

# ANNUAL REPORT | 2020



**Central Depository Bangladesh Limited**

# DIGITAL BANGLADESH

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Directly from CDBL System

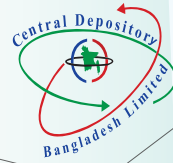


**To get the service please provide your  
mobile phone number to your DP for  
entering it into the CDBL System**



**Central Depository Bangladesh Limited**

BDBL Bhaban (18<sup>th</sup> Floor), 12 Kawran Bazar, Dhaka-1215  
Tel : 550 11924, 550 11934, Fax : +88-02-550 11933  
E-mail : [info@cdbl.com.bd](mailto:info@cdbl.com.bd), Web : [www.cdbl.com.bd](http://www.cdbl.com.bd)



# ANNUAL REPORT

2020

Central Depository Bangladesh Limited

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## NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the Shareholders of Central Depository Bangladesh Limited will be held on **Sunday, 20<sup>th</sup> December 2020 at 11:45 am on the Zoom Cloud Video** to transact the following business:-

1. To receive, consider and adopt the Directors' Report for the year ended 30<sup>th</sup> June 2020.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30<sup>th</sup> June 2020 together with the Auditors' report thereon and the notes to the Financial Statements.
3. To elect Directors in place of retiring Directors.
4. To consider and declare dividend as recommended by the Board of Directors of the Company for the year ended 30<sup>th</sup> June 2020.
5. To appoint Auditors of the Company for the year to 30<sup>th</sup> June 2021 and fix their remuneration.

By Order of the Board



**ASM Sayem, FCS**  
Company Secretary

Dhaka: 29<sup>th</sup> November 2020

### Notes:

1. A Shareholder entitled to attend over Zoom Cloud Video and vote at the meeting may appoint a proxy to attend and vote in his/her stead. The proxy form, a specimen of which is enclosed, must be duly stamped and emailed at [info@cdbl.com.bd](mailto:info@cdbl.com.bd) not later than 48 hours before the day of the Annual General Meeting.
2. The Record Date is Thursday, 19 November 2020, Members, whose names appeared in the Company's register (depository) at the close of business on the Record Date, will be entitled to attend the Annual General Meeting.
3. Shareholders are requested to submit their queries, if any, on the Directors' Report / Audited Financial Statements at [info@cdbl.com.bd](mailto:info@cdbl.com.bd) at least 72 hours before the Meeting.
4. The web link for the meeting will be emailed to the shareholders on the day of the meeting.



## Mission

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

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

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

## Vision

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

# CDBL Overview

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

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

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

CDBL's operations are carried out in its Main Data Centre which is linked to a remote Disaster Recovery Centre operating as a backup with data update taking place simultaneously. Live operations of the CDS commenced with the inauguration of the Electronic Government Securities Registry (EGSR) by the Governor of Bangladesh Bank on 20<sup>th</sup> October 2003. Equity market securities dematerialization process i.e. eliminating physical certificate as record of security ownership by electronic book entry record in the CDS commenced on 24<sup>th</sup> January 2004 with the entry of Square Pharmaceuticals Limited into the CDS. CDBL's Software application VeDAS (Versatile engine for Depository Accounting System) is built with .Net and Web based technologies 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.

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 17<sup>th</sup> ACG General Meeting in 2013 and 11th ACG cross training seminar in 2009 at Dhaka. Since 14<sup>th</sup> February 2003 CDBL has been acting as National Numbering Agency for International Securities Identification Number (ISIN) and Classification of Financial Instruments (CFI) in Bangladesh, initially as a partner and since 3<sup>rd</sup> June 2010 as a full member of Association of National Numbering Agencies (ANNA). CDBL is 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 Limited

### Mr. Md. Abul Hossain

Director  
Nominee of Investment Corporation of Bangladesh (ICB)

### Mr. Sajjad Hussain

Director  
Nominee of AB Bank Limited

### Mr. Asif Ibrahim

Director  
Nominee of Chittagong Stock Exchange Ltd (CSE)

### Mr. Md. Ataur Rahman Prodhan

Director  
Nominee of Nationalized Commercial Banks

### Mr. Md. Eunusur Rahman

Director  
Nominee of Dhaka Stock Exchange Ltd (DSE)

### Mr. Salman F Rahman, MP

Director  
Nominee of Bangladesh Association of Publicly  
Listed Companies (BAPLC)

### Mr. AKM Shamsuddin

Director  
Nominee of Standard Chartered Bank

### Mr. Shuvra Kanti Choudhury, FCA

Managing Director & CEO  
Central Depository Bangladesh Limited





**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 Limited



**Mr. Md. Abul Hossain**  
Director  
Nominee of Investment Corporation of Bangladesh (ICB)



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



**Mr. Asif Ibrahim**  
Director  
Nominee of Chittagong Stock Exchange Ltd (CSE)



**Mr. Md. Ataur Rahman Prodhan**  
Director  
Nominee of Nationalized Commercial Banks



**Mr. Md. Eunusur Rahman**  
Director  
Nominee of Dhaka Stock Exchange Ltd (DSE)



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



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

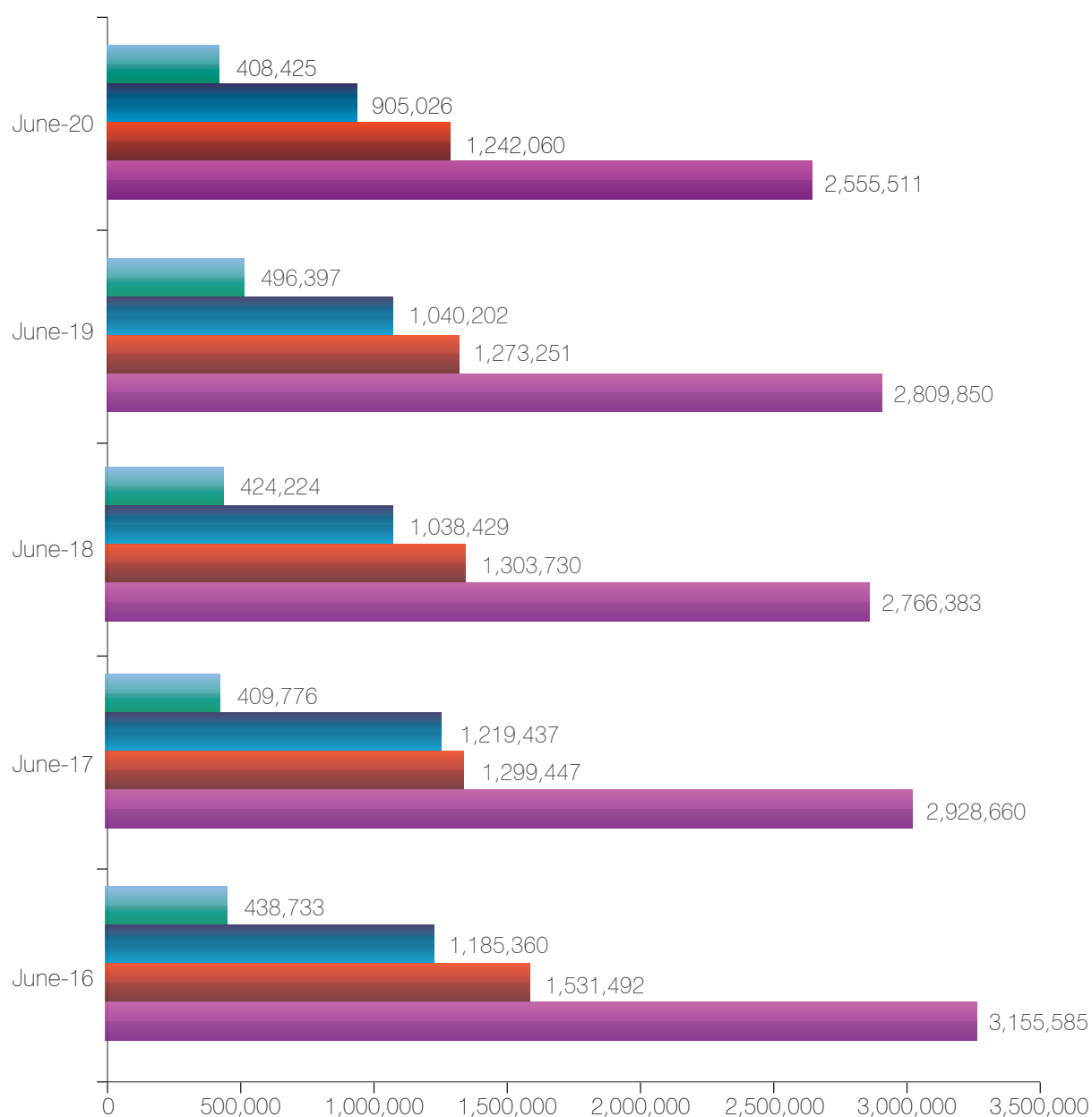


**Mr. Shuvra Kanti Choudhury, FCA**  
Managing Director & CEO  
Central Depository Bangladesh Limited

## Operational Highlights

	FINANCIAL YEARS ENDED 30 <sup>th</sup> JUNE				
Depository elements	2016	2017	2018	2019	2020
Investors Accounts set up in the CDS	6,304,714	6,461,024	6,672,937	6,981,200	7,075,007
Investors Accounts in operable state in the CDS	3,155,585	2,928,660	2,766,383	2,809,850	2,555,511
Growth of operable Investors Accounts	-1.3%	-7.2%	-5.5%	1.57%	-9.1%
Investors Accounts with Share Balances	1,531,492	1,299,447	1,303,730	1,273,251	1,242,060
Investors Accounts with Zero Balances	1,185,360	1,219,437	1,038,429	1,040,202	905,026
Investors Accounts never used	438,733	409,776	424,224	496,397	408,425
Depository Participants	393	402	405	411	411
Growth of Depository Participants	2%	2%	1%	1.5%	-
Securities in the CDS - Issuers	357	372	390	412	423
Growth of Issuers entry in the CDS	3%	4%	5%	6%	3%
Number of Shares in the CDS (in millions)	54,948	59,035	64,524	66,435	69,711
Growth of Shares in the CDS	8%	7%	9%	3%	5%
Market value of shares in the CDS (in Tk. billions)	1,832.42	2,325.40	2,264.59	2,521.10	1,922.69
Growth of market value of shares in the CDS	3%	27%	-3%	11%	-24%
% of stock exchange turnover settled in the CDS	100%	100%	100%	100%	100%

## Investors Accounts at a Glance



Investors Accounts never used

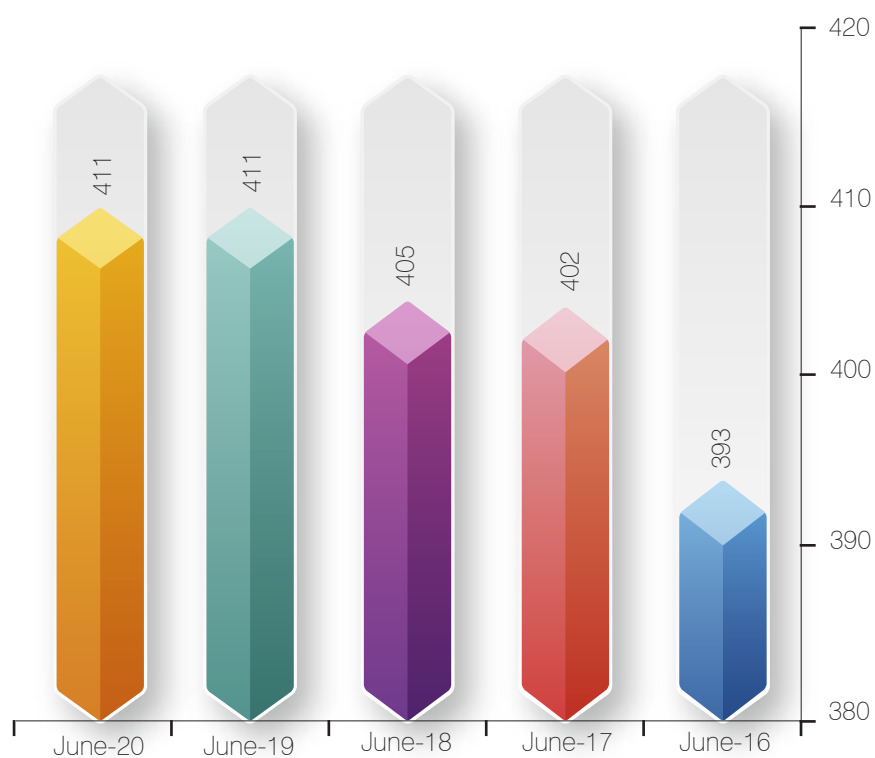
Investors Accounts with Zero Balances

Investors Accounts with share Balances

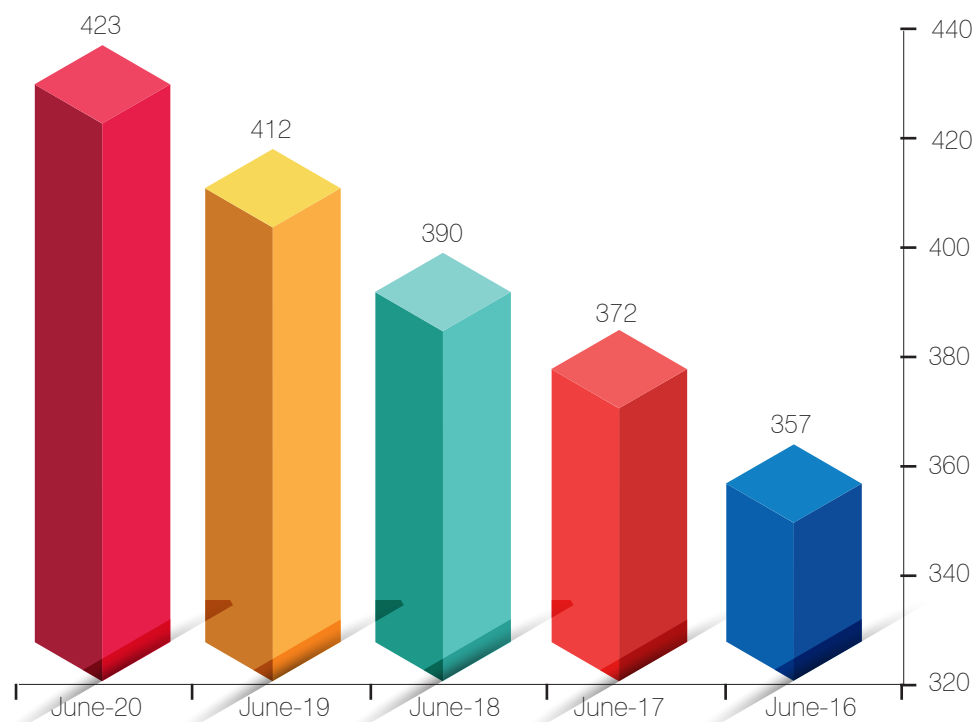
Investors Accounts in operable state in the CDS



## Depository Participants (DPs) at a Glance



## Securities in the CDS - Issuers at a Glance



## Financial Highlights

	FINANCIAL YEARS ENDED 30 <sup>th</sup> JUNE				
Balance Sheet - Taka	2016	2017	2018	2019	2020
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	545,788,130	702,331,131	607,096,649	546,488,576	337,427,190
Reserve:					
CDS up-gradation	600,000,000	700,000,000	800,000,000	900,000,000	950,000,000
Headquarter building	2,850,000,000	2,950,000,000	3,050,000,000	3,150,000,000	3,250,000,000
Investor Protection	200,000,000	250,000,000	300,000,000	350,000,000	400,000,000
Shareholder's Equity	6,195,788,130	6,602,331,131	6,755,096,649	6,946,488,576	6,937,427,190
% Increase/(Decrease)	5.51	6.56	2.31	2.83	(0.13)
Total Liabilities	546,877,563	472,261,080	315,624,702	307,980,294	200,796,505
% Increase/(Decrease)	1.27	(13.64)	(33.17)	(2.42)	(34.80)
Total Asset	6,742,665,693	7,074,592,211	7,072,721,351	7,254,468,870	7,138,223,695
% Increase/(Decrease)	5.16	4.92	(0.02)	2.57	(1.60)
Operational Results - Taka					
Operating Income	947,949,630	910,210,318	797,214,423	831,111,742	467,005,451
% Increase/(Decrease)	(5.63)	(3.98)	(12.41)	4.25	(43.80)
Other Income	549,772,080	477,473,403	482,226,976	556,543,238	543,043,722
% Increase/(Decrease)	(10.21)	(13.15)	1.00	15.41	(2.42)
Total Income	1,497,721,710	1,387,683,721	1,279,441,399	1,387,654,980	1,010,049,173
% Increase/(Decrease)	(7.36)	(7.35)	(7.80)	8.45	(27.21)
Total Expenses before depreciation	159,574,601	167,117,654	206,378,523	199,353,662	196,953,433
% Increase/(Decrease)	1.77	4.73	23.50	(3.40)	(1.20)
Profit Before Taxation	1,256,504,847	1,342,412,333	1,000,731,206	1,094,403,929	734,190,672
% Increase/(Decrease)	(8.08)	6.84	(25.45)	9.36	(32.91)
Profit After Taxation	823,986,440	906,543,001	654,765,518	689,391,927	490,938,614
% Increase/(Decrease)	(6.87)	10.02	(28.00)	5.00	(29.00)
Earnings Per Share	4.12	4.53	3.27	3.45	2.45
% Increase/(Decrease)	(6.87)	9.95	(28.00)	5.00	(29.00)



## Nineteenth Annual General Meeting



The 19<sup>th</sup> Annual General Meeting of Central Depository Bangladesh Limited (CDBL) was held on Wednesday 11<sup>th</sup> December 2019 at the Samson H Chowdhury Centre of Dhaka Club Limited presided over by Mr. Sheikh Kabir Hossain, Chairman of the Company. Directors present (from right to left) Mr. Sajjad Hussain, Mr. Md. Abul Hossain, Professor Dr. Abul Hashem, Mr. A K M Nurul Fazal Bulbul, Mr. Sheikh Kabir Hossain, Mr. Shuvra Kanti Choudhury, Maj Gen Mohammad Shamim Chowdhury, nwc, psc (Retd.) and Auditor of the Company Mr. A F Nesaruddin, FCA and Company Secretary ASM Sayem, FCS.



The Board of Directors with the Shareholders present at the 19<sup>th</sup> Annual General Meeting of Central Depository Bangladesh Limited (CDBL) held on Wednesday 11<sup>th</sup> December 2019 at the Samson H Chowdhury Centre of Dhaka Club Limited.



## CDBL News

CDBL arranged Memorial Dua Mahfil on the 44<sup>th</sup> anniversary of Bangabandhu



CDBL arranged a Memorial Dua Mahfil commemorating the 44<sup>th</sup> anniversary of the martyrdom of Father of the Nation Bangabandhu Sheikh Mujibur Rahman on Wednesday 28<sup>th</sup> August 2019 at the Head office of CDBL.

## CDBL congratulated the new Chairman of BSEC



The Managing Director & CEO of CDBL Mr. Shuvra Kanti Choudhury met and congratulated the newly appointed Chairman of BSEC Professor Shibli Rubayat UI Islam with bouquet of flowers on 20<sup>th</sup> May 2020. They discussed about various issues related to the development of the Capital Market.



## CDBL organized Symposium on “Investors Education and Protection”



Central Depository Bangladesh Limited organized a Symposium on “Investors Education and Protection” at the Pan Pacific Sonargaon Dhaka on 2<sup>nd</sup> October 2019 during World Investors Week 2019 presided over by Mr. Sheikh Kabir Hossain, Chairman, CDBL. Dr. M Khairul Hossain, Chairman, Bangladesh Securities and Exchange Commission was present at the Symposium as the Chief Guest. Mr. Hasan Imam, Chief Executive Officer (CEO) and Managing Director of RACE Asset Management presented keynote paper and Mr. A K M Nurul Fazal Bulbul, Vice-Chairman, CDBL, Mr. Farhad Ahmed, Executive Director, BSEC, Mr. Md. Shakil Rizvi, President, DSE Brokers Association of Bangladesh, Mr. Mohammed Nasir Uddin Chowdhury, Managing Director, LankaBangla Securities Limited, Mr. Md. Moniruzzaman, Managing Director, IDLC Investments Limited and Mr. Shuvra Kanti Choudhury, FCA, Managing Director & CEO, CDBL were present at the Symposium as discussant.

## Launching of BSEC’s Customer Complaint Address Module (CCAM)



Mr. Shuvra Kanti Choudhury, FCA, Managing Director & CEO, CDBL (4<sup>th</sup> from the left) at the Inauguration Ceremony of the World Investors Week 2019 where BSEC’s Customer Complaint Address Module (CCAM) has also been launched.

## ADB Treasury Department Mission visited CDBL



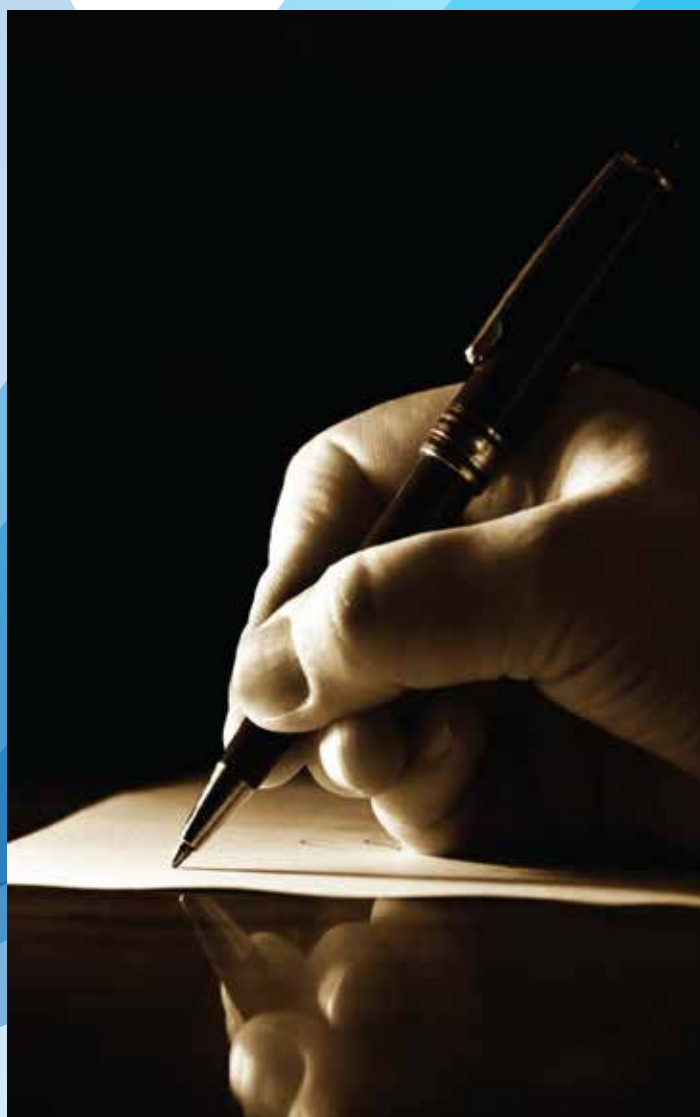
A mission from ADB Treasury Department headed by its Treasury Mr. Pierre Van Peteghem (fourth from the left) visited CDBL office 26<sup>th</sup> November 2019. During the visit they discussed with CDBL Team headed by its Managing Director & CEO Mr. Shuvra Kanti Choudhury, FCA (fifth from the left) issues relating to the development of Bond market in Bangladesh. They also discussed the ways to enhance funding Private sector investments in Bangladesh.

## CDBL signed agreement with ShurjoPay



CDBL signed an Agreement with shurjoPay for collection of online securities balance registration fees on 19<sup>th</sup> December 2019.

# Directors' Report



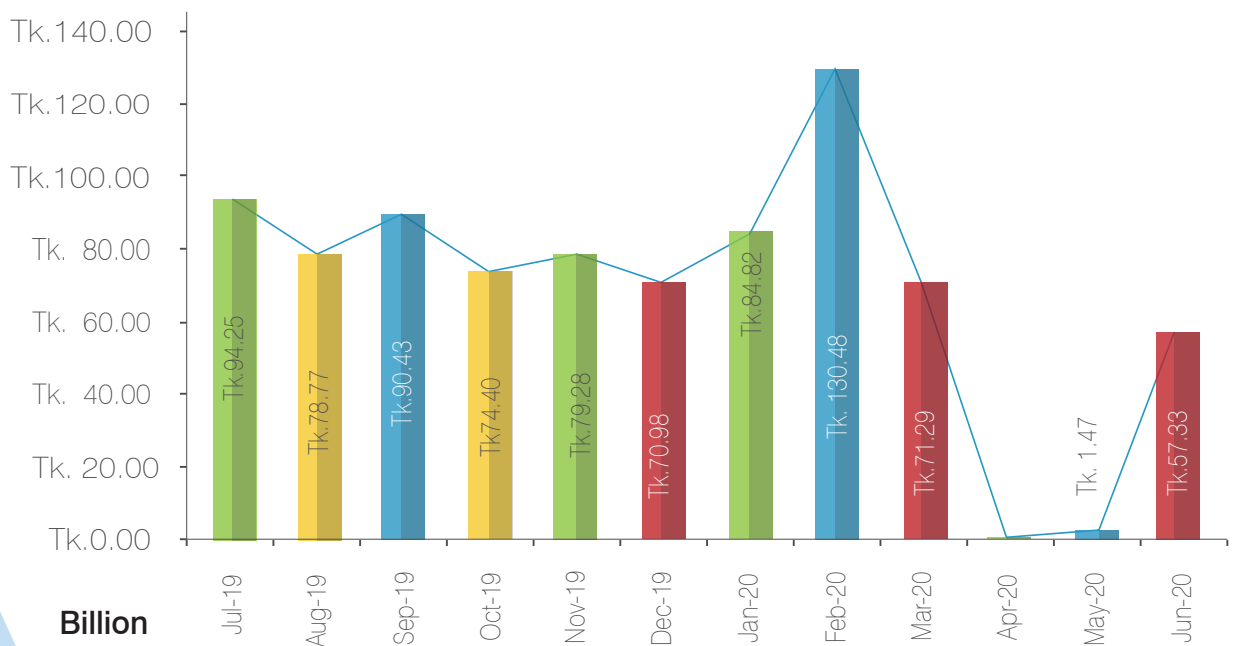
The Board of Directors of Central Depository Bangladesh Limited (CDBL) is pleased to present the audited financial statements of the Company for the year ended 30<sup>th</sup> June 2020, Auditors' Report thereon along with a market overview relating to the Company's operations.

## Market Overview

The stock market performance during the year ended 30<sup>th</sup> June 2020 was more or less steady other than the months of April and May 2020 when the trading and settlement of the Stock Exchanges were closed due to general holidays from 26<sup>th</sup> March 2020 to 30<sup>th</sup> May 2020 declared by the Government of the Peoples' Republic of Bangladesh in order to prevent spread of deadly COVID-19 disease. The average monthly turnover at the exchanges were between Tk. 70 billion to Tk. 95 billion from July 2019 to January 2020. The market witnessed a sharp surge in February 2020 which decreased in March 2020 due to the initial effect of COVID-19. After the general holidays, the securities trading resumed at the stock exchanges from 31<sup>st</sup> May 2020 but both volume and value of daily turnover were lackluster as the market intermediaries could not recommenced their full-fledged operations in order to maintain social distancing as well as adherence with hygiene and health guidelines of the Directorate General of Health Services of Bangladesh to minimize the risk of their employees to get infected with highly contagious coronavirus disease.

Over the year, Broad Index, DSEX, of Dhaka Stock Exchange (DSE) went down by 26.43% from 5,422 on 30<sup>th</sup> June 2019 to 3,989 on 30<sup>th</sup> June 2020. Chittagong Stock Exchange (CSE) index also decreased from 16,634 to 11,333, a loss of around 31.87% during the year.

During the year ended 30<sup>th</sup> June 2020 turnover of DSE was Tk. 780 billion as against Tk. 1,460 billion in the previous year which was down by 46.58%. CSE's turnover during the year ended 30<sup>th</sup> June 2020 at Tk. 53 billion, compared to Tk. 85 billion in the previous year, decreased by 37.65%. Monthly combined turnover movement of both the exchanges during the year ended 30<sup>th</sup> June 2020 is depicted hereunder:-





Taking the combined turnovers at both DSE & CSE during the year, the top turnover performers list was headed by United Power Generation and Distribution Company Limited as tabulated below:-

Company	Turnover Tk. Billion
United Power Generation and Distribution Company Limited	8.70
Fortune Shoes Limited	6.85
Monno Ceramic Industries Limited	6.77
JMI Syringes & Medical Devices Limited	5.45
BEACON Pharmaceuticals Limited	5.19

Market Capitalization at the close of the year ended 30<sup>th</sup> June 2020 stood at Tk. 3,119.67 billion (US\$ 36.73 bln) as against Tk. 3,998.16 billion (US\$ 47.32 bln) at the end of 30<sup>th</sup> June 2019 registering a loss of 21.97% during the year. Share price of the largest contributors to market capitalization decreased during the year, as indicated below:-

Company	Market Cap. Tk. Billion	Closing Price Tk.	% Price Decline
Grameenphone Limited	322.45	238.80	(34.52)
British American Tobacco Bangladesh Company Limited (BATBC)	163.37	907.60	(33.66)
Square Pharmaceuticals Limited	145.63	172.50	(34.73)
United Power Generation Distribution Company Limited	116.04	220.20	(41.30)
Renata Limited	90.91	1,026.20	(14.37)

Total number of listed securities at DSE stood at 368 at the end of the year made up of 321 companies, 37 mutual funds, 8 debentures and 2 corporate bond excluding 221 Bangladesh Government Treasury Bonds. Number of shares, debentures, corporate bonds and mutual funds at DSE was 74,711 million and issued capital of these securities stood at Tk.751.22 billion as at 30<sup>th</sup> June 2020.



Four entities tapped the market for around Tk. 2,958.70 million through Initial Public Offerings (IPO) as tabulated below:-

Subscription Date		Company	IPO Issue	Times Over Subscribed
Opening	Closing		Tk. Million	
25.08.19	09.09.19	Ring Shine Textiles Limited	1,500.00	6.74
23.09.19	18.11.19	Ashuganj Power Station Company Limited (Nonconvertible and Fully redeemable Coupon Bearing Bond)	1,000.00	0.15
04.11.19	11.11.19	ADN Telecom Limited	197.91	11.62
14.06.20	02.07.20	Express Insurance Limited	260.79	6.10
			<b>2,958.70</b>	

Moneys raised through IPOs were around 48% less in comparison to the previous year when 13 companies raised around Tk. 5,669.45 million through Initial Public Offerings.

## Central Depository System (CDS) Operations

### Depository Participants (DPs)

At the end of 30<sup>th</sup> June 2020 there were 411 Depository Participants (DPs) in Central Depository System (CDS), which is identical with the number as of 30<sup>th</sup> June 2019 as depicted below:-

Depository Participants (DPs) admitted to CDBL	30 <sup>th</sup> June 2019	30 <sup>th</sup> June 2020
Brokers / Dealers – Full Service DPs	328	328
Custodian DPs	81	81
Stock Exchanges	2	2
<b>Total</b>	<b>411</b>	<b>411</b>

## Investors' Accounts

Investors' accounts in operation, as tabulated below, decreased by 254,339 during the year

Investors' Accounts	30 <sup>th</sup> June 2019	30 <sup>th</sup> June 2020
Individual Accounts (Single)	1,769,329	1,622,739
Individual Accounts (Joint)	1,027,223	919,404
Company Accounts	11,863	11,931
Omnibus Accounts	192	193
Principal Accounts	490	490
Clearing Accounts	753	754
<b>Total</b>	<b>2,809,850</b>	<b>2,555,511</b>

Securities of 11 entities came into the CDS during the year. Out of the 423 companies in CDS 360 are listed securities, 13 are in the OTC market whereas 46 Unit Funds, Shares of Dhaka and Chittagong Stock Exchanges are not listed securities. The shares of Modern Dying & Screen Printing Limited and Rahima Food Corporation Limited had been delisted from the Exchanges but these are yet to be eliminated from the CDS.

Number of shares held in the CDS increased around 5% during the year by 3,276 million taking the total from 66,435 million as at 30<sup>th</sup> June 2019 to 69,711 million as at 30<sup>th</sup> June 2020. Market value of the shares held in CDS as at 30<sup>th</sup> June 2019 amounted to around Tk. 2,521.10 billion which decreased to Tk. 1,922.69 billion as at 30<sup>th</sup> June 2020 registering a loss of around 24%.

Share trades settlement in the depository relating to combined stock exchange trades of DSE & CSE, number of shares traded and transaction value were down in comparison to the previous year as tabled below:-

Year Ended	No. of Shares in CDS	No. of Trades (Mln)	No. of Shares Traded (Mln)	Turnover Tk.(Bln)
30 <sup>th</sup> June 2020	69,711	23.43	27,706	833
30 <sup>th</sup> June 2019	66,435	35.73	39,371	1,545
<b>% Increase/(decrease)</b>	<b>4.93%</b>	<b>(34.42%)</b>	<b>(29.63%)</b>	<b>(46.08%)</b>

100% of the DSE & CSE combined daily trades during the year ended 30<sup>th</sup> June 2020 was settled in the demat market segment.

Due to the restriction imposed by BSEC on declaring bonus shares corporate actions relating to bonus issues during the year ended 30<sup>th</sup> June 2020 were lower compared to the previous year. There was no right issue during the previous year ended 30<sup>th</sup> June 2019 while 207,739,182 shares were issued as right issue during the year ended 30<sup>th</sup> June 2020. However, the combined number of shares issued as bonus and right issues during the year ended 30<sup>th</sup> June 2020 was down than the previous year. Consequently, credit of number of shares to the investors depository accounts as well as number of accounts credited in the Central Depository System (CDS) of CDBL arising from corporate actions of issuers were decreased during the year. The value of shares credited was also decreased compared to the previous year as depicted below:-

Year Ended	No. of Shares		Total		
	Bonus	Rights	Shares	A/Cs credited	Value Tk. Billion
30 <sup>th</sup> June 2020	2,055,542,187	207,739,182	2,263,281,369	1,182,360	84.73
30 <sup>th</sup> June 2019	3,858,183,627	-	3,858,183,627	1,982,257	355.32
% decrease	<b>(46.72)</b>	-	<b>(41.34)</b>	<b>(40.35)</b>	<b>(76.15)</b>

## System Operations

The Depository Application software VeDAS (Versatile engine for Depository Accounting System) constantly fine-tuned during the year along with regular housekeeping like purging of old data to enhance performance of the software for yielding favorable results.

Central Depository Hardware operation was satisfactory during the year ended 30<sup>th</sup> June 2020 except for some parts replacements.

The CDS data communication network ran smoothly during the year and overall performance remained fault-free.

## Personnel

Workforce of the Company at the end of 30<sup>th</sup> June 2020 was 67 of whom 39 were IT professionals. The workforce increased by 1 during the year. One System Engineer in IT department, One Assistant Accountant in Accounts department and One Filling Clerk in HR & Admin department joined during the year while one employee retired from the services of the Company and one went abroad on leave without pay.

The 23<sup>rd</sup> Asia-Pacific Central Securities Depository Group (ACG) General Meeting held at Kathmandu, Nepal from 9<sup>th</sup> to 12<sup>th</sup> September 2019 was attended by officers of the Company.

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

## Financial Results

As a result of around 46% decline in turnover and around 2 months closure of trading and settlement at the exchanges during the period of general holidays declared by the Government of the Peoples' Republic of Bangladesh in order to prevent the spread of COVID-19 the Operating Income of the Company decreased in the year by Tk. 364,106,291 i.e. around 44% from Tk. 831,111,742 in the previous year ended 30<sup>th</sup> June 2019 to Tk. 467,005,451 in the year ended 30<sup>th</sup> June 2020. Other Income of the Company also decreased by Tk. 13,499,516 i.e. around 2.5%. Operating Expenses before depreciation decreased by Tk. 2,400,229 i.e. 1.2% in comparison to the previous year ended 30<sup>th</sup> June 2019. Consequently, Net Profit after tax of the Company decreased by 29% in comparison to the previous year ended 30<sup>th</sup> June 2019. Earnings per Share (EPS) of the Company declined to Tk. 2.45 from Tk. 3.45 reflecting the effect of the decreased profitability of the Company.

Key figures relating to the financial results of the Company for the year ended 30<sup>th</sup> June 2020 compared to the previous year are given below:-

Particulars	30 <sup>th</sup> June 2020 Taka	30 <sup>th</sup> June 2019 Taka	% (decrease)
Operating income	467,005,451	831,111,742	(43.80)
Other income	543,043,722	556,543,238	(2.43)
Operating expenses before depreciation and provision for investment	196,953,433	199,353,662	(1.20)
Depreciation and provision for investment	78,905,068	93,897,389	(15.97)
Net profit before tax	734,190,672	1,094,403,929	(32.91)
Net profit after tax	490,938,614	689,391,927	(29.00)
Paid up capital	2,000,000,000	2,000,000,000	-
Earnings per share (EPS)	2.45	3.45	(29.00)

## Dividend

Considering the financial results attained by the Company and anticipated higher operations costs in coming years as well as adverse effect of COVID-19 on the capital market as a whole, the Board of Directors in its meeting held on 1<sup>st</sup> November 2020 decided to recommend a cash dividend of 15% i.e. Tk. 1.5 per ordinary share of Tk. 10 each for the year ended 30<sup>th</sup> June 2020 to the shareholders in the register of members as on Thursday, 19<sup>th</sup> November 2020 for consideration at the 20<sup>th</sup> Annual General Meeting of the shareholders of the Company.

## Appropriations

Appropriations of the profit of the Company are depicted below:-

Particulars	Taka
Net Net profit after taxation	490,938,614
Un-appropriated profit brought forward	546,488,576
Cash dividend @ 25% paid for the year ended 30 <sup>th</sup> June 2019	(500,000,000)
Transferred to CDS Up-gradation Reserve	(50,000,000)
Transferred to Headquarter Building Reserve	(100,000,000)
Transferred to Investor Protection Fund	(50,000,000)
Profit available for appropriation	337,427,190
Dividend proposed for the year ended 30 <sup>th</sup> June 2020 – Cash Dividend @ 15%	300,000,000
Un-appropriated profit carried forward	37,427,190

## Contribution to the National Exchequer

During the year ended 30<sup>th</sup> June 2020 the Company paid Tk. 348,183,573 as direct tax.

## Outlook

As you know, in order to prevent the spread of Corona Virus related respiratory disease commonly called as COVID-19 the Government of the Peoples' Republic of Bangladesh had taken a number of measures such as declaration of general holidays, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are adversely affected which would also impact the Company as well. The business operation and profitability of the Company are impacted due to COVID 19. Moreover, the situation is constantly changing and there is no certainty at present as to how long the situation will prevail. As such the potential impact of COVID 19 related matters on the Company's operation and financial results may continue in the coming years too.

Moreover, on Sunday, 25<sup>th</sup> October 2020 at around 6:45 am a fire incident took place at BDBL Bhaban which had severely damaged CDBL office specially the Main Data Centre of CDBL located at the 18<sup>th</sup> Floor of BDBL Bhaban. The Information Technology (IT) team of CDBL with the assistance of Hewlett Packard Enterprise, Singapore and Tata Consultancy Service (India) Limited resumed the operation of Central Depository System from CDBL's Disaster Recovery Centre at around 3 PM and managed to settle the trading of Sunday, 25<sup>th</sup> October 2020 as usual. Since then the operations of CDBL has been continuing from Disaster Recovery Centre seamlessly and it will continue till the activation of the Main Data Center.



CDBL formed an Advisory Committee with the Professors of Computer Science and Engineering Department of Dhaka University for providing an expert opinion on the status of the servers, storage, network devices, UPS and other equipment of CDBL Main Data Center and how to bring those equipment in order and operational within the shortest possible time. The Advisory Committee observed that the data center of CDBL including its servers, storage and other equipment badly damaged by smoke and heat. They opined that CDBL should not run its mission critical application on such damaged machines.

In view of the above, the Company is now required to make substantial investments in the IT infrastructure to keep it well positioned to handle any surge in trade volumes at the stock exchanges and deliver its services to depository participants and issuers efficiently.

### Changes in Directorship:

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

5 <sup>th</sup> July 2019	Professor Shibli Rubayat Ul Islam, Chairman, Sadharan Bima Corporation (SBC) replaced Mr. Syed Shahriyar Ahsan as nominee of SBC.
25 <sup>th</sup> August 2019	Mr. Md. Abul Hossain, Managing Director, Investment Corporation of Bangladesh (ICB) replaced Mr. Kazi Sanaul Hoq as nominee of ICB.
28 <sup>th</sup> August 2019	Mr. Md. Ataur Rahman Prodhan, Managing Director & CEO, Sonali Bank Limited (SBL) replaced Mr. Md. Obayed Ullah Al Masud as nominee of SBL.
25 <sup>th</sup> February 2020	Mr. Asif Ibrahim, Chairman, Chittagong Stock Exchange Limited (CSE) replaced Maj Gen Mohammad Shamim Chowdhury, nwc, psc (Retd.) as nominee of CSE.
5 <sup>th</sup> March 2020	Mr. Md. Eunusur Rahman, Chairman, Dhaka Stock Exchange Limited (DSE) replaced Professor Dr. Abul Hashem as nominee of DSE.
17 <sup>th</sup> May 2020	Mr. Syed Shahriyar Ahsan, Managing Director, Sadharan Bima Corporation (SBC) replaced Professor Shibli Rubayat Ul Islam as nominee of SBC.

### Election of Directors

Pursuant to Article 117 to 120 of the Company, Mr. Syed Shahriyar Ahsan, Mr. Md. Abul Hossain, Mr. Asif Ibrahim, Mr. Md. Ataur Rahman Prodhan and Mr. Md. Eunusur 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 satisfactory financial results in difficult circumstances of COVID-19 pandemic situation 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

# Auditors' Report & Financial Statements



**HodaVasi Chowdhury & CO**  
**Chartered Accountants**

**INDEPENDENT AUDITORS' REPORT**

To the Shareholders of  
Central Depository Bangladesh Limited

**Report of the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Central Depository Bangladesh Limited (hereinafter referred to as "the Company"), which comprise the statement of financial position as at 30 June 2020, and the 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matters**

No provision has been made for Workers' Profit Participation Fund (WPPF) and Welfare Fund (WF) during the year under review and also for the previous years which is apparently a non-compliance of the relevant law. In this regard, we draw attention to the note no 27.1 to the accompanying financial statements that a former employee of the Company filed a case and decision received against the Company. The Company preferred an Appeal before the learned Appellate Labor Tribunal, Dhaka and the outcome of which is still pending. Our report has not been modified in this regard.

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**National Office:** BTMC Bhaban (6<sup>th</sup> & 7<sup>th</sup> Floor), 7-9 Karwan Bazar Commercial Area, Dhaka-1215, Bangladesh  
**Chittagong Office:** Delwar Bhaban (4<sup>th</sup> Floor), 104 Agrabad Commercial Area, Chittagong-4100, Bangladesh

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

### Revenue recognition

At the year end the Company reported total operating income of Taka 467,005,451.

Operating income of the Company is recognized based on the services rendered and invoices raised there against on accrual basis except annual accounts maintenance fee which is recognized on cash basis. This material item is subject to considerable inherent risk due to the complexity of the systems necessary for properly recording and identifying operating income. Therefore, there is a risk of operating income being misstated as a result of IT flaws resulting in misstatement of price, cut-off and relevant revenue related heads.

#### How the scope of our audit responded to the key audit matter:

We have tested the design and operating effectiveness of key controls focusing on the calculation of operating income, segregation of duties in invoice creation and timing of revenue recognition.

We also performed various substantive tests to address the risks associated. We obtained supporting documentation for operating income transactions recorded either side of year end whether operating income was recognized in the correct period. We tested the operating income recognition against the 5 step model and checked the relevant internal control to verify that there has been no override of control. Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards.

### IT System and Controls

Our audit procedures have a focus on information technology systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed daily and the reliance on automate and IT dependent manual control.

Our areas of audit focus included user access management, developer access management and change to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.

#### How the scope of our audit responded to the key audit matter:

We tested the designed implementation, and operating effectiveness of the Company's IT access control over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to the systems were appropriately reviewed and authorized.



Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit year and tested those changes that had a significant impact on the financial reporting.

### **Other Information**

Management is responsible for the other information. The other information comprises all of the information in the Annual Report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### **Responsibilities of management and Those Charged with Governance for the Financial Statements:**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements:

In accordance with the Companies Act, 1994 and International Standards on Auditing (ISAs), we also report the following:

- 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 the statement of profit or loss and other comprehensive income along with the annexed notes 1 to 29 dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dhaka, 02 November 2020

*Hoda Vasi Chowdhury*  
Chartered Accountants

Central Depository Bangladesh Limited  
Statement of Financial Position  
As at 30 June 2020

	Notes	2020 Taka	2019 Taka
<b>ASSETS:</b>			
<b>Non-current assets:</b>		<b>1,025,736,995</b>	<b>1,148,300,488</b>
Property, plant and equipment - at cost less accumulated depreciation	4	259,941,864	336,426,751
Leasehold land	5	33,829,191	29,873,737
Investment in shares	6	602,000,000	602,000,000
Investment in bonds - at cost	7	120,000,000	180,000,000
Deferred tax assets	8	9,965,940	-
<b>Current assets:</b>		<b>6,112,486,700</b>	<b>6,106,168,382</b>
Accounts receivable	9	85,838,299	100,472,165
Interest receivable	10	244,839,165	233,121,473
Advance, deposits and prepayments	11	12,322,844	6,827,187
Loans	12	24,130,443	20,385,152
Short term investments - FDRs	13	5,608,772,001	5,567,231,414
Cash and cash equivalents	14	136,583,948	178,130,991
<b>TOTAL ASSETS</b>		<b>7,138,223,695</b>	<b>7,254,468,870</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Shareholders' equity:</b>		<b>6,937,427,190</b>	<b>6,946,488,576</b>
Share capital	15	2,000,000,000	2,000,000,000
Retained earnings		337,427,190	546,488,576
Reserves:			
CDS upgradation		950,000,000	900,000,000
Headquarter building		3,250,000,000	3,150,000,000
Investor protection		400,000,000	350,000,000
<b>Non-current liabilities:</b>		<b>166,482,000</b>	<b>165,980,476</b>
Security deposit	16	166,482,000	164,582,000
Deferred tax liability	8	-	1,398,476
<b>Current liabilities:</b>		<b>34,314,505</b>	<b>141,999,818</b>
Accounts payable and other liabilities	17	17,729,327	31,845,378
Unearned revenue		16,413,795	16,415,957
Provision for income tax	18	171,383	93,738,483
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>7,138,223,695</b>	<b>7,254,468,870</b>
<b>Net Assets Value (NAV) per share</b>	24	<b>34.69</b>	<b>34.73</b>

These financial statements should be read in conjunction with annexed notes

  
Chairman

  
Vice-Chairman

  
Managing Director & CEO

  
Company Secretary

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

Dhaka, 02 November 2020

  
Chartered Accountants

Central Depository Bangladesh Limited  
Statement of Profit or Loss and Other Comprehensive Income  
For the year ended 30 June 2020

	Notes	2020 Taka	2019 Taka
Operating income	19	467,005,451	831,111,742
Operating and administrative expenses	20	(275,858,501)	(293,251,051)
<b>Operating profit</b>		<b>191,146,950</b>	<b>537,860,691</b>
Other income	21	543,043,722	556,543,238
<b>Net profit before income tax</b>		<b>734,190,672</b>	<b>1,094,403,929</b>
Current tax expense	18	(254,616,474)	(393,549,516)
Deferred tax income/(expense)	8	11,364,416	(11,462,486)
<b>Net profit after tax for the year</b>		<b>490,938,614</b>	<b>689,391,927</b>
Accumulated profit brought forward from previous year		546,488,576	607,096,649
<b>Profit available for appropriation</b>		<b>1,037,427,190</b>	<b>1,296,488,576</b>
Dividend paid		(500,000,000)	(500,000,000)
Transferred to reserves			
CDS upgradation		(50,000,000)	(100,000,000)
Headquarter building		(100,000,000)	(100,000,000)
Investor protection		(50,000,000)	(50,000,000)
		(200,000,000)	(250,000,000)
<b>Accumulated profit transferred to retained earnings</b>		<b>337,427,190</b>	<b>546,488,576</b>
<b>Earnings per share</b>	23	<b>2.45</b>	<b>3.45</b>

These financial statements should be read in conjunction with annexed notes

  
Chairman

  
Vice-Chairman

  
Managing Director & CEO

  
Company Secretary

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

Dhaka, 02 November 2020

  
Chartered Accountants



Central Depository Bangladesh Limited  
Statement of Changes in Equity  
For the year ended 30 June 2020

Particulars	Share capital	Retained earnings	Reserves	Total
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Balance as at 01 July 2018	2,000,000,000	607,096,649	4,150,000,000	6,757,096,649
Net profit for the year	-	689,391,927	-	689,391,927
Cash dividend paid for the year 2017-2018	-	(500,000,000)	-	(500,000,000)
<b>Reserves:</b>				
CDS upgradation	-	(100,000,000)	100,000,000	-
Headquarter building	-	(100,000,000)	100,000,000	-
Investor protection	-	(50,000,000)	50,000,000	-
<b>Balance as at 30 June 2019</b>	<b>2,000,000,000</b>	<b>546,488,576</b>	<b>4,400,000,000</b>	<b>6,946,488,576</b>
Balance as at 01 July 2019	2,000,000,000	546,488,576	4,400,000,000	6,946,488,576
Net profit for the year	-	490,938,614	-	490,938,614
Cash dividend paid for the year 2018-2019	-	(500,000,000)	-	(500,000,000)
<b>Reserves:</b>				
CDS upgradation	-	(50,000,000)	50,000,000	-
Headquarter building	-	(100,000,000)	100,000,000	-
Investor protection	-	(50,000,000)	50,000,000	-
<b>Balance as at 30 June 2020</b>	<b>2,000,000,000</b>	<b>337,427,190</b>	<b>4,600,000,000</b>	<b>6,937,427,190</b>

These financial statements should be read in conjunction with annexed notes

  
Chairman

  
Vice-Chairman

  
Managing Director & CEO

  
Company Secretary

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

  
Chartered Accountants

Dhaka, 02 November 2020

Central Depository Bangladesh Limited  
Statement of Cash Flows  
For the year ended 30 June 2020

	Notes	2020 Taka	2019 Taka
<b>A. Cash flows from operating activities</b>			
Cash received from customers and others		481,637,154	828,244,381
Cash payment to suppliers and employees for operating and administrative expenses		(197,363,820)	(211,162,670)
Cash paid against BO A/C maintenance fee collected on behalf of BSEC and Government		(15,644,900)	(42,572,500)
Cash receipts against security deposits		1,900,000	7,732,000
Cash (paid)/receipts against advance, deposits and prepayments		(5,495,657)	(1,522,267)
Cash receipts/(paid) against advance and loans to employees		(3,745,291)	4,140,696
<b>Cash generated from operations</b>		<b>261,287,486</b>	<b>584,859,640</b>
Income tax paid		(348,183,573)	(367,897,471)
<b>Net cash generated from operating activities</b>		<b>(86,896,087)</b>	<b>216,962,169</b>
<b>B. Cash flows from investing activities</b>			
Interest received		531,270,730	547,817,621
Payments for property, plant and equipment		(6,721,121)	(69,514,397)
Proceeds from sale of property, plant and equipment		55,300	363,000
Proceeds from (new)/encashment of short term investments - FDRs		(40,398,226)	371,726,071
Investment in shares		-	(602,000,000)
Divestment of bonds		60,000,000	95,000,000
<b>Net cash used in /generated from investing activities</b>		<b>544,206,683</b>	<b>343,392,295</b>
<b>C. Cash flows from financing activities</b>			
Dividend paid		(498,857,639)	(500,000,000)
<b>Net cash used in financing activities</b>		<b>(498,857,639)</b>	<b>(500,000,000)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>		<b>(41,547,043)</b>	<b>60,354,464</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>178,130,991</b>	<b>117,776,527</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>136,583,948</b>	<b>178,130,991</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	25	<b>(0.43)</b>	<b>1.08</b>

\* FDRs amounting BDT 5,567,231,414 was presented as part of cash and cash equivalents in 2019 which have now been reclassified to short term investments - FDRs to conform to the current year's presentation.

These financial statements should be read in conjunction with annexed notes

  
Chairman

  
Vice-Chairman

  
Managing Director & CEO

  
Company Secretary

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

Dhaka, 02 November 2020

  
Chartered Accountants

Central Depository Bangladesh Limited  
Notes to the Financial Statements  
For the year ended 30 June 2020

## 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 International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), 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 International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

The applicable IASs and IFRSs are as follows:

IAS-1	Presentation of Financial Statements
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-19	Employee Benefits
IAS-21	The Effects of Changes in Foreign Exchange Rates
IAS-32	Financial Instruments: Presentation
IAS-33	Earnings Per Share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-38	Intangible Assets
IAS-39	Financial Instruments: Recognition and Measurement
IFRS-7	Financial Instruments: Disclosures
IFRS-9	Financial Instruments
IFRS-15	Revenue from Contracts with Customers
IFRS-16	Leases

### 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 & 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. In respect of addition to fixed assets, depreciation is charged from the month of addition while no depreciation is charged in the month of disposal.

## 2.5 Amortization of Leasehold Land

The leasehold land is amortized using the straight-line method over its amortization year calculated on the basis of leased years.

## 2.6 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.

## 2.7 Foreign currency transactions

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

## 2.8 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 @ 32.5% pursuant to provisions of Income Tax Ordinance, 1984. The tax rate for the year is applied on the basis of Finance Act, 2020.

### 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

## 2.9 Revenue recognition

Consistent to previous practice, the income of the Company is recognised based on the services rendered and invoices raised thereagainst on accrual basis except annual accounts maintenance fee which is recognised on

## 2.10 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.

## 2.11 Earnings per share (EPS)

### a) Basic earnings per share

Earnings per share (EPS) has been calculated in accordance with the IAS-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

## 2.12 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 IAS-10: "Events after the Reporting Period".

## 2.13 Reporting period

The reporting period of the Company covers one year from 01 July to 30 June consistently.

## 2.14 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 or reclassified, wherever considered necessary, to conform with current year's presentation.



#### 4 Property, plant and equipment - at cost less accumulated depreciation

Amount in Taka

Particulars	Cost			Depreciation				Written down value as at 30 June 2020
	Balance as at 01 July 2019	Additions during the Year	Disposals during the Year	Balance as at 30 June 2020	Rate (%)	Balance as at 01 July 2019	Charged during the Year	Balance as at 30 June 2020
<b>Central Depository System (CDS):</b>								
Software	166,219,383	-	-	166,219,383	20%	53,291,323	31,746,065	85,037,388
Hardware	179,363,696	-	-	179,363,696	20%	71,257,268	33,665,699	104,922,967
Network equipment, LAN and WAN	17,047,366	1,215,611	-	18,262,977	20%	5,774,737	3,491,980	9,266,717
<b>Sub-total</b>	<b>362,630,445</b>	<b>1,215,611</b>	<b>-</b>	<b>363,846,056</b>		<b>130,323,328</b>	<b>68,903,744</b>	<b>199,227,072</b>
Computers and accessories	9,195,622	378,000	720,097	8,853,525	20%	7,899,821	552,578	7,732,302
Office and electrical equipment	42,488,192	826,570	73,000	43,241,762	20%	19,632,382	7,817,759	27,377,141
Furniture and fixtures	4,495,724	-	86,100	4,409,624	15%	4,433,525	24,185	4,371,610
Air conditioners	6,628,299	-	-	6,628,299	20%	4,439,054	796,965	5,236,019
Site preparation and office Renovation	2,956,602	-	-	2,956,602	15%	2,841,977	36,969	2,878,946
Power generator	6,421,235	-	-	6,421,235	20%	4,166,942	772,868	4,939,810
Auto sensor fire alarm	2,060,260	-	-	2,060,260	20%	2,060,064	-	2,060,064
Motor vehicles	13,203,000	-	-	13,203,000	20%	13,202,896	-	13,202,896
Land	75,347,361	-	-	75,347,361	-	-	-	-
<b>Sub-total</b>	<b>162,796,295</b>	<b>1,204,570</b>	<b>879,197</b>	<b>163,121,668</b>		<b>58,676,661</b>	<b>10,001,324</b>	<b>67,798,788</b>
<b>Grand total as at 30 June 2020</b>	<b>525,426,740</b>	<b>2,420,181</b>	<b>879,197</b>	<b>526,967,724</b>		<b>188,999,989</b>	<b>78,905,068</b>	<b>267,025,860</b>
<b>Grand total as at 30 June 2019</b>	<b>836,371,827</b>	<b>39,514,397</b>	<b>350,459,484</b>	<b>525,426,740</b>		<b>457,000,653</b>	<b>82,458,820</b>	<b>188,999,989</b>
								<b>336,426,751</b>

## 5 Leasehold land

Acquisition cost- opening balance  
Add: Expense incurred during the year  
Less: Amortization during the year

2020 Taka	2019 Taka
29,873,737	30,000,000
4,300,940	-
(345,486)	(126,263)
<b>33,829,191</b>	<b>29,873,737</b>

Ministry of Housing and Public Works vide letter under reference 25.00.0000.049.33.044.16 / 398 dated 26th December 2018 allotted a 0.164 acre land under plot no. F-16/A-1 of Sher-e-Bangla Nagar Administrative Area, Dhaka to the Company for constructing headquarter building. The Company deposited Tk. 3 crore to the National Exchequer on 5th December 2018 on account of the price of aforesaid land as per letter under reference 25.00.0000.049.33.046.16 – 368 dated 3rd December 2018 of the Ministry of Housing and Public Works. Management of CDBL has taken possession of the allotted plot on 4th February 2019 and signed a lease agreement with the Ministry of Housing and Public Works for 99 years.

During the year, expenses such as stamp duty, registration fees, tax, VAT and bank charges have been incurred for registration of the leasehold land, in the Company's name.

## 6 Investment in Shares

Central Counterparty Bangladesh Limited (CCBL)  
CCBL on behalf of Strategic Investor (note- 6.1)  
Disaster Recovery Site Bangladesh Limited (note- 6.2)

300,000,000	300,000,000
300,000,000	300,000,000
2,000,000	2,000,000
<b>602,000,000</b>	<b>602,000,000</b>

6.1 The amount represents Central Depository Bangladesh Limited's subscription towards 10% shares of Central Counterparty Bangladesh Limited that were reserved for Strategic Investor. As per Bangladesh Securities and Exchange Commission (Clearing and Settlement) Regulations, 2017 these shares shall be held by Central Depository Bangladesh Limited until Strategic Investors are found for Central Counterparty Bangladesh Limited when Central Depository Bangladesh Limited shall transfer the shares to the Strategic Investor.

6.2 The amount represents payment for 1% seed money of CDBL's equity investment in the Disaster Recovery Site Bangladesh Limited. The Board of Directors of CDBL in its 116th meeting held on 6th May 2018 resolved to invest Taka 20 crore (4% of paid-up capital of Taka 500 crore) in the equity of the Disaster Recovery Site Bangladesh Limited initiated by the state owned Banks & Financial Institutions for establishing and maintaining a Disaster Recovery Site (DRS) at Jessore.

## 7 Investment in bonds - at cost

United Commercial Bank Limited  
Social Islami Bank Limited

-	20,000,000
120,000,000	160,000,000
<b>120,000,000</b>	<b>180,000,000</b>

## 8 Deferred tax assets

Deferred tax has been calculated in accordance with the provision of IAS-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 **9,965,940** arrived as follows:

Tax base value of fixed assets except land	198,543,488	240,053,517
Less: Carrying amount of fixed assets except land	184,594,503	261,079,390
(Taxable)/deductible temporary differences	13,948,985	(21,025,873)
Provision for leave encashment	3,700,259	2,314,641
Provision for bad debts	1,576,617	3,277,017
Provision for investment	11,438,569	11,438,569
Total (taxable)/deductible temporary differences	30,664,430	(3,995,646)
Applicable tax rate	32.5%	35%
Deferred tax assets / (liability) at the end of the year	<b>9,965,940</b>	<b>(1,398,476)</b>
Deferred tax (liability)/assets at the beginning of the year	(1,398,476)	10,064,010
Deferred tax income/(expense) for the year	<b>11,364,416</b>	<b>(11,462,486)</b>

	2020 Taka	2019 Taka
<b>9 Accounts receivable</b>		
Participants	57,243,763	57,539,257
Issuers	30,171,153	46,209,925
	87,414,916	103,749,182
Less: Provision for bad debts	1,576,617	3,277,017
	<b>85,838,299</b>	<b>100,472,165</b>
<b>10 Interest receivable</b>		
FDR/TDR interest receivable	244,546,071	232,288,433
Bond interest receivable	293,094	833,040
	<b>244,839,165</b>	<b>233,121,473</b>
<b>11 Advance, deposits and prepayments</b>		
<b>Advance</b>		
Chittagong Stock Exchange - Innovation workshop	-	552,222
TRADECOM	5,000,000	-
	5,000,000	552,222
<b>Deposits</b>		
Bangladesh Development Bank Limited - office rent	2,546,220	2,546,220
RAJUK - Uttara Industrial Plot	2,500,000	2,500,000
Bangladesh General Insurance Company Limited - office rent	286,440	258,700
	5,332,660	5,304,920
<b>Prepayments</b>		
Guardian Life Insurance Ltd	418,277	-
Sonar Bangla Insurance Ltd	443,564	-
Omega EXIM Ltd	1,061,676	-
Bio-Access	66,667	-
Pioneer Insurance Ltd	-	461,012
Metlife - insurance premium	-	509,033
	1,990,184	970,045
	<b>12,322,844</b>	<b>6,827,187</b>
<b>12 Loans</b>	<b>24,130,443</b>	<b>20,385,152</b>
The above amount includes Taka 4,286,113 house loan bearing 5% interest granted to the employees and the rest amount represents interest free loans granted to the employees on different personal grounds which are being recovered from monthly salaries.		

13 Short term investments - FDRs

	2020 Taka	2019 Taka
Investment Corporation of Bangladesh	484,250,000	430,000,000
Southeast Bank Limited	180,000,000	390,000,000
Standard Bank Limited	300,000,000	330,000,000
Commercial Bank of Ceylon PLC	330,000,000	300,000,000
Al-Arafah Islami Bank Limited	190,000,000	280,000,000
ONE Bank Limited	260,000,000	270,000,000
EXIM Bank Limited	290,000,000	270,000,000
BRAC Bank Limited	200,000,000	240,000,000
Mutual Trust Bank Limited	310,001,000	230,000,000
AB Bank Limited	220,000,000	220,000,000
IFIC Bank Limited	220,000,000	220,000,000
Mercantile Bank Limited	260,000,000	210,000,000
Jamuna Bank Limited	270,000,000	210,000,000
NCC Bank Limited	280,000,000	200,000,000
First Security Islami Bank Limited	70,000,000	170,000,000
NRB Global Bank Limited	30,000,000	170,000,000
NRB Bank Limited	128,788,414	146,358,414
Social Islami Bank Limited	20,000,000	130,000,000
Shahjalal Islami Bank Limited	80,000,000	130,000,000
Dhaka Bank Limited	220,000,000	100,000,000
Bank Asia Limited	40,000,000	70,000,000
Madhumati Bank Limited	70,000,000	70,000,000
United Commercial Bank Limited	210,000,000	70,000,000
Premier Bank Limited	65,000,000	65,000,000
Trust Bank Limited	100,000,000	60,000,000
City Bank Limited	240,000,000	50,000,000
Bangladesh Commerce Bank Limited	50,000,000	50,000,000
Shimanto Bank Limited	-	50,000,000
Union Bank Limited	-	50,000,000
Padma Bank Limited	50,000,000	50,000,000
Delta Brac Housing Limited	60,000,000	50,000,000
IDLC Finance Limited	54,050,000	34,050,000
Bay Leasing Limited	33,500,000	33,500,000
United Finance Limited	20,000,000	30,000,000
Uttara Finance & Investment Limited	10,000,000	30,000,000
Eastern Bank Limited	50,000,000	30,000,000
Bangladesh Development Bank Ltd	30,000,000	-
Janata Bank Ltd	50,000,000	-
Bank Al-Falah Ltd	30,000,000	-
Prime Finance & investment Limited	26,713,000	25,000,000
International Leasing & Finance Limited	24,239,150	21,788,000
Premier Leasing and Finance Limited	21,730,437	21,035,000
Meghna Bank Limited	10,000,000	20,000,000
National Housing & Finance Limited	12,500,000	12,500,000
People Leasing & Finance Services Limited	11,438,569	11,438,569
Industrial and Infrastructure Development Finance Company Limited	-	10,000,000
Midas Finance Limited	-	10,000,000
Union Capital Limited	8,000,000	8,000,000
	<b>5,620,210,570</b>	<b>5,578,669,983</b>
Less: Provision for investment	11,438,569	11,438,569
	<b>5,608,772,001</b>	<b>5,567,231,414</b>

	2020 Taka	2019 Taka
<b>14 Cash and cash equivalents</b>		
Cash in hand	2,536,326	377,431
<b>Cash at bank:</b>		
Current account with Standard Chartered Bank, Dhaka	529,063	479,886
<b>Short term deposits with:</b>	<b>133,518,559</b>	<b>177,273,674</b>
Sonali Bank Limited, Dhaka	1,286,973	1,246,727
Standard Chartered Bank, Dhaka	12,514,236	14,664,429
Bangladesh Development Bank Limited, Dhaka	110,935,713	29,412,946
Southeast Bank Limited, Dhaka	8,781,637	131,949,572
	<b>136,583,948</b>	<b>178,130,991</b>

## 15 Share capital

### 15.1 Authorised capital

300,000,000 ordinary shares of Taka 10 each	<b>3,000,000,000</b>	<b>3,000,000,000</b>
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### 15.2 Issued, subscribed and paid up capital

200,000,000 ordinary shares of Taka 10 each	<b>2,000,000,000</b>	<b>2,000,000,000</b>
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### 15.3 Composition of shareholders:

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

### 15.4 Classification of shares by holding:

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

## 16 Security deposits

Participants	53,600,000	53,200,000
Issuers	112,332,000	110,832,000
Direct accountholders	550,000	550,000
	<b>166,482,000</b>	<b>164,582,000</b>

	2020 Taka	2019 Taka
<b>17 Accounts payable and other liabilities</b>		
<b>Other liabilities</b>		
Bangladesh Securities & Exchange Commission for annual Account maintenance fee (note- 17.1)	2,804,950	5,701,050
Government of Bangladesh for annual account maintenance fee (note- 17.2)	8,098,000	20,846,800
Sundry creditors- Telephone and other bills	-	488,000
Leave encashment provision	3,700,259	2,314,653
Contribution to provident fund	-	501,118
Dividend payable	1,142,361	-
Audit fee including VAT	828,000	838,000
Financial literacy fair and conference (note - 17.3)	1,155,757	1,155,757
	<b>17,729,327</b>	<b>31,845,378</b>

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

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

**17.3 Financial Literacy Fair and Conference**

Opening balance	1,155,757	2,493,207
Less: Disbursement during the year	-	1,337,450
Closing balance	<b>1,155,757</b>	<b>1,155,757</b>

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.

**18 Provision for income tax**

Opening balance	93,738,483	68,086,439
Add: Provision made for current year	254,616,474	393,549,516
	348,354,956	461,635,955
Less: Advance and payments made during the year:		
Tax deducted at source on interest on short term deposits	604,210	1,166,999
Tax deducted at source on interest on fixed term deposits	50,660,077	50,821,459
Tax deducted at source on interest on bonds	920,119	1,384,973
Tax deducted by the depository participants and issuers on bills	5,328,678	9,490,596
Advance income tax paid during the year	220,150,000	260,165,000
Income tax paid for the year 2019	70,520,489	44,868,446
	348,183,573	367,897,472
	<b>171,383</b>	<b>93,738,483</b>



## 19 Operating income

Dematerialization of securities
Settlement of securities transactions
Annual accounts maintenance fee
Issuers book entry demat register maintenance fee
Documentations
CDS connections
Rematerialization of securities
Corporate actions
Pledging and unpledging of securities
Suspensions and revocations
Fresh issues (IPO)
Transfers and transmissions
Radio link connections
Freeze
Internet balance inquiry
Confiscations

2020 Taka	2019 Taka
2,153,798	1,375,395
208,240,968	386,101,802
186,345,650	272,100,150
34,931,262	33,324,519
32,500	69,500
5,288,000	5,118,507
50,750	278,760
13,133,359	53,946,432
4,922,286	11,589,665
26,030	30,370
621,865	2,506,829
10,403,668	63,768,337
809,250	801,000
1,900	6,400
15,600	38,300
28,565	55,778
<b>467,005,451</b>	<b>831,111,742</b>

## 20 Operating and administrative expenses

Salaries and allowances
Office rent
Electricity and water
Depository system maintenance
Insurance
Motor car maintenance
Advertisement expenses
Entertainment expenses
Printing, postage and stationery
WAN, telephone and internet
Traveling and conveyance
License fees and subscriptions
Legal and professional fees
Training and development
Marketing and capacity building
Refectory expenses
Security services
Repairs and maintenance
Office cleaning
Bank charges and excise duty
Audit fee including VAT
Meetings and participant conferences
Directors fee
Other expenses
Provision for investment
Depreciation (note-4)
Amortization cost of leasehold land
Corporate social responsibility

100,413,566	93,043,771
14,508,153	14,177,393
4,504,639	4,916,314
51,998,122	53,983,416
1,447,221	1,495,307
670,132	985,704
808,841	110,250
208,187	132,273
784,316	770,877
3,405,776	3,508,356
197,584	315,324
840,218	934,261
1,328,959	1,512,318
700,280	5,772,652
5,294,277	6,653,743
238,968	437,839
1,569,096	2,010,471
645,401	883,063
177,596	165,388
2,824,546	3,149,161
690,000	769,000
356,061	889,480
2,275,000	1,500,000
321,008	141,038
-	11,438,569
78,905,068	82,458,820
345,486	126,263
400,000	970,000
<b>275,858,501</b>	<b>293,251,051</b>

**21 Other income**

Interest income on term deposits

Interest income on bonds

**Interest income on STD accounts:**

Sonal Bank Limited

Bangladesh Development Bank Limited

Southeast Bank Limited

Standard Chartered Bank

Interest income from staff house loan

Profit on sale of fixed assets

**2020**  
**Taka****2019**  
**Taka**

518,858,610

17,862,444

44,718

3,020,272

2,908,533

68,580

6,042,103

225,265

55,300

280,565

**543,043,722**

517,760,073

26,516,607

43,204

1,424,461

10,057,898

144,422

11,669,985

233,573

363,000

596,573

**556,543,238****22 Proposed dividend**

The Directors in their meeting held on 1 November have proposed a cash dividend @ 15% i.e. Taka 1.5 per ordinary share of Taka 10 each. The financial statements for the year ended 30 June 2020 do not include the effects of the above cash dividend which will be accounted for in the period in which it is paid.

**23 Earnings per share (EPS)****23.1 Basic earnings per share**

Net profit after tax for the year

Number of ordinary shares

Basic earnings per share

490,938,614

200,000,000

**2.45**

689,391,927

200,000,000

**3.45****24 Net Assets Value (NAV) per share**

Total assets

Less: Total liabilities

Number of outstanding shares

NAV per share

7,138,223,695

(200,796,505)

**6,937,427,190**

200,000,000

**34.69**

7,254,468,870

(307,980,294)

**6,946,488,576**

200,000,000

**34.73****25 Net Operating Cash Flow Per Share (NOCFPS)**

Net operating cash flow

Weighted average number of ordinary shares outstanding during the year

NOCF per share

(86,896,087)

200,000,000

**(0.43)**

216,962,169

200,000,000

**1.08****26 Payments / perquisites to Directors**

Directors attending the Board Meetings were paid Taka 25,000 per meeting. The Managing Director & CEO received an aggregated amount of Taka 12,741,027 (2019 : Taka 11,454,373) as emoluments during the financial Year.

## 27 Contingent liabilities and commitments

### 27.1 Contingent liability

A former employee of the Company filed a case (Case no. 616/2018) on 24 July 2018 against the Company in the First Labor Court, Dhaka claiming share of Workers' Profit Participation including compensation and the same was allowed by an order and Judgement dated 12 March 2020 against the Company to pay Taka 2,124,294 to him as per his claim.

The Company preferred an Appeal before the learned Appellate Labor Tribunal, Dhaka (Appeal No. 40/2020) and the outcome of the appeal is yet to be received by the Company.

2,124,294	2,124,294
-----------	-----------

### 27.2 Claims against the Company not acknowledged as debts

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

### 27.3 Capital expenditure commitments:

i) Contracted but not provided for in these accounts

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

ii) Approved by the Board but not contracted for

12,000,000	Nil
------------	-----

27.4 Lease agreement with Bangladesh Development Bank Limited (BDBL) expired on October 2019 and has not been renewed as yet. The Company is planning to move from rented premises to their Own premises.

## 28 Particulars of employees

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

Above Taka 3,000 per month

67	66
----	----

Below Taka 3,000 per month

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

67	66
----	----

## 29 Implications of COVID 19 on business

On 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID 19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are adversely affected which would also impact the Company as well. The management has considered COVID 19 events took place before the reporting date of 30 June 2020. Although the business operation and profitability of the Company are impacted due to COVID 19, but as the situation is constantly changing and there is no certainty at present as to how long the situation will prevail, the potential impact of COVID 19 related matters on the Company's operation and financial results cannot be reasonably assessed.

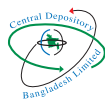
Though as at the date of these financial statements, no material impact has been identified by management on the Company's financial position, results of operations and cash flows, management has decided to continuously monitor, evaluate and measure the impacts on their operations by remaining alert to the changing situations and give adjustments during the next financial year.

  
Chairman

  
Vice-Chairman

  
Managing Director & CEO

  
Company Secretary



## Central Depository Bangladesh Limited

BDBL Bhaban (18<sup>th</sup> Floor), 12 Kawran Bazar, Dhaka - 1215, Bangladesh. Tel: 880-2-550 11924, 550 11934, Fax: 55011933

### Proxy Form

I / We.....

of.....

being a Member of Central Depository Bangladesh Limited do hereby appoint

Mr. / Ms. ....

of.....

Or (failing him/her) Mr. / Ms. ....

as my / our proxy, to vote for me/us and on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company to be held on Sunday, 20<sup>th</sup> December 2020 over Zoom Cloud Video and any adjournment thereof or at any Ballot to be taken in consequence thereof

Revenue  
Stamp  
Tk. 10

Signed this ..... day of December, 2020

Signature of Proxy ..... Signature of Shareholder.....

*NB: IMPORTANT*

1. This Form of Proxy, duly completed, must be scanned & emailed at least 48 hours before the meeting at [info@cdbl.com.bd](mailto:info@cdbl.com.bd). Proxy is invalid if not signed and stamped
2. Signature of the Shareholders should agree with the Specimen Signature registered with the Company.

.....



## Central Depository Bangladesh Limited

BDBL Bhaban (18<sup>th</sup> Floor), 12 Kawran Bazar, Dhaka - 1215, Bangladesh. Tel: 880-2-550 11924, 550 11934, Fax: 55011933

### ATTENDANCE SLIP

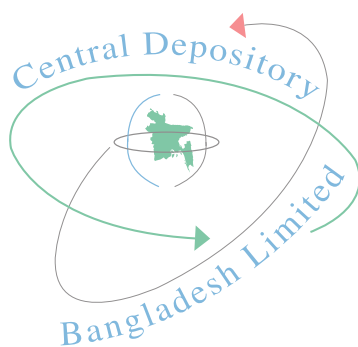
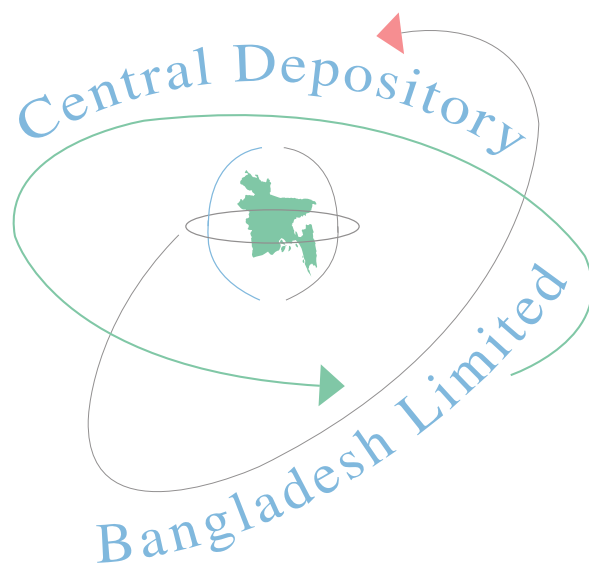
I hereby record my attendance at the 20<sup>th</sup> Annual General Meeting of the Central Depository Bangladesh Limited being held on Sunday, 20<sup>th</sup> December 2020, over Zoom Cloud Video.

Name of Member/Proxy .....

Date: 20<sup>th</sup> December 2020

.....  
Signature

N.B: Shareholders attending the meeting or by Proxy over Zoom are requested to complete the attendance slip and email at [info@cdbl.com.bd](mailto:info@cdbl.com.bd) attaching their business card

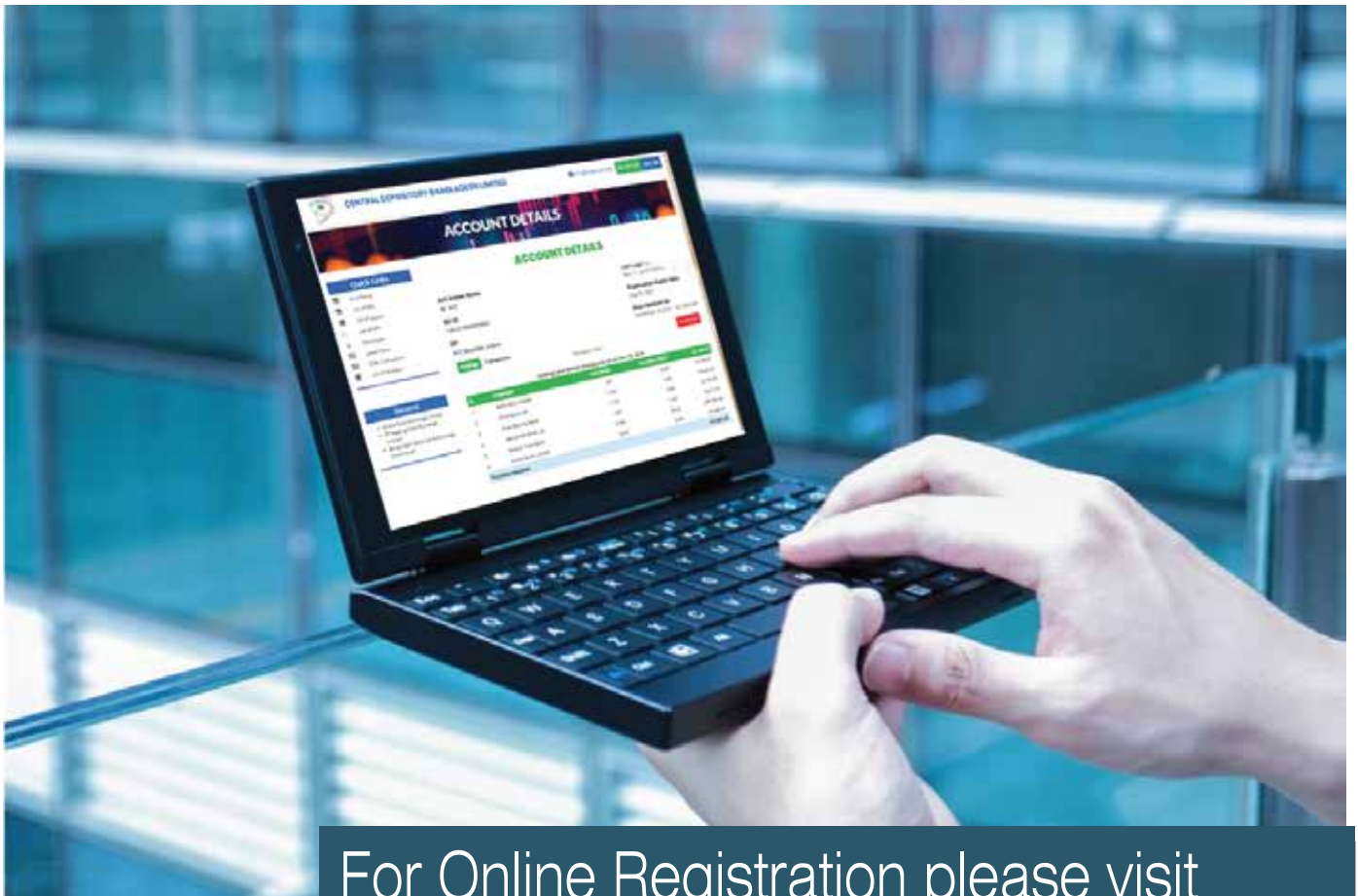


# DIGITAL BANGLADESH

Share Portfolio and Last One Month's Transaction

Details of your BO account at Your Fingertip

Do you know share balance, portfolio valuation and last one month's transaction details of your BO account is available on the internet 24 hours a day from anywhere in the world through CDBL website?



For Online Registration please visit  
CDBL website [www.cdbl.com.bd](http://www.cdbl.com.bd)



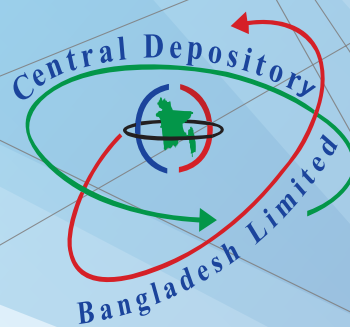
**Central Depository Bangladesh Limited**

BDBL Bhaban (18<sup>th</sup> Floor), 12 Kawran Bazar, Dhaka-1215

Tel : 550 11924, 550 11934, Fax : +88-02-550 11933

E-mail : [info@cdbl.com.bd](mailto:info@cdbl.com.bd), Web : [www.cdbl.com.bd](http://www.cdbl.com.bd)





## Central Depository Bangladesh Limited

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