,418,902,664**
Net Liquidity Gap (i-ii)	**(347,788,768)**	**(840,397,048)**	**(3,223,896,769)**	**3,618,083,315**	**1,930,409,290**	**1,136,410,022**

MIDAS Financing Limited and its subsidiary

Notes to the Consolidated and separate Financial Statements
For the period of 1 July 2015 to 31 December 2016

1. Legal status and nature of the company

1.1 Domicile, legal form and country of incorporation

MIDAS Financing Limited (MFL) is a Public Company Limited by shares incorporated on May 16, 1995 under the Companies Act, 1994 and authorized to commence its business operation in Bangladesh as per certificate of commencement of business. The Company obtained license from Bangladesh Bank on October 11, 1999 to operate as a Non Bank Financial Institution under the Financial Institutions Act, 1993. The Company is listed with Dhaka Stock Exchange Ltd. since October 26, 2002 and Chittagong Stock Exchange Ltd. since July 27, 2004 and its shares have been quoted and transacted in stock exchanges in dematerialized form through Central Depository Bangladesh Limited (CDBL) from March 23, 2005. On June 24, 2012 the registered office of the Company has been shifted from Nahar Green Summit (2nd Floor), House No. 43, Road - 16 (New)/ 27 (Old), Dhanmondi R/A, Dhaka to its own premises at MIDAS CENTRE, House # 05, Road # 16 (New)/ 27 (Old), Dhanmondi R/A, Dhaka-1209. MIDAS Investment Limited (MIL), a subsidiary Company of MIDAS Financing Limited holding 99.99% shares, was incorporated on 9th April 2012 under the companies Act, 1994 bearing registration number C-100772/12 with a view to operating Merchant Banking Business.

1.2 Principal activities and nature of operation

The main activities of the Company include the followings:

- Small and Medium Enterprise (SME) Finance
- Lease Finance
- Financing Micro Industries Development Initiative (MIDI)
- Financing Consumers' Credit Scheme (CCS)
- Housing Fnance
- Fnance Against Lien of Securities
- Term Deposit Collcetion
- Treasury Operation

1.3 Subsidiary Company

MIDAS Investment Limited

MIDAS Financing Limited is the owner of 99.9992% of shares (2,49,99,800 nos. of shares of Tk. 10 each) of MIDAS Investment Limited (MIL). MIDAS Investment Limited is a private Limited Company and incorporated under the Companies Act, 1994 on 09 April, 2012 bearing Registration No C-100772/12 with the Register of Joint Stock Companies and Firms. The registered office of the Company is MIDAS Centre (6th floor), House - 5, Road -16 (New)/27 (Old), Dhanmondi, Dhaka-1209. The core business of the Company is Merchant Banking. The paid up Capital of the Company is Tk. 25 crore.

2. Significant accounting policies

2.1 Basis of preparation of the financial statements

These Statements have been prepared on a going concern basis an accrual method under the historical cost convention and in accordance with the Financial Institution Act, 1993 and Bangladesh Bank Circular DFIM circular No. 11 dated 23 December, 2009 in conformity with Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standards (BFRS) , the Companies Act, 1994, the Securities & Exchange Rules 1987, the listing of DSE & CSE regulations and other laws & regulations applicable in Bangladesh.

2.2 Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.3 Consolidation of operation of subsidiary

The financial statements of the company and its subsidiary, as mentioned in note. 1.3 have been consolidated in accordance with Bangladesh Accounting Standard no. 27 "Consolidated and Separate Financial Statements". The Consolidation of the financial statements have been made after elimination of all material inter-company transactions. The total profits of the company and its subsidiary are shown in the consolidated profit and loss account with the proportion of profit after tax pertaining to minority shareholders being deducted as "Non controlling interest".
All assets and liabilities of the Company and its subsidiary are shown in the consolidated balance sheet. The interest of minority shareholders of the subsidiary are shown in the consolidated balance sheet under the heading "Non-controlling Interest".

2.4 Risk and uncertainty for use of estimates (Provisions)

The preparation of financial statements in conformity with Bangladesh Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and disclosure requirements for contingent assets and liabilities during the reporting period and on the dates of the financial statements. Due to inherent uncertainty involved in making estimates, actual results reported could differ from those estimates.
In accordance with the guidelines as prescribed by Bangladesh Accounting Standards (BAS) 37: Provisions, contingent liabilities and contingent assets, provisions are recognized in the following situations:

a. When the Company has an obligation as a result of past events;

b. When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c. Reliable estimate can be made of the amount of the obligation.

2.5 Reporting period

The financial period of the company covers the period of 18 (eighteen) months from 1 July 2015 to 31 December 2016 to comply Sec-9(f) of Finance Act, 2015 in accordance with the requirement of the notification no. SEC/SRMIC/2011/1240/494 dt. 28 September 2016 of BSEC. The financial year of the next year and onwards would be January to December for a period of twelve months.

2.6 Comparative Information

As guided in paragraph 36 and 38 of BAS 1 Presentation of Financial Statements, comparative information in respect of the previous period have been presented in all numerical information in the financial statements and the narrative and descriptive information where, it is relevant for understanding of the current year's financial statements.

2.7 Functional and presentation currency

These financial statements are presented in Taka, which is the company's functional currency.

2.8 Cash flow statement

Cash flow statement has been prepared using Direct method as per BAS 7 "Statement of Cash Flows" and in accordance with the instruction of Bangladesh Bank.

2.9 Accounting for leases

Lease transactions are accounted as per BAS 17 since assets leased to customer under agreements transfer substantially all the risk and rewards associated with ownership, other than legal title, to the customer.

As per BAS 17, in case of finance lease, the aggregate lease rental receivables including unguaranteed residual value throughout the lease term are recorded as gross rental receivables while the excess of gross rental receivables over the total acquisition cost including interest during the period of acquiring the lease equipment constitutes the unearned interest income. The unearned interest income is amortized to revenue on a monthly basis over the lease term yielding a constant rate of return over the period.

Unrealized income is suspended where necessary in accordance with the requirements of relevant circular issued by the Bangladesh Bank.

2.10 Recognition of property, plant and equipment and depreciation

2.10.1 Property, plant and equipments are stated at cost less accumulated depreciation. The cost of the assets is the cost of acquisition or construction together with purchase price and other directly attributable costs for bringing the assets to working conditions for their intended use as per Bangladesh Accounting Standard (BAS) 16: "Property, Plant and Equipment".

2.10.2 Fixed Assets are depreciated based on Reducing Balance and Straight Line Method and rate of depreciation are charged from 2.5% to 30%. Addition to Fixed Assets are depreciated from the month of acquisition for full month irrespective of the date of acquisition of the month of the

assets at the applicable rate while no depreciation is charged on any item in the month of disposal.

Category of Assets	Method	Rate of Depreciation
Building	Straight Line	2.5%
Office Equipment	Reducing Balance	18%
Computer Equipment	Reducing Balance	18%
Furniture & Fixtures	Reducing Balance	10%
Motor Vehicle	Reducing Balance	20%
System & software	Reducing Balance	30%

2.10.3 On disposal of fixed assets, the written down value are eliminated from sale proceeds and gain or loss on such disposal is reflected in the profit and loss account as per provision of BAS-16.

2.11 Cash & Cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, term deposit held with banks and other financial institutions and short term investments that are readily convertible to known amount of cash which are unlikely to be affected by any insignificant risk of changes in value.

2.12 Investments in securities

Investment in securities has been shown at cost or market price, whichever is lower, on an aggregate portfolio basis. Full provision for diminution in value of shares as on closing of the year on aggregate portfolio basis have been made in accordance with Bangladesh Bank Instructions. Cost includes acquisition charges if any with the investments.

2.13 Statutory reserve

NBFIs are required to transfer 20% of the profit to statutory reserve before declaration of dividend as per Financial Institutions Regulations, 1994. MIDAS Financing Limited (MFL) transfers 20% on post tax profit in compliance with the regulation. During the period the Company transferred Taka 12 (Twelve) Crore from statutory reserve to retained earnings for the purpose of reduction of negative retained earnings. The said transfer was merely a book transfer and did not effect total equity of the Company. Bangladesh Bank was duly informed about the transfer as per the relevant provision of law.

2.14 Employees benefit obligation

(a) Defined contribution plan

The Company operates a contributory provident fund scheme for its permanent employees. Provident fund is administered by a Board of Trustees and is funded by equal contributions both by the employees and the Company at a predetermined rate. The contributions are invested separately from the Company's assets.

(b) Gratuity

The Company operates a gratuity scheme to retain and motivates its employees for long term retention. Employees entitlement to gratuity is calculated on the last basic pay and is payable at the rate of one month's basic pay for each completed year of service after completion of five years of

service, 50% of one month basic pay for each completed years for three years service with MFL and 75% of one month basic pay for each completed years for four years service.

2.15 Provision for Loans and advances

Provision for investments and advances is an estimate of the losses that may be sustained in the investment portfolio. The provision is based on two principles (1) Bangladesh Accounting Standards (BAS) 37; Provisions, contingent liabilities and contingent assets, and (2) Bangladesh Bank guidelines.
MFL's methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank guidelines. Provision for loans and advances is made on the basis of periodical review by the management and of instructions of Bangladesh Bank. The Classification rates are given below:

Particulars	Rate
General provision on:	
Unclassified loans and advances (SME)	0.25%
Unclassified loans and advances	1%
Special mention account	5%
Specific provision on:	
Substandard loans and advances	20%
Doubtful loans and advances	50%
Bad/loss loans and advances	100%

2.16 Income Tax

2.16.1 Current tax

Provision for current income tax has been made in accordance with the Income Tax ordinance 1984 and amendment made there to from time to time.

2.16.2 Deferred tax

Pursuant to Bangladesh Accounting Standard (BAS) 12: "Income Taxes", deferred tax is provided for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes.

2.17 Revenue recognition

Interest income from loans and other sources is recognized on an accrual basis of accounting. Moment of recognition, amount to be recognized and disclosure requirements of revenue has been made as per BAS-18.

2.17.1 Lease income

The excess of aggregate rental receivable over the cost of lease constitutes the total unearned interest income at the commencement of the contract. This income is allocated over the period of lease that reflect a constant periodic return on net investment.

2.17.2 Income from term finance

Interest income on term finance is recognized on accrual basis. Interest portion of the installments due credited to the profit and loss account.

2.17.3 Fees base income, penal interest etc.

Fees base income, penal interest etc. are taken to income on cash basis.

2.17.4 Dividend income

Dividend income from shares is recognized when the shareholders' legal rights to receive payments have been established i.e. after approval of dividend in the Annual General Meeting by the Shareholders.

2.17.5 Gain/(Loss) on sale of securities

Capital gain/(loss) on sale of securities listed in the stock exchanges is recognized only when the securities are sold in the market.

2.18 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which they incur in accordance with BAS 23 "Borrowing Cost".

2.19 Interest suspense account

Accrued interest on lease, term finance, real estate finance, hire purchase agreement classified as Special Mentioned Account, Sub-Standard, Doubtful and Bad loan are not recognized as income rather transferred to interest suspense accounts as complied with Bangladesh Bank guidelines. Recovery of overdue credited to interest suspense account is recognized as income on cash basis.

2.20 Litigation

The Company has no party to any lawsuits except those arising in the normal course of business, which were filed against the default clients for non-performance in loan/lease repayment. The Company, however, provides adequate provision against such doubtful finance.

2.21 Earnings per share (EPS)

The Company calculates Earnings Per Share (EPS) in accordance with BAS 33: Earnings Per Share, which has been shown on the face of profit and loss account, and the computation of EPS is stated in Note 34.

2.22 Related party disclosure

As per Bangladesh Accounting Standards (BAS) 24"Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant

influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties. Related party disclosures have been given in Note 45.

2.23 Events after the Reporting Period

All material events occurring after the balance sheet date has been considered and where necessary, adjusted for or disclosed.

2.24 Contingent liabilities and contingent assets

The Company does not recognize contingent liability and contingent assets but discloses the existence of contingent liability in the financial statements. A contingent liability is probable obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of uncertain future events not within the control of the company or present obligation that is not recognized because outflow of resources is not likely or obligation cannot be measured reliably.

2.25 Liquidity statement

The liquidity statement has been prepared in accordance with remaining maturity grouping of assets and liabilities as of the close of the year as per following bases:

a) Balance with other banks and financial institutions are on the basis of their maturity terms.
b) Investment are on the basis of their residual maturity terms.
c) Loans, advances and leases are on the basis of their repayment/maturity schedule.
d) Fixed assets are on the basis of their useful lives.
e) Other assets are on the basis of their adjustment terms.
f) Borrowings from other banks and financial institutions as per their maturity/repayment terms.
g) Investment are on the basis of their residual maturity terms.
h) Other long term liabilities on the basis of their maturity terms.
i) Other liabilities are on the basis of their settlement of terms.

2.26 BASEL II and its implementation

To cope with the international best practice and to make the capital more risk sensitive as well as shock resilient, guidelines on "BASEL Accord for Financial Institutions (BAFI)" have been introduced from January 01, 2011 on test basis by Bangladesh Bank. At the end of the test run period, BASEL Accord regime has started and the guidelines namely "Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (CAMD)" have come fully into force from January 01, 2012 with its subsequent supplements/revisions. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital and disclosure requirement as stated in these guidelines have to be followed by all Financial Institutions for the purpose of statutory compliance.
As per CAMD guidelines, Financial Institutions should maintain a Capital Adequacy Ratio (CAR) of minimum 10% which is complied by the company.

2.27 Status of Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

BAS Title	BAS No.	Status
Presentation of Financial Statements	1	Applied*
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant & Equipments	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting of Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	N/A
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit plans	26	N/A
Separate Financial Statements	27	Applied
Investments in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Financial Instruments: Presentation	32	Applied*
Earnings per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied*
Investment Property	40	Applied*
Agriculture	41	N/A

BFRS Title	BFRS No.	Status
First-time adoption of International Financial Reporting Standards	1	N/A
Share-Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-Current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied*
Operating Segments	8	N/A
Consolidated Financial Statements	10	Applied*
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	Applied*
Fair Value Measurement	13	Applied*
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	N/A

N/A=Not Applicable
*As the regulatory requirement differ with the standards, relevant disclosure and presentations are made in accordance with Bangladesh Bank's requirements.

2.28 General

a. Figures appearing in these financial statements and notes have been rounded off to the nearest Taka.
b. Previous year's figures have been rearranged/restated/reclassified, where necessary, in order to conform to current period's presentation.

Note	Particulars	Ref. Note	Amount in Taka	
			31 Dec. 2016	30 Jun. 2015
3	**Cash**			
	Cash in hand	3.1	10,871,991	10,275,214
	Balance with Bangladesh Bank and its agent	3.2	139,568,181	73,468,751
			150,440,172	83,743,965
3.1	**Cash in hand (Including foreign currencies)**			
	In local currency		10,871,991	10,275,214
	In foreign currencies		-	-
			10,871,991	10,275,214
3.2	**Balance with Bangladesh Bank and its agent (including foreign currencies)**			
	In local currency		139,568,181	73,468,751
	In foreign currencies		-	-
			139,568,181	73,468,751

3.3 Cash reserve requirement (CRR) and statutory liquidity reserve (SLR)

Cash Reserve requirement (CRR) and Statutory Liquidity reserve (SLR) have been calculated and maintained in accordance with the 5th schedule of the Financial Institutions Act, 1993 and subsequent FID Circular # 06, dated November 06, 2003, FID Circular # 02 dated November 10, 2004.

The minimum Cash Reserve Requirement on the Company's total term deposits and other deposits (except banks & financial institutions) at the rate of 2.50% has been calculated and maintained with Bangladesh Bank in current account and 5% Statutory Liquidity reserve, including CRR, on the same deposits has also maintained in the form of Cash in hand, balance with Bangladesh Bank and other banks and financial institutions, treasury bills, bonds and debentures etc. Both the reserves maintained by the Bank are in excess of the statutory requirements as shown below:

3.4 Cash reserve requirement (CRR)			
Required reserve		129,425,677	71,633,066
Actual reserve maintained		139,568,181	73,468,751
Surplus		10,142,504	1,835,685
3.5 Statutory liquidity reserve (SLR)			
Required reserve (including CRR)		275,958,734	154,470,954
Actual reserve held (including CRR)	3.6	624,456,641	303,025,417
Surplus		348,497,907	148,554,463
3.6 Actual reserve held (including CRR)			
Cash in hand	3.1	10,871,991	10,275,214
Balance with Bangladesh Bank	3.2	139,568,181	73,468,751
Balance with other bank and financial institutions	4	474,016,469	219,281,452
		624,456,641	303,025,417
3(a) Consolidated cash			
Cash in hand			
MIDAS Financing Limited	3.1	10,871,991	10,275,214
MIDAS Investment Limited		10,000	5,133
		10,881,991	10,280,347
3(b) Balance with Bangladesh Bank and its agents			
MIDAS Financing Limited	3.2	139,568,181	73,468,751
MIDAS Investment Limited		-	-
		139,568,181	73,468,751
		150,450,172	83,749,098

Note	Particulars	Ref. Note	Amount in Taka	
			31 Dec. 2016	30 Jun. 2015
4	**Balance with other banks and financial institutions**			
	Inside Bangladesh	4.1	474,016,469	219,281,452
	Outside Bangladesh		-	-
			474,016,469	219,281,452
4.1	**Inside Bangladesh**			
	STD accounts			
	Standard Bank Ltd.		11,062,773	16,594,405
	United Commercial Bank Ltd.		10,164,072	5,130,770
	IFIC Bank Ltd.		458,164	249,173
	Janata Bank Ltd.		145,602	142,102
	Mercantile Bank Ltd.		25,366	27,736
	Uttara Bank Ltd.		45,755	45,530
	Agrani Bank Ltd.		201,721	213,850
	AB Bank Ltd.		1,518,795	1,414,173
	Dutch Bangla Bank Ltd.		221,894	1,521,732
	Prime Bank Ltd.		1	1
	One Bank Ltd.		5,046,021	1,116,586
	Premier Bank Ltd.		2,462,687	3,480,977
	Pubali Bank Ltd.		1,396,626	4,469,810
	Jamuna Bank Ltd		1,241,428	984,565
	Shahjalal Islami Bank Ltd.		2,913	8,639,238
	Mutual Trust Bank Ltd.		22,651	4,485,805
			34,016,469	48,516,452
	Term deposits			
	United Commercial Bank Ltd.		55,000,000	20,765,000
	Jamuna Bank Ltd.		50,000,000	50,000,000
	Peoples Leasing & Financial services Ltd.		-	100,000,000
	Premier Leasing & Finance Ltd.		50,000,000	-
	Bangladesh Industrial Finance and Investment Company Ltd.		40,000,000	-
	International Leasing & Financial Services Ltd.		50,000,000	-
	Dutch Bangla Bank Ltd.		45,000,000	-
	The City Bank Ltd.		50,000,000	-
	Social Islami Bank Ltd.		100,000,000	-
			440,000,000	170,765,000
			474,016,469	219,281,452
4.2	**Maturity-wise groupings of balance with other banks and financial institutions**			
	On demand		34,016,469	48,516,452
	Not more than 3 months		90,000,000	100,000,000
	More than 3 months but less than 1 year		350,000,000	70,765,000
	More than 1 year but less than 5 years		-	-
	More than 5 years		-	-
			474,016,469	219,281,452
4(a)	**Consolidated balance with other banks and financial institutions**			
	Inside Bangladesh			
	MIDAS Financing Limited	4.1	474,016,469	219,281,452
	MIDAS Investment Limited		218,476,221	217,515,616
	Adjustment for consolidation		(218,076,385)	(217,507,000)
			474,416,305	219,290,068
	Outside Bangladesh			
	MIDAS Financing Limited		-	-
	MIDAS Investment Limited		-	-
			-	-
			474,416,305	219,290,068

Note	Particulars	Ref. Note	Amount in Taka	
			31 Dec. 2016	30 Jun. 2015
5	Money at call and short notice		-	-
6	Investment			
	a) Government		-	-
	b) Others			
	Investment in listed securities	6.1	204,603,579	185,381,724
	Investment in unlisted securities	6.2	22,569,450	22,569,450
			227,173,029	207,951,174
	Maturity-wise grouping of investment in securities:			
	On demand		10,230,179	9,269,086
	Not more than 3 months		45,012,787	40,783,979
	More than 3 months but less than 1 year		71,611,253	64,883,604
	More than 1 year but less than 5 years		77,749,360	70,445,055
	More than 5 years		22,569,450	22,569,450
			227,173,029	207,951,174
6.1	Investment in listed securities (Sector wise)			
	Bank		17,106,518	27,033,287
	Financial institutions		4,497,450	17,953,170
	Insurance		-	681,480
	Mutual Fund		3,062,640	3,069,556
	Textile		-	30,372,061
	Pharmaceutical and chemicals		152,478,287	28,224,645
	Fuel and power		27,373,074	47,476,853
	Cements		-	16,419,501
	Engineering		85,610	13,408,371
	Food and allied		-	742,800
			204,603,579	185,381,724
	Details of listed securities are given below:	Number of shares	Cost Price	Market Price as at 31-12-2016
	Bank	880,737	17,106,518	16,469,782
	Financial institutions	75,934	4,497,450	4,328,238
	Mutual Fund	300,000	3,062,640	1,920,000
	Pharmaceutical and chemicals	1,217,307	152,478,287	139,902,743
	Fuel and power	459,711	27,373,074	27,001,636
	Engineering	8,561	85,610	286,277
			204,603,579	189,908,676
6.2	Investment in un listed securities			
	Central depository bangladesh Ltd.		4,569,450	4,569,450
	Financial excellence Ltd.		3,000,000	3,000,000
	Lankabangla securities Ltd.		5,000,000	5,000,000
	Bangladesh ventures Ltd.		10,000,000	10,000,000
			22,569,450	22,569,450
6(a)	Consolidated investment in securities			
	a) Government			
	MIDAS Financing Limited		-	-
	MIDAS Investment Limited		-	-
			-	-
	b) Other			
	MIDAS Financing Limited			
	Investment in listed securities	6.1	204,603,579	185,381,724
	Investment in unlisted securities	6.2	22,569,450	22,569,450
			227,173,029	207,951,174

Note	Particulars	Ref. Note	Amount in Taka	
			31 Dec. 2016	30 Jun. 2015
	MIDAS Investment Limited			
	Investment in listed securities		28,891,946	28,394,102
	Investment in unlisted securities		10,000,000	10,000,000
			38,891,946	38,394,102
			266,064,975	246,345,276
7	Lease, Loans and Advances			
	a) Inside Bangladesh			
	i) Lease finance		895,918,615	933,223,078
	ii) Term finance		6,453,357,896	3,270,140,408
	iii) Housing finance		1,298,418,636	753,295,815
	iv) Staff Loan		21,424,185	17,575,597
	v) Consumer credit		3,150,733	3,087,158
	vi) Trade receivable		260,516,949	216,075,742
	Total loans and lease finance inside Bangladesh		8,932,787,014	5,193,397,798
	b) Outside Bangladesh		-	-
			-	-
	Total Lease, Loans and Advance (a+b)		8,932,787,014	5,193,397,798
7.a.i	Lease finance			
	Opening balance		933,223,078	648,456,354
	Add: Addition during the period		425,250,000	568,400,000
			1,358,473,078	1,216,856,354
	Less: Realization during the period		462,554,463	251,545,406
	Less: Write off		-	32,087,870
	Closing balance		895,918,615	933,223,078
7.a.ii	Term finance			
	Opening balance		3,270,140,408	3,296,159,955
	Add: Addition during the period		6,061,229,833	1,074,170,440
			9,331,370,241	4,370,330,395
	Less: Realization during the period		2,792,693,409	1,010,923,198
	Less: Write off		85,318,936	89,266,789
	Closing balance		6,453,357,896	3,270,140,408
7.a.iii	Housing finance			
	Opening balance		753,295,815	642,486,311
	Add: Addition during the period		842,624,967	206,900,000
			1,595,920,782	849,386,311
	Less: Realization during the period		297,502,146	96,090,496
	Closing balance		1,298,418,636	753,295,815
7.a.iv	Staff loan			
	Opening balance		17,575,597	23,729,559
	Add: Addition during the period		16,745,000	-
			34,320,597	23,729,559
	Less: Realization during the period		12,896,412	6,153,962
	Closing balance		21,424,185	17,575,597
7.a.v	Consumer Credit			
	Opening balance		3,087,158	4,199,858
	Add: Addition during the period		1,265,000	170,000
			4,352,158	4,369,858
	Less: Realization during the period		1,201,425	1,282,700
	Closing balance		3,150,733	3,087,158

Note	Particulars	Ref. Note	Amount in Taka	
			31 Dec. 2016	30 Jun. 2015
7.a.vi	**Trade Receivable**			
	Interest Receivable-Lease		67,671,030	77,744,677
	Interest Receivable-SED		163,509,715	111,567,291
	Interest Receivable-Housing		23,580,444	21,289,576
	Interest Receivable-CCS		309,680	337,799
	Accrued Interest-Staff		5,446,080	5,136,399
			260,516,949	216,075,742
	*During the period total write off of term finance interest receivable was Tk. 33,639,925.00			
7.1	**Maturity wise classification of lease, loans and advances**			
	Receivable on demand		761,060,828	1,038,679,560
	Not more than 3 months		657,081,098	1,090,613,538
	Over 3 months but not more than 1 year		1,371,440,348	1,114,481,493
	Over 1 year but not more than 5 years		4,347,611,170	1,454,151,383
	Over 5 years		1,795,593,570	495,471,824
			8,932,787,014	5,193,397,798
7.2	**Investments on the basis of significant concentration**			
	Lease, loan and advances to the institutions in which Directors have interest		548,474	3,264,225
	Lease, loan and advances to Chief Executive and other senior executives		26,870,265	22,711,996
	Lease, loan and advances to customer groups		8,905,368,275	5,167,421,577
			8,932,787,014	5,193,397,798
7.3	**Investments allowed to Group exceeding 15% of NBFI's total capital**			
	Total capital of the company		1,136,410,022	857,259,964
	15% of company's total capital		170,461,503	128,588,995
	Total outstanding amount to such customers at end of the year		2,393,456,632	914,808,526
	Number of such types of customers		11	5
	Amount of Classified Investments thereon		-	-

7.4 **Sector-wise classification of investment**

Sector	As at 31 December 2016		As at 30 June 2015	
	Amount	Composition	Amount	Composition
Trade and Commerce	1,998,965,949	22.38%	1,171,990,560	22.57%
Industry:				
Garments and Knitwear	415,606,065	4.65%	280,376,868	5.40%
Textile	964,247,089	10.79%	169,084,735	3.26%
Food Production/Processing Industries	440,340,033	4.93%	224,773,571	4.33%
Plastic Industries	-	0.00%	59,662,671	1.15%
Leather & Leather Goods	39,240,158	0.44%	2,101,240	0.04%
Iron, Steel & Engineering	105,976,154	1.19%	49,601,348	0.96%
Pharmaceuticals and Chemicals	133,580,414	1.50%	127,808,917	2.46%
Cement and Allied Industry	-	0.00%	3,866,103	0.07%
Telecommunication/Information Technology	7,975,487	0.09%	1,746,900	0.03%
Paper, Printing and Packaging	54,174,411	0.61%	20,367,206	0.39%
Jute & Jute Products	1,926,757	0.02%	36,370	0.00%
Ship Manufacturing Industry	67,446,655	0.76%	216,646,384	4.17%
Electronics & Electrical Goods	-	0.00%	6,609,974	0.13%
Power, Gas, Water & Sanitary service	10,946	0.00%	1,303,803	0.03%
Transport & Communication	77,749,474	0.87%	-	0.00%
Agriculture	134,960,168	1.51%	51,063,454	0.98%
Real Estate & Housing	1,321,999,080	14.80%	774,585,391	14.91%
Merchant Banking /Loan against Lien of Securities	250,959,694	2.81%	163,566,993	3.15%
Others	2,890,758,215	32.36%	1,845,493,314	35.54%
In-house Employees' Loan	26,870,265	0.30%	22,711,996	0.44%
Total	8,932,787,014	100%	5,193,397,798	100.00%

Note	Particulars	Ref. Note

7.5 Geographical location-wise lease, loans and advances

Division	As at 31 December 2016		As at 30 June 2015	
	Amount	Composition	Amount	Composition
Dhaka	5,458,090,014	61.10%	2,781,338,246	53.56%
Chittagong	2,525,553,298	28.27%	2,036,160,520	39.21%
Khulna	466,770,729	5.23%	218,567,106	4.21%
Rajshahi	482,372,973	5.40%	157,331,926	3%
Total	**8,932,787,014**	**100%**	**5,193,397,798**	**100%**

7.6 Grouping of investment as per classification rules of Bangladesh Bank

Status	As at 31 December 2016		As at 30 June 2015	
	Amount	Composition	Amount	Composition
Unclassified	7,660,273,714	85.75%	3,864,051,557	74.40%
Special mention account (SMA)	200,462,365	2.24%	200,713,093	3.86%
Substandard	213,700,343	2.39%	163,731,914	3.15%
Doubtful	169,757,770	1.90%	137,121,220	2.64%
Bad or loss	688,592,822	7.71%	827,780,015	15.94%
Total	**8,932,787,014**	**100%**	**5,193,397,798**	**100%**

7.7 Particulars of provision for loans and lease finance

Status	Rate	Basis for Provision	Amount in Taka	
			31 Dec. 2016	30 Jun. 2015
Unclassified	1%	3,617,847,817	36,178,478	26,176,135
Unclassified (SME)	0.25%	4,042,425,897	10,106,065	3,486,845
Special mention account	5%	195,157,577	9,757,879	9,541,556
			56,042,422	39,204,536
Substandard	20%	75,078,171	15,015,634	17,895,982
Doubtful	50%	49,567,884	24,783,942	33,882,449
Bad or loss	100%	366,827,923	366,827,923	550,680,898
			406,627,499	602,459,329
Required provision for loans & lease finance			462,669,921	641,663,865
Total provision maintained			462,669,921	641,663,865
Provision surplus			-	-

MFL has maintained provision on unclassified investment amounting to Tk.56,042,422 (note no. 13.1.a) and for classified Loan & Lease Finance Tk. 406,627,499/- (note no. 13.1.b) totaling Tk. 462,669,922/-.

7.8 Particulars of Investments

(i)	Debts considered good in respect of which the MFL is fully secured	1,879,003,617	1,328,812,614
(ii)	Debts considered good for which the MFL holds no other security other than the debtor's personal guarantee;	235,725,703	175,923,631
(iii)	Debts considered good and secured by personal security of one or more parties in addition to the personal security of the debtors;	6,818,057,694	3,688,661,553
		8,932,787,014	5,193,397,798
(iv)	Amount of classified loan in which no provision has been maintained;	-	-
(v)	Debts due by directors or officers of the MFL or any of them either severally or jointly with any other person;	26,870,265	22,711,996
(vi)	Debts due by companies or firms in which the directors of the MFL are interested as directors, partners or managing agents or in the case of private companies as members (Note 45.5);	548,474	3,264,225
(vii)	Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the MFL or any of them either severally or jointly with any other persons;	5,000,000	1,500,000

Note	Particulars	Ref. Note	Amount in Taka	
			31 Dec. 2016	30 Jun. 2015
(viii)	Maximum total amount of advances including temporary advances granted during the period to the companies or firms in which the directors of the MFL are interested as directors, partners or managing agents or in the case of private companies as members;		-	-
(ix)	Receivable from other NBFIs;		-	-
(x)	Total amount of advance on which Profit is not credited;		688,592,822	827,780,015
(xi)	Cumulative amount of written off Investments;			
	Opening Balance		212,016,673	5,945,838
	Add: Amount Written off during the period		118,958,862	209,942,913
	Less: Amount received of during the period		22,026,195	3,872,078
	Balance of written off loans and advances yet to be recovered		308,949,340	212,016,673
7(a)	**Consolidated lease, loans and advances**			
	Inside Bangladesh			
	MIDAS Financing Limited		8,932,787,014	5,193,397,798
	MIDAS Investment Limited		-	-
	Adjustment for Consolidation		(187,825,852)	(176,238,638)
			8,744,961,162	5,017,159,160
	Outside Bangladesh			
	MIDAS Financing Limited		-	-
	MIDAS Investment Limited		-	-
			-	-
			8,744,961,162	5,017,159,160
8	**Fixed assets including premises, furniture & fixtures**			
	Free hold assets		311,373,236	323,756,003
	Intangible assets		808,013	-
			312,181,249	323,756,003
	(Details shown in Annexure-B)			
8(a)	**Consolidated fixed assets including premises, furniture & fixtures**			
	MIDAS Financing Limited	8	312,181,249	323,756,003
	MIDAS Investment Limited		200,405,052	207,042,224
			512,586,301	530,798,227
9	**Others assets**			
	Interest receivable on FDR		6,177,345	2,139,976
	Interest Receivable from Loan against term deposit		26,131,624	16,570,310
	Investment in MIDAS Investment Limited		249,998,000	249,998,000
	Receivable from MIDAS-Admin. expenses		113,098	113,098
	Advance against purchase of shares		30,032,275	4,389,170
	Advance income tax	9.1	33,950,500	110,727,588
	Advance against expenditure		238,508	415,960
	Advance office rent		4,894,430	5,006,101
	Security deposit	9.2	633,500	633,500
	Receivable aginst legal expenses		1,869,592	1,869,592
	Stamp, stationary etc, in hand		616,739	12,509
	Asset held for sale		39,315,713	39,315,713
	Receivable from rental income & others		12,043,429	2,280,233
			406,014,753	433,471,750
9.1	**Advance income tax**			
	Opening Balance		124,537,760	100,232,542
	Add: Addition during the year		53,775,349	10,495,046
			178,313,109	110,727,588
	Adjustment during the year		144,362,609	-
			33,950,500	110,727,588

Note	Particulars	Ref. Note	Amount in Taka	
			31 Dec. 2016	30 Jun. 2015
9.2	**Security deposit**			
	Deposits with BTCL		9,000	9,000
	Deposits with Grameen Phone		11,000	11,000
	PUNARBHABA Security Service		45,000	45,000
	DPDC-Security Deposit-MIDAS Centre		558,000	558,000
	Solar Panel-Hathajari		5,000	5,000
	Electricity Meter-Feni		5,500	5,500
			633,500	633,500
9.3	**Maturity wise classification of other assets**			
	Receivable on demand		11,119,460	2,087,285
	Not more than 3 months		33,784,894	9,841,424
	Over 3 months but not more than 1 year		19,875,073	15,206,088
	Over 1 year but not more than 5 years		80,418,676	175,187,177
	Over 5 years		260,816,650	231,149,776
			406,014,753	433,471,750
9(a)	**Consolidated others assets**			
	MIDAS Financing Limited	9	406,014,753	433,471,750
	MIDAS Investment Limited		39,261,692	32,328,024
	Adjustment for consolidation		(249,998,000)	(249,998,000)
			195,278,445	215,801,774
10	**Non-banking assets**		52,700,000	52,700,000

MIDAS Financing limited has been awarded absolute ownership on 1 mortgaged property (Land) in the year of 2014-15 through verdict of honorable court under sec. 33(7) of Artha Rin Adalat Ain, 2003. This asset has been recorded at Taka 52,700,000 /= as non-banking assets.

11	**Borrowings from other banks, financial institutions and agents**			
	Secured		916,051,408	185,387,233
	Unsecured		420,833,351	866,016,329
			1,336,884,759	1,051,403,562
	In Bangladesh	11.1	1,336,884,759	1,051,403,562
	Outside Bangladesh		-	-
			1,336,884,759	1,051,403,562
11.1	**In Bangladesh**			
	Term loan from other Banks & FIs	11.2	868,315,288	146,096,128
	Refinance against SME loan from Bangladesh Bank		110,338,845	315,697,585
	Refinance against housing loan from Bangladesh Bank		13,700,500	16,066,000
	Loan from SME foundation		9,500,000	20,000,000
	Loan from BYEA		126,820	179,497
	Short term loan from Banks & FIs	11.3	104,903,305	63,364,351
	Call Loan	11.4	230,000,000	490,000,000
			1,336,884,759	1,051,403,562
11.2	**Term loan from other Banks & FIs**			
	Uttara Bank Ltd.		385,670,597	100,000,000
	One Bank Ltd.		184,602,047	-
	Jamuna Bank Ltd.		200,000,000	-
	Midland Bank Ltd.		98,042,644	-
	The UAE Bangladesh Investment Company Ltd.		-	46,096,128
			868,315,288	146,096,128

Note	Particulars	Ref. Note	Amount in Taka	
			31 Dec. 2016	30 Jun. 2015
11.3	**Short term loan from Banks & FIs**			
	Standard Bank Ltd.		7,788,663	4,196,265
	Bangladesh Development Bank Ltd.		15,016	-
	Pubali Bank Ltd.		(842,553)	(584,619)
	United Commercial Bank Ltd.		35,925,803	4,949,827
	Jamuna Bank Ltd.		11,810,316	54,657,246
	The City Bank Ltd.		20,026,799	-
	Dutch Bangla Bank Ltd.		30,179,261	-
	Dhaka Bank Ltd.		-	145,632
			104,903,305	63,364,351
11.4	**Call Loan**			
	United Commercial Bank Ltd.		-	120,000,000
	Standard Bank Ltd.		40,000,000	-
	Mutual Trust Bank Ltd.		100,000,000	90,000,000
	Sonali Bank Ltd.		90,000,000	-
	Eastern Bank Ltd.		-	40,000,000
	Pubali Bank Ltd.		-	40,000,000
	SBAC Bank Ltd.		-	100,000,000
	BASIC Bank Ltd.		-	100,000,000
			230,000,000	490,000,000
11.5	**Maturity wise classification of Borrowings from other banks, financial institutions and agents**			
	Repayable on demand		230,000,000	490,000,000
	Within 1 month		77,413,928	35,391,969
	Over 1 month but not more than 6 months		205,000,432	130,469,015
	Over 6 months but not more than 1 year		385,400,118	147,967,384
	Over 1 year but not more than 5 years		394,561,669	118,565,867
	Over 5 years		44,508,612	129,009,327
			1,336,884,759	1,051,403,562
11(a)	**Consolidated borrowings from other banks, financial institutions and agents**			
	Inside Bangladesh			
	MIDAS Financing Limited	11	1,336,884,759	1,051,403,562
	MIDAS Investment Limited		187,825,852	176,238,640
	Adjustment for consolidation		(187,825,852)	(176,238,639)
			1,336,884,759	1,051,403,563
	Outside Bangladesh			
	MIDAS Financing Limited		-	-
	MIDAS Investment Limited		-	-
			-	-
			1,336,884,759	1,051,403,563
12	**Deposits and other accounts**			
	Term deposits	12.1	6,855,459,984	3,367,672,561
	Security deposits & earnest money		4,844,268	5,712,488
	Advance lease rental		13,983,007	29,152,633
			18,827,275	34,865,121
			6,874,287,259	3,402,537,682
12.1	**Term deposits**			
	General deposits		5,385,459,984	2,867,672,561
	Deposit from other Banks and Financial institutions	12.2	1,470,000,000	500,000,000
			6,855,459,984	3,367,672,561

Note	Particulars	Ref. Note	Amount in Taka	
			31 Dec. 2016	30 Jun. 2015
12.2	**Term Deposits from other banks and financial institutions**			
	Shahjalal Islami Bank Ltd.		300,000,000	250,000,000
	Modhumoti Bank Ltd.		-	50,000,000
	South Bangla Agriculture & Commercial Bank Ltd.		100,000,000	100,000,000
	Mutual trust Bank Ltd.		100,000,000	100,000,000
	National Housing Finance Company Ltd.		150,000,000	-
	Social Islami Bank Ltd.		400,000,000	-
	United Finance Ltd.		100,000,000	-
	LankaBangla Finance Ltd.		250,000,000	-
	GSP Finance Company (BD) Ltd.		70,000,000	-
			1,470,000,000	500,000,000
12.3	**Maturity wise classification of deposits and other accounts**			
	Repayable on demand		25,054,968	22,673,307
	Within 1 month		662,425,914	105,100,391
	Over 1 month but not more than 6 months		3,641,905,313	693,823,943
	Over 6 months but not more than 1 year		2,116,704,109	690,406,611
	Over 1 year but not more than 5 years		278,949,795	1,292,973,402
	Over 5 years		149,246,160	597,560,029
			6,874,287,259	3,402,537,682
12(a)	**Consolidated deposits**			
	Term deposits			
	MIDAS Financing Limited	12.1	6,855,459,984	3,367,672,561
	MIDAS Investment Limited		-	-
	Adjustment for Consolidation		(218,076,385)	(217,507,000)
			6,637,383,599	3,150,165,561
12(b)	**Other deposits**			
	MIDAS Financing Limited		18,827,275	34,865,121
	MIDAS Investment Limited		-	-
			18,827,275	34,865,121
			6,656,210,874	3,185,030,682
13	**Other liabilities**			
	Provision for lease, loans & advances	13.1	462,669,921	641,663,865
	Provision for investment in securities	13.2	14,694,904	5,000,000
	Provision for taxation	13.3	68,026,994	135,933,957
	Provision for deferred tax	13.4	23,804,020	20,569,522
	Interest payable on borrowings		17,872,464	6,315,147
	Interest payable on deposits		276,751,405	146,569,507
	Advance against installment		69,227,381	38,484,718
	Advance rent from MIDAS Centre & NGS		27,975,390	19,897,500
	Payable & provision against expenditure	13.5	7,425,157	2,931,933
	Interest suspense	13.6	198,064,717	185,734,784
	Provision for rental income & others		41,218,293	-
			1,207,730,646	1,203,100,934

Note	Particulars	Ref. Note	Amount in Taka	
			31 Dec. 2016	30 Jun. 2015
13.1	**Provision for lease, loans & advances**			
	(a) General provision on unclassified loans and advances:			
	Provision held at the beginning of the year		39,204,537	59,772,892
	Net charge to Profit & Loss Account	33	16,837,885	(20,568,355)
	Balance at the end of the year		56,042,422	39,204,537
	(b) Provision on classified loans and advances:			
	Provision held at the beginning of the year		602,459,328	509,479,346
	Net charge to Profit & Loss Account	33	(110,512,893)	216,826,672
	Less: Write off during the year		(85,318,936)	(123,846,690)
	Provision held at the end of the year		406,627,499	602,459,328
	Total provision		462,669,921	641,663,865
13.2	**Provision for investment in securities**			
	Provision held at the beginning of the year		5,000,000	23,516,058
	Addition/(Adjustment) during the year		9,694,904	(18,516,058)
	Balance at the end of the year		14,694,904	5,000,000
13.3	**Provision for Taxation**			
	Balance at the beginning of the year		135,933,957	131,283,957
	Provision made during the year		74,114,935	4,650,000
	Adjustment during the year		(142,021,898)	-
	Balance at the end of the year		68,026,994	135,933,957
13.4	**Provision for deferred tax**			
	Balance at the beginning of the year		20,569,522	20,022,141
	Provision made during the year		3,234,497	547,381
	Adjustment during the year		-	-
	Balance at the end of the year		23,804,020	20,569,522

Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of Bangladesh Accounting Standard (BAS) 12.

Deferred tax liability is arrived at as follows:

	Carrying amount at Balance Sheet	Tax Base	Taxable temporary difference
	Taka	Taka	Taka
Fixed assets net of depreciation as on 31 December 2016	312,181,248	252,671,198	59,510,050
Applicable Tax Rate			40%
a) Deferred tax liability as on 31 December 2016			23,804,020
b) Deferred tax liability as on 30 June 2015			20,569,522
Deferred tax expenses accounted for during the period of 1 Jul. 2015 to 31 Dec. 2016			3,234,497

	Amount in Taka	
13.5 Payable & provision against expenditure	31 Dec. 2016	30 Jun. 2015
Payable to CDBL	127,658	102,841
Security	268,914	200,000
Electric bill	950,000	1,000,000
Audit fees	108,611	100,000
Withholding VAT, tax & excise duty	3,205,651	155,614
Liability for others	909,891	291
Wasa	90,000	50,000
Water	15,000	10,000
CIB fees	814,636	378,390
Legal & other charges	934,796	934,796
	7,425,157	2,931,933

Note	Particulars	Ref. Note	Amount in Taka	
			31 Dec. 2016	30 Jun. 2015
13.6	**Interest suspense**			
	Income Suspense-Lease		59,799,577	73,992,906
	Income Suspense-Term finance		125,345,613	93,052,771
	Income Suspense-CCS		309,680	18,361,318
	Income Suspense - Housing		12,609,847	327,790
			198,064,717	185,734,785
	Movement of Interest suspense account			
	Balance at the beginning of the year		185,734,785	326,645,514
	Add: Transferred to interest suspense during the year		45,969,857	-
	Less: Interest suspense realized during the year		-	107,453,280
			231,704,642	219,192,234
	Less: Write off during the year		33,639,925	33,457,449
			198,064,717	185,734,785
13.7	**Maturity wise classification of other liabilities**			
	Repayable on demand		284,176,562	119,834,334
	Within 1 month		54,539,182	118,891,297
	Over 1 month but not more than 6 months		122,570,732	140,912,341
	Over 6 months but not more than 1 year		271,379,032	236,673,891
	Over 1 year but not more than 5 years		246,294,195	317,573,147
	Over 5 years		228,770,944	269,215,924
			1,207,730,646	1,203,100,934
13(a)	**Consolidated other liabilities**			
	MIDAS Financing Limited	13	1,207,730,646	1,203,100,933
	MIDAS Investment Limited		41,586,179	39,481,468
	Adjustment for consolidation		-	-
			1,249,316,825	1,242,582,401
14	**Capital**			
14.1	**Authorized Capital**			
	200,000,000 ordinary shares of Tk. 10 each		2,000,000,000	2,000,000,000
14.2	**Issued, Subscribed and Paid up Capital**			
	120,268,676 fully paid ordinary shares of Tk. 10 each subscribed and paid up by the sponsor Shareholders & General Shareholders		1,202,686,760	1,202,686,760
	Sponsor shareholders group		394,585,940	395,147,200
	General shareholders group		808,100,820	807,539,560
			1,202,686,760	1,202,686,760
	General shareholders group			
	Non resident		25,655,020	26,384,160
	Companies & institutions		438,243,550	461,370,650
	General public		344,202,250	319,784,750
			808,100,820	807,539,560

Note	Particulars	Ref. Note

Classification of shareholders by holding as of 31, December 2016

	No. of Shareholders	No. of shares	Percentage of holding shares
Less than 500 shares	1,393	214,997	0.18%
501 to 5,000 shares	1,295	2,433,969	2.02%
5,001 to 10,000 shares	182	1,311,761	1.09%
10,001 to 20,000 shares	140	1,943,227	1.62%
20,001 to 30,000 shares	47	1,166,788	0.97%
30,001 to 40,000 shares	18	665,910	0.55%
40,001 to 50,000 shares	17	773,244	0.64%
50,001 to 1,00,000 shares	37	2,558,147	2.13%
1,00,001 & above shares	87	109,200,633	90.80%
Total	**3,216**	**120,268,676**	**100%**

14.3 Capital adequacy as per BASEL-II

		Amount in Taka	
		31 Dec. 2016	30 Jun. 2015
a) Core Capital (Tier-I)			
Paid-up capital	14.2	1,202,686,760	1,202,686,760
Statutory reserve	16	61,072,846	125,242,834
Retained earnings	17	(127,349,583)	(470,669,630)
		1,136,410,022	857,259,964
b) Supplementary Capital (Tier-II)			
General provision	13.1 (a)	56,042,422	39,204,537
c) Total eligible capital (a + b)		**1,192,452,444**	**896,464,501**
Total assets including off-balance sheet exposures			
d) Total risk weighted assets		6,165,078,895	4,857,900,000
e) Required capital based on risk weighted assets (10% of d)		616,507,890	485,790,000
f) Surplus (c-e)		**575,944,555**	**410,674,501**
Capital Adequacy Ratio (%)		19.34	18.45

15 General reserve

Opening balance	-	-
Add: Addition during the year	-	-
	-	-

16 Statutory reserve

Opening balance	125,242,834	118,739,104
Add: Addition during the year	55,830,012	6,503,730
Less: Transfer to retained earning	(120,000,000)	-
Closing balance	**61,072,846**	**125,242,834**

NBFIs are required to transfer 20% of the profit to statutory reserve before declaration of dividend as per Financial Institutions Regulations, 1994. MIDAS Financing Limited (MFL) transfers 20% on post tax profit in compliance with the regulation. During the period the Company transferred Taka 12 (Twelve) Crore from statutory reserve to retained earnings for the purpose of reduction of negative retained earnings. The said transfer was merely a book transfer and did not effect total equity of the Company. Bangladesh Bank was duly informed about the transfer as per the relevant provision of law.

17 Retained Earnings

Opening balance	(470,669,630)	(305,011,293)
Add: Profit after tax	279,150,058	(159,154,608)
Less: Transfer to statutory reserve	(55,830,012)	(6,503,730)
Add: Transfer from statutory reserve	120,000,000	-
Closing balance	**(127,349,584)**	**(470,669,630)**

Note	Particulars	Ref. Note	Amount in Taka	
			31 Dec. 2016	30 Jun. 2015
17(a)	**Consolidated retained earnings**			
	Opening balance		(441,104,901)	(285,480,739)
	Add: Profit after tax		267,218,042	(149,120,432)
	Less: Transfer to statutory reserve		(55,830,012)	(6,503,730)
	Add: Transfer from statutory reserve		120,000,000	-
	Closing balance		(109,716,871)	(441,104,901)
18	**Business commitments and contingencies**			
	In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities. No material losses are anticipated as a result of these transactions. These contingent liabilities and business commitments are quantified are below:			
18.1	**Contingent liabilities**			
	Acceptances and endorsements		-	-
	Letters of guarantee		75,000,000	75,000,000
	Irrevocable letters of credit		-	-
	Bills for collection		-	-
	Total		75,000,000	75,000,000
18.2	**Other commitments**			
	Documentary credits and short term trade related transactions		-	-
	Forward assets purchased and forward deposits placed		-	-
	Undrawn note issuance and revolving underwriting facilities		-	-
	Undrawn formal standby facilities, credit lines and other commitments		1,105,598,190	23,350,000
	Claims against the bank not acknowledged as debts		-	-
	Total		1,105,598,190	23,350,000

Note	Particulars	Ref. Note	Amount in Taka	
			1 Jul. 2015 to 31 Dec. 2016	1 Jan. 2014 to 30 Jun. 2015
19	**Profit and Loss Account**			
	Income			
	Interest income	20	1,259,338,401	909,169,190
	Dividend income	22	49,667,176	21,962,884
	Commission, exchange and brokerage		375,000	750,000
	Gains less losses arising from investment securities	22	56,790,079	8,272,249
	Other operating income	23	108,931,272	81,409,621
			1,475,101,928	1,021,563,943
	Expenses			
	Interest paid on deposits & borrowings	21	900,983,286	771,940,537
	Administrative expenses		231,213,857	174,590,960
	Other operating expenses	32	11,556,779	17,555,508
	Depreciation on fixed assets	31(a)	17,610,326	33,691,906
			1,161,364,248	997,778,911
	Income over expenditure		313,737,680	23,785,032
20	**Interest income**			
	Interest on lease, loans & advances	20.1	1,215,426,075	856,309,778
	Interest on placement with other Banks & FIs	20.2	43,912,325	52,859,411
			1,259,338,401	909,169,190
20.1	**Interest on Loans & Lease Finance**			
	Interest income on lease finance		156,077,174	116,952,729
	Interest income on term finance		833,947,316	583,465,673
	Interest on housing finance		222,392,534	153,109,000
	Interest on consumer credit		352,554	594,696
	Interest on staff loan		2,656,497	2,187,680
			1,215,426,075	856,309,778
20.2	**Interest on placement with other Banks & FIs**			
	Interest on FDR		41,806,437	39,971,546
	Interest on STD accounts		1,753,807	6,938,768
	Other interest income		352,082	5,949,097
			43,912,325	52,859,411
20(a)	**Consolidated interest income**			
	Interest on loans & lease finance			
	MIDAS Financing Limited	20.1	1,215,426,075	856,309,778
	MIDAS Investment Limited		-	-
	Adjustment for consolidation		(30,584,077)	(40,331,066)
			1,184,841,998	815,978,712
	Interest on placement with other Banks & FIs			
	MIDAS Financing Limited	20.2	43,912,324	52,859,411
	MIDAS Investment Limited		33,811,654	41,275,077
	Adjustment for consolidation		(33,811,654)	(41,275,077)
			43,912,324	52,859,411
			1,228,754,323	868,838,124
21	**Interest on deposits & borrowings, etc.**			
	Interest paid on deposits		744,226,725	578,671,413
	Interest paid on borrowings	21.1	156,756,561	193,269,124
			900,983,286	771,940,537

Note	Particulars	Ref. Note	Amount in Taka	
			1 Jul. 2015 to 31 Dec. 2016	1 Jan. 2014 to 30 Jun. 2015
21.1	**Interest on borrowing**			
	Interest expenses on bank loan		111,025,987	89,799,152
	Interest expenses on call loan		29,971,431	44,897,472
	Interest expenses on re-financing loan		13,935,300	58,572,500
	Borrowing cost		1,823,844	-
			156,756,561	193,269,124
21(a)	**Consolidated Interest paid on deposit and borrowing Interest on deposits**			
	MIDAS Financing Limited		744,226,725	578,671,413
	MIDAS Investment Limited		-	-
	Adjustment for consolidation		(33,811,654)	(41,275,077)
			710,415,071	537,396,336
	Interest on borrowing			
	MIDAS Financing Limited		156,756,561	193,269,124
	MIDAS Investment Limited		30,584,078	40,331,066
	Adjustment for consolidation		(30,584,078)	(40,331,066)
			156,756,561	193,269,124
			867,171,632	730,665,460
22	**Income from Investment**			
	Income from investment in shares		56,790,079	8,272,249
	Dividend income		49,667,176	21,962,884
			106,457,255	30,235,133
22(a)	**Consolidated income from investment in securities**			
	Income from investment in shares			
	MIDAS Financing Limited	22	56,790,079	8,272,249
	MIDAS Investment Limited		(96,557)	1,978,245
			56,693,522	10,250,494
	Dividend income			
	MIDAS Financing Limited		49,667,176	21,962,884
	MIDAS Investment Limited		1,618,321	2,138,372
			51,285,497	24,101,256
	Less: Dividend from subsidiary		(37,499,700)	(10,000,000)
			70,479,319	24,351,750
23	**Other operating income**			
	Transfer price for leased asset		565,908	572,167
	Processing and other fees		15,201,640	9,375,206
	Reimbursement of documntation expenses		4,042,112	-
	Sale of application form		1,791,068	771,700
	Rental income-MIDAS Centre & Nahar green		86,001,601	69,783,433
	Other income	23.1	1,328,943	907,114
			108,931,272	81,409,621

Note	Particulars	Ref. Note	Amount in Taka	
			1 Jul. 2015 to 31 Dec. 2016	1 Jan. 2014 to 30 Jun. 2015
23.1	**Other income**			
	Notice pay		797,345	551,740
	News paper & other sales		16,200	28,700
	Miscellaneous income from deposits		248,142	215,667
	Miscellaneous income others		267,256	111,007
			1,328,943	907,114
23(a)	**Consolidated other operating income**			
	MIDAS Financing Limited	23	108,931,272	81,409,621
	MIDAS Investment Limited		42,429,750	40,518,041
			151,361,022	121,927,662
24	**Salaries and allowances**		158,896,346	119,749,922
24(a)	**Consolidated salary & allowances**			
	MIDAS Financing Limited	24	158,896,346	119,749,922
	MIDAS Investment Limited		3,500,662	2,578,517
			162,397,008	122,328,439
25	**Rent, taxes, insurances, electricity, etc.**			
	Rates & taxes		3,695,732	2,495,879
	Office rent		6,300,417	6,098,819
	Insurance		466,899	224,693
	Utilities		17,240,742	15,691,943
			27,703,790	24,511,334
25(a)	**Consolidated rent, taxes, insurance, electricity, etc.**			
	MIDAS Financing Limited	25	27,703,790	24,511,334
	MIDAS Investment Limited		2,060,863	19,279
			29,764,653	24,530,613
26	**Legal and professional expenses**			
	Legal/professional fees		4,973,625	4,151,811
	Other legal expenses		4,785,988	2,823,089
			9,759,613	6,974,900
26(a)	**Consolidated legal & professional expenses**			
	MIDAS Financing Limited	26	9,759,613	6,974,900
	MIDAS Investment Limited		292,352	26,667
			10,051,965	7,001,567
27	**Postage, stamps, telecommunication, etc.**			
	Postage & courier expenses		323,108	320,319
	Telephone, mobile, fax and internet		5,421,287	5,354,112
			5,744,395	5,674,431
27(a)	**Consolidated postage, stamps, telecommunication, etc.**			
	MIDAS Financing Limited	27	5,744,395	5,674,431
	MIDAS Investment Limited		184	1,470
			5,744,579	5,675,901

Note	Particulars	Ref. Note	Amount in Taka	
			1 Jul. 2015 to 31 Dec. 2016	1 Jan. 2014 to 30 Jun. 2015
28	**Stationery, printings, advertisements, etc.**			
	Stationary		1,715,748	1,800,272
	Printing		2,081,322	1,072,549
	Advertisement and publicity		1,991,525	1,974,135
	Signboard and banner		139,436	1,136,968
			5,928,031	5,983,924
28(a)	**Consolidated stationery, printing, advertisements, etc.**			
	MIDAS Financing Limited	28	5,928,031	5,983,924
	MIDAS Investment Limited		79,045	32,971
			6,007,076	6,016,895
29	**Managing Director's salary and benefits**		9,675,414	8,886,496
30	**Directors' fees and expenses**		2,411,824	2,623,286

Total 21 nos of Board Meeting, 6 nos of Audit Committee Meeting and 20 nos. of Executive Committee (EC) Meeting were held during the period of 1 July 2015 to 31 December 2016. Each Director was paid Tk.5,000 from 1 Jul. 2015 to 30 Nov. 2015 and Tk. 8000 from 1 December 2015 to 31 December 2016 for attending in each meeting as per Bangladesh Bank Circular.

30(a)	**Consolidated directors' fees and expenses**			
	MIDAS Financing Limited		2,411,824	2,623,286
	MIDAS Investment Limited		137,500	60,000
			2,549,324	2,683,286
31	**Depreciation and repair of company's assets**			
	i) Depreciation of company's assets (Annexure B)			
	Building		11,440,081	18,554,584
	Office equipment		1,339,058	1,580,670
	Office furniture		2,319,845	2,310,319
	Motor vehicle		507,906	736,925
	Intengible asset		531,262	-
	Computer equipment		1,472,174	1,603,272
			17,610,326	24,785,770
	ii) Repair and maintenance			
	Office repair and maintenance		9,969,622	8,450,219
	Car maintenance		1,006,877	455,917
			10,976,499	8,906,136
			28,586,825	33,691,906
31(a)	**Consolidated depreciation and repair of company's assets**			
	i) Depreciation of company's assets			
	MIDAS Financing Limited	31(i)	17,610,326	24,785,770
	MIDAS Investment Limited		7,643,977	9,608,695
			25,254,303	34,394,465
	ii) Repair and maintenance			
	MIDAS Financing Limited	31(ii)	10,976,499	8,906,136
	MIDAS Investment Limited		152,315	-
			11,128,814	8,906,136
			36,383,117	43,300,601

Note	Particulars	Ref. Note	Amount in Taka	
			1 Jul. 2015 to 31 Dec. 2016	1 Jan. 2014 to 30 Jun. 2015
32	**Other expenses**			
	Fuel		1,606,606	1,292,161
	Traveling and conveyance		3,189,182	3,020,602
	Public relation and AGM expenses		345,808	1,781,001
	News paper & periodicals		83,007	64,217
	Business promotion & development		80,340	364,391
	Entertainment		1,415,530	1,095,672
	Training, seminar & workshop		810,675	376,480
	Membership fees & subscription		858,200	534,000
	Bank charge		1,038,223	976,543
	Share management expenses		1,506,222	4,478,825
	Miscellaneous expenses		519,820	3,571,616
			11,453,613	17,555,508
32(a)	**Consolidated other expenses**			
	MIDAS Financing Limited	32	11,453,613	17,555,508
	MIDAS Investment Limited		216,380	100,988
			11,669,993	17,656,496
33	**Provision against loans, lease finance & others**			
	General provisions	13.1 (a)	16,837,885	(20,568,355)
	Specific provisions	13.1 (b)	(110,512,893)	216,826,672
	Provisions for diminution in value of investments	13.2	9,694,904	(18,516,058)
	Other provisions		41,218,293	-
			(42,761,811)	177,742,259
33(a)	**Consolidated provision against loans, lease finance & others**			
	General provisions			
	MIDAS Financing Limited		16,837,885	(20,568,355)
	MIDAS Investment Limited		-	-
			16,837,885	(20,568,355)
33(b)	**Specific provisions**			
	MIDAS Financing Limited		(110,512,893)	216,826,672
	MIDAS Investment Limited		-	-
			(110,512,893)	216,826,672
33 (c)	**Provisions for diminution in value of investments**			
	MIDAS Financing Limited		9,694,904	(18,516,058)
	MIDAS Investment Limited		(876,343)	3,609,297
			8,818,561	(14,906,761)
33(d)	**Current tax**			
	MIDAS Financing Limited		74,114,935	4,650,000
	MIDAS Investment Limited		6,594,088	8,236,236
			80,709,023	12,886,236

Note	Particulars	Ref. Note	Amount in Taka	
			1 Jul. 2015 to 31 Dec. 2016	1 Jan. 2014 to 30 Jun. 2015
33(e)	**Deferred tax**			
	MIDAS Financing Limited		3,234,498	547,381
	MIDAS Investment Limited		93,134	1,224,293
			3,327,632	1,771,674
33(f)	**Other provisions**			
	MIDAS Financing Limited		41,218,293	-
	MIDAS Investment Limited		1,674,240	-
			42,892,533	-
34	**Earnings per share (EPS)**			
	Net profit after taxation		279,150,058	(159,154,608)
	Number of ordinary shares outstanding (Denominator)		120,268,676	120,268,676
	Earnings Per Share		2.32	(1.32)
34(a)	**Consolidated Earnings per share (EPS)**			
	Consolidated net profit after Taxation		267,218,246	(149,120,352)
	Number of ordinary shares outstanding (Denominator)		120,268,676	120,268,676
	Earnings per share		2.22	(1.24)
35	**Interest received**			
	Interest income		1,237,312,206	909,169,190
	Add: Opening interest receivable on TDR & LTD		18,710,286	25,675,184
	Less: Closing interest receivable on TDR & LTD		(32,308,969)	(18,710,286)
			1,223,713,523	916,134,088
35(a)	**Consolidated Interest received**			
	Interest received		1,206,728,128	864,966,046
	Add: Opening interest receivable on TDR & LTD		18,710,286	23,551,794
	Less: Closing interest receivable on TDR & LTD		(32,308,969)	(18,710,286)
			1,193,129,445	869,807,554
36	**Interest Paid on deposits & borrowings**			
	Interest on deposits & borrowings		900,983,286	771,940,537
	Add: Opening interest payable on deposits & borrowings		152,884,654	172,898,948
	Less: Closing interest payable on deposits & borrowings		(294,623,869)	(152,884,654)
			759,244,071	791,954,831
36(a)	**Consolidated Interest on deposits & borrowings**			
	Interest on deposits & borrowings		867,171,632	730,665,460
	Add: Opening interest payable on deposits & borrowings		152,884,654	172,898,948
	Less: Closing interest payable on deposits & borrowings		(294,623,869)	(152,884,654)
			725,432,417	750,679,754
37	**Cash received from other operating activities**			
	Income from investment in shares		56,790,079	8,272,249
	Other operating income		108,931,272	81,409,621
			165,721,351	89,681,869
37(a)	**Consolidated cash received from other operating activities**			
	Income from investment in shares		56,790,079	8,272,249
	Other operating income		151,361,022	121,927,662
			208,151,101	130,199,910

Note	Particulars	Ref. Note	Amount in Taka	
			1 Jul. 2015 to 31 Dec. 2016	1 Jan. 2014 to 30 Jun. 2015
38	**Cash payments for other operating activities**			
	Rent, taxes, insurance, lighting, etc.		27,703,790	24,511,334
	Legal expenses		9,759,613	6,974,900
	Postage, stamps, telecommunication, etc.		5,744,395	5,674,431
	Directors' fees & expenses		2,411,824	2,623,286
	Auditors' fees		221,111	273,334
	Repair maintenance of Company's assets		10,976,499	8,906,136
	Other expenses		11,453,613	17,555,508
			68,270,845	66,518,929
39	**Cash increase/ decrease in other assets**			
	Receivable from MIDAS-admin. expenses		113,098	113,098
	Investment in MIDAS Investment Limited		249,998,000	249,998,000
	Advance against purchase of shares		30,032,275	4,389,170
	Advance against expenditure		238,508	415,960
	Advance office rent		4,894,430	5,006,101
	Security deposits		633,500	633,500
	Reimbursement legal expenses		1,869,592	1,869,592
	Stock of stamp		616,738	12,509
	Asset held for sale		39,315,713	39,315,713
	Receivable from rental income & others		12,043,429	2,280,233
			339,755,283	304,033,877
	Cash (increase)/ decrease in other assets		(35,721,407)	(59,313,722)
39(a)	**Consolidated cash increase/ (decrease) in other assets**			
	MIDAS Financing Limited	39	(35,721,407)	(59,313,722)
	MIDAS Investment Limited		1,839,831	(15,572,784)
			(33,881,576)	(74,886,506)
40	**Cash (increase/decrease) in other liabilities**			
	Advance against installment		69,227,381	38,484,718
	Advance rent from MIDAS Centre & NGS		27,975,390	19,897,500
	Payable & provision against expenditure		7,425,157	2,931,933
	Interest suspense		198,064,717	185,734,784
			302,692,645	247,048,935
	Cash increase/ (decrease) in Other Liabilities		55,643,710	242,286,006
40(a)	**Consolidated cash increase/ (decrease) in other liabilities**			
	MIDAS Financing Limited	40	55,643,710	242,286,006
	MIDAS Investment Limited		(5,363,158)	3,016,887
			50,280,552	245,302,893
41	**Cash inflow/(outflow) for lease loans and advances**			
	Opening balance		5,193,397,798	5,173,571,538
	Disbursement during the period		7,391,556,007	1,507,176,681
	Adjustment during the period		(3,566,847,855)	(1,365,995,762)
			9,018,105,950	5,314,752,457
	Write off of loans		(85,318,936)	(121,354,659)
			8,932,787,014	5,193,397,798
	Increase/(decrease) in loans and advances		(3,824,708,152)	82,487,142
42	**Cash and cash equivalents**			
	Cash in Hand		10,871,991	10,275,214
	Balance with Bangladesh Bank and its agent		139,568,181	73,433,931
	Balance with other Banks & Financial institutions		474,016,468	219,316,272
			624,456,641	303,025,417
42(a)	**Consolidated cash and cash equivalents**			
	MIDAS Financing Limited		624,456,641	303,025,417
	MIDAS Investment Limited		409,836	13,749
			624,866,477	303,039,166

43 Number of Employees

The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk. 36,000 per annum or above were 205 (In the year 2015-2016 it was 211).

44 Audit Committee

a) Particulars of Audit Committee

The audit committee consists the following Directors of the Board:

Name	Educational Qualification	Status with MFL	Status with the Committee
Mr.M. Hafizuddin Khan*	B.A (Hons) and M.A. in Political Science from D.U.	Director	Chairman
Ms. Rokia A. Rahman	Graduation in Banking from Karachi, Pakistan.	Chairman	Member
Mr. Md. Ikramullah	B.Sc. Engg.(Elect), M.S.(Telecom Engineering)	Director	Member
Mr. Siddiqur Rahman Choudhury	B.Sc (Hons), M.Sc D.U. Diploma in Public Financial Management (University of Connecticut,USA)	Director	Member
Mirza Ali Behrouze Ispahani**	B. Com.	Director	Member

* Mr. M. Hafizuddin Khan resigned from the post of Independent Director on 30 January 2017. Thereafter, Mr. Ali Imam Majumder, Independent Director of the Company was selected as member and Chairman of the Audit Committee on 274th Board Meeting held on 13 February 2017.

** Mirza Ali Behrouze Ispahani expired on 23 January 2017.

The members of the Board Audit Committee are all having good exposure in the NBFI's business. They played active role in the meetings.

b) Meeting held by the committee during the period by date

Meeting No	Held on
61st Meeting	22-Oct-15
62nd Meeting	29-Nov-15
63rd Meeting	21-Jan-16
64th Meeting	27-Apr-16
65th Meeting	28-Sep-16
66th Meeting	29-Dec-16

c) Meeting of Audit Committee

During 1 July 2015 to 31 December 2016, the Audit Committee of the Board conducted 6 (Six) meetings in which among others, the following issues were reviewed and discussed:

i) The Audit Committee reviewed and approved the audit plan for the year.

ii) The Committee reviewed Company's Internal Administrative Policy.

iii) The Committee reviewed Quarterly loan, lease classification and recovery position.

iv) The Committee reviewed the financial statements and Annual Report of the Company.

v) The Committee reviewed Quarterly and Half-yearly accounts of the Company.

vi) Regular review of the Internal and External (including Bangladesh Bank) Inspection & Audit Report with a view to implement the suggestion of Internal and External Auditors in respect of Internal Control structure and techniques.

45 Related Party Disclosures

45.1 Name of the Directors (during the audited period) and their interest in different entities

Name	Status with MFL	Entities where they have interest	Position
Ms. Rokia A. Rahman	Chairman (Nominated by MIDAS)	R.R. Cold Storage Ltd.	Chairman & MD
		Aris Holdings	Chairman
		Media World Ltd.	Chairman
		ARLINKs Group of Companies.	Chairman
		Banglar Sakti Ltd.	Chairman
		ARLINKs Ltd.	Director
		Imaan Cold Storage Ltd.	Director
		Media Star Ltd.	Director
		ABC Radio	Director
		Bangladesh Lamps Ltd.	Independent Director
		Grameen Phone Ltd.	Independent Director
		MARICO Ltd.	Independent Director
Mr. Md. Ikramullah	Director (Nominated by MIDAS)	-	-
Mr. Bazlur Rahman Khan*	Director (Nominated by MIDAS)	Lubricants Asia Ltd.	MD & CEO
		Agro Industrial Trust	Director
		Global Oil Ltd.	Director
Mirza Ali Behrouze Ispahani**	Director (Nominated by MIDAS)	M.M. Ispahani Ltd.	Chairman
		Ispahani Marshal Ltd.	Chairman
		Ispahani Food Limited	Chairman
		Chittagong Jute Mfg. Company Ltd.	Chairman
		Bangladesh Match Company Ltd.	Chairman
Mr. Md. Shamsul Alam	Director (General Share holder Group)	Intech Online Ltd.	Director
		Arafat Agro Trade	Proprietor
Mr. Mohammad Khairul Anam Chowdhury***	Director (Nominated by LankaBangla Finance Limited)	LankaBangla Securities Ltd.	Former CEO & Director
		Chittagong Stock Exchange Ltd.	Former Director
Mr. S.M. Azad Hossain	Director (General Share holder Group)	Nur-Nahar Spinning Mills Ltd.	Executive Director
Mr. Md. Shahedul Alam	Director (General Share holder Group)	RADIO VISION	Partner
		Hay Agro (Pvt) Ltd.	Chairman
		SBL Capital Managemnt Ltd.	Director
		Standard Bank Securities Ltd.	Director

Mr. M. Hafizuddin Khan****	Independent Director	-	-
Mr. Ali Imam Majumder	Independent Director	-	-
Mr. Siddiqur Rahman Choudhury	Independent Director	Social Marketing Company Ltd.	Director
		Social Marketing Enterprise Ltd.	Director

* MIDAS withdrew its nomination of Mr. Bazlur Rahman Khan and nominated Mr. Abdul Karim as representative Director. Mr. Abdul Karim was appointed as Director with effect from 28 February 2017.

** Mr. Mirza Ali Behrouze Ispahani expired on 23 January 2017.

*** LankaBangla Finance Limited withdrew its nomination of Mr. Mohammad Khairul Anam Chowdhury and nominated Mohammed Nasir Uddin Chowdhury as representative Director. Mohammed Nasir Uddin Chowdhury was appointed as Director with effect from 28 February 2017.

**** Mr. M Hafizuddin Khan resigned from the post of Independent Director on 30 January 2017 and appointed as representative Director of MIDAS with effect from 28 February 2017.

45.2 Significant Contracts where MFL is a party and wherein Directors have interest Nil

45.3 Shares issued to Directors & Executives without consideration or exercise at discount Nil

45.4 Lending Policies to related parties

Lending to related parties is effected as per requirements of 4th Schedule Section 14 of the Financial Institutions Act, 1993

45.5 Investment (Lease, Loans and Advances) to Directors and their related Concern (Note-7.2)

	Name of the Party	Related By	Nature of Investment	Amount in Tk.	Status
i)	Hoor Crafts	Guarantor	Term Finance	531,974	Standard
ii)	Ms. Helena	Guarantor	C. C. Loan	16,500	Standard
				548,474	

46 Events After The Balance Sheet Date

There is no material adjusting or non adjusting events after the balance sheet date.

46.1 Proposed Dividend

The Board of Directors in its 277th Board Meeting held on 7th May 2017 has recommended no dividend for the period (18 months) ended 31 December 2016 for placement before the shareholders for approval at 21st AGM of the Company.

MIDAS Financing Limited and its subsidiary

Consolidated Fixed assets including land, building, furniture and fixtures
For the 18 months period from 1 July 2015 to 31 December 2016

ANNEXURE-A

Amount in Taka

Particulars	COST				DEPRECIATION/AMORTIZATION				Written Down Value as on 31 December 2016
	Balance as on 1 July 2015	Addition during the Period	Disposal/ Transfer during the period	Balance as on 31 December 2016	Balance as on 1 July 2015	Charged for the Period	Transfer/ Adjustment during the period	Balance as on 31 December 2016	
I. Free holds assets									
Land	37,161,905	-	-	37,161,905	-	-	-	-	37,161,905
Building	524,854,965	-	-	524,854,965	59,649,728	18,888,032	-	78,537,760	446,317,205
Office equipment	6,791,838	2,580,636	-	9,372,474	4,337,400	1,370,001	-	5,707,401	3,665,073
Furniture & fixtures	27,137,302	2,016,384	-	29,153,686	8,705,354	2,807,560	-	11,512,914	17,640,772
Motor vehicle	8,498,105	-	-	8,498,105	6,684,154	507,906	-	7,192,060	1,306,045
Computer equipment	13,893,468	1,106,081	-	14,999,549	8,162,720	1,149,542	-	9,312,262	5,687,287
Sub Total	618,337,583	5,703,101		624,040,684	87,539,356	24,723,041		112,262,397	511,778,287
II. Intangible assets									
System & software	-	1,339,275	-	1,339,275	-	531,262	-	531,262	808,013
Total as on 31 Dec. 2016	618,337,583	7,042,376	-	625,379,959	87,539,356	25,254,303	-	112,793,659	512,586,301
Total as on 30 Jun. 2015	615,428,407	5,432,276	2,523,100	618,337,583	53,144,891	34,394,465		87,539,356	530,798,227

MIDAS Financing Limited

Fixed assets including land, building, furniture and fixtures
For the 18 months period from 1 July 2015 to 31 December 2016

ANNEXURE-B

Amount in Taka

Particulars	COST				DEPRECIATION/AMORTIZATION					Written Down Value as on 31 December 2016
	Balance as on 1 July 2015	Addition during the Period	Disposal/ Transfer during the period	Balance as on 31 December 2016	Rate of dep.	Balance as on 1 July 2015	Charged for the Period	Transfer/ Adjustment during the period	Balance as on 31 December 2016	
I. Free holds assets										
Land	19,505,978	-	-	19,505,978		-	-	-	-	19,505,978
Building	326,242,921	-	-	326,242,921	2.5%	50,273,159	11,440,081	-	61,713,240	264,529,681
Office equipment	6,694,088	2,564,466	-	9,258,554	18%	4,282,661	1,339,058	-	5,621,719	3,636,835
Furniture & fixtures	27,031,302	1,246,033	-	28,277,335	10%	9,066,129	2,319,845	-	11,385,974	16,891,361
Motor vehicle	8,498,105	-	-	8,498,105	20%	6,684,154	507,906	-	7,192,060	1,306,045
Computer equipment	13,596,572	885,798	-	14,482,370	18%	7,506,860	1,472,174	-	8,979,034	5,503,336
Sub Total	401,568,966	4,696,297	-	406,265,263		77,812,963	17,079,064	-	94,892,027	311,373,236
II. Intangible assets										
System & software	-	1,339,275	-	1,339,275	30%	-	531,262	-	531,262	808,013
Total as on 31 Dec. 2016	401,568,966	6,035,572	-	407,604,537		77,812,963	17,610,326	-	95,423,289	312,181,249
Total as on 30 Jun. 2015	398,809,196	5,282,871	2,523,100	401,568,966		53,027,193	24,785,770	-	77,812,963	323,756,003

MIDAS FINANCING LIMITED

HIGHLIGHTS OF PERFORMANCE

(Amount in Taka)

Sl No.	PARTICULARS	1 Jul. 2015 to 31 Dec. 2016	1 Jan. 2014 to 30 Jun. 2015
1	Paid up capital	1,202,686,760	1,202,686,760
2	Total capital	1,136,410,022	857,259,964
3	Capital surplus where as required capital 100 crore	202,686,760	202,686,760
4	Total assets	10,555,312,686	6,514,302,142
5	Total deposit	6,874,287,259	3,402,537,682
6	Total lease, loans & advances	8,932,787,014	5,193,397,798
7	Total contingent liabilities and commitments	1,180,598,190	98,350,000
8	Loans to deposit ratio(total loan/total deposit)	129.94%	152.63%
9	Percentage of classified loan against total loans	12.00%	21.73%
10	Profit after tax and provision	279,150,058	(159,154,608)
11	Classified lease, loans & advances during the period	1,072,050,935	1,128,633,148
12	Provisions kept against classified lease, loans & advances	406,627,499	602,459,329
13	Provision surplus/(deficit) against classified lease, loans & advances	-	-
14	Cost of fund	9.36%	10.36%
15	Interest earning assets	9,406,803,483	5,412,679,250
16	Non-interest earning assets	1,148,509,203	1,101,622,892
17	Return on investment (ROI)	11.33%	11.02%
18	Return on assets (ROA)	2.64%	0.50%
19	Income from investment in securities	106,457,255	30,235,133
20	Earnings per share	2.32	(1.32)
21	Operating profit per share	2.96	0.28
22	Price earning ratio (Times) (Annualized)	8.05	-
23	Net assets value per share (NAV)	9.45	7.13

INDEPENDENT AUDITORS' REPORT

to the Shareholders of MIDAS INVESTMENT LIMITED

We have audited the accompanying financial statements of **MIDAS INVESTMENT LIMITED** which comprises the Statement of Financial Position as at December 31, 2016 and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other explanatory information for the period of July 1, 2016 to December 31, 2016.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, and other applicable laws & regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the state of the affairs of financial position of the MIDAS INVESTMENT LIMITED as at December 31, 2016 and of the results of its operations and its cash flows for the period of July 1, 2016 to December 31, 2016 and comply with the requirements of the Companies Act, 1994, the Security and Exchanges Rules 1987 and other applicable laws and regulations.

We further report that:

a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

c) the company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

d) the expenditure was incurred for the purpose of the company's business.

Mahfel Huq & Co.
Chartered Accountants

Place : Dhaka,
Dated: 02 March 2017

MIDAS INVESTMENT LIMITED

Statement of Financial Position
As at December 31, 2016

Particulars	Notes	Amount in Taka December 31, 2016	Amount in Taka June 30, 2016
ASSETS			
Non-current assets			
Property, plant and equipments	3	39,393,784	38,777,460
Building (investment property)	3.1	161,011,268	163,216,904
Long-term investments	4	218,076,385	218,076,385
Total non-current assets		418,481,437	420,070,749
Current assets			
Cash and bank balance	5	409,836	535,659
Advance income tax		21,007,157	19,327,625
Investments	6	38,891,946	36,171,555
Rental income receivable	7	18,050,810	15,638,120
Other assets	8	203,725	5,062,317
Total current assets		78,563,474	76,735,276
TOTAL ASSETS		497,044,911	496,806,025
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	9	250,000,000	250,000,000
Retained earnings	10	17,632,879	45,375,856
Total equity		267,632,879	295,375,856
Liabilities			
Non-current liabilities			
Long-term loan	11	187,825,852	159,295,083
Total non-current liabilities		187,825,852	159,295,083
Current liabilities			
Liability against expenses	12	17,250	25,555
Provision for taxation	13	27,469,471	25,969,471
Other liabilities	14	14,099,459	16,140,058
Total current liabilities		41,586,180	42,135,084
Total liabilities		229,412,032	201,430,168
TOTAL EQUITY AND LIABILITIES		497,044,911	496,806,025

The accounting policies and explanatory notes form an integral part of these financial statement.

Chairman | Director | Chief Executive Officer | Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 02 March 2017

Mahfel Huq & Co.
Chartered Accountants

MIDAS INVESTMENT LIMITED

Statement of Profit or Loss and other Comprehensive Income
For the period from July 1, 2016 to December 31, 2016

Particulars	Notes	Amount in Taka July 01, 2016 to December 31, 2016	Amount in Taka July 01, 2015 to June 30, 2016
Operating income		-	-
Less: Operating expenses		-	-
Operating Profit		-	-
Income from investment in securities	15	(2,068,727)	3,590,491
Other income	16	15,361,746	30,295,580
Total other Income		13,293,019	33,886,071
Administrative expenses			
Salary and allowances		1,115,952	2,384,710
Bank charge		1,694	4,268
Legal & professional fees	17	56,027	236,325
Audit fees		17,250	25,555
Regulatory fees, charges, rates & taxes	18	256,790	1,804,073
Repairs and maintenance		152,315	-
Stationery, printing and advertisement	19	48,405	30,640
Telecommunication, postage and stamp	20	184	-
Newspaper & periodicals	21	3,825	8,048
Directors' fee		112,500	25,000
Travel & conveyance		8,525	5,720
Depreciation	3	2,596,116	5,047,861
Entertainment/refreshment		19,669	3,788
Miscellaneous expenses		17,050	143,793
Total administrative expenses		4,406,302	9,719,781
Profit before provision		8,886,717	24,166,290
Provision against rental receivable		-	1,674,240
Provision for investment	22	(1,922,813)	1,046,470
Profit before taxation		10,809,530	21,445,579
Tax expenses:			
Current tax		1,500,000	5,094,088
Deferred tax	14.2	(447,493)	540,627
		1,052,507	5,634,715
Profit for the year		9,757,023	15,810,864
Earnings Per Share (Taka)	23	0.39	0.63

The accounting policies and explanatory notes form an integral part of these Financial Statements.

Chairman | Director | Chief Executive Officer | Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 02 March 2017

Mahfel Huq & Co.
Chartered Accountants

MIDAS INVESTMENT LIMITED

Statement of Cash Flows

For the period from July 1, 2016 to December 31, 2016

Particulars	Amount in Taka July 01, 2016 to December 31, 2016	Amount in Taka July 01, 2015 to June 30, 2016
A) Cash flows from operating activities		
Fees & commission received	-	-
Interest received from TDR	10,399,797	23,411,857
Interest paid against borrowing	(9,466,551)	(21,117,527)
Profit or (loss) from share investment	(2,068,727)	3,590,491
Cash payment to employees	(1,115,952)	(2,384,710)
Cash payment to others	(694,234)	(2,287,210)
Income tax paid	(1,679,532)	(7,093,968)
Received from other income	14,428,500	28,001,250
Operating profit before changes in operating assets & liabilities:	**9,803,300**	**22,120,183**
Changes in operating assets and liabilities		
Purchase / sale of trading securities	(2,720,391)	2,222,547
Other assets	2,445,902	(606,072)
Other liabilities	321,400	(5,701,807)
Sub total	**46,912**	**(4,085,331)**
Net cash flows from operating activities (Total of "A"):	9,850,212	18,034,850
B) Cash flows from investing activitives		
Purchase / sale of property, plant & equipment	(1,006,804)	-
Term Deposits with MFL	-	(569,385)
Net cash used by investing activities (Total of "B"):	**(1,006,804)**	**(569,385)**
C) Cash flows from financing activities		
Increase/(decrease) of borrowings	28,530,769	(16,943,555)
Dividend	(37,500,000)	-
Net cash used by financing activities (Total of "C"):	**(8,969,231)**	**(16,943,555)**
D) Net increase/ (decrease) in cash & cash equivalents (A+B+C)	(125,823)	521,910
E) Opening cash and cash-equivalents	535,659	13,749
F) Closing cash cash-equivalents (D+E)*	**409,836**	**535,659**
*** Closing cash and cash-equivalents**		
Cash in hand	10,000	2,730
Cash at bank	399,836	532,929
Total:	**409,836**	**535,659**

The accounting policies and explanatory notes form an integral part of these financial statement.

Chairman | Director | Chief Executive Officer | Company Secretary

Signed in terms of our separate report of even date annexed.
Place: Dhaka
Dated: 02 March 2017

Mahfel Huq & Co.
Chartered Accountants

MIDAS INVESTMENT LIMITED

Statement of Changes in Shareholders' Equity
For the period from July 1, 2016 to December 31, 2016

Amount in Taka

Particulars	Share Capital	Statutory Reserve	Retained Earnings	Total
Balance as at July 01, 2015	250,000,000	-	29,564,992	279,564,992
Profit for the period	-	-	15,810,864	15,810,864
Balance as at June 30, 2016	**250,000,000**	**-**	**45,375,856**	**295,375,856**
Balance as at July 01, 2016	250,000,000	-	45,375,856	295,375,856
Profit for the period	-	-	9,757,023	9,757,023
Cash Dividend	-	-	(37,500,000)	(37,500,000)
Balance as at December 31, 2016	**250,000,000**	**-**	**17,632,879**	**267,632,879**

Chairman | Director | Chief Executive Officer | Company Secretary

Signed in terms of our separate report of even date annexed.

Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Dated: 02 March 2017

Notes to the financial statements
As at and for the six months ended on December 31, 2016

1.00 Company and it's activities

1.01 Corporate information

MIDAS Investment Limited is a subsidiary company of MIDAS Financing Ltd incorporated under the Companies Act 1994 dated 09 April, 2012 bearing Registration No C-100772/12 with the Registrar of Joint Stock Companies & Firms. The registered office of the company is at MIDAS Centre (6th floor), House # 05, Road # 16 (New), 27 (Old), Dhanmondi, Dhaka-1209. MIDAS Investment Limited obtained license from the Bangladesh Securities and Exchange Commission (BSEC) on 06 September, 2016

1.02 Company's Activities

The Company has been formed with a view to operating Merchant Banking activities.

2.00 Significant Accounting Policies

2.01 Statement of compliance

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business following accrual basis of accounting except for cash flow statement. In preparation of these financial statements the company followed respective provisions of The Companies Act 1994,The Securities and Exchange Rules, 1987 and Bangladesh Accounting Standard (BAS) and/or Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations.

2.02 Basis of Preparation and Presentation of Financial Statements

The financial statements have been prepared and the disclosure have been made in accordance with the requirements of Bangladesh Accounting Standards (BAS) , Securities and Exchange Rules, 1987 and other applicable laws and regulations. No adjustment has been made for inflationary factor affecting the financial statements.

2.03 Books of Accounts

The Company maintains its books of accounts for main business in electronic form through soft automation and a separate set of books of accounts for the merchant banking operation as required under the regulations of Securities and Exchange Commission.

2.04 Use of estimates and judgment

Preparation of the financial statements in conformity with BAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies that affect the reported amounts of the revenue and expenses, assets and liabilities. Due to involvement of inherent uncertainty in making estimates,

actual results could be different from those estimates.

2.05 Cash flow statements

The cash flow statement is prepared using the direct method as stipulated in Bangladesh Accounting Standard (BAS)-7 "Statement of Cash Flows". Cash and cash equivalents for cash flow statements comprises mainly of cash in hand and balances at banks.

2.06 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank.

2.07 Property plant & Equipment

Recognition

An item is recognized as an asset when it is probable that future economic benefit associated with the asset will flow to the enterprise and the cost of the assets to the enterprise can be measured reliably. The cost of an item of fixed assets includes its purchase price (less discounts and rebates), including import duties and taxes, and any directly attributable cost of bringing the asset to working condition for its intended use.

Measurement

Fixed assets for own use are stated initially at cost and subsequently at cost less accumulated depreciation and any accumulated impairment losses or at a re-valued amount less any accumulated depreciation and subsequent accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure of fixed assets are added to the carrying amount of the asset, when it is probable that future economic benefits, exceeding its present standard of performance, will flow to the company and the cost of the item can be measured reliably All other costs are recognized in profit and loss account as expense.

Depreciation

Components of an asset with differing patterns of benefits are depreciated separately. Depreciation is charged to amortized the cost of assets, over their estimated useful lives, using the straight-line method in accordance with BAS-16 "Property, Plant and Equipment". Full year depreciation is charged on additions irrespective of date when the related assets are put into use. On the other hand, no depreciation has been charged on the month of disposal.

The company follows the straight-line method of depreciation applying annual rates stated as follows:

Land	0%
Building	2.50%
Motor vehicles	20%
Office decoration	15%
Office equipment	20%
Furniture and fixtures	15%
Computers & Accessories	33%

Disposal of fixed assets

The gain or loss arising out of disposal of fixed assets is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognized in profit and loss account.

2.08 Impairment of Assets

The carrying amount of the companies assets are reviewed at each balance sheet date whenever there is any indication of impairment. If any such indication exist, the assets recoverable amounts are estimated. An impairment loss is recognized whenever the carrying amount of the assets or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the Profit and Loss Account.

2.09 Revenue Recognition (BAS 18," Revenue")

Revenue is recognized only when it is measurable and probable that the economic benefits associated with the transaction will follow to the company and in accordance with Bangladesh Accounting Standard (BAS) 18, "Revenue", Revenue unless otherwise mentioned or otherwise guided by the separate BAS/BFRS.

2.10 Financial instruments

Non-derivative financial instruments comprise investments in shares and TDR/FDR, trade receivables, cash and cash equivalents, margin loans, share capital and interest-bearing borrowings.

2.11 Financial assets at fair value through profit or loss

The financial asset is classified at fair value through profit or loss if it is classified as held for trading is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets are measured at fair value through profit or loss, and changes therein are recognised in profit or loss. Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as available for sale.

2.12 Provision on investment

As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

2.13 Income and expenditures

Income and expenditures are recognised on accrual basis. Income is only recognised if its realization is reasonably certain.

2.14 Borrowing cost

All borrowing costs are recognized as expenses in the period in which they incurred in accordance with benchmark treatment of Bangladesh Accounting Standard, BAS-23, "Borrowing Costs".

2.15 Taxation

Tax expense comprises current and deferred tax.

2.15.1 Current tax

Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereto from time to time.

2.15.2 Deferred tax

The Company accounts for deferred tax as per Bangladesh Accounting Standard (BAS) 12 "Income Taxes". Deferred tax is provided using the balance sheet method for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the balance sheet date is used to determine deferred tax. However it is mentioned that Rental income of the assets included in a Fixed Assets Assess under sec 25, of "Income Tax Ordinance 1984" thus there is no temporary difference between the tax base of assets and their carrying value for financial reporting purposes.

2.16 Reporting period

Since inception MIDAS Investment limited had maintained its reporting period from July to June in line with the reporting period of parent Company, MIDAS Financing Ltd. As per section 9(f) of Finance Act 2015 reporting period of parent Company, MIDAS Financing Limited was required to change to Jan-Dec from July-June. Further, Finance Act 2016 required to change the reporting period of subsidiary company in line with the reporting period of parent Company. Therefore, financial statements of MIDAS Investment Limited for the six months from July 01, 2016 to December 31, 2016 has been prepared and reported. Comparative statements are presented as per last audited financial statements which are not entirely comparable with the current year's presentation (referred to para 36 of BAS-1).

2.17 Reporting Currency and level of Precision

The financial statements are expressed in Bangladeshi Taka Currency and rounded off to the nearest integer.

2.18 Earnings Per Share (EPS)

The Company calculates Earnings per share (EPS) in accordance with Bangladesh Accounting Standards (BAS) 33, "Earnings Per Share" which is shown in the face of the Profit and loss Account and disclosures have been given in note 23.

2.19 Reconciliation of inter-company account

Accounts with regard to inter-company are reconciled regularly and there are no material differences which may affect the financial statements significantly.

2.20 Related party disclosure

As per Bangladesh Accounting Standards (BAS) 24 "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 24.

2.21 Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.22 Contingencies

Contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

2.23 Uniform accounting policies

The financial statements of MIDAS Financing Limited and MIDAS Investment Limited have been prepared in accordance with uniform policies of accounting.

2.24 Proposed dividend

Proposed dividend has not been recognised as a liability in the balance sheet in accordance with Bangladesh Accounting Standards (BAS) 10 "Events After the Balance Sheet Date".

2.25 Events after the balance sheet date

All material events occurring after the balance sheet date has been considered and where necessary, adjusted for or disclosed in note 27.

	Amount in Taka 31 December 2016	Amount in Taka 30 June 2016
3. Property, plant and equipment		
Land	17,655,927	17,655,927
Building	22,161,338	22,161,338
Furniture & fixtures	340,896	93,500
Office decoration	535,455	12,500
Office equipment	113,920	97,750
Computer & accessories	517,179	296,896
Property, plant and equipment at cost	**41,324,715**	**40,317,911**
Less: Accumulated depriciation	1,930,932	1,540,451
Written down value (WDV)	**39,393,784**	**38,777,460**
3.1 Building (Investment Property)	176,450,707	176,450,707
Less: Accumulated depriciation	15,439,439	13,233,803
Written down value (WDV)	**161,011,268**	**163,216,904**

Investment property includes building held to earn rentals. The propertry is accounted as per BAS-40 "Investment Property".

Details are shown in Annexure - A

4. Long-term investments		
Term deposits with MFL (2921)	205,000,000	205,000,000
Term deposits with MFL (2580)	13,076,385	13,076,385
	218,076,385	**218,076,385**
5. Cash and bank balance		
Cash in hand	10,000	2,730
Pubali Bank Ltd.	171,563	161,413
Standard Bank Ltd.	228,273	371,516
	409,836	**535,659**
6. Investments		
Investments into marketable securities-Performing	28,891,946	26,171,555
Investments into marketable securities-Non-performing	10,000,000	10,000,000
	38,891,946	**36,171,555**
7. Rental income receivable		
Office space	15,867,800	13,666,400
Garage space	216,000	198,000
Service charge	1,967,010	1,773,720
	18,050,810	**15,638,120**

	Amount in Taka	Amount in Taka
	31 December 2016	30 June 2016
8. Other assets		
Advance against purchase of shares	3,721	5,062,314
Advance against misc Expenses	4	4
Earnest money & security deposit	200,000	-
	203,725	**5,062,318**
9. Share capital		
Authorised		
100,000,000 ordinary shares of Tk.10/- each	**1,000,000,000**	**1,000,000,000**
Issued, subscribed and paid up capital:		
25,000,000 Ordinary shares of Tk. 10/- each fully paid up.	**250,000,000**	**250,000,000**

Details of Shareholding:

Sl No.	Name of Shareholders	No. of Shares	% of Shareholding		
1.	MIDAS Financing Limited	24,999,800	99.9992%	249,998,000	249,998,000
2.	Md. Fazlul Hoque	100	0.0004%	1,000	1,000
3.	Mr. Syed Tareque Md Ali	100	0.0004%	1,000	1,000
			100%	**250,000,000**	**250,000,000**

10. Retained earnings		
Opening balance	45,375,856	29,564,992
Profit for the year	9,757,023	15,810,864
Less: Dividend Paid	37,500,000	-
	17,632,879	**45,375,856**
11 Long term loan		
Opening balance	159,295,083	176,238,638
Add: Addition during the period	38,571,082	15,519,150
	197,866,165	191,757,788
Less: Adjustment during the period	10,040,313	32,462,705
	187,825,852	**159,295,083**

*Long term loan received from MIDAS Finance Limited against TDR.

	Amount in Taka 31 December 2016	Amount in Taka 30 June 2016
12 Liability against expenses		
Provision for audit fees	17,250	25,555
	17,250	**25,555**
13 Provision for taxation		
Opening balance	25,969,471	20,875,383
Addition/(Adjustment) during the period	1,500,000	5,094,088
	27,469,471	**25,969,471**
Less: Adjustment during the period	-	-
	27,469,471	**25,969,471**
14 Other liabilities		
Withholding AIT payable	1,623	-
Withholding VAT payable	5,922	-
Refundable security money	5,333,000	5,333,000
Provision for investment in share (14.1)	2,796,429	4,719,242
Newspapers and periodicals expenses payable	-	964
Electric bill received from tenent	-	386,839
Service charge received from tenent	1,967,010	1,805,935
Interest expense payable	987,363	454,919
Deferred taxes (14.2)	1,317,427	1,764,920
Provision for rental income	1,674,240	1,674,240
Miscellaneous liabilities	1,445	-
Drectors Fee Payable	15,000	-
	14,099,459	**16,140,058**
14.1 Provision for investment in share		
Opening balance	4,719,242	3,672,772
Addition/(Adjustment) during the period	(1,922,813)	1,046,470
	2,796,430	**4,719,242**
14.2 Deferred taxes		
Opening balance	1,764,920	1,224,293
Add: Addition during the period	(447,493)	540,627
	1,317,427	1,764,920
Less: Adjustment during the period	-	-
	1,317,427	**1,764,920**

	Amount in Taka 01 July 2016 to 31 Dec 2016	Amount in Taka 01 July 2015 to 30 June 2016
15 Income from investment in securities		
Dividend income	265,475	1,352,846
Profit or loss on securities	(2,334,202)	2,237,645
	(2,068,727)	3,590,491
16 Other income		
Rental income-office space	14,392,500	27,932,250
Rental income-garage space	36,000	69,000
Net interest income (Note-16.1)	933,246	2,294,330
	15,361,746	30,295,580
16.1 Net interest income		
Interest income on TDR (D02580)	604,783	1,311,149
Interest income on TDR (D02921)	9,795,014	22,100,708
Total interest income on TDR	10,399,797	23,411,857
Less:		
Interest on loan against TDR (D02580)	14,494	95,146
Interest on loan agaisnt TDR (D02921)	9,452,057	21,022,381
Total interest paid on loan against TDR	9,466,551	21,117,527
Net interest income	933,246	2,294,330
17 Legal & professional fees		
Consultancy fee	56,027	236,325
	56,027	236,325
18 Regulatory fees, charges, rates & taxes		
Application fee of BSEC	207,500	3,405
Govt. duty, vat & license Fees	49,290	152,465
City corporation	-	1,648,203
	256,790	1,804,073
19 Stationery, printing and advertisement		
Stationary expenses	16,238	26,380
Photography expenses	4,015	4,260
Printing & publication expenses	-	-
Advertisement Expenses	28,152	-
	48,405	30,640
20 Telecommunication, postage and stamp		
Telephon - TNT	184	
	184	-
21 News paper and periodical expenses		
News paper	3,825	8,048
	3,825	8,048

	Amount in Taka 01 July 2016 to 31 Dec 2016	Amount in Taka 01 July 2015 to 30 June 2016
22 Provision for investment expenditure	(1,922,813)	1,046,470
	(1,922,813)	1,046,470
23 Earnings Per Share (Taka)		
a. Net profit after tax (Taka)	9,757,023	15,810,864
b. No. of ordinary share outstanding	25,000,000	25,000,000
Earnings Per Share (a/b)	0.39	0.63

24 Related parties

24.1 Parent company

MIDAS Financing Limited has 99.9992% shareholdings of the company. As a result, the controlling party of the company is MIDAS Financing Limited.

24.2 Related party transaction

During the period, the Company carried out few transactions with related parties in the normal course of business. The names of the related parties and nature of these transaction have been set out in accordance with the provision of BAS 24-Related Party Disclosures.

Sl No.	Name of the party	Relation with the entity	Name of transaction	31 December 2016	30 June 2016
1	MIDAS Financing Ltd.	Parent	Deposit	218,076,385	218,076,385
2	MIDAS Financing Ltd.	Parent	Interest	933,246	2,294,330
3	MIDAS Financing Ltd.	Parent	Loan	187,825,852	159,295,083

25 Contingencies and commitment

There are no contingent assets or liabilities and unrecognized contractual commitments at the date of statement of financial position.

26 Capital expenditure commitment

There were no capital expenditure commitment as at December 31, 2016.

27 Events after the reporting period

No material events had occurred after the date of statement of the date of issue of these financial statements, which could affect the value stated in the financial statements or required disclosure in the notes.

MIDAS INVESTMENT LIMITED

Property, Plant and Equipments
For the period from July 1, 2016 to December 31, 2016

Annexure-A

Amount in Taka

Particulars	COST				Rate of dep	DEPRECIATION				Written down value as at 31.12.2016
	Balance as at 01.07.2016	Addition during the period	Disposal/ Adjustment during the period	Balance as at 31.12.2016		Balance as at 01.07.2016	Charged during the period	Disposal/ Adjustment during the period	Balance as at 31.12.2016	
Land	17,655,927	-	-	17,655,927		-	-	-	-	17,655,927
Building (own use)	22,161,338	-	-	22,161,338	2.5%	1,108,067	277,014	-	1,385,081	20,776,257
Furniture & fixtures	93,500	247,396	-	340,896	15%	53,996	25,567	-	79,563	261,333
Office decoration	12,500	522,955	-	535,455	15%	7,219	40,158	-	47,377	488,078
Office equipment	97,750	16,170	-	113,920	20%	74,289	11,393	-	85,682	28,238
Computer & accessories	296,896	220,283	-	517,179	33%	296,880	36,348	-	333,228	183,951
Sub Total:	40,317,911	1,006,804	-	41,324,715		1,540,451	390,481	-	1,930,932	39,393,784
Building (investment property)	176,450,707	-	-	176,450,707	2.5%	13,233,803	2,205,636	-	15,439,439	161,011,268
Total as on Dec 31,2016	216,768,618	1,006,804	-	217,775,422		14,774,254	2,596,116		17,370,370	200,405,052
Total as on June 30,2016	216,768,618	-	-	216,768,618		9,726,394	5,047,861		14,774,254	201,994,364

INDEPENDENT AUDITORS' REPORT

to the Shareholders of MIDAS INVESTMENT LIMITED

We have audited the accompanying financial statements of MIDAS INVESTMENT LIMITED which comprises the Statement of Financial Position as at June 30, 2016 and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other explanatory information for the year ended June 30, 2016.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs), the Companies Act, 1994 and other applicable laws & regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the state of the affairs of financial position of the MIDAS INVESTMENT LIMITED as at June 30, 2016 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of the Companies Act, 1994, the Security and Exchanges Rules 1987 and other applicable laws and regulations.

We further report that

a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

c) the company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

d) the expenditure was incurred for the purpose of the Company's business.

Place : Dhaka,
Dated: 27 September 2016

Mahfel Huq & Co.
Chartered Accountants

MIDAS INVESTMENT LIMITED

Statement of Financial Position
As at 30 June 2016

Particulars	Notes	Amount in Taka 30 June 2016	Amount in Taka 30 June 2015
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	38,777,460	39,414,053
Building (Investment Property)	3.a	163,216,904	167,628,172
Long-term investments	4	218,076,385	217,507,000
Total non-current assets		420,070,749	424,549,225
Current assets			
Cash and Cash Equivalents	5	535,659	13,749
Advance income tax		19,327,625	12,233,657
Investments	6	36,171,555	38,394,102
Rental income receivables	7	15,638,120	15,792,240
Other assets	8	5,062,318	4,302,126
Total current assets		76,735,276	70,735,874
TOTAL ASSETS		496,806,025	495,285,098
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	9	250,000,000	250,000,000
Retained earning	10	45,375,856	29,564,992
Total equity		295,375,856	279,564,992
Liabilities			
Non-current liabilities			
Longterm loan	11	159,295,083	176,238,638
Total non-current liabilities		159,295,083	176,238,638
Current liabilities			
Liability against expenses	12	25,555	23,000
Provision for taxation	13	25,969,471	20,875,383
Other liabilities	14	16,140,058	18,583,084
Total current liabilities		42,135,084	39,481,467
Total liabilites		201,430,168	215,720,105
TOTAL EQUITY AND LIABILITES		496,806,025	495,285,098

The accounting policies and explanatory notes form an integral part of these financial statement.

Chairman | Director | Chief Executive Officer (CC) | Company Secretary

Signed in terms of our separate report of even date annexed.

Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Dated: 27 September 2016

MIDAS INVESTMENT LIMITED

Statement of Profit or Loss and other Comprehensive Income
For the year ended on June 30, 2016

Particulars	Notes	Amount in Taka 2015-2016	Amount in Taka 2014-2015
Operating Income		-	-
Less: Operating Expenses		-	-
Operating Profit		-	-
Income from investment in securities	15	3,590,491	2,938,038
Other income	16	30,295,580	31,263,194
Total Other income		33,886,071	34,201,232
Administrative expenses			
Salary and allownaces		2,384,710	1,813,618
Bank charge		4,268	11,768
Legal & professional fees	17	236,325	26,667
Audit fees		25,555	23,000
Regulatory fees and charges	18	1,804,073	16,286
Stationery, printing and advertisement	19	30,640	15,501
Telecommunication, Postage, Stamp	20	-	1,470
Newspaper & periodicals	21	8,048	9,958
Directors' fee		25,000	40,000
Travel & conveyance		5,720	1,055
Depreciation	3	5,047,861	5,098,727
Entertainment/Refreshment		3,788	6,703
Miscellaneous expenses		143,793	53,205
Total administrative expenses		9,719,781	7,117,958
Profit before provision		24,166,290	27,083,274
Provision against rental receivable (25%)		1,674,240	-
Provision for investment	22	1,046,470	(1,469,326)
Profit before taxation		21,445,580	28,552,600
Tax expenses:			
Current tax		5,094,088	7,882,917
Deferred tax	14.2	540,627	644,506
		5,634,715	8,527,423
Profit for the year		15,810,864	20,025,177
Earnings Per Share	23	0.63	0.80

The accounting policies and explanatory notes form an integral part of these financial statement.

Chairman | Director | Chief Executive Officer (CC) | Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 27 September 2016

Mahfel Huq & Co.
Chartered Accountants

MIDAS INVESTMENT LIMITED

Statement of Changes in Shareholders' Equity
For the year ended on 30 June 2016

Particulars	Share Capital	Statutory Reserve	Retained Earnings	Total Taka
Balance as at 01 July 2014	250,000,000	-	19,539,815	269,539,815
Cash Dividend	-	-	(10,000,000)	(10,000,000)
Profit for the period	-	-	20,025,177	20,025,177
Balance as at 30 June 2015	**250,000,000**	**-**	**29,564,992**	**279,564,992**
Balance as at 01 July 2015	250,000,000	-	29,564,992	279,564,992
Profit for the period	-	-	15,810,864	15,810,864
Balance as at 30 June 2016	**250,000,000**	**-**	**45,375,856**	**295,375,856**

Chairman | Director | Chief Executive Officer (CC) | Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 27 September 2016

Mahfel Huq & Co.
Chartered Accountants

MIDAS INVESTMENT LIMITED

Statement of Cash Flows
For the year ended on 30 June 2016

Particulars	Amount in Taka 2015-2016	Amount in Taka 2014-2015
A) Cash flows from Operating Activities		
Fees & Commission Received	-	-
Interest received from TDR	23,411,857	26,069,573
Interest paid against borrowing	(21,117,527)	(25,037,603)
Dividend Received	3,590,491	2,938,038
Cash payment to employees	(2,384,710)	(1,813,618)
Cash Payment to others	(2,287,210)	(205,613)
Income Tax Paid	(7,093,968)	(3,728,934)
Received from other Income	28,001,250	30,231,224
Operating profit before changes in Operating Assets & Liabilities	**22,120,183**	**28,453,067**
Changes in Operating Assets and Liabilities		
Purchase / Sale of Trading Securities	2,222,547	2,336,547
Other Assets	(606,072)	(15,572,784)
Other liabilities	(5,701,809)	3,016,887
Sub Total	**(4,085,334)**	**(10,219,350)**
Net cash flows from operating activities (Total of "A")	18,034,850	18,233,717
B) Cash flows from Investing Activitives		
Purchase / Sale of Property, Plant & Equipment	-	(149,406)
Term Deposits with MFL	(569,385)	-
Net Cash used by investing activities (Total of "B")	**(569,385)**	**(149,406)**
C) Cash flows From Financing Activities		
Increase/(decrease) of borrowings	(16,943,555)	(10,992,365)
Dividend	-	(10,000,000)
Net Cash used by Financing Activities (Total of "C")	**(16,943,555)**	**(20,992,365)**
D) Net Increase/ (Decrease) in cash & cash equivalents (A+B+C)	**521,910**	**(2,908,054)**
E) Opening cash and cash-equivalents	**13,749**	**2,921,802**
F) Closing cash cash-equivalents (D+E)*	**535,659**	**13,749**
*** Closing cash and cash-equivalents**		
Cash in hand	2,730	5,133
Cash at bank	532,929	8,616
Total:	**535,659**	**13,749**

Chairman | Director | Chief Executive Officer (CC) | Company Secretary

Signed in terms of our separate report of even date annexed.

Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka
Dated: 27 September 2016

MIDAS INVESTMENT LIMITED

Notes to the financial statements
For the period from 01 July 2015 to 30 June 2016

1.00 Company and it's activities

1.01 Corporate information

MIDAS Investment Limited is a subsidiary company of MIDAS Financing Ltd, incorporated under the Cornpanies Act 1994 dated 09 April, 2012 bearing Registration No C-100772/12 with the Registrar of Joint Stock Companies & Firms. The registered office of the company is at MIDAS Centre (6th floor), House # 05, Road # 16 (New), 27 (Old), Dhanmondi, Dhaka-1209.

1.02 Company's Activities

The Company has been formed with a view to operating Merchant Banking activities. The Merchant Banker Registration Certificate was not obtained within the reporting period.

2.00 Significant Accounting Policies

2.01Statement of compliance

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business following accrual basis of accounting except for cash flow statement. In preparation of these financial statements the company followed respective provisions of The Companies Act 1994, The Securities and Exchange Rules, 1987 and Bangladesh Accounting Standard (BAS) and/or Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations.

2.02 Basis of Preparation and Presentation of Financial Statements

The financial statements have been prepared and the disclosure have been made in accordance with the requirements of Bangladesh Accounting Standards (BAS) , Securities and Exchange Rules, 1987 and other applicable laws and regulations. No adjustment has been made for inflationary factor affecting the financial statements.

2.03 Books of Accounts

"The Company maintains its books of accounts for main business in electronic form through soft automation and a separate set of books of accounts for the merchant banking operation as required under the regulations of Securities and Exchange Commission.

2.04 Use of estimates and judgment

Preparation of the financial statements in conformity with BAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies that affect the reported amounts of the revenue and expenses,assets and liabilities. Due to involvement of inherent uncertainty in making estimates, actual results could be different from those estimates.

2.05 Cash flow statements

The cash flow statement is prepared using the direct method as stipulated in Bangladesh Accounting Standard (BAS)-7 "Statement of Cash Flows". Cash and cash equivalents for cash flow statements comprises mainly of cash in hand and balances at banks.

2.06 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank.

2.07 Property plant & Equipment

Recognition

An item is recognized as an asset when it is probable that future economic benefit associated with the asset will flow to the enterprise and the cost of the assets to the enterprise can be measured reliably. The cost of an item of fixed assets includes its purchase price (easel discounts and rebates), including import duties and taxes, and any directly attributable cost of bringing the asset to working condition for its intended use.

Measurement

Fixed assets for own use are stated initially at cost and subsequently at cost less accumulated depreciation and any accumulated impairment losses or at a re-valued amount less any accumulated depreciation and subsequent accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure of fixed assets are added to the carrying amount of the asset, when it is probable that future economic benefits, exceeding its present standard of performance, will flow to the company and the cost of the item can be measured reliably All other costs are recognized in profit and loss account as expense.

Depreciation

Components of an asset with differing patterns of benefits are depreciated separately. Depreciation is charged to amortise the cost of assets, over their estimated useful lives, using the straight-line method in accordance with BAS-16 "Property, Plant and Equipment". Full year depreciation is charged on additions irrespective of date when the related assets are put into use. On the other hand, no depreciation has been charged on the month of disposal.

The company follows the straight-line method of depreciation applying annual rates stated as follows:

Land	0%
Building	2.50%
Motor vehicles	20%
Office decoration	15%
Office equipment	20%
Furniture and fixtures	15%
Computers & Accessories	33%

Disposal

The gain or loss arising out of disposal of fixed assets is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognized in profit and loss account.

2.08 Impairment of Assets

The carrying amount of the companys assets are reviewed at each balance sheet date whenever there is any indication of impairment. If any such indication exist, the assets recoverable amounts are estimated.An impairment loss is recognized whenever the carrying amount of the assets or its cash-generating unit exceeds its recoverable amount.Impairment losses,if any, are recognized in the Profit and Loss Account.

2.09 Revenue Recognition (BAS 18," Revenue")

Revenue is recognized only when it is measurable and probable that the economic benefits associated with the transaction will follow to the company and in accordance with Bangladesh Accounting Standard (BAS) 18, ""Revenue"", Revenue unless otherwise mentioned or otherwise guided by the separate BAS/BFRS.

2.10 Financial instruments

Non-derivative financial instruments comprise investments in shares and TDR/FDR, trade receivables, cash and cash equivalents, margin loans, share capital and interest -bearing borrowings.

2.11 Financial assets at fair value through profit or loss

The financial asset is classified at fair value through profit or loss if it is classified as held for trading is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets are measured at fair value through profit or loss, and changes therein are recognised in profit or loss. Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as available for sale.

2.12 Provision on investment

As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

2.13 Income and expenditures

Income and expenditures are recognised on accrual basis. Income is only recognised if its realisation is reasonably certain.

2.14 Employee benefits

The Company Maintains a defined contributory Provident Fund for its employees which is maintaind with MIDAS Fianancing Limited. Both the employees and MIDAS Investment Limited makes equal contribution to the Fund.

2.15 Borrowing cost

All borrowing costs are recognized as expenses in the period in which they incurred in accordance with benchmark treatment of Bangladesh Accounting Standard, BAS-23, "Borrowing Costs".

2.16 Taxation

Tax expense comprises current and deferred tax.

2.16.1 Current tax

Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereto from time to time.

2.16.2 Deferred tax

The Company accounts for deferred tax as per Bangladesh Accounting Standard (BAS) 12 "Income Taxes". Deferred tax is provided using the balance sheet method for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the balance sheet date is used to determine deferred tax. However it is mentioned that Rental income of the assets included in a Fixed Assets Assess under sec 25, of "Income Tax Ordinance 1984" thus there is no temporary difference between the tax base of assets and their carrying value for financial reporting purposes.

2.17 Reporting period

The Financial Statements have been prepared for the period from 01 July 2014 to 30 June 2015.

2.18 Reporting Currency and level of Precision

The financial statements are expressed in Bangladeshi Taka Currency and rounded off to the nearest integer.

2.19 Earnings Per Share (EPS)

The Company calculates Earnings per share (EPS) in accordance with Bangladesh Accounting Standards (BAS) 33, "Earnings Per Share" which is shown in the face of the Profit and loss Account and disclosures have been given in note 23.

2.20 Reconciliation of inter-company account

Accounts with regard to inter-company are reconciled regularly and there are no material differences which may affect the financial statements significantly.

2.21 Related party disclosure

As per Bangladesh Accounting Standards (BAS) 24 "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 24.

2.22 Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.23 Contingencies

Contingencies arising from claims, litigation, assesment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

2.24 Uniform accounting policies

The financial statements of MIDAS Financing Limited and MIDAS Investment Limited have been prepared in accordance with uniform policies of accounting.

2.25 Proposed dividend

Proposed dividend has not been recognised as a liability in the balance sheet in accordance with Bangladesh Accounting Standards (BAS) 10 "Events After the Balance Sheet Date".

2.26 Events after the balance sheet date

All material events occurring after the balance sheet date has been considered and where necessary, adjusted for or disclosed in note 27.

	Amount in Taka 30 June 2016	Amount in Taka 30 June 2015
3. Property, plant and equipment		
Land	17,655,927	17,655,927
Building (3.1)	22,161,338	22,161,338
Furniture & fixtures	93,500	93,500
Office decoration	12,500	12,500
Office equipment	97,750	97,750
Computer & accessories	296,896	296,896
Property, plant and equipment at cost	40,317,911	40,317,911
Less: Accumulated Depriciation	1,540,451	903,858
Written down value (WDV)	**38,777,460**	**39,414,053**
3.a Building (Investment Property) (3.1)	176,450,707	176,450,707
Less: Accumulated Depriciation	13,233,803	8,822,535
Written down value (WDV)	**163,216,904**	**167,628,172**
3.1 The property, plant and equiment (BAS-40, "Investment Property")		
Building (Own use)	22,161,338	22,161,338
Building (Investment Property)	176,450,707	176,450,707
	198,612,045	**198,612,045**

Investment Property are valued at cost model as per BAS-40, "Investment Property".

Details shown in Annexure - A

4. Long-term investments		
Term deposits with MFL (2921)	205,000,000	205,000,000
Term deposits with MFL (2580)	13,076,385	12,507,000
	218,076,385	**217,507,000**
5. Cash and Cash Equivalents		
Cash in hand	2,730	5,133
Pubali Bank Ltd - Dhaka # 4557	161,413	8,616
Standard Bank Limited-Dhaka # 6114	371,516	-
	535,659	**13,749**
6. Investments		
Investments into marketable securities-Performing	26,171,555	28,394,102
Investments into marketable securities-Non-performing	10,000,000	10,000,000
	36,171,555	**38,394,102**
7. Rental income receivables		
Office space	13,666,400	14,243,100
Garage space	198,000	162,000
Service charge	1,773,720	1,387,140
	15,638,120	**15,792,240**

	Amount in Taka	Amount in Taka
	30 June 2016	30 June 2015
8. Other assets		
Advance against purchase of shares	5,062,314	4,302,122
Advance against Misc Expenses	4	4
	5,062,318	4,302,126
9. Share Capital		
Authorised		
100,000,000 ordinary shares of Tk.10/- each	1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital:		
25,000,000 Ordinary shares of Tk. 10/- each fully paid up.	250,000,000	250,000,000

Details of Shareholding:

Sl No.	Name of Shareholders	No. of Shares	% of Shareholding		
1.	MIDAS Financing Limited	24,999,800	99.9992%	249,998,000	249,998,000
2.	Md. Fazlul Hoque	100	0.0004%	1,000	1,000
3.	Mr. Syed Tareque Md Ali	100	0.0004%	1,000	1,000
			100%	250,000,000	250,000,000

10. Retained Earnings		
Opening balance	29,564,992	19,539,815
Profit for the year	15,810,864	20,025,177
Dividend Paid	-	(10,000,000)
	45,375,856	29,564,992
11. Long term loan		
Opening balance	176,238,638	187,231,003
Add: Addition during the period	15,519,150	10,182,156
	191,757,788	197,413,159
Less: Adjustment during the period	32,462,705	21,174,521
	159,295,083	176,238,638

*Long term loan received from MIDAS Finance Limited against TDR.

	Amount in Taka 30 June 2016	Amount in Taka 30 June 2015
12 Liability against expenses		
Provision for audit fees	25,555	23,000
	25,555	**23,000**
13 Provision for taxation		
Opening balance	20,875,383	12,992,466
Add: Addition during the period	5,094,088	7,882,917
	25,969,471	20,875,383
Less: Adjustment during the period	-	-
	25,969,471	**20,875,383**
14 Other liabilities		
Advance rent	-	180,000
Refundable security money	5,333,000	8,668,200
Provision for investment in share (14.1)	4,719,242	3,672,772
Newspapers and periodicals expenses payable	964	754
Electric bill received from tenent	386,839	330,155
Service charge received from tenent	1,805,935	1,525,475
Interest expense payable	454,919	981,371
Deferred Taxes (14.2)	1,764,920	1,224,293
Dividend Payable	-	72
Tax Payable (Deducted at source)	-	1,999,992
Provision for Rental Income	1,674,240	-
	16,140,058	**18,583,084**
14.1 Provision for investment in share		
Opening balance	3,672,772	5,142,098
Add: Addition during the period	1,046,470	
	4,719,242	5,142,098
Less: Adjustment during the period	-	1,469,326
	4,719,242	**3,672,772**
14.2 Deferred Taxes		
Opening balance	1,224,293	579,787
Add: Addition during the period	540,627	644,506
	1,764,920	1,224,293
Less: Adjustment during the period	-	-
	1,764,920	**1,224,293**

		Amount in Taka 2015-2016	Amount in Taka 2014-2015
15	**Income from Investment in securities**		
	Dividend Income	1,352,846	1,576,612
	Profit or loss on Securities	2,237,645	1,361,426
		3,590,491	2,938,038
16	**Other income**		
	Rental income-Office space	27,932,250	30,023,101
	Rental income-Garage space	69,000	198,000
	Interest on Savings Bank A/C	-	10,123
	Net Interest Income (Note-16.1)	2,294,330	1,031,970
		30,295,580	31,263,194
16.1	**Net Interest Income**		
	Interest income on TDR (D02580)	1,311,149	1,469,573
	Interest income on TDR (D02921)	22,100,708	24,600,000
	Total Interest Income on TDR	23,411,857	26,069,573
	Less:		
	Interest on Loan against TDR (D02580)	95,146	29,033
	Interest on Loan againt TDR (D02921)	21,022,381	25,008,570
	Total Interest Paid on Loan against TDR	21,117,527	25,037,603
	Net Interest Income	2,294,330	1,031,970
17	**Legal & professional fees**		
	Consultancy fee	236,325	26,667
		236,325	26,667
18	**Regulatory fees, charges, rates & taxes**		
	Online submission fees-RJSC	3,405	1,286
	Excise Duty	152,465	15,000
	City Corporation Tax	1,648,203	-
		1,804,073	16,286
19	**Stationery, printing and advertisement**		
	Stationary expenses	26,380	125
	Photography expenses	4,260	500
	Printing & publication expenses	-	14,876
		30,640	15,501
20	**Telecommunication, Postage, Stamp**		
	Non-judicial stamp	-	1,470
		-	1,470
21	**News paper and periodical expenses**		
	News paper and periodical expenses	8,048	9,958
		8,048	9,958

	Amount in Taka 2015-2016	Amount in Taka 2014-2015
22 Provision for Investment Expenditure	1,046,470	(1,469,326)
	1,046,470	(1,469,326)
23 Earnings Per Share		
a. Net profit after tax	15,810,864	20,025,177
b. No. of ordinary share outstanding	25,000,000	25,000,000
Earnings Per Share (a/b)	0.63	0.80
23.1 Minority interest (Taka)		
200 ordinary shares* EPS	126	160
23.2 Interest of MFL		
24,999,800 ordinary shares* EPS	15,810,738	20,025,017

24 Related parties

24.1 Parent company

MIDAS Financing Limited has 99.9992% shareholdings of the company. As a result, the controlling party of the company is MIDAS Financing Limited.

24.2 Related party transaction

During the period, the Company carried out a no. of transaction with related parties in the normal course of business. The names of the related parties and nature of these transaction have been set out in accordance with the provision of BAS 24-Related Party Disclosures.

Sl No.	Name of the party	Relation with the entity	Transaction	2015-2016	2014-2015
1	MIDAS Financing Limited.	Parent	Deposit	218,076,385	217,507,000
2	MIDAS Financing Limited.	Parent	Interest	21,117,527	25,037,603
3	MIDAS Financing Limited.	Parent	Loan	159,295,083	176,238,638

25 Contingencies and commitment

There are no contingent assets or liabilities and unrecognized contractual commitments at the date of statement of financial position.

26 Capital expenditure commitment

There were no capital expenditure commitment as at 30 June 2016.

27 Events after reporting period

MIDAS Investment Ltd obtained full pledged Merchant Banker & Portfolio Manager Registration certificate from Bangladesh Securities and Exchange Commission (BSEC) vide its letter SEC/Reg/MB-113/2012/157 dated September 06, 2016.

Property, Plant and Equipment

For the year ended on June 30, 2016

Annexure-A

Amount in Taka

Particulars	COST				Rate of dep	DEPRECIATION				Written down value as at 30.06.2016
	Balance as at 01.07.2015	Addition during the period	Disposal/ Adjustment during the period	Balance as at 30.06.2016		Balance as at 01.07.2015	Charged during the period	Disposal/ Adjustment during the period	Balance as at 30.06.2016	
Land	17,655,927	-	-	17,655,927		-	-	-	-	17,655,927
Building (Own use)	22,161,338	-	-	22,161,338	2.5%	554,033	554,034	-	1,108,067	21,053,271
Furniture & fixtures	93,500	-	-	93,500	15%	39,971	14,025	-	53,996	39,504
Office decoration	12,500	-	-	12,500	15%	5,344	1,875	-	7,219	5,281
Office equipment	97,750	-	-	97,750	20%	54,740	19,549	-	74,289	23,461
Computer & accessories	296,896	-	-	296,896	33%	249,770	47,110	-	296,880	16
Sub Total:	**40,317,911**	**-**	**-**	**40,317,911**		**903,858**	**636,593**	**-**	**1,540,451**	**38,777,460**
Building (Investment Property)	176,450,707	-	-	176,450,707	2.5%	8,822,535	4,411,268	-	13,233,803	163,216,904
Grand Total	**216,768,618**	**-**	**-**	**216,768,618**		**9,726,394**	**5,047,861**		**14,774,254**	**201,994,364**

MIDAS FINANCING LIMITED

Registered Office: House # 5, Road #16 (New), 27 (Old), Dhanmondi, Dhaka-1209

PROXY FORM

I/We.....of.....
.....being a shareholder of MIDAS Financing Limited and entitled to vote, hereby appoint Mr. /Mrs./Miss .....as my/our proxy to attend and vote for me/us and on my/ our behalf at the 21st Annual General Meeting of the Company to be held on Tuesday 20 June 2017 at 11.00 a.m. at the MIDAS Centre (12th floor), House # 5, Road # 16 (New) 27 (Old), Dhanmondi, Dhaka or at any adjournment thereof or at any ballot to be taken in consequence hereof.

Signed this..... Signature of proxy.....
day of 2017

Revenue Stamp of Tk. 20/-

Signature of Shareholder

BO ID:

No. of Shares held.....

Note:

1) This form of proxy, duly completed and signed must be deposited at least 72 hours before the meeting at the Company's registered office. Proxy is invalid if not signed and stamped as explained above.

2) Signature of Shareholder must be in accordance with Specimen Signature recorded with the Company.

MIDAS FINANCING LIMITED

Registered Office: House # 5, Road #16 (New), 27 (Old), Dhanmondi, Dhaka-1209

ATTENDANCE SLIP

I hereby record my attendance at 21st Annual General Meeting of the Company being held on Tuesday 20 June 2017 at 11.00 a.m. at the MIDAS Centre (12th floor), House # 5, Road # 16 (New) 27 (Old), Dhanmondi, Dhaka

Name of the Member/Proxy.....

BO ID:

Signature of Shareholder..... Signature of proxy .....
No. of Shares held ..... Date .....

N.B.: Shareholder attending meeting in person or Proxy are requested to complete the Attendance Slip and deposit same at the entrance of the meeting.

Branches/Booths of MFL

Chittagong
Excel SM Tower (1st Floor)
62, Zakir Hossain Road
East Nasirabad, Khulshi
Chittagong.

Khulna
Fatema Tower (2nd Floor)
2-A, KDA Avenue, Khulna-9100
Phone: 721857, 01711-896844
Opening: Dec-22, 1999

Bogra
Jamil Shopping Center (3rd Floor)
Borogola, Bogra Rangpur Road, Sadar Bogra.
Phone: 051-69927

Narayanganj
81/C B.B Road (2nd Floor)
2 No. Rail Gate, Narayanganj.
Phone: 01731-928308; 01971-928308

Comilla
Salam Builders Mansion (2nd Floor)
Mogoltuli, Comilla.
Phone: 01973-116447

Feni
Hazi Latif Tower (3rd Floor)
626, Trunk Road, Comilla Bus Stand, Feni.
Phone: 01713-131402

Gazipur
K.S Tower (2nd Floor)
Chandana Chowrasta, Gazipur.

Sitakunda
Nibir Biponi Bitan (1st Floor)
Sitakunda, Chittagong.
Phone: 01978-488460

Islampur
Nurul Haque Tower (2nd Floor)
21 Patoatuly Road, Dhaka-1100.
Phone: 02-9511390; 01973-111308

Chandpur
35 Haji Mohsin Road (1st Foor)
Chandpur.
Phone: 0841-66059; 01970-451675

Narsingdi
Bankpatti, Madhabdi Bazar,
Moadhabdi, Narsingdi.
Phone: 9446808; 01749-303463

Keranigonj
Morhum Shahadat Hossain Mansion (1st Floor)
House # 01, Golam Bazar Road, Kodamtoli
Bus Stand, Keranigonj, Dhaka.

Hathazari
S.A Shopping Complex (2nd Floor)
Hathazari, Chittagong.
Phone: 01713-279158

Brahmanbaria
144 Court Road (3rd Floor)
Bank Potti, Brahmanbaria.
Phone: 01816-109773, 01973-279157

Jessore
Sardar Plaza (1st Floor)
135 M. K Road, Jessore.
Phone: 01729-097092



MIDAS CENTRE

MIDAS FINANCING LIMITED

MIDAS Centre (10th & 11th Floor), House - 05, Road - 16 (New), Dhanmondi, Dhaka-1209.
Tel: 8116186-7, 09611221055, Fax: 880-2-8142085, e-mail: info@mfl.com.bd