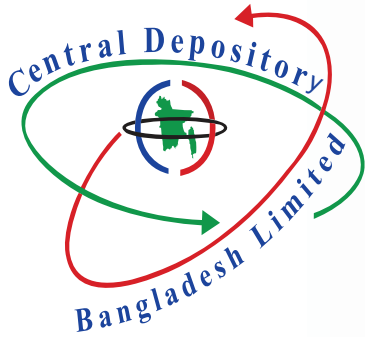


■ CENTRAL DEPOSITORY BANGLADESH LIMITED ■

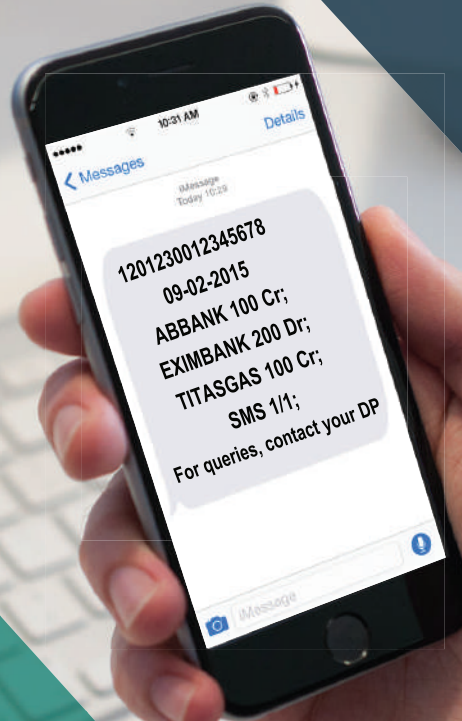
ANNUAL REPORT 2016





DIGITAL BANGLADESH

Central Depository Bangladesh Limited



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Central Depository Bangladesh Limited

BDBL Bhaban (18th Floor), 12 Kawran Bazar, Dhaka-1215
Telephone: 01199883427, 9137469, 9137518, 9137928
Fax: 880-2-8124630, E-mail: cdbl@bol-online.com

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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:

- i) Emphasizing the importance of the customer,
- ii) Unleashing employee initiative by empowering them,
- iii) 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.

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 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). The Company received registration from the Bangladesh Securities and Exchange Commission (BSEC) on 11th September 2001 under Depository Regulations 2000 and subsequently obtained business commencement certificate on 23rd 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 20th 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 24th 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 as a member of Asia Pacific Central Securities Depository (CSD) Group (ACG) hosted the 17th ACG General Meeting in 2013 and 11th ACG cross training seminar in 2009 at Dhaka. Since 14th 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 3rd June 2010 as a full member of Association of National Numbering Agencies (ANNA). CDBL is also 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
Vice-Chairman
Nominee of Bangladesh
Association of Banks (BAB)



Mr. Syed Shahriyar Ahsan
Director
Nominee of Sadharan Bima
Corporation



Mr. Azam Jahangir Chowdhury
Director
Nominee of Prime Bank Limited



Mr. Tapan Chowdhury
Director
Nominee of
Square Pharmaceuticals Limited



Mr. Syed Manzur Elahi
Director
Nominee of Mutual Trust Bank Ltd



Mr. Sajjad Hussain
Director
Nominee of AB Bank Limited



Mr. Md. Obayed Ullah Al Masud
Director
Nominee of Nationalized
Commercial Banks



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



Justice Siddiquir 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. Md. Iftikhar-uz-zaman
Director
Nominee of Investment
Corporation of Bangladesh (ICB)



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

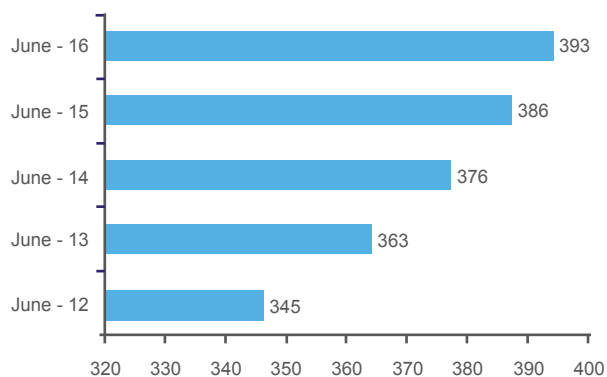
OPERATIONAL HIGHLIGHTS ■

	FINANCIAL YEARS ENDED 30 TH JUNE				
Depository elements	2012	2013	2014	2015	2016
Investors Accounts set up in the CDS	4,639,400	4,993,967	5,527,394	6,007,787	6,304,714
Investors Accounts in operable state in the CDS	2,686,783	2,645,335	2,958,353	3,195,852	3,155,585
Growth of operable Investors Accounts	0.3%	-1.5%	12%	8%	-1.3%
Investors Accounts with Share Balances	1,831,176	1,755,454	1,689,246	1,591,518	1,531,492
Investors Accounts with Zero Balances	562,736	650,546	826,021	1,120,233	1,185,360
Investors Accounts never used	292,871	239,335	443,086	484,101	438,733
Depository Participants	345	363	376	386	393
Growth of Depository Participants	5%	5%	4%	3%	2%
Securities in the CDS - Issuers	292	308	322	346	357
Growth of Issuers entry in the CDS	6%	5%	5%	7%	3%
Number of Shares in the CDS (in millions)	31,829	36,877	44,408	50,874	54,948
Growth of Shares in the CDS	87%	16%	20%	15%	8%
Market value of shares in the CDS (in Tk. billions)	1,354.68	1,399.16	1,577.07	1,776.16	1,832.42
% of stock exchange turnover settled in the CDS	100%	100%	100%	100%	100%

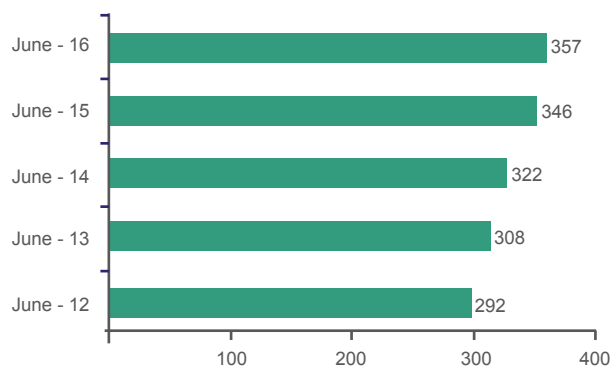
Investors Accounts at a Glance



Depository Participants (DPs) at a Glance



Securities in the CDS - Issuers at a Glance



FINANCIAL HIGHLIGHTS ■

	FINANCIAL YEARS ENDED 30 TH JUNE				
Balance Sheet - Taka	2012	2013	2014	2015	2016
Paid-up Capital	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Retained Earnings	629,987,082	508,465,557	587,058,424	571,801,690	545,788,130
Reserve:					
CDS up-gradation	200,000,000	300,000,000	400,000,000	500,000,000	600,000,000
Headquarter building	1,900,000,000	2,150,000,000	2,400,000,000	2,650,000,000	2,850,000,000
Investor Protection	-	50,000,000	100,000,000	150,000,000	200,000,000
Shareholder's Equity	4,729,987,082	5,008,465,557	5,487,058,424	5,871,801,690	6,195,788,130
Total Liabilities	563,816,485	544,636,226	695,412,773	539,966,187	546,877,563
% Increase/(Decrease)	(73.29)	(3.40)	27.68	(22.35)	1.27
Total Asset	5,293,803,567	5,553,101,783	6,182,471,197	6,411,767,877	6,742,665,693
% Increase/(Decrease)	(8.83)	4.89	11.33	3.70	5.16
Operational Results - Taka					
Operating Income	1,414,990,355	888,159,284	1,043,514,492	1,004,473,997	947,949,630
% Increase/(Decrease)	(35.13)	(37.23)	17.49	(3.74)	(5.63)
Other Income	581,016,189	642,073,712	645,786,693	612,272,167	549,772,080
% Increase/(Decrease)	49.08	10.51	0.58	(5.19)	(10.21)
Total Income	1,996,006,544	1,530,232,996	1,689,301,185	1,616,746,164	1,497,721,710
% Increase/(Decrease)	(22.37)	(23.34)	10.40	(4.29)	(7.36)
Total Expenses	106,987,527	142,602,081	158,262,225	177,800,019	175,085,029
% Increase/(Decrease)	(40.02)	33.29	10.98	12.35	(1.53)
Profit Before Taxation	1,889,019,017	1,387,630,915	1,531,038,960	1,366,998,838	1,256,504,847
% Increase/(Decrease)	(21.05)	(26.54)	10.33	(10.71)	(8.08)
Profit After Taxation	1,194,083,996	878,478,475	978,592,867	884,743,266	823,986,440
% Increase/(Decrease)	(20.00)	(26.43)	11.40	(9.60)	(6.87)
Earnings Per Share	5.97	4.39	4.89	4.42	4.12
% Increase/(Decrease)	(36.01)	(26.42)	11.39	(9.60)	(6.87)

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. Afsar Uddin, BCom, Dip. in 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
Md. Abeed Omor, BSc. ETE

Chittagong

Mohammed Yeaqub Ali, BSc. ECE
Manna Dey, BSc. Comp Sc & Engg, CCNA
Rumen Sen, MSc. Mechanical Engg

Traning

Shafaet Ahmed Siddique, BSc. Comp Sc

Finance & Accounts

Md. Shahidul Islam, BBA (Acct), MBA (Fin), CMA (Part)
Jayanta Biswnu Mondal, MCom, CA(CC), MBA
Md. Golam Mostafa, BCom
Ms. Rumana Rahman, BCom, CA (Inter)
Ms. Shanaz Begum, MCom
Ms. Nurjahan Begum, MSc
Md. Imran Miah, BBS, MBA (Finance)
Ms. Falguni Biswas

Legal Affairs

Syed Akhter Hossain, BA(Hons), MA (Public Administration)
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)
Ms. Parvin Khan, MBA, Dip. in Comp Engg

Network Administration

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

Shift Operations

Mohammad Shaiful Alam, BSc. Comp Sc & Engg
Shah Alam Masum, Dip. 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. In Comp Sc & Engg
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
Afikur Rahman, Dip. In 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
Md. Moniruzzaman Sheikh

FIFTEENTH ANNUAL GENERAL MEETING



The 15th Annual General Meeting of Central Depository Bangladesh Limited (CDBL) was held on Wednesday 25th November 2015 at the Ball Room of Pan Pacific Sonargaon Hotel presided over by Mr. Sheikh Kabir Hossain, Chairman of the Company. Directors present (from right to left) Mr. Pradip Kumar Dutta, Dr. Muhammad Abdul Mazid, Mr. Syed Manzur Elahi, Mr. M H Samad, Mr. Sheikh Kabir Hossain, Mr. AKM Shamsuddin, Mr. Tapan Chowdhury, Mr. A K M Nurul Fazal Bulbul & Mr. Md. Fayekuzzaman while Auditor of the Company Mr. A F Nesaruddin, FCA and Deputy Managing Director & Company Secretary Mr. Shuvra Kanti Choudhury were at the left & right corner of the stage respectively.



■ EXTRA-ORDINARY GENERAL MEETING



An Extra-Ordinary General Meeting of Central Depository Bangladesh Limited (CDBL) was held on Monday 8th February 2016 at the Samson H Chowdhury Center of Dhaka Club Limited presided over by Mr. Sheikh Kabir Hossain, Chairman of the Company. Directors present (from right to left) Mr. Pradip Kumar Dutta, Justice Siddiqur Rahman Miah, Mr. Azam Jahangir Chowdhury, Mr. Tapan Chowdhury, Mr. M H Samad, Mr. Sheikh Kabir Hossain, Mr. AKM Shamsuddin, Dr. Muhammad Abdul Mazid, Mr. A K M Nurul Fazal Bulbul, Mr. Sajjad Hussain and Mr. Shuvra Kanti Choudhury, Deputy Managing Director & Company Secretary of the Company.



■ CDBL ALBUM ■

100th Board Meeting of CDBL



The 100th Board Meeting of Central Depository Bangladesh Limited (CDBL) was held on Wednesday 25th November 2015 presided over by Mr. Sheikh Kabir Hossain, Chairman of the Company.

BSEC Chairman, Commissioners and Executive Directors on a visit to CDBL



Dr. M Khairul Hossain, Chairman, Bangladesh Securities and Exchange Commission along with the Commissioners and Executive Directors of Bangladesh Securities and Exchange Commission (BSEC) visited CDBL office on Monday 9th November 2015 and had a discussion meeting with the Board of Directors of CDBL.

■ CDBL ALBUM ■

BICM students on a study tour to CDBL



Mr. Md. Saifur Rahman, Executive Director of Bangladesh Securities and Exchange Commission (BSEC) and Mr. Shuvra Kanti Choudhury, Deputy Managing Director of Central Depository Bangladesh Limited (CDBL) with the students of Bangladesh Institute of Capital Market (BICM) who visited CDBL on a study tour on Tuesday 10th November 2015. They 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).

Depository Participants from Nepal on a visit to CDBL



Mr. M H Samad, Managing Director & CEO of Central Depository Bangladesh Limited (CDBL) with the team of Depository Participants (DPs) of Nepal who visited CDBL on Sunday 10th April 2016 to be acquainted with the system and operations of Central Depository System in Bangladesh.

DIRECTORS REPORT

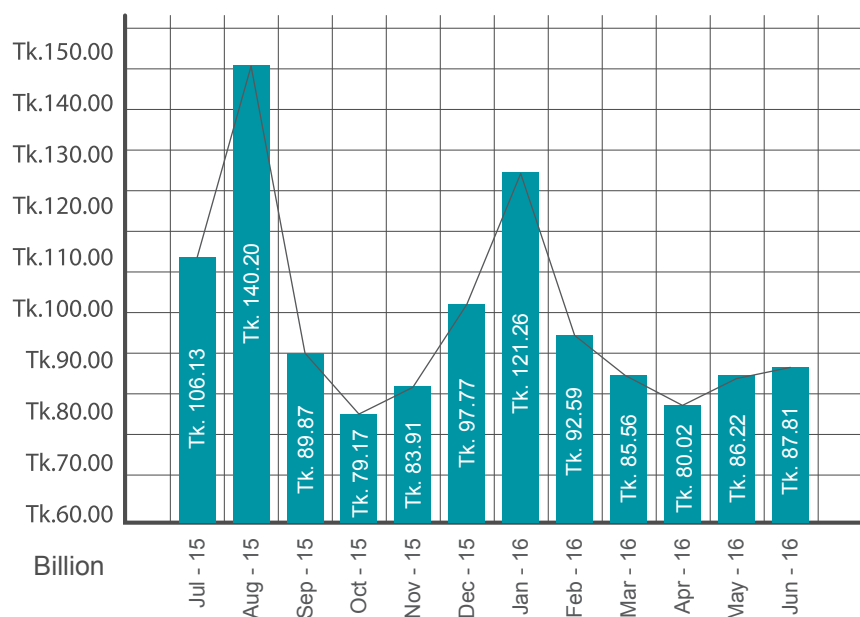
The Board of Directors of Central Depository Bangladesh Limited (CDBL) is pleased to present the audited financial statements of the Company for the year ended 30th June 2016, Auditors' Report thereon along with a market overview relating to the Company's operations.

Market Overview

The stock market performance during the year ended 30th June 2016 was lackluster and bumpy. Turnover at the exchanges suddenly dropped in September, October 2015 and then increased steadily in the next three months period from November 2015 to January 2016. Combined monthly turnover of the exchanges was around Tk.80 to Tk. 90 billion during rest of the year. The performance of the primary market was similar to last year as IPOs were oversubscribed which gave the opportunity to public investors to book some quick profits on their IPO subscriptions.

Over the year Broad Index (DSEX) of Dhaka Stock Exchange (DSE) declined marginally by 1.64% from 4,583 on 30th June 2015 to 4,508 on 30th June 2016. Chittagong Stock Exchange (CSE) index was also down from 14,097 to 13,803, a loss of around 2.09% during the year.

Turnover of DSE at Tk. 1,072 billion as against Tk. 1,124 billion in the previous year was down by 4.63%. CSE's turnover at Tk. 78 billion declined more severely compared to Tk. 96 billion in the previous year, down by 18.75%. Monthly combined turnover of both the exchanges during the year ended 30th June 2016 is depicted hereunder:-



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

Company	Turnover Tk. Billion
Square Pharmaceuticals Limited	33.72
Bangladesh Export Import Company Limited	30.31
United Power Generation & Distribution Company Limited	29.97
Lafarge Surma Cement Limited	29.73
Bangladesh Steel Re-Rolling Mills Limited	25.28

Market Capitalization at the close of the year ended 30th June 2016 stood at Tk. 3,185.75 billion (US\$ 40.63 bln) as against Tk.3,247.31 billion (US\$ 41.74 bln) at the end of 30th June 2015 registering a loss of 1.90% during the year. Share price movements of the largest contributors to market capitalization declined during the year, with just one exception, as indicated below:-

Company	Market Cap. Tk. Billion	Closing Price Tk.	% Price Gain/ (Decline)
Grameenphone Limited	343.92	254.70	(22.75)
Square Pharmaceuticals Limited	165.69	265.70	1.33
British American Tobacco Bangladesh Company Limited (BATBC)	162.00	2,700.00	(11.33)
Lafarge Surma Cement Limited	91.86	79.10	(33.02)
Investment Corporation of Bangladesh	71.38	112.80	(10.19)

Total number of listed securities at DSE stood at 338 at the end of the year made up of 292 companies, 36 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 57,135 million and issued capital of these securities stood at Tk.578.82 billion as at 30th June 2016.

Initial Public Offerings (IPO) by 11 entities tapped the market for around Tk. 8,583 million as tabulated below:-

Subscription Date		Company	IPO Issue	Times Over Subscribed
Opening	Closing		Tk. Million	
09.08.15	20.08.15	KDS Accessories Limited (including a Premium of Tk. 10.00 per share)	240.00	34.55
06.09.15	14.09.15	Simtex Industries Limited (including a Premium of Tk. 10.00 per share)	600.00	16.51
14.10.15	25.10.15	Regent Textile Mills Limited (including a Premium of Tk. 15.00 per share)	1,250.00	5.72
02.11.15	11.11.15	Information Technology Consultants Limited	120.00	67.26
08.11.15	16.11.15	SEML Lecture Equity Management Fund	250.00	1.01
08.11.15	17.11.15	Vanguard AML BD Finance Mutual Fund One	700.00	1.10
17.01.16	26.01.16	Dragon Sweater & Spinning Limited	400.00	21.88
08.02.16	22.02.16	Doreen Power Generations and Systems Limited (including a Premium of Tk. 19.00 per share)	580.00	11.63
17.02.16	25.02.16	Bangladesh National Insurance Company Limited	177.00	39.98
11.04.16	21.04.16	The ACME Laboratories Limited (Offer Price per share for General Public was Tk. 77.00)	4,096.00	6.71
02.05.16	12.05.16	Evince Textiles Limited	170.00	33.00
			8,583.00	

Moneys raised through IPOs were around 33% less in comparison to the previous year when 16 companies raised around Tk. 12,869.72 million through Initial Public Offerings.

Central Depository System (CDS) Operations

Depository Participants (DPs)

Depository Participants (DPs) increased by 7 from 386 to 393 during the year ended 30th June 2016 as detailed below:-

Depository Participants (DPs) admitted to CDBL	30 th June 2015	30 th June 2016
Brokers / Dealers – Full Service DPs	311	316
Custodian DPs	73	75
Stock Exchanges	2	2
Total	386	393

Investors' Accounts

Investors' accounts in operation, as tabulated below, decreased by 40,267 during the year.

Investors' Accounts	30 th June 2015	30 th June 2016
Individual Accounts	1,989,443	1,938,406
Joint Accounts	1,196,173	1,206,696
Company Accounts	8,743	9,056
Omnibus Accounts	350	256
Principal Accounts	469	695
Clearing Accounts	674	476
Total	3,195,852	3,155,585

Securities of 15 entities came into the CDS whilst Padma Cement Limited, ICB AMCL Islamic Mutual Fund, First ICB Mutual Fund and Second ICB Mutual Fund were delisted from the exchanges and went out of the CDS during the year. Out of the 357 companies 14 are in the OTC market whereas MTB Unit Fund, Rupali Life Insurance First Mutual Fund, UFS Popular Life Unit Fund, First ICB Unit Fund, Second ICB Unit Fund and Dhaka & Chittagong Stock Exchanges shares are not listed securities.

Number of shares held in the CDS increased by 8% during the year by 4,073,672,191 taking the total from 50,874,302,471 as at 30th June 2015 to 54,947,974,662 as at 30th June 2016. Market value of the shares held in CDS as at 30th June 2015 amounted to around Tk. 1,776.16 billion which increased to Tk. 1,832.42 billion as at 30th June 2016 registering a gain of around 3%.

Share trades settlement in the depository relating to combined stock exchange trades of DSE & CSE during the year were marginally lower in comparison to the previous year, as also the transaction value which went down by 5.70% while number of shares traded was higher in comparison to the previous year as tabled below:-

No. of Shares in CDS	Year Ended	No. of Trades (Mln)	No. of Shares Traded (Mln)	Turnover Tk. (Bln)
54,947,974,662	30 th June 2016	29.81	31,447	1,150.00
50,874,302,471	30 th June 2015	30.08	29,257	1,220.00
8%	% Increase/(decrease)	(0.90%)	7.49%	(5.70%)

100% of the DSE & CSE combined daily trades during the year ended 30th June 2016 was settled in the demat market segment.

Corporate Actions relating to bonus shares and rights issues decreased during the year. Consequently, 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	Shares	A/Cs credited	Value Tk. Billion
30 th June 2016	2,436,750,938	221,462,466	2,658,213,404	2,203,717	84.70
30 th June 2015	2,989,967,748	412,233,029	3,462,509,764	3,109,690	166.38
% decrease	(18.50)	(42.28)	(23.23)	(29.13)	(49.09)

System Operations

During the year a panel of Bangladesh University of Engineering and Technology (BUET) experts under the guidance of Professor Dr. M. Kaykobad was engaged by the Technical Committee of CDBL Board to carry out a review and assessment of CDBL's software, hardware and network system. As per BUET experts suggestion CDBL is now in the process of upgrading its core hardware system to latest HP Integrity Superdome2 servers, HP3PAR storage along with latest compatible backup system. It has also been decided that the current desktop based Application software of CDBL shall be converted to .Net & Web based technologies to leverage the benefits of smooth operations of latest .Net Framework which will enable Depository Participants to use the VeDAS (Versatile engine for Depository Accounting System) Application without installing it on their local client machine.

Arising from the scrutiny by the BUET team and CDBL's commitment to enhance its cyber security, CDBL is now also in the process of upgrading its network Firewall System with new next-generation devices with intruder detection and prevention system.

However, over the year the performance of VeDAS software application, HP Hardware systems operations and CDS data communication network were satisfactory.

Personnel

Workforce of the Company at the end of 30th June 2016 was the same as at the end of the previous year at 65 of whom 45 were IT professionals.

The 18th Asia-Pacific Central Securities Depository Group (ACG) Cross-Training Seminar held at Ho Chi Minh City, Vietnam from 24th to 27th May 2016 was attended by 2 System Engineers and one System Analyst of the Company.

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 decline in turnover at the exchanges and decreased corporate actions of the listed companies the Operating Income of the Company decreased during the year by Tk. 56,524,367 i.e. around 6% from Tk. 1,004,473,997 in the previous year ended 30th June 2015 to Tk. 947,949,630 in the year ended 30th June 2016. The other income decreased by Tk.62,500,087 i.e. over 10% due to the steep decline in bank interest rates that took place. Consequently, the Net Profit of the Company decreased by 6.87% even though Operating Expenses decreased by 1.53% in comparison to the previous year ended 30th June 2015. Earnings per Share (EPS) of the Company declined to Tk. 4.12 from Tk. 4.42.

The key figures relating to the financial results of the Company for the year ended 30th June 2016 compared to the previous year are given below:-

Particulars	30 th June 2016 Taka	30 th June 2015 Taka	% increase / (decrease)
Operating income	947,949,630	1,004,473,997	(5.63)
Other income	549,772,080	612,272,167	(10.21)
Operating expenses	175,085,029	177,800,019	(1.53)
Net profit before income tax	1,256,504,847	1,366,998,838	(8.08)
Income tax expenses	433,669,245	478,449,593	(9.36)
Net profit after tax	823,986,440	884,743,266	(6.87)
Paid up capital	2,000,000,000	2,000,000,000	-
Earnings per share (EPS)	4.12	4.42	(6.79)

Cash Dividend: Notwithstanding the somewhat weaker financial results attained by the Company, the Board of Directors in its meeting held on 3rd October 2016 decided to keep dividend at the same level as last year and accordingly recommend a cash dividend of 25% i.e. Tk. 2.5 per ordinary share of Tk. 10 each for the year ended 30th June 2016 to the shareholders in the register of members as on 17th October 2016 for consideration at the 16th Annual General Meeting of the shareholders of the Company.

Appropriations	Taka
Net profit after taxation	823,986,440
Un-appropriated profit brought forward	571,801,690
Cash dividend @ 25% paid for the year ended 30 th June 2015	(500,000,000)
Transferred to CDS Up-gradation Reserve	(100,000,000)
Transferred to Headquarter Building Reserve	(200,000,000)
Transferred to Investor Protection Fund	(50,000,000)
Profit available for appropriation	545,788,130
Dividend proposed for the year ended 30 th June 2016 – Cash Dividend @ 25%	(500,000,000)
Un-appropriated profit carried forward	45,788,130

Contribution to the National Exchequer

During the year ended 30th June 2016 the Company paid Tk. 392,049,341 as direct tax.

Outlook

The steep decline in bank interest rate and reduction in transaction charges as well as CDBL's portion of BO Account Maintenance Fee will have a significant adverse effect on the income of the Company. However, the overall business outlook for the Company in the coming year will be dependent on the daily turnover at the exchanges which will continue to be the single most important factor affecting the financial health of the Company.

Changes in Directorship

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

- 13th December 2015 Ms. Shamim Akhtar, General Manager, Sadharan Bima Corporation replaced Mr. Md. Rezaul Karim as nominee of Sadharan Bima Corporation.
- 4th February 2016 Mr. Md. Iftikhar-uz-zaman, Managing Director, Investment Corporation of Bangladesh (ICB) replaced Mr. Md. Fayekuzzaman as nominee of ICB.

Election of Directors

Pursuant to Article 117 to 120 of the Company Mr. Tapan Chowdhury, Mr. Syed Manzur Elahi, Dr. Muhammad Abdul Mazid, Justice Siddiquir Rahman Miah and Mr. Salman F Rahman 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 Central Depository System (CDS) is most heartening and deeply appreciated as also the wholehearted support extended to CDBL by the Dhaka Stock Exchange Limited (DSE) and the Chittagong Stock Exchange Limited (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, Tata Consultancy Services 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 2016, the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other relevant explanatory notes thereon.

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 (BFRSs), 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with 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 present fairly, in all material respects, the financial position of the Company as at 30 June 2016 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) and comply with the Companies Act, 1994 and other applicable laws and regulations.

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

We also 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 profit or loss and other comprehensive income together with the annexed notes 1 to 24 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.

Emphasis of matter

Without qualifying our report, we draw attention to note 2.9(c) to the financial statements which states that as per the Bangladesh Labour (Amendment) Act, 2013, the Company is required to contribute 5% of its net profit before tax to the Workers' Profit Participation and Welfare Fund and make such payment within maximum nine months from the completion of a year. But the Company is yet to disburse the payment of WPPF amounting to Taka 71,947,307 for the financial year 2015, which is an apparent non-compliance with the Labour Act.

Dhaka, 04 October 2016



Chartered Accountants

Central Depository Bangladesh Limited
Statement of Financial Position
as at 30 June 2016

	<u>Notes</u>	<u>2016 Taka</u>	<u>2015 Taka</u>
ASSETS:			
Non-current assets:		725,318,784	957,866,301
Property, plant and equipment-at cost less accumulated depreciation	4	110,491,402	121,973,962
Investment in bonds - at cost	5	607,442,408	829,658,202
Deferred tax assets	6	7,384,974	6,234,137
Current assets:		6,017,346,909	5,453,901,576
Accounts receivable	7	99,762,295	126,899,740
Interest receivable	8	210,028,949	166,962,241
Advances and deposits	9	4,740,200	14,492,587
Loans	10	5,642,102	5,007,741
Cash and cash equivalents	11	5,697,173,363	5,140,539,267
TOTAL ASSETS		6,742,665,693	6,411,767,877
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' equity:		6,195,788,130	5,871,801,690
Share capital	12	2,000,000,000	2,000,000,000
Retained earnings		545,788,130	571,801,690
Reserves:			
CDS upgradation		600,000,000	500,000,000
Headquarter building		2,850,000,000	2,650,000,000
Investor protection		200,000,000	150,000,000
Non-current liabilities:			
Security deposits	13	145,050,000	136,950,000
Current liabilities:		401,827,563	403,016,187
Accounts payable and other liabilities	14	280,457,143	324,468,532
Unearned revenue		15,045,139	13,842,278
Provision for income tax - net off advance tax	15	106,325,281	64,705,377
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		6,742,665,693	6,411,767,877

These financial statements should be read in conjunction with annexed notes



Chairman



Director




Deputy Managing Director & CFO



Managing Director & CEO

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



Chartered Accountants

Dhaka, 04 October 2016

Central Depository Bangladesh Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2016

		2016	2015
	Notes	Taka	Taka
Operating income	16	947,949,630	1,004,473,997
Operating and administrative expenses	17	(175,085,029)	(177,800,019)
Operating profit		772,864,601	826,673,978
Other income	18	549,772,080	612,272,167
Net profit before allocation to workers' profit participation fund		1,322,636,681	1,438,946,145
Workers' profit participation fund		(66,131,834)	(71,947,307)
Net profit before income tax		1,256,504,847	1,366,998,838
Current tax expense	15	(433,669,245)	(478,449,593)
Deferred tax income /(expense)	6	1,150,837	(3,805,979)
Net profit after tax for the year		823,986,440	884,743,266
Accumulated profit brought forward from previous year		571,801,690	587,058,424
Profit available for appropriation		1,395,788,130	1,471,801,690
Dividend paid in cash	19	(500,000,000)	(500,000,000)
Transferred to reserves			
CDS upgradation		(100,000,000)	(100,000,000)
Headquarter building		(200,000,000)	(250,000,000)
Investor protection		(50,000,000)	(50,000,000)
		(350,000,000)	(400,000,000)
Accumulated profit transferred to retained earnings		545,788,130	571,801,690
Earnings per share	21	4.12	4.42

These financial statements should be read in conjunction with annexed notes



Chairman



Director



Deputy Managing Director & CFO



Managing Director & CEO

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



Chartered Accountants

Dhaka, 04 October 2016

Central Depository Bangladesh Limited
Statement of Changes in Equity
For the year ended 30 June 2016

<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 2014	2,000,000,000	587,058,424	2,900,000,000	5,487,058,424
Net profit for the year	-	884,743,266	-	884,743,266
Cash dividend paid for 2013-2014	-	(500,000,000)	-	(500,000,000)
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	-
Balance as at 30 June 2015	2,000,000,000	571,801,690	3,300,000,000	5,871,801,690
Net profit for the year	-	823,986,440	-	823,986,440
Cash dividend paid for 2014-2015	-	(500,000,000)	-	(500,000,000)
Reserves:				
CDS upgradation	-	(100,000,000)	100,000,000	-
Headquarter building	-	(200,000,000)	200,000,000	-
Investor protection	-	(50,000,000)	50,000,000	-
Balance as at 30 June 2016	2,000,000,000	545,788,130	3,650,000,000	6,195,788,130



Chairman



Director



Deputy Managing Director & CFO



Managing Director & CEO

Central Depository Bangladesh Limited
Statement of Cash Flows
For the year ended 30 June 2016

Hoda Vasi
Chowdhury & Co

	2016	2015
	<u>Taka</u>	<u>Taka</u>
A. Cash flows from operating activities		
Cash receipts from customers and others	976,377,271	1,023,378,317
Cash paid to suppliers and employees for operating and administrative expenses	(150,955,157)	(188,063,798)
Cash paid/receipts against BO A/C maintenance fee collected on behalf of BSEC and Government	(118,850,000)	(203,825,500)
Cash receipts against security deposits	8,100,000	9,900,000
Cash receipts/paid against deposits and pre-payments	9,752,387	2,998,350
Cash receipts/paid against advance and loans to employees	(634,361)	2,840,388
Cash generated from operations	723,790,140	647,227,757
Income tax paid	(392,049,341)	(503,933,980)
Net cash generated by operating activities	331,740,799	143,293,777
B. Cash flows from investing activities		
Interest income	506,705,371	619,379,555
Acquisition of property, plant and equipment	(4,027,868)	(11,463,200)
Investment in bonds	-	(70,687,537)
Divestment of bonds	222,215,794	146,658,660
Net cash generated by investing activities	724,893,297	683,887,478
C. Cash flows from financing activities		
Dividend paid	(500,000,000)	(500,000,000)
Net cash used in financing activities	(500,000,000)	(500,000,000)
D. Net increase in cash and cash equivalents (A+B+C)	556,634,096	327,181,255
E. Cash and cash equivalents at beginning of the year	5,140,539,267	4,813,358,012
F. Cash and cash equivalents at end of the year	5,697,173,363	5,140,539,267


Chairman


Director


Deputy Managing Director & CFO


Managing Director & CEO

Central Depository Bangladesh Limited
Notes to the Financial Statements
For the year ended 30 June 2016

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 Property, plant and equipment (PPE) and depreciation

a) Acquisition of Property, plant and equipment

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 profit or loss and other comprehensive income.

b) Depreciation of PPE

The Company uses straight line depreciation method. Depreciation is charged when the assets are available for use, unlike previous years where depreciation was charged for full year irrespective of the date of acquisition. Had it been charged like previous years, the amount of depreciation charged during the year would have increased by Taka 533,030 and profit for the year would have decreased to that extent.

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 2016.

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 Profit or loss and other 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 and welfare fund

The Company recognises a provision for workers' profit participation and welfare fund @ 5% of net profit before tax as per the Bangladesh Labour (Amendment) Act, 2013. It is further required by the Labour Act that such payment is made within maximum nine months from the completion of a year. However, the Company is yet to disburse the WPPF amount of Taka 71,947,307 for the financial year 2015, once the matter is cleared from the legal consultants and the concerned authorities for which the matter has already been taken up.

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.

2.13 Reserves

The Company maintains reserves for Central Depository System (CDS) upgradation, headquarter building and investor protection. 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.

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 2016
	Balance as on 01 July 2015	Additions during the year	Balance as at 30 June 2016	Rate (%)	Balance as on 01 July 2015	Charged during the year	Balance as at 30 June 2016	
Central Depository System (CDS):								
Software	142,623,383	-	142,623,383	20	108,167,684	11,485,200	119,652,884	22,970,499
Hardware	193,793,074	-	193,793,074	20	184,301,394	2,464,000	186,765,394	7,027,680
Network equipment,LAN and WAN	25,078,227	1,041,180	26,119,407	20	25,077,430	86,765	25,164,195	955,212
Sub-total	361,494,684	1,041,180	362,535,864		317,546,508	14,035,965	331,582,473	30,953,391
Computers and accessories	6,779,233	873,036	7,652,269	20	6,437,353	198,370	6,635,723	1,016,546
Office and electrical equipment	5,248,532	1,189,440	6,437,972	20	4,922,795	205,247	5,128,042	1,309,930
Furniture and fixtures	4,435,724	-	4,435,724	15	4,299,654	32,369	4,332,023	103,701
Air conditioners	3,488,100	677,750	4,165,850	20	3,196,896	132,147	3,329,043	836,807
Site preparation and office renovation	2,710,140	246,462	2,956,602	15	2,709,740	21,330	2,731,070	225,532
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	11,432,896	885,000	12,317,896	885,104
Land	75,160,000	-	75,160,000	-	-	-	-	75,160,000
Sub-total	116,611,884	2,986,688	119,598,572		38,586,098	1,474,463	40,060,561	79,538,011
Grand total as at 30 June 2016	478,106,568	4,027,868	482,134,436		356,132,606	15,510,428	371,643,034	110,491,402
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

2016 **2015**
Taka **Taka**

5. Investment in bonds - at cost

Mutual Trust Bank Limited	52,500,000	70,000,000
Dhaka Bank Limited	175,000,000	250,000,000
National Bank Limited	153,600,000	192,000,000
Trust Bank Limited	120,000,000	160,000,000
United Commercial Bank Limited	50,000,000	50,000,000
IDLC Finance Limited	11,584,446	36,970,665
LankaBangla Finance Limited	44,757,962	70,687,537
	<u>607,442,408</u>	<u>829,658,202</u>

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 7,384,974 arrived as follows:

Tax base value of fixed assets except land	46,106,865	59,687,746
Less: Carrying amount of fixed assets except land	35,331,402	46,813,962
Deductible temporary difference	10,775,463	12,873,784
Provision for gratuity fund	3,813,550	-
Provision for leave encashment	3,233,895	1,661,019
Provision for bad debts	3,277,017	3,277,017
Total deductible temporary differences	21,099,925	17,811,820
Applicable tax rate	35.00%	35.00%
Deferred tax assets at end of the year	7,384,974	6,234,137
Deferred tax asset in previous year	6,234,137	10,040,116
Deferred tax income for the year	1,150,837	(3,805,979)
	<u>7,384,974</u>	<u>6,234,137</u>

	2016	2015
	<u>Taka</u>	<u>Taka</u>
7. Accounts receivable		
Participants	77,000,798	106,609,530
Issuers	26,038,513	23,567,227
	103,039,312	130,176,757
Less: Provision for bad debts	3,277,017	3,277,017
	<u>99,762,295</u>	<u>126,899,740</u>
8. Interest receivable		
FDR/TDR interest receivables	199,435,529	154,798,756
Bond interest receivables	10,571,190	12,140,727
Bank interest receivables	22,230	22,758
	<u>210,028,949</u>	<u>166,962,241</u>
9. Advances and deposits		
Advances		
CMC Limited	-	10,027,967
Deposits		
Bangladesh Development Bank Limited - office rent	2,120,850	1,845,270
RAJUK - Uttara Industrial Plot	2,500,000	2,500,000
Bangladesh General Insurance Company Limited - office rent for DRC at BGIC Tower	119,350	119,350
	4,740,200	4,464,620
	<u>4,740,200</u>	<u>14,492,587</u>
	<u>5,642,102</u>	<u>5,007,741</u>
10.Loans		
The loan amounting to Taka 5,642,102 to the employees represent interest free loans granted on different personal grounds which are being recovered from monthly salaries.		
11.Cash and cash equivalents		
Cash in hand	178,554	208,357
Cash at bank		
Current account with Standard Chartered Bank	952,835	4,450,507
Short term deposits with:		
Sonali Bank Limited, Dhaka	1,111,387	1,071,048
Standard Chartered Bank	13,932,561	29,838,820
Bangladesh Development Bank Limited, Dhaka	14,624,417	17,803,020
Southeast Bank Limited, Dhaka	91,323,609	62,727,904
	120,991,974	111,440,792
Term deposits	5,575,050,000	5,024,439,611
	<u>5,697,173,363</u>	<u>5,140,539,267</u>

	2016 <u>Taka</u>	2015 <u>Taka</u>
12. Share capital		
12.1 Authorised capital		
300,000,000 ordinary shares of Taka 10 each	<u>3,000,000,000</u>	<u>2,000,000,000</u>
12.2 Issued, subscribed and paid up capital		
200,000,000 ordinary shares of Taka 10 each	<u>2,000,000,000</u>	<u>2,000,000,000</u>

12.3 Composition of shareholders

<u>Name of Shareholders</u>	<u>No. of Shares</u>		
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
	<u>200,000,000</u>	<u>2,000,000,000</u>	<u>2,000,000,000</u>

12.4 Classification of shares by holding:

<u>Slabs by number</u>	<u>No. of holders</u>	<u>No. of shares</u>	<u>Holding %</u>
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
	<u>109</u>	<u>200,000,000</u>	<u>100.00</u>

The authorised share capital of the Company has been increased from Taka 2,000,000,000 to Taka 3,000,000,000 divided into 300,000,000 ordinary shares of Taka 10, by the shareholders at an Extra-Ordinary General Meeting (EGM) held on 08 February 2016.

	2016 <u>Taka</u>	2015 <u>Taka</u>
13. Security deposits		
Participants	49,700,000	47,700,000
Issuers	94,800,000	88,700,000
Direct account holders	550,000	550,000
	145,050,000	136,950,000
14. Accounts payable and other liabilities		
Accounts payable		
Chittagong Stock Exchange Limited - network sharing	552,670	638,674
Other liabilities		
Bangladesh Securities & Exchange Commission for annual account maintenance fee (note-14.1)	26,423,750	50,193,750
Government of Bangladesh for annual account maintenance fee (note-14.2)	103,737,600	198,817,600
DPs and Issuers	2,316,783	614,407
Sundry creditors- Telephone and other bills	977,977	93,554
Salary and allowances	3,233,895	1,661,019
Workers' profit participation and welfare fund	138,079,141	71,947,307
Contribution to provident fund	583,150	-
Contribution to gratuity fund (note - 14.3)	3,813,550	-
Hoda Vasi Chowdhury & Co - Audit fee including VAT	529,000	355,000
Payable to employees	209,627	147,221
	279,904,473	323,829,858
	280,457,143	324,468,532

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

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

14.3 Provision for contribution to gratuity fund have been made taking into account of accumulated profit on the fund upto 31 December 2014.

	2016	2015
	<u>Taka</u>	<u>Taka</u>
15. Provision for income tax - net off advance tax		
Opening balance	64,705,377	90,189,764
Add: Provision made for current year	433,669,245	478,449,593
	<u>498,374,622</u>	<u>568,639,357</u>
Less: Advance and payments made during the year		
Tax deducted at source on interest on short term deposits	2,790,911	3,246,758
Tax deducted at source on interest on fixed term deposits	38,781,563	48,378,985
Tax deducted at source on interest on bonds	6,278,311	8,873,877
Tax deducted by the depository participants and Issuers on bills	2,311,173	1,828,615
Advance income tax paid during the year	330,150,000	400,150,000
Income tax paid for the year	11,737,383	41,455,745
	<u>392,049,341</u>	<u>503,933,980</u>
	<u>106,325,281</u>	<u>64,705,377</u>
16. Operating income		
Dematerialization of securities	7,580,037	1,142,082
Settlement of securities transactions	377,672,206	389,826,273
Annual accounts maintenance	459,873,450	486,799,050
Issuers book entry demat register maintenance	29,997,888	23,129,082
Documentations	72,500	56,374
CDS connections	4,752,000	3,495,317
Rematerialization of securities	184,628	44,192
Corporate actions	34,380,313	54,208,380
Pledging and unpledging of securities	9,640,060	7,491,911
Suspensions and revocations	70,510	63,492
Fresh issues (IPO)	9,474,075	17,218,602
Transfers and transmissions	13,299,483	19,944,669
Radio link connections	846,750	839,907
Freeze	29,600	32,668
Internet balance inquiry	67,200	138,100
Confiscations	8,730	38,398
SMS alert service	200	5,500
	<u>947,949,630</u>	<u>1,004,473,997</u>

	2016	2015
	<u>Taka</u>	<u>Taka</u>
17. Operating and administrative expenses		
Salaries and allowances	72,053,020	65,558,653
Office rent	11,598,757	9,383,480
Electricity and water	4,901,154	4,721,600
Depository system maintenance	44,308,032	54,764,816
Insurance	608,117	584,658
Motor car maintenance	966,460	1,083,809
Advertisement expenses	168,210	265,492
Entertainment expenses	171,840	121,495
Printing, postage and stationery	686,150	1,015,446
WAN, telephone and internet	4,150,919	3,786,881
Traveling and conveyance	633,732	301,735
License fees and subscriptions	178,583	346,575
Legal and professional fees	3,141,308	28,144
Training and development	1,648,849	4,289,642
Marketing and capacity building	379,169	474,987
Refectory expenses	355,194	368,987
Security services	1,816,417	1,791,905
Repairs and maintenance	1,073,133	763,249
Office cleaning	127,388	128,206
Bank charges and excise duty	2,000,973	1,078,879
Audit fee including VAT	1,000,500	355,000
Meetings and participant conferences	1,400,330	850,900
Directors fee	3,300,000	1,817,000
Other expenses	84,117	157,291
Depreciation (note-4)	15,510,428	21,003,791
Corporate Social Responsibility	2,822,249	2,757,398
	<u>175,085,029</u>	<u>177,800,019</u>
18. Other income		
Interest income on FDR	432,417,350	455,335,261
Interest income on Bond	89,821,270	102,741,142
Interest income on STD accounts:		
Sonali Bank Limited	44,293	46,469
Bangladesh Development Bank Limited	750,241	1,023,169
Southeast Bank Limited	26,499,674	30,709,199
Standard Chartered Bank	239,252	685,838
	27,533,460	32,464,675
Bad debt realized	-	21,731,089
	<u>549,772,080</u>	<u>612,272,167</u>
19. Dividend		
Cash dividend- 2015	<u>500,000,000</u>	<u>500,000,000</u>

During the year, the Company paid cash dividend @ 25% for the year 2014-2015.

2016
Taka

2015
Taka

20. Proposed dividend

The Directors in their meeting held on 03 October 2016 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 2016 do not include the effects of the above cash dividend which will be accounted for in the period in which it is paid.

21. Earnings per share (EPS)

21.1 Basic earnings per share

Net profit after tax for the year	823,986,440	884,743,266
Number of ordinary shares	200,000,000	200,000,000
Basic earnings per share	4.12	4.42

22. 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 12,060,000 (2015 : Taka 13,588,904) as emoluments during the financial year.

23. Contingent liabilities and commitments

23.1 Contingent liability

Nil	Nil
------------	------------

23.2 Claims against the Company not acknowledged as debts

Nil	Nil
------------	------------

23.3 Capital expenditure commitments:


- i) Contracted but not provided for in these accounts
- ii) Approved by the Board but not contracted for

Nil	Nil
259,760,285	Nil

24. Particular of employees

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

Above Taka 3,000 per month	64	61
Below Taka 3,000 per month	Nil	Nil
	64	61



Chairman



Director



Deputy Managing Director & CFO



Managing Director & CEO



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