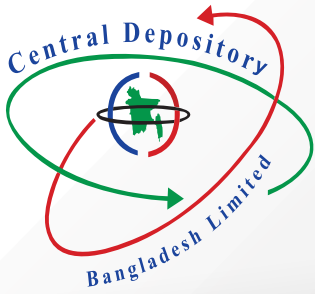


**Central Depository Bangladesh Limited**

**Annual Report 2015**



# DIGITAL BANGLADESH

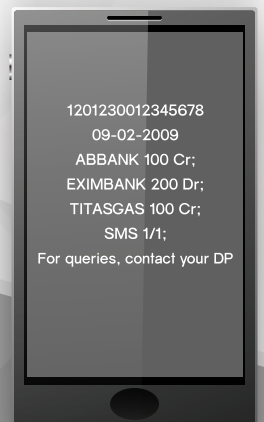
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Central Depository Bangladesh Limited



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# Mission

Mission of Central Depository Bangladesh Limited (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.

# Vision

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. It will be equipped with up-to-date Information Technology to ensure prompt customer response and provide innovative solutions to the needs of the capital market playing a pivotal role in Bangladesh's financial services sector.

## CDBL Overview

Central Depository Bangladesh Limited (CDBL) is engaged in the operations of the Central Depository System (CDS), a major financial market infrastructure in Bangladesh established as a part and parcel of the overall financial sector reforms initiative spearheaded by the Ministry of Finance. CDBL was incorporated on 20<sup>th</sup> 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). The Company received registration from the Bangladesh Securities and Exchange Commission (BSEC) on 11<sup>th</sup> September 2001 under Depository Regulations 2000 and subsequently obtained business commencement certificate on 23<sup>rd</sup> December 2003 from the BSEC. The main objective of the Company is to assist listed companies in the handling of scriptless delivery, settlement and transfer of ownership of securities through computerized book entry system.

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

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. CDBL eliminated the risks and problems caused by the cumbersome process of physical transaction of shares at Dhaka and Chittagong stock exchanges by Electronic Book Entry Transfers.

CDBL's operations are carried out in its Main Data Centre at BDBL Bhaban, Kawran Bazar, Dhaka which is linked to a remote Disaster Recovery Centre at BGIC Tower, Topkhana, Dhaka operating as a backup with data update taking place simultaneously. Live operations of the CDS commenced with the inauguration of the Electronic Government Securities Registry (EGSR) by the Governor of Bangladesh Bank on 20<sup>th</sup> October 2003. Equity market securities dematerialization process i.e. eliminating physical certificate as record of security ownership by electronic book entry record in the CDS commenced on 24<sup>th</sup> January 2004 with the entry of Square Pharmaceuticals Limited into the CDS. 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 (DPs), Issuers, Banks, Stock Exchanges and Bangladesh Securities and Exchange Commission is through Front End interfaces accessed by fiber optics network connections. Small volumes of data transmission are also possible via PSTN telephone lines.

CDBL is continuously enhancing its knowledge and capabilities in order to respond to any dynamic business environment to achieve better result. CDBL hosted the 17<sup>th</sup> General Meeting of the Asia Pacific Central Securities Depository Group (ACG) in 2013 and 11<sup>th</sup> ACG cross training seminar in 2009 at Dhaka. Since 14<sup>th</sup> February 2003 CDBL has been acting as National Numbering Agency for International Securities Identification Number (ISIN) and Classification of Financial Instruments (CFI) in Bangladesh, initially as a partner and since 3<sup>rd</sup> June 2010 as a full member of Association of National Numbering Agencies (ANNA). CDBL is a member of Asia Pacific Central Securities Depository (CSD) Group (ACG) and an associate member of South Asian Federation of Exchanges (SAFE).

## Board of Directors



**Mr. Sheikh Kabir Hossain**

Chairman

Nominee of Bangladesh Insurance Association (BIA)



**Mr. A K M Nurul Fazal Bulbul**

Director

Nominee of Bangladesh Association of Banks (BAB)



**Mr. Azam Jahangir Chowdhury**

Director

Nominee of Prime Bank Limited



**Mr. Tapan Chowdhury**

Director

Nominee of Square Pharmaceuticals Limited



**Mr. Pradip Kumar Dutta**

Director

Nominee of Nationalized Commercial Banks



**Mr. Syed Manzur Elahi**

Director

Nominee of Mutual Trust Bank Limited



**Mr. Md. Fayekuzzaman**

Director

Nominee of Investment Corporation of Bangladesh (ICB)

## Board of Directors



**Mr. Sajjad Hussain**  
Director  
Nominee of AB Bank Limited



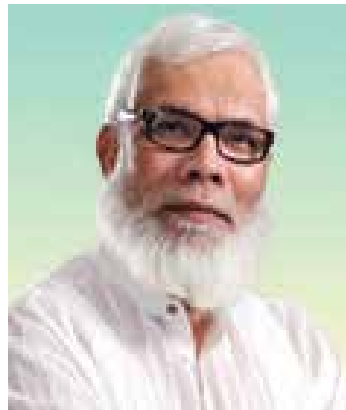
**Mr. Md. Rezaul Karim**  
Director  
Nominee of Sadharan Bima Corporation



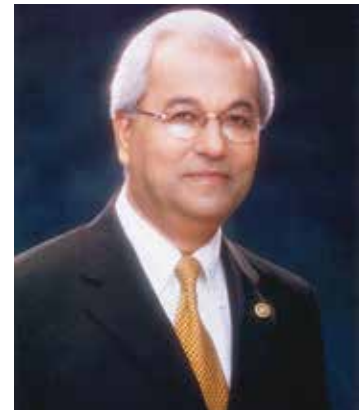
**Dr. Muhammad Abdul Mazid**  
Director  
Nominee of Chittagong Stock Exchange Limited (CSE)



**Justice Siddiqur Rahman Miah**  
Director  
Nominee of Dhaka Stock Exchange Limited (DSE)



**Mr. Salman F Rahman**  
Director  
Nominee of Bangladesh Association of Publicly Listed Companies (BAPLC)



**Mr. AKM Shamsuddin**  
Director  
Nominee of Standard Chartered Bank



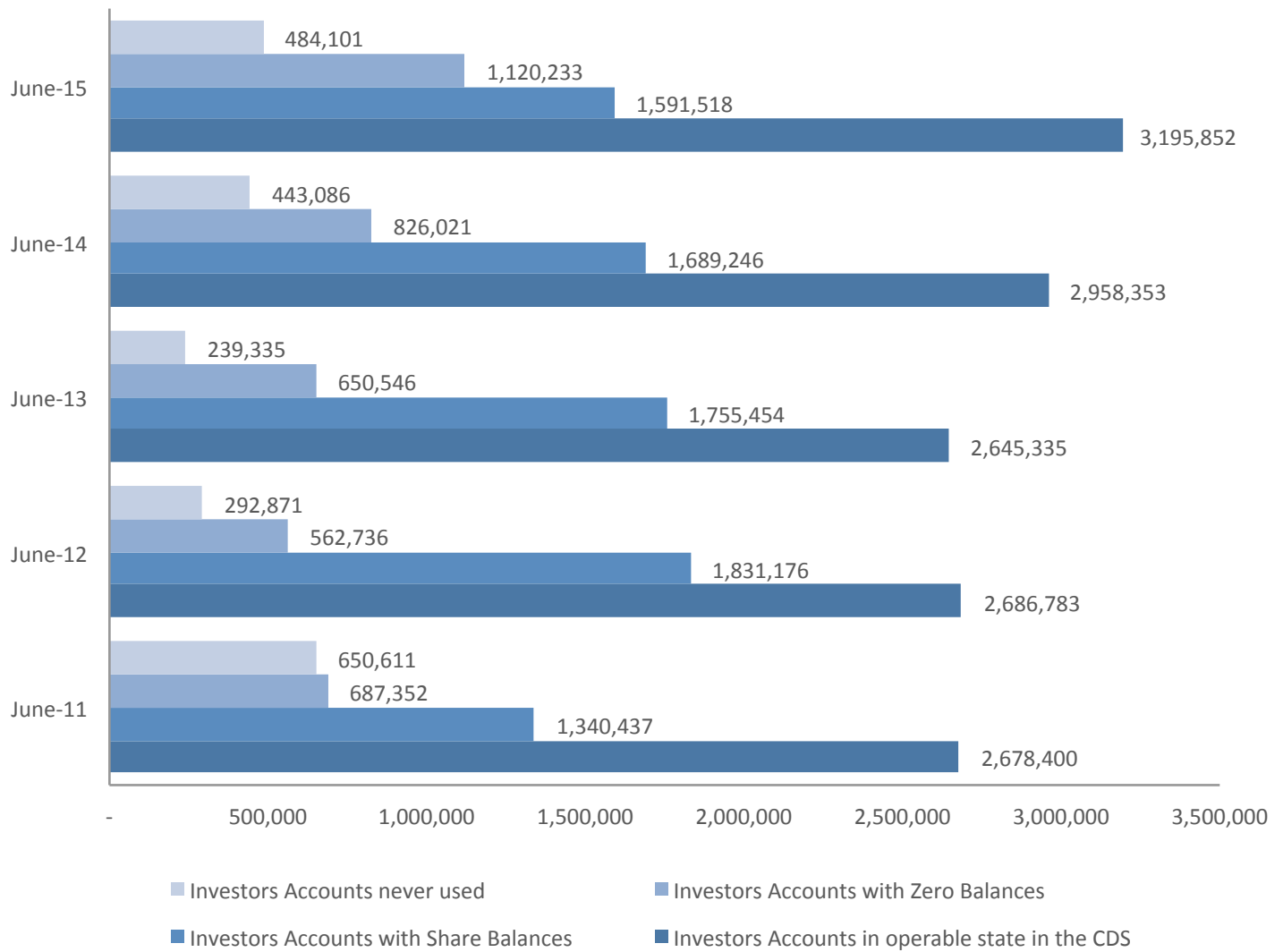
**Mr. M H Samad, FCA, CTA**  
Managing Director & CEO  
Central Depository Bangladesh Limited

# Operational Highlights

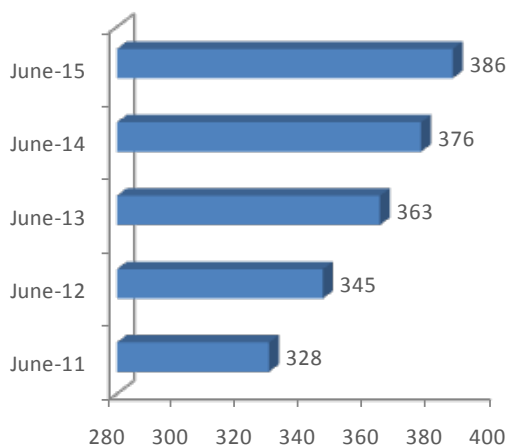
Depository elements	FINANCIAL YEARS ENDED 30 <sup>TH</sup> JUNE				
	2011	2012	2013	2014	2015
Investors Accounts set up in the CDS	4,457,661	4,639,400	4,993,967	5,527,394	6,007,787
Investors Accounts in operable state in the CDS	2,678,400	2,686,783	2,645,335	2,958,353	3,195,852
Growth of operable Investors Accounts	4%	0.3%	-1.5%	12%	8%
Investors Accounts with Share Balances	1,340,437	1,831,176	1,755,454	1,689,246	1,591,518
Investors Accounts with Zero Balances	687,352	562,736	650,546	826,021	1,120,233
Investors Accounts never used	650,611	292,871	239,335	443,086	484,101
Depository Participants	328	345	363	376	386
Growth of Depository Participants	9%	5%	5%	4%	3%
Securities in the CDS - Issuers	275	292	308	322	346
Growth of Issuers entry in the CDS	22%	6%	5%	5%	7%
Number of Shares in the CDS (in millions)	16,995	31,829	36,877	44,408	50,874
Growth of Shares in the CDS	214%	87%	16%	20%	15%
% of stock exchange turnover settled in the CDS	100%	100%	100%	100%	100%



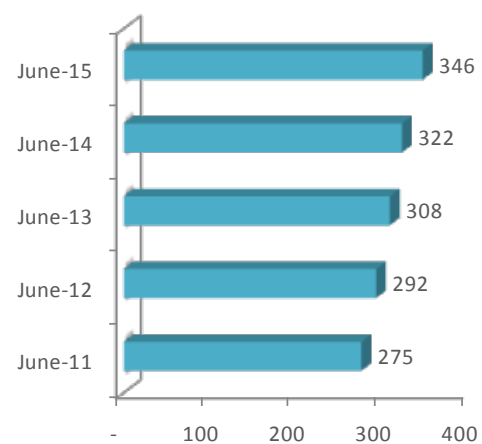
## Investors Accounts at a Glance



## Depository Participants (DPs) at a Glance



## Securities in the CDS - Issuers at a Glance



# Financial Highlights

	FINANCIAL YEARS ENDED 30TH JUNE				
	2011	2012	2013	2014	2015
<b>Balance Sheet - Taka</b>					
Paid-up Capital	1,600,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Retained Earnings	595,903,086	629,987,082	508,465,557	587,058,424	571,801,690
Reserve:					
CDS up-gradation	100,000,000	200,000,000	300,000,000	400,000,000	500,000,000
Headquarter building	1,400,000,000	1,900,000,000	2,150,000,000	2,400,000,000	2,650,000,000
Investor Protection	-	-	50,000,000	100,000,000	150,000,000
Shareholder's Equity	3,695,903,086	4,729,987,082	5,008,465,557	5,487,058,424	5,871,801,690
Total Liabilities	2,110,937,992	563,816,485	544,636,226	695,412,773	539,966,187
% Increase/(Decrease)	477.47	(73.29)	(3.40)	27.68	(22.35)
Total Asset	5,806,841,078	5,293,803,567	5,553,101,783	6,182,471,197	6,411,767,877
% Increase/(Decrease)	139.75	(8.83)	4.89	11.33	3.70
<b>Operational Results - Taka</b>					
Operating Income	2,181,326,687	1,414,990,355	888,159,284	1,043,514,492	1,004,473,997
% Increase/(Decrease)	62.38	(35.13)	(37.23)	17.49	(3.74)
Other Income	389,730,992	581,016,189	642,073,712	645,786,693	612,272,167
% Increase/(Decrease)	140.47	49.08	10.51	0.58	(5.19)
Total Income	2,571,057,679	1,996,006,544	1,530,232,996	1,689,301,185	1,616,746,164
% Increase/(Decrease)	70.79	(22.37)	(23.34)	10.40	(4.29)
Total Expenses	178,365,248	106,987,527	142,602,081	158,262,225	177,800,019
% Increase/(Decrease)	67.91	(40.02)	33.29	10.98	12.35
Profit Before Taxation	2,392,692,431	1,889,019,017	1,387,630,915	1,531,038,960	1,366,998,838
% Increase/(Decrease)	71.00	(21.05)	(26.54)	10.33	(10.71)
Profit After Taxation	1,492,692,431	1,194,083,996	878,478,475	978,592,867	884,743,266
% Increase/(Decrease)	72.13	(20.00)	(26.43)	11.40	(9.60)
Earnings Per Share	9.33	5.97	4.39	4.89	4.42
% Increase/(Decrease)	(25.53)	(36.01)	(26.42)	11.39	(9.60)

## CDBL Team

**Managing Director & CEO**  
Mohammed Habibus Samad, FCA, CTA

**Deputy Managing Director**  
Shuvra Kanti Choudhury, MCom, FCA

### Application Support

Md. Tohabin Huq, MCom, PGD (IT & Comp Sc)  
Md. Faruque Ahmed, Dip in Comp Sc (Japan)  
Kazi Minhaz Uddin, BSc, Comp Engg

### Customer Support Services

#### Dhaka

Md. Muniruzzaman Rana, BSc, Comp Sc & Engg  
Shihab Bari, BSc, Comp Sc & Engg  
Md. Monirul Islam, BSc (CIS), MBA (MIS)  
Md. Tajul Islam, BCom, Dip-in-Comp Sc  
Md. Sofeoul-Al-Mamun, BSc, ICT  
Md. Abeed Omor, BSc, ETE  
Md. Afsar Uddin, BCom, Dip. Comp Sc  
Md. Sharif Ali Irteza, BSc, Comp Sc & Engg  
Al-Amin Hossain, MSc. Physics  
Kazi Jalal Uddin, BSc. Comp Sc & Engg

#### Sylhet

Prosunjit Biswas, BSc, Comp Sc & Engg

#### Chittagong

Mohammed Yeaqub Ali, BSc, ECE  
Feroz Ahmed, BSc, Comp Sc & Engg  
Manna Dey, BSc, Comp Sc & Engg, CCNA

### Training

Shafaet Ahmed Siddique, BSc (Hons), Comp Sc

### Finance & Accounts

Md. Shahidul Islam, BBA (Acct), MBA (Fin)  
Jayanta Biswau Mondal, MCom  
Md. Golam Mostafa, BCom  
Ms. Rumana Rahman, BCom, C A (Inter)  
Ms. Shanaz Begum, MCom  
Ms. Monoara Begum, BSc (Hons) MSc, MBA (Fin)  
Ms. Nurjahan Begum, MSc  
Ms. Falguni Biswas

### Legal Affairs

Syed Akhter Hossain, BA (Hons), MA (Pub Admn)  
Almas Arefin, MCom

### Systems Operation

G M Ahsanul Haque, MSc, Comp Sc  
Md. Moinul Haque, MSc, Comp Sc  
Raquibul Islam Chowdhury, MSc, Comp Sc  
K M Shaberul Islam, MBA (Finance), BSc, Comp Sc  
Quazi Ghulam Shakur, MSS (Econ)  
Saber Mahmud, BS (USA)  
Parvin Khan, MA, Dip in Comp Engg

### Network Administration

A Hasib Rahman, MA, MCSE (Aus)  
Mashrur Sakib, BSc, Comp Sc  
Md. Imam Hossain Sayem, BSc, Comp Sc (Russia)

### Shift Operations

Mohammad Shaiful Alam, BSc, Comp Sc & Engg  
Shah Alam Masum, Dip in Electrical Engg  
Md. Muzaffar Mahmud, BSc, Comp Sc & Engg  
Md. Shahidul Islam, BSc, Comp Sc & Engg  
Minuddin Ahammed, BSc, Comp Sc  
Md. Mahfuzur Rahman, BSc, Comp Sc  
Md. Arif Hossain, BSc, Comp Sc  
Md. Saiful Islam, BSc, Comp Sc  
Md. Addul Latif Khandokar, BSc, Telecom Engineering  
Md. Habibur Rahman, Dip, Comp Sc & Eng.  
Abul Kalam Asad, BSc, EEE  
Touhidul Ahsan, Dip in Engineering  
Sajal Chandra Das, BSc. ETE  
Ijack Baroi, BSc, Comp Sc & Engg  
Md. Faizul Islam, Dip in Engineering  
Mahiuddin Masum, BSc. Comp Sc  
Rumen Sen, MSc. Mechanical Engg  
Afikur Rahman, Dip. Comp Engg

### Administration & Maintenance

Salahuddin Haidar, MBA (USA), MSCIT (Australia)  
Shafiqul Islam, BSc, Comp Sc & Engg  
Ms. Supria Florence Biswas, BSS  
Ms. Nasrin Haque  
Ms. Taslima Akhter, BA  
Md. Abdus Salam  
Md. Humayun Kabir



## 14<sup>th</sup> Annual General Meeting

The 14<sup>th</sup> Annual General Meeting of Central Depository Bangladesh Limited (CDBL) was held on Thursday 2<sup>nd</sup> October 2014 at the Ball Room of Pan Pacific Sonargaon Hotel presided over by Mr. Syed Manzur Elahi, Chairman of the Company. Directors present (from right to left) Mr. Md. Fayekuzzaman, Mr. A K M Nurul Fazal Bulbul, Mr. AKM Shamsuddin, Mr. M H Samad, Mr. Syed Manzur Elahi, Justice Siddiqur Rahman Miah, Dr. Muhammad Abdul Mazid, Mr. Tapan Chowdhury, Mr. Sajjad Hussain & Auditor of the Company Mr. A F Nesaruddin, FCA.



## CDBL News

On Monday 3<sup>rd</sup> November 2014, 26 Assistant Directors of Bangladesh Securities and Exchange Commission (BSEC) visited Central Depository Bangladesh Limited (CDBL) as a part of their training. Mr. M H Samad, Managing Director & CEO of CDBL welcomed them and presented an overview of the activities of CDBL.



Afterwards, the officials of BSEC went through the whole operations of CDBL and module wise functionalities of Central Depository System (CDS) application software VeDAS (Versatile engine for Depository Accounting System).



On Wednesday 5<sup>th</sup> November 2014 a team of 8 members from Securities Board of Nepal and CDS & Clearing Limited, Nepal visited CDBL to attend a day-long orientation program on the system and procedures of the operations of Central Depository System in Bangladesh.



# DIRECTORS REPORT

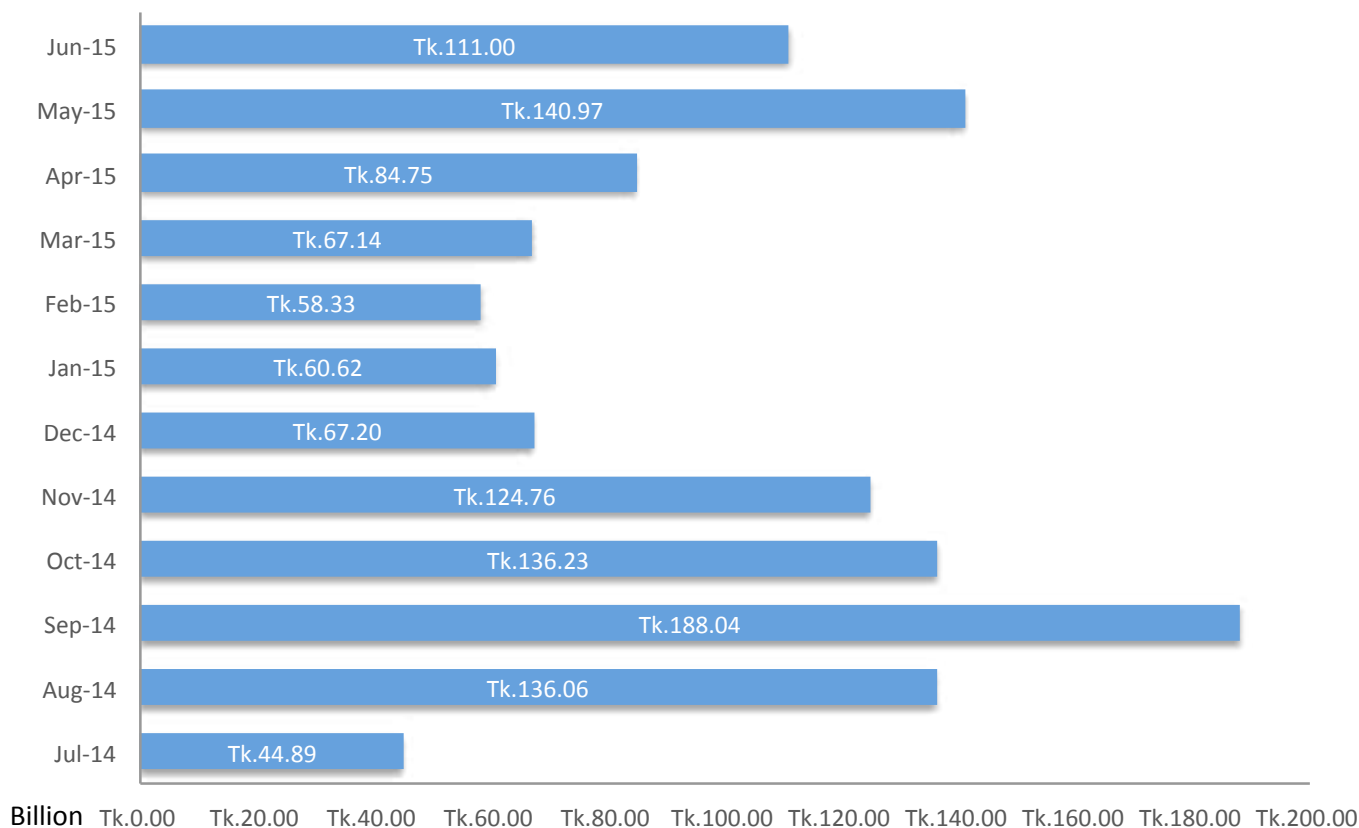
The Board of Directors of Central Depository Bangladesh Limited (CDBL) is pleased to present the audited financial statements of the Company for the year ended 30<sup>th</sup> June 2015, Auditors' Report thereon along with a market overview relating to the Company's operations.

## Market Overview

The stock market performance during the year ended 30<sup>th</sup> June 2015 was relatively steady in spite of ongoing political uncertainty and sluggish credit growth. The market witnessed a sudden surge in stock prices in September, October 2014 with increase in both volume and value of daily turnover. However, subsequently both declined steadily in the five months period from November 2014 to March 2015. Gradual pickup of the market was nevertheless noticeable in the last quarter from April to June 2015 period. The combined peak turnover of both the exchanges was recorded on 18<sup>th</sup> September 2014 at Tk.1,365 crore. The performance of the primary market was relatively strong as prices of shares of newly listed companies jumped manifold over their issue price on their trading debut. As such IPOs were oversubscribed, as investors rushed to subscribe for primary shares, expecting good returns from their investment.

During the year Dhaka Stock Exchange (DSE) Broad Index (DSEX) advanced marginally by 2.28% from 4,481 on 30<sup>th</sup> June 2014 to 4,583 on 30<sup>th</sup> June 2015. Chittagong Stock Exchange (CSE) index was also up from 13,766 to 14,097, a gain of around 2.40% in the same order of magnitude as the DSE.

Turnover of DSE at Tk. 1,124 billion as against Tk.1,125 billion in the previous year was more or less unchanged, down around 0.09%. CSE's turnover at Tk. 95.99 billion compared to Tk. 102.18 billion in the previous year was down by 6%. Monthly combined turnover of both the exchanges during the year ended 30<sup>th</sup> June 2015 is depicted hereunder:-



Taking the combined turnovers at both DSE & CSE during the year the top turnover performers list was headed by the premier mobile telecom company Grameenphone Limited as tabulated below:-

Company	Turnover (Tk. billion)
Grameenphone Limited	41.19
Bangladesh Export Import Company Limited	39.72
Mobil Jamuna Lubricants Limited	38.86
Lafarge Surma Cement Limited	32.73
Square Pharmaceuticals Limited	32.27

Market Capitalization at the close of the year ended 30<sup>th</sup> June 2015 stood at Tk. 3,247 billion (US\$ 41.74 bln) as against Tk. 2,943 billion (US\$ 37.91 bln) at the end of 30<sup>th</sup> June 2014 registering a gain of 10.33% during the year. Share price movements of the largest contributors to market capitalization were however mixed during the year as indicated below:-

Company	Market Cap. (Tk. billion)	Closing Price (Tk.)	% Price Gain / (Decline)
Grameenphone Limited	445.19	329.70	9.79
British American Tobacco Bangladesh Company Limited (BATBC)	182.70	3,045.00	31.35
Square Pharmaceuticals Limited	145.33	262.20	(7.08)
Lafarge Surma Cement Limited	137.15	118.10	41.77
Investment Corporation of Bangladesh	79.48	125.60	(33.51)

Total number of listed securities at DSE stood at 334 at the end of the year made up of 283 companies, 41 mutual funds, 8 debentures and 2 corporate bonds excluding 221 Bangladesh Government Treasury Bonds. Number of shares, debentures, corporate bonds and mutual funds at DSE was 53,584 million and issued capital of these securities stood at Tk. 543.36 billion as at 30<sup>th</sup> June 2015.

Initial Public Offerings (IPO) by 16 companies tapped the market for around Tk. 12,869.72 million as tabulated below:-

Subscription Date		Company	IPO Issue (Tk.- mln)	Times Over Subscribed
Opening	Closing			
06.07.14	10.07.14	Saif Powertec Limited (including a Premium of Tk. 20.00 per share)	360.00	9.12
13.07.14	17.07.14	Ratanpur Steel Re-Rolling Mills Limited (including a Premium of Tk. 30.00 per share)	1,000.00	5.85
10.08.14	14.08.14	Western Marine Shipyard Limited (including a Premium of Tk. 25.00 per share)	1,575.00	2.60
24.08.14	28.08.14	Khan Brothers PP Woven Bag Industries Limited	200.00	43.63
28.09.14	02.10.14	Hamid Fabrics Limited (including a Premium of Tk. 25.00 per share)	1,050.00	8.80
26.10.14	30.10.14	National Feed Mill Limited	180.00	47
09.11.14	13.11.14	C & A Textiles Limited	450.00	20
23.11.14	27.11.14	IFAD Autos Limited (including a Premium of Tk. 20.00 per share)	637.50	16.05
14.12.14	21.12.14	Shasha Denims Limited (including a Premium of Tk. 25.00 per share)	1,750.00	5.50
28.12.14	05.01.15	Zaheen Spinning Limited	120.00	50
11.01.15	15.01.15	Asian Tiger Sandhani Life Growth Fund	1,000.00	Under subscribed
18.01.15	22.01.15	United Power Generation & Distribution Co. Ltd. (including a premium of Tk. 62.00 per share)	2,376.00	4
01.02.15	05.02.15	Bangladesh Steel Re-Rolling Mills Ltd. (including a Premium of Tk. 25.00 per share)	612.50	19
24.03.15	31.03.15	Tosrifa Industries Limited (including a Premium of Tk. 16.00 per share)	638.72	10.5
19.04.15	23.04.15	Olympic Accessories Limited	200.00	50.66
25.05.15	04.06.15	Aman Feed Limited (including a Premium of Tk. 26.00 per share)	720.00	12.64
			12,869.72	

Moneys raised through IPOs were around 38% more in comparison to the previous year when 16 companies raised around Tk. 9,338.70 million through Initial Public Offerings.



## Central Depository System (CDS) Operations

### Depository Participants (DPs)

Depository Participants (DPs) increased by 10 from 376 to 386 during the year ended 30<sup>th</sup> June 2015 as detailed below:-

Depository Participants (DPs) admitted to CDBL	30 <sup>th</sup> June 2014	30 <sup>th</sup> June 2015
Brokers / Dealers – Full Service DPs	305	311
Custodian DPs	69	73
Stock Exchanges	2	2
<b>Total</b>	<b>376</b>	<b>386</b>

### Investors' Accounts

Investors' accounts in operation, as tabulated below, registered around 8% growth during the year, increasing by 237,499 due to the good performance of the primary market during the year. IPO share on opening trades encouraged investors to open accounts to subscribe to IPOs with the prospect to book quick profit on the sale of their IPO share allotments.

Investors' Accounts	30 <sup>th</sup> June 14	30 <sup>th</sup> June 15
Individual Accounts	1,871,746	1,989,443
Joint Accounts	1,076,567	1,196,173
Company Accounts	8,517	8,743
Omnibus Accounts	414	350
Principal Accounts	460	469
Clearing Accounts	649	674
<b>Total</b>	<b>2,958,353</b>	<b>3,195,852</b>

Securities of 25 entities came into the CDS whilst ACI 20% Convertible Zero Coupon Bonds, being fully redeemed and delisted from the exchanges, went out of the CDS during the year. Out of the 346 companies 15 are in the OTC market whereas MTB Unit Fund, Rupali Life Insurance First Mutual Fund and Dhaka & Chittagong Stock Exchanges shares are not listed securities.

Number of shares held in the CDS increased around 15% during the year by 6,465,981,153 taking the total from 44,408,321,318 as at 30<sup>th</sup> June 2014 to 50,874,302,471 as at 30<sup>th</sup> June 2015. Market value of the shares held in CDS as at 30<sup>th</sup> June 2014 amounted to around Tk. 1,577.07 billion which increased to Tk. 1,776.16 billion as at 30<sup>th</sup> June 2015 registering a gain around 13%.

Share trades settlement in the depository relating to combined stock exchange trades of DSE & CSE during the year were higher in comparison to the previous year, but the transaction value slightly went down by 0.59% as tabled below:-

No. of Shares in CDS	Year Ended	No. of Trades (Mln)	No. of Shares Traded (Mln)	Turnover Tk. (Bln)
50,874,302,471	30 <sup>th</sup> June 15	30.08	29,257	1,220.00
44,408,321,318	30 <sup>th</sup> June 14	29.59	27,018	1,227.18
<b>14.56 %</b>	<b>% Increase/(decrease)</b>	<b>1.66%</b>	<b>8.29 %</b>	<b>(0.59%)</b>

100% of the DSE & CSE combined daily trades during the year ended 30<sup>th</sup> June 2015 was settled in the demat market segment.

Corporate Actions relating to bonus shares & rights issues decreased during the year whereas stock split increased significantly compared to the previous year ended 30<sup>th</sup> June 2014. Credits to the BO accounts in the CDS on account of Corporate Actions were lower during the year as against previous year as depicted below:-

Year Ended	No. of Shares				Total	
	Bonus	Rights	Stock split	Shares	A/Cs credited	Value Tk. Billion
30 <sup>th</sup> June 15	2,989,967,748	412,233,029	60,308,987	3,462,509,764	3,109,690	166.38
30 <sup>th</sup> June 14	3,220,760,295	461,563,407	2,978,606	3,685,302,308	3,720,012	169.49
<b>% Increase/(decrease)</b>	<b>(7.17)</b>	<b>(10.69)</b>	<b>1,924.74</b>	<b>(6.05)</b>	<b>(16.41)</b>	<b>(1.84)</b>

## 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.

HP Hardware systems operations were satisfactory during the year ended 30<sup>th</sup> June 2015 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.

## Personnel

Workforce of the Company at the end of 30<sup>th</sup> June 2015 was 65 of whom 46 were IT professionals. The workforce increased by 2 during the year.

The 17<sup>th</sup> Asia-Pacific Central Securities Depository Group (ACG) Cross-Training Seminar held at Colombo, Sri Lanka from 11<sup>th</sup> to 14<sup>th</sup> May 2015 was attended by 2 System Engineers of the Company led by the Head of HR and Special Projects.

Two senior executives of the Company attended an International Training Program for Securities Market Professional held at the Bombay Stock Exchange from 25<sup>th</sup> to 29<sup>th</sup> May 2015 organized by South Asian Federation of Exchanges (SAFE) & Bombay Stock Exchange (BSE) Institute Ltd.

Four senior Systems Operations personnel attended training on Oracle Database Administration Workshop at the Oracle University, Kuala Lumpur, Malaysia during the year.

The Company is continuing its ICT Management Training program of 6 months duration and outsourcing its security and cleaning services.

## Financial Results

As a result of payment of cash back rebate to customers of Tk. 10 crore and lesser corporate actions of the listed companies, income from Settlement of securities transactions and Corporate actions, both major source of revenue dropped by 17.01% and 23.81% respectively in comparison with the previous year. On the other hand due to increase in investors' accounts in operation by 237,499 and moneys raised through IPOs up by 38%, income from Annual Accounts Maintenance and Fresh Issues (IPO) fees were higher by 15.79% and 15.53% respectively in comparison with the previous year. However, overall the total operating income of the Company decreased in the year by Tk. 39,040,495, i.e. by 3.74%, from Tk. 1,043,514,492 in the previous year ended 30<sup>th</sup> June 2014 to Tk. 1,004,473,997 in the year ended 30<sup>th</sup> June 2015. Other income also decreased by Tk. 33,514,526, i.e. by 5.19%, mainly due to decline in bank interest rates for Fixed Deposits Receipts.

Operating expenses of the Company increased by Tk. 19,537,794, i.e. 12.35%, in comparison to the previous year ended 30<sup>th</sup> June 2014 attributed mainly due to the payment of Tk. 11,415,643 for the first time on account of Annual Maintenance Contract (AMC) in respect of changeover to Oracle database 10gR2.

During the year ended 30<sup>th</sup> June 2015 a Workers Participation Fund of Tk. 71,947,307, i.e. 5% of the net profit before tax of the Company has been provided in the financial statements for the first time as per provisions of Section 234 of Labour Act, 2006 as amended in 2013. Breakup of this amount is as follows:-

- Workers Participation Fund : 80%
- Workers Welfare Fund : 10%
- Government : Fund Established under section 14 of Bangladesh Workers Welfare Foundation Act 2006 : 10%

Due to the reasons stated above, the net profit after tax of the Company decreased by Tk. 93,849,601, i.e. 9.6%, from Tk. 978,592,867 in the year ended 30<sup>th</sup> June 2014 to Tk. 884,743,266 in the year ended 30<sup>th</sup> June 2015 and the Earnings per Share (EPS) of the Company declined by Tk. 0.47, i.e. 9.6%, from Tk. 4.89 to Tk. 4.42.

The key figures relating to the financial results of the Company for the year ended 30<sup>th</sup> June 2015 compared to the previous year are given below:-

Particulars	30 <sup>th</sup> June 2015 Taka	30 <sup>th</sup> June 2014 Taka	% increase / (decrease)
Operating income	1,004,473,997	1,043,514,492	(3.74)
Other income	612,272,167	645,786,693	(5.19)
Operating expenses	177,800,019	158,262,225	12.35
Net profit before tax	1,366,998,838	1,531,038,960	(10.71)
Income tax expenses	478,449,593	535,863,671	(10.71)
Deferred tax expenses	3,805,979	16,582,422	(77.05)
Net profit after tax	884,743,266	978,592,867	(9.60)
Paid up capital	2,000,000,000	2,000,000,000	-
Earnings per share (EPS)	4.42	4.89	(9.60)

**Cash Dividend:** Notwithstanding the somewhat weaker financial results attained by the Company, the Board of Directors in its meeting held on 5<sup>th</sup> October 2015 decided to keep dividend at the same level as last year and accordingly recommended a cash dividend of 25% i.e. Tk. 2.5 per ordinary share of Tk. 10 each for the year ended 30<sup>th</sup> June 2015 to the shareholders in the register of members as on 15<sup>th</sup> October 2015 for consideration at the 15<sup>th</sup> Annual General Meeting of the shareholders of the Company.

Appropriations	Taka
Net profit after taxation	884,743,266
Un-appropriated profit brought forward	587,058,424
Cash dividend @ 25% paid for the year ended 30 <sup>th</sup> June 2014	(500,000,000)
Transferred to CDS Up-gradation Reserve	(100,000,000)
Transferred to Headquarter Building Reserve	(250,000,000)
Transferred to Investor Protection Fund	(50,000,000)
<b>Profit available for appropriation</b>	<b>571,801,690</b>
Dividend proposed for the year ended 30 <sup>th</sup> June 2015—Cash Dividend @ 25%	(500,000,000)
Un-appropriated profit carried forward	71,801,690

### Contribution to the National Exchequer:

During the year ended 30<sup>th</sup> June 2015 the Company paid Tk. 503,933,980 as direct tax.

### Outlook:

The profitability of CDBL is likely to reduce further in the coming years due to the 14.29% reduction of transaction fees of CDBL from Tk.17.50 to Tk.15 for transactions of Tk.1 lac market value affected from 1<sup>st</sup> July 2015. Other income will also fall significantly with the deep decline in bank interest rates that has been taking place.

The Company is technologically well placed to handle any upsurge in trade volumes or new products launched at the stock exchanges and deliver improvements in its service to depository participants and issuers.

### Changes in Directorship:

During the year there was no change in the directorship of the Company.

### Election of Directors

Pursuant to Article 117 to 120 of the Company Mr. Sheikh Kabir Hossain, Mr. AKM Shamsuddin, Mr. Md. Rezaul Karim, Mr. Sajjad Hussain and Mr. Azam J Chowdhury 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 Section 210 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 Bangladesh Securities and Exchange Commission. 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. (DSE) and the Chittagong Stock Exchange Ltd. (CSE).

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 in difficult circumstances during the year. The support extended by the Company's IT Solution provider, CMC Limited and hardware maintenance team of HP Singapore and its local partner Flora Limited in keeping the CDS up and running is also duly acknowledged and appreciated by the Board

For and on behalf of the Board of Directors.



-----  
Sheikh Kabir Hossain  
Chairman

## Hoda Vasi Chowdhury & Co Chartered Accountants

### 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 2015, 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 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.

#### Opinion

In our opinion, the financial statements prepared in accordance with the Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of Central Depository Bangladesh Limited as at 30 June 2015 and the results of its financial performance and its cash flows for the year then ended and comply with the Companies Act, 1994 and other applicable laws and regulations.

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

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;
- 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, 21 October 2015



Chartered Accountants

Central Depository Bangladesh Limited  
Statement of Financial Position  
as at 30 June 2015

	<u>Notes</u>	<u>2015 Taka</u>	<u>2014 Taka</u>
<b>ASSETS:</b>			
<b>Non-current assets:</b>			
Property, plant and equipment-at cost less accumulated depreciation	4	957,866,301 121,973,962	1,047,183,994 131,514,553
Investment in bonds	5	829,658,202	905,629,325
Deferred tax assets	6	6,234,137	10,040,116
<b>Current assets:</b>			
Accounts receivable	7	5,453,901,576 126,899,740	5,135,287,203 100,789,408
Interest receivable		166,962,241	195,800,717
Advances and deposits	8	14,492,587	17,490,937
Loans	9	5,007,741	7,848,129
Cash and cash equivalents	10	5,140,539,267	4,813,358,012
<b>TOTAL ASSETS</b>		<b>6,411,767,877</b>	<b>6,182,471,197</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Shareholders' equity:</b>			
Share capital	11	5,871,801,690 2,000,000,000	5,487,058,424 2,000,000,000
Retained earnings		571,801,690	587,058,424
Reserves:			
CDS upgradation		500,000,000	400,000,000
Headquarter building		2,650,000,000	2,400,000,000
Investor protection		150,000,000	100,000,000
<b>Non-current liabilities:</b>			
Security deposits	12	136,950,000	127,050,000
<b>Current liabilities:</b>			
Accounts payable and other liabilities	13	403,016,187 324,468,532	568,362,773 464,891,444
Unearned revenue		13,842,278	13,281,565
Provision for income tax	14	64,705,377	90,189,764
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>6,411,767,877</b>	<b>6,182,471,197</b>

These financial statements should be read in conjunction with annexed notes



Chairman



Director



Deputy Managing Director &amp; CFO



Managing Director &amp; CEO

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

Dhaka, 21 October 2015



Chartered Accountants



Central Depository Bangladesh Limited  
Statement of Comprehensive Income  
For the year ended 30 June 2015

	Notes	2015 Taka	2014 Taka
Operating income	15	1,004,473,997	1,043,514,492
Less: Operating and administrative expenses	16	177,800,019	158,262,225
<b>Operating profit</b>		<b>826,673,978</b>	<b>885,252,267</b>
Add: Other income	17	612,272,167	645,786,693
<b>Net profit before allocation to workers' profit participation fund</b>		<b>1,438,946,145</b>	<b>1,531,038,960</b>
Workers' profit participation fund		(71,947,307)	-
<b>Net profit before tax</b>		<b>1,366,998,838</b>	<b>1,531,038,960</b>
Income tax expense	14	(478,449,593)	(535,863,671)
Deferred tax expense	6	(3,805,979)	(16,582,422)
<b>Net profit after tax during the year</b>		<b>884,743,266</b>	<b>978,592,867</b>
Accumulated profit brought forward from previous year		587,058,424	508,465,557
<b>Profit available for appropriation</b>		<b>1,471,801,690</b>	<b>1,487,058,424</b>
Less: Dividend paid in cash	18	500,000,000	500,000,000
Less: Transferred to reserves			
CDS upgradation		100,000,000	100,000,000
Headquarter building		250,000,000	250,000,000
Investor protection		50,000,000	50,000,000
		400,000,000	400,000,000
<b>Accumulated profit transferred to retained earnings</b>		<b>571,801,690</b>	<b>587,058,424</b>
Earnings per share	20	4.42	4.89

These financial statements should be read in conjunction with annexed notes



Chairman



Director



Deputy Managing Director &amp; CFO



Managing Director &amp; CEO

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

Dhaka, 21 October 2015



Chartered Accountants

Central Depository Bangladesh Limited  
Statement of Changes in Equity  
For the year ended 30 June 2015

<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>
<b>Balance as on 01 July 2013</b>	<b>2,000,000,000</b>	<b>508,465,557</b>	<b>2,500,000,000</b>	<b>5,008,465,557</b>
Net profit for the year	-	978,592,867	-	978,592,867
Cash dividend paid for 2012-2013	-	(500,000,000)	-	(500,000,000)
<b>Reserves:</b>				
CDS upgradation	-	(100,000,000)	100,000,000	-
Headquarter building	-	(250,000,000)	250,000,000	-
Investor protection	-	(50,000,000)	50,000,000	-
<b>Balance as at 30 June 2014</b>	<b>2,000,000,000</b>	<b>587,058,424</b>	<b>2,900,000,000</b>	<b>5,487,058,424</b>
Net profit for the year	-	884,743,266	-	884,743,266
Cash dividend paid for 2013-2014	-	(500,000,000)	-	(500,000,000)
<b>Reserves:</b>				
CDS upgradation	-	(100,000,000)	100,000,000	-
Headquarter building	-	(250,000,000)	250,000,000	-
Investor protection	-	(50,000,000)	50,000,000	-
<b>Balance as at 30 June 2015</b>	<b>2,000,000,000</b>	<b>571,801,690</b>	<b>3,300,000,000</b>	<b>5,871,801,690</b>

CDS upgradation reserve was created for future upgradation and modernization of central depository system to ensure uninterrupted services to the clients. Headquarter building reserve was created to build a premise on the Company's own land in future. Investor protection reserve was created to protect the Company from any future risks of loss arising from a genuine and bonafide claim made by any client.



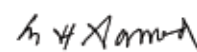
Chairman



Director



Deputy Managing Director &amp; CFO



Managing Director &amp; CEO

**Hoda Vasi**  
**Chowdhury & Co**

**Central Depository Bangladesh Limited**  
**Statement of Cash Flows**  
**For the year ended 30 June 2015**

	<b>2015</b>	<b>2014</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>A. Cash flows from operating activities</b>		
Cash receipts from customers and others	1,023,378,317	1,079,089,373
Cash paid to suppliers and employees for operating and administrative expenses	(188,063,798)	(140,056,288)
Cash paid/receipts against BO A/C maintenance fee collected on behalf of BSEC and Government	(203,825,500)	184,426,150
Cash receipts against security deposits	9,900,000	9,700,000
Cash receipts/paid against deposits and pre-payments	2,998,350	(15,526,317)
Cash receipts/paid against advance and loans to employees	2,840,388	(5,705,643)
<b>Cash generated from operations</b>	<b>647,227,757</b>	<b>1,111,927,275</b>
Income tax paid	(503,933,980)	(567,275,432)
<b>Net cash generated by operating activities</b>	<b>143,293,777</b>	<b>544,651,843</b>
<b>B. Cash flows from investing activities</b>		
Interest income	619,379,555	587,698,871
Acquisition of property, plant and equipment	(11,463,200)	(58,542,847)
Investment in bonds	(70,687,537)	(65,629,325)
Divestment of bonds	146,658,660	60,000,000
<b>Net cash generated by investing activities</b>	<b>683,887,478</b>	<b>523,526,699</b>
<b>C. Cash flows from financing activities</b>		
Dividend paid	(500,000,000)	(500,000,000)
<b>Net cash used in financing activities</b>	<b>(500,000,000)</b>	<b>(500,000,000)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>327,181,255</b>	<b>568,178,542</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>4,813,358,012</b>	<b>4,245,179,470</b>
<b>F. Cash and cash equivalents at the end of the year</b>	<b>5,140,539,267</b>	<b>4,813,358,012</b>



Chairman



Director



Deputy Managing Director &amp; CFO



Managing Director &amp; CEO

**Central Depository Bangladesh Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2015**

## **1. Background and objective of the Company**

Central Depository Bangladesh Limited (hereinafter referred to as “CDBL” or “the Company”) 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, Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited with the collaboration of the Asian Development Bank (ADB). The Company obtained registration from the Bangladesh Securities & Exchange Commission (BSEC) on 11 September 2001 under Depositories Regulations 2000 and subsequently obtained business commencement certificate on 23 December 2003 from the BSEC. 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), the Companies Act 1994, the 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) and Bangladesh Financial Reporting Standards (BFRS)**

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-32	Financial Instruments: Presentation
BAS-33	Earnings Per Share
BAS-36	Impairment of Assets
BAS-37	Provisions, Contingent Liabilities and Contingent Assets
BAS-38	Intangible Assets
BAS-39	Financial Instruments: Recognition and Measurement

The applicable BFRSs are as follows:

BFRS-7	Financial Instruments: Disclosures
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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 recognised 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. Expenditures relating to 'site preparation and office renovation' has been capitalised whilst incidental expenses in relation to repairs and maintenance, renewals, and systems' maintenance and fine-tuning are charged to the 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 is charged in the year of retirement / disposal.

**2.5 Provision**

The Company recognises provisions when it has a legal or constructive obligation resulting from past events, the resolution of which would result in outflow of resources embodying economic benefits from the Company.

**2.6 Foreign currency transactions**

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

**2.7 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 @ 35% pursuant to provisions of Income Tax Ordinance 1984. The tax rate for the year is applied on the basis of Finance Act 2015.

**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 recognised in the statement of comprehensive income. 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 recognised 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.

## 2.8 Revenue recognition

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

## 2.9 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). 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.

### c) Workers' profit participation fund

The Company recognises a provision in the current year for Workers' Profit Participation Fund @ 5% of net profit before tax as per the Labour Act, 2006 as amended in 2013.

## 2.10 Earnings per share (EPS)

### a) Basic Earnings Per Share

Earnings Per Share (EPS) has been calculated in accordance with the 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) Diluted Earnings Per Share

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

## 2.11 Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the date of statement of financial position are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed when material as per BAS-10: "Events after the Reporting Period".

## 2.12 Reporting period

The reporting period of the Company covers one year from 1 July to 30 June consistently.

## 3. General

- (i) Figures appearing in these financial statements have been rounded off to the nearest Taka; and
- (ii) Previous year's figures have been rearranged, wherever considered necessary, to conform to current year's presentation.

## 4. 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 2015
	Balance as on 01 July 2014	Additions during the year	Balance as at 30 June 2015	Rate (%)	Balance as on 01 July 2014	Charged during the year	Balance as at 30 June 2015	
Central Depository System (CDS):								
Software	142,623,383	-	142,623,383	20	96,682,484	11,485,200	108,167,684	34,455,699
Hardware	182,757,874	11,035,200	193,793,074	20	176,389,995	7,911,399	184,301,394	9,491,680
Network equipment,LAN and WAN	25,078,227	-	25,078,227	20	25,077,430	-	25,077,430	797
Sub-total	350,459,484	11,035,200	361,494,684		298,149,909	19,396,599	317,546,508	43,948,176
Computers and accessories	6,557,233	222,000	6,779,233	20	6,180,454	256,899	6,437,353	341,880
Office and electrical equipment	5,248,532	-	5,248,532	20	4,692,985	229,810	4,922,795	325,737
Furniture and fixtures	4,435,724	-	4,435,724	15	4,167,271	132,383	4,299,654	136,070
Air conditioners	3,282,100	206,000	3,488,100	20	3,113,696	83,200	3,196,896	291,204
Site preparation and office renovation	2,710,140	-	2,710,140	15	2,689,840	19,900	2,709,740	400
Power generator	3,526,895	-	3,526,895	20	3,526,700	-	3,526,700	195
Auto sensor fire alarm	2,060,260	-	2,060,260	20	2,060,064	-	2,060,064	196
Motor vehicles	13,203,000	-	13,203,000	20	10,547,896	885,000	11,432,896	1,770,104
Land	75,160,000	-	75,160,000	-	-	-	-	75,160,000
Sub-total	116,183,884	428,000	116,611,884		36,978,906	1,607,192	38,586,098	78,025,786
Grand total as at 30 June 2015	466,643,368	11,463,200	478,106,568		335,128,815	21,003,791	356,132,606	121,973,962
Grand total as at 30 June 2014	408,100,521	58,542,847	466,643,368		315,613,543	19,515,272	335,128,815	131,514,553

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**2015****Taka****2014****Taka****5. 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	192,000,000	240,000,000
Trust Bank Limited	160,000,000	200,000,000
Renata Limited	-	30,000,000
United Commercial Bank Limited	50,000,000	50,000,000
IDLC Finance Limited	36,970,665	65,629,325
LankaBangla Finance Limited	70,687,537	-
	<b>829,658,202</b>	<b>905,629,325</b>

**6. Deferred tax assets**

Deferred tax has been calculated in accordance with the provision of BAS-12: "Income Taxes" based on temporary differences arising due to differences in the carrying amount of the assets or liabilities and their tax base which resulted in a deferred tax asset of Taka 6,234,137 arrived as follows:

Tax base value of fixed assets except land	59,687,746	71,900,961
Less: Carrying amount of fixed assets except land	46,813,962	56,354,553
Deductible temporary difference	12,873,784	15,546,408
Provision for gratuity fund	-	2,422,500
Provision for leave encashment	1,661,019	1,452,462
Provision for bad debts	3,277,017	9,264,677
Total deductible temporary differences	17,811,820	28,686,047
Applicable tax rate	35.00%	35.00%
Deferred tax assets at the end of the year	6,234,137	10,040,116
Deferred tax asset in previous year	10,040,116	26,622,539
Deferred tax expense for the year	(3,805,979)	(16,582,422)
	<b>6,234,137</b>	<b>10,040,116</b>



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	<b>2015</b>	<b>2014</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>7. Accounts receivable</b>		
Participants	106,609,530	92,932,867
Issuers	23,567,227	33,423,147
	130,176,757	126,356,014
Less: Provision for bad debts	3,277,017	25,566,606
	<b>126,899,740</b>	<b>100,789,408</b>
<b>8. Advances and deposits</b>		
<b>Advances</b>		
CMC Limited	10,027,967	10,008,717
Flora Limited	-	5,517,600
	10,027,967	15,526,317
<b>Deposits</b>		
Bangladesh Development Bank Limited - office rent	1,845,270	1,845,270
RAJUK - Uttara Industrial Plot	2,500,000	-
Bangladesh General Insurance Company Limited - office rent for DRC at BGIC Tower	119,350	119,350
	4,464,620	1,964,620
	<b>14,492,587</b>	<b>17,490,937</b>
<b>9. Loans</b>	<b>5,007,741</b>	<b>7,848,129</b>
The loan amounting to Taka 5,007,741 to the employees represent interest free loans granted on different personal grounds which are being recovered from monthly salaries.		
<b>10. Cash and cash equivalents</b>		
Cash in hand	208,357	271,073
Cash at bank		
Current account with Standard Chartered Bangladesh	4,450,507	4,998,186
Short term deposits with:		
Sonali Bank Limited, Dhaka	1,071,048	1,026,610
Standard Chartered Bangladesh	29,838,820	37,202,397
Bangladesh Development Bank Limited, Dhaka	17,803,020	10,348,259
Southeast Bank Limited, Dhaka	62,727,904	610,571,876
	111,440,792	659,149,142
Term deposits	5,024,439,611	4,148,939,611
	<b>5,140,539,267</b>	<b>4,813,358,012</b>

	<b>2015</b> <b><u>Taka</u></b>	<b>2014</b> <b><u>Taka</u></b>
<b>11. Share capital</b>		
<b>11.1 Authorised capital</b>		
200,000,000 ordinary shares of Taka 10 each	<b><u>2,000,000,000</u></b>	<b><u>2,000,000,000</u></b>
<b>11.2 Issued, subscribed and paid up capital</b>		
200,000,000 ordinary shares of Taka 10 each	<b><u>2,000,000,000</u></b>	<b><u>2,000,000,000</u></b>

**11.3 Composition of shareholders**

<b><u>Name of Shareholders</u></b>	<b><u>No. of Shares</u></b>		
Nationalized and specialized banks	36,956,295	369,562,950	369,562,950
Private commercial and specialized banks	59,741,103	597,411,030	597,411,030
Foreign commercial banks	19,569,444	195,694,440	195,694,440
Insurance companies	14,810,778	148,107,780	148,107,780
Publicly listed companies	19,777,788	197,777,880	197,777,880
NBFIs and merchant banks	7,084,495	70,844,950	70,844,950
Dhaka Stock Exchange Limited (DSE)	13,612,555	136,125,550	136,125,550
Chittagong Stock Exchange Limited (CSE)	13,612,555	136,125,550	136,125,550
Investment Corporation of Bangladesh (ICB)	6,112,555	61,125,550	61,125,550
Sadharan Bima Corporation	6,112,555	61,125,550	61,125,550
Private limited companies	2,174,188	21,741,880	21,741,880
Other individuals	435,689	4,356,890	4,356,890
	<b><u>200,000,000</u></b>	<b><u>2,000,000,000</u></b>	<b><u>2,000,000,000</u></b>

**11.4 Classification of shares by holding**

<b><u>Slabs by number</u></b>	<b><u>No. of holders</u></b>	<b><u>No. of shares</u></b>	<b><u>Holding %</u></b>
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 1,000,000	47	166,970,244	83.49
	<b><u>109</u></b>	<b><u>200,000,000</u></b>	<b><u>100.00</u></b>

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	<b>2015</b> <b><u>Taka</u></b>	<b>2014</b> <b><u>Taka</u></b>
<b>12. Security deposits</b>		
Participants	47,700,000	46,700,000
Issuers	88,700,000	79,800,000
Direct account holders	550,000	550,000
	<b><u>136,950,000</u></b>	<b><u>127,050,000</u></b>
<b>13. Accounts payable and other liabilities</b>		
<b>Accounts payable</b>		
Chittagong Stock Exchange Limited - network sharing	638,674	1,279,352
<b>Other liabilities</b>		
Bangladesh Securities & Exchange Commission for annual account maintenance fee (note-13.1)	50,193,750	90,958,850
Government of Bangladesh for annual account maintenance fee (note-13.2)	198,817,600	361,878,000
DPs and Issuers	614,407	181,148
Sundry creditors- Telephone and other bills- June 2015	93,554	138,000
Salary and allowances	1,661,019	6,704,129
Provision for workers' profit participation fund	71,947,307	-
Contribution to provident fund	-	246,450
Contribution to gratuity fund	-	2,422,500
Audit fee including VAT	355,000	355,000
Payable to employees	147,221	728,015
	<b><u>323,829,858</u></b>	<b><u>463,612,092</u></b>
	<b><u>324,468,532</u></b>	<b><u>464,891,444</u></b>

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

**13.2** The amount represents Government of Bangladesh's portion of annual account maintenance fee (Taka 200 per BO account) collected by the Company.

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**14. Provision for income tax**

	<b>2015</b>	<b>2014</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
Opening balance	90,189,764	121,601,526
Add: Provision made for current year	478,449,593	535,863,671
	<u>568,639,357</u>	<u>657,465,197</u>
Less: Advance and payments made during the year		
Tax deducted at source on interest on short term deposits	3,246,758	3,183,683
Tax deducted at source on interest on fixed term deposits	48,378,985	44,945,716
Tax deducted at source on interest on bonds	8,873,877	10,542,453
Tax deducted by the Depository Participants and Issuers on bills	1,828,615	1,999,421
Advance income tax paid during the year	400,150,000	430,200,000
Income tax paid for the year	41,455,745	76,404,160
	<u>503,933,980</u>	<u>567,275,433</u>
	<b><u>64,705,377</u></b>	<b><u>90,189,764</u></b>

**15. Operating income**

Dematerialization of securities	1,142,082	4,212,151
Settlement of securities transactions	389,826,273	469,750,685
Annual accounts maintenance	486,799,050	420,411,000
Issuers book entry demat register maintenance	23,129,082	26,075,963
Documentations	56,374	72,500
CDS connections	3,495,317	4,429,500
Rematerialization of securities	44,192	105,745
Corporate actions	54,208,380	71,150,545
Pledging and unpledging of securities	7,491,911	11,283,293
Suspensions and revocations	63,492	167,240
Fresh issues (IPO)	17,218,602	14,903,413
Statement verifications	-	1,200
Transfers and transmissions	19,944,669	19,680,368
Radio link connections	839,907	1,068,000
Freeze	32,668	32,400
Internet balance inquiry	138,100	104,000
Confiscations	38,398	65,689
SMS alert service	5,500	800
	<b><u>1,004,473,997</u></b>	<b><u>1,043,514,492</u></b>

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	<b>2015</b> <b>Taka</b>	<b>2014</b> <b>Taka</b>
<b>16. Operating and administrative expenses</b>		
Salaries and allowances	65,558,653	59,322,652
Office rent	9,383,480	9,318,016
Electricity and water	4,721,600	4,191,078
Depository system maintenance	54,764,816	32,624,461
Insurance	584,658	324,290
Motor car maintenance	1,083,809	764,658
Advertisement expenses	265,492	1,609,990
Entertainment expenses	121,495	118,015
Printing, postage and stationery	1,015,446	655,013
WAN, telephone and internet	3,786,881	5,263,308
Traveling and conveyance	301,735	243,320
License fees and subscriptions	346,575	559,281
Legal and professional fees	28,144	277,702
Training and development	4,289,642	8,004,618
Marketing and capacity building	474,987	244,980
Refectory expenses	368,987	234,595
Security services	1,791,905	1,764,676
Repairs and maintenance	763,249	703,802
Office cleaning	128,206	137,506
Bank charges and excise duty	1,078,879	1,024,114
Audit fee including VAT	355,000	355,000
Meetings and participant conferences	850,900	333,287
Directors fee	1,817,000	1,334,000
Other expenses	157,291	73,914
Depreciation (note-4)	21,003,791	19,515,272
Bad debt expenses	-	9,264,677
Corporate Social Responsibility	2,757,398	-
	<b>177,800,019</b>	<b>158,262,225</b>
<b>17. Other income</b>		
Interest income on FDR	455,335,261	485,495,494
Interest income on Bond	102,741,142	107,045,022
Interest income on STD accounts:		
Sonali Bank Limited	46,469	50,759
Bangladesh Development Bank Limited	1,023,169	774,965
Southeast Bank Limited	30,709,199	30,198,402
Standard Chartered Bangladesh	685,838	813,816
	32,464,675	31,837,942
Bad debt realized	21,731,089	21,408,235
	<b>612,272,167</b>	<b>645,786,693</b>
<b>18. Dividend</b>		
Cash dividend- 2014	<b>500,000,000</b>	<b>500,000,000</b>

During the year, the Company paid cash dividend @ 25% for the year 2013-2014.

**2015**  
**Taka****2014**  
**Taka****19. Proposed dividend**

The Directors in their meeting held on 5 October 2015 have proposed a cash dividend @ 25% i. e. Taka 2.5 per ordinary share of Taka 10 each. The financial statements for the year ended 30 June 2015 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)****20.1 Basic earnings per share**

Net profit after tax for the year	884,743,266	978,592,867
Number of ordinary shares	200,000,000	200,000,000
Basic earnings per share	<b>4.42</b>	<b>4.89</b>

**21. Payments / perquisites to Directors**

Directors attending the Board Meetings were paid Taka 20,000 per meeting. The Managing Director & CEO received an aggregated amount of Taka 13,588,904 (2014 : Taka 8,440,000) as emoluments during the financial year.

**22. Contingent liabilities and commitments****22.1 Contingent liability****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 salary:

Above Taka 3,000 per month

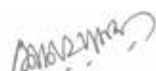
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Below Taka 3,000 per month

Nil

Nil

**61****59**


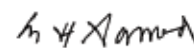
Chairman



Director



Deputy Managing Director &amp; CFO



Managing Director &amp; CEO

