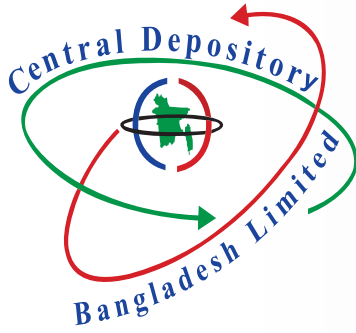


2017 Annual Report



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Central Depository Bangladesh Limited

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Telephone: 9137469, 9137518, 9137928, 58156953, 58157279
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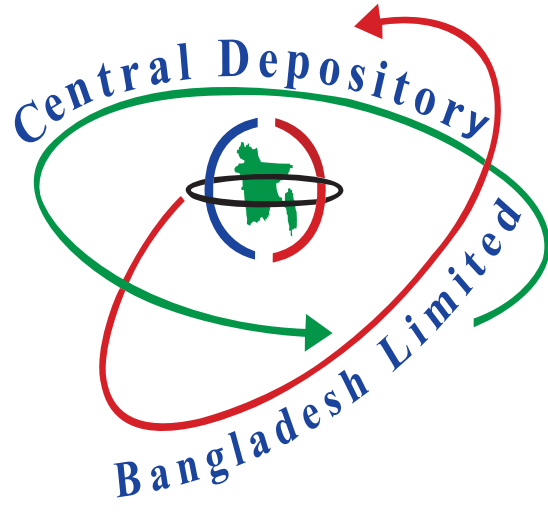


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MISSION

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.

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 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 Depositories 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 Depositories Act, 1999; Depositories 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 with Visual Basic at the Front End 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).



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



Professor Dr. Abul Hashem
Director
Nominee of Dhaka Stock Exchange Limited (DSE)



Mr. Kazi Sanaul Hoq
Director
Nominee of Investment Corporation of
Bangladesh (ICB)



Mr. Sajjad Hussain
Director
Nominee of AB Bank Limited



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



Dr. A. K. Abdul Momen
Director
Nominee of Chittagong Stock
Exchange Limited (CSE)



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 (CDBL)

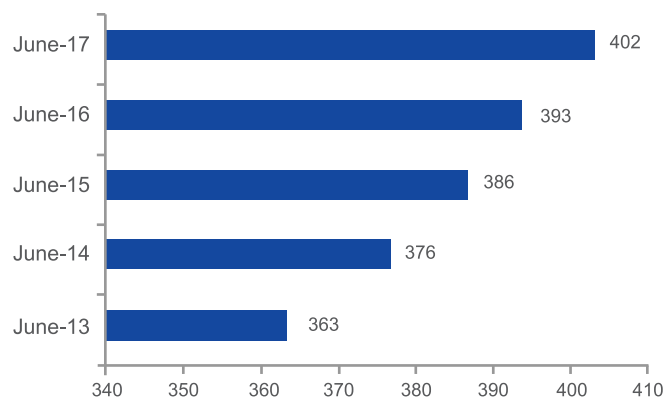
OPERATIONAL HIGHLIGHTS

Depository elements	FINANCIAL YEARS ENDED 30 TH JUNE				
	2013	2014	2015	2016	2017
Investors Accounts set up in CDS	4,993,967	5,527,394	6,007,787	6,304,714	6,461,024
Investors Accounts in operable state in CDS	2,645,335	2,958,353	3,195,852	3,155,585	2,928,660
Growth of operable Investors Accounts	-1.5%	12%	8%	-1.3%	-7.2%
Investors Accounts with Share Balances	1,755,454	1,689,246	1,591,518	1,531,492	1,299,447
Investors Accounts with Zero Balances	650,546	826,021	1,120,233	1,185,360	1,219,437
Investors Accounts never used	239,335	443,086	484,101	438,733	409,776
Depository Participants	363	376	386	393	402
Growth of Depository Participants	5%	4%	3%	2%	2%
Securities in CDS - Issuers	308	322	346	357	372
Growth of Issuers entry in CDS	5%	5%	7%	3%	4%
Number of Shares in CDS (in millions)	36,877	44,408	50,874	54,948	59,035
Growth of Shares in CDS	16%	20%	15%	8%	7%
Market value of shares in CDS (in Tk. billions)	1,399.16	1,577.07	1,776.16	1,832.42	2,325.40
% of stock exchanges turnover settled in CDS	100%	100%	100%	100%	100%

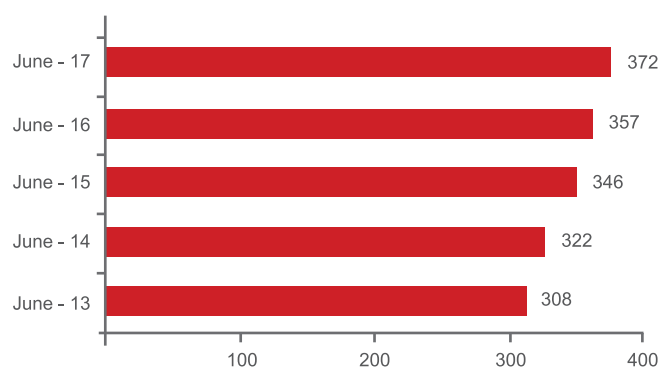
Investors Accounts at a Glance



Depository Participants (DPs) at a Glance



Securities in the CDS - Issuers at a Glance



FINANCIAL HIGHLIGHTS

Balance Sheet - Taka	FINANCIAL YEARS ENDED 30 TH JUNE				
	2013	2014	2015	2016	2017
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	508,465,557	587,058,424	571,801,690	545,788,130	702,331,131
Reserve:					
CDS up-gradation	300,000,000	400,000,000	500,000,000	600,000,000	700,000,000
Headquarter building	2,150,000,000	2,400,000,000	2,650,000,000	2,850,000,000	2,950,000,000
Investor Protection	50,000,000	100,000,000	150,000,000	200,000,000	250,000,000
Shareholder's Equity	5,008,465,557	5,487,058,424	5,871,801,690	6,195,788,130	6,602,331,131
Total Liabilities	544,636,226	695,412,773	539,966,187	546,877,563	472,261,080
% Increase/(Decrease)	(3.40)	27.68	(22.35)	1.27	(13.64)
Total Asset	5,553,101,783	6,182,471,197	6,411,767,877	6,742,665,693	7,074,592,211
% Increase/(Decrease)	4.89	11.33	3.70	5.16	4.92
Operational Results - Taka					
Operating Income	888,159,284	1,043,514,492	1,004,473,997	947,949,630	910,210,318
% Increase/(Decrease)	(37.23)	17.49	(3.74)	(5.63)	(3.98)
Other Income	642,073,712	645,786,693	612,272,167	549,772,080	477,473,403
% Increase/(Decrease)	10.51	0.58	(5.19)	(10.21)	(13.15)
Total Income	1,530,232,996	1,689,301,185	1,616,746,164	1,497,721,710	1,387,683,721
% Increase/(Decrease)	(23.34)	10.40	(4.29)	(7.36)	(7.35)
Total Expenses	142,602,081	158,262,225	177,800,019	175,085,029	183,350,529
% Increase/(Decrease)	33.29	10.98	12.35	(1.53)	4.72
Profit Before Taxation	1,387,630,915	1,531,038,960	1,366,998,838	1,256,504,847	1,342,412,333
% Increase/(Decrease)	(26.54)	10.33	(10.71)	(8.08)	6.84
Profit After Taxation	878,478,475	978,592,867	884,743,266	823,986,440	906,543,001
% Increase/(Decrease)	(26.43)	11.40	(9.60)	(6.87)	10.02
Earnings Per Share	4.39	4.89	4.42	4.12	4.53
% Increase/(Decrease)	(26.42)	11.39	(9.60)	(6.87)	9.95



SIXTEENTH ANNUAL GENERAL MEETING



The 16th Annual General Meeting of Central Depository Bangladesh Limited (CDBL) was held on Tuesday 20th December 2016 at the Samson H Chowdhury Centre of Dhaka Club Limited presided over by Mr. A K M Nurul Fazal Bulbul, Vice-Chairman of the Company. Directors present (from right to left) Mr. Md. Iftikhar-uz-zaman, Dr. Muhammad Abdul Mazid, Justice Siddiquir Rahman Miah, Mr. Tapan Chowdhury, Mr. M H Samad, Mr. A K M Nurul Fazal Bulbul, Mr. Syed Manzur Elahi, Mr. AKM Shamsuddin, Mr. Sajjad Hussain and Deputy Managing Director & Company Secretary Mr. Shuvra Kanti Choudhury.



Meeting between BSEC & 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) in a discussion meeting with the Board of Directors of CDBL.

CDBL Director Mr. Salman F Rahman appointed advisor to Honorable Prime Minister



Mr. Sheikh Kabir Hossain, Chairman of CDBL, congratulated Mr. Salman F Rahman, Director of CDBL with bouquets of flowers on his appointment as Private Sector Development Affairs Adviser to Honorable Prime Minister Sheikh Hasina.

CDBL participated in the Capital Market Expo 2016



CDBL participated in the Capital Market Expo 2016 organized by Artho Suchok at IEB Bhaban, Kakrail, December 1-3, 2016.



DIRECTORS REPORT

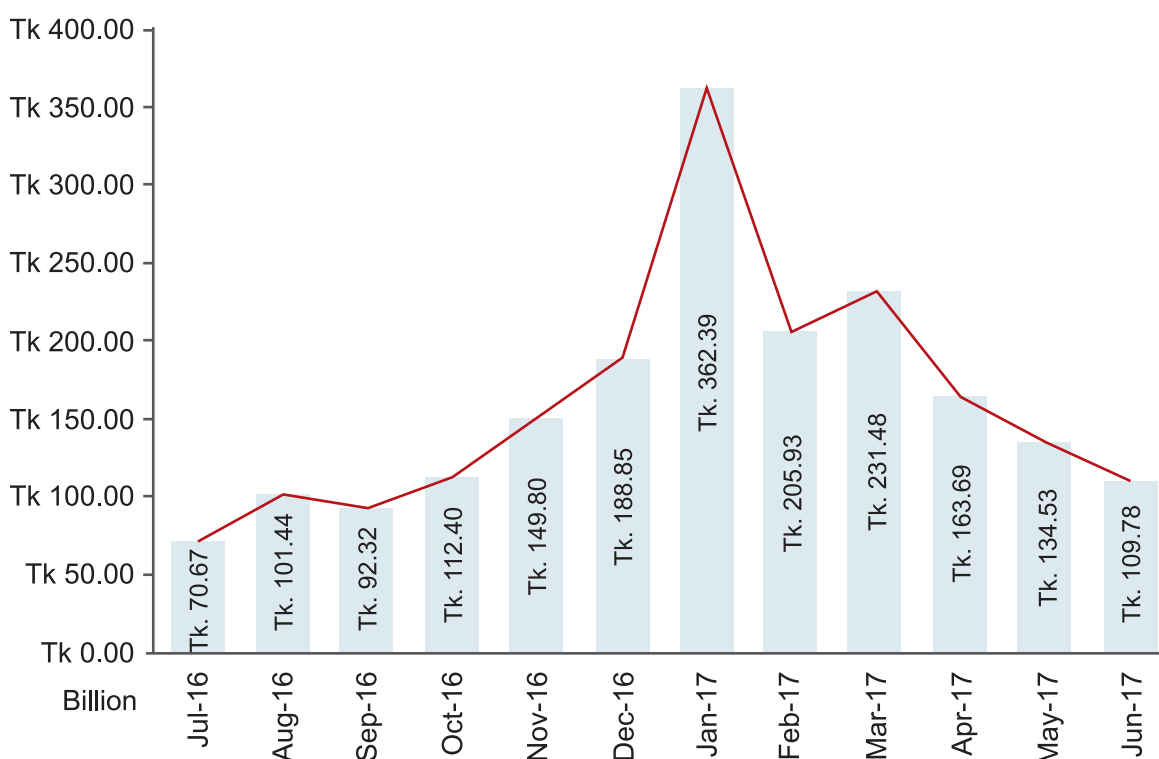
The Board of Directors of Central Depository Bangladesh Limited (CDBL) is pleased to present the audited financial statements of the Company for the year ended 30th June 2017, Auditors' Report thereon along with a market overview relating to the Company's operations.

Market Overview

The three most important indicators of the stock market i.e. market capitalization, index and turnover value were all positive during the year ended 30th June 2017. Turnover at the stock exchanges gradually picked up in the first half of the year from July 2016 to December 2016. The market then witnessed a sharp surge in January 2017 with increase in both volume and value of daily turnover. However, subsequently both stalled in the second half of the year.

Over the year Broad Index, DSEX, of Dhaka Stock Exchange (DSE) advanced by 25.47% from 4,508 on 30th June 2016 to 5,656 on 30th June 2017. Chittagong Stock Exchange (CSE) index was also up from 13,803 to 17,517, a gain of around 26.91% during the year.

Turnover of DSE at Tk. 1,805 billion as against Tk. 1,072 billion in the previous year was up by 68.38%. CSE's turnover at Tk. 118 billion also increased compared to Tk. 78 billion in the previous year, up by 51.28%. Monthly combined turnover movement of both the exchanges during the year ended 30th June 2017 is depicted hereunder:



Taking the combined turnovers at both DSE & CSE during the year the top turnover performers list was headed by the premier finance company LankaBangla Finance Limited as tabulated below:

Company	Turnover Tk. Billion
LankaBangla Finance Limited	48.01
Bangladesh Export Import Company Limited	42.73
Square Pharmaceuticals Limited	31.09
Islami Bank Bangladesh Limited	31.00
Ifad Autos Limited	29.39

Market Capitalization at the close of the year ended 30th June 2017 stood at Tk. 3,801.00 billion (US\$ 47.16 bln) as against Tk. 3,185.75 billion (US\$ 40.63 bln) at the end of 30th June 2016 registering a gain of 19.31% during the year. Share price movements of the largest contributors to market capitalization increased during the year, with just one exception, as indicated below:

Company	Market Cap. Tk. Billion	Closing Price Tk.	% Price Gain/ (Decline)
Grameenphone Limited	465.04	344.40	35.22
Square Pharmaceuticals Limited	198.99	290.10	9.18
British American Tobacco Bangladesh Company Limited (BATBC)	169.76	2,829.30	4.79
Investment Corporation of Bangladesh	110.55	174.70	54.88
Lafarge Surma Cement Limited	73.05	62.90	(20.48)

Total number of listed securities at DSE stood at 342 at the end of the year made up of 297 companies, 35 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 61,078 million and issued capital of these securities stood at Tk.616.92 billion as at 30th June 2017.

Initial Public Offerings (IPO) by 9 entities tapped the market for around Tk. 3,900 million as tabulated below:

Subscription Date		Company	IPO Issue Tk Million	Times Over Subscribed
Opening	Closing			
10.07.16	20.07.16	Yeakin Polymer Limited	200.00	44.55
16.08.16	28.08.16	Fortune Shoes Limited	220.00	42.19
18.09.16	02.10.16	Vanguard AML Rupali Bank Balanced Fund	950.00	Public issue 43% under subscribed
16.10.16	30.10.16	CAPM BDBL Mutual Fund 01	700.00	Public issue 71% under subscribed
11.12.16	19.12.16	Pacific Denims Limited	750.00	21.11
11.12.16	21.12.16	SEML IBBL Shariah Fund	250.00	1.01
08.01.17	16.01.17	Shepherd Industries Limited	200.00	54.37
02.04.17	10.04.17	Nurani Dyeing & Sweater Limited	430.00	28.12
23.05.17	04.06.17	BBS Cables Limited	200.00	51.00
			3,900.00	

Moneys raised through IPOs were around 55% less in comparison to the previous year when 11 companies raised around Tk. 8,583 million through Initial Public Offerings.

Central Depository System (CDS) Operations

Depository Participants (DPs)

Depository Participants (DPs) increased by 9 from 393 to 402 during the year ended 30th June 2017 as detailed below:

Depository Participants (DPs) admitted to CDBL	30 th June 2016	30 th June 2017
Brokers / Dealers – Full Service DPs	316	323
Custodian DPs	75	77
Stock Exchanges	2	2
Total	393	402

Investors' Accounts

Investors' accounts in operation, as tabulated below, decreased by 226,925 during the year

Investors' Accounts	30 th June 2016	30 th June 2017
Individual Accounts	1,938,406	1,837,446
Joint Accounts	1,206,696	1,079,716
Company Accounts	9,056	10,061
Omnibus Accounts	256	236
Principal Accounts	695	483
Clearing Accounts	476	718
Total	3,155,585	2,928,660

Securities of 22 entities came into the CDS whilst Third ICB Mutual Fund, Fourth ICB Mutual Fund, Fifth ICB Mutual Fund, Sixth ICB Mutual Fund, Seventh ICB Mutual Fund, Eighth ICB Mutual Fund & Summit Purbanchol Power Company Limited were delisted from the exchanges and went out of the CDS during the year. Out of the 372 companies 14 are in the OTC market whereas 19 Unit Funds and Dhaka & Chittagong Stock Exchanges shares are not listed securities.

Number of shares held in the CDS increased around 7% during the year by 4,087,029,960 taking the total from 54,947,974,662 as at 30th June 2016 to 59,035,004,622 as at 30th June 2017. Market value of the shares held in CDS as at 30th June 2016 amounted to around Tk. 1,832.42 billion which increased to Tk. 2,325.40 billion as at 30th June 2017 registering a gain of around 27%.

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, as also the transaction value which went up by 67% while number of shares traded was also significantly 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)
59,035,004,622	30 th June 2017	36.30	58,390	1,923.30
54,947,974,662	30 th June 2016	29.81	31,447	1,150.00
7.44%	% Increase/(decrease)	21.77%	85.68%	67.24%

100% of the DSE & CSE combined daily trades during the year ended 30th June 2017 was settled in the demat market segment.

Corporate Actions relating to rights issues and stock split increased during the year whereas bonus shares issues slightly decreased compared to the previous year ended 30th June 2016. Credits to the BO accounts in the CDS on account of Corporate Actions were higher 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 th June 2017	2,402,111,472	294,313,969	8,245,641	2,704,671,082	2,238,587	118.00
30 th June 2016	2,436,750,938	221,462,466	-	2,658,213,404	2,203,717	84.70
% Increase/(decrease)	(1.42)	32.90	-	1.75	1.58	39.32

System Operations

The state of the art Superdome2 servers with rx2800 backup servers, 3PAR storages, LTO-7 backup systems and other ancillary equipment ordered on 18th October 2016 arrived at CDBL's Main Data Centre on 3rd March 2017 and at Disaster Recovery Site on 17th March 2017. HP Enterprise engineers installed the latest Operating System HPUX 11i V3 in the servers and configured parameters to install VeDAS (Versatile engine for Depository Accounting System) software as recommended by CDBL's application software provider Tata Consultancy Services Limited (TCS).

ICT experts of TCS India came to CDBL and carried out the activities as described below:

- Changes required for migration from V1 to V3 i.e. VeDAS backend codes and data model changes for moving from 32 bit HPUX V1 to 64 bit HPUX V3;
- Changes required for up-gradation of Oracle 10gR2 to 11gR2 involving VeDAS “source” & “runtime” login and full compilation of all the programs;
- Replacement of TUXEDO by middleware developed by TCS;
- Replacement of COBOL by programs in C or PL/SQL functions.

Prerequisite preparatory works such as resizing of server rooms, additional power supply cabling, installation of new APC UPSs with optimum technical solution for longest backup & redundancy, new Daikin floor-mounted air-conditioning, Environmental Monitoring System (EMS), Very Early Smoke Detection Apparatus (VESDA), Rodent System, humidity control apparatus etc. are all completed at the Main & Disaster Recovery Data Centres undertaken by HP and its local partner Flora Limited.

An overall up-gradation of CDBL Data Communication Network has also been completed with replacement new next-generation Firewalls with intruder detection and prevention capability. The firewalls are controlled through a centralized “Defense-Centre” server with necessary analytical capability and warning options.

Personnel

Workforce of the Company at the end of 30th June 2017 was 68 of whom 46 were IT professionals. The workforce increased by 3 during the year 1 in Finance & Accounts department, 1 in Administration & Maintenance Department and 1 in Customer Support Services.

Two senior members of technical team of CDBL headed by the Deputy Managing Director attended a conference on "Survival Strategies in a Cyber World" organized by The Information Systems Security Association (ISSA) on 2nd & 3rd November 2016 at Dallas, Texas, USA to gather knowledge on international best practices for cyber security measures to prevent cyber-attacks and improve its resilience as well as ensuring preservation of confidentiality, integrity & availability of Central Depository System (CDS).

Workshop and Extra-ordinary General Meeting of Association of National Numbering Agencies (ANNA) held at Bangkok, Thailand from 30th November to 2nd December 2016 was attended by the Managing Director & CEO and Analyst, Systems Operations.

The 20th Asia-Pacific Central Securities Depository Group (ACG) General Meeting held at Tehran, Iran from 5th to 9th December 2016 was attended by the System Administrator and a senior IT personnel of the Company.

South Asian Federation of Exchanges (SAFE) Executive Board Meeting held at Colombo, Sri Lanka on 27th February 2017 was attended by the Managing Director & CEO.

The 19th Asia-Pacific Central Securities Depository Group (ACG) Cross-Training Seminar held at Jaipur, India from 10th to 13th April 2017 was attended by 2 Network Admin Analyst of the Company.

Eight Senior ICT professional staff went on training on HP Integrity Superdome2 Server with latest HP-UX11i V3 OS and HPE 3PAR Storage acquired by CDBL at HP Education Centre in Singapore from 16th April to 29th April 2017.

South Asian Federation of Exchanges (SAFE) Executive Board Meeting & Ideas Workshop on “Taking Securities Markets to the next level” held at Bombay Stock Exchange on 11th & 12th May 2017 was attended by the Managing Director & CEO.

System Administrator, Analyst, Systems Operations and Executive Engineer went on training on APC UPS in Manila, Philippines from 22nd May to 24th May 2017.

The Company is continuing its ICT Management Training program of 6 months duration. Security and cleaning services are being outsourced.

Financial Results

Bangladesh Securities and Exchange Commission (BSEC) with effect from 24th September 2016 reduced CDBL transaction fee from Tk.15 to Tk.12.5 per lac, CDBL's portion of BO Account Maintenance Fee from Tk. 150 to Tk.100 per BO Account and adjusted other CDBL fees downward. As a result Annual Accounts Maintenance Fees & Corporate Action fees decreased by Tk. 150,517,550 & Tk. 9,994,483 respectively during the year. Notwithstanding positive growth of income from Settlement of Securities Transactions due to increased volume of stock exchanges trades the overall operating income of the Company during the year decreased by Tk. 37,739,312 i.e. around 4% from Tk. 947,949,630 in the previous year ended 30th June 2016 to Tk. 910,210,318 in the year ended 30th June 2017. Other income also decreased by Tk.72,298,677 i.e. excess of 13% due to the steep decline in bank interest rates that took place whereas Operating Expenses increased by 4.72%. However, during the year Company did not provide for Workers' Profit Participation Fund and the provisions made for Workers' Profit Participation Fund in the earlier years to the tune of Tk. 138,079,141 were written back. As a result the Net Profit after tax of the Company increased by 10.02% in comparison to the previous year ended 30th June 2016. Earnings per Share (EPS) of the Company also increased to Tk. 4.53 from Tk. 4.12.

The key figures relating to the financial results of the Company for the year ended 30th June 2017 compared to the previous year are given below:

Particulars	30 th June 2017 Taka	30 th June 2016 Taka	% increase /(decrease)
Operating income	910,210,318	947,949,630	(3.98)
Other income	477,473,403	549,772,080	(13.15)
Operating expenses	183,350,529	175,085,029	4.72
Net profit before tax	1,342,412,333	1,256,504,847	6.84
Income tax expenses	439,109,667	433,669,245	1.25
Net profit after tax	906,543,001	823,986,440	10.02
Paid up capital	2,000,000,000	2,000,000,000	-
Earnings per share (EPS)	4.53	4.12	9.95

Cash Dividend: The Board of Directors in its meeting held on 4th October 2017 decided to keep dividend at the same level as the previous 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 30th June 2017 to the shareholders in the register of members as on 22nd October 2017 for consideration at the 17th Annual General Meeting of the shareholders of the Company.

Appropriations	Taka
Net profit after taxation	906,543,001
Un-appropriated profit brought forward	545,788,130
Cash dividend @ 25% paid for the year ended 30 th June 2016	(500,000,000)
Transferred to CDS Up-gradation Reserve	(100,000,000)
Transferred to Headquarter Building Reserve	(100,000,000)
Transferred to Investor Protection Fund	(50,000,000)
Profit available for appropriation	702,331,131
Dividend proposed for the year ended 30 th June 2017–Cash Dividend @ 25%	(500,000,000)
Un-appropriated profit carried forward	202,331,131

Contribution to the National Exchequer

During the year ended 30th June 2017 the Company paid Tk. 432,248,662 as direct tax.

Outlook

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. Indication of late are that the market is attempting to break out of a restricted range but facing bit of struggle to do so which, in our opinion, it will surmount at some stage. Accordingly the Company has well positioned itself to handle any breakout of the market leading to run away increased trade volumes at the stock exchanges. Meanwhile, the Company will remain focused on delivering improvements in its services to depository participants and issuers.

Changes in Directorship

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

23rd February 2017

Professor Dr. Abul Hashem, Chairman, Dhaka Stock Exchange Ltd (DSE) replaced Justice Siddiquir Rahman Miah as nominee of DSE.

20th March 2017

Dr. A K Abdul Momen, Chairman, Chittagong Stock Exchange Ltd (CSE) replaced Dr. Muhammad Abdul Mazid as nominee of CSE.

Election of Directors

Pursuant to Article 117 to 120 of the Company Mr. A K M Nurul Fazal Bulbul, Mr. Md. Obayed Ullah Al Masud, Mr. Kazi Sanaul Hoq, Mr. Syed Shahriyar Ahsan and Mr. Sajjad Hussain 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 AUDITORS' 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 2017, 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 2017 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.

Emphasis of matter

Without qualifying our report, we draw attention to the fact that no provision has been made for Worker's Profit Participation and Welfare Fund in the accompanying financial statements.

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.



Dhaka, 04 November 2017

Chartered Accountants

Central Depository Bangladesh Limited
Statement of Financial Position
as at 30 June 2017

Hoda Vasi
Chowdhury & Co

	<u>Notes</u>	<u>2017</u> <u>Taka</u>	<u>2016</u> <u>Taka</u>
ASSETS:			
Non-current assets:		942,407,877	725,318,784
Property, plant and equipment - at cost less accumulated depreciation	4	101,369,625	110,491,402
Capital work- in- progress	5	226,772,186	-
Investment in bonds - at cost	6	603,640,757	607,442,408
Deferred tax assets	7	10,625,309	7,384,974
Current assets:		6,132,184,334	6,017,346,909
Accounts receivable	8	105,982,631	99,762,295
Interest receivable	9	197,324,372	210,028,949
Advance, deposits and prepayment	10	9,190,530	4,740,200
Loans	11	14,313,696	5,642,102
Cash and cash equivalents	12	5,805,373,105	5,697,173,363
TOTAL ASSETS		7,074,592,211	6,742,665,693
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' equity:		6,602,331,131	6,195,788,130
Share capital	13	2,000,000,000	2,000,000,000
Retained earnings		702,331,131	545,788,130
Reserves:			
CDS upgradation		700,000,000	600,000,000
Headquarter building		2,950,000,000	2,850,000,000
Investor protection		250,000,000	200,000,000
Non-current liabilities:			
Security deposits	14	151,450,000	145,050,000
Current liabilities:		320,811,080	401,827,563
Accounts payable and other liabilities	15	192,508,970	280,457,143
Unearned revenue		15,115,824	15,045,139
Provision for income tax - net off advance tax	16	113,186,286	106,325,281
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		7,074,592,211	6,742,665,693

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 November 2017

Central Depository Bangladesh Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2017

	<u>Notes</u>	<u>2017</u> <u>Taka</u>	<u>2016</u> <u>Taka</u>
Operating income	17	910,210,318	947,949,630
Operating and administrative expenses	18	(183,350,529)	(175,085,029)
Operating profit		726,859,789	772,864,601
Other income	19	477,473,403	549,772,080
Net profit before allocation to workers' profit participation fund		1,204,333,192	1,322,636,681
WPPF & WF provision withdrawn/(made)		138,079,141	(66,131,834)
Net profit before income tax		1,342,412,333	1,256,504,847
Current tax expense	16	(439,109,667)	(433,669,245)
Deferred tax income	7	3,240,335	1,150,837
Net profit after tax for the year		906,543,001	823,986,440
Accumulated profit brought forward from previous year		545,788,130	571,801,690
Profit available for appropriation		1,452,331,131	1,395,788,130
Dividend paid in cash		(500,000,000)	(500,000,000)
Transferred to reserves			
CDS upgradation		(100,000,000)	(100,000,000)
Headquarter building		(100,000,000)	(200,000,000)
Investor protection		(50,000,000)	(50,000,000)
		(250,000,000)	(350,000,000)
Accumulated profit transferred to retained earnings		702,331,131	545,788,130
 Earnings per share	 21	 <u>4.53</u>	 <u>4.12</u>

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

Dhaka, 04 November 2017



Chartered Accountants

Central Depository Bangladesh Limited
Statement of Changes in Equity
For the year ended 30 June 2017

<u>Particulars</u>	Share capital <u>Taka</u>	Retained earnings <u>Taka</u>	Reserves <u>Taka</u>	Total <u>Taka</u>
Balance as at 01 July 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 the year 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
Net profit for the year	-	906,543,001	-	906,543,001
Cash dividend paid for the year 2015-2016	-	(500,000,000)	-	(500,000,000)
Reserves:				
CDS upgradation	-	(100,000,000)	100,000,000	-
Headquarter building	-	(100,000,000)	100,000,000	-
Investor protection	-	(50,000,000)	50,000,000	-
Balance as at 30 June 2017	2,000,000,000	702,331,131	3,900,000,000	6,602,331,131



Chairman



Director



Deputy Managing Director & CFO



Managing Director & CEO

Central Depository Bangladesh Limited
Statement of Cash Flows
For the year ended 30 June 2017

	2017 <u>Taka</u>	2016 <u>Taka</u>
A. Cash flows from operating activities		
Cash received from customers and others	904,060,667	976,377,271
Cash payment to suppliers and employees for operating and administrative expenses	(163,472,333)	(150,955,157)
Cash receipts/(paid) against BO A/C maintenance fee collected on behalf of BSEC and Government	3,397,250	(118,850,000)
Cash receipts against security deposits	6,400,000	8,100,000
Cash (paid)/receipts against deposits and pre-payment	(4,450,330)	9,752,387
Cash paid against advance and loans to employees	(8,671,594)	(634,361)
Cash generated from operations	737,263,660	723,790,140
Income tax paid	(432,248,662)	(392,049,341)
Net cash generated from operating activities	305,014,998	331,740,799
B. Cash flows from investing activities		
Interest received	489,840,180	506,705,371
Payments for property, plant and equipment	(7,111,298)	(4,027,868)
Proceeds from sale of property, plant and equipment	338,000	-
Capital work-in-progress - CDS systems	(183,683,789)	-
Investment in bonds	(200,000,000)	-
Divestment of bonds	203,801,651	222,215,794
Net cash generated from investing activities	303,184,744	724,893,297
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)
Net increase in cash and cash equivalents (A+B+C)	108,199,742	556,634,096
Cash and cash equivalents at the beginning of the year	5,697,173,363	5,140,539,267
Cash and cash equivalents at the end of the year	5,805,373,105	5,697,173,363



Chairman



Director



Deputy Managing Director & CFO



Managing Director & CEO

Central Depository Bangladesh Limited
Notes to the Financial Statements
For the year ended 30 June 2017

Hoda Vasi
Chowdhury & Co

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 (BASs), Bangladesh Financial Reporting Standards (BFRSs), 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 (BASs) and Bangladesh Financial Reporting Standards (BFRSs)

The applicable BASs and BFRSs 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
BFRS-7	Financial Instruments: Disclosures

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)

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) Capital work-in-progress

These expenditures will be capitalized and recognized as operating assets when assets will be ready for use.

c) Depreciation of PPE

The Company uses straight line depreciation method. Depreciation is charged when the assets are available for use.

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, 2017.

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 profit or loss and 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 comprehensive income.

2.8 Revenue recognition

Consistent to previous practice, the income of the Company is recognised based on the services rendered and invoices raised there against on accrual basis except annual accounts maintenance fee which is recognised on cash 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 six months and above but below 10 years of services are eligible to get one month's last drawn pay and employees having 10 years and above are eligible to get 1.5 month's last drawn pay for each completed year of service.

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 year 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 2017
	Balance as at 01 July 2016	Additions during the year	Disposals during the year	Balance as at 30 June 2017	Rate (%)	Balance as at 01 July 2016	Charged during the year	Disposals during the year	Balance as at 30 June 2017	
Central Depository System (CDS):										
Software	142,623,383	-	-	142,623,383	20	119,652,884	11,485,200	-	131,138,084	11,485,299
Hardware	193,793,074	-	-	193,793,074	20	186,765,394	2,464,000	-	189,229,394	4,563,680
Network equipment, LAN and WAN	26,119,407	-	-	26,119,407	20	25,164,195	208,236	-	25,372,431	746,976
Sub-total	362,535,864	-	-	362,535,864		331,582,473	14,157,436	-	345,739,909	16,795,955
Computers and accessories	7,652,269	685,019	-	8,337,288	20	6,635,723	314,961	-	6,950,684	1,386,604
Office and electrical equipment	6,437,972	959,320	-	7,397,292	20	5,128,042	459,896	-	5,587,938	1,809,354
Furniture and fixtures	4,435,724	-	-	4,435,724	15	4,332,023	32,850	-	4,364,873	70,851
Air conditioners	4,165,850	1,415,258	844,626	4,736,482	20	3,329,043	281,357	844,526	2,765,874	1,970,608
Site preparation and office renovation	2,956,602	-	-	2,956,602	15	2,731,070	36,969	-	2,768,039	188,563
Power generator	3,526,895	3,864,340	970,000	6,421,235	20	3,526,700	64,406	969,900	2,621,206	3,800,029
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	12,317,896	885,000	-	13,202,896	104
Land	75,160,000	187,361	-	75,347,361	-	-	-	-	-	75,347,361
Sub-total	119,598,572	7,111,298	1,814,626	124,895,244		40,060,561	2,075,439	1,814,426	40,321,574	84,573,670
Grand total as at 30 June 2017	482,134,436	7,111,298	1,814,626	487,431,108		371,643,034	16,232,875	1,814,426	386,061,483	101,369,625
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

Hoda Vasi
Chowdhury & Co

**2017
Taka**

**2016
Taka**

5 Capital work-in-progress

The make-up of the figure is as follows:

CDS hardware	129,481,246	-
CDS software	56,916,844	-
Network equipment LAN and WAN	2,355,156	-
Electrical equipment	36,376,540	-
Air conditioner	1,642,400	-
	226,772,186	-

6 Investment in bonds - at cost

Mutual Trust Bank Limited	35,000,000	52,500,000
Dhaka Bank Limited	100,000,000	175,000,000
National Bank Limited	122,880,000	153,600,000
Trust Bank Limited	80,000,000	120,000,000
United Commercial Bank Limited	50,000,000	50,000,000
IDLC Finance Limited	-	11,584,446
LankaBangla Finance Limited	15,760,757	44,757,962
Social Islami Bank Limited	200,000,000	-
	603,640,757	607,442,408

7 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 assets of Taka 10,625,309 arrived as follows:

Tax base value of fixed assets except land	43,246,162	46,106,865
Less: Carrying amount of fixed assets except land	26,022,264	35,331,402
Deductible temporary difference	17,223,898	10,775,463
Provision for gratuity fund	6,638,450	3,813,550
Provision for leave encashment	3,218,660	3,233,895
Provision for bad debts	3,277,017	3,277,017
Total deductible temporary differences	30,358,025	21,099,925
Applicable tax rate	35%	35%
Deferred tax assets at the end of the year	10,625,309	7,384,974
Deferred tax assets at the beginning of the year	7,384,974	6,234,137
Deferred tax income for the year	3,240,335	1,150,837

8 Accounts receivable

Participants	88,852,543	77,000,798
Issuers	20,407,105	26,038,513
	109,259,648	103,039,312
Less: Provision for bad debts	3,277,017	3,277,017
	105,982,631	99,762,295

	2017	2016
	<u>Taka</u>	<u>Taka</u>
9 Interest receivable		
FDR/TDR interest receivable	191,534,419	199,435,529
Bond interest receivable	5,789,953	10,571,190
Bank interest receivable	-	22,230
	<u>197,324,372</u>	<u>210,028,949</u>
10 Advance, deposits and prepayment		
Advance		
Flora Limited - for supplies	2,403,085	-
Deposits		
Bangladesh Development Bank Limited - office rent	2,120,850	2,120,850
RAJUK - Uttara Industrial Plot	2,500,000	2,500,000
Bangladesh General Insurance Company Limited - office rent	119,350	119,350
	<u>4,740,200</u>	<u>4,740,200</u>
Prepayment		
Metlife - insurance premium (note - 10.1)	2,047,245	-
	<u>9,190,530</u>	<u>4,740,200</u>
10.1 Premium charge for unexpired period is debited to prepayment account as above unlike previous years when these expenses were charge fully as expenses.		
11 Loans	<u>14,313,696</u>	<u>5,642,102</u>
The loan balances amounting to Taka 14,313,696 to the employees represent interest free loans granted on different personal grounds which are being recovered from monthly salaries.		
12 Cash and cash equivalents		
Cash in hand	166,540	178,554
Cash at bank		
Current account with Standard Chartered Bank, Dhaka	286,054	952,835
Short term deposits with:		
Sonali Bank Limited, Dhaka	1,170,173	1,111,387
Standard Chartered Bank, Dhaka	2,239,918	13,932,561
Bangladesh Development Bank Limited, Dhaka	9,207,660	14,624,417
Southeast Bank Limited, Dhaka	117,252,760	91,323,609
	129,870,511	120,991,974
Term deposits	5,675,050,000	5,575,050,000
	<u>5,805,373,105</u>	<u>5,697,173,363</u>

13 Share capital

13.1 Authorised capital

300,000,000 ordinary shares of Taka 10 each

2017 <u>Taka</u>	2016 <u>Taka</u>
3,000,000,000	3,000,000,000

13.2 Issued, subscribed and paid up capital

200,000,000 ordinary shares of Taka 10 each

2,000,000,000	2,000,000,000
----------------------	----------------------

13.3 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
	200,000,000	2,000,000,000	2,000,000,000

13.4 Classification of shares by holding:

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

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 each, by the shareholders at an Extra-Ordinary General Meeting (EGM) held on 08 February 2016.

14 Security deposits

Participants	51,600,000	49,700,000
Issuers	99,300,000	94,800,000
Direct accountholders	550,000	550,000
	151,450,000	145,050,000

	2017	2016
	<u>Taka</u>	<u>Taka</u>
15 Accounts payable and other liabilities		
Accounts payable	43,088,397	552,670
Flora Limited	43,088,397	-
Chittagong Stock Exchange Limited - network sharing	-	552,670
Other liabilities		
Bangladesh Securities & Exchange Commission for annual account maintenance fee (note-15.1)	27,103,200	26,423,750
Government of Bangladesh for annual account maintenance fee (note-15.2)	106,455,400	103,737,600
DPs and Issuers	1,462,253	2,316,783
Sundry creditors- Telephone and other bills	987,340	977,977
Salary and allowances	3,218,660	3,233,895
WPPF & WF	-	138,079,141
Contribution to provident fund	351,750	583,150
Contribution to gratuity fund (note - 15.3)	6,638,450	3,813,550
Audit fee including VAT	723,000	529,000
Financial Literacy Fair and Conference (note - 15.4)	2,480,520	-
Payable to employees	-	209,627
	149,420,573	279,904,473
	<u>192,508,970</u>	<u>280,457,143</u>

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

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

15.3 Provision for contribution to gratuity fund have been made taking into account of accumulated profit on the fund upto 31 December 2016.

15.4 The amount represents balance of Financial Literacy Fair and Conference participation fee collected by the company from various brokerage houses and capital market related associations on behalf of Bangladesh Securities & Exchange Commission. This has been arrived at as follows:

Total collection	4,000,000	-
Less: Disbursement during the year	1,519,480	-
Closing balance	<u>2,480,520</u>	<u>-</u>

16 Provision for income tax - net off advance tax

	2017 <u>Taka</u>	2016 <u>Taka</u>
Opening balance	106,325,281	64,705,377
Add: Provision made for current year	439,109,667	433,669,245
	545,434,948	498,374,622
Less: Advance and payments made during the year		
Tax deducted at source on interest on short term deposits	1,524,694	2,790,911
Tax deducted at source on interest on fixed term deposits	40,929,231	38,781,563
Tax deducted at source on interest on bonds	4,412,087	6,278,311
Tax deducted by the depository participants and issuers on bills	6,860,363	2,311,173
Advance income tax paid during the year	325,165,000	330,150,000
Income tax paid for the year	53,357,287	11,737,383
	432,248,662	392,049,341
	113,186,286	106,325,281

17 Operating income

Dematerialization of securities	867,102	7,580,037
Settlement of securities transactions	500,833,136	377,672,206
Annual accounts maintenance fee	309,355,900	459,873,450
Issuers book entry demat register maintenance fee	31,412,416	29,997,888
Documentations	67,500	72,500
CDS connections	4,869,500	4,752,000
Rematerialization of securities	2,077,755	184,628
Corporate actions	24,385,830	34,380,313
Pledging and unpledging of securities	8,994,242	9,640,060
Suspensions and revocations	82,320	70,510
Fresh issues (IPO)	4,735,983	9,474,075
Transfers and transmissions	21,543,619	13,299,483
Radio link connections	834,750	846,750
Freeze	62,000	29,600
Internet balance inquiry	80,700	67,200
Confiscations	7,165	8,730
SMS alert service	400	200
	910,210,318	947,949,630

18 Operating and administrative expenses

	2017	2016
	<u>Taka</u>	<u>Taka</u>
Salaries and allowances	87,196,613	72,053,020
Office rent	11,273,286	11,598,757
Electricity and water	5,026,353	4,901,154
Depository system maintenance	32,342,202	44,308,032
Insurance	519,641	608,117
Motor car maintenance	712,496	966,460
Advertisement expenses	842,114	168,210
Entertainment expenses	257,406	171,840
Printing, postage and stationery	1,003,362	686,150
WAN, telephone and internet	2,858,623	4,150,919
Traveling and conveyance	1,033,431	633,732
License fees and subscriptions	1,016,884	178,583
Legal and professional fees	700,102	3,141,308
Training and development	3,841,505	1,648,849
Marketing and capacity building	6,474,576	379,169
Refectory expenses	433,521	355,194
Security services	1,975,315	1,816,417
Repairs and maintenance	873,630	1,073,133
Office cleaning	132,905	127,388
Bank charges and excise duty	1,753,853	2,000,973
Audit fee including VAT	664,000	1,000,500
Meetings and participant conferences	400,651	1,400,330
Directors fee	2,425,000	3,300,000
Other expenses	90,185	84,117
Depreciation (note-4)	16,232,875	15,510,428
Corporate social responsibility	3,270,000	2,822,249
	183,350,529	175,085,029

19 Other income

Interest income on Term Deposits	401,391,203	432,417,350
Interest income on Bonds	60,502,866	89,821,270
Interest income on STD accounts:		
Sonali Bank Limited	43,088	44,293
Bangladesh Development Bank Limited	1,978,175	750,241
Southeast Bank Limited	13,074,187	26,499,674
Standard Chartered Bank	146,084	239,252
	15,241,534	27,533,460
Profit on sale of fixed assets	337,800	-
	477,473,403	549,772,080

20 Proposed dividend

The Directors in their meeting held on 04 October 2017 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 2017 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
Number of ordinary shares
Basic earnings per share

2017 <u>Taka</u>	2016 <u>Taka</u>
906,543,001	823,986,440
200,000,000	200,000,000
4.53	4.12

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 12,960,000 (2016 : Taka 12,060,000) 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

77,666,218	Nil
Nil	259,760,285

24 Particulars of employees

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

Above Taka 3,000 per month
Below Taka 3,000 per month

67	64
Nil	Nil
67	64



Chairman



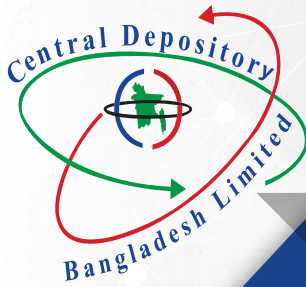
Director



Deputy Managing Director & CFO



Managing Director & CEO



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