

Vision of Central Depository Bangladesh Limited (CDBL) is to be a dynamic, forward looking institution committed to adding value to the business of its clients. Equipped with up-to-date Information Technology it ensures prompt customer response providing innovative solutions to the needs of the capital market playing a pivotal role in Bangladesh's financial services sector.

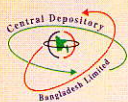
Mission of CDBL is to have a sound management team with carefully-chosen, highly-motivated staff fostering a spirit of enthusiasm balanced with prudent policies to achieve a high level of sophistication and expertise in the performance of its personnel by consistently striving to provide high quality services that are reliable, transparent and efficient by:

- Emphasizing the importance of the customer
- Unleashing employee initiative by empowering them
- Viewing activities of the business as processes and the goal of continuous improvement.

Management's leadership endeavour is to forge a passionate, inspired, motivated and cohesive team to operate from a fully common bottom line, sharing the same agenda, driven by the same vision to achieve the best possible results, not only for the shareholders and the employees but also to boost public confidence in CDBL's growing strength as an independent, professionally managed institution.

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Central Depository Bangladesh Limited (CDBL)

Overview

Central Depository Bangladesh Limited (CDBL) was incorporated on 20th August 2000 sponsored by the country's Nationalized Commercial Banks (NCBs), Investment Corporation of Bangladesh (ICB), Private Commercial Banks (PCBs), Foreign Banks, Merchant Banks, Publicly listed Companies, Insurance Companies and Dhaka & Chittagong Stock Exchanges with the collaboration of the Asian Development Bank (ADB).

CDBL's core services cover the efficient delivery, settlement and transfer of securities through computerized book entry system i.e. recording and maintaining securities accounts and registering transfer of securities; changing the ownership without any physical movement or endorsement of certificates and execution of transfer instruments. The Central Depository System (CDS) operated by CDBL has proved to be a convenient and reliable means to settle securities transaction. The investor has been freed from the hassles of physical handling of certificates, errors in paper work and the risks associated with damaged, lost and forged certificates.

Legal basis for CDBL's operations is set out in the Depositories Act 1999, Depositories Regulations 2000, Depository (User) Regulations 2003, and the CDBL Bye Laws.

CDBL's operations are carried out in its Main Data Centre which is linked to a remote Disaster Recovery Centre operating as a backup with data update taking place simultaneously.

CDBL's Software application VeDAS (Versatile Engine for Depository Accounting System) is built on three-tier architecture, with Visual Basic at the Front End, TUXEDO as the middle tier transaction manager, and Oracle at the Back End centralized database.

Network connectivity to Depository Participants, Issuers, Banks & Stock Exchanges is through Front End interfaces accessed by WAN link and dial-up telephone lines.

Equity market securities dematerialization process i.e. eliminating physical certificate as record of security ownership by substituting it as an electronic book entry record in the CDS commenced on 24th January 2004 with the entry of Square Pharmaceuticals Limited into the CDS.

Highlights of progress of CDS

| Depository elements | June '08 | June '09 | June '10 | June '11 | June '12 |
|--|-----------|-----------|-----------|-----------|-----------|
| Investors Accounts set-up in the CDS | 1,777,334 | 2,124,976 | 3,432,295 | 4,457,661 | 4,639,400 |
| Investors Accounts in operable state in the CDS | 1,395,617 | 1,419,015 | 2,570,659 | 2,678,400 | 2,686,783 |
| Percentage of operable Investors Accounts | 79% | 67% | 75% | 60% | 58% |
| Depository Participants (Equity market) | 250 | 272 | 300 | 328 | 345 |
| Growth of Depository Participants | 13% | 9% | 10% | 9% | 5% |
| Equity Securities in the CDS - Issuers | 150 | 179 | 226 | 275 | 292 |
| Growth of Issuers entry in the CDS | 27% | 19% | 26% | 22% | 6% |
| Number of Equity Shares in the CDS (in millions) | 1,098 | 1,854 | 5,412 | 16,995 | 31,829 |
| Growth of Equity Shares in the CDS | 54% | 69% | 192% | 214% | 87% |
| % of stock exchange turnover settled in the CDS | 95 | 97 | 98 | 100% | 100% |

CDBL is the National Numbering Agency for ISIN (International Securities Identification Number) in Bangladesh as a member of ANNA (Association of National Numbering Agencies).

CDBL is a member of Asia Pacific Central Securities Depositories Group (ACG) and an Associate Member of South Asian Federation of Exchanges (SAFE).

CDBL Team

Managing Director & CEO

Mohammed Habibus Samad, FCA, CTA

Chief Operating Officer

Sayed Javed Ahmad, B. Tech (IT), MBA, MPA

Application Support

Md. Tohabin Huq, M Com, PGD (IT & Comp Sc)

Md. Faruque Ahmed, Dip in Comp Sc (Japan)

Kazi Minhaz Uddin, B Sc, Comp Engg

Customer Support Services

Md. Muniruzzaman Rana, B. Sc, Comp Sc & Engg

Shihab Bari, B. Sc, Comp Sc & Engg

Md. Mokhlesur Rahman, B. Sc, Comp Sc & Engg

Md. Monirul Islam, B. Sc (CIS), MBA (MIS)

Ms. Farkhunda Dorin, B. Sc (Hons), Comp Sc & Engg

Shafaet Ahmed Siddique, B. Sc (Hons), Comp Sc

Md. Tajul Islam, B. Com, Dip-in-Comp Sc

Md. Sofeoul-Al-Mamun, B. Sc in ICT

Md. Abeer Omor, B. Sc, ETE

Sylhet

Prosunjit Biswas, B. Sc, Comp Sc & Engg

Chittagong

Mohammed Yeaqub Ali, B. Sc in ECE

Feroz Ahmed, B. Sc, Comp Sc & Engg

Manna Dey, B. Sc, Comp Sc & Engg, CCNA

Training

Md. Shariful Alam, B. Sc, Comp Sc & Engg

Md. Afsar Uddin, B. Com, Dip-in-Comp Sc

Finance & Accounts

Md. Shahidul Islam, BBA

Jayanta Biswau Mondal, M. Com

Md. Golam Mostafa, B. Com

Ms. Rumana Rahman, B. Com

Ms. Shanaz Begum, M. Com

Almas Arefin, M. Com

Naveed Farhan Aziz, BABS, (UK)

Ms. Monoara Begum, B. Sc (Hons) M. Sc

Ms. Nurjahan Begum, M. Sc

Falguni Biswas

Systems Operation

G M Ahsanul Haque, M. Sc, Comp Sc

Md. Moinul Haque, M. Sc, Comp Sc

Raquibul Islam Chowdhury, M. Sc, Comp Sc

K M Shaberul Islam, MBA (Finance), B. Sc, Comp Sc

Quazi Ghulam Shakur, MSS (Econ)

Saber Mahmud, BS (USA)

Mosammat Parvin Akhter, MA, Dip in Comp Engg

Network Administration

A Hasib Rahman, MA, MCSE (Aus)

Mashrur Sakib, B. Sc, Comp Sc, CCNA

Md. Imam Hossain Sayem, B. Sc, Comp Sc (Russia)

Shift Operations

Mohammad Shaiful Alam, B. Sc, Comp Sc & Engg

Sanjib Kumar Baidya, B. Sc, ICT

Anwarul Faisal, B. Sc, ICT

Shah Alam Masum, Dip in Electrical Engg

Sunnyur Rahman, Dip in Computer Sc & Tech

Md. Muzaffar Mahmud, B. Sc, Comp Sc & Engg

Md. Shahidul Islam, B. Sc, Comp Sc & Engg

Minuddin Ahammed, B. Sc, Comp Sc

Md. Mahfuzur Rahman, B. Sc, Comp Sc

Md. Arif Hossain, B. Sc, Comp Sc

Md. Saiful Islam, B. Sc, Comp Sc

Administration & Maintenance

Salahuddin Haidar, MBA (USA), MSCIT (Australia)

Shafiqul Islam, B. Sc, Comp Sc & Engg

Ms. Supria Florence Biswas, BSS

Ms. Nasrin Haque

Ms. Shrabony Teresa Biswas

Ms. Taslima Akhter, BA

Md. Abdus Salam

Md. Humayun Kabir

Md. Joydal Abedin Sagor

Legal Affairs

Syed Akhter Hossain, BA (Hons), MA (Pub Admn)

CDBL - Board of Directors

| | | |
|--|---|-------------------------|
| Mr. Syed Manzur Elahi Nominee of Mutual Trust Bank Ltd. | — | Chairman |
| Mr. A K M Nurul Fazal Bulbul Nominee of Bangladesh Association of Banks (BAB) | — | Director |
| Mr. Azam J Chowdhury Nominee of Prime Bank Ltd | — | Director |
| Mr. Tapan Chowdhury Nominee of Square Pharmaceuticals Ltd. | — | Director |
| Mr. Pradip Kumar Dutta Nominee of Sonali Bank Ltd. | — | Director |
| Mr. Md. Fayekuzzaman Nominee of Investment Corporation of Bangladesh (ICB) | — | Director |
| Mr. Sheikh Kabir Hossain Nominee of Bangladesh Insurance Association (BIA) | — | Director |
| Mr. Md. Rezaul Karim Nominee of Sadharan Bima Corporation | — | Director |
| Mr. Al Maruf Khan, FCA Nominee of Chittagong Stock Exchange Ltd. (CSE) | — | Director |
| Mr. Badrul Haque Khan, FCA Nominee of AB Bank Ltd. | — | Director |
| Mr. Md. Rakibur Rahman Nominee of Dhaka Stock Exchange Ltd. (DSE) | — | Director |
| Mr. Salman F Rahman Nominee of Bangladesh Association of Publicly Listed Companies (BAPLC) | — | Director |
| Mr. A K M Shamsuddin Nominee of Standard Chartered Bank | — | Director |
| Mr. Mohammed Habibus Samad, FCA, CTA Central Depository Bangladesh Limited | — | Managing Director & CEO |

Directors Report

The Board of Directors of Central Depository Bangladesh Limited (CDBL) is pleased to present the audited financial statements of the Company for the year ended 30th June 2012, Auditors' Report thereon along with a market overview relating to the Company's operations.

Market Overview

Bangladesh stock market was in a bearish trend during the year ended 30th June 2012 with drastic decline in daily turnover in addition to price correction and significant intraday volatility from time to time.

Over the year All Share Price Index of Dhaka Stock Exchange (DSE) declined by 23.86% from 5,093 on 30th June 2011 to 3,878 on 30th June 2012. Chittagong Stock Exchange (CSE) index was also down from 17,060 to 13,736, a drop of around 19.48% during the year.

Turnover of DSE at Tk. 1,171 billion as against Tk. 3,259 billion in the previous year was down around 64%. CSE's turnover at Tk. 135 billion compared to Tk. 322 billion in the previous year was also down around 58%. Turnover top performers list, taking the combined turnovers at both DSE & CSE during the year was headed by the conglomerate BEXIMCO Limited as tabulated below:-

| Company | Turnover (Tk. Billion) |
|---|---------------------------|
| BEXIMCO Limited | 48.11 |
| Grameenphone Limited | 45.79 |
| United Airways (BD) Limited | 32.52 |
| National Bank Limited | 27.54 |
| United Commercial Bank Limited | 26.93 |
| Titas Gas Transmission & Distribution Company Limited | 26.71 |
| M.I. Cement Factory Limited | 25.83 |
| Lafarge Surma Cement Limited | 25.64 |
| R. N. Spinning Mills Limited | 24.09 |
| Aftab Automobiles Limited | 23.44 |

Market capitalization at the close of the year ended 30th June 2012, stood at Tk. 2,492 billion (US\$ 30.43 bln), as against Tk. 2,737 billion (US\$ 37.01 bln) at the end of 30th June 2011 registering a decline of 8.95% during the year. Share prices of the largest contributors to market capitalization consequently also decreased during the year, with one exception, as indicated below:-

| Company | Market Cap. (Tk. billion) | Closing Price (Tk.) | % Price Gain/ (Decline) |
|--------------------------------------|------------------------------|------------------------|----------------------------|
| Grameenphone Limited | 281.94 | 208.80 | 27.39 |
| Square Pharmaceuticals Ltd. | 69.78 | 263.50 | (25.61) |
| Titas Gas Trans. & Dist. Co. Ltd. | 67.27 | 71.40 | (11.01) |
| Investment Corporation of Bangladesh | 67.20 | 1,991.25 | (46.89) |
| Islami Bank Bangladesh Limited | 52.92 | 42.30 | (17.46) |

Total number of listed securities excluding 221 Bangladesh Government Treasury Bonds at DSE stood at 290 at the end of the year made up of 238 companies, 41 mutual funds, 8 debentures and 3 Corporate Bonds. Number of shares, debentures, Corporate Bonds and mutual funds at DSE was 37,338 million and issued capital of these securities stood at Tk. 384.25 billion as at 30th June 2012.

Initial Public Offerings (IPO) by 15 companies and Repeat Public Offerings (RPO) by Bangladesh Shipping Corporation tapped the market for around Tk. 15,980 million as tabulated below which included 5 Mutual Funds.

| Subscription Date | | Company | IPO/RPO Issue (Tk.- mln) |
|-------------------|----------|---|--------------------------|
| Opening | Closing | | |
| 24.07.11 | 28.07.11 | LR Global Bangladesh Mutual Fund One | 1,500 |
| 11.09.11 | 15.09.11 | Rangpur Dairy & Food Products Limited (including premium of Tk.8 per share). | 294 |
| 18.09.11 | 22.09.11 | Zahintex Industries Limited (including premium of Tk.15 per share). | 500 |
| 25.09.11 | 20.10.11 | AB Bank First Mutual Fund | 750 |
| 09.10.11 | 13.10.11 | Bangladesh Shipping Corporation (including a Premium of Tk. 400.00 per share) | 3,137 |
| 16.10.11 | 20.10.11 | First Bangladesh Fixed Income Fund | 2,500 |
| 11.12.11 | 22.12.11 | NLI First Mutual Fund | 257 |
| 08.01.12 | 12.01.12 | GSP Finance Company (Bangladesh) Ltd. (including a Premium of Tk. 15.00 per share). | 500 |
| 22.01.12 | 26.01.12 | Padma Islami Life Insurance Limited | 120 |
| 02.02.12 | 09.02.12 | GPH Ispat Limited (including a Premium of Tk. 20.00 per share). | 600 |
| 26.02.12 | 01.03.12 | GBB Power Limited | 820 |
| 04.03.12 | 08.03.12 | Saiham Cotton Mills Limited | 950 |
| 18.03.12 | 22.03.12 | Bangladesh Submarine Cable Company Ltd. (including a Premium of Tk. 25.00 per share). | 1,085 |
| 25.03.12 | 01.04.12 | NCCBL Mutual Fund-1 | 500 |
| 01.04.12 | 05.04.12 | Aamra Technologies Limited (including a Premium of Tk. 14.00 per share). | 517 |
| 15.04.12 | 19.04.12 | Unique Hotel & Resorts Limited (including a Premium of Tk. 65.00 per share). | 1,950 |
| | | | 15,980 |

Moneys raised through IPOs were around 5% less in comparison to the previous year when 17 entities raised around Tk. 16,803 million through initial public offerings.

Central Depository System (CDS) Operations

Depository Participants (DPs) increased by 17 from 328 to 345 during the year ended 30th June 2012, as detailed below:-

| Depository Participants (DPs) admitted to CDBL | 30 th Jun '11 | 30 th Jun '12 |
|--|--------------------------|--------------------------|
| Broker Dealers - Full Service DPs | 287 | 292 |
| Custodian DPs | 39 | 51 |
| Stock Exchanges | 2 | 2 |
| | 328 | 345 |

Investors Accounts

Investors' accounts in operation, as tabulated below, registered around 0.31% growth during the year, increasing by 8,383 which is around 93% less in comparison to the previous year's figure of 124,993.

| Investor Accounts: | 30th Jun '11 | 30th Jun '12 |
|---------------------------|--------------------------------|--------------------------------|
| Individual Accounts | 1,702,052 | 1,713,607 |
| Joint Accounts | 968,239 | 964,400 |
| Company Accounts | 6,660 | 7263 |
| Omnibus Accounts | 472 | 494 |
| Principal Account | 402 | 417 |
| Clearing Accounts | 575 | 602 |
| | 2,678,400 | 2,686,783 |

Listed Securities of 19 publicly listed companies came into the CDS whilst two companies i.e. Bextex Limited and Monno Jutex Industries Limited went out of the CDS count having merged with BEXIMCO Limited and Monno Ceramic Industries Limited respectively during the year taking the total from 275 in the previous year end to 292 as at 30th June 2012.

Number of shares held in the CDS increased during the year by 14,833,615,698 (around 87%) because of number of shares split to Tk. 10 per share from Tk. 100 per share taking the total from 16,995,251,631 as at 30th June 2011 to 31,828,867,329 as at 30th June 2012. Market value of the shares held in CDS as at 30th June 2011 amounted to around Tk.1,624.89 billion which decreased to Tk.1,354.68 billion as at 30th June 2012 registering a decline of around 17%.

Share transfers in the depository relating to settlement of combined stock exchange trades of DSE & CSE during the year were less, compared to the previous year, as also transaction value which went down around 63% as tabled below:-

| No of Shares in CDS | Year Ended | No of Trades (Mln) | No of Shares Traded (Mln) | Turnover Tk. (Bln) |
|----------------------------|------------------------------|---------------------------|----------------------------------|---------------------------|
| 31,828,867,329 | 30 th June '12 | 33.95 | 21,103 | 1,306.31 |
| 16,995,251,631 | 30 th June '11 | 56.27 | 22,400 | 3,577.79 |
| 87.28 % | % Increase/(decrease) | (39.66 %) | (5.79 %) | (63.49 %) |

100% of the DSE & CSE combined daily trades during the year ended 30th June 2012 was settled in the demat market segment.

Corporate Actions relating to bonus issue and stock splits were much higher compared to the previous year while rights issues decreased during the year. Consequently, credits to the investors depository accounts in the Central Depository System (CDS) of CDBL arising from Corporate Actions of issuers increased in number during the year whereas value of the shares credited were less compared to the previous year as depicted below:-

| Year Ended | No of Shares | | | Total | | |
|---------------------------|---------------------|---------------|--------------------|---------------|----------------------|--------------------------|
| | Bonus | Rights | Stock split | Shares | A/Cs credited | Value Tk. Billion |
| 30 th June '12 | 4,225,789,250 | 779,232,597 | 1,417,558,392 | 6,422,580,239 | 4,807,233 | 425.20 |
| 30 th June '11 | 3,153,337,660 | 1,672,988,453 | 477,495,579 | 5,303,821,692 | 4,167,971 | 590.86 |
| % Increase | 34 | (53) | 197 | 21 | 15 | (28) |

System Operations

VeDAS (Versatile engine for Depository Accounting System) software application continued to be fine tuned during the year with regular housekeeping like purging of old data yielding favorable results. Some VeDAS releases are on the last stage of testing and a roadmap for oracle database up-gradation and node segregation is in the process of being chalked out.

HP Hardware systems operations were satisfactory during the year ended 30th June 2012 except for some parts replacements and file system enlargements.

The CDS data communication network ran smoothly during the year and the overall performance remained almost fault-free despite losing 43 phone lines out of 102 from the dialup pool due to a fire incident at the Bangladesh Telecommunications Company Limited (BTCL) Exchange at Sher-e-Bangla Nagar on 25th June 2012.

Personnel

Workforce of the Company at the end of 30th June 2012 was 61 of whom 38 were IT professionals. The workforce decreased by 4 during the year with the Chief Financial Officer, 2 System Maintenance Shift operations staff leaving the services of the Company and Sr. Executive, Finance & Accounts and Archivist taking early retirement whilst 1 Accounts staff joined the services of the Company.

The 14th Asia-Pacific Central Securities Depository Group (ACG) Cross-Training Seminar held at Trident Hotel, Mumbai from 28th May to 1st June 2012 was attended by 8 System Engineers of the Company.

The Company is continuing its ICT Management Training program of 6 months duration.

The Company has continued to outsource its security and cleaning services.

Financial Results

The Operating Income of the Company decreased in the year by Tk. 766,336,332 i.e. around 35% from Tk. 2,181,326,687 in the previous year ended 30th June 11 to Tk. 1,414,990,355 in the year ended 30th June 12. However, the Net Profit of the Company decreased by 20% as Other Income increased by Tk.191,285,197 i.e. around 49% and Operating Expenses decreased by Tk. 71,377,721 in comparison to the previous year ended 30th June 11.

The Company issued 40,000,000 bonus shares which has increased the paid-up capital of the Company to Tk. 2 billion i.e. 200 million ordinary shares of Tk.10 each. The Earnings per Share (EPS) of the Company declined to Tk.5.97 from Tk.7.46 reflecting the effect of the bearish market during the year on the income of the Company.

The financial results of the Company for the year ended 30th June 2012 compared to the past 2 years is depicted below:-

| Particulars | 30 th June 2012 Taka | 30 th June 2011 Taka | % increase /(decrease) | 30 th June 2010 Taka |
|--------------------------|------------------------------------|------------------------------------|---------------------------|------------------------------------|
| Operating income | 1,414,990,355 | 2,181,326,687 | (35%) | 1,343,318,140 |
| Other income | 581,016,189 | 389,730,992 | 49% | 162,065,334 |
| Operating expenses | 106,987,527 | 178,365,248 | (40%) | 106,227,823 |
| Profit before tax | 1,889,019,017 | 2,392,692,431 | (21%) | 1,399,155,651 |
| Provision for tax | 710,000,000 | 900,000,000 | (21%) | 532,000,000 |
| Profit after tax | 1,194,083,996 | 1,492,692,431 | (20%) | 867,155,651 |
| Paid up capital | 2,000,000,000 | 1,600,000,000 | 25% | 690,000,000 |
| Earnings per share (EPS) | 5.97 | 7.46 | (20%) | |

The operating income of the Company decreased 35% due to the drastic decline in daily trades at the stock exchanges and 30% reduction of CDS transaction charges from October 2011.

Cash Dividend: Considering the financial results of the Company for the year, the Board of Directors in its meeting held on 30th September 2012 recommended a cash dividend of 30% i.e. Tk. 3 per ordinary share of Tk. 10 each for the year ended 30th June 2012 to the shareholders in the register of members as on 15th October 2012 for the consideration of the shareholders at the 12th Annual General Meeting of the Company.

| Appropriations | Taka |
|---|---------------|
| Net profit after taxation | 1,194,083,996 |
| Un-appropriated profit brought forward | 595,903,086 |
| Cash dividend @ 10% paid for the year ended 30 th June 2011 | 160,000,000 |
| Stock dividend 1:4 Bonus Shares for the year ended 30 th June 2011 | 400,000,000 |
| Transferred to CDS Up-gradation Reserve | 100,000,000 |
| Transferred to Headquarter Building Reserve | 500,000,000 |
| Profit available for appropriation | 629,987,082 |

Contribution to the National Exchequer:

During the year ended 30th June 2012 the Company paid Tk. 729,124,362 as direct tax.

Outlook:

The business outlook for the Company in the coming year appears to be fair as recovery of the market may be in sight from the December 2010 bubble burst of the overheated market.

The Company is well positioned to handle increasing trade volumes at the stock exchanges efficiently and deliver improvements in its service to depository participants and issuers.

Changes in Directorship:

During the year changes that occurred in the directorship of the Company were as follows:

- 5th Decmber 2011 Mr. Al Maruf Khan, FCA, President, Chittagong Stock Exchange Ltd. (CSE) replaced Mr. Fakhor Uddin Ali Ahmed as nominee of CSE.
- 11th March 2012 Mr. Tapan Chowdhury, Managing Director Square Pharmaceuticals Ltd. replaced late Mr. Samson H Chowdhury as nominee of Square Pharmaceuticals Ltd.
- 18th March 2012 Mr. Rakibur Rahman President, Dhaka Stock Exchange Ltd. (DSE) replaced Mr. Md. Shakil Rizvi as nominee of DSE
- 17th June 2012 Mr. Pradip Kumar Dutta, Managing Director Sonali Bank Ltd. replaced Mr. Md. Humayun Kabir as nominee of Sonali Bank Ltd.

Election of Directors

Pursuant to Article 117 to 120 of the Company, Mr. Md. Fayekuzzaman, Mr. Sheikh Kabir Hossain, Mr. A K M Nurul Fazal Bulbul, Mr. A K M Shamsuddin and Mr. Md. Rezaul Karim Directors of the Company will retire and being eligible, offer themselves for re-election.

Appointment of Auditors

The auditors of the Company, Hoda Vasi Chowdhury & Co. Chartered Accountants, retire as per Sec. 210 (6) of the Companies Act 1994 and being eligible have offered themselves for re-appointment.

Conclusion

The Board of Directors is grateful for the assistance and support rendered to the Company by the Securities and Exchange Commission of Bangladesh. The trust and confidence reposed on the Board and extended to the Company by the sponsor shareholders and the increasing number of users of the Company's CDS is most heartening and deeply appreciated as also the wholehearted support extended to CDBL by the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd.

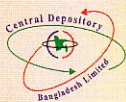
The Board of Directors is also pleased to record its appreciation for the relentless efforts of the Company's staff at all levels in achieving good financial results despite a bearish market in the year. The support extended by the Company's IT Solution provider, CMC Limited and hardware maintenance team of HP Singapore in keeping the CDS up and running is also duly acknowledged and appreciated by the Board.

Last but not least, the Board of Directors of the Company wish to place on record its deepest appreciation and gratitude for the invaluable services rendered over many years from the inception of the operations of the Company as Chairman of the Board by the late Mr. Samson H Chowdhury. His absence from the CDBL Board will forever be sadly missed.

For and on behalf of the Board of Directors.



Syed Manzur Elahi
Chairman



Hoda Vasi Chowdhury & Co.

Chartered Accountants

Independent Correspondent Firm to **Deloitte Touche Tohmatsu**

Independent AUDITOR'S REPORT

To the shareholders of

Central Depository Bangladesh Limited

We have audited the accompanying financial statements of Central Depository Bangladesh Limited, which comprise the statement of financial position as at 30 June 2012, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 (BAS) and Bangladesh Financial Reporting Standards (BFRS), 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 and error.

Auditor's 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 (BSA). Those Standards require that we comply with 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 judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers 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.

National Office : BTMC Bhaban (8th Floor), 7-9 Kawran Bazar Commercial Area, Dhaka-1215, Bangladesh
Motijheel Office : Ispahani Building (3rd Floor), 14-15 Motijheel Commercial Area, Dhaka-1000, Bangladesh
Chittagong Office: Delwar Bhaban (4th Floor), 104 Agrabad Commercial Area, Chittagong-4100, Bangladesh

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2012 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the Companies Act, 1994 and other applicable laws and regulations.

We report that:

- a) we have obtained all the information and explanations 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; and
- c) the company's Statement of Financial Position and Statement of Comprehensive Income together with notes 1 to 23 thereto dealt with by the report are in agreement with the books of account; and
- d) The expenditures incurred and payments made were for the purposes of the Company's affairs.

Dhaka, 17 October 2012

Hoda Vasi Chowdhury & Co
Chartered Accountants

Central Depository Bangladesh Limited

Statement of Financial Position

as at 30 June 2012

| | <u>Notes</u> | <u>2012 Taka</u> | <u>2011 Taka</u> |
|---|--------------|-----------------------------|-----------------------------|
| ASSETS: | | | |
| Non-current Assets: | | 839,952,866 | 870,588,604 |
| Property, plant and equipment - at cost less accumulated depreciation | 3 | 19,952,866 | 50,588,604 |
| Investment in bonds | 4 | 820,000,000 | 820,000,000 |
| Current Assets: | | 4,453,850,701 | 4,936,252,474 |
| Accounts receivables | 5 | 226,271,576 | 455,942,857 |
| Interest receivables | | 185,516,620 | 185,701,239 |
| Deposits and pre-payments | 6 | 810,013 | 1,003,339 |
| Deferred tax assets | 7 | 15,064,979 | - |
| Advances and loans | 8 | 2,563,749 | 16,925,272 |
| Cash and cash equivalents | 9 | 4,023,623,764 | 4,276,679,767 |
| TOTAL ASSETS | | <u>5,293,803,567</u> | <u>5,806,841,078</u> |
| SHAREHOLDERS' EQUITY AND LIABILITIES: | | | |
| Shareholders' Equity: | | 4,729,987,082 | 3,695,903,086 |
| Share capital | 10 | 2,000,000,000 | 1,600,000,000 |
| Retained earnings | | 629,987,082 | 595,903,086 |
| Reserves: | | | |
| CDS up-gradation | | 200,000,000 | 100,000,000 |
| Headquarter building | | 1,900,000,000 | 1,400,000,000 |
| Non-current Liabilities: | | | |
| Security deposits | 11 | 104,925,000 | 94,400,000 |
| Current Liabilities: | | 458,891,485 | 2,016,537,992 |
| Creditors and other liabilities | 12 | 207,961,326 | 1,691,214,564 |
| Unearned revenue | 13 | 11,240,064 | 66,508,971 |
| Provision for income tax | 14 | 239,690,095 | 258,814,457 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | <u>5,293,803,567</u> | <u>5,806,841,078</u> |

These financial statements should be read in conjunction with annexed notes



Chairman


Director


Managing Director & CEO

Auditor's Report to the Shareholders
See annexed report of date

Dhaka, 17 October 2012


Chartered Accountants

Independent Correspondent Firm to **Deloitte Touche Tohmatsu**

Hoda Vasi Chowdhury & Co

Central Depository Bangladesh Limited Statement of Comprehensive Income For the year ended 30 June 2012

| | Notes | 2012 Taka | 2011 Taka |
|--|-------|----------------------|----------------------|
| Operating income | 15 | 1,414,990,355 | 2,181,326,687 |
| Less: Operating and administrative expenses | 16 | <u>106,987,527</u> | <u>178,365,248</u> |
| Operating profit | | 1,308,002,828 | 2,002,961,439 |
| Add: Other income | 17 | <u>581,016,189</u> | <u>389,730,992</u> |
| Net Profit before tax | | 1,889,019,017 | 2,392,692,431 |
| Provision for income tax expense | 14 | <u>(710,000,000)</u> | <u>(900,000,000)</u> |
| Deferred tax income | 7 | <u>15,064,979</u> | <u>-</u> |
| Net Profit after tax during the year | | 1,194,083,996 | 1,492,692,431 |
| Accumulated profit brought forward from previous year | | <u>595,903,086</u> | <u>1,364,410,655</u> |
| Profit available for appropriation | | 1,789,987,082 | 2,857,103,086 |
| Less: Dividend paid: | 18 | | |
| Cash dividend | | <u>160,000,000</u> | <u>69,200,000</u> |
| Stock dividend | | <u>400,000,000</u> | <u>692,000,000</u> |
| | | 560,000,000 | 761,200,000 |
| Less: Reserves: | | | |
| CDS up-gradation | | <u>100,000,000</u> | <u>100,000,000</u> |
| Headquarter building | | <u>500,000,000</u> | <u>1,400,000,000</u> |
| | | 600,000,000 | 1,500,000,000 |
| Accumulated profit transferred to retained earnings | | 629,987,082 | 595,903,086 |
| Earnings per share | 20 | <u>5.97</u> | <u>7.46</u> |
| Number of shares used to compute EPS | | <u>200,000,000</u> | <u>200,000,000</u> |

These financial statements should be read in conjunction with annexed notes


Chairman


Director


Managing Director & CEO

Auditor's Report to the Shareholders
See annexed report of date

Dhaka, 17 October 2012


Chartered Accountants

**Central Depository Bangladesh Limited
Statement of Changes in Equity
For the year ended 30 June 2012**

| <u>Particulars</u> | <u>Share capital</u> <u>Taka</u> | <u>Retained earnings</u> <u>Taka</u> | <u>Reserves</u> <u>Taka</u> | <u>Total</u> <u>Taka</u> |
|-----------------------------------|-------------------------------------|---|--------------------------------|-----------------------------|
| Balance as on 01 July 2010 | 692,000,000 | 1,364,410,655 | - | 2,056,410,655 |
| Net profit for the year | - | 1,492,692,431 | - | 1,492,692,431 |
| Cash dividend paid for 2009-2010 | - | (69,200,000) | - | (69,200,000) |
| Stock dividend | 692,000,000 | (692,000,000) | - | - |
| Reserves: | | | | |
| CDS up-gradation | | (100,000,000) | 100,000,000 | - |
| Headquarter building | | (1,400,000,000) | 1,400,000,000 | - |
| Share capital (new issue) | 216,000,000 | - | - | 216,000,000 |
| Balance as at 30 June 2011 | 1,600,000,000 | 595,903,086 | 1,500,000,000 | 3,695,903,086 |
| Net profit for the year | | 1,194,083,996 | - | 1,194,083,996 |
| Cash dividend paid for 2010-2011 | | (160,000,000) | - | (160,000,000) |
| Stock dividend | 400,000,000 | (400,000,000) | - | - |
| Reserves: | | | | |
| CDS up-gradation | - | (100,000,000) | 100,000,000 | - |
| Headquarter building | - | (500,000,000) | 500,000,000 | - |
| Balance as at 30 June 2012 | 2,000,000,000 | 629,987,082 | 2,100,000,000 | 4,729,987,082 |



Chairman



Director



Managing Director & CEO

Hoda Vasi Chowdhury & Co

Central Depository Bangladesh Limited Statement of Cash Flows For the year ended 30 June 2012

| | <u>2012</u> <u>Taka</u> | <u>2011</u> <u>Taka</u> |
|--|----------------------------|----------------------------|
| A. Cash flows from operating activities | | |
| Cash receipts from customers | 1,623,057,903 | 2,095,956,512 |
| Cash payments for operating and administrative expenses | (132,019,268) | (100,303,303) |
| Cash generated from operations | 1,491,038,635 | 1,995,653,209 |
| | | |
| Interest income | 581,200,808 | 271,930,098 |
| Income tax paid | (729,124,363) | (809,612,153) |
| Deposits and pre-payments | 193,326 | 412,581 |
| Advances and loans | 14,361,523 | (6,980,500) |
| Creditors and other liabilities | (1,460,926,495) | 1,574,962,279 |
| Security deposits | 10,525,000 | 21,845,000 |
| | <u>(1,583,770,201)</u> | <u>1,052,557,305</u> |
| Net cash from operating activities | (92,731,566) | 3,048,210,514 |
| | | |
| B. Cash flows from investing activities | | |
| Acquisition of fixed assets | (324,437) | (28,169,352) |
| Investment in bond | - | (820,000,000) |
| Net cash used in investing activities | (324,437) | (848,169,352) |
| | | |
| C. Cash flows from financing activities | | |
| Share capital | - | 216,000,000 |
| Dividend paid | (160,000,000) | (69,200,000) |
| Net cash used in financing activities | (160,000,000) | 146,800,000 |
| | | |
| D. Net changes in cash flows (A+B+C) | (253,056,003) | 2,346,841,162 |
| E. Cash and cash equivalents at the beginning of the year | 4,276,679,767 | 1,929,838,605 |
| F. Cash and cash equivalents at the end of the year | 4,023,623,764 | 4,276,679,767 |

Central Depository Bangladesh Limited
Notes to the Financial Statements
For the year ended 30 June 2012

1. Background and objective of the company

Central Depository Bangladesh Limited (hereinafter referred to as CDBL) was incorporated on 20 August 2000 in Bangladesh as a public limited Company for running a central securities depository operation, first of its kind in Bangladesh. The Company was sponsored by the country's Nationalised Commercial Banks (NCBs), Investment Corporation of Bangladesh (ICB), Private Commercial Banks (PCBs), Foreign Banks, Merchant Banks, Publicly Listed Companies, Insurance Companies and Dhaka and Chittagong Stock Exchanges with the collaboration of the Asian Development Bank (ADB). The Company received registration from the Securities & Exchange Commission (SEC) on 11 September 2001 under Depositories Regulations 2000 and subsequently obtained business commencement certificate on 23 December 2003 from the SEC. However, the Company commenced depository operations of Government securities from 20 October 2003 and that of listed securities from 24 January 2004. The main objective of the Company is to assist listed companies in handling of scripless transfer of ownership of shares, debentures, mutual funds and corporate bonds.

2. Significant accounting policies

2.1 Basis of preparation and presentation of financial statements

These financial statements have been prepared in compliance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, Depositories Act 1999, the Depositories Regulations 2000 and the Depository (User) Regulations 2003 and other applicable laws.

2.2 Application of Bangladesh Accounting Standards (BAS)

The applicable BASs are as follows:

- BAS- 1 Presentation of Financial Statements
- BAS- 7 Statement of Cash Flows
- BAS- 8 Accounting Policies, Changes in Accounting Estimates and Errors
- BAS- 10 Events after the Reporting Period
- BAS- 12 Income Taxes
- BAS- 16 Property, Plant and Equipment
- BAS- 18 Revenue
- BAS- 19 Employee Benefits
- BAS- 21 The Effects of Changes in Foreign Exchange Rates
- BAS- 33 Earnings Per Share
- BAS- 37 Provisions, Contingent Liabilities and Contingent Assets
- BAS- 38 Intangible Assets

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2.3 Use of estimates and judgments

The preparation of 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. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2.4 Fixed assets and depreciation

a) Acquisition of fixed assets

Operating fixed assets are capitalised at cost inclusive of the cost of installation and erection. These are stated at cost less accumulated depreciation. Expenditure relating to 'site preparation and office renovation' has been capitalised whilst incidental expenses in relation to repairs and maintenance, renewals, and systems up-gradation are charged to Statement of Comprehensive Income.

b) Depreciation of fixed assets

The Company uses straight line depreciation method. Depreciation on additions during the year is charged for the whole year irrespective of date of acquisition, while no depreciation will be charged in the year of retirement / disposal.

2.5 Foreign currency transactions

Foreign currency transactions are converted into Bangladesh Taka at the rate of exchange prevailing on the transaction dates.

2.6 Taxation

a) Current tax

Current income tax is recognised on the basis of Company's computation based on the best estimated assessable profit for the year @ 37.50% pursuant to provisions of Income Tax Ordinance 1984. The tax rate for the year is applied on the basis of Finance Act 2012.

b) Deferred tax

Deferred tax is calculated using the carrying amount and tax base of assets and liabilities. Deferred tax arises due to temporary difference deductible or taxable for the events or transactions recognized in the comprehensive income statement. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount / reported amount in the statement of financial position. Deferred tax asset or liability is the amount of income tax recoverable or payable in future periods recognized in the current period. The deferred tax asset / income or liability / expense does not create a legal recoverability / liability to and from the income tax authority. The resulting impact of deferred tax assets / liabilities is included in the statement of comprehensive income.

2.7 Revenue recognition

Consistent to the previous practice, the income of the Company is recognised based on the services rendered and invoices raised there against on accrual basis.

2.8 Employee benefits

a) Provident fund

The Company operates a recognised provident fund scheme with equal contribution by the employees and the Company @ 10 % on monthly basic salary.

b) Gratuity

The gratuity fund is maintained in accordance with the rules of gratuity fund which is approved by the National Board of Revenue (NBR). The employees having five years of services with the Company are eligible to get one month's last drawn pay for each completed year of service.

2.9 Earnings per share (EPS)

a) Basic Earnings Per Share

Earnings Per Share (EPS) has been calculated in accordance with the Bangladesh Accounting Standard (BAS)- 33 "Earnings Per Share". Computation of basic Earnings Per Share has been done by dividing the earnings attributable to the number of ordinary shares held by the shareholders' during the year.

b) Weighted average number of ordinary shares outstanding during the year

The bonus shares issued during the year 2011-2012 were treated as if they had been in issue in previous years also. Hence, in computing the Earnings Per Share (EPS) for 2011-2012, the total number of shares including the aforesaid bonus shares has been considered as the weighted average number of shares outstanding during the year 2010-2011.

c) Diluted Earnings Per Share

No diluted earnings per share is required to be calculated during the period as there was no scope for dilution under review.

2.10 General

Figures appearing in these financial statements have been rounded off to the nearest Taka.

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3 Property, plant and equipment- at cost less accumulated depreciation

Figures in Taka

| Particulars | C O S T | | | D E P R E C I A T I O N | | | | Written down value as at 30 June 2012 |
|---|----------------------------|---------------------------------|-------------------------------|-------------------------|----------------------------|-------------------------------|----------------------------------|--|
| | Balance as 01 July 2011 | Additions during the year | Balance as at 30 June 2012 | Rate (%) | Balance as 01 July 2011 | Charged during the year | Balance as at 30 June 2012 | |
| Central Depository System (CDS): | | | | | | | | |
| Software | 85,197,384 | - | 85,197,384 | 20 | 85,197,284 | - | 85,197,284 | 100 |
| Hardware | 181,473,074 | - | 181,473,074 | 20 | 137,633,581 | 26,714,316 | 164,347,897 | 17,125,177 |
| Network equipment, LAN & WAN | 25,078,227 | - | 25,078,227 | 20 | 23,458,842 | 1,508,714 | 24,967,556 | 110,671 |
| Sub-total | 291,748,685 | - | 291,748,685 | | 246,289,707 | 28,223,030 | 274,512,737 | 17,235,948 |
| Computers & accessories | 6,020,646 | 257,287 | 6,277,933 | 20 | 4,430,282 | 683,765 | 5,114,047 | 1,163,886 |
| Office & electrical equipment | 4,504,432 | - | 4,504,432 | 20 | 3,343,831 | 555,948 | 3,899,779 | 604,653 |
| Furniture & fixtures | 4,216,726 | 67,150 | 4,283,876 | 15 | 3,639,853 | 169,919 | 3,809,772 | 474,104 |
| Air conditioners | 3,072,100 | - | 3,072,100 | 20 | 2,736,004 | 237,620 | 2,973,624 | 98,476 |
| Site preparation & office renovation | 2,710,140 | - | 2,710,140 | 15 | 2,127,774 | 207,062 | 2,334,836 | 375,304 |
| Power generator | 3,526,895 | - | 3,526,895 | 20 | 2,821,521 | 705,179 | 3,526,700 | 195 |
| Auto sensor fire alarm | 2,060,260 | - | 2,060,260 | 20 | 1,882,412 | 177,652 | 2,060,064 | 196 |
| Motor vehicles | 8,778,000 | - | 8,778,000 | 20 | 8,777,896 | - | 8,777,896 | 104 |
| Sub-total | 34,889,199 | 324,437 | 35,213,636 | | 29,759,573 | 2,737,145 | 32,496,718 | 2,716,918 |
| Total as at 30 June 2012 | 326,637,884 | 324,437 | 326,962,321 | | 276,049,280 | 30,960,175 | 307,009,455 | 19,952,866 |
| Total as at 30 June 2011 | 298,468,532 | 28,169,352 | 326,637,884 | | 243,808,800 | 32,240,480 | 276,049,280 | 50,588,604 |

Hoda Vasi Chowdhury & Co

| | 2012 Taka | 2011 Taka |
|---|--------------------|--------------------|
| 4 Investment in bonds | | |
| Mutual Trust Bank Limited | 70,000,000 | 70,000,000 |
| Dhaka Bank Limited | 250,000,000 | 250,000,000 |
| National Bank Limited | 300,000,000 | 300,000,000 |
| Trust Bank Limited | 200,000,000 | 200,000,000 |
| | 820,000,000 | 820,000,000 |
| 5 Accounts receivables | | |
| Participants | 143,849,570 | 270,043,291 |
| Issuers | 86,739,059 | 164,219,869 |
| Bangladesh Bank for EGSR maintenance | - | 53,855,744 |
| Other Banks for EGSR transactions and connections | 76,382 | 136,132 |
| | 230,665,011 | 488,255,036 |
| Less: Provision for bad debt | 4,393,435 | 32,312,179 |
| | 226,271,576 | 455,942,857 |
| 6 Deposits and pre-payments | | |
| Deposits | | |
| Bangladesh Development Bank Limited - office rent | 440,928 | 440,928 |
| Bangladesh General Insurance Company Ltd. - office rent for DRC at BGIC Tower | 119,350 | 119,350 |
| | 560,278 | 560,278 |
| Pre-payments | | |
| Pragati Insurance Limited | 249,735 | 443,061 |
| | 810,013 | 1,003,339 |
| 7 Deferred tax | | |
| Deferred tax recognized from the year under review, has been calculated in accordance with the provision of BAS 12 based on temporary differences arising due to differences in the carrying amount of the assets or liabilities and its tax base which resulted in a deferred tax asset of Tk 15,064,979 arrived as follows: | | |
| Tax base value of fixed assets | 51,822,604 | 72,003,385 |
| Less: Carrying amount of fixed assets | 19,952,866 | 50,588,604 |
| Deductible temporary difference | 31,869,738 | 21,414,781 |
| Provision for gratuity | 2,734,500 | - |
| Provision for leave encashment | 1,175,604 | - |
| Provision for bad debt | 4,393,435 | 32,312,179 |
| Total deductible temporary differences | 40,173,277 | 53,726,960 |
| Applicable tax rate | 37.50% | 37.50% |
| Deferred tax assets at the end of the year | 15,064,979 | 20,147,610 |
| Deferred tax asset in previous year | 20,147,610 | 24,096,403 |
| Deferred tax expense for the year | (5,082,631) | (3,948,793) |
| | 15,064,979 | 20,147,610 |

Hoda Vasi Chowdhury & Co

| | 2012 <u>Taka</u> | 2011 <u>Taka</u> |
|--|-----------------------------|-----------------------------|
| 8 Advances and loans | | |
| Loans - employees | 2,563,749 | 16,925,272 |
| | <u>2,563,749</u> | <u>16,925,272</u> |
| The loan amounting to Tk 2,563,749 to the employees represent interest free loans granted on different personal grounds which are being recovered from monthly salaries. | | |
| 9 Cash and Cash equivalents | | |
| Cash in hand | 70,269 | 569,438 |
| Cash at bank | | |
| Current account with: | | |
| Standard Chartered Bank, Kawran Bazar Branch, Dhaka | 2,163,354 | 1,966,316 |
| Short Term Deposits with: | | |
| Sonali Bank Limited, Local office, Dhaka | 941,367 | 906,654 |
| Standard Chartered Bank, Kawran Bazar Branch, Dhaka | 64,699,253 | 18,755,842 |
| Bangladesh Development Bank Limited (BDBL) | 57,992,641 | 31,730,497 |
| Southeast Bank, Eskaton Branch, Dhaka | 93,252,269 | 132,447,409 |
| | <u>216,885,530</u> | <u>183,840,402</u> |
| Term deposits | 3,804,504,611 | 4,090,303,611 |
| | <u>4,023,623,764</u> | <u>4,276,679,767</u> |
| 10 Share capital | | |
| 10.1 Authorised capital | | |
| 200,000,000 ordinary shares of Tk 10 each. | <u>2,000,000,000</u> | <u>2,000,000,000</u> |
| 10.2 Issued, subscribed and paid up capital | | |
| 200,000,000 ordinary shares of Tk 10 each. | <u>2,000,000,000</u> | <u>1,600,000,000</u> |
| During the year, the company issued 40,000,000 bonus shares of Tk.10 each at 1:4 ratio for the year 2010-2011 as approved in the 11th Annual General Meeting held on 15 December 2011 and these shares have duly been credited to the accounts of respective shareholders. | | |
| 10.3 Composition of shareholders | | |
| <u>Name of Shareholders</u> | <u>No. of Shares</u> | |
| Nationalized and specialised banks | 36,956,295 | 369,562,950 |
| Private commercial and specialised banks | 59,741,103 | 597,411,030 |
| Foreign commercial banks | 19,569,444 | 195,694,440 |
| Insurance companies | 14,810,778 | 148,107,780 |
| Publicly listed companies | 19,777,788 | 197,777,880 |
| Non-banking financial institutions & M.banks | 7,084,495 | 70,844,950 |
| Dhaka Stock Exchange Limited (DSE) | 13,612,555 | 136,125,550 |
| Chittagong Stock Exchange Limited (CSE) | 13,612,555 | 136,125,550 |
| Investment Corporation of Bangladesh (ICB) | 6,112,555 | 61,125,550 |
| Sadharan Bima Corporation | 6,112,555 | 61,125,550 |
| Private limited companies | 2,174,188 | 21,741,880 |
| Other individuals | 435,689 | 4,356,890 |
| Asian Development Bank | - | - |
| Employees | - | - |
| CDBL Employees Provident Fund | - | - |
| | <u>200,000,000</u> | <u>2,000,000,000</u> |
| | <u>2,000,000,000</u> | <u>1,600,000,000</u> |

Hoda Vasi Chowdhury & Co

10.4 Classification of shares by holding

| Slabs by number | No. of holders | No. of shares | Holding % |
|---------------------------|----------------|--------------------|---------------|
| Less than 25,000 | - | - | - |
| From 25,000 to 100,000 | 2 | 59,938 | 0.03 |
| From 100,001 to 1,000,000 | 60 | 32,969,818 | 16.48 |
| Above 10,000,000 | 47 | 166,970,244 | 83.49 |
| | 109 | 200,000,000 | 100.00 |

11 Security deposits

| | | |
|------------------------|--------------------|-------------------|
| Participants | 38,900,000 | 35,700,000 |
| Issuers | 65,500,000 | 58,200,000 |
| Direct account holders | 525,000 | 500,000 |
| | 104,925,000 | 94,400,000 |

12 Creditors and other liabilities

Creditors

| | | |
|--|-----------|-----------|
| CMC Limited | 930,000 | 7,508,692 |
| Chittagong Stock Exchange Ltd. (CSE) - network sharing | 1,399,992 | 1,103,300 |
| | 2,329,992 | 8,611,992 |

Other liabilities

| | | |
|--|--------------------|----------------------|
| Audit fee | 300,000 | 250,000 |
| Salary & allowances | 5,527,374 | 26,603,447 |
| Contribution to provident fund - June 2012 | 188,350 | 214,450 |
| Contribution to gratuity fund | 2,734,500 | 3,443,500 |
| Securities & Exchange Commission for annual account maintenance fee (note- 12.1) | 33,135,725 | 40,682,300 |
| Government of Bangladesh for annual account maintenance fee (note- 12.2) | 149,296,800 | 155,998,600 |
| DPs & Issuers | 5,746,430 | 374,875,194 |
| Share premium refundable | - | 1,080,000,000 |
| Sundry creditors - mobile bill | - | 30,000 |
| Withholding tax - payroll | - | 505,081 |
| Payable to employees | 8,702,155 | - |
| | 205,631,334 | 1,682,602,572 |
| | 207,961,326 | 1,691,214,564 |

12.1 The amount represents Securities & Exchange Commission's portion of annual account maintenance fee (Tk. 50 per BO account) collected by the Company.

12.2 The amount represents Government of Bangladesh portion of annual account maintenance fee (Tk. 200 per BO account) collected by the Company.

13 Unearned revenue

| | | |
|------------------------------------|-------------------|-------------------|
| Annual fee - issuers | 10,477,314 | 9,955,697 |
| Connection fee - issuers | 762,750 | 776,875 |
| Annual accounts maintenance fee | - | 16,133,399 |
| EGSR maintenance - Bangladesh Bank | - | 39,643,000 |
| | 11,240,064 | 66,508,971 |

Hoda Vasi Chowdhury & Co

| | 2012 <u>Taka</u> | 2011 <u>Taka</u> |
|---|----------------------|----------------------|
| 14 Provision for income tax | | |
| Opening balance | 258,814,457 | 168,426,610 |
| Add: Provision made for current year | 710,000,000 | 900,000,000 |
| | 968,814,457 | 1,068,426,610 |
| Less: Advance and payments made during the year | | |
| Tax deducted at source on interest on short term deposit | 11,551,616 | 2,744,574 |
| Tax deducted at source on interest on fixed term deposit | 41,739,499 | 21,230,713 |
| Tax deducted at source on interest on bond | 9,594,968 | 3,213,611 |
| Tax deducted by the Depository participants & Issuers on bill | 3,239,657 | 930,255 |
| Advance income tax for the year 2012 | 450,000,000 | 657,400,000 |
| Income tax paid for the year 2010 | - | 124,093,000 |
| Income tax paid for the year 2011 | 212,998,622 | - |
| | 729,124,362 | 809,612,153 |
| | 239,690,095 | 258,814,457 |
| 15 Operating income | | |
| Dematerialization of securities | 6,973,691 | 23,226,453 |
| Settlement of securities transactions | 569,859,219 | 1,241,115,639 |
| Documentations | 97,500 | 235,000 |
| CDS connections | 4,095,625 | 3,739,125 |
| Rematerialization of securities | 1,246,276 | 3,986,660 |
| Issuers book entry demat register | 22,374,143 | 11,911,861 |
| Electronic Government Securities Registry (EGSR) | 59,459,624 | 6,879,200 |
| EGSR connections and transactions | 135,100 | 394,400 |
| Corporate actions | 235,697,373 | 411,171,401 |
| Pledging of securities | 14,575,905 | 24,630,627 |
| Suspensions & revocations | 115,540 | 129,250 |
| Fresh issues (IPO) | 23,384,602 | 24,495,879 |
| Statement verifications | 3,510 | 4,830 |
| Transfers & transmissions | 38,759,033 | 73,950,570 |
| Radio link installations | - | 15,000 |
| Radio link connections | 1,142,751 | 1,183,500 |
| Freeze | 3,800 | 10,300 |
| Internet balance inquiry | 134,800 | 245,400 |
| Confiscations | 40,389 | 22,591 |
| Annual accounts maintenance | 436,888,874 | 353,966,801 |
| SMS alert service | 2,600 | 12,200 |
| | 1,414,990,355 | 2,181,326,687 |
| 16 Operating and administrative expenses | | |
| Salaries and allowances | 37,757,283 | 64,013,427 |
| Office rent | 6,055,625 | 5,856,988 |
| Electricity and water | 3,465,295 | 2,894,481 |
| Depository system maintenance | 10,213,080 | 25,151,480 |
| Insurance | 579,326 | 1,057,446 |
| Motor car maintenance | 466,157 | 664,634 |
| Advertisement expenses | 361,150 | 356,440 |
| Entertainment expenses | 60,665 | 63,917 |
| Printing, postage and stationery | 620,171 | 787,817 |
| WAN, telephone & internet | 5,451,500 | 5,566,698 |
| Traveling and conveyance | 140,113 | 178,461 |
| License fees & subscriptions | 889,164 | 803,978 |
| Balance carried forward | 66,059,529 | 107,395,767 |

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| | 2012 Taka | 2011 Taka |
|---|----------------------|----------------------|
| Balance brought forward | 66,059,529 | 107,395,767 |
| Legal & professional fees | 566,123 | 706,566 |
| Training and development | 1,996,220 | 1,966,926 |
| Marketing & capacity building | 1,390,552 | 153,309 |
| Refectory expenses | 434,464 | 660,388 |
| Security services | 961,295 | 880,884 |
| Repairs & maintenance | 964,073 | 921,348 |
| Office cleaning | 122,454 | 109,503 |
| Bank charges & excise duty | 866,534 | 560,772 |
| Audit fee including VAT | 321,250 | 290,000 |
| Meetings & participant conferences | 429,181 | 477,027 |
| Directors fee | 1,821,000 | 1,014,500 |
| IPO expense | - | 1,527,250 |
| Other expenses | 84,498 | 266,986 |
| Depreciation (note- 3) | 30,960,175 | 32,240,480 |
| Bad debts | 10,179 | 29,193,542 |
| | 106,987,527 | 178,365,248 |
| 17 Other income | | |
| Interest income on FDR | 414,685,920 | 317,537,493 |
| Interest income on Bond | 98,473,663 | 44,740,210 |
| | 513,159,583 | 362,277,703 |
| Interest income on STD account: | | |
| Sonali Bank Limited | 39,033 | 38,639 |
| Bangladesh Development Bank | 3,166,865 | 799,880 |
| Southeast Bank Limited | 64,420,539 | 24,750,415 |
| Standard Chartered Bank Limited | 230,169 | 1,864,355 |
| | 67,856,606 | 27,453,289 |
| | 581,016,189 | 389,730,992 |
| 18 Dividend | | |
| Cash dividend - 2011 | 160,000,000 | 69,200,000 |
| Stock dividend - 2011 | 400,000,000 | 692,000,000 |
| | 560,000,000 | 761,200,000 |
| During the year, the Company paid cash dividend @ 10% amounting to Tk 160,000,000 and bonus share at 1:4 ratio of paid-up capital. | | |
| 19 Proposed dividend | | |
| The Directors in their meeting held on 30 September 2012 have proposed a cash dividend @ 30% i. e. Tk. 3 per ordinary share of Tk. 10 each. The financial statements for the year ended 30 June 2012 do not include the effects of the above cash dividend which will be accounted for in the period in which it is paid. | | |
| 20 Earnings per share (EPS) | 2012 Taka | 2011 Taka |
| 20.1 Basic earnings per share | | |
| Net profit | 1,194,083,996 | 1,492,692,431 |
| Weighted average number of shares | 200,000,000 | 200,000,000 |
| Basic earnings per share | 5.97 | 7.46 |
| 20.2 Diluted earnings per share | | |

No diluted earnings per share is required to be calculated during the period as there was no scope for dilution under review.

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21 Payments / perquisites to Directors

Directors attending the Board Meetings were paid Tk 20,000 per meeting. The Managing Director & CEO received an aggregated amount of Taka 9,440,000 (2011 : Tk 7,020,000) as emoluments during the financial year.

22 Contingent liabilities and commitments

22.1 Contingent liability

2012

2011

Nil

Nil

22.2 Claims against the company not acknowledged as debts

Nil

Nil

22.3 Capital expenditure commitments:

i) Contracted but not provided for in these accounts

Nil

Nil

ii) Approved by the Board but not contracted for

Nil

Nil

23 Particular of employees

The number of employees engaged during the year and drawing remuneration:

Above Tk. 3,000 per month

61

65

Below Tk. 3,000 per month

Nil

Nil

61

65



Chairman



Director



Managing Director & CEO