



ANNUAL
REPORT
2019

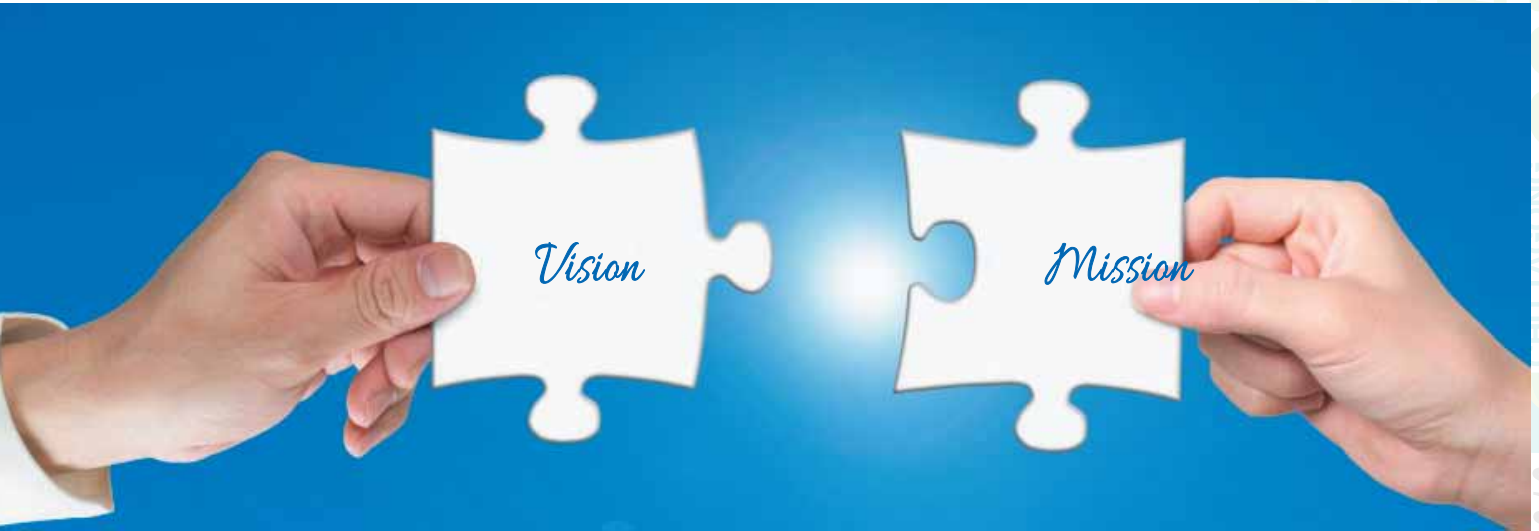


Chittagong Stock Exchange Limited



Chittagong Stock Exchange Limited





Vision:

Aspire a global standard transaction place of securities and financial products.

Mission:

Practice a set of core values to build competency in compliance, diversification and technology so that an accessible platform, market confidence and wealth maximization scope can be ensured.



- Increase business turnover
- Modernize trading system
- Ensure effective relationship management
- Achieve high level of Confidence & Professional
- Engage in product and market diversification
- Contribute to capital market policy development
- Dedicated and loyal team management.

Corporate Directory

Board of Directors

Major General (Retired) Mohammad Shamim Chowdhury nwc, psc

Chairman

Independent

Prof. Mamtaz Uddin Ahmed FCMA

Director

Dr. Mohammad Ayub Islam

Director

Dr. Moinul Islam Mahmud

Director

Prof. S. M. Salamat Ullah Bhuiyan

Director

Mr. Pradip Paul FCMA, FCA

Director

Mr. S. M. Abu Tayyab

Director

Share Holder

Mr. Mirza Salman Ispahani

Director

Major (Retd.) Emdadul Islam

Director

Mr. Shahjada Mahmud Chaudhuri

Director

Mr. Md. Sayadur Rahman

Director

Mr. Md. Ghulam Faruque

Managing Director (Acting)

Company Secretary : Mr. Rajib Saha FCS

Committees

- 1 Audit and Risk Management Committee
- 2 Nomination and Remuneration Committee
- 3 Regulatory Affairs Committee
- 4 Conflict Mitigation Committee
- 5 Appeals Committee

Auditors

Rahman Rahman Huq
Chartered Accountants
(A member firm of "KPMG" International)

Bankers

Sonali Bank Limited	Prime Bank Limited
United Commercial Bank Limited	Southeast Bank Limited
One Bank Limited	Bank Asia Limited
NCC Bank Limited	IFIC Bank Limited
AB Bank Limited	Dutch-Bangla Bank Limited
Al-Arafah Islami Bank Limited	The City Bank Limited
Shahjalal Islami Bank Limited	Pubali Bank Limited
State Bank of India	Standard Chartered Bank

CSE offices

CSE Registered Office

CSE Building, 1080 Sk. Mujib Road,
Agrabad, Chattogram, Bangladesh.
Tel : 88 031-714632-3, 720871-3, 726801-5
Fax : 88 031-714101, 726810 (CRO)
e-mail : cse@cse.com.bd; info@cse.com.bd

Dhaka Regional Office

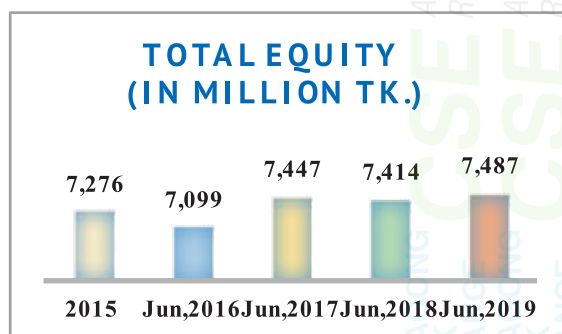
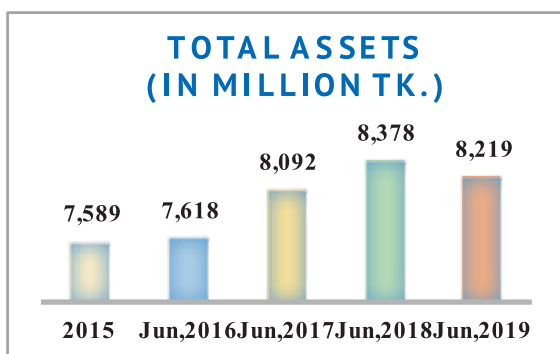
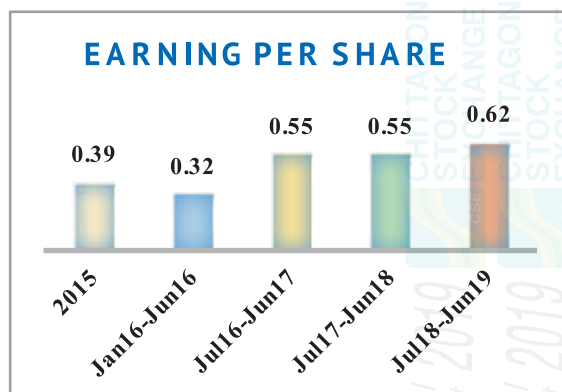
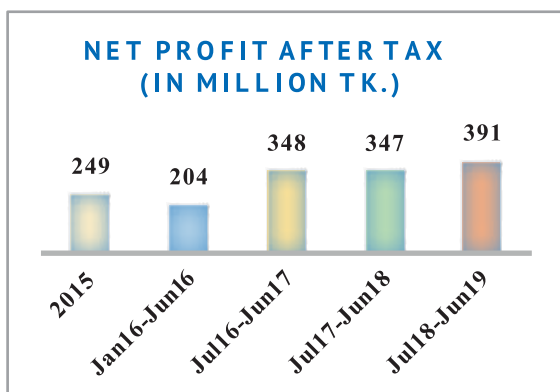
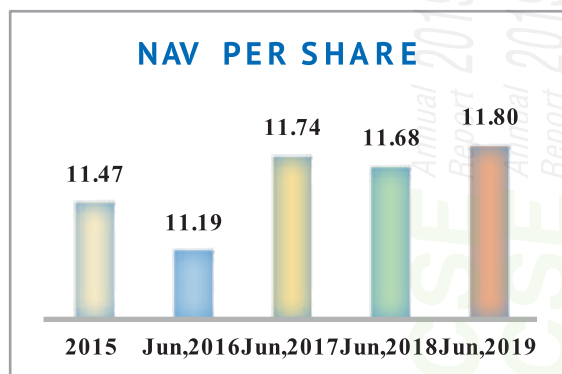
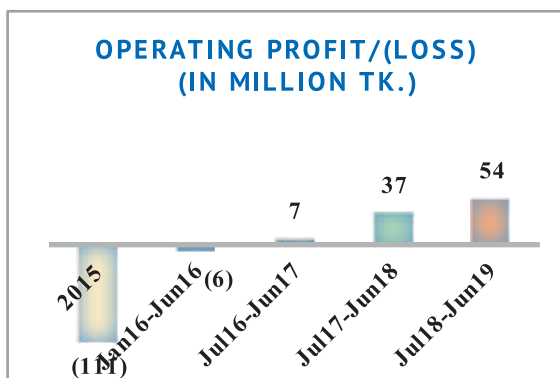
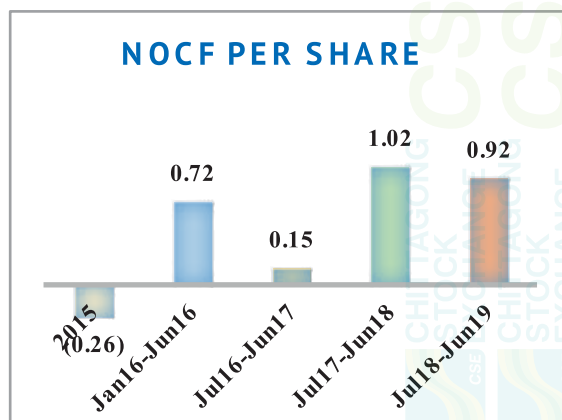
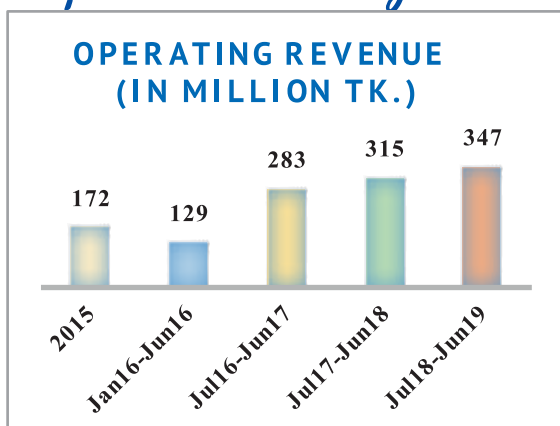
Eunoos Trade Center Ltd. (Level-15)
52-53 Dilkusha C/A, Dhaka-1000
Tel : 88 02-9513911-20
Fax : 88 02-9513906

Sylhet Regional Office

Ananda Tower (3rd Floor)
North Dhopadhighirpar
Jail Road, Sylhet-3100
Tel : 88 0821 721213, 721215
Fax : 88 0821 721214

website: www.cse.com.bd, ITS : www.bangladeshstockmarket.com

Performance at a glance



Our Organisation

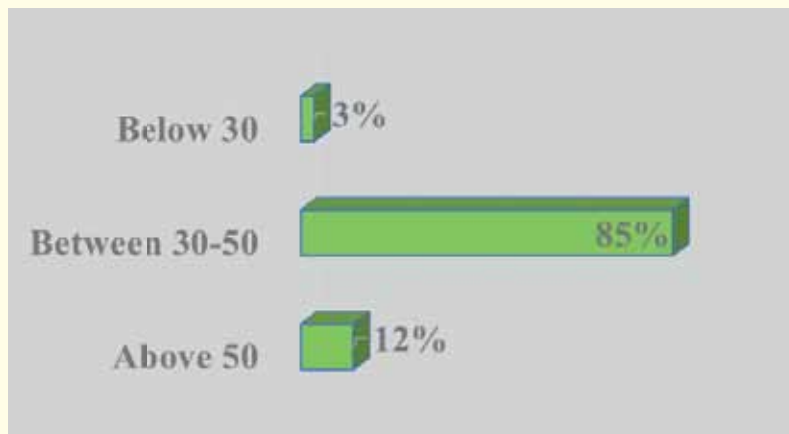
Number of Employees **86**

Average Length of Service **12 yrs**

Gender Diversity



Age Diversity



Financial Highlights

Particulars	Jul18 - Jun19 12 Months	Jul17 - Jun18 12 Months	Jul16 - Jun17 12 Months	Jan16 - Jun16 6 Months	2015 12 Months
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Operational Results

Revenue from Operation	346,784,117	315,127,960	282,507,982	128,831,670	171,765,589
Operating Profit/(Loss)	53,761,765	36,524,969	6,914,327	(6,225,807)	(110,874,989)
Finance Income	473,820,251	387,057,933	371,102,512	211,674,576	448,980,008
Other Income	41,875,262	42,008,394	40,520,906	2,634,610	43,123,512
Net Profit before Tax	540,984,414	442,311,731	397,610,857	197,679,210	362,167,104
Net Profit after Tax	390,668,294	347,471,914	347,620,499	203,960,102	248,506,305

Financial Position

Paid-up Capital	6,345,248,400	6,345,248,400	6,345,248,400	6,345,248,400	6,345,248,400
Shareholders' Equity	7,487,406,444	7,414,000,570	7,447,243,560	7,099,623,061	7,276,377,863
Total Assets	8,218,510,976	8,377,621,341	8,091,595,760	7,618,264,275	7,588,779,495
Total Liabilities	731,104,532	963,620,771	644,352,200	518,641,214	312,401,632
Current Assets	5,232,024,734	5,932,089,638	5,688,402,753	5,167,622,881	5,112,280,855
Current Liabilities	579,314,298	809,607,190	491,954,621	366,455,340	174,135,317
Non Current Assets	2,986,486,242	2,445,531,703	2,403,193,007	2,450,641,394	2,476,498,640

Financial Ratios

Current asset to Current Liability	9.03	7.33	11.56	14.10	29.36
Operating Profit/(Loss) Margin	16%	12%	2%	-5%	-65%
Net Profit Margin	113%	110%	123%	158%	145%
Return on Equity	5.22%	4.69%	4.67%	2.87%	3.42%
Return on Total Assets	4.75%	4.15%	4.30%	2.68%	3.27%

Ordinary Shares Information

Ordinary Shares Outstanding	634,524,840	634,524,840	634,524,840	634,524,840	634,524,840
Face Value per Share	10.00	10.00	10.00	10.00	10.00
NAV per Share	11.80	11.68	11.74	11.19	11.47
Net Operating Cash Flow per Share	0.92	1.02	0.15	0.72	(0.26)
Earning per Share	0.62	0.55	0.55	0.32	0.39

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Inside

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Board of Directors

Major General (Retired) Mohammad Shamim Chowdhury nwc, psc
Chairman



Prof. Mamtaz Uddin Ahmed FCMA
Independent Director



Dr. Mohammad Ayub Islam
Independent Director



Prof. S. M. Salamat Ullah Bhuiyan
Independent Director



Dr. Moinul Islam Mahmud
Independent Director



Mr. Pradip Paul FCMA, FCA
Independent Director



Mr. Mirza Salman Ispahani
Director



Mr. S. M. Abu Tayyab
Independent Director



Major (Retired) Emdadul Islam
Director



Mr. Shahjada Mahmud Chaudhuri
Director



Mr. Md. Sayadur Rahman
Director





Directors' Profile

Major General (Retired) Mohammad Shamim Chowdhury nwc, psc Chairman



A retired two star army General, served in the Bangladesh Army for 36 years. In his long military career, the General made him matured in hallmark traits like ethical leadership, strategic thinking, HRM, HRD and simultaneous attention on multiple fields.

His broad variety of experience includes commendable leadership to the military formations/units and a couple of national training/educational institutions; working in the UN Peacekeeping mission and Multinational Forces; steering CHTDB (Chittagong Hill Tracts Development Board); management of national level projects like preparation of electoral roll and national identity card, housing for destitute and disaster management; national level protocol and dignitaries security; handling of counter insurgency at tactical, operational & strategic level and so on.

General Shamim completed his undergraduate program in Liberal Arts from Dhaka University, Masters in National Security Strategy (MS) and a diploma on North America Studies from National Defense University (NDU), USA, and a second Masters in Defense Studies from National University, Bangladesh. He is an International Fellow of NDU, USA and Senior Fellow of New Westminster College, BC, Canada. He is also a graduate from Bangladesh Military Academy, Defense Services Command & Staff College, Bangladesh, National War College, USA, Federal Law Enforcement Training Center, USA, Infantry School, Pakistan and CAPSTONE graduate from National Defense College, Bangladesh.

General Shamim was effective in building coalitions in cross-cultural environment, having worked and learned from people nearly around the globe to include USA, UK, Australia, China, Sweden, the Netherlands, Saudi Arabia, Kuwait, Qatar, Malaysia, Morocco, Haiti, Nepal, Pakistan, Indonesia and India. For his distinguished service to the nation and international community, the General was decorated with fourteen operational & service awards that include one from the UN Secretary General (UN Peace Medal) and the other from the US Government (US Army Achievement Medal). He also proudly owns the UN Secretary General and Commander of the Multinational Forces Haiti's Letter of Commendations for his outstanding performance in Haiti peacemaking.

Currently he is engaged in the management of a multinational software development company as its Director. General Shamim has keen interest in print media too. At present he is editing a Bengali national daily, named DAINIK DESHKAL, and rendering his advisory service to another daily English newspaper named 'The Asian Age' as its Advisory Editor. General Shamim is still continuing his interest in education promotion by serving as a national committee member of the 'United World College', Bangladesh and selects young students for IB admission in UWCs around the world.

A sports loving person, General Shamim spends most of his free time in the golfing fairways and attending seminars/symposiums on geopolitics and national security strategy at home and abroad.



Prof. Mamtaz Uddin Ahmed FCMA
Independent Director

Professor Mamtaz Uddin Ahmed, FCMA is a senior most professor of the Department of Accounting & Information Systems, University of Dhaka. He was the Chairman of the Department of AIS from April 29, 2012 to April 28, 2015 and former Director of Master of Professional Accounting (MPA) program under same department. He has been serving as a faculty in the Department since June, 1986. He also served as a Lecturer in the Department of Accounting, University of Chittagong during the period of April, 1984 to April, 1986. Mr. Ahmed is Fellow member of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) and was the President of the Institute for the year 2007 and 2012. He also served the Institute as the Vice-President for the years 2005 and 2006. Earlier, he was a Council Member of the 10th and the 11th National Council of ICMAB. He was

also the Secretary of the DBC of ICMAB for the year 1991. Mr. Ahmed was Board Member and Senior Fellow Member of the South Asian Federation of Accountants (SAFA). He is also appointed as member of the Board of Directors of Ashuganj Power Station Company Ltd. and Dhaka Power Distribution Company Ltd. He is also serving as member of the Board of Governance of Bangladesh Insurance Academy since 2009. He is the former Chairman of the Governing Body of Sk. Borhanuddin College. He was the member (part time) of the Salary & Pay Commission, 2014. Mr. Ahmed served as a Consultant in different World Bank and GOB (Government of Bangladesh) funded projects and acted as resource person in different training programs. He has published more than 24 articles in various recognized journals. He is a life member of Bangladesh Economic Association and United Nations Association of Bangladesh.



Dr. Mohammad Ayub Islam
Independent Director

Dr. Mohammad Ayub Islam is a professor of the Department of Accounting & Information Systems, University of Chittagong. He served as a Lecturer, Assistant Professor and Associate Professor during the period of October 1988 to June 1992, June 1992 to December 1999, January 2000 to May 2007 accordingly. He is a fellow member of Commonwealth Academic Staff Fellowship. He has an experience to work as a research fellow and teacher in various renowned Universities like University of Aberdeen, UK, Independent University, Bangladesh, Preston University, USA (Bangladesh Campus). He is also member of the Editorial Board of the Chittagong University Journal of Business Administration and associate with other organization treasure such as treasures of Accounting Association, Academic Council of

Chittagong University, Ma O Shisu Hospital, Chittagong, Chittagong Club Limited. He has published more than 35 articles in various recognized journals. A book of him titled “Forest Resource Management” published by the VDM publishing House Limited of Germany. He acted as a resource person in different training program. He is now serving as a Chairman, Bureau of Business Research, Faculty of Business Administration, University of Chittagong.



Dr. Moinul Islam Mahmud

Independent Director

Dr. Moinul Islam Mahmud, former Director of Chittagong Stock Exchange Limited again appointed as an Independent Director of CSE in line with the Exchange Demutualization Act, 2013. He started his career as a Senior Medical Officer of Meghna Petroleum Limited, Chittagong. Presently he is the Managing Director of Sensiv (Pvt) Ltd. a leading Diagnostic Laboratory in Chittagong. He also serving as Managing Director of Universal Refinery Limited since May, 2015. He also served as a Chairman of 138 years old Chittagong Club Limited for four (4) consecutive terms, where development era started with modern look and facilities. He is serving as a President of the Development Committee of the Chittagong Kidney Foundation. He was also a member in the Executive Committee, Chittagong Maa-O-Shishu

Hospital, BPPMA, and Chittagong Development Authority. Mr. Mahmud was Director of Chittagong Chamber of Commerce and also played the role of Treasurer-BMA Bhaban Trustee Committee. Mr. Mahmud is currently associated as a member in the organizations named Anjuman-E-Mafidul Islam, B.R.T.A. Chittagong, and Trustee Board CIDER International School, Chittagong and also serving as a Chairman of Equity Property Management Limited, equity Construction Pvt. Limited and Chittagong Cancer foundation.



Prof. S. M. Salamat Ullah Bhuiyan

Independent Director

Prof. S. M. Salamat Ullah Bhuiyan is a professor of the Department of Marketing, University of Chittagong. He served as a Lecturer, Assistant Professor and Associate Professor during the period of October 1984 to June 1988, June 1988 to January 1995, January 1995 to February 2001 accordingly. He has an experience to work as a research fellow and teacher in various renowned institutions like Institute of Forestry under University of Chittagong, USTC, IIBT, Bangladesh Open University, Premier University and Institute of Chartered Accountants. He is also member of the Editorial Board of the Chittagong University Journal of Business Administration and Journal of Marketing Studies, Department of Marketing, University of Chittagong. Mr. Bhuiyan also worked as the Executive Editor for 5

Volumes of The Marketer, Department of Marketing, University of Chittagong. He is a life member of Forum'82 and Chittagong University Management Association. He is also member of SGBS Alumni Association, Glasgow and Chittagong University Senate. He has published more than 45 articles in various recognized journals. Three books of him titles "Karma Goveshana (Operations Research)", "Karbari Gonit Parichiti (Introduction to Business Mathematics)" and "Babasthapakeya Orthaniti (Managerial Economics)" were also published by different publishers. Mr. Bhuiyan achieved Commonwealth Academic Staff Scholarship for pursuing degree Leading to MBA in UK. He also received Gul Meher Gold Medal for Securing 1st class 1st position in M. Com. (Final) Examination and also being 1st class 1st in all the Faculties of the University of Chittagong. He also worked as a Resource Person for imparting training to BPC Executives, the Executives of Bangladesh Insurance Academy, entrepreneurship training at BSCIC and executives of PDB.



Mr. Pradip Paul FCMA, FCA
Independent Director

Mr. Pradip Paul is a fellow member of both Institute of Chartered Accountants of Bangladesh (ICAB) and the Institute of Cost and Management Accountants of Bangladesh (ICMAB). He completed his Graduation and Master's in Accounting from Chittagong University. Currently he is serving as Executive Director of Infinia Group and he is also Director Finance of Max Hospital Ltd. and Max Diagnostic Ltd. After completion of C. A. course under Hoda Vasi Chowdhury & Co, Chartered Accountants, Mr. Paul started his career with Aquamarine Limited (A well-known shipping company & Agent of Maersk Line Limited, Denmark, Gold Star Line Ltd, Hong Kong, Conti Line Ltd, UK etc.) as Chief Accountant and later promoted as Executive Director-

Finance and Accounts of the same company. He also worked as Executive Director in Sea Tex Limited CEPZ, C & A Group and BSM group of companies and CEO of Super Knitting and Dyeing Mills Ltd and Super Thread Ltd a cent percent export oriented composite Knit Textile and Sewing Thread unit. Mr. Paul is also possess the life time Membership of Chittagong Senior Club, founder Secretary of Joyesnamoyi Foundation, Chairman of RUPA Jubo Unnayan Somabai Samity and life time member of Urban Cooperative Society, Chittagong.



Mr. S. M. Abu Tayyab
Independent Director

S.M. Abu Tayyab is a distinguished businessman. He is Managing Director of Independent Apparels Ltd. and Brother's Apparels Ltd., Director of Mozaher Aushadhalaya. He completed his education in Bachelor of Science(B.Sc) and Masters in Social Science. He is involved with various business forums, President of International Business Forum Chittagong Bangladesh, Director of Chittagong Chamber of Commerce & Industries. He is the former 1st Vice President of Bangladesh Garments Manufacturers Exporter Association (BGMEA) and Member of Shipper's Council of Bangladesh. He is pertained with diversified social activities, Chairman of Coordination Committee China Bangladesh Peoples Friendship Association Chittagong, Former

Chairman of Chittagong Club Limited, Vice President of Nirapod Sharak Chai Central Committee, President of Nirapod Sharak Chai, Chittagong, Former President of Rotary Club of Chittagong, Member of Bhatiari Golf & Country Club, Chittagong Senior's Club and Chittagong Boat Club, Life Member of Kidney Foundation, Ma-o Shisu Hospital Chittagong and Diabetic Association Chittagong. He visited immense numbers of countries in the world.

Mr. Mirza Salman Ispahani

Director



Mr. Mirza Salman Ispahani, Chairman of M M Ispahani Limited is a former President and founder Vice President of Chittagong Stock Exchange Limited. A Barrister at Law from Lincolns Inn, Mr. Ispahani is a former President of the International Cotton Association, the Chairman of the Management Committee of Ispahani Eye Hospital, the Chairman of Ispahani Public School & College, and Vice-President (Golf Wing) of Bhatiary Golf & Country Club, Chittagong. He is the immediate past Chairman of the Tea Traders Association of Bangladesh. Mr. Ispahani serves as the Honorary Consul of Italy, Chittagong.

Major (Retired) Emdadul Islam

Director



Major (Retd.) Emdadul Islam is hailed from a highly respectable Muslim family. He passed SSC and HSC with distinction in both. After completion BA (Hons) and MA in Economics he has undergone basic military training in Bangladesh Military Academy and was commissioned in Bangladesh Army. In the Army he served both in staff and instructional appointments with competency. His role in Counter-Insurgency Operation in nineties was widely commendable while he was posted at Khagrachari under 203 Brigade Headquarters. Major Emdad is his tour of duties was also posted in Headquarters, Directorate of Forces Intelligence and by virtue of that appointment he played a vital role in negotiation and implementation of the Chittagong Hill Tracts Peace Agreement. Subsequently Major Emdad

was deputed to the Ministry of Foreign Affairs. Under the Ministry of Foreign Affairs he served as a head of mission in Myanmar. On successful completion of the assignment under the Ministry of foreign Affairs he rejoined the Army. After serving in the Army for a brief period he was sent as peace keeper to the Democratic Republic of Congo, known as Heart of Darkness. After retirement from the Army Major Emdad joined the business and held the responsibility of Director of BK Capital Management Limited. Besides, he is acting as the advisor to the BSM Group of Industries, one of the leading industries and trading houses of the country. In his social and academic credential Major Emdad was the member of the first senate of Chittagong University. He is also the member of Bhatiary Golf and Country Club, Chittagong Club Limited and Boat Club. Major Emdad has earned appreciation by authoring over 100 articles in various national dailies. Eloquent speaker and critical thinker Major Emdad often participates in television talk show on different national, international and strategic issues.



Mr. Shahjada Mahmud Chaudhuri

Director

Mr. Shahjada Mahmud Chaudhuri, former Chairman of Peoples Insurance Company Ltd. is a former Director of Chittagong Stock Exchange Ltd. He is also the Chairman of Progati Shipping (BD) Ltd. Mr. Chaudhuri is also the Managing Director of Alpha Securities Ltd. and MNC Packages Ltd. He is the Adviser and former 1st Vice President of BGAPMEA. He is also former Executive Committee Member of Bangladesh Shipping Agents Association and Chittagong District Bar Association. Mr. Chaudhuri also possess the life time Membership of Chittagong Club Limited and Bhatary Golf & Country Club.



Mr. Md. Sayadur Rahman

Director

Mr. Md. Sayadur Rahman is the Managing Director of EBL Securities Limited. Mr. Rahman is also a Director of EBL Investments Limited, a full-fledged Merchant Bank (representing Eastern Bank Limited) and the immediate past President of Bangladesh Merchant Bankers Association (BMBA). Mr. Rahman is a prominent capital market specialist of the country. He has around 33 years of professional experience in different capacities in different financial institutions like Insurance, Banking, Leasing, Merchant Banking and Brokerage etc. Mr. Rahman joined EBL in 2008 as Head of Investment Banking. In 2013, he took over as the Managing Director of EBL Securities Limited. He has completed his M.Com., MBA and LLM from different reputed universities. He is a

widely traveled person and has special skills in networking & negotiation and special interest in CSR & social help.

Senior Managers



Mr. Md. Ghulam Faruque
Managing Director (Acting)



Mr. Mohammad Shamsur Rahman FCMA
Chief Regulatory Officer (CRO)



Mr. Mohammed Mazbah Uddin
Deputy General Manager
Head of Information Technology Department



Ms. Sonia Hossain
Deputy General Manager
Head of Legal Affairs



Mr. Md. Mortuza Alam
Deputy General Manager
Head of Surveillance and
Market Operations



Mr. Mohammad Monirul Haque
Deputy General Manager
Head of Clearing and Settlement,
Listing and Prelisting



Mr. AKM Shahroze Alam
Deputy General Manager
Head of Marketing & Business Promotion



Mr. Md. Nahidul Islam Khan
Deputy General Manager
Head of TREC Marketing & Services



Mr. Hasnain Bari
Deputy General Manager
Head of IT Services

Senior Managers



Mr. Arif Ahmad
Assistant General Manager
Head of Training and Development



Mr. Kanan Barua
Assistant General Manager
Head of Network and Technology Support



Mr. Maksud-ur-Rahman
Assistant General Manager
Head of International Relations



Mr. Rajib Saha FCS
Assistant General Manager
Company Secretary

Message from the Chairman



Esteemed Shareholders

It is my pleasure to welcome you all at the 24th Annual General Meeting of Chittagong Stock Exchange Limited (CSE). The Directors' Report together with the financial statements gives details of the period 2018-19 as experienced by the Exchange. I would like to take this opportunity to focus on some important issues.

After the strong growth during 2017 and the first half of 2018, global economy decelerated in the second half of 2018. According to World Economic Outlook (WEO), April 2019 published by the International Monetary Fund (IMF) the escalation of trade tension between the United States and China, loss of momentum in Europe and uncertainty about Brexit raise the risks of global growth. Global growth reduced at 0.2 percentage point in 2018 compare to 2017 and it is estimated that in 2019 it may decline more 0.3 percentage points and reach at 3.3 percent. However, IMF forecasts that global growth may be raised at 3.6 percent in 2020.

In spite of various national and international adverse situations, Bangladesh has been able to continue her economic development and high growth trend. According to the provisional estimate of Bangladesh Bureau of Statistics (BBS), GDP growth for FY2018-19 reached 8.13 percent. On the other hand, according to final estimate in FY2017-18, the country's growth rate was 7.86 percent.

In 2018, global equity markets declined on an annual basis for the first time since 2015, pressured by rising interest rates and a decidedly uncertain global trade environment. Tighter U.S. monetary policy and a brewing trade war involving the US, China and Europe reverberated around the world, halting one of the longest-running bull markets in recent history. The MSCI World Index fell by 8.7 percent (in US \$ terms) in 2018. Similarly, the MSCI Europe and MSCI Emerging Markets fell by 15.9 percent and 15 percent respectively.

Capital Market of Bangladesh passed a challenging year in 2018. The market correction was largely driven by decline in financial sector scrips. In 2018, financial sector was adversely affected by rising interest rate and growing NPL problems which dominated its stock market performance. Rebuilding investors confidence remained as major concern. Given these operating conditions, stimulus must come from the top policy makers. Programs to create investment awareness along with the countrywide Financial Literacy program of BSEC, different road shows and training programs will continue to ensure that we encourage stakeholders to invest through our market. It is inevitable that our growth is dependent on the active participation of our brokers (TREC holders), investors and listed companies who trade in our market place, enhancing opportunities and widening the circle.

Bangladesh Capital Market has achieved some significant developments during the reported period. Among others,

here I would like to mention about the SME Platform. The BSEC has approved new rules named “The Bangladesh Securities and Exchange Commission (Qualified Investors Offer by Small Capital Companies) Rules, 2018” to attract small-capital companies to get listed with stock exchanges. Chittagong Stock Exchange has already set up the platform offering a new avenue for SMEs in Bangladesh to access a deep pool of local capital. The launch of the SME Platform opens a pathway for SME’s of the country to attract capital and grow, opening the market to a significant segment of the country’s economic activity.

CSE has invested Tk. 60 crore to acquire 20% shares of Central Counterparty Bangladesh Limited (CCBL) which is formed under Bangladesh Securities and Exchange Commission (Clearing and Settlement) Rules, 2017. The company is expected to provide clearing and settlement service for trades in securities, options and derivative contracts with a capability of bigger scale risk management. Initial paid-up capital of CCBL is Tk. 3.0 billion. Out of which DSE holds 45 per cent shares while the CSE holds 20 per cent, banks 15 per cent and CDBL and strategic investors 10 per cent each. With the implementation of CCBL, I am hopeful that our market will be more widened and strengthened to accommodate new and complex products in the near future.

Honorable Shareholders

CSE is searching for Strategic Investors in pursuance with the Exchanges Demutualization Act, 2013. CSE has offered to and contacted a number of local and foreign institutions to become strategic investors by taking shares of CSE. However, some local as well as foreign institutions have shown their interest and informed that they are working with the CSE’s proposal. Meantime, Bangladesh Securities and Exchange Commission extended the deadline to the CSE to find strategic investor to March 2020.

CSE aims to create sustainable markets that will be attractive to investors through initiatives that focus on support of all investors, and on listing of attractive investment products that meet investors need. We have not yet moved into complex yet structured products like derivatives and commodities, a field that is expanding globally. We will continue to explore the possibilities in

these areas as well. We also aim to help listed companies enhance their corporate value. We will encourage companies to disclose reports on environmental, social and governance (ESG)/ sustainability issues as we have committed as a Partner Exchange of the United Nations Sustainable Stock Exchanges (SSE) Initiative as a part of achieving Sustainable Development Goals (SDGs).

After years of uncertainty we are ready to travel a new route in 2020 as it repositions for growth. Succeeding in this new era will likely require new models and new approaches. We are working on fixing aims and sharpening strategic focus and concentrating efforts in areas where returns are most capital-efficient.

Dividend: Board of Directors is continuously making efforts to uphold and protect the interest of shareholders and ensure stable growth of the company. The Board of Directors of CSE has recommended 5% cash dividend for the period ended 30 June 2019 subject to approval of shareholders in the 24th Annual General Meeting (AGM).

Appreciation

I would like to express my sincere gratitude to my fellow Board members for their commitment and valuable inputs. I would also like to take this opportunity to thank all our valued shareholders, TREC holders, Bangladesh Securities and Exchange Commission, Listed Companies, Central Depository Bangladesh Limited, both Electronic and Print Media and other Stakeholders for their continued commitment and support to CSE and development of the Bangladesh Capital Market.

On behalf of the Board, I wish to recognize CSE management team for their hard work and concerted effort in pursuing our strategic initiatives and would like to thank all staff members of the Exchange and urge their continued commitment towards the CSE’s transformational road map.

Thank you all once again.



Maj. Gen. (Retd.) Mohammad Shamim Chowdhury, nwc, psc
Chairman

EXISTING SYSTEM



Order Management System (OMS)

CSE integrated the products “Millennium Exchange” from Millennium IT, a member of the London Stock Exchange group and “goTX” from Polaris Lab (now Intellect Design) to introduce a powerful real time online trading platform. Through NGTS project CSE introduced a very powerful matching engine capable of handling 2,500 order/sec. 1,000,000 orders/day. The system is highly scalable and can scale up to even higher order and contract rates.

MIT solution supports multiple asset class, multiple market structure and comprehensive range of order types. Multiple trading methods and trading across multiple order books are also supported. Other features include unrestricted trading or controlled trading (price bands, circuit breakers etc.), flexible order book prioritization schemes (price-time, price-capacity-time, size-time etc.), off-book trades, Real-time publication of order book and time and sales information, comprehensive range of statistics (high/low, VWAP, volume, indicative auction price etc.), flexible user permission schemes, comprehensive market operations functionality (manage orders, cancel trades, halt/resume trading extend/shorten sessions, suspend participants, manage static data etc), FIX and FAST based interfaces for order submission, trade reporting, drop copies and market data.

goTX Front End integrated with Risk Management System & hosted Back-office is a centralized system, which enables very nominal hardware requirement (Only Trader/Dealer work station) at the broker/dealer end. It is scalable according to requirement & Fault tolerant system-based on industry standard Oracle Tuxedo Middleware.

Internet Trading is a real online Internet based trading application which is directly integrated with the main trading engine. Thus the investors’ orders hit directly to the matching engine provided the investors have enough stock/cash available in their portfolio. It is very user-friendly with some configurable user interfaces and comprehensive market information. It provides both thick (EXE clients) and thin clients (browser based). It supports online cash, margin, and back office reports to both dealers and investors.

Mobile Trading is another milestone for the capital market of Bangladesh. Like many other initiatives, CSE has again played a pioneer role in introducing mobile trading in the country. The number of mobile phone users is much more than the Internet users; bearing this in mind, CSE has come up with mobile trading interface. It is expected to get huge popularity among the investors.

Risk Management System (RMS)

Risk Management System provides Facility for the brokers/dealers to manage the Investors Stock, Cash, Margins and Risk parameters, Supports Collateral margins, Stock Margins, Receivable Margins etc. The solution also supports many risk products like Intraday/Delivery, Short Sell etc. It supports Auto Square off functions and Risk Square off functions. There are Mark to Market Alerts, Cash Alerts, Margin alerts and Stock Alerts. Real time Monitoring of Mark to Market and Margin Blocking & Square off Support is included in the solution.

Dealer/Trader Work Station (DWS)

Dealer/Trader workstation uses state of art UI design and is highly customizable, capable of commencing trade operation from LAN & Internet also.

Information Technology Services Department

Next Generation Trading System (NGTS), the highly applauded trading system of CSE, has stepped into seventh operational year successfully. Throughout this journey, many releases and patches have been applied in the system based on the feedbacks from the users and stakeholders of the system. As a result, the system is getting more efficient and stable day by day.

CSE maintains two different environments for NGTS – one is the Test environment and the other is Production. Before implementing any new release or patch in the system, the release is installed in the Test environment first. A detail process of Testing is thoroughly conducted for Quality Assurance of the new release. If the release passes the entire QA process successfully and satisfies the corresponding Business group (s) comprehensively, only then the release is installed in the Production environment.

By this way, the Information Technology Services Department of CSE is ensuring an error-free operation of the trading system of CSE without failing for a single second. All the trading participants are therefore experiencing a smooth and fast trading environment which is highly customized according to their own needs.

Release of an Enhanced RMS offers more flexible and customizable Risk Management System to our trading participants with the support for Trader-wise, Category-wise, Investor-wise and Scrip-wise Risk Management. It also provides multiple rules, sub-rules, and exception rules facilities for Risk Management.

CHITRA- the Mobile App for trading in CSE facilitates Real Time Trade in CSE from Android devices along with a customized and streaming Market Watch including Real Time Market News, Statistics with 23 different indices.

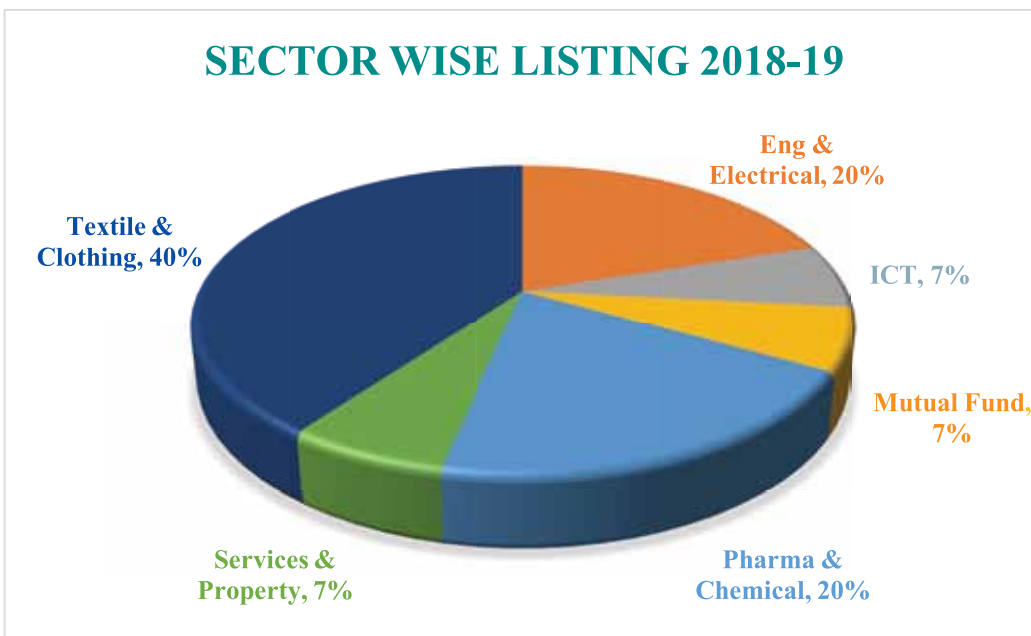
CSE CLOUD- the Mobile App for CSE trade information is a new mobile based software for the investors developed by Chittagong Stock Exchange by which the investors can analyze the stocks of CSE. By using this software investors can watch the details about the indices of CSE, market news, market movers etc.

MARKET INFORMATION



CSE Trading Statistics

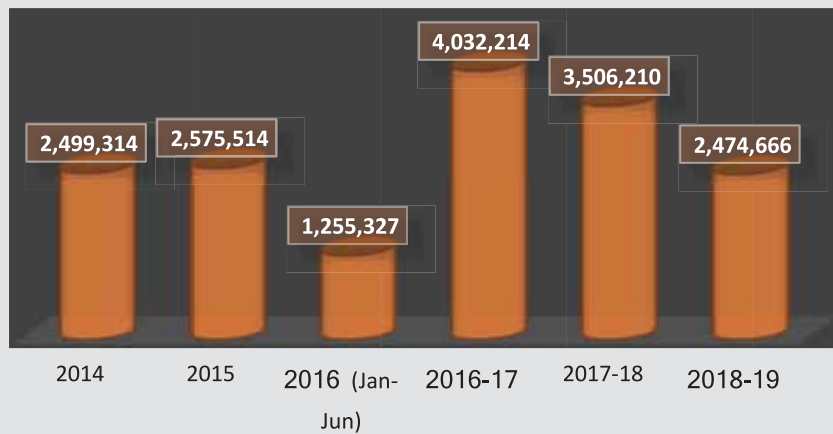
	2014 (Jan-Dec)	2015 (Jan-Dec)	2016 (Jan-Jun)	Jul'2016-Jun'2017	Jul'2017-Jun'2018	Jul'2018-Jun'2019
Listed Securities (no.)	287	299	298	303	312	326
Market Capitalization (Mn BDT.)	2,606,981	2,487,493	2,506,113	3,123,839	3,123,521	3,293,302
Volume Traded ('000 Shares)	2,499,314	2,575,513	1,255,327	4,032,214	3,506,210	2,474,665
Value Traded ('000 BDT.)	97,482,000	88,472,020	35,716,245	118,075,277	109,850,562	84,800,127
Number of Trades ('000)	3,669	3,866	1,670	3,883	2,791	2,462
Total Trading days	238	245	125	239	246	238
Average Volume of Shares traded per day ('000 Shares)	10,501	10,555	10,042	16,871	14,252	10,398
Average Volume per Trade	681	666	752	1,038	1,256	1,006
Average Value per Trade in BDT.	26,569	22,885	21,386	30,401	39,358	34,358

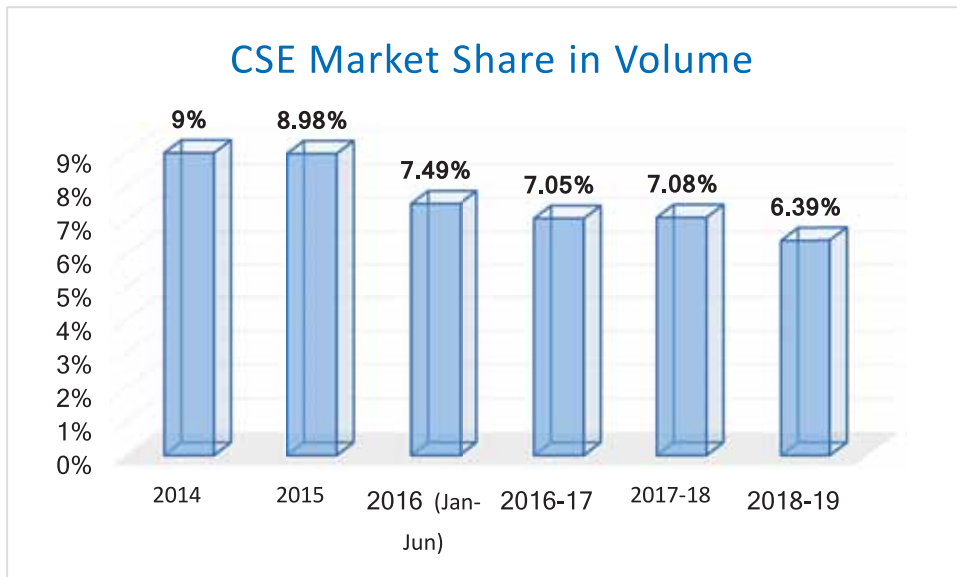
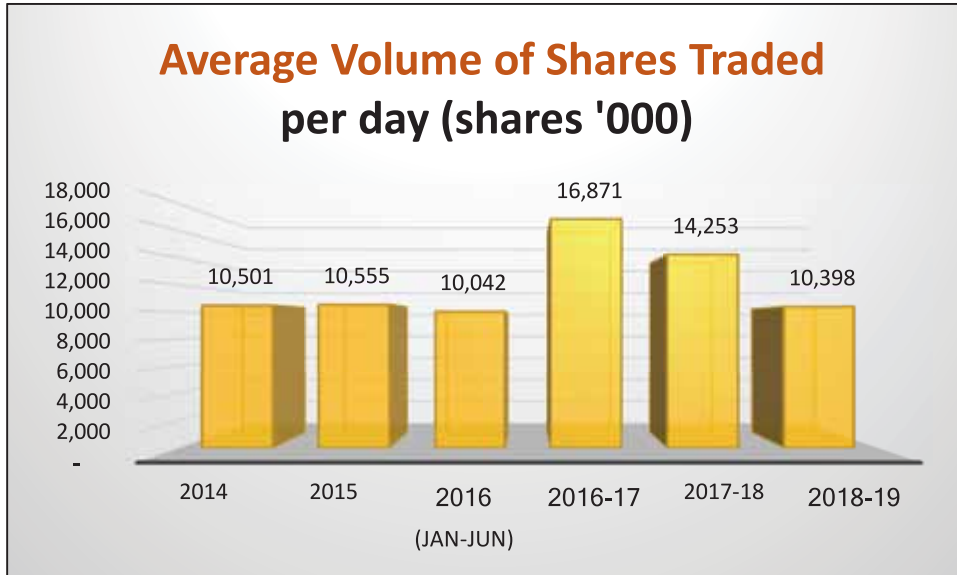


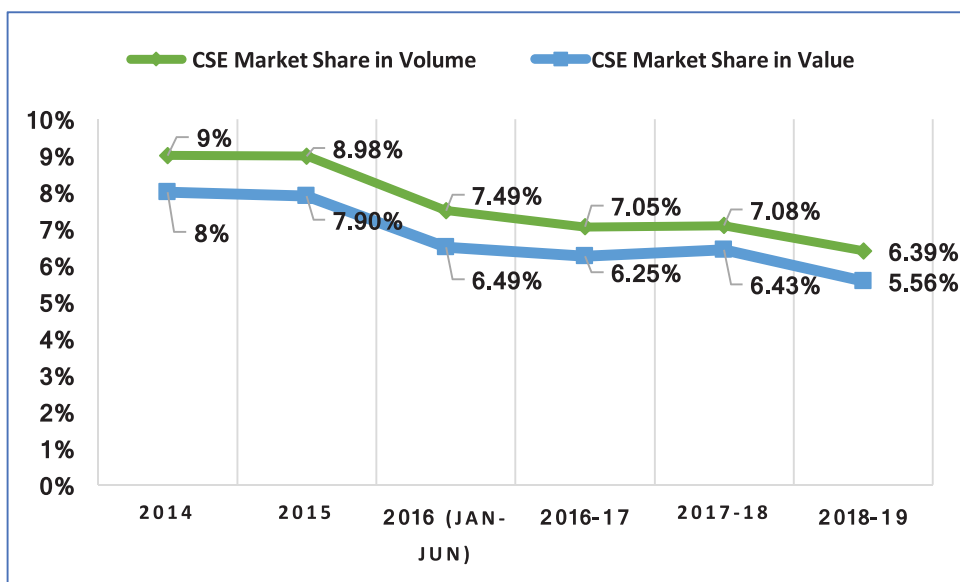
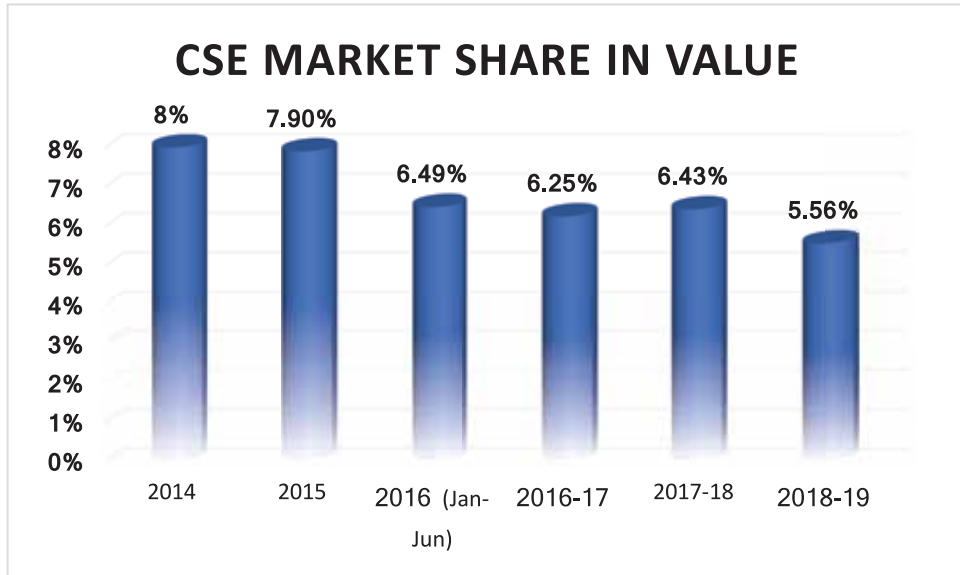
Market Capitalization in Mn BDT



TOTAL SHARES TRADED ('000 SHARES)



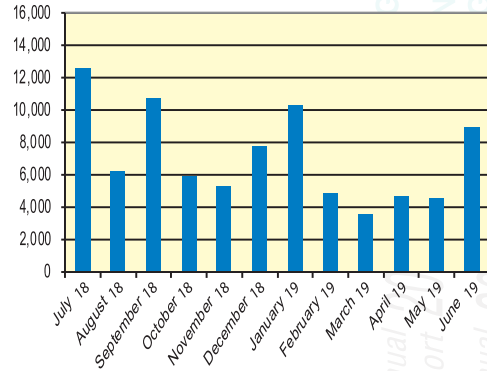




Year Round Up : July 2018-June 2019

Month-wise Contracts & Turnover Value (July 2018-June 2019)

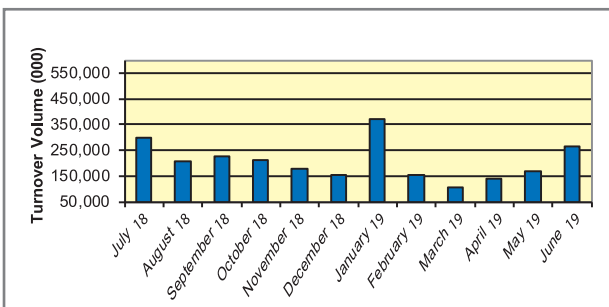
Month	No. of Trading Days	Total Turnover (Tk.Mn)	Average Turnover (Tk.Mn)	Maximum Turnover (Tk.Mn)	Date	Maximum Turnover (Tk.Mn)	Date
July	22	12,563.02	571.05	1,521.38	07/19/18	287.12	07/29/18
August	18	6,111.13	339.51	645.11	08/30/18	209.77	08/26/18
September	20	10,669.91	533.50	3,273.36	09/30/18	207.13	09/27/18
October	23	5,904.25	256.71	358.34	10/08/18	148.52	10/28/18
November	20	5,278.95	263.95	536.97	11/29/18	169.51	11/06/18
December	18	7,668.11	426.01	2,553.97	12/13/18	110.63	12/17/18
January	23	10,215.30	444.14	738.49	01/08/19	244.87	01/01/19
February	18	4,816.30	267.57	367.31	02/03/19	156.77	02/24/19
March	19	3,475.65	182.93	491.34	03/03/19	95.17	03/21/19
April	20	4,626.83	231.34	956.30	04/07/19	90.95	04/15/19
May	21	4,551.04	216.72	420.14	05/30/19	106.58	05/20/19
June	16	8,919.66	557.48	1,131.42	06/23/19	221.44	06/12/19



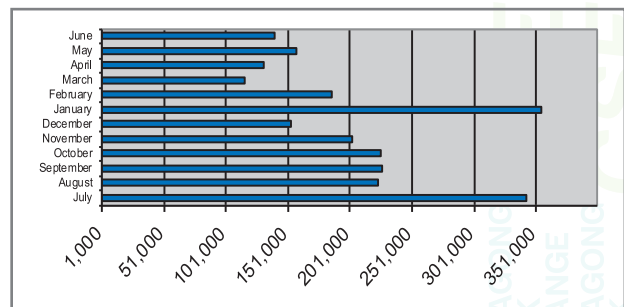
Month-wise Contracts & Turnover Volume (July 2018-June 2019)

Month	No. of Trading Days	No. of Contracts	Daily Average No. of Contracts	No. of Traded Shares (000)	Average No. of Shares (000)	Maximum Volume (000)	Date	Minimum Volume (000)	Date
July	22	342,703	15,577	299,263.29	13,602.88	28,563.48	07/18/18	8,046.11	07/30/18
August	18	224,014	12,445	207,108.20	11,506.01	26,485.47	08/28/18	7,983.63	08/26/18
September	20	226,714	11,335	228,249.41	11,412.47	43,752.17	09/30/18	6,480.70	09/27/18
October	23	225,748	9,815	209,674.88	9,116.30	18,681.04	10/08/18	6,158.89	10/23/18
November	20	202,657	10,132	176,204.20	8,810.21	14,825.66	11/29/18	5,995.64	11/06/18
December	18	152,935	8,496	152,852.84	8,491.83	13,671.67	12/04/18	4,302.57	12/17/18
January	23	354,814	15,426	368,687.54	16,029.89	23,580.58	01/08/19	10,706.85	01/01/19
February	18	185,984	10,332	152,140.52	8,452.25	13,640.24	02/03/19	5,104.30	02/24/19
March	19	116,282	6,120	107,466.58	5,656.14	19,963.69	03/03/19	3,023.97	03/21/19
April	20	131,446	6,572	139,108.63	6,955.43	36,564.95	04/07/19	3,043.40	04/15/19
May	21	158,249	7,535	169,347.66	8,064.17	19,075.74	05/19/19	4,393.37	05/22/19
June	16	140,163	8,760	264,562.16	16,535.14	37,852.67	06/23/19	5,382.02	06/09/19

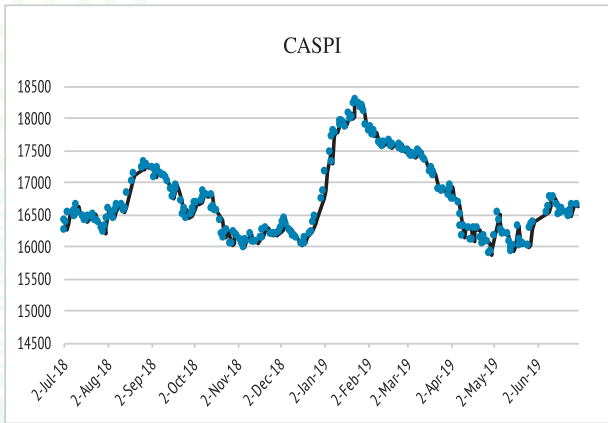
Month-wise Turnover Volume (July 2018-June 2019)



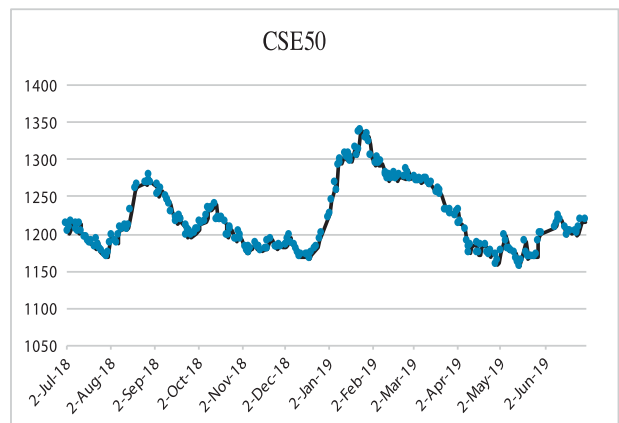
Month-wise Contracts (July 2018-June 2019)



CASPI : July 2018-June 2019



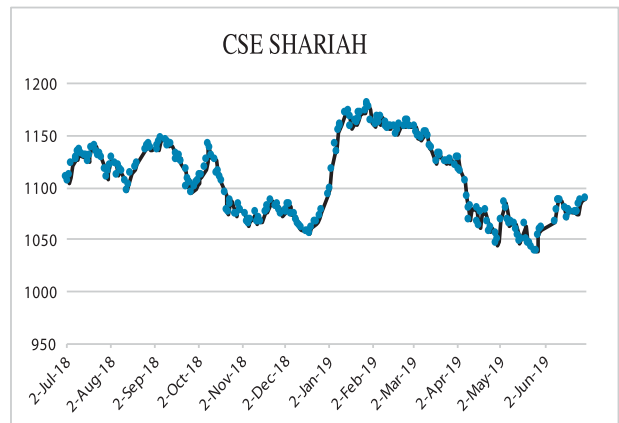
CSE-50 Benchmark Index : July 2018-June 2019



CSE-30: July 2018-June 2019



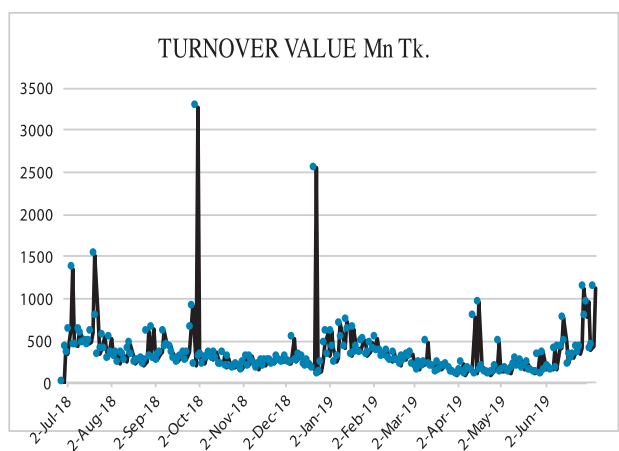
CSE Shariah Index : July 2018-June 2019



CSCX Index : July 2018-June 2019

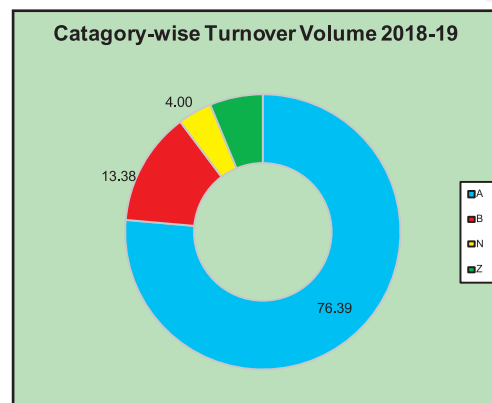
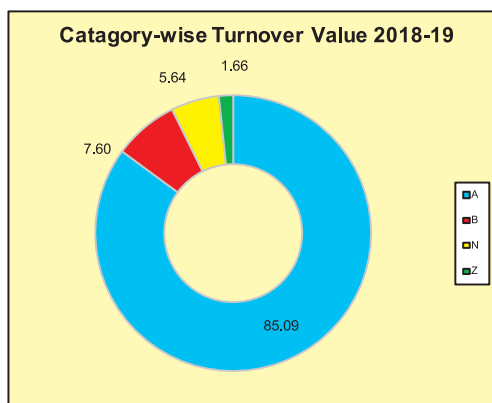
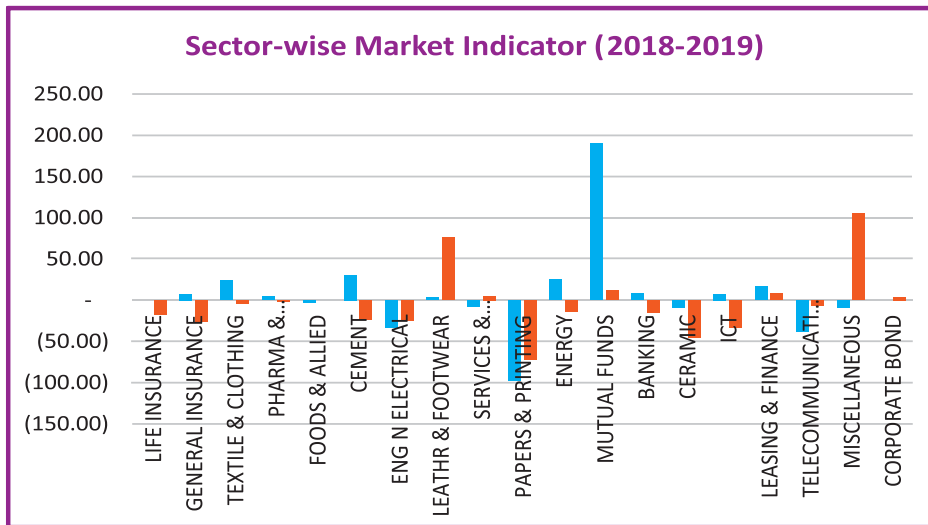


CSE Turnover (BDT mn) : July 2018-June 2019



Sector-wise Market Indicator (2018-2019)

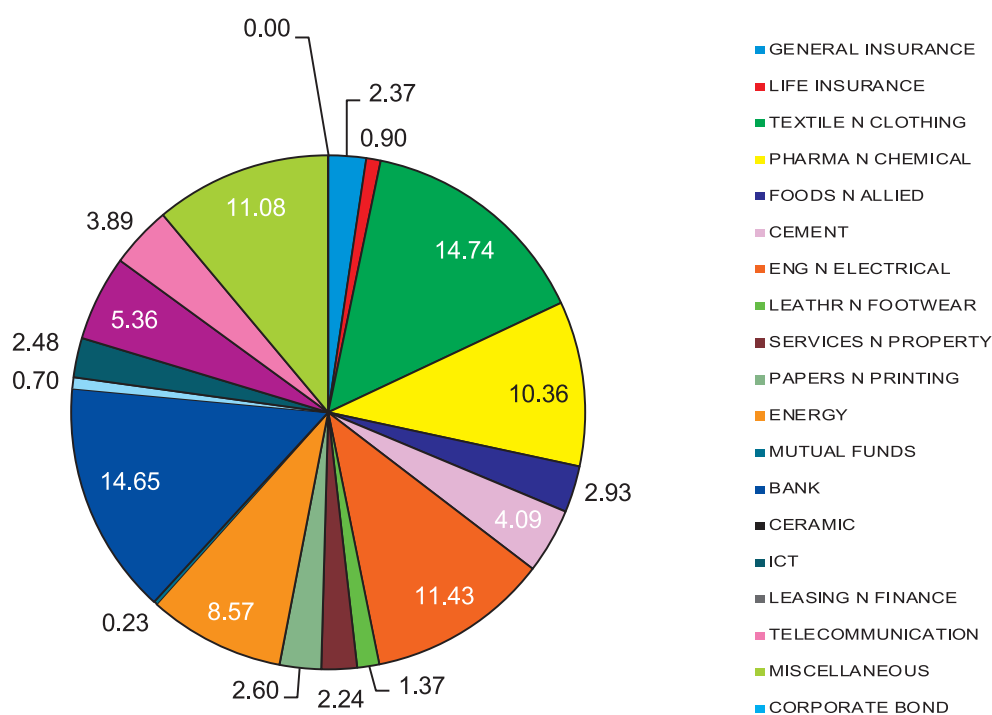
	Sector	PE Ratio			Cash Dividend Yield		
		June'19	June'18	Changes %	June'19	June'18	Changes %
1	LIFE INSURANCE	-	-	-	1.58	1.92	(17.71)
2	GENERAL INSURANCE	13.34	12.42	7.41	2.84	3.87	(26.61)
3	TEXTILE & CLOTHING	17.86	14.41	23.94	2.14	2.24	(4.46)
4	PHARMA & CHEMICAL	19.77	18.87	4.77	2.06	2.10	(1.90)
5	FOODS & ALLIED	26.85	27.83	(3.52)	1.53	1.53	-
6	CEMENT	31.00	23.71	30.75	2.24	2.95	(24.07)
7	ENG N ELECTRICAL	15.23	22.75	(33.05)	1.52	2.01	(24.38)
8	LEATHR & FOOTWEAR	19.86	19.20	3.44	3.65	2.07	76.33
9	SERVICES & PROPERTY	19.09	20.68	(7.69)	3.67	3.50	4.86
10	PAPERS & PRINTING	1.00	36.13	(97.23)	0.12	0.44	(72.73)
11	ENERGY	15.32	12.22	25.37	3.65	4.23	(13.71)
12	MUTUAL FUNDS	15.77	5.44	189.89	6.08	5.45	11.56
13	BANKING	9.13	8.46	7.92	4.32	5.11	(15.46)
14	CERAMIC	26.36	28.95	(8.95)	1.64	3.04	(46.05)
15	ICT	28.18	26.12	7.89	1.17	1.74	(32.76)
16	LEASING & FINANCE	15.37	13.16	16.79	1.99	1.84	8.15
17	TELECOMMUNICATION	14.59	23.63	(38.26)	4.09	4.41	(7.26)
18	MISCELLANEOUS	24.25	26.66	(9.04)	3.45	1.68	105.36
19	CORPORATE BOND	-	-	-	9.75	9.36	4.16



Sector-wise Performance (2018-2019)

	Sector	NO. of Companies	NO. of Contracts	NO. of Shares(ooo)	Tunover Mn. Tk.	% of Total Turnover
1	GENERAL INSURANCE	30	46,075	76,139.38	2,011.64	2.37
2	LIFE INSURANCE	12	16,899	16,191.10	761.48	0.90
3	TEXTILE N CLOTHING	50	506,479	528,320.88	12,501.55	14.74
4	PHARMA N CHEMICAL	27	263,103	206,996.06	8,786.30	10.36
5	FOODS N ALLIED	12	67,541	56,725.00	2,483.23	2.93
6	CEMENT	7	36,579	29,728.79	3,464.20	4.09
7	ENG N ELECTRICAL	31	340,828	209,736.95	9,694.25	11.43
8	LEATHR N FOOTWEAR	6	45,427	22,065.93	1,162.18	1.37
9	SERVICES N PROPERTY	7	86,984	81,578.45	1,902.29	2.24
10	PAPERS N PRINTING	5	104,118	27,670.92	2,206.17	2.60
11	ENERGY	17	180,286	106,681.94	7,270.53	8.57
12	MUTUAL FUNDS	36	19,535	29,233.31	191.63	0.23
13	BANK	29	252,098	665,718.85	12,420.55	14.65
14	CERAMIC	5	32,740	18,375.86	596.58	0.70
15	ICT	9	81,961	51,997.55	2,106.35	2.48
16	LEASING N FINANCE	22	146,513	192,517.17	4,543.75	5.36
17	TELECOMMUNICATION	2	34,543	12,181.87	3,295.14	3.89
18	MISCELLANEOUS	15	199,600	142,802.62	9,399.25	11.08
19	CORPORATE BOND	1	400	3.29	3.06	0.00

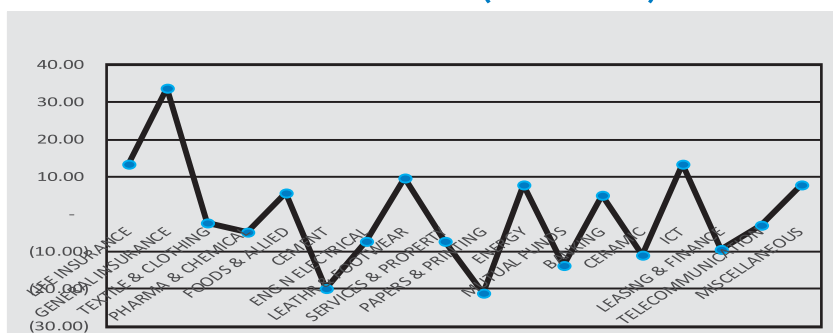
Sector-wise Turnover% 2018-2019



Sectoral Index (2018-2019)

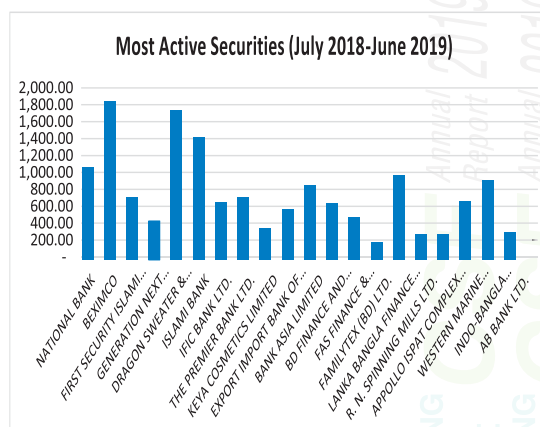
	Sector	June'19	June'18	(+/-)	%
1	LIFE INSURANCE	101,567.31	89,496.37	12,070.94	13.49
2	GENERAL INSURANCE	8,910.95	6,665.27	2,245.68	33.69
3	TEXTILE & CLOTHING	2,072.36	2,118.57	(46.21)	(2.18)
4	PHARMA & CHEMICAL	34,451.10	36,186.26	(1,735.16)	(4.80)
5	FOODS & ALLIED	17,160.09	16,223.02	937.07	5.78
6	CEMENT	4,383.70	5,468.62	(1,084.92)	(19.84)
7	ENG'N ELECTRICAL	6,072.12	6,541.40	(469.28)	(7.17)
8	LEATHR & FOOTWEAR	6,968.69	6,356.71	611.98	9.63
9	SERVICES & PROPERTY	1,750.95	1,889.22	(138.27)	(7.32)
10	PAPERS & PRINTING	904.39	1,145.54	(241.15)	(21.05)
11	ENERGY	10,906.06	10,110.19	795.87	7.87
12	MUTUAL FUNDS	5,428.94	6,281.23	(852.29)	(13.57)
13	BANKING	51,947.07	49,386.53	2,560.54	5.18
14	CERAMIC	689.73	775.63	(85.90)	(11.08)
15	ICT	10,269.25	9,046.38	1,222.87	13.52
16	LEASING & FINANCE	20,782.32	22,920.64	(2,138.32)	(9.33)
17	TELECOMMUNICATION	2,159.76	2,226.83	(67.07)	(3.01)
18	MISCELLANEOUS	10,899.87	10,119.62	780.25	7.71

Sector-wise Turnover% (2018-2019)



Most Active Securities (July 2018-June 2019)

Rank	Company Name	Turnover (mn tk)	% of Turnover	Turnover (share mn)	Total Contract	Total Trading Days
1	NATIONAL BANK	1,007.47	1.19	103.79	32,684	237
2	BEXIMCO	1,730.10	2.04	70.10	66,800	237
3	FIRST SECURITY ISLAMI BANK LTD.	688.05	0.81	66.55	14,510	237
4	GENERATION NEXT FASHIONS LTD.	419.09	0.49	58.43	23,543	237
5	DRAGON SWEATER & SPINNING LTD.	1,639.56	1.93	56.19	32,134	237
6	ISLAMI BANK	1,343.63	1.58	53.09	7,217	237
7	IFIC BANK LTD.	632.32	0.75	51.84	23,762	236
8	THE PREMIER BANK LTD.	683.41	0.81	49.82	20,859	237
9	KEYA COSMETICS LIMITED	342.97	0.40	46.24	22,786	237
10	EXPORT IMPORT BANK OF BD. LTD.	551.41	0.65	46.17	13,543	237
11	BANK ASIA LIMITED	813.95	0.96	44.14	2,590	221
12	BD FINANCE AND INVESTMENT CO.	615.15	0.73	38.34	20,227	237
13	FAS FINANCE & INVESTMENT LTD.	460.67	0.54	37.27	23,876	237
14	FAMILYTEX (BD) LTD.	187.62	0.22	35.83	16,519	237
15	LANKA BANGLA FINANCE LTD.	918.46	1.08	35.76	35,245	237
16	R. N. SPINNING MILLS LTD.	283.30	0.33	32.30	19,748	237
17	APPOLLO ISPAT COMPLEX LIMITED	275.10	0.32	29.32	22,611	237
18	WESTERN MARINE SHIPYARD LTD.	639.20	0.75	28.41	34,777	235
19	INDO-BANGLA PHARMACEUTICALS LTD.	868.64	1.02	27.74	39,091	164
20	AB BANK LTD.	303.42	0.36	25.48	5,989	236



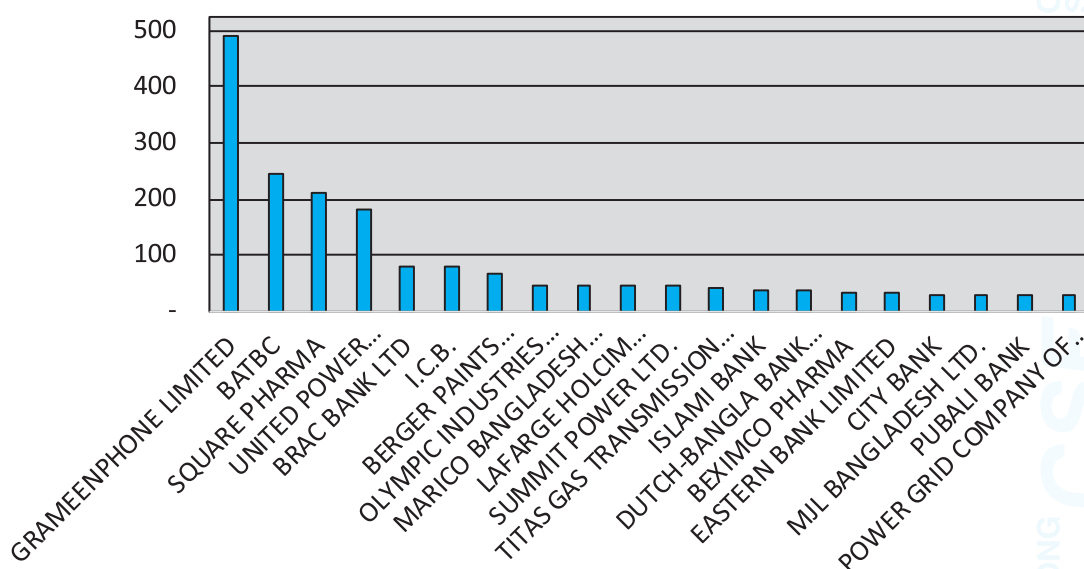
Top TREC Holders (July 2018-June 2019)

Rank 2018-19	TREC Holder No.	TREC Holder Name	Rank 2018-19	TREC Holder No.	TREC Holder Name	Rank 2018-19	TREC Holder No.	TREC Holder Name
1	121091	LANKABANGLA SECURITIES LTD.	47	121114	HASSAN SHARES & SECURITIES LTD.	93	121141	PRIME BANK SECURITIES LTD.
2	121097	Multi Securities & Services Ltd.	48	121142	SIBL SECURITIES LTD.	94	121074	RAJA SECURITIES LIMITED
3	131071	ICB SECURITIES TRADING CO. LTD	49	121046	HEFAZATUR RAHMAN & CO. LIMITED	95	121073	CHOWDHURY SECURITIES LIMITED
4	121021	EBL SECURITIES LIMITED	50	121057	NATIONAL SECURITIES & CONSULTANTS LTD.	96	121121	JESCO CAPITAL MANAGEMENT LTD.
5	121027	BE RICH LIMITED	51	121092	SQUARE SECURITIES MANAGEMENT LTD.	97	121008	BRITISH BENGAL SECURITIES LTD.
6	121013	BRAC EPL STOCK BROKERAGE LTD.	52	121019	NORTH WEST SECURITIES LIMITED	98	121054	HABIB SHARES & SECURITIES LTD.
7	121056	KABIR SECURITIES LIMITED	53	121068	SHANTA SECURITIES LTD.	99	121127	SMART SHARES & SECURITIES LTD.
8	121119	IDLC SECURITIES LTD.	54	121069	T.K SHARES & SECURITIES LTD.	100	121143	PREMIER BANK SECURITIES LTD.
9	121003	MEENHAR SECURITIES LIMITED	55	121101	AB SECURITIES LIMITED	101	121144	DHAKA SECURITIES LTD.
10	121005	ISLAND SECURITIES LIMITED	56	121016	ADAMS SECURITIES LTD.	102	121109	SANMAR CAPITAL MANAGEMENT LTD.
11	121062	PRUDENTIAL CAPITAL LIMITED	57	121123	FAR EAST SHARES & SECURITIES LTD.	103	121044	3A COMPANY LIMITED
12	121133	CITY BROKERAGE LIMITED	58	121105	PUBALI BANK SECURITIES LTD.	104	121108	MOHARAM SECURITIES LIMITED
13	121145	PRIME ISLAMI SECURITIES LTD.	59	121034	PIONEER SHARES & SECURITIES LTD.	105	121001	ALPHA SECURITIES LIMITED.
14	121088	RELIANCE BROKERAGE SERVICES LTD.	60	221061	CMSL SECURITIES LTD.	106	121094	INTER CONTINENTAL SECURITIES LTD.
15	121058	EASTERN SHARES & SECURITIES LTD.	61	121032	AA SECURITIES LIMITED	107	121135	POPULAR LIFE SECURITIES LTD.
16	121103	MONA FINANCIAL CONSULTANCY & SECURITIES LTD.	62	121040	BASE CAPITAL LTD.	108	121060	CHITTAGONG SHARES & SECURITIES LTD.
17	121096	INTERNATIONAL SECURITIES COMPANY LTD.	63	121047	KISHWAR SECURITY INVESTMENT LTD.	109	121083	ABACUS SECURITIES LIMITED
18	121038	S.R. CAPITAL LIMITED	64	121078	BDL Securities Ltd.	110	121147	JAMUNA BANK SECURITIES LIMITED
19	121015	UCB CAPITAL MANAGEMENT LTD.	65	121036	VANGUARD SHARES & SECURITIES LTD.	111	121020	SECURE CAPITAL LIMITED
20	121042	REMONS INVESTMENT & SECURITIES LTD.	66	121136	PREMIER LEASING SECURITIES LTD	112	121095	PFI SECURITIES LTD.
21	121006	CHITTAGONG CAPITAL LTD.	67	121079	CENTURY SECURITIES LIMITED	113	121098	EIC SECURITIES LIMITED
22	121022	SALTA CAPITAL LIMITED	68	121031	PHP STOCKS & SECURITIES LTD.	114	121110	STARPORT SECURITIES LIMITED
23	121063	ASSOCIATED CAPITAL SECURITIES LTD.	69	121029	NIZAMS SHARES & SECURITIES LTD.	115	121075	HOWLADER SECURITIES LIMITED.
24	121076	SOHEL SECURITIES LIMITED	70	121125	S.N. SECURITIES LIMITED	116	121128	AMIN SECURITIES CONSULTANTS LTD.
25	121012	NBL SECURITIES LTD.	71	121045	ZATL SECURITIES LIMITED	117	121049	IMPEL SHARES & SECURITIES LTD.
26	121080	INTERNATIONAL LEASING SECURITIES LTD.	72	121129	MUNTAHA SHARES & CAPITAL LTD.	118	121081	DBL SECURITIES LIMITED
27	121134	SHAHJALAL ISLAMI BANK SEC.LTD.	73	121023	AZIM SECURITIES LIMITED	119	121010	SAYA SECURITIES LIMITED
28	121085	GALAXY CAPITAL LIMITED	74	121117	HALLMARK SECURITIES LTD	120	121007	A.K. KHAN SECURITIES LIMITED
29	121037	HILLCITY SECURITIES LIMITED	75	121139	AIBL CAPITAL MARKET SERVICES LTD.	121	121138	FAREAST STOCKS & BONDS LTD.
30	121053	ROYAL CAPITAL LTD.	76	121002	ISPI SECURITIES LIMITED	122	121055	PRIME FINANCIAL CONSTS & EQUITIES LTD.
31	121120	WESTERN SECURITY INVESTMENT MANAGEMENT LTD.	77	121028	RAK CAPITAL LIMITED	123	121065	SOLEX SECURITIES LIMITED
32	121059	RELIANCE SECURITIES CONSULTANTS LTD.	78	121115	VANTAGE SECURITIES LIMITED	124	121104	JALALABAD SECURITIES LIMITED
33	121084	SKYS SECURITIES LIMITED	79	121018	B.K. CAPITAL MANAGEMENT LIMITED	125	121086	AM SECURITIES & FINANCIAL SERVICES LTD.
34	121050	MIRPUR SECURITIES LIMITED	80	121030	JIC SECURITIES LIMITED	126	121124	CONFIDENCE EQUITIES LIMITED
35	121112	LOTUS SHARES & SECURITIES LTD.	81	121122	FIRSTLEAD SECURITIES LTD.	127	121140	MERCANTILE BANK SECURITIES LIMITED
36	121004	SOUTH ASIA SECURITIES LIMITED	82	121089	D.N. SECURITIES LIMITED	128	121099	NORBAN SECURITIES LTD
37	121067	SUPER SHARES & SECURITIES LTD.	83	121011	FIRST CAPITAL SECURITIES LTD.	129	121014	STOCK & SECURITY LINKWAY LTD.
38	121132	NCCB SECURITIES & FINANCIAL SERVICES LTD.	84	121116	MEGACITY SECURITIES LIMITED	130	121118	SOUTHERN CAPITAL LIMITED
39	121033	SYLNET SECURITIES LIMITED	85	121148	ONE SECURITIES LIMITED	131	121064	PLATINUM SECURITIES LIMITED
40	121113	CORDIAL SECURITIES LIMITED	86	121131	PAROM SECURITIES LTD.	132	121126	FOREMOST SECURITIES LTD.
41	121043	UNITED FINANCIAL TRADING COMPANY LTD.	87	121035	MASCO SHARES & SECURITIES LTD.	133	121051	MKM SECURITIES LIMITED
42	121093	HOLY CITY SECURITIES LIMITED	88	121087	PURABI SECURITIES LTD.	134	121072	OASIS TURNER LIMITED
43	121130	GREEN DELTA SECURITIES LTD.	89	121100	TEN STARS (PVT) LIMITED	135	121102	EXPRESS SECURITIES LIMITED
44	121082	UNICAP SECURITIES LTD.	90	121052	E-SECURITIES LIMITED	136	121137	NURJAHAN SECURITIES LTD.
45	121146	ISLAMI BANK SECURITIES LTD.	91	121024	UTTARA EXCHANGE & SECURITIES LTD.			
46	121070	AHMED SECURITIES SERVICES LTD	92	121066	HR SECURITIES AND INVESTMENTS LTD.			

Top 20 Securities by Market Capitalization (July 2018-June 2019)

Company	Market Capital (TK. BN)	% of total	Turnover (TK. BN)	% of total	Turnover (Share MN)	Total Contracts	Total Trading Days
GRAMEENPHONE LIMITED	491.91	17.56	2.55	2.98	6.92	14,574	235
BATBC	246.15	8.79	0.10	0.12	0.97	10,380	109
SQUARE PHARMA	209.01	7.46	0.07	0.08	0.32	20,414	237
UNITED POWER GENERATION & DISTRIBUTION CO. LTD.	179.75	6.42	0.26	0.30	8.97	6,942	236
BRAC BANK LTD	81.03	2.89	0.03	0.04	0.33	14,965	237
I.C.B.	80.93	2.89	0.01	0.01	0.19	3,320	216
BERGER PAINTS BANGLADESH LTD.	66.95	2.39	0.07	0.08	0.98	7,348	231
OLYMPIC INDUSTRIES LIMITED	47.27	1.69	0.00	0.00	0.00	4,052	216
MARICO BANGLADESH LIMITED	47.25	1.69	0.01	0.01	0.09	1,039	113
LAFARGE HOLCIM BANGLADESH LIMITED	45.87	1.64	0.01	0.01	0.11	28,338	236
SUMMIT POWER LTD.	44.74	1.60	0.12	0.14	1.67	16,899	237
TITAS GAS TRANSMISSION AND DISTRIBUTION COMPANY LTD	39.17	1.40	0.04	0.05	1.21	5,906	236
ISLAMI BANK	38.48	1.37	0.04	0.04	1.36	7,217	237
DUTCH-BANGLA BANK LIMITED	34.75	1.24	0.86	1.01	7.85	4,745	187
BEXIMCO PHARMA	34.19	1.22	0.05	0.06	2.14	6,424	236
EASTERN BANK LIMITED	30.85	1.10	0.01	0.02	0.61	1,079	188
CITY BANK	28.56	1.02	0.00	0.00	0.02	11,815	237
MJL BANGLADESH LTD.	28.51	1.02	0.00	0.00	0.04	5,883	237
PUBALI BANK	26.94	0.96	0.03	0.03	1.64	3,537	236
POWER GRID COMPANY OF BANGLADESH LTD	26.83	0.96	0.01	0.01	0.26	4,605	214

Top 20 Securities by Market Capitalization (July 2018-June 2019)



New Listing in CSE Market (July 2018 - June 2019)

SL	Company Name	Face Value (Tk.)	Issue Price (Tk.)	Market Lot	Paid-up-Capital/Fund Size (Mill)	No. of shares	IPO Offered (Number of shares)	Date of Listing	Trade in CSE
1	Aman Cotton Fibrous Ltd	10	40 (cut-off price in BBS)	100	1008.33	100,833,333	20,833,333	11-Jul-18	6-Aug-18
2	VFS Thread Dyeing Ltd.	10	10	500	847.15	84,714,800	22,000,000	23-Jul-18	9-Sep-18
3	M. L. Dyeing Ltd.	10	10	500	1604.10	160,410,000	20,000,000	13-Aug-18	17-Sep-18
4	Silva Pharmaceuticals Ltd.	10	10	500	1300	130,000,000	30,000,000	13-Sep-18	10-Oct-18
5	Indo Bangla Pharmaceuticals Ltd.	10	10	500	930	93,000,000	20,000,000	13-Sep-18	18-Oct-18
6	Kattali Textile Ltd.	10	10	500	890	89,000,000	34,000,000	10-Oct-18	12-Nov-18
7	S. S. Steel Ltd.	10	10	500	2450	245,000,000	25,000,000	6-Dec-18	17-Jan-19
8	Genex Infosys Ltd.	10	10	500	816	81,600,000	20,000,000	6-Jan-19	6-Feb-19
9	SEML FBLSL Growth Fund	10	10	500	729.45	72,944,500	27,944,500	23-Jan-19	6-Mar-19
10	Esquire Knit Composite Ltd.	10	45 (cut-off price in BBS)	100	1348.96	134,895,830	34,895,833	17-Feb-19	9-Apr-19
11	Runner Automobiles Ltd.	10	75 (cut-off price in BBS)	100	1081.33	108,133,269	13,930,348	11-Mar-19	21-May-19
12	New Line Clothings Ltd.	10	10	500	699	69,900,000	30,000,000	31-Mar-19	27-May-19
13	Silco Pharmaceuticals Ltd.	10	10	500	943.70	94,370,000	30,000,000	30-Apr-19	13-Jun-19
14	Coppertch Industries Ltd.	10	10	500	600	60,000,000	20,000,000	23-May-19	5-Aug-19
15	Sea Pearl Beach Resort & Spa Limited	10	10	500	1150	115,000,000	15,000,000	20-Jun-19	16-Jul-19

IPOs in CSE Market (July 2018 - June 2019)

SL	Company Name	F/V (Tk.)	Cut off price (Tk.)	Offer price (Tk.)	Market lot	IPO Offered with premium (Tk.)/ Cut-off price/ Offer price	GP, NRB, OTHERS (TK.)/ Offer Price	Subscription received from IPO (Mill) Tk.	Subscription Times (Against IPO)	Subscription Open	Subscription Close
1	M. L. Dyeing Ltd.	10	-	-	500	200,000,000.00	-	6260.72	31.3036	8-Jul-18	19-Jul-18
2	Silva Pharmaceuticals Ltd.	10	-	-	500	300,000,000.00	-	7729.71	25.7657	29/Jul/18	5-Aug-18
3	Indo-Bangla Pharmaceuticals Ltd.	10	-	-	500	200,000,000.00	-	6848.15	34.24	9-Aug-18	16-Aug-18
4	Kattali Textile Ltd.	10	-	-	500	340,000,000.00	-	8560.025	25.18	28-Aug-18	13-Aug-18
5	S. S. Steel Ltd.	10	-	-	500	250,000,000.00	-	8699.670	34.79868	28-Oct-18	7-Nov-18
6	Genex Infosys Ltd.	10	-	-	500	200,000,000.00	-	7150.65	35.75325	18-Nov-18	29-Nov-18
7	SEML FBLSL Growth Fund	10	-	-	500	550,000,000.00	-	279.445	0.508	2-Dec-18	13-Dec-18
8	Esquire Knit Composite Limited	10	45 (cut-off price in BBS)	40	100	1,500,000,000.00	562,500,040.00	5273.052	9.374	6-Jan-19	20-Jan-19
9	Runner Automobiles Ltd.	10	75 (cut-off price in BBS)	67	100	1,000,000,000.00	375,000,005.00	7460.3294	19.89	31-Jan-19	10-Feb-19
10	New Line Clothing Ltd.	10	-	-	500	300,000,000.00	-	8322.225	27.74075	18-Feb-19	3-Mar-19
11	Silco Pharmaceuticals Ltd.	10	-	-	500	300,000,000.00	-	8317.625	27.725	7-Mar-19	19-Mar-19
12	Coppertech Industries Ltd.	10	-	-	500	200,000,000.00	-	7,715.57	38.5778	31-Mar-19	9-Apr-19
13	Sea Pearl Beach Resort & Spa Ltd.	10	-	-	500	150,000,000.00	-	7457.895	49.7193	22-Apr-19	6-May-19

Trading Statistics 2018-2019

Scrip ID	Company	Contract	Volume	Value	Price High	Price Low	No. of Trading Days	Closing Price
LIFE INSURANCE								
10001	DELTA LIFE INSURAN	2269	974538	104219900.9	125	88	176	100.8
10002	NATIONAL LIFE INS.	1541	320994	68860924.6	281.5	137	139	226.7
10003	SANDHANI LIFE INS.	2615	8967977	257543751.2	37	20.5	185	26.2
10004	POPULAR LIFE INSURANCE COMPANY LIMITED.	72	328595	33683959.7	135	71	34	93.2
10005	FAREAST ISLAMI LIFE INSURANCE COMPANY LIMITED	615	185210	12389943.6	88	50.1	143	61.5
10006	MEGHNA LIFE INSURANCE CO. LTD.	1794	975913	71917904	94	49	148	60
10007	PROGRESSIVE LIFE INSURANCE CO. LTD.	19	3816	299340	99	50	6	90
10008	PRAGATI LIFE INSURANCE LTD.	284	90839	11160405	165.1	98	66	133
10009	PRIME ISLAMI LIFE INSURANCE LTD	358	108371	6755184.4	75	41	72	56.1
10010	RUPALI LIFE INSURANCE COMPANY LTD.	2731	1666392	117738613.2	110.5	38	192	60.5
10011	PADMA ISLAMI LIFE INSURANCE LTD.	2002	1211931	39242213.8	52.4	14.1	149	24
10012	SUNLIFE INSURANCE COMPANY LIMITED	2599	1356519	37665092	37.1	14	179	27.5
GENERAL INSURANCE								
11001	RUPALI INSURANCE	2156	2138381	48492260.7	30.8	15	167	20.6
11002	PEOPLES INSURANCE COMPANY LTD.	402	609345	13776917.3	28	15.5	99	21.1
11003	GREEN DELTA INS.	171	23105	1387702.4	74.9	50.1	64	60.5
11004	RELIANCE INSURANCE	48	38612	1967817.1	58	43	16	46.5
11005	JANATA INSURANCE	1764	1642973	29271167.4	24	11.6	177	16.8
11006	CENTRAL INSURANCE	85	264288	5779800.7	30.5	17.1	42	24.9
11007	FEDERAL INSURANCE	7842	7856805	100268663.1	17.1	8.5	235	13.3
11010	BGIC	1003	533716	11999654.4	27.9	17.5	165	25.1
11011	PRAGATI INSURANCE	133	89102	2529920.2	42.9	21.7	68	37
11013	PHOENIX INS.	95	103902	3025581.4	42.3	21	46	29.5
11014	EASTERN INSURANCE COMPANY LTD	830	2519135	127451531.6	60	24.2	80	46.2
11015	EASTLAND INSURANCE	3254	6263047	187791968.9	35.9	18	120	26.5
11016	PRIME INSURANCE COMPANY LIMITED	290	374547	8066934.9	27	12.5	80	20.5
11017	PIONEER INSURANCE COMPANY LIMITED	746	998498	33270245.1	39.5	26	83	34
11021	NITOL INSURANCE CO. LTD.	237	132426	3969030.2	37.9	22.3	69	28
11022	ASIA PACIFIC GENERAL INSURANCE CO. LTD.	1164	1848757	53775685.4	35	16.6	115	25.5
11024	SONAR BANGLA INSURANCE LTD.	1139	2292836	95328228.4	68.8	13.3	143	37.8
11027	PARAMOUNT INSURANCE CO.LTD	1861	1984863	44279395.2	28.4	12.5	158	20.8
11028	CITY GENERAL INSURANCE CO.LTD	5044	4962769	95611555.1	24	12	183	17.8
11029	CONTINENTAL INSURANCE LIMITED	846	1585379	38779807.5	32	14.4	114	23.3
11030	TAKAFUL ISLAMI INSURANCE LTD.	279	7178853	190308449.2	40.3	21	94	27.1
11031	STANDARD INSURANCE LTD	212	142053	4211040.8	43	19.8	100	27.8
11032	NORTHERN GENERAL INSURANCE CO. LTD.	1040	1281865	32512695.7	29.9	14.1	123	22.4
11033	REPUBLIC INSURANCE COMPANY LTD	2951	3318063	100756707.7	42	18.5	172	24.1
11034	MERCANTILE INSURANCE CO. LTD	2024	18403145	536534267.5	37.3	20	185	27.2
11035	ASIA INSURANCE LTD.	1563	1901795	58498098.3	41.8	14	140	24.1
11036	ISLAMI INSURANCE BANGLADESH LIMITED	342	307150	7791968.5	33.8	17.7	98	23.4
11037	PROVATI INSURANCE CO. LTD.	2525	2667625	70050386.6	45.5	13.7	206	27
11038	DHAKA INSURANCE LIMITED	520	498870	13176852.1	44	17	110	29.2
11039	BANGLADESH NATIONAL INSURANCE COMPANY LIMITED	5509	4177476	90978510.4	31	13.6	225	20.3

Trading Statistics 2018-2019

Scrip ID	Company	Contract	Volume	Value	Price High	Price Low	No. of Trading Days	Closing Price
TEXTILE								
12002	PRIME TEXTILE	4282	4506217	170544784.5	46.5	22.5	215	34.2
12004	APEX SPINNING	878	115546	16878541.3	183	109.1	160	137.5
12006	DULAMIA COTTON	0	0	0	0	0	0	10.2
12008	BEXIMCO SYNTHETICS	1206	1001547	7628169.2	16	3.6	193	5.8
12012	ALIF INDUSTRIES LIMITED	21083	6543543	508710198.5	119.1	39	237	61.6
12017	ALLTEX IND.	1868	1952473	25465693.5	16.3	7.5	182	11
12022	SONARGAON TEXTILE	414	235402	7171738.7	45.5	12.7	90	37.5
12023	DELTA SPINNERS LTD.	5888	9794519	73119188.7	10.1	4	229	6.5
12024	H.R. TEXTILES	2478	4739548	275877481.5	69	29.1	183	49.3
12025	ANLIMA YARN	6418	3456211	130986836.1	49	28	220	40.9
12030	SIAHAM TEXTILE MILLS LTD.	3813	17826344	737449440.7	64	17.5	179	44.4
12031	SAFKO SPINNING MILLS LTD	9539	8123393	159754728.5	25.4	14.5	237	19
12032	TALLU SPINNING MILLS LIMITED	800	687431	4513379.8	12.4	3.1	159	5.2
12033	MITHUN KNITTING AND DYEING LIMITED	1203	540913	9602020.7	32.3	8.5	170	14
12034	SQUARE TEXTILES LIMITED	1289	443721	21760443.4	68	37.6	192	45.8
12035	METRO SPINNING LIMITED	3712	5709338	49710575.4	14.6	6.1	232	7.8
12036	MAKSONS SPINNING MILLS LTD.	9362	20349429	165763337.4	11.4	4.8	236	6.5
12037	DACCA DYEING & MANUFACTURING CO.	990	1006144	5685728	11.7	2.7	182	3.9
12038	R. N. SPINNING MILLS LTD.	19748	32302370	283295836.4	17.5	4.7	237	6.5
12039	MALEK SPINNING MILLS LTD.	3150	3222986	65269028.8	25.4	12	230	16.8
12040	ZAHINTEX INDUSTRIES LTD.	3417	3628612	45408753.1	17.3	6	230	9.1
12041	SAIHAM COTTON MILLS LTD.	12871	21443431	528757747.4	32.5	13.2	234	25.2
12042	GENERATION NEXT FASHIONS LTD.	23543	58427932	419086966.1	10.1	3.7	237	5.5
12043	ENVOY TEXTILES LIMITED	905	645538	23721608.2	44	27.8	191	34.5
12044	ARGON DENIMS LIMITED	4795	6012544	164961548.2	33.4	21	233	25.2
12045	FAMILYTEX (BD) LTD.	16519	35827286	187615595.3	7.9	2.7	237	4
12046	PARAMOUNT TEXTILE LIMITED	3121	12171378	781424371.9	75	40	210	61.5
12047	MOZAFFAR HOSSAIN SPINNING MILLS LTD.	3042	2612705	39477088.2	22	9.1	220	12.8
12048	MATIN SPINNING MILLS LTD.	278	92173	3584115.6	41.5	33	119	37.3
12049	HWA WELL TEXTILES (BD) LTD.	242	308941	12214105.7	44.5	31.4	93	40.1
12050	FAR EAST KNITTING & DYEING INDUSTRIES LTD.	10011	11496678	198681218.4	21.8	12.1	234	16.8
12051	TUNG HAI KNITTING & DYEING LIMITED	2773	2837608	14708716.5	10.8	2.5	228	3.8
12052	HAMID FABRICS LTD.	6085	6019437	176790878.2	33.4	16.3	221	21.6
12053	C & A TEXTILES LTD.	4189	6942861	31120812.7	9	1.9	238	2.9
12054	SHASHA DENIMS LTD.	10741	8910329	561406360.3	80	33.8	235	46.5
12055	ZAHEEN SPINNING LTD.	8362	9091483	114810754.9	23.5	7.1	234	10.5
12056	TOSRIFA INDUSTRIES LIMITED	2425	1518070	35148863	27	15.4	203	20.2
12057	SIMTEX INDUSTRIES LTD.	3167	11140104	391863379.9	50.8	16.4	214	26.5
12058	REGENT TEXTILE MILLS LTD.	13679	11557562	231142725.2	27.8	11.5	236	17.3
12059	DRAGON SWEATER & SPINNING LTD.	32134	56190142	1639558256	50.5	14.8	237	20.4
12060	EVINCE TEXTILES LIMITED	8586	8607955	129047988	18.7	8.9	221	13.4
12061	PACIFIC DENIMS LIMITED	22371	21415750	410364381.1	25.8	11.5	237	16.9
12062	SHEPHERD INDUSTRIES LIMITED	10120	8511895	299402689.5	51.7	24	219	39.3
12063	NURANI DYEING & SWEATER LTD.	22661	24296099	436338017.6	23.9	10.6	237	17.3
12064	QUEEN SOUTH TEXTILE MILLS LTD.	7209	3667660	184101275.5	69.9	23.7	225	35.8
12065	AMAN COTTON FIBROUS LTD.	43260	10083900	588656165.4	84.4	23.6	212	34.7
12066	VFS THREAD DYEING LIMITED	17017	15055976	693535272.6	64.7	23.6	168	51.8
12067	M. L. DYEING LIMITED	25017	14732260	473959142.8	59.5	19.3	185	32.6
12068	KATTALI TEXTILE LIMITED	31866	17713654	456727842.9	34.5	15.4	147	22.4
12069	ESQUIRE KNIT COMPOSITE LIMITED	45300	7693525	350854490.5	58	28.8	51	44.7
12070	NEW LINE CLOTHINGS LIMITED	12652	7110316	157893204.6	26.5	15.8	20	24

Trading Statistics 2018-2019

Scrip ID	Company	Contract	Volume	Value	Price High	Price Low	No. of Trading Days	Closing Price
PHARMACEUTICALS								
13002	SQUARE PHARMA	20414	10413392	2759177740	344	226	237	264.9
13003	ACI LTD	6456	365357	123662657.5	474.1	240	233	275
13005	BEXIMCO PHARMA	6424	4832034	402765790.4	112.9	71	236	84.3
13006	RECKIT BENCKISER (BD) LTD.	1251	21349	55455094.2	3650	1606	127	2198.3
13007	AMBEE PHARMA	4230	154347	108536748.2	902	360	221	640.5
13008	ORION INFUSION	3104	1413182	83776432.9	74.8	45.4	191	56
13011	KOHINOOR CHEMICAL	260	16033	6409398.4	470	348.1	60	393.7
13012	LIBRA INFUSIONS LIMITED	1649	32194	33601763.6	1429.4	500	179	934.5
13013	IBN SINA PHARMA	1896	393357	110847974.1	342	230.1	194	263.6
13015	WATA CHEMICALS LTD.	1299	105126	48633279.4	680	255	157	499.4
13017	KEYA COSMETICS LIMITED	22786	46240841	342967863.3	12.8	2.8	237	4.4
13020	BERGER PAINTS BANGLADESH LTD.	7348	250501	366582551.6	3100	1108	231	1443.6
13021	ACI FORMULATIONS LTD	1224	241873	38746443.2	200	130	174	147.2
13022	MARICO BANGLADESH LIMITED	1039	110743	167050666.1	1850	1070	113	1500
13023	BEACON PHARMACEUTICALS LTD.	4235	4177635	78530389.3	30	16	237	20
13024	ACTIVE FINE CHEMICALS LTD.	23824	18717791	670910116.1	49.9	20.1	237	27.5
13025	SALVO CHEMICAL INDUSTRY LTD.	3423	2575060	53671083.3	31	12.4	226	17.1
13026	GLOBAL HEAVY CHEMICALS LIMITED	3048	2164227	101945815.4	57	35	172	40.2
13027	ORION PHARMA LTD.	2437	874364	32645026.9	49.5	28.7	231	33
13028	CENTRAL PHARMACEUTICALS LTD.	20953	19943827	302938745.9	21.2	9.2	237	12.6
13029	AFC AGRO BIOTECH LTD.	2255	1251529	47160226.8	47.8	24.7	206	30.4
13030	FAR CHEMICAL INDUSTRIES LTD.	17203	18491631	298622274.3	21.8	9.5	237	12.9
13031	ACME LABORATORIES LTD.	4708	2538207	200994559.7	116.9	66.6	230	75.8
13032	ADVENT PHARMA LIMITED	14179	18321696	725699165.6	53	26	236	33.6
13033	SILVA PHARMACEUTICALS LIMITED	36878	19652752	604898696.1	39.8	16.1	171	23
13034	INDO-BANGLA PHARMACEUTICALS LTD.	39091	27743928	868643213.6	46.9	18.4	164	24.2
13035	SILCO PHARMACEUTICALS LIMITED	11489	5953083	151423548.4	36.5	23.7	12	24.5
FOODS & ALLIED PRODUCTS								
14001	APEX FOOD	1999	252062	51424263.7	279	140.1	186	178
14005	AMCL(PRAN)	823	168137	42985306.5	289.4	201	112	240
14010	NATIONAL TEA	2186	82085	64839979	969	563	133	719.5
14012	RAHIMA FOOD CORP. LTD	187	32222	5625107.3	202	134.7	13	175.4
14017	FU-WANG FOODS LIMITED	18398	19076364	349702368	23.2	10.9	237	15.7
14018	BANGAS LIMITED	2137	256621	79209426.1	389	175	161	300.2
14021	BEACH HATCHERY LIMITED	1666	1404746	21842916	23.9	8.3	194	16.6
14022	FINE FOODS LIMITED	12353	6352257	235662855.4	50.8	25.5	233	40.8
14023	RANGPUR DAIRY & FOOD PRODUCTS LTD.	14714	18722871	338419795.8	23.4	11.2	237	14.6
14025	GOLDEN HARVEST AGRO INDUSTRIES LTD.	5147	2820963	107050937.5	44.9	24.6	215	33.7
14026	OLYMPIC INDUSTRIES LIMITED	4052	5089326	1141884165	287	190.1	216	236.4
14027	EMERALD OIL INDUSTRIES LTD.	3879	2467349	44578614.4	27.3	8.1	206	17.8
CEMENT								
15001	CONFIDENCE CEMENT	2877	13270681	2658883862	247	125.1	226	158
15002	HEIDELBERG CEMENT BANGLADESH LTD	1066	98550	33253755.3	430	190.2	174	241.1
15003	MEGHNA CEMENT	1042	270004	27739930.5	128	81.2	144	90
15005	ARAMIT CEMENT LIMITED	1217	587916	13344180.3	32.4	15	196	19.3
15009	LAFARGE HOLCIM BANGLADESH LIMITED	28338	15289472	715201166	71.9	35.1	236	39.5
15010	M.I. Cement	1567	166924	12537558.7	86	51.8	212	67.4
15011	PREMIER CEMENT MILLS LIMITED	472	45243	3242162.2	104	55	131	66

Trading Statistics 2018-2019

Scrip ID	Company	Contract	Volume	Value	Price High	Price Low	No. of Trading Days	Closing Price
ENGINEERING								
16001	AZIZ PIPE	2225	239240	47435719.1	271.5	113.2	195	161.5
16002	QUASEM INDUSTRIES LIMITED	3873	1401144	77328661.6	82	27.5	225	37
16003	ANWAR GALVANIZING	10194	2736289	246123866.7	125.9	61.6	231	77.8
16004	AFTAB AUTO.	3414	1156374	55255882.1	65	29.2	233	36.5
16009	BD. THAI ALLUMINIUM	16007	13545060	313272802.9	31.8	12.8	237	18
16012	BD. AUTO CARS	0	0	0	0	0	0	37.6
16013	BD. LAMPS LTD.	1237	148001	34385078.6	294.8	170	164	213.5
16014	KAY & QUE (BANGLADESH) LTD	908	118264	25918097	265	133.3	143	205
16015	EASTERN CABLES LTD.	1461	118862	35244335.5	408	165	153	323.7
16016	RANGPUR FOUNDRY LTD.	2440	538935	83669042.7	186.9	125	150	145
16017	BD WELDING ELECTRODES LTD	490	329144	5977786.7	26.2	12.1	132	15.4
16019	SINGER BANGLADESH LIMITED	9848	4751065	1040167373	280	161.5	237	193.9
16020	S Alam Cold Rolled Steels Ltd.	6183	4411038	146468594.8	40.4	24	235	29.1
16021	Golden Son Limited	1660	1338589	12714633.2	13.8	6.4	216	9.2
16022	BSRM STEELS LTD	3665	1629256	104903596.2	80	49	234	57.8
16023	NAVANA CNG LIMITED	3316	1285367	73314133.1	79	40.6	219	44.8
16024	GPH ISPAT LTD.	7557	13178426	483908113.6	44.5	30.1	235	34.6
16025	BENGAL WINDSOR THERMOPLASTICS LTD.	2678	1326876	48738851.1	45.6	21.2	202	26.7
16026	BANGLADESH BUILDING SYSTEMS LTD.	8410	8255698	260465179.9	40.4	20.5	237	28.4
16027	APPOLLO ISPAT COMPLEX LIMITED	22611	29322371	275100223.8	17.3	4.5	237	6.8
16028	SHURWID INDUSTRIES LTD.	7391	5577767	177863660.7	41.3	13.9	231	33.8
16029	RATANPUR STEEL RE-ROLLING MILLS LTD.	12665	12301569	667138113.1	74	33.1	235	46.4
16030	WESTERN MARINE SHIPYARD LTD.	34777	28412362	639195274.3	34.9	13.1	235	17.4
16031	IFAD AUTOS LIMITED	15847	5226632	564809325.3	138.9	59.2	237	80.8
16032	BANGLADESH STEEL RE-ROLLING MILLS LTD.	27153	13095237	1104944324	119.9	60.3	237	71.3
16033	OLYMPIC ACCESSORIES LTD.	13690	13374925	191086759.2	21.2	8	237	10.8
16034	KDS ACCESSORIES LTD.	14664	4987013	340832233.2	126	45.5	237	57.9
16035	BBS CABLES LTD.	35284	10940087	1146075430	139	70.6	237	100.4
16036	OIMEX ELECTRODE LIMITED	13724	6331483	263837714.4	67.5	23.5	237	33.2
16037	NAHEE ALUMINUM COMPOSITE PANEL LTD.	3983	5108271	332353623	85	43.5	195	52.6
16038	S. S. STEEL LIMITED	32993	14962511	567174490.9	54	21.6	105	26.9
16039	RUNNER AUTOMOBILES LIMITED	20480	3589091	328550511.4	114	69.7	24	95.2
LEATHER & FOOTWEAR								
17001	APEX TANNERY	1862	261014	42774565	218	113	174	142.5
17002	APEX FOOTWEAR LIMITED	1289	58349	18188909.7	385	256	164	344.1
17007	SAMATA LEATHER COMPLEX	260	57331	3415189.8	85.5	37.1	78	79
17008	LEGACY FOOTWEAR LIMITED	14217	2209596	341945926.7	281	50.2	207	133.2
17009	BATA SHOE COMPANY LTD.	1545	68288	71060537.2	1300	915	157	1039
17010	FORTUNE SHOES LIMITED	26254	19411354	684798062.5	42.7	27.8	237	36.3
SERVICES & PROPERTIES								
18002	EASTERN HOUSING	8146	6641018	363454287.7	68	42.6	217	54.5
18004	SAMORITA HOSPITAL LTD.	855	187481	14337904.7	87	60.1	131	67
18005	SUMMIT ALLIANCE PORT LTD.	10371	5841816	161456003.8	37.2	18.4	237	23.9
18007	UNITED AIRWAYS (BD) LTD.	11193	24545055	77049464.3	6	1.5	238	2.4
18008	UNIQUE HOTEL & RESORTS LTD.	2864	1480205	79525107.6	64.1	45.1	220	52.1
18009	PENINSULA CHITTAGONG LIMITED	31380	24409987	745600651.7	39	19.3	237	26
18010	SAIF POWERTEC LIMITED	22175	18472892	460866102.6	34.6	15.6	237	19.4

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Scrip ID	Company	Contract	Volume	Value	Price High	Price Low	No. of Trading Days	Closing Price
PAPERS & PRINTING								
19006	SINOBANGLA INDUSTRIES LTD	10370	4446741	265229240.6	92	39	229	59.8
19008	MIRACLE INDUSTRIES LTD.	15047	7256977	304136096.9	55.6	16.8	237	27.3
19009	HAKKANI PULP & PAPER MILLS LIMITED	1427	473880	31048116.4	90.1	46.8	170	63.8
19010	KHULNA PRINTING & PACKAGING LTD.	2289	2353299	43644970.8	26.4	8.5	171	14.1
19011	BASHUNDHARA PAPER MILLS LTD.	74985	13140022	1562114035	188.7	51.6	237	70.9
OIL & FUEL								
20002	PADMA OIL	3010	286760	67321574.9	258.4	200.1	230	225.2
20004	SUMMIT POWER LTD.	16899	21406306	924166494.4	52.5	33.9	237	41.9
20005	DHAKA ELECTRIC SUPPLY CO. LTD.	3327	2488844	115104231.4	52	38.2	194	45.3
20006	POWER GRID COMPANY OF BANGLADESH LTD	4605	2870426	167339060.9	67.7	44	214	58.2
20007	JAMUNA OIL COMPANY LIMITED	3412	584609	110271658.5	210	149	227	174.6
20008	MEGHNA PETROLEUM LIMITED	3998	543354	112002721.9	242	175.1	223	198.3
20009	TITAS GAS TRANSMISSION AND DISTRIBUTION CO. LTD	5906	4268966	167292717.7	46	35.1	236	39.6
20010	KHULNA POWER COMPANY LTD.	41750	19197386	1765601773	143	47.5	237	56.3
20011	BARAKA POWER LIMITED	10980	11799053	360788423.2	38.1	25.2	237	29.4
20012	MJL BANGLADESH LTD.	5883	1133879	112787738.9	117.5	78.1	237	90
20013	LINDE BANGLADESH LIMITED	455	89737	110496488.7	1402.5	1110	96	1193
20014	GBB POWER LTD.	6026	5306543	72030753.1	20.1	8.6	230	11
20016	CVO PETROCHEMICAL REFINERY LTD.	14388	1069677	204893438.5	245	117	237	158.6
20017	SHAHJIBAZAR POWER CO. LTD.	9343	2941897	285112618.2	122.5	70	221	84.4
20018	UNITED POWER GENERATION & DISTRIBUTION CO. LTD.	6942	4072938	1326060039	423	150.1	236	375.2
20019	DOREEN POWER GENERATIONS AND SYSTEMS LIMITED	9328	9267031	780091275.7	124	68.6	235	79.4
20020	INTRACO REFUELING STATION LTD.	34034	19354537	589166396	58.5	16.2	237	21.4
MUTUAL FUNDS								
21016	GRAMEEN MUTUAL FUND ONE:SCHEME TWO	679	1648155	24296598.1	17.7	10.4	169	13.5
21017	PRIME FINANCE FIRST MUTUAL FUND	1276	1678562	19110721.5	19.9	8	174	13.6
21018	EBL FIRST MUTUAL FUND	603	656282	4869364.7	10.6	4.6	172	6.7
21019	ICB AMCL SECOND MUTUAL FUND	377	443617	3260697.5	9.4	5.8	122	7.1
21020	ICB EMPLOYEES PROVIDENT MUTUAL FUND ONE: SCHEME ONE	381	557371	3330068	7.7	4.4	159	5.7
21021	TRUST BANK FIRST MUTUAL FUND	2079	3544899	17559318.1	6.8	3.9	224	4.9
21022	PRIME BANK 1ST ICB AMCL MUTUAL FUND	369	335559	2008144.8	8.1	5	150	6.1
21023	DBH FIRST MUTUAL FUND	412	1064772	9254127.3	10.2	6.5	137	8.3
21024	IFIC BANK 1ST MUTUAL FUND	952	1401214	6539199.3	6.3	3.8	193	4.7
21025	PHOENIX FINANCE 1ST MUTUAL FUND	265	220313	1298327.9	11.3	5.1	115	6.1
21026	ICB AMCL THIRD NRB MUTUAL FUND	801	1181179	6503866.3	7	4.4	197	5.7
21027	FIRST JANATA BANK MUTUAL FUND.	2039	2225739	11087786.4	6.7	3.9	224	4.7
21028	GREEN DELTA MUTUAL FUND	441	554850	4526082.6	9.7	5.9	152	7.3
21029	POPULAR LIFE FIRST MUTUAL FUND	2103	3171584	14849957	6.4	3.8	232	4.6
21030	IFIL ISLAMIC MUTUAL FUND-1	572	501896	3607331	8.7	5.1	176	7.3
21031	PHP FIRST MUTUAL FUND	2754	2572107	12682105.4	6.7	3.8	230	4.7
21032	AIBL 1ST ISLAMIC MUTUAL FUND	86	202841	1526783.1	9.5	6.3	44	7.2
21033	MBL 1ST MUTUAL FUND	131	256130	1943548.3	9.1	6.2	39	7
21034	SOUTHEAST BANK 1ST MUTUAL FUND	27	9992	112947.6	14	10	16	10.5
21035	EBL NRB Mutual Fund	248	1064936	4992712.5	6.7	4.2	107	4.8
21036	1ST SCHEME OF RELIANCE INS. MF	41	98107	965034.8	11.6	8.5	19	9.9
21037	LR GLOBAL BANGLADESH MUTUAL FUND ONE	39	218208	1609552.2	9	5.6	19	6.9
21038	AB BANK 1ST MUTUAL FUND	535	1601858	8093015.9	6.7	3.8	143	4.6
21039	NLI FIRST MUTUAL FUND	4	900	11410	15.5	10.2	4	12
21040	FIRST BANGLADESH FIXED INCOME FUND	1353	2127165	10248349.7	5.9	3.6	190	4.6

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Scrip ID	Company	Contract	Volume	Value	Price High	Price Low	No. of Trading Days	Closing Price
21041	NCCBL MUTUAL FUND-1	33	128312	960860.6	9.4	6.2	20	7.7
21042	ICB AMCL SONALI BANK LIMITED 1ST MUTUAL FUND	44	75621	527110.1	10	5.5	21	7.2
21043	EXIM BANK 1ST MUTUAL FUND	104	142862	866008.5	7.4	4.4	50	5.5
21044	ASIAN TIGER SANDHANI LIFE GROWTH FUND	414	710376	7329625	15.1	7.3	122	10.3
21045	SEML LECTURE EQUITY MANAGEMENT FUND	14	18468	123567.2	13.8	6	12	7.1
21046	VANGUARD AML BD FINANCE MUTUAL FUND ONE	0	0	0	11.3	6.3	0	7
21047	VANGUARD AML RUPALI BANK BALANCED FUND	3	8973	65792.1	11.3	4.7	3	7.1
21048	CAPM BDBL MUTUAL FUND 01	16	45342	330550.8	12	5.6	13	7.5
21049	SEML IBBL SHARIAH FUND	8	48350	349075	18.1	6.5	6	7.1
21050	ICB AMCL FIRST AGRANI BANK MUTUAL FUND	9	5000	35000	9.2	5.4	3	7
21051	CAPM IBBL ISLAMIC MUTUAL FUND	241	501658	4805450.2	14.2	6.8	72	7.7
21052	SEML FBLSL GROWTH FUND	0	0	0	40	14.6	0	10

BANKING

22002	AB BANK LTD.	5989	25481101	303424592.3	22.5	7.5	236	9.9
22003	NATIONAL BANK	32684	103792561	1007469757	13.5	7.5	237	8.9
22004	U.C.B.L.	8600	12112444	220888251	23.4	13.5	237	17
22005	RUPALI BANK	15208	8837368	359361851.3	68.5	31.8	237	38
22006	CITY BANK	11815	14911535	443940040.5	54	22.1	237	28.1
22007	PUBALI BANK	3537	6392438	168248593.6	30.9	21.2	236	26.2
22008	ISLAMI BANK	7217	53087813	1343628652	37.3	21.3	237	23.9
22010	IFIC BANK LTD.	23762	51837390	632317726.9	18.3	8.8	236	10.3
22012	AL-ARAFAH ISLAMI BANK LTD	2703	2925301	60378593.6	28.4	17.5	227	18.8
22013	PRIME BANK LIMITED	2640	21882101	407493637	27.3	14.2	229	18.9
22014	DHAKA BANK LIMITED	11606	22037763	345827575.6	22.2	11.2	236	13.5
22015	SOUTHEAST BANK LIMITED	6890	10163726	157607773.5	23.3	12.5	237	13.5
22016	NATIONAL CREDIT & COMMERC BANK LTD.	5894	15487521	234087045.9	18.3	12.7	236	14.7
22017	DUTCH-BANGLA BANK LIMITED	4745	7851729	861098529.2	236.5	63	187	69.5
22018	MUTUAL TRUST BANK LIMITED	833	9013302	315770867.7	41	26.5	166	33.1
22020	STANDARD BANK LIMITED	6021	9316307	102825012.3	15.8	8.8	236	10.1
22021	ONE BANK LIMITED	5114	10731353	163539012.3	24.2	10.6	235	13.3
22022	BANK ASIA LIMITED	2590	44140123	813946695.5	24.6	15.5	221	17.9
22023	MERCANTILE BANK LIMITED	8303	11716105	207510011.3	26.9	12.3	237	14.2
22024	UTTARA BANK LIMITED	6749	11018631	321066843.6	36.6	22.5	236	28.3
22025	EASTERN BANK LIMITED	1079	5192391	183491414.7	53	29.7	188	38
22026	EXPORT IMPORT BANK OF BD. LTD.	13543	46174531	551414782.3	18.2	9.5	237	11.3
22027	SOCIAL ISLAMI BANK LIMITED	4839	4623327	76801280.7	24.6	12.2	236	14.8
22028	JAMUNA BANK LTD.	4664	9155541	165701480.7	22.2	13.3	234	17.9
22029	BRAC BANK LTD	14965	15736474	1146344978	108	55	237	65.7
22030	SHAHJALAL ISLAMI BANK LTD.	3199	10774703	292824345.6	33.1	20.1	233	25.1
22031	THE PREMIER BANK LTD.	20859	49818848	683410302.3	17.6	9.8	237	11.6
22032	TRUST BANK LIMITED	1540	4956123	162073971	45.9	23.1	215	34
22033	FIRST SECURITY ISLAMI BANK LTD	14510	66550295	688053292	15.5	8.8	237	10.4

CERAMICS

23001	MONNO CERAMIC	9120	707762	210120144.1	445	87.1	234	201.8
23003	STANDARD CERAMIC	597	117799	23203926.1	616	110.8	121	248
23004	FU-WANG CERAMIC IND.	13084	11969343	173957045.6	18.8	8.4	237	12.3
23005	SHINEPUKUR CERAMICS LTD	1957	1641660	25256061.5	22.5	9.9	217	14
23006	R.A.K. CERAMICS (BANGLADESH) LTD.	7982	3939298	164040570.9	60.6	27.1	236	33.3

INFORMATION COMMUNICATION & TECHNOLOGY

24003	INFORMATION SERVICES NETWORK LTD	1550	751059	24602647.1	46	17	170	32.1
24004	BDCOM ONLINE LIMITED	6665	5963632	181093887.8	35.7	23.5	234	28.8

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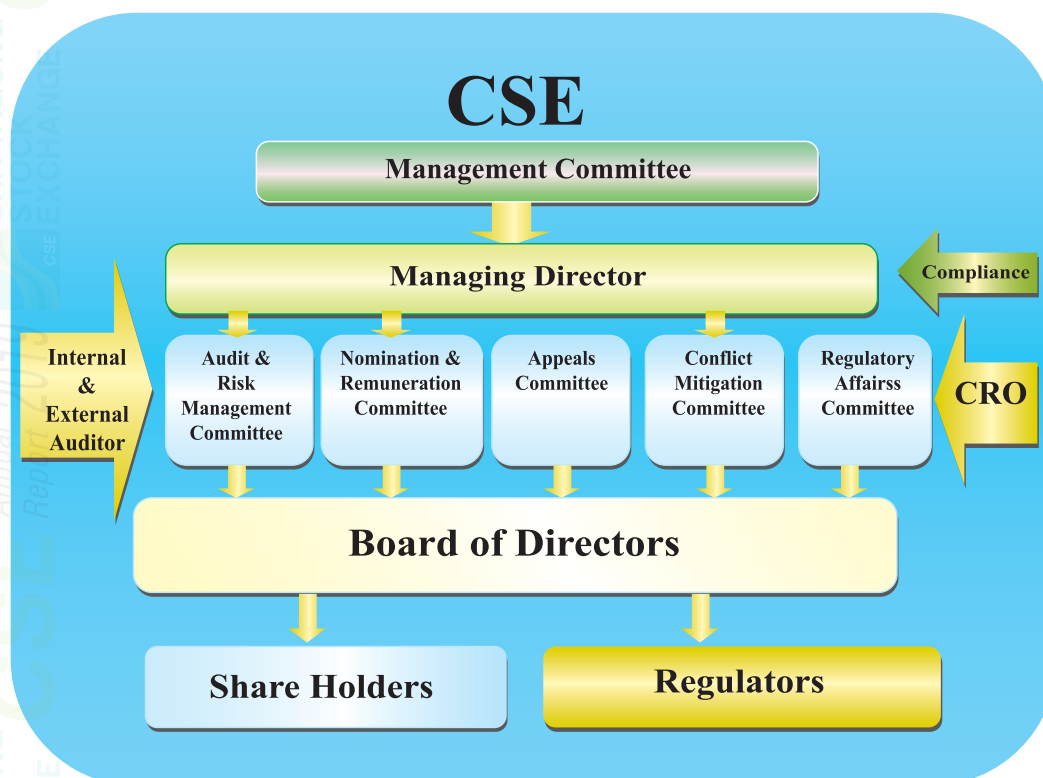
Scrip ID	Company	Contract	Volume	Value	Price High	Price Low	No. of Trading Days	Closing Price
24005	INTECH LIMITED	26779	13477943	631845955.8	75.5	15.7	236	32.4
24006	AGNI SYSTEMS LIMITED	10558	9683716	211689743.7	25	16.4	237	20.1
24007	DAFFODIL COMPUTERS LIMITED	2281	2496519	112566837.8	55.3	29.5	180	43.3
24008	AAMRA TECHNOLOGIES LTD.	3685	3977032	117151915	35.5	22.5	224	26.1
24009	IT CONSULTANTS LIMITED	4584	3972866	194214145.5	63.8	29	194	45
24010	AAMRA NETWORKS LIMITED	8525	2992747	209169216.4	106	43.8	235	56.2
24011	GENEX INFOSYS LIMITED	17334	8682034	424013425.1	63.6	32	91	55.4
LEASING & FINANCE								
25001	I.C.B.	3320	3536092	445579566.9	167	91.9	216	116
25002	IDLC FINANCE LIMITED	3466	1883848	130722659.9	87.4	46	216	60
25003	UTTARA FINANCE	653	423695	28186396.4	73.3	52	133	59.6
25004	FIRST FINANCE LIMITED	179	240148	1616406.6	12.3	3.7	66	6
25005	MIDAS FINANCING LIMITED	4507	5250101	116919524.6	47	13.6	223	20
25006	PEOPLE'S LEASING & FINANCIAL SERVICES LTD.	2895	3636300	21831304.5	14.1	3	228	4.2
25007	PRIME FINANCE & INVESTMENT LTD.	604	699205	6950814.1	12.8	6.8	168	10.4
25008	PREMIER LEASING INTERNATIONAL LTD.	5931	7755155	85244292.2	18.2	5.9	231	9.1
25009	ISLAMIC FINANCE AND INVESTMENT LTD.	2268	2343165	44830360.4	23.7	14	210	16.5
25010	LANKA BANGLA FINANCE LTD.	35245	35755035	918460940.9	49.9	15.5	237	21
25011	BD INDUSTRIAL FINANCE CO. LTD	320	373906	2274005.6	11	2	93	5.1
25012	IPDC FINANCE LIMITED	7305	16849254	639173714.5	54	20	218	26.1
25013	UNION CAPITAL LIMITED	4849	4937336	67468441.2	21.4	7.1	227	11
25014	BD FINANCE AND INVESTMENT CO.	20227	38340709	615152978.6	23.9	10	237	13.2
25015	INTERNATIONAL LEASING AND FINANCIAL SERVICES LTD	11032	14304439	207379659.1	23.9	4.9	236	10.1
25016	PHOENIX FINANCE AND INVESTMENTS	258	1402917	52936962.2	42	23	74	30
25017	FAS FINANCE & INVESTMENT LTD	23876	37269693	460671564.7	22.4	6.4	237	9.1
25018	DELTA BRAC HOUSING FINANCE CORPORATION LIMITED	1327	402647	55873569.9	161.9	112.1	141	127
25019	NATIONAL HOUSING FINANCE AND INVESTMENT LTD.	9304	8284300	473505792.6	86	33.8	225	42.7
25020	BAY LEASING & INVESTMENT LTD.	879	976663	19206505.2	28.7	13	165	18.1
25021	GSP FINANCE CO. (BANGLADESH) LTD.	7018	6789214	145361905.4	32.5	13.4	234	17.5
25022	FAREAST FINANCE & INVESTMENT LTD.	1050	1063350	6403347.5	11.7	2.8	201	5
TELECOMMUNICATION								
26001	GRAMEENPHONE LIMITED	14574	6918906	2554461486	512.8	286	235	364.3
26002	BANGLADESH SUBMARINE CABLE CO. LTD.	19969	5262968	740678734.2	182	73	236	133.3
MISCELLANEOUS								
32001	USMANIA GLASS	8546	1130621	150838824.5	178.2	81.1	234	99
32002	ARAMIT	1585	81927	36695035.4	610	280	187	350
32003	BEXIMCO	66800	70096428	1730101800	34.1	16.3	237	22.4
32004	BD SHIPPING CORPORATION	24062	11125258	511776954.4	61.8	33	237	51.5
32005	NATIONAL POLYMER	4582	2370289	219320425.5	138.2	67.5	207	110.9
32006	GQ BALL PEN	1335	251153	21568420	110	64	183	79.1
32007	IMAM BUTTON	1005	212199	5408855.3	46.9	16.2	172	27.9
32009	BATBC	10380	1644455	5103307870	5600	1077	109	1367.5
32017	JMI SYRINGES & MEDICAL DEVICES LTD.	9120	816015	264976807.7	538	169	215	467.7
32018	DESHBANDHU POLYMER LTD.	6424	7344882	131837515.2	25.1	10.9	231	13.6
32019	KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.	11929	12407143	179288757.4	18.9	8.4	237	10.9
32020	NATIONAL FEED MILL LTD.	9610	9966093	133205319	19.4	8.1	236	10.6
32021	AMAN FEED LIMITED	5635	3158556	187947547.6	81	35.2	229	44.4
32022	YEAKIN POLYMER LIMITED	5018	4423901	66936016.2	23.2	7.9	230	13.3
32023	SK TRIMS & INDUSTRIES LIMITED	33569	17773704	656036743.3	56.5	25.4	224	49.1
CORPORATE BOND								
40001	IBBL MUDARABA PERPETUAL BOND	400	3285	3059546	999	852	124	925



Corporate Governance Practices

Chittagong Stock Exchange Ltd. (CSE) is committed to high Standards of corporate governance, business integrity and professionalism in all its activities. CSE’s corporate governance practices confirm to and have been compliant with all the rules and regulations set by both CSE and BSEC throughout the year from July, 2018 to June, 2019.

Corporate Governance Practices



Self-Regulatory Organisation (SRO) Governance

This Corporate Governance Report is to be read in conjunction with the SRO Governance Report, which sets out CSE's corporate governance as a self-regulatory organization.

Code of Ethics and Conduct

CSE is committed to conducting its business in a way that is open and accountable to shareholders and the wider marketplace. In CSE we believe our corporate governance practices as a public company are of high standard. The Code of Ethics and Conduct applies to both directors and employees of CSE.

The objective of the Code is to ensure that:

- a. High standard of corporate and individual behavior are observed by all CSE directors and employees in the context of their employment and activities with CSE;
- b. Directors and employees are aware of their responsibilities to CSE under their contract of employment; and
- c. All persons dealing with CSE whether it be directors, employees, Shareholders, suppliers, customers or competitors can be guided by the stated values and policies of CSE.

Board Matters

The Board's conduct of its Affairs

Principle Duties of the Board

The Board oversees CSE's affairs and is accountable to shareholders for the management of CSE and its performance.

The principal duties of the Board include:

- a. approving the appointment of the Managing Director (MD), directors, key management personnel and succession planning process;
- b. approving board policies, strategies and objectives of CSE;
- c. approving annual budgets, major funding proposals, investment and divestment proposals;
- d. approving the adequacy of internal controls, risk management, financial reporting and compliance;
- e. approving the policy for managing and/or mitigating perceived or actual conflicts of interest between CSE's regulatory accountabilities and commercial interests;
- f. considering the sustainability of CSE's policies and proposals; and
- g. responsibility for corporate governance.

Independent Judgment

All directors exercise due diligence and independent judgment and make decisions objectively in the best interest of CSE.

Delegation by the Board

Board committees, namely the Nomination and Remuneration Committee (NRC), Regulatory Affairs Committee (RAC), Audit and Risk Management Committee (ARMC), Appeals Committee and Conflict Mitigation Committee, have been constituted to assist the Board in the discharge of specific responsibilities. Clear written terms of reference (ToR) set out the duties, authority and accountabilities of each committee as well as qualifications for committee membership, in line with CSE Board and Administration Regulation, 2013, where applicable.

Key Features of Board Processes

The schedule of all Board and Board Committee meetings and the Annual General Meeting (AGM) for the calendar year is planned well in advance, in consultation with the Board. The Board meets at least four times a year at regular

intervals. The Board and Board Committees may also make decisions by way of circulating resolutions. Besides the scheduled Board meetings, the Board meets on an ad-hoc basis as warranted by particular circumstances.

In the interest of allocating more time for the Board to deliberate on issues of a strategic nature and to focus on particular themes for each Board meeting, submissions which are straight forward in content as well as those that are for information only, is compiled and circulated in between Board meetings.

Board Orientation and Training

The new director will receive a manual containing the role of directors (including directors' responsibility), Board and CSE policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving CSE, prohibition on dealings in CSE's securities and restrictions on the disclosure of price-sensitive information.

Newly appointed directors would be given a detailed and in-depth briefing and induction into CSE by the MD and senior management. The directors would undergo the induction program, with presentations by senior management to introduce them to every aspect of the CSE business.

The directors are provided with continuing briefings and updates in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards and issues which have a direct impact on financial statements, so as to enable them to properly discharge their duties as Board or Board Committee members. The scope of such continuous briefings and updates includes overview of industry trends and developments, governance practices and developing trends, and changes in trends in governance practices and regulatory requirements pertaining to CSE's business.

Board Composition and Guidance

Board Independence

CSE Board and Administration Regulations, 2013 provide that an independent director is one who is independent from any management and business relationship with CSE and independent from any substantial shareholder of CSE. Required qualification and experience of an Independent Director is also stated in the Regulation. As per regulation there are 7 Independent Directors in CSE Board.

Board Composition

Composition of the Board and Board Committees are well enumerated in the Board and Administration Regulations, 2013. Each year, the Board reviews the skills and core competencies of its members to ensure an appropriate balance and diversity of skills and experience. Core competencies include banking, finance, accounting, business acumen, management experience, exchange industry knowledge, familiarity with regulatory requirements and knowledge of risk management. The directors are continually updated on company affairs by management. The Board considers that its directors possess the necessary competencies and knowledge to lead and govern CSE effectively.

CSE Board Structure		
Independent Directors	-	7
Shareholder Directors (including 1 post reserved for Strategic Investor)	-	5
Managing Director (with voting right)	-	1

	Total	13

Board Guidance

An effective and robust Board, whose members engage in open and constructive debate and challenge management on its assumptions and proposals, is fundamental to good corporate governance. A Board should also aid in the development of Strategic proposals and oversee effective implementation by management to achieve set objectives.

For this to happen, the Board, in particular Independent Directors, must be kept well informed of CSE's businesses and be knowledgeable about the exchange industry. To ensure that Independent Directors are well supported by accurate, complete and timely information. Independent Directors also receive periodic information papers and board briefings on latest market developments and trends, and key business initiatives. Board papers are provided to directors not less than a week in advance of the meeting to afford the directors sufficient time to review the Board papers prior to the meeting. If a director is unable to attend a Board or Board Committee meeting, the director may nevertheless provide his/her comments to the Chairman or relevant Board Committee Chairman separately.

Chairman and Managing Director

Separation of the Role of Chairman and the Managing Director

The roles of Chairman and MD are separate to ensure a clear division of responsibilities, increased accountability and greater capacity of the Board for independent decision-making. The Chairman is not related to the MD. The division of responsibilities and functions between the two has been demarcated with the concurrence of the Board.

The Chairman manages the business of the Board and monitors the transaction of the Board's decisions and wishes into executive action. He approves the agendas for the Board meetings and ensures sufficient allocation of time for thorough discussion of each agenda item. He promotes an open environment for debate, and ensures that directors are able to speak freely and contribute effectively. He exercises control over the quality and quantity of the information as well as the timeliness of the flow of information between the Board and management. In addition, he provides close oversight, guidance, advice and leadership to the MD and management.

At the AGMs and other Shareholders' meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and management.

The MD manages and develops the business of CSE and implements the Board decisions.

Board Meeting Attendance Report for the year ended 30 June, 2019

During the year from July, 2018 to June, 2019, total nine (9) Board meetings were held and the attendance of the Directors at the meeting are as follows:

Sl. No.	Name of Director	Designation	Attendance
01	Dr. A. K. Abdul Momen	Chairman	3/4
02	Maj Gen (Retd.) Mohammad Shamim Chowdhury, nwc. psc	Chairman	3/3
03	Maj Gen (Retd.) Mohammad Shamim Chowdhury, nwc. psc	Director	5/6
04	Prof. Mamtaz Uddin Ahmed, FCMA	Director	9/9
05	Dr. Mohammad Ayub Islam	Director	9/9
06	Dr. Moinul Islam Mahmud	Director	7/9
07	Prof. S. M. Salamat Ullah Bhuiyan	Director	9/9
08	Mr. Pradip Paul, FCMA, FCA	Director	9/9
09	Mr. S. M. Abu Tayyab	Director	3/4
10	Mr. Mirza Salman Ispahani	Director	2/9
11	Major (Retd.) Emdadul Islam	Director	9/9
12	Mr. Shahjada Mahmud Chaudhuri	Director	5/9
13	Mr. Md. Sayadur Rahman	Director	9/9
14	Mr. M. Shaifur Rahman Mazumder, FCA, FCMA	MD	8/8
15	Mr. Md. Ghulam Faruque	MD(Acting)	1/1

Board Evaluation Policy

The Board has implemented a process from assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual director to the effectiveness of the Board.

Access to Information

Complete, Adequate and Timely Information

Management recognizes that the flow of complete, adequate and timely information on an on-going basis to the Board is essential to the Board's effective and efficient discharge of its duties. To allow directors sufficient time to prepare for the meetings, all scheduled Board and Board Committee papers are distributed not less than a week in advance of the meeting to directors. This enable the discussion during the meeting to focus on questions that directors may have. Any additional material or information requested by the directors is promptly furnished.

Management's proposals to the Board for approval provide background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, expected outcomes, conclusions and recommendations. Any material variance between any projections and the actual results of budgets is disclosed and explained to the Board. Employees; who can provide additional insight into matters to be discussed, will be present at the relevant time during the Board and Board Committee meetings.

Company Secretary

Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for among other things, ensuring that Board procedures are observed and that CSE's Memorandum and the Articles, relevant rules and regulations are complied with. The Company Secretary also assists the Chairman and the Board to implement and strengthen corporate governance practices and processes, with a view to enhancing long-term shareholder value.

The Company Secretary assists the Chairman to ensure good information flows within the Board and its committees as well as facilitating orientation and assisting with professional development as required. The Company Secretary is responsible for training, designing and implementing a framework for management's compliance, including advising management to ensure that material information is disclosed on a prompt basis. The Company Secretary attends and prepares minutes for all Board meetings. As secretary to all the other Board Committees, the Company Secretary assists to ensure coordination and liaison between the Board, the Board Committees and management. The Company Secretary assists the Chairman, the Chairman of each Board Committee and management in the development of the agendas for the various Board and Board committee meetings.

Internal Audit

Internal Audit

On an annual basis, the Internal Audit function prepares and executes a robust risk-based audit plan, which complements that of the external auditor, so as to review the adequacy and effectiveness of the system of internal controls of CSE. These include operational, financial, compliance and information technology controls. In addition, the external auditor will highlight any material internal control weakness which have come to their attention in the course of their statutory audit. All audit findings and recommendations made by the internal and external auditors are reported to the Audit and Risk Management Committee. Significant issues are discussed at the meetings of the Committee. Internal Audit Unit follows up on all recommendations by the internal and external auditors to ensure management has implemented them in a timely and appropriate fashion and reports the results to the Audit and Risk Management Committee every quarter.

Line of Reporting and Activities

Internal Audit Unit is an independent function within CSE. The Head of Internal Audit reports directly to the Audit and Risk Management Committee (ARMC) and administratively to the MD. The ARMC approves matters relating to the Internal Audit Charter, risk assessment and related audit plans and results and follows up on internal audit activities. The ARMC recommends the hiring, removal, evaluation and compensation of the Head of Internal Audit. The ARMC Chairman meets the Head of Internal Audit on a regular basis, without the presence of management. Internal Audit Unit has unfettered access to all of CSE's documents, records, properties and personnel.

Shareholder Rights and Responsibilities

Shareholder Rights

CSE's corporate governance practices promote the fair and equitable treatment of all shareholders. To facilitate shareholders' ownership rights, CSE ensures that all material information is disclosed on a comprehensive, accurate and timely basis.

Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of Shareholders. Shareholders are informed of the rules, including the voting procedures that govern the general meetings of Shareholders.

Communication with Shareholders

Disclosure of Information on a Timely Basis

CSE is committed to disclosing to its Shareholders as much relevant information as is possible, in a timely, fair and transparent manner.

Corporate Website

CSE adopts transparent, accountable and effective communication practices as a key means to enhance standards of corporate governance. We aim to provide clear and continuous disclosure of our Corporate Governance practices through efficient use of technology. CSE's website has much to offer its shareholders and other stakeholders.

Conduct of Shareholder Meetings

Shareholders are informed of Shareholders' meetings through published notices and reports or circulars sent to all shareholders. The general meetings of Shareholders procedures provide shareholders the opportunity to ask questions relating to each resolution tabled for approval. Opportunities are given to Shareholders to participate, engage and openly communicate their views on matters relating to CSE to the directors. Shareholders are given the opportunity to vote at the general meetings of Shareholders. The Chairman of the Audit and Risk Management Committee, external auditor and management are also present to address Shareholders' queries.

CSE provides for separate resolutions at general meetings on each distinct issue. All the resolutions at the general meetings are single item resolutions. Detailed information on each item in the AGM agenda is in the explanatory notes to the AGM Notice in the Annual Report.

The Company Secretary prepares minutes of Shareholders' meetings which captures the essence of the comments and queries from Shareholders and responses to them from the Board and management.

Other Codes

Code of Confidentiality

CSE deals with confidential information on a daily basis. Protecting the confidentiality of information is of paramount importance to creating and maintaining a trusted market place. CSE has a Code of Confidentiality which provides clear guidance to its staff on the proper management, use and disclosure of the different types of confidential information.

Code of Conduct & Ethics for Employees

CSE has a Code of Conduct & Ethics for Employees (Code of Conduct & Ethics) that sets the standards and ethical conduct expected of employees. The Code of Conduct & Ethics covers all aspects of the business operations of CSE such as confidentiality of information, related party transactions, gifts, gratuities or bribes and dishonest conduct. Employees are required to observe and maintain high standards of integrity, as well as compliance with laws and regulations and company policies.

Self-Regulatory Organisation Governance Report

Regulatory Obligations

CSE is a self-regulatory organization that has a dual role as a commercial for – profit entity and as a regulator of market participants, including listed companies and TREC holders. We employ robust systems and high standards to address conflicts between our responsibilities to shareholders and our regulatory responsibilities.

CSE's regulatory activities focus on:

- | | | | |
|---|---|--|--|
| 1
Operating a fair, orderly and transparent market
 | 2
Admitting high quality members and issuers
 | 3
Providing safe and efficient clearing and settlement facilities
 | 4
Supporting the continuous development of the financial market
 |
|---|---|--|--|

In order to achieve our objectives, we have stringent rules in place. We apply strict admission criteria for our TREC holders and issuers to assure their quality and safe guard the integrity of the markets and clearing houses. Issuers must ensure the timely, accurate and adequate disclosure of material information. We also impose prudent financial requirements on our TREC holders and have robust default management processes. To ensure compliance with the rules, we conduct comprehensive supervision and surveillance, taking enforcement action when necessary. We continually benchmark ourselves against developed jurisdictions and established international standards to improve our systems and processes.

Managing Self-Regulatory Organisation (SRO) conflicts

The Bangladesh Securities and Exchange Commission (BSEC) regulates us in the discharge of our regulatory functions and our management of regulatory conflicts. We have a strong governance framework in place to manage any perceived or actual conflicts. The Regulatory Affairs Committee (RAC) assists the CSE Board with the management of SRO conflicts.

The RAC decides on conflict cases, as needed, and reviews the regulatory implications of our strategic initiatives. The RAC also ensures the adequacy of resources allocated to the regulatory function and oversees the processes for identifying and managing regulatory conflicts. The RAC reports to the BSEC.

Engaging the Investing Public

We continue to reach out to stakeholders and be more transparent about the discharge of our regulatory functions. We began to highlight regulatory content via social media.



For better, quicker and furnished flow of information and thereby exercising effective governance, the Board has constituted Five (5) Committees and has delegated certain responsibilities to the Board Committees to assist in the discharge of its responsibilities. The role of Board Committees is to advise and make recommendations to the Board. Each Committee operates in accordance with the Terms and Reference (TOR) approved by the Board. The Board reviews the TOR of the Committees from time to time. The Board appoints the members and the Chairman of each Committee.



Audit and Risk Management Committee

Report for the year ended 30 June, 2019

Purpose of Audit and Risk Management Committee

The Audit and Risk Management Committee was formed to assist the Board in discharging its supervisory responsibilities with respect to internal control, financial reporting, risk management, auditing matters and CSE's processes of monitoring compliance with applicable legal & regulatory requirements and the Codes of Conduct. The Audit and Risk Management Committee's TOR, as approved by the Board, defines the purpose, authority, composition, meetings, duties and responsibilities of the Audit and Risk Management Committee.

Composition

The Audit and Risk Management Committee is comprised of five (5) members of the Board. The Chairman and two members of the committee are from independent Director. The jurisdiction of the committee is limited to CSE operations and business.

Reconstitution of the Committee

On 31 March, 2019 the Committee has been reconstituted in line with the CSE Board and Administration Regulations, 2013 due to change in the members of the Board.

Meeting Attendance

The Audit and Risk Management Committee met five times during the year from 01 June, 2018 to 30 June, 2019 and attendance of the Committee members in the meeting was as follows:

Name	Designation	Attendance
Prof. Mamtaz Uddin Ahmed, FCMA	Chairman	5/5
Mr. Pradip Paul, FCMA, FCA	Member	3/3
Dr. Mohammad Ayub Islam	Member	5/5
Mr. S. M. Abu Tayyab	Member	2/2
Major (Retd.) Emdadul Islam	Member	5/5
Mr. M. Shaifur Rahman Mazumder, FCA, FCMA	Member	4/4
Mr. Md. Ghulam Faruque	Member	1/1

Company Secretary attended all the meetings and discharged all the secretarial functions of the Committee. Head of Finance and Internal Auditors of Chittagong Stock Exchange Limited also attended all the meetings upon invitation by the Audit and Risk Management Committee. Other senior members of the management also attended the meetings as invited by the Committee time to time.

Summary of Activities during the year from 01 July, 2018 to 30 June, 2019

During the period Audit and Risk Management Committee reviewed its terms of reference in line with the requirements of CSE Board and Administration Regulations, 2013. The Committee carried out its duties in accordance with the terms of reference of the Audit and Risk Management Committee.

During the year, the Committee carried out the following activities:

1. Financial reporting

Reviewed the quarterly and periodic financial statements of CSE with the Head of Finance and Managing Director, focusing particularly on significant changes to accounting policies and practices, adjustments arising from the audits, compliance with accounting standards and other legal requirements before recommending them to the Board for approval.

2. Internal control and Business Risk Management

- a. Reviewed CSE's Business Risk Management Framework and assess and evaluate the existing internal control system.
- b. Reviewed the status, learning and enhancements of the identified Business Plans.
- c. Reviewed and recommended to improve the Company's internal control systems derived from the findings of the internal and external auditors.

3. Internal audit

- a. Reviewed internal audit plan as to its consistency with the CSE's business risk management framework used and adequacy of coverage.
- b. Reviewed the internal audit reports and corresponding actions to improve controls as agreed by management.
- c. Reviewed status reports of internal audit to ensure that appropriate actions had been taken to implement the audit recommendations.

4. External audit

- a. Reviewed with the external auditors, the Company's Statement of Internal Control before recommending the same for inclusion in the Company's Annual Report.
- b. Reviewed with the external auditors, the Company's annual financial statements, focusing on findings arising from audits particularly the comments and responses in management letter.
- c. Reviewed the external auditors' audit plan including its nature and scope, audit report, evaluation on internal controls and coordination with the external auditors.
- d. Recommend appointment of independent external auditor for the year 2018-2019.

5. Budget

- a. Reviewed the periodic as well as annual budget prepared for the period and recommended to the Board for necessary approval.
- b. Reviewed the budget variance statements on quarterly basis to ensure budgetary control and recommend the revision.



Prof. Mamtaz Uddin Ahmed, FCMA
Chairman
Audit and Risk Management Committee



Rajib Saha, FCS
Secretary
Audit and Risk Management Committee

Nomination and Remuneration Committee

Report for the year ended 30 June, 2019

Purpose of Nomination and Remuneration Committee

The Nomination and Remuneration Committee is to support the Board in discharging its supervisory responsibilities with respect to Company's Human Resources policy, including employees' performance, motivation, retention, succession matters, rewards and codes of conduct. The Nomination and Remuneration Committee also reviews and recommends to the Board for approval, matters concerning selection, remuneration for the Board Members, Managing Director, CRO and senior management.

Composition

The Nomination and Remuneration Committee was established as a committee of the Board. The Committee is comprised of five members of the Board. The Chairman and two members of the Committee are from independent Director.

Reconstitution of the Committee

On 31 March, 2019 the Committee has been reconstituted in line with the CSE Board and Administration Regulations, 2013 due to change in the members of the Board.

Meeting Attendance

The Nomination and Remuneration Committee met five times during the year from 01 July, 2018 to 30 June, 2019 and attendance of the Committee members in the meetings were as follows:

Name	Designation	Attendance
Dr. Moinul Islam Mahmud	Chairman	2/3
Dr. Mohammad Ayub Islam	Chairman	2/2
Dr. Moinul Islam Mahmud	Member	1/2
Prof. S. M. Salamat Ullah Bhuiyan	Member	5/5
Mr. Pradip Paul, FCMA, FCA	Member	3/3
Mr. Mirza Salman Ispahani	Member	4/5
Mr. M. Shaifur Rahman Mazumder, FCA, FCMA	Member	3/5

Company Secretary attended all the meetings and discharged all the secretarial functions of the Committee. Head of Human Resource also attended meetings upon invitation by the Committee. Other senior members of the management also attended the meetings as invited by the Committee time to time.

Summary of Activities during the year from 01 July, 2018 to 30 June, 2019

During the year Nomination and Remuneration Committee reviewed its terms of reference in line with the requirements of CSE Board and Administration Regulations, 2013. The Committee carried out its duties in accordance with the terms of reference as detailed in the aforementioned Regulations.

During the year, the Committee carried out the following activities:

- Reviewed the remuneration and other facilities of the Directors on account of attending various committee meeting and placed recommendations to the Board.
- Reviewed the Human Resource Management policies, including compensation and appraisal policies of CSE.
- Successfully processed the appointment of Independent Director in line with the CSE Board and Administration Regulations, 2013.
- Took initiatives for appointment of Managing Director by following appropriate procedures.
- Reviewed the proposal for promotion of senior officials and recommended to the Board for consideration.



Dr. Mohammad Ayub Islam

Chairman

Nomination and Remuneration Committee



Rajib Saha, FCS

Company Secretary

Nomination and Remuneration Committee

Regulatory Affairs Committee

Report for the year ended 30 June, 2019

Purpose of Regulatory Affairs Committee

The Regulatory Affairs Committee is formed to act as the vehicle for separation of business and regulatory activities of the Exchange. Regulatory Affairs Committee ensures that the Regulatory Affairs Division functions effectively and take measures necessary to create and maintain an effective regulatory environment to improve investor confidence and market integrity.

Composition

The Regulatory Affairs Committee comprises of three members and all of them are Independent Director as required by the Regulations. Chairman of the Regulatory Affairs Committee is not a member of other Committees in anyway. Managing Director of CSE does not hold any seat in this Committee. While the Chief Regulatory Officer (CRO) is the ex-officio member of RAC without voting right.

Meeting Attendance

The Regulatory Affairs Committee met four times during the year from 01 July, 2018 to 30 June, 2019 and attendance of the Committee members in the meeting was as follows:

Name	Designation	Attendance
Maj Gen Mohammad Shamim Chowdhury, nwc, psc. (Retd.)	Chairman	2/3
Mr. Pradip Paul, FCMA, FCA	Chairman	1/1
Professor Mamtaz Uddin Ahmed, FCMA	Member	4/4
Prof. S. M. Salamat Ullah Bhuiyan	Member	4/4
Mr. Mohammad Shamsur Rahman, FCMA - CRO	Member	4/4

Company Secretary attended all the meetings and discharged all the secretarial functions of the Committee. Departmental heads under Regulatory Affairs Division also attended the meetings upon invitation by the Regulatory Affairs Committee. Other senior members of the management also attended the meetings as invited by the Committee time to time.

Summary of Activities during the year from 01 July, 2018 to 31 June, 2019

During the period Regulatory Affairs Committee reviewed its terms of reference in line with the requirements of CSE Board and Administration Regulations, 2013. The Committee carried out its duties in accordance with the terms of reference of the Regulatory Affairs Committee.

During the year, the Committee carried out the following activities:

- Reviewed overall regulatory plans prepared by the Regulatory Affairs Division (RAD) and roles and responsibilities of each department of RAD.
- Reviewed adequacy and effectiveness of the exchange's regulatory plan and approved annual plans along with the targets for the RAD.
- Reviewed the annual report of the RAD on the activities, conclusions and recommendations of the last year.
- Reviewed and recommend required budget and staff allocation for the Regulatory Affairs Division.
- Reviewed potential conflicts of interest between commercial and regulatory functions and informed the Board regularly.
- Recommended regulatory amendments in pursuant of CSE Board and Administration Regulations, 2013.
- Recommended regulatory actions against TREC holders for violating provisions of laws, rules and regulations to protect the interest of general investors.
- Reviewed performance of non-performing companies listed in CSE.



Pradip Paul, FCMA, FCA
Chairman
Regulatory Affairs Committee



Rajib Saha, FCS
Secretary
Regulatory Affairs Committee

Conflict Mitigation Committee

Report for the year ended 30 June, 2019

Purpose of Conflict Mitigation Committee

The Conflict Mitigation Committee is formed to satisfy the Board that any perceived or actual conflict of interest between the Exchange's regulatory responsibilities and commercial interest is addressed. The Committee supervise and monitor disclosures made by the Directors of the Exchange in discharge of their obligation under the Code of Conduct and Ethics. The Committee also review and report to the Board the regulatory implications and reputational risks of strategic initiatives requiring Board approval.

Composition

The Conflict Mitigation Committee is established as a Committee of the Board and comprised of five (5) members of the Board. The Chairman and two members of the committee are from independent Director.

Reconstitution of the Committee

On 31 March, 2019 the Committee has been reconstituted in line with the CSE Board and Administration Regulations, 2013 due to change in the members of the Board.

Meeting Attendance

The Conflict Mitigation Committee met four times during the year from 01 July, 2018 to 30 June, 2019 and attendance of the Committee members in the meeting was as follows:

Name	Designation	Attendance
Dr. Mohammad Ayub Islam	Chairman	3/3
Dr. Moinul Islam Mahmud	Chairman	1/1
Dr. Moinul Islam Mahmud	Member	2/3
Prof. S. M. Salamat Ullah Bhuiyan	Member	4/4
Mr. S. M. Abu Tayyab	Member	1/1
Mr. Shahjada Mahmud Chaudhuri	Member	1/4
Mr. M. Shaifur Rahman Mazumder, FCA, FCMA	Member	3/3
Mr. Md. Ghulam Faruque	Member	1/1

Company Secretary attended all the meetings and discharged all the secretarial functions of the Committee. Other senior members of the management also attended the meetings as invited by the Committee time to time.

Summary of Activities during the year from 01 July, 2018 to 30 June, 2019

During the year Conflict Mitigation Committee reviewed its terms of reference in line with the requirements of CSE Board and Administration Regulations, 2013. The Committee carried out its duties in accordance with the terms of reference of the Conflict Mitigation Committee.

During the year, the Committee carried out the following activities:

- Reviewed the Code of Conduct and Ethics as set out for Directors in different rules and regulations.
- Reviewed disclosures made by the Directors of the Exchange in discharge of their obligation under the Code of Conduct and Ethics.
- Reviewed Regulations and identified probable conflicting areas in management of CSE.



Dr. Moinul Islam Mahmud
Chairman
Conflict Mitigation Committee



Rajib Saha, FCS
Secretary
Conflict Mitigation Committee

Appeals Committee

Report for the year ended 30 June, 2019

Purpose of Appeals Committee

The Appeals Committee have the authority to decide on any appeal against decisions to take disciplinary action against officers/employees of the Exchange. Appeals Committee also review the operations of the “Disciplinary Procedures” on a continuous basis and propose improvement/inclusions as the committee considers necessary to the Board and ensure that the Exchange’s disciplinary rules are appropriate to handle the disciplinary issues.

Composition

The Appeals Committee is established as a Committee of the Board and comprised of five (5) members of the Board. The Chairman and three members of the committee are from independent Director.

Reconstitution of the Committee

On 31 March, 2019 the Committee has been reconstituted in line with the CSE Board and Administration Regulations, 2013 due to change in the members of the Board.

Meeting Attendance

The Appeals Committee met four times during the year from 01 July, 2018 to 30 June, 2019 and attendance of the Committee members in the meeting was as follows:

Name	Designation	Attendance
Mr. Pradip Paul, FCMA, FCA	Chairman	3/3
Mr. S. M. Abu Tayyab	Chairman	1/1
Prof. Mamtaz Uddin Ahmed, FCMA	Member	4/4
Professor Dr. Mohammad Ayub Islam	Member	4/4
Dr. Moinul Islam Mahmud	Member	3/4
Mr. Md. Sayadur Rahman	Member	4/4

Company Secretary attended all the meetings and discharged all the secretarial functions of the Committee. Other senior members of the management also attended the meetings as invited by the Committee time to time.

Summary of Activities during the year from 01 July, 2018 to 30 June, 2019

During the year Appeals Committee reviewed its terms of reference in line with the requirements of CSE Board and Administration Regulations, 2013. The Committee carried out its duties in accordance with the terms of reference of the Appeals Committee.

During the year, the Committee carried out the following activities:

- Reviewed the adequacy of existing rules as set out in the HR manual and other manual on Disciplinary issues.
- Inquired whether any disciplinary issues pending with the HR Department or any actions taken on disciplinary issues.
- During the year the Committee did not receive any appeals from employees.



S. M. Abu Tayyab
Chairman
Appeals Committee



Rajib Saha, FCS
Secretary
Appeals Committee

FLASH BACK

2018-2019



Inauguration of CSE Members' Lounge



ADB delegates visit CSE



CSE delegation visits NSE, BSE, MCX & IDAL



BSEC's Silver Jubilee and CSE-CDBL Seminar



World Investor Week: BSEC-CSE Seminar



CSE Business Team's Meeting



Newly Elected CSE Director meets BSEC Chairman



Training on Financial Statement Analysis & Fundamentals of Portfolio Management



Training on Technical Analysis



CSE AGM Held



“Investors’ & Entrepreneurs’ Conference-2019”



DSE, CSE seek tax waiver on share transaction of SMEs



A roundtable discussion on
“Ring the Bell for Gender Equality”



Congratulating Honorable Minister of Foreign Affairs



A knowledge sharing session on “Financing Opportunities through Listing under Small Cap Platform”

Meeting between CSE and ADB



CSE software (Trading) review Meeting



CSE Rewarded the top 30 terminals of the "Order Placing Month"



CSE's "Promotional Reward Program April 2019"



Workshop on Innovation



Training on goTx



Post Budget Press Conference





Regulatory Affairs Division

Formation of Regulatory Affairs Division (RAD)

In pursuance of CSE's Demutualization Scheme and Chittagong Stock Exchange (Board and Administration) Regulations, 2013 CSE formed an independent Regulatory Affairs Division upon becoming demutualized. The Regulatory Affairs Division (RAD) headed by Chief Regulatory Officer (CRO) is reportable to the Regulatory Affairs Committee (RAC) with an administrative reporting to the Managing Director. The RAC acts as a vehicle for separation of regulatory functions of the bourse from the commercial functions.

CSE's Self Regulatory Organization (SRO) model through creation of independent RAD provides an effective solution towards managing perceived conflict of interest. The Regulatory Affairs Division (RAD) completed another year full of events and actions in pursuance of its annual plan. Under the supervision and guidance of Regulatory Affairs Committee (RAC), the RAD led by the Chief Regulatory Officer (CRO) performed various regulatory functions throughout the year.

Functions of RAD

While the RAD duly performed the regulatory functions of the SRO with utmost sincerity, efficiency and dedication and the RAC provided necessary guidance and support as and when it required, the RAC is also required by the Chittagong Stock Exchange (Board and Administration) Regulations, 2013 to prepare an annual report of the RAD on the activities, conclusions, recommendations of the year with special focus on the identification and mitigation of conflicts of interest, identify targets for the next year along with any other matters, for the Board of CSE and Bangladesh Securities Exchange Commission (BSEC). The functions of RAD can be outlined under the following broad heads:

- TREC Holder Affairs
- Listing and Company Affairs
- Monitoring and Surveillance of the Market
- Enforcement and Compliance
- Investors Complaints, Arbitration and Litigation
- Creating awareness among market participants through seminars, newsletters, workshops

Activity of RAD for the year ended 30 June 2019

TREC Holder Affairs

TREC Holder Affairs department of CSE has been entrusted with the responsibility of setting minimum admission standards and eligibility criteria for TREC Holders, formulating rules and regulations relating to proprietary and client level trading, creating awareness about the code of conduct amongst TREC Holders, processing approvals/NOCs for changes in majority shareholding of brokerage houses, formulate comprehensive guidelines for TREC Holders to meet all obligations to investors in conformity with applicable laws, develop detailed system for TREC Holders to keep proper records of all transactions and monitoring compliance of all the requirements in accordance with the securities laws and recommend enforcement actions in case of non-compliance.

During the year, following functions have been performed by TREC Holder Affairs Department:

- Total 6 (six) nos. of application for Stock Dealer Registration Certificate have been forwarded to BSEC for issuance of stock dealer Registration Certificate of which 5 (five) TREC holders obtained Registration Certificate from the Commission and rest one is waiting for the approval.
- During the year, department arranged mandatory AR training program jointly with Bangladesh Securities and Exchange Commission (BSEC) where 41 (forty one) AR from different TREC holder attended the program.
- After successfully completion of the training program, a total number of 25 (twenty five) applications of Authorized Representatives forwarded to BSEC for issuance AR Registration Certificate and BSEC issued the certificates accordingly.
- Total 175 (one hundred and seventy five) nos. of new Trader Certificate (TC) issued to the Authorized representatives during the year.
- As a result of continuous persuasions, 7 (seven) nos. of TREC Holder started dealer operation, while 1 (one) started both broker/dealer operations.
- Total 143 (one hundred and forty three) nos. of Stock Broker/Stock Dealer registration certificate of CSE TREC Holder were sent to the Commission for renewal, of them 139 were renewed accordingly.
- CSE and BSEC arranged counselling program with 12 (twelve) TREC Holders to discuss about the Audited Financial Statements.
- During the year, 2 (two) nos. of TREC Holders got connectivity at different locations of the country and started operations.
- TREC Holder Affairs Department also arranged meeting, round table discussion and presentation on different topics like "Ring the bell for Gender Equality" and "GWS presentation" upgraded version CSE trading software for the CSE TREC Holders in Chattogram, Dhaka & Sylhet where 336 Authorized Representative (Trader) attended the program.
- Total 60 (sixty) nos. of monthly report, 7 (seven) nos. of special report and a report to enquiry committee of BSEC submitted during the year.

Annual CAMLCO conference 2019

Bangladesh Financial Intellectual Unit (BFIU) of Bangladesh Bank and BSEC arranged two days CAMLCO Conference'19 (Chief Anti-Money Laundering Compliance Officers) in Cox's Bazar in collaboration with Stock Exchanges in which 96 (Ninety six) CAMLCOs took part from the CSE TREC Holders.

Listing and Company Affairs

Listing and Company Affairs Department deals with admission of new securities in CSE at its main board, sets listing standards and put efforts to upgrade the standards, monitors and ensures compliances by the companies pre and post listing as laid down in the respective rules and regulations.

Pre-listing activities

The RAD reviewed prospectus of 20 (twenty) companies during the year and put forward its recommendations to appropriate authority.

During the year, 15 (fifteen) new issues have been listed on CSE with a total paid up capital of Tk. 16,398.02 (nearest million taka). Details of the new listings are given in the following table:

SL	Issue Name	Paid-up-Capital (Tk. In mill)	Date of Listing
1	Aman Cotton Fibrous Ltd.	1,008.33	11-Jul-18
2	VFS Thread Dyeing Ltd.	847.15	23-Jul-18
3	M.L. Dyeing Ltd.	1,604.10	13-Aug-18
4	Silva Pharmaceuticals Ltd.	1,300.00	13-Sep-18
5	Indo Bangla Pharmaceuticals Ltd.	930.00	13-Sep-18
6	Kattali Textile Ltd.	890.00	10-Oct-18
7	S. S. Steel Ltd.	2,450.00	06-Dec-18
8	Genex Infosys Ltd.	816.00	06-Jan-19
9	SEML FBLSL Growth Fund	729.45	23-Jan-19
10	Esquire Knit Composite Ltd.	1,348.96	17-Feb-19
11	Runner Automobiles Ltd.	1,081.33	11-Mar-19
12	New Line Clothing Ltd.	699.00	31-Mar-19
13	Silco pharmaceuticals Ltd.	943.70	30-Apr-19
14	Coppertech Industries Ltd.	600.00	23-May-19
15	Sea Pearl Beach Resort & Spa Ltd.	1,150.00	20-Jun-19
Total		16,398.02	

Continuous listing obligations

CSE closely monitors continuous listing obligations of listed companies. CSE helps the listed companies in discharging their obligations to the investors by providing them guidance in various regulatory compliances.

Workshop on Electronic Subscription System (ESS)

CSE and DSE Jointly organized a workshop on Electronic Subscription System (ESS). The workshop was conducted by CSE's Chief Regulatory Officer Mohammad Shamsur Rahman FCMA.

Pre-trade Debut Session of the Issuer

To ensure post listing continuous compliance by the listed companies and serve the interest of investors/shareholders, RAD regularly arranged the Pre-trade Debut Session of the Management with issuer companies. During the period RAD arranged 8 (eight) such programs at its Chattogram and Dhaka office.

Corporate Finance Department

Routine Activities

To protect investors' interest by ensuring fairness and transparency in the financial reports of the listed companies, CSE's Corporate Finance Department (CFD) performs following functions on regular basis:

- o Review of Annual Reports and Annual Financial Statements of listed companies by professional accountants
- o Review of Quarterly/Half yearly Financial Statements of listed companies and quarterly portfolio statements of listed mutual funds
- o Review of compliance of Corporate Governance Guidelines (CGG) and other requirements of the Companies Act
- o Monitoring the posting of Financial Statements in the respective website of the securities
- o Monitoring the utilization of Proceeds from IPO/RPO/RI by listed companies
- o Inspection of the affairs of any listed securities as per Regulation 54 of CSE (Listing) Regulations 2015.

During the period, CSE reviewed

- o 134 (one hundred and thirty four) annual reports including Audited Financial Statements, Corporate Governance Guidelines, and also the compliance regarding Companies Act, 1994 and other related laws/rules/regulation/notification prevailed in force for the listed securities.
- o 730 (seven hundred and thirty) quarterly and half-yearly Un-audited Financial Statements of the Securities listed with CSE.
- o In each month, average 18 Fund Utilization Report of the listed companies whose proceeds from IPO/RI/RPO are not fully utilized during the year.

Non-Routine Activities

In addition to the above routine activities, CFD has done the following non-routine activities during the year:

- o Pursuant to the Regulation 54(1) of the Chittagong Stock Exchange (Listing) Regulations, 2015, CSE conducted inspections of the overall affairs of Beach Hatchery Limited, C & A Textiles Limited and Emerald Oil Industries Limited with prior approval of BSEC and submitted the reports accordingly.
- o CSE submitted a report to BSEC on the compliance status of listed companies on the BSEC Notifications regarding the transactions of Loans or Advances, Supply of Raw Materials, Sale/Purchase of Fixed Assets with the Associate/Sister Concern by the listed companies.
- o CFD actively engaged with the project named Company Integrated Data Services (CIDS), a data base system of financial information of the securities listed in CSE.

Ensuring Transparency and accountability

To ensure the transparency and accountability by the listed companies, CSE obtains explanation from the respective listed companies on the findings/observations about the report/ Financial Statements from time to time which has significantly contributed in enhancing the quality Financial Statements of the companies and also in ensuring transparency of the statements.

CSE regularly submits monthly report to the Bangladesh Securities and Exchange Commission on the anomalies/non-compliances that has been observed upon review of financial statements, annual reports, compliance report on corporate governance of listed companies and quarterly portfolio statements of listed mutual funds.

Significant improvement in Investors' Relation

CSE also takes measures like drawing attention of companies on posting of financial statements in their respective websites in case exception is noted. Due to CSE's continuous follow up and reporting to BSEC, almost all of the listed companies have already become regular in posting of financial reports in the website.

Enforcement Actions

CSE has also been able to ensure strong enforcement actions in case of financial statement frauds/violations by listed securities with the help of BSEC. It also calls explanations from respective auditors of the companies in some cases wherever necessary. Such actions have significant impact in bringing market discipline and protecting rights and interests of the investors.

Monitoring and Surveillance of the Market

Monitoring of listed Companies

During the year, CSE raised queries to 20 (twenty) no. of listed companies for unusual trend of transactions in terms of price and volume and responses of the respective companies were duly disseminated to the market.

Monitoring of TREC Holders

Based on the trading activities during the year CSE Surveillance department raised 19 (nineteen) numbers of queries to the different TREC Holders for investigating trading irregularities and violations/contraventions of securities laws, unusual/suspicious trading activities at high/low prices etc. Out of which 10 (ten) cases were found to be genuine violation of securities laws, 8 (eight) cases were found to be in compliance and investigation of rest one is under process. During the year CSE issued 15 (fifteen) query letters seeking explanation of non-compliances of securities laws to 12 (twelve) TREC Holders.

Other than above activities during the year CSE Surveillance Department has also reported 4 (four) cases of genuine violation of securities laws to BSEC through CSE's Weekly Surveillance Reports. Moreover, at the end of the year according to requirement of BSEC Enquiry Committee, CSE Surveillance Department prepared and submitted a Summary Report to BSEC based on Surveillance Activities of first six months of 2019.

Market Operations

The Market Operations (MOPs) Department mainly ensures daily trading arrangements (Instrument, TREC Holders' terminal etc.) and disseminates corporate disclosures as well as compliance issues to the market. MOPs Department takes necessary actions for trading related non-compliances. During the year, it conducted Auction Trades on 8 (eight) occasions for default of TREC Holders in depositing securities. During the period, MOPs inserted 8 (eight) Dealer work stations and 12 (twelve) additional work stations in the system for 12 (twelve) TREC Holders.

Index

CSE reviewed twice its CSE30, CSCX, CASPI and Sectoral Indices during July 2018 to June 2019 with effect from September 16, 2018 and April 21, 2019 respectively. CSE also reviewed twice its CSE50 (Benchmark Index) with effect from September 16, 2018 & March 03, 2019 respectively and twice CSI (CSE Shariah Index) with effect from November 29, 2018 & June 11, 2019 respectively. The Index Advisory Committee, a designated committee of CSE headed by its Managing Director, approved review of the indices according to the standards/ methodologies and maintained oversight on the maintenance thereof with the help of the index provider.

Enforcement and Compliance

Clearing and Settlement

CSE provides settlement and clearing services to TREC holders through its clearing house. The clearing house provides the TREC Holders and the depository i.e. CDBL information about each TREC Holder's settlement obligations i.e. balances due to and from the counterparties on settlement date (s) after the trading period is over. It acts as a common agent of the TREC Holders by delivering and receiving their payments/securities. The Clearing House also handles settlement failure, auction settlement, spot settlement and settlement of foreign trades. As per regulation 19 of Chittagong Stock Exchange (Settlement of Transactions) Regulations, 2013, CSE furnishes a weekly report to BSEC on clearing and settlement of transactions and also as per regulation 10(4) CSE has to inform BSEC in the event of defaults in payment/delivery of securities.

Thus, CSE ensures good settlement of transactions and performs rigorous enforcement action in case of settlement failure. During the year, following actions have been taken against concerned TREC Holders for default in settlement:

Violation	TRECHs concerned	Nature of action
Pay-in shortage (non deposit of securities)	08	Concerned TREC Holders' trading operations were suspended. Following this, auction buy was conducted and applicable fine was realized as per regulations 10(1) and 18 of the CSE (Settlement of Transactions) Regulations, 2013.

Compliance Monitoring

The primary objective of Inspection and Enforcement Department is to set up a system of monitoring and supervising the market activities/ business conduct of the stakeholders to ensure a fair, efficient and transparent market. The priorities of the department are:

- To create and secure a fair and orderly trading environment through effective monitoring and supervision
- To ensure protection of investors' interest
- To maintain effective working relationship with the TREC Holders
- To promote investors' education and providing training for intermediaries of the securities market

Investigation/ Inspection at the direction of BSEC

Last year Bangladesh Securities and Exchange Commission (BSEC) forwarded 492 (four hundred and ninety two) cases of short selling alerts, which were generated in their IWMSS, to CSE for investigation. Those all were duly completed and the reports were sent to BSEC.

Besides, the team successfully conducted the investigations of total 17 (seventeen) nos. investors' complaints along with trading of the sponsor directors of listed companies without declaration and submitted reports to appropriate authority.

Routine Inspection

During the year, the Inspection and Enforcement Department has incessantly monitored the trading activities of all its TREC Holders. The team members have conducted onsite inspection in 212 (two hundred and twelve) head offices, branch offices and extension offices of different TREC Holders all over the country. Their particular focus was on compliance of current laws and providing adequate guidance to the officials of those TREC Holders about what is permissible conduct. The team also verified whether adequate systems and procedures are in place and maintained by supervisory personnel and whether all applicable rules/regulations/procedures/directives, code of conduct and any amendments therein are strictly adhered to. After conducting inspection, the deficiencies have been communicated to the concerned houses and necessary instructions have been issued to them for compliance.

Inspection in New Setups

While new branches are not being allowed at the moment, many of the TREC Holders opt to shift their Head Offices/branch offices as well as extension booths for their business considerations/conveniences. Nonetheless, the inactive TREC Holders establish new setups for commencing their business-brokerage/dealership. In all such cases, the team conducts onsite inspection to verify whether the proposed setup meets the applicable legal requirements. 19 (nineteen) such offices of different TREC Holders have been inspected during the year.

Special Inspection

The team members investigated those trading related issues which have been originated from CSE's own surveillance and also those referred by CSE's Complaint Cell from time to time. During the year, total 81 (eighty one) cases were investigated which have been referred by CSE Surveillance Department.

Reinforcement

During this period the department has sorted out some TREC on the basis of risk based criteria. The team worked with those brokerage houses intensively and sat with the management and operational level officers of 02 (two) TRECs on the basis of one to one approach. The consequence produced a progressive result. It has appeared that either the TREC had overcome from some major non-compliance or improved a satisfactory progress on some.

Enforcement Actions

Inspection and Enforcement Department has also ensured strong enforcement actions through RAC against non-compliances found during its on-site inspection as well as off-site inspection. From time to time it also called explanations from the respective TREC Holders, wherever it felt necessary. Such actions have significant impact in bringing market discipline and protecting rights and interests of the investors.

Compliance Awareness for TREC Holders/Investors

The department also actively participated and conducted various Compliance Awareness Sessions and programs organized by RAD for the Compliance Authority, Traders/Authorized Representatives (ARs) of CSE and general/institutional investors. A large number of participants were attended in those sessions/programs. The programs have significant contribution in upgrading knowledge base of the Compliance Authorities, Traders as well as investors and improving overall compliance status of the TREC Holders.

The following table represents the gist of the activities:

Nature of Inspection	Number
Routine Inspection	212
Head Office / Branch / Extension office (new setup)	19
Short-sale (referred by BSEC)	492
Investors' complaints (referred by BSEC & CSE)	17
Suspicious trading (referred by CSE Trading & Surveillance Dept.)	81
Enforcement (called explanation/issue show cause & warning letter/called hearing & suspension of TREC)	40
Reinforcement	02

Investors' Complaints, Arbitration and Litigation

Investors' Complaints

CSE has a dedicated Investors' Complain Cell having some defined functions and responsibilities. In pursuance of its responsibility, RAD established a dispute resolution mechanism (DRM) to ensure proper recording of cases received, tracking and monitoring of developments and ensure fair, transparent, equitable and most importantly faster resolution of investors' grievances alongside reporting to BSEC on regular basis.

During the year, Investor Complaint Cell received 54 (fifty four) written complaints and successfully settled 20 (twenty) of them. The Cell received 02 (two) complaints through e-mail and successfully settled both complaints. Most of the remaining unsettled issues were related to Jalalabad Securities Limited. The Cell also provided one to one counseling to the investors who have visited CSE on various grievances/issues. Apart from this, the Cell received 14 (fourteen) e-mail queries and 24 (twenty four) telephone complaints/queries of investors at home and abroad against listed companies and/or TREC Holders and resolved those throughout the year within shortest possible time.

With a view to address investors' grievances more effectively and efficiently, the Cell also received the investors complain through "Investors' Complain" tab in the main web page of CSE. In this tab, investors across the globe can lodge their complaints directly to the Cell against concerned parties-listed company, TREC Holder or others.

Litigation

The litigation status is appended bellow:

➤ Trendset Securities Ltd.

Civil Rule No. 569(F.M.) of 2013

The above mentioned petitioner has withdrawn the Civil Rule No. 569 (F.M.) of 2013 from the Honorable High Court Division of Supreme Court on August 14, 2018. The Honorable High Court Division of Supreme Court has also vacated the order of injunction granted at the time of issuance of the rule.

As the HCD has vacated the injunction order, there is no embargo to settle pending investors claims of TSL. CSE sold the membership of TSL at the price of Tk. 80,911,111 and till October 31, 2018 CSE received total 40 investor claims of which total liability is Tk. 256,708,461. CSE decided to disburse the sale proceeds to settle the investors claims of TSL at proportionately i.e. 0.3151. Till date CSE has settled claims of 33 investors. The settlement procedure is under process.

➤ **Sylhet Metro City Securities Ltd. (SMCSL)**

Writ Petition No. 12975 of 2018

On August 30, 2018, CSE cancelled Trading Right Entitlement Certificate (TREC) of Sylhet Metro City Securities Ltd. (SMCSL) and simultaneously forfeited the shares in CSE. SMCSL filled a writ petition no. 12975 of 2018 at the Honorable High Court (HCD) Division of the Supreme Court challenging the operation of Rule 3(1A) of Securities and Exchange Rules, 1987. The HCD on October, 29, 2018 stayed the operation of the order of CSE for a period of 6(six) months. On January 17, 2019, the penal lawyer of CSE made a Civil Petition for Leave to Appeal no. 4472 of 2018 to the Appellate Division of the Supreme Court to vacate the 'Order' passed by the HCD. The Appellate Division of the Supreme Court considering the facts and circumstances dismissed the petition and referred for hearing in the Order passing Court. Meantime, on April 28, 2019, the HCD extended the stay order for another 06 (six) months. CSE penal lawyer is trying to fix a date for hearing of the Writ Petition No. 12975 of 2018 but as the Court is busy to resolve the old pending matters, it advised to present the matter before the court on scheduled date.

Monthly Report of CRO

In compliance to Regulation 16 (1) (l) of Chittagong Stock Exchange (Board and Administration) Regulations, 2013, the CRO meticulously continued to submit his report on regulatory compliance status to RAC as well as BSEC every month. The reports provided insight about the regulatory compliance status of various stakeholders including listed companies and TREC Holders and also highlighted the development initiatives of CSE in the regulatory arena.

Regulatory amendment proposal

The Regulatory Affairs Committee recommended to the Board the proposals of necessary regulatory amendments and formulation of regulations as required by the BSEC. The followings are the proposed amendment of the rules and formulation for regulations for BSEC approval:

- a) Opinion on the Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019;
- b) Opinion on the Corporate Governance Guidelines;
- c) Opinion on the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018;
- d) Amendment of Chittagong Stock Exchange (Trading) Regulations, 2018;
- e) Amendment of Chittagong Stock Exchange (Short-Sale) (Repeal) Regulations, 2019;
- f) Amendment of Chittagong Stock Exchange (Listing and Trading Equity/Debt Securities of Small Capital Companies) Regulations, 2019;
- g) Amendment of Regulation 7 of Chittagong Stock Exchange Trading Regulations, 1998 by incorporating new clauses for launching of Small Capital Platform;
- h) Opinion on the Bangladesh Securities and Exchange Commission (Alternative Trading Board) Rules, 2018;
- i) Re-submission of Chittagong Stock Exchange (Automated Trading) Regulations, 2018;
- j) Opinion on the Bangladesh Securities and Exchange Commission (Short-Sale) Rules, 2019.

NOTICE OF THE **24th** ANNUAL GENERAL M E E T I N G

Notice is hereby given that the 24th Annual General Meeting (AGM) of Chittagong Stock Exchange Limited will be held on Thursday, the 14 November, 2019, at 4:00 pm at the Conference Hall at CSE Building, 1080 Sk Mujib Road, Agrabad, Chattogram for transaction of the following businesses:

1. To receive, consider and adopt the Financial Statements of the Exchange for the year ended 30 June 2019 and the Reports of the Directors and the Auditors thereon;
2. To declare dividend for the year ended 30 June, 2019;
3. To appoint Statutory Auditors for the year ending June 2020 and to fix their remuneration;
4. To elect Director of the Board of Chittagong Stock Exchange Limited.

28 October, 2019

By order of the Board



Rajib Saha, FCS
Company Secretary

Notes:

- Shareholders whose names appear on the Members/Depository Register on the Record Date i.e. 14 October, 2019 shall be eligible to attend the 24th AGM of the Exchange and to receive the Dividend.
- A Shareholder wishing to appoint a Proxy must deposit the Proxy Form, duly stamped, at the Company's Registered Office by 04:00 pm of 11 November, 2019.
- Only Shareholders or their validly appointed proxies will be allowed to have access to the registration process to attend the meeting.



It is a pleasure and privilege on the part of the Board of Directors to place herewith the Directors' Report and Auditors' Report together with the Financial Statements of Chittagong Stock Exchange Limited (CSE) for the year ended 30 June, 2019.

Change in Status

Through Demutualization, CSE separated the ownership interest of the members of the Exchange from the trading rights, however broadly the process also enables the Exchange to position itself as a strong business entity following the transition to a for profit entity from non-profit.

After completion of necessary formalities, Chittagong Stock Exchange Limited started its journey as demutualized exchange from 21 November, 2013 and registered as a Public Limited Company under Companies Act, 1994. The first Board after demutualization took office from 15 February, 2014.

New Chairman of CSE

Dr. A. K. Abdul Momen, former Chairman of CSE, has been elected as a Member of Parliament (MP) in the 11th Parliament Election held on 30 December, 2018. On his getting invitation from Cabinet Division to take oath as a Minister of the Government, he resigned from the position of an Independent Director as well as from the Chairman of the Board of Directors of Chittagong Stock Exchange Ltd. which the Board dully accepted.

The Board of Directors of Chittagong Stock Exchange Ltd. in its meeting held on 31 March, 2019 unanimously elected Maj Gen (Retd) Mohammad Shamim Chowdhury, nwc, psc as Chairman of the Exchange in line with the Exchanges Demutualization Act, 2013. Mr. Shamim replaced Dr. A. K. Abdul Momen as the CSE Chairman.

Appointment of Independent Director

In pursuant of Regulation-3(2)(a) of Chittagong Stock Exchange (Board and Administration) Regulations, 2013 the Board of Directors in its meeting held on 17 February, 2019 nominated two distinguished individuals for the vacant position of Independent Director of Chittagong Stock Exchange Ltd.

On 18 March, 2019, Bangladesh Securities and Exchange Commission (BSEC) approved the nomination of Mr. S. M. Abu Tayyab as Independent Director of Chittagong Stock Exchange Ltd.

Managing Director of CSE

As the tenure of incumbent Managing Director Mr. M. Shaifur Rahman Mazumder, FCA, FCMA expired, the post remains vacant since 01 June, 2019. The Board of Directors is yet to select a competent candidate despite repeated attempts through advertisement in the national dailies and other online medias. Several professional headhunting companies were also engaged for the purpose but no positive result is there. However, the Board is maintaining continuous efforts in search of a suitable Managing Director.

Market Performance

Global Outlook

The global economic activity continued to soften at the start of 2019, with trade and manufacturing showing signs of marked weakness. Heightened policy uncertainty, including a recent re-escalation of trade tensions between major economies, has been accompanied by a deceleration in global investment and a decline in confidence. Activity in major advanced economies – particularly in the Euro Area – as well as in some large emerging market and developing economies (EMDEs) has been weaker than previously expected. Recent high-frequency indicators suggest this period of weakness may be receding; however, global activity remains subdued. Amid low global inflation and deterioration of the growth outlook, the prospect that the U.S. Federal Reserve and other major central banks will tighten monetary policy in the near term has faded, leading to an easing in global financing conditions and a recovery of capital flows to EMDEs. However, weakening external demand has weighed on export growth across EMDE regions. Although demand for industrial commodities has generally softened, prices have partially recovered because of tightening supply conditions. EMDE growth momentum continues to be generally subdued, as slowing global trade and persistent policy uncertainty in key economies are only partially offset by recent improvements in external financing conditions.

Global growth in 2019 has been downgraded to 2.6 percent – 0.3 percentage point below previous projections – reflecting the broad-based weakness observed during the first half of the year, including a further deceleration in investment amid rising trade tensions. In particular, global trade growth in 2019 has been revised down a full percentage point, to 2.6 percent – slightly below the pace observed during the 2015 -16 trade slowdown, and the weakest since the global financial crisis. As recent softness abates, global growth is projected to edge up to 2.7 percent in 2020 and to 2.8 percent in 2021. Slowing activity in advanced economies and China is expected to be accompanied by a modest cyclical recovery in major commodity exporters and in a number of EMDEs affected by recent pressure related to varying degrees of financial market stress or idiosyncratic headwinds such as sanctions.

Recent data for advanced economies point to decelerating activity, especially in the Euro Area. Investment has lost momentum and trade growth has declined markedly. Private consumption has so far been resilient, however, supported by ongoing job creation and higher real wages. In response to subdued inflation and decelerating activity, monetary policy has become more accommodative. It also assumes that policy actions partly mitigate domestic and external headwinds to activity.

Global industrial activity and goods trade have lost considerable momentum in 2019. Goods trade growth and new export orders fell to levels comparable to those prevailing at the start of 2016, when concerns about the global economy were elevated. The deceleration was broad-based-the share of countries with industrial production in technical recession has tripled since the start of 2018, reaching nearly 25 percent in early 2019. Trade in Asia – which contains major, tightly interconnected, global manufacturing hubs – was particularly affected, although recent indicators suggest some stabilization.

Amid signs of deterioration in global economic prospects and persistently low inflation, major central banks have adopted more accommodative monetary policy stances for the near term. The U.S. Federal Reserve has placed its tightening cycle on hold, while the European Central Bank has delayed the end of its negative interest rate to a drop in long-term yields – to their lowest levels since mid-2017 in the United States, and to below zero in Germany for the first time since late 2016. In this context, the share of bonds yielding negative market interest rates increased to its highest level since end-2017, reaching more than 20 percent globally and around 40 percent in Europe and Japan. While bank profitability does not appear to have been unduly affected so far, a long-lasting period of negative interest rate policies in the Euro Area and Japan could eventually pose challenges for bank profitability and financial intermediation.

Emerging Market and Developing Economies

EMDEs experienced broad-based weakness in manufacturing and exports at the start of the year, followed by some recent signs of stabilization. Activity in the services sector has remained resilient, reflecting continued growth in consumer spending. Countries that experienced recent pressures related to varying degrees of financial market stress or idiosyncratic headwinds such as sanctions – a group that includes many commodity exporters – have faced a particularly sharp deceleration in activity this year. Private consumption growth appears stable, but it remains weak. Investment growth has moderated further as policy uncertainty persists, dampening imports. Economic slack remains elevated in many countries in this group.

EMDE growth is expected to slow from 4.3 percent in 2018 to 4 percent this year – 0.3 percentage point lower than previously projected, with notable heterogeneity across regions. Almost 40 percent of EMDEs are expected to decelerate in 2019 relative to last year. Moreover, forecasts for 2019 growth have been downgraded for more than 40 percent of countries. For many countries, a substantial part of the forecast downgrade is attributable to continued weakness in investment, which remains well below historical averages.

Rising policy uncertainty in major advanced economies and EMDEs has already contributed to weakening confidence and delayed investment plans. An intensification of such uncertainties – including a sharp escalation in trade tensions between the United States and China, a disorderly exit of the United Kingdom from the EU, and more fractious political landscapes after elections in major economies – could contribute to a continued deterioration in global activity, with particularly significant consequences for trade and investment.

South Asia

South Asia's growth remains robust despite headwinds from the global economy amid weakening trade and manufacturing. Regional output is estimated to have expanded by 7 percent in 2018. Economic activity was underpinned by strong private domestic demand. Private consumption and investment remained robust in much of the region. Government spending growth moderated in 2018, expanding closer to historical averages following rapid growth in 2017. Net exports continued to contribute negatively to regional growth, with import growth remaining stronger than export growth amid solid domestic demand.

Growth in South Asia is projected to be 6.2% in 2019 and 6.7% in 2020, sharply lower than forecasted earlier mainly because India has slowed much more than expected. India's GDP grew by only 5.0% in the first quarter of fiscal year 2019 with consumption, investment, and production lackluster. The Government, re-elected in May 2019, announced various measures to boost investor and consumer confidence and acted to strengthen the ability of the financial sector to revive credit flows.

Inflation in South Asia remains benign due to low food prices and moderate global oil prices, as well as watchful monetary policy making. The sub regional inflation projection for 2019 is revised down to 4.0%, mainly reflecting a lower forecast for India with only modest food inflation, and then rise to 4.9% in 2020.

Bangladesh

GDP growth was 8.1% in FY2019, according to preliminary official estimates, slightly higher than projected as growth in industry accelerated from 12.1% in FY2018 to 13%, exceeding expectations due to robust growth in manufacturing and electricity, water, and gas utilities. Output from large and medium-sized industrial enterprises grew briskly by 15.6% as exports picked up, especially to the US and some newly penetrated markets. Small manufacturers also excelled. Service growth rose slightly from 6.4% to 6.5%, mainly on better performance in wholesale and retail trade and transport services. Growth in agriculture moderated from a high base of 4.2% in FY 2018 to 3.5%.

On the demand side, growth was lifted by a 1.3 percentage point contribution by net exports as exports outpaced imports. Record remittances at \$16.4 billion underpinned 5.4% expansion in private consumption, which allowed total consumption to contribute 4.0 percentage points to growth. Although investment growth eased from a year earlier, gross domestic investment rose from the equivalent of 31.2% of GDP to 31.6% as public investment expanded from 8.0% to 8.2% and private investment edged up from 23.3% to 23.4%. Total investment contributed 2.8 percentage points to growth.

Inflation slowed from an average of 5.8% in FY2018 to 5.5% due to a good crop harvest and lower global food prices. Food inflation slowed to 5.5% year on year in June 2019 from 7.1% a year earlier, while nonfood inflation picked up from 3.7% to 5.4%, largely in line with rising domestic gas prices and currency depreciation.

Export growth accelerated from 6.7% in FY2018 to 10.1%. Growth in garment exports rose from 8.8% to 11.5%, reflecting strong demand from the US and newer markets for Bangladesh like Australia, Canada, India, Japan, the People's Republic of China (PRC), and the Republic of Korea. Garments accounted for 84.2% of exports. Other exports increased by 5.8% on higher demand for agricultural, petroleum and chemical products.

Import grew modestly by 1.8% in FY2019 from a high base set in the previous year. Petroleum products, raw materials for garments, and construction materials rose markedly, reflecting strong growth in industry. Imports of capital goods rose little as investment fell short of expectations, while bountiful crop production drove down food imports substantially.

GDP growth is expected to edge up to 8.0% in FY2019 on robust private consumption aided by continued recovery in remittances. Public investment will remain strong as the government continues to expedite the implementation of large infrastructure projects and other big projects receiving overseas support. Private investment is expected to rise, supported by measures to increase private sector credit, reform initiatives to improve the ease of doing business, and plans to make several hundred industrial plots available in special economic zones. Despite a weaker growth outlook in key exports markets, earnings from apparel exports are expected higher as new destinations strengthen. Tariff tensions between the People's Republic of China and the U.S. make Bangladesh an attractive alternative source of manufactures. Consequently, the trade deficit will narrow as growth in exports outpaces imports. GDP growth in FY2020 is expected to remain solid at 8.0% as momentum from the previous year broadly continues.

Further expansion in industry is expected to drive growth in FY 2019 as export growth accelerates. Growth in agriculture is expected to moderate, considering the high base set last year. Growth in services is likely to remain unchanged, restrained in part by slower growth in agriculture. In FY2020, agriculture is projected to edge up as government policy support continues. However, with global growth continuing to slow, growth in industry is expected to moderate slightly, and expansion in services is likely to follow that trend. Inflation is expected to ease from 5.8% last year to a FY2019 average of 5.5%, contained by a good harvest and lower global food and oil prices. Inflation declined to 5.5% year on year in February 2019 from 5.7% a year before. Inflation is projected to edge up to 5.8% in FY2020 on further upward adjustments likely for natural gas and electricity prices, as well as currency depreciation.

Special Economic Zones (SEZ), which are proliferating rapidly throughout the world would require investment and business-friendly climate and supporting infrastructure. Government of Bangladesh took great initiatives to build up the country's physical infrastructure. With over 4.5 million installed units, Bangladesh is already the global leader in using solar household systems, covering more than 13 million users. Ninety percent of the country's population now has access to electricity. In addition, Padma Bridge, Metro Rail, Elevated Express Way, Rooppur Nuclear Power Plant – all these mega projects in progress bear ample testimony to the Government's relentless efforts to improve and modernize the country's physical infrastructure.

Global Capital Market

In 2018, global equity markets declined on an annual basis for the first time since 2015, pressured by rising interest rates and a decidedly uncertain global trade environment. Tighter U.S. monetary policy and a brewing trade war involving the US, China and Europe reverberated around the world, halting one of the longest-running bull markets in recent history. The MSCI World Index fell by 8.7 percent (in US \$ terms) in 2018. Similarly, the MSCI Europe and MSCI Emerging Markets fell by 15.9 percent and 15 percent respectively. US Treasury bonds rose modestly, considered as a safe-haven, due to volatile financial markets. Investment-grade and high-yield corporate bonds finished the year in negative territory, as did emerging markets debt. The Fed raised interest rates four times during the year, citing a strong U.S. economy, moderate inflation and a low unemployment rate.

The new year, however, has brought with it a new wave of optimism with equity markets rallying strongly across the world. The weakness in 2018 set the stage for the recovery in equity markets in the first three months of 2019. Much of the rally in 2019 has been built on market expectations that the US Federal Reserve would not raise interest rates again soon. In the first quarter of 2019 i.e. Q1 2019, the US S&P 500, MSCI Europe ex. UK and the MSCI Emerging Markets rose by 13.6 percent, 12.6 percent and 9.9 percent respectively.

Bangladesh Capital Market

Capital Market of Bangladesh passed a challenging year in 2018. The market correction was largely driven by decline in financial sector scrips. In 2018, financial sector was adversely affected by rising interest rate and growing NPL problems which dominated its stock market performance. Financial composite which includes Bank, NBFI, and Insurance declined by 18.6% against overall market decline of 13.8%.

Macro factors reigned supreme in 2018. Expectations of currency devaluation prompted foreign fund managers to book profit, partially liquidating their stakes in local blue-chips. Large cap dominated Telecommunication and pharmaceuticals were hit handset by this wave and declined significantly, despite solid fundamentals. Bank and NBFI lost over 20% of Mcap in 2018, suffering from asset quality and interest rate concerns.

Macro factor were positive for Textile Sector, which rallied almost 16%. Textile business returned to a growth momentum after a long time, benefitting from U.S. – China trade war and cheaper BDT. Fuel & Power sector also surged, backed by earnings growth coming from the government's power plant binges.

Interest rate hike was the key driver of market performance in last year. After years of gradual decline to a comfortable level, interest rate shoots up in early 2018. Difference between bank deposit rate and risk free rate offered by National Savings Certificates (NSCs) widened as the former steadily declined for a long period until 2018, and the later remained unchanged out of sync of market.

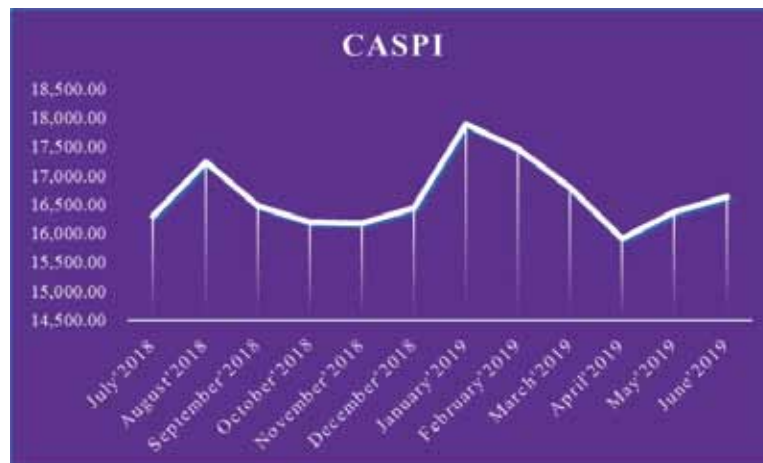
CSE's stance

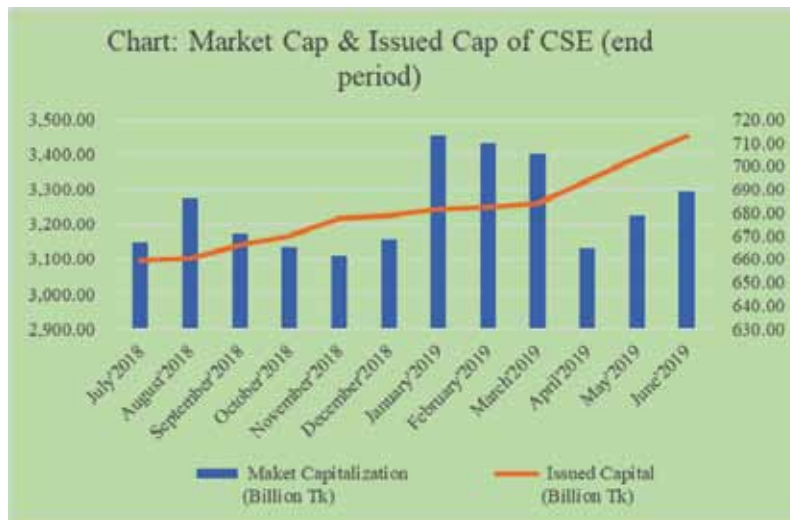
The total number of listed securities in Chittagong Stock Exchange (CSE) stood at 326 at the end of June 2019. During the period July'18-June'19, a total number of 2,474.67 million shares were traded as against 3,506.02 million shares during July'17-June'18. It was 29.41 percent lower than that of preceding year.

During July'18-June'19, the total turnover value of traded shares was Tk. 84.80 billion which was 22.80 percent lower than that of the preceding year. The market capitalization of CSE stood at Tk. 3,293.30 billion at the end of the period under report, which was 5.44 percent higher than the same of period of the preceding year.

All Share Price Index of CSE stood at 16,634.21 points at the end of June 2019, which was 0.57 percent higher than 16,539.88 points at the end of June 2018. The CSE 30 index stood at 14,589.68 points at the end of June 2019, which is 3.32 percent lower than 15,073.63 points at the end of June 2018. The Shariah Compliant index CSI went down to 1,088.92 points at the end of June 2019 which was 1,119.47 points at the end of June 2018.

The total amount of issued capital rose to Tk. 712.89 billion at the end of June 2019 which was 9.00 percent higher than Tk.656.86 billion at the end of June 2018. At the end of June 2019, Price Earnings (P/E) ratio in CSE increased to 15.58 from 14.94 at the end of the preceding year. In Chittagong Stock Exchange, the yield slightly increased to 3.17 at the end of June 2019 which was 3.37 at the end of June 2018.





SME Platform

The BSEC has approved new rules named “The Bangladesh Securities and Exchange Commission (Qualified Investors Offer by Small Capital Companies) Rules, 2018” to attract small-capital companies to get listed with stock exchanges. Only a qualified investor can submit their intention to subscribe the issue offered by the SMEs for fund raising.

The qualified investors are merchant bankers and portfolio managers, asset management companies, mutual funds and collective investment scheme, stock dealers, banks, financial institutions, insurance companies, alternative investment fund managers, alternative investment funds, market makers, issuer of listed securities, resident or non-resident Bangladeshi, individuals having minimum net worth of Tk. 1 crore and other institutions as approved by the Bangladesh Securities and Exchange Commission.

As per rules, any public limited company is eligible to raise fund and get listed on the small capital platform. After listing on the platform, the company’s paid-up capital must stand at least Tk. 5 crore and below Tk. 30 crore. The minimum capital of a company willing to raise capital through book-building system must be Tk. 10 crore before its listing on the SME platform.

Chittagong Stock Exchange has already set up the platform offering a new avenue for SMEs in Bangladesh to access a deep pool of local capital. A small capital company which will be listed on the CSE platform will have the opportunity to migrate to the main board of CSE when its paid-up capital will cross the Tk. 30 crore mark.

Sukuk Rules

The capital market of the country is only equity based that made the market dull to the local and foreign investors. Bangladesh Securities and Exchange Commission framed rules named “Bangladesh Securities and Exchange Commission (Investment Sukuk) Rules, 2019” for Sukuk to facilitate trading of the products in the country’s capital market. Sukuk is an Arabic term for ‘financial certificates’, which is commonly referred to (albeit mistakenly) as “Islamic Bonds”. Sukuk, however, differs from bonds in concept and structure. They are issued and traded in compliance with the principles of Shariah, which prohibit ‘riba’ or interest. When someone invests in Sukuk, his money is put into the assets of a project or investment in order to generate profit. The Sukuk holders will receive a certificate from the issuer as evidence of ownership, and are entitled to receive periodic profit payments on the principal amount invested. Upon maturity, the Sukuk holder will get back the principal amount of investment. There are different types of Sukuk including musharakah, mudharabah, murabahah and al-wakalah.

The regulator took the move to versatile the market and to draw more investment to the market. It is expected that the rules will bring dynamism to the capital market.

Risk Based Capital Adequacy Rules

The Bangladesh Securities and Exchange Commission has introduced capital adequacy requirements for all market

intermediaries including stockbroker, merchant banker, asset manager, fund manager, and credit rating company. The Commission has framed the “Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019” mandating to maintain minimum capital requirement on continuous basis.

Capital adequacy means the level of total capital against the total risk exposure of a registered entity that is required to be maintained as per the rules to ensure continuation of a safe and efficient operation and to withstand against any seen and unforeseen losses, the rules say. Therefore, the Commission ordered the market intermediaries to ensure the minimum capital according to their business operations.

Stakeholder Engagement

CSE maintain a frequent dialogue with its stakeholders and inform them about the sustainability plans and actions. Their feedback, interests and concerns help to focus on what is important in sustaining business and generating long-term value.

TREC Holders Awareness

Profuse number of compliance training and scrutinized business operation instruction workshops including the ITS & Risk Management System (RMS) along with development meetings for the TREC holders and their traders has been arranged in Dhaka, Chittagong and Sylhet region throughout the year. Furthermore, TREC wise business development team has been formed in a key account system for the regular follow up of the TRECs in order to ensure their business potentials which contributed a significant value in making a good number of deceased CSE terminals alive.

Training on Front End goTx Application

A new version of CSE Trading software which is going to be implemented soon at the CSE brokers’ offices. This new version included many new features for smoothing trading activities. CSE arranged a number of training programs for the broker’s representatives located at Chattogram, Dhaka and Sylhet. CSE officials also visited some of the branches to get the authorized more familiar with the new system and to get their feedback.

Seminar on “Sustainable Economic Growth through Capital Market”

On the occasion of Silver Jubilee of Bangladesh Securities and Exchange Commission (BSEC) a seminar on “Sustainable Economic Growth through Capital Market” was jointly organized by CDBL and CSE in Chattogram. Mr. Saifuzzaman Chowdhury, MP. Hon’ble State Minister, Ministry of Land, Government of the People’s Republic of Bangladesh graced the program as Chief Guest.

Seminar on Small Capital Companies Platform (SME)

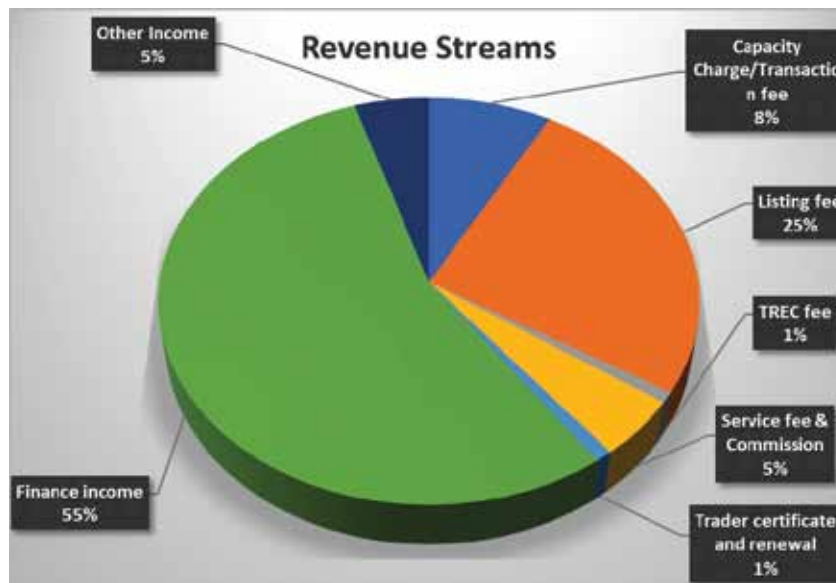
CSE arranged seminars on “Financial Opportunities through listing under Small Capital Companies Platform” at Dhaka and Chattogram. A good number of entrepreneurs attended the programs and accumulated knowledge on the “Bangladesh Securities and Exchange Commission (Qualified Investor Offer by small capital companies) Rules, 2018.

ITS and Investors’ awareness Seminar in Cumilla

CSE successfully arranged a seminar on “Investment in Capital Market and Internet Trading System” in Cumilla on September, 2018 for the different strata to increase awareness of CSE Internet Trading Services and investment in Capital Market.

Financial Results

Operating Revenue for the year stood at BDT 346.78 million which is 10.05% more from that of the previous year. Increased contribution came from Listing Fees and contribution from Book Building System. Finance Income for the year increased by BDT 86.76 million (22.42%) due to raise in interest rate in overall money market. On the other hand, operating expenses raised by 5.18% from last year. Increment in Salaries and Allowances, raise of office general expenses, increase in seminar and workshop and promotional expenses are the main reason for the additional expenses.



Operating profit for the year raised to Tk. 53.76 million which is Tk. 17.24 million more than the last year. Almost same level of operating expenses and 10.05% upsurge in revenue are the main reason for this increment.

On the other hand, the net profit after tax for the year ending on 30 June, 2019 was Tk. 39 crore which was 12.43% more than the last year. Higher tax rate put pressure on the bottom line. Applicable tax rate for this year was raised to 28% from 21% of the last year.

At the end of the year the Earnings Per Share (EPS) stood at Tk. 0.62 which is 12.73% more than the last year. The Net Asset Value (NAV) slightly increased to Tk. 11.80 from Tk. 11.68 of the last year.

Contribution to National Exchequer

The total contribution to the National Exchequer for the year ended 30 June, 2019 was Tk. 367 million. Out of this amount Tk. 121 million was deposited as income tax and Tk. 241 million was made on account of staff income tax, broker tax, gain tax and withholding taxes on payments and rest amounts was the withholding VAT deducted at the time of payment.

Investment in Central Counterparty Bangladesh Limited (CCBL)

During the year Tk. 60 crore were invested to acquire 20% shares of Central Counterparty Bangladesh Limited (CCBL) which is formed under Bangladesh Securities and Exchange Commission (Clearing and Settlement) Rules, 2017. The company is expected to provide clearing and settlement service for trades in securities, options and derivative contracts with a capability of bigger scale risk management. Initial paid-up capital of CCBL is Tk. 3.0 billion. Out of which DSE holds 45 per cent shares while the CSE holds 20 per cent, banks 15 per cent and CDBL and strategic investors 10 per cent each.

International Relations

Meeting with top brasses of Indian bourses

A delegation of CSE visited India during July, 2018 and meet the top officials of National Stock Exchange of India Ltd. (NSE), BSE Ltd. (formerly, Bombay Stock Exchange) and Multi Commodity Exchange of India Ltd. (MCX) separately.

CSE representatives met NSE managing director and other senior officials where they discussed some strategic business propositions for NSE's analysis. CSE delegation had a separate meeting with the NSE business development team as well. They also had a meeting with the team of NSE Indices Ltd. – a subsidiary company of NSE on the construction of a new broad index for CSE. It is mentionable that NSE Indices Ltd. (formerly known as India Index Services Limited or IISL) has been providing index services to CSE on sharia index and CSE 50 index.

On a separate meeting, CSE delegation met the managing director and top executives of BSE where they discussed on BSE's experience regarding market share, bond market, commodity segment, training institution etc.

CSE delegation also had a meeting with MCX (the largest commodity exchange of India) and had the opportunity to learn from MCX experience regarding implementation of different products, technological structure relating to commodity market.

On a separate visit, CSE delegation had a meeting with technical team of Intellect Design Ltd. of the technology services providers of CSE, at Chennai. They had a detail discussion on recent feedback of the users of GOTX software, implementing updated version of GOTX, ongoing project for SME Board and ATB Board, etc.

World Investment Forum

As one of the partner exchange of United Nations Sustainable Stock Exchanges Initiative (SSE), CSE participated in the World Investment Forum 2018 held in October, 2018 at Palais des Nations – the United Nations Geneva Headquarters, Geneva, Switzerland represented by its managing director Mr. M. Shaifur Rahman Mazumdar as an invited speaker.

The Forum is a multi-stakeholder gathering at the level of Heads of State and Government, ministers, chief executive officers and principals of international organizations, designed to facilitate dialogue and action on the world's current and emerging investment development challenges. It is recognized by Governments and business leaders as the pre-eminent global gathering for investment policymaking, providing a platform for interacting with participants ranging from the heads of investment promotion agencies, investment treaty negotiators, impact investors and foundations, investment lawyers, academics, stock exchange executives and pension and sovereign wealth fund managers, to international accounting standard setters, corporate social responsibility monitors, entrepreneurs and representatives of non-governmental organizations.

World Investment Forum 2018 focused on the global challenges to international investment in the new era of globalization and industrialization under the overall theme Investing in Sustainable Development. It discussed on different issues, areas and role required to play in achieving sustainable development in different sectors. It provided an opportunity for open dialogues between all investment stakeholders, the brainstorming of solution-oriented initiatives and the fostering of global partnership to advance prosperity for all.

Ring the Bell for Gender Equality

CSE has organized a roundtable discussion on “**Ring the Bell for Gender Equality**”, on the occasion of International Women's Day 2019. This is the first time CSE has organized this program as a Partner Stock Exchange of the United Nations Sustainable Stock Exchanges Initiative (UN SSE). Globally, the theme of this year of the event is “*Think equal, build smart, innovate for change*”.

The “Ring the Bell for Gender Equity” event series is a partnership of the Sustainable Stock Exchanges Initiative, together with the United Nations Global Compact, UN Women, IFC, Women in ETFs and the World Federation of Exchanges to raise awareness about the opportunities for the private sector to advance gender equality and sustainable development.

14th Annual General Assembly of SAFE

The 14th Annual General Assembly meeting of the members of South Asian Federation of Exchanges (SAFE) was held on 31 May, 2019 in Kathmandu, Nepal. In addition to that, Nepal Stock Exchange Limited (NEPSE) in joint effort of Mercantile Exchange Nepal Limited (MEX) conducted a roundtable discussion on “Growing Business, Modernizing & Developing the Broader Ecosystem for Capital Market Growth”. Mr. Md. Sayadur Rahman, Shareholder Director, represented CSE in the 14th Annual General Assembly meeting of SAFE.

UN SSE Initiative's Consultative Group Calls

As a Partner Exchange of the United Nations Sustainable Stock Exchanges (UN SSE) Initiative, CSE participated in the Quarterly Consultative Group Calls through Webinars (internet-based meetings). During the period of 2018-2019, CSE participated in various such meetings. Agendas were welcoming the new partner exchanges, regulator workstream, Environmental, Social and Governance (ESG) Guidance, exchange updates on ESG reporting guidance, new publications, studies or guidance documents, General Market news, Bloomberg's Gender Equality Index, and further discussion followed regarding updates from exchanges on new developments in products and services and SSE updates.

Key Operating and Financial Information

The key operating and financial information for the year ended 30 June, 2019 along with the preceding two years are presented below:

Financial & Operational Performance Summary	Jul 2018 to Jun 2019	Jul 2017 to Jun 2018	Jul 2016 to Jun 2017	Jan 2016 to Jun 2016
Operational Results (financials in million BDT)				
Revenue from operating activities	347	315	283	129
Operating Profit/(Loss)	53.76	36.52	7.05	(6.22)
Net Profit	391	347	348	204
Share Capital	6,345	6,345	6,345	6,345
EPS in BDT	0.62	0.55	0.55	0.32
No of Employees	86	87	89	93

Dividend

Board of Directors is continuously making the effort to uphold and protect the interest of shareholders and ensure stable growth of the Company. The Board of Directors of CSE recommended 5% cash dividend for the year ended 30 June, 2019 subject to the approval of the Shareholders in the 24th Annual General Meeting (AGM).

Board Size

The Board, headed by elected Chairman from the Independent Directors, consists of twelve (12) members comprising seven (7) Independent Directors, four (4) shareholder Directors and Managing Director. CSE is searching for Strategic Investors in pursuance with the Exchanges Demutualization Act, 2013.

Directors' appointment and re-appointment

With regard to the appointment, retirement and re-appointment of Directors, the Company is governed by its Articles of Association, the Companies Act, 1994 and CSE Board and Administration Regulations, 2013. Accordingly, Major (Retd.) Emdadul Islam will retire from the Board by rotation at the 24th Annual General Meeting. As per Companies Act, 1994 and CSE Board and Administration Regulations, 2013 the retiring Director is eligible for re-election or re-appointment to the Board of Directors.

Audit and Risk Management Committee

The Audit and Risk Management Committee has been constituted as Board Committee comprising five (5) members of the Board. The Committee headed by Prof. Mamtaz Uddin Ahmed, FCMA, an Independent Director, consists of three (3) Independent Directors, one (1) shareholder Director and Managing Director. The Audit and Risk Management Committee met five (5) times during the year from July, 2018 to June, 2019. Mr. Rajib Saha, FCS, Company Secretary served as the Secretary to the Audit and Risk Management Committee. The key activities performed by the Audit and Risk Management Committee during the year were as follows:

1. Reviewed and recommended to the Board the quarterly and annual financial statements for the year ended 30 June, 2019.
2. Considered and recommended to the Board about appointment and remuneration of the statutory auditors of the Company.
3. Reviewed and appraised the performance of the internal control system.
4. Reviewed and recommended to the Board about the Internal Audit Plan and monitored the progress about the same.
5. Discussed the Internal Audit Report and findings therein with the auditors, members of Management and monitored the status of implementation of recommendations therein.
6. Reviewed the Loss and write-off report.

Going Concern

The Directors are of the opinion that the Company is a going concern. Accordingly, Financial Statements are prepared on a going concern basis.

The System of Internal Control

The Board of Directors assures its Shareholders that the Company has a competent risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. Although it is possible that all risks to the business are not known at present, the Company takes reasonable steps to identify material risks that may hamper business results and systematically reviews these risks in light of the changing internal and external environment in order to assess that the controls in place are adequate to address these risks.

Directors' declaration as to Financial Statements

The Directors are responsible for the governance of the Company and as part of preparation and presentation of the financial statements, the Directors also report that:

- a) The Financial Statements prepared by the Management of the Company present a true and fair view of Company's state of affairs, result of its operation, cash flows and changes in equity.
- b) Proper books of accounts are required by law have been maintained.
- c) Appropriate accounting policies have been followed in formulating the Financial Statements and Accounting estimates are reasonable and prudent.
- d) The Financial Statements were prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).
- e) The Managing Director (MD) and Head of Finance (HoF) have certified to the Board that they have reviewed the Financial Statements and believe that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- f) The MD and HoF have certified to the Board that they have reviewed the Financial Statements and believe that these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- g) The MD and HoF have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's codes of conduct.

Corporate Governance Compliance Statement

As part of its corporate policy, CSE always strives to maximize its shareholders' value and wealth. In doing so, the Bourse has long been committed to maintaining high standards of Corporate Governance. The CSE's Corporate Governance framework is directed towards achieving its business objectives as well as regulatory objectives in a manner which is responsible and in accordance with its high standards of honesty, reliability, transparency and accountability. The characteristic elements that define effective corporate governance in the Company are outlined in the Corporate Governance Statement which is appended in the Annual Report. The statement further expands on the broad practices in CSE. All the employees are expected to live up to these principles and guidance which are communicated regularly throughout the Exchange.

Auditors

As per requirements of law, the current statutory auditors of Chittagong Stock Exchange Limited, M/S. Rahman Rahman Haque & Co., Chartered Accountants, will retire at the 24th Annual General Meeting. The Board in its meeting held on 13 September, 2018 decided to amend the existing practice and adopted a new policy on appointment of statutory auditors. As per new policy statutory auditors is not to be appointed for a consecutive period exceeding three years. As per decision the amendment is effective after expiry the tenure of Rahman Rahman Huq in the 24th Annual General Meeting. Thus, Rahman Rahman Huq is not eligible for reappointment.

Considering the available options and on the basis of suggestions of the Audit & Risk Management Committee, the Board

recommends Hoda Vasi Chowdhury & Co., Chartered Accountants, for appointment as the new statutory auditor of the Company for the year ended 30 June, 2020 and continuation upto the next AGM at a fee of Tk. 110,000 (Taka one lac and ten thousand) only and requests the Shareholders to approve the appointment.

Human Resource

The Exchange realizes that investment in human capital is investment for the future and increases the focus on having the right investment in human capital to take people to the next level of competence. For this reason, the Exchange continues to invest in training and development programs along with various HR initiatives. For service providing companies, HR is the core material.

Strengthening Regulatory Function

As a self-regulatory organization, CSE is also the frontier regulator. Understandably concerns have been raised from time to time about the possibility of conflicts between CSE's commercial interests and its regulatory responsibilities. We recognize that CSE can only be successful if we have the confidence and trust of investors and listing companies. That is why in CSE we have a Conflict Mitigation Committee as one of the Board Committee. And we will continue to be strict about keeping our regulatory departments separate from the commercial departments, with separate performance criteria, and to pursue the highest regulatory standard possible.

Investors' Service

Investor confidence is a fragile cornerstone of the Capital Market and it crumbles under the weight of uncertainty and doubt. Investor confidence rests on integrity and trust and quality information to give predictive values to investors. CSE, being a Self-Regulatory Organisation endeavors to promote and protect the interest of investors at large. CSE has taken initiatives to provide service to the investors for timely and speedy resolution of complaints of investors against the listed corporate entities and/or against TREC holders to enhance and maintain investors' confidence in capital market.

Redressal of complaints of Investors

CSE redresses investor complaints against TREC or listed companies by taking prompt action upon receiving complaints. The investors can lodge complaints directly with the exchange through email, physical document form or through online e-complaint registration on CSE website. The complaints against TREC or listed companies are redressed through conciliation process.

Strategic Investor

As per Exchanges Demutualization Act, 2013 of Bangladesh and Demutualization Scheme, CSE is looking for a suitable strategic investor and partner to consorting with its internal strengths and recourses for the upcoming development projects and bringing in new products and services of international standard to the capital market of Bangladesh. CSE has invited the Expression of Interest for the sale of 158,631,210 ordinary shares of BDT 10 each being 25% of the shareholding of the Exchange as reserved for the Strategic Investor at a reasonable premium. CSE has offered to and contacted a number of local and foreign institutions to become strategic investors by taking shares of CSE. However, some local as well as foreign institutions have shown their interest and informed that they are working with the CSE's proposal. Meantime, Bangladesh Securities and Exchange Commission extended the deadline to the CSE to find strategic investor to March 2020.

Looking Forward to Epitomize Further Growth

After years of uncertainty we are ready to travel a new route in 2020 as its reposition for growth. Succeeding in this new era will likely require new models and new approaches. We are working on fixing aims and sharpening strategic focus and concentrating efforts in areas where returns are most capital-efficient.

Continued product innovations shall remain the key to driving revenue growth in the competitive environment in the years ahead. We want to offer the best experience to our investors through the introduction of new product and innovative Value Added Services. We will continue our drive for re-build investors' confidence and utmost satisfaction on the capital market and at the same time we want to be the partner of progress in this country through our contributions to the economy and society.

Risk management and compliance will likely continue to be at the top of our agendas. In particular, moving towards comprehensive intra-day understanding of exposures and greater operational control in more technology-driven environments (such as trading) will likely be a key goal. Better quantifying risk and reducing disruptive operational failures can mean better integration, better governance mechanisms, and more robust data and analytics.

Acknowledgements

The Board of Directors would like to extend its foremost regards and appreciation to the valued Shareholders, TREC holders and other Stakeholders of the company for their continued support and guidance to the company that led to many achievements. The Board also recognizes that its journey to attainments during the period was possible because of the cooperation, positive support, and guidance that it had received from the Government of Bangladesh, particularly the Bangladesh Securities and Exchange Commission (BSEC), Central Depository Bangladesh Limited (CDBL), Registrar of Joint Stock Companies and Firms (RJSC), National Board of Revenue (NBR), CSE's bankers, insurers & financial institutions, vendors, the Press and Media, Auditors, lawyers, business partners and all of our employees. Accordingly, the Board offers its utmost gratitude to them. The Board would also like to thank each and every investor for their continued support and for their preferred choices.

We also extend to the Management and Employees our warmest greetings and felicitations for being the essential part of CSE during the year. It was your unrelenting commitment, dedication and diligence throughout the year that led to the Company to perform in the market.

We are proud of you all and look forward to your continued support as we march ahead to take CSE further forward as a competent transparent and vibrant market place.

On behalf of the Board of Directors



Maj. Gen. (Retd.) Mohammad Shamim Chowdhury, nwc, psc
Chairman

Auditor's Report



Auditor's Report



Chittagong Stock Exchange Limited

Independent auditor's report

To the Shareholders of Chittagong Stock Exchange Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Chittagong Stock Exchange Limited ("the Company"), which comprise the statement of financial position as at 30 June 2019, 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 a true and fair view of the financial position of the Company as at 30 June 2019, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.

Auditor's 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 auditor's 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 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.

RRN

As part of an audit in accordance with 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 auditor's 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 auditor's 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.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.
- d) the expenditure incurred was for the purposes of the company's business.

Chattogram, 22 September 2019



Chittagong Stock Exchange Limited
Statement of financial position

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Asset			
Property, plant and equipment	22	1,544,085,899	1,561,648,299
Automation- Equipments	23	14,328,399	21,514,421
Automation- Intangible assets	23	158,134,377	177,846,681
Investment with CDBL	24	612,564,975	612,564,975
Investment In Zero Coupon Bond-Non-current portion	25	52,347,592	67,207,327
Investment In Central Counterparty Bangladesh Ltd.	26	600,000,000	-
Advance against Car Scheme (Long term)	30	5,025,000	4,750,000
Non-current assets		2,986,486,242	2,445,531,703
Trade receivables-clearing	27	169,200,472	230,475,925
Trade receivables-others	28	272,481,472	192,783,393
Advances, deposits and pre-payments	29	37,753,591	40,666,932
Advance Income Tax	31	120,505,206	81,140,181
Investment in FDRs	32	4,460,000,000	4,905,000,000
Investment In Zero Coupon Bond-Current portion	25	14,859,735	13,727,240
Cash and cash equivalents	33	157,224,258	468,295,967
Current assets		5,232,024,734	5,932,089,638
Total assets		8,218,510,976	8,377,621,341
Equity			
Share capital	34	6,345,248,400	6,345,248,400
Provision for Settlement Guarantee Fund	21	450,190,972	371,718,108
Retained earnings		691,967,072	697,034,062
Total equity		7,487,406,444	7,414,000,570
Liabilities			
Deferred tax liability	19.02	64,835,612	75,794,901
Gratuity payable	35	86,954,622	78,218,680
Non-current liabilities		151,790,234	154,013,581
Trade payables - clearing	36	241,254,408	482,981,187
Liabilities for expenses	37	22,490,880	23,899,861
Liabilities for other finance	38	106,514,366	173,762,231
Unclaimed Dividend	39	47,779,235	29,738,431
Liabilities for current tax	19.01	161,275,409	99,225,480
Current liabilities		579,314,298	809,607,190
Total liabilities		731,104,532	963,620,771
Total equity and liabilities		8,218,510,976	8,377,621,341

The annexed notes from 1 to 45 are an integral part of these financial statements.



Director



Director



Managing Director



Company Secretary

As per our annexed report of the same date.



Auditor

Chattogram, 22 September 2019

Chittagong Stock Exchange Limited
 Statement of profit or loss and other comprehensive income

For the year ended 30 June 2019

<i>In Taka</i>	Note	July'18-June'19	July' 17-June'18
Continuing operations			
Revenue			
Capacity charge/ transaction income	6	69,525,112	68,981,856
Listing income	7	221,321,047	213,126,184
TREC renewal income	8	7,325,000	7,350,000
Service charge and commission	9	40,567,958	7,508,420
Trader certificate and renewal income	10	8,045,000	18,161,500
		346,784,117	315,127,960
Less: Operating expenditures			
Human Resource cost	11	131,959,697	123,948,768
Other operating expenses	12	51,366,540	49,628,194
Information technology and communication expenses	13	98,612,862	96,333,191
Educational activities and marketing expenses	14	11,083,253	8,692,838
		293,022,352	278,602,991
Operating profit		53,761,765	36,524,969
Other Income	15	41,875,262	42,008,394
		95,637,027	78,533,363
Finance Income	16	476,768,878	391,082,164
Less: Finance charges	17	2,948,627	4,024,231
Net Finance income		473,820,251	387,057,933
Net profit before charging Workers' Profit Participation Fund and Workers' Welfare Fund		569,457,278	465,591,296
Less: Contribution to Workers' Profit Participation Fund and Workers' Welfare Fund	18	28,472,864	23,279,565
Net profit before tax		540,984,414	442,311,731
Income tax expenses:			
Current tax- current year	19.01	161,275,409	99,225,480
Current tax- prior year	19.01	-	2,400,284
Deferred tax benefit	19.02	(10,959,289)	(6,785,947)
Total income tax expenses		150,316,120	94,839,817
Net profit after tax		390,668,294	347,471,914
Other comprehensive income			
Transferred to provision for Settlement Guarantee Fund		28,472,864	23,279,565
Total comprehensive income		362,195,430	324,192,349
Basic earnings per share (EPS)	20	0.62	0.55

The annexed notes from 1 to 45 are an integral part of these financial statements.



Director



Director



Managing Director



Company Secretary

As per our annexed report of the same date.



Auditor

Chattogram, 22 September 2019

Chittagong Stock Exchange Limited
Statement of changes in equity
For the year ended 30 June 2019

<i>In Taka</i>	Share Capital	Provision for Settlement Guarantee Fund	Retained Earnings	Total
Balance as on 01 July 2017	6,345,248,400	298,438,543	803,556,617	7,447,243,560
6% dividend for the year ended 30 June 2017			(380,714,904)	(380,714,904)
Net profit after tax	-	-	347,471,914	347,471,914
Initial contribution for the Settlement Guarantee Fund of CSE	-	50,000,000	(50,000,000)	-
Regular contribution for the Settlement Guarantee Fund of CSE	-	23,279,565	(23,279,565)	-
Balance as at 30 June 2018	6,345,248,400	371,718,108	697,034,062	7,414,000,570
Balance as on 01 July 2018	6,345,248,400	371,718,108	697,034,062	7,414,000,570
5% dividend for the year ended 30 June 2018			(317,262,420)	(317,262,420)
Net profit after tax	-	-	390,668,294	390,668,294
Initial contribution for the Settlement Guarantee Fund of CSE	-	50,000,000	(50,000,000)	-
Regular contribution for the Settlement Guarantee Fund of CSE	-	28,472,864	(28,472,864)	-
Balance as at 30 June 2019	6,345,248,400	450,190,972	691,967,072	7,487,406,444

The annexed notes from 1 to 45 are an integral part of these financial statements.

**Chittagong Stock Exchange Limited
Statement of cash flows**

For the year ended 30 June 2019

<i>In Taka</i>	Note	July'18-June'19	July' 17-June'18
A CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before tax		540,984,414	442,311,731
Adjustment to reconcile net Income to net cash provided by operating activities:			
Depreciation and amortization	22 & 23	50,466,611	50,302,364
Gain on disposal of NGTS Equipments		(2,000)	(392,375)
Loss on write off of computer		91,530	-
Provision for gratuity	35	9,091,694	10,073,123
		600,632,249	502,294,843
(Increase)/ decrease in current assets			
Trade receivable - clearing	27	61,275,453	(130,961,277)
Trade receivable - others	28	(79,698,079)	(34,589,789)
Advances, deposits and pre-payments	29	2,913,341	(2,927,317)
Investment in FDRs	32	445,000,000	160,000,000
		429,490,715	(8,478,383)
Increase/ (decrease) in current liabilities			
Trade payable - clearing	36	(241,726,779)	206,605,590
Liabilities for expenses	37	(1,408,981)	(3,039,837)
Liabilities for other finance	38	(67,247,866)	54,958,166
		(310,383,626)	258,523,919
		119,107,089	250,045,536
Gratuity paid		(355,752)	(1,671,174)
Income tax paid		(138,590,506)	(104,099,185)
Net cash flows from operating activities		580,793,080	646,570,020
B CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Property, plant and equipment		(875,287)	(23,572,490)
Incurred for automation		(5,222,126)	(2,810,993)
Advance against Car Scheme (Long term)		(275,000)	150,000
Investment In Zero Coupon Bond		13,727,240	(80,934,567)
Investment with CCBL		(600,000,000)	-
Disposal of NGTS Equipments/Sale of obsolete items		2,000	1,192,125
Net cash used in investing activities		(592,643,173)	(105,975,925)
C CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(299,221,616)	(363,838,463)
Net cash used in financing activities		(299,221,616)	(363,838,463)
NET CASH FLOWS (A+B+C)		(311,071,709)	176,755,632
Cash and cash equivalents at opening		468,295,967	291,540,335
Cash and cash equivalents at closing		157,224,258	468,295,967
Net increase/(decrease)		(311,071,709)	176,755,632

The annexed notes from 1 to 45 are an integral part of these financial statements.

Notes to the financial statements

1.00 Reporting entity**Legal form of the entity**

Chittagong Stock Exchange Limited was formed and registered under the Companies Act, 1994 on 01 April 1995 as a Public Company Limited by guarantee. The Exchange was a non-profit organization until 20 November 2013.

CSE became demutualized on 21 November 2013 under the Exchanges Demutualization Act, 2013 and transformed into a Public Company Limited by shares (a for-profit company) accordingly.

Nature of Business

The principal activities of the Exchange are to conduct, regulate and control the trade or business of buying, selling and dealing in shares, stocks, bonds, debentures, Government securities, loans and other instruments and securities of like nature. It is engaged in disseminating information to the investors through websites and publishing quarterly "Portfolio", monthly "Bazar Parikrama" and other publications and organizing training programmes, seminars, workshops etc.. The Exchange is also devoted to Research and Development activities relating to capital market and maintains its own Library, Investors' Information Cell (IIC) and a Complain Cell.

2.00 Basis of preparation**2.01 Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and applicable sections of Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws in Bangladesh.

2.02 Regulatory Compliance

The company is required to comply with, amongst others, the following rules and regulations:

- (i) The Companies Act 1994
- (ii) The Income Tax Ordinance 1984
- (iii) The Income Tax Rules 1984
- (iv) The Value Added Tax Act 1991
- (v) The Value Added Tax Rules 1991
- (vi) The Securities and Exchange Ordinance 1969
- (vii) The Exchanges Demutualization Act 2013, etc.

2.03 Basis of measurement

These financial statements have been prepared on a going concern basis following accrual basis of accounting under historical cost convention.

2.04 Reporting period

These financial statements of the company covers twelve months from 01 July 2018 to 30 June 2019.

2.05 Comparative Information

Comparative information has been disclosed in respect of 2017-18 in accordance with IAS-1: Presentation of financial statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements. Prior year's figures have been rearranged wherever considered necessary to ensure comparability with the current period.

2.06 Going Concern

The Company has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

Details of the company's accounting policies are included in Note 45.

Notes to the financial statements (continued)

3.00 Functional and presentation currency

These financial statements are presented in BD Taka which is the company's functional currency. All financial information presented in BD Taka has been rounded off to nearest Taka.

4.00 Use of estimates and judgments

The preparation of the Financial Statements in conformity with IAS and IFRS 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. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements, Assumptions and estimation uncertainties

Information about judgements made in applying accounting policies and assumptions and estimation uncertainties that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 22.00 Property and equipment
- Note 23.00 Intangible assets
- Note 28.00 Trade and other receivables
- Note 19.01 Current tax liability
- Note 19.02 Deferred tax liability
- Note 42.00 Contingent liabilities

Notes to the financial statements (continued)

5.00 Related party transactions

During the year, the company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The name of these related parties, nature and volume of transactions have been set out below in accordance with the provisions of IAS-24:

Name of Directors	Status in CSE	Nature of transactions	30 June 2019 Amount (Taka)	30 June 2018 Amount (Taka)
Maj. Gen. Mohammad Shamim Chowdhury, nwc, psc (Retd.)	Chairman	Expenditure:		
		Board meeting attendance fees (excluding AIT & VAT)	80,000	80,000
		Committee meeting attendance fees (excluding AIT & VAT)	10,000	30,000
Dr. A. K. Abdul Momen (Retired on 06.01.2019)	Ex-Chairman	Expenditure:		
		Board meeting attendance fees (excluding AIT & VAT)	30,000	80,000
		Honorarium for article in CSE publication	20,000	25,000
Prof. Mamtaz Uddin Ahmed, FCMA	Director	Expenditure:		
		Board meeting attendance fees (excluding AIT & VAT)	90,000	50,000
		Committee meeting attendance fees (excluding AIT & VAT)	65,000	65,000
Professor Dr. Mohammad Ayub Islam	Director	Expenditure:		
		Board meeting attendance fees (excluding AIT & VAT)	90,000	80,000
		Committee meeting attendance fees (excluding AIT & VAT)	70,000	60,000
Dr. Moinul Islam Mahmud	Director	Expenditure:		
		Board meeting attendance fees (excluding AIT & VAT)	70,000	70,000
		Committee meeting attendance fees (excluding AIT & VAT)	45,000	65,000
Prof. S. M. Salamat Ullah Bhuiyan	Director	Expenditure:		
		Board meeting attendance fees (excluding AIT & VAT)	90,000	80,000
		Committee meeting attendance fees (excluding AIT & VAT)	70,000	75,000
Mr. Pradip Paul, FCMA, FCA	Director	Expenditure:		
		Board meeting attendance fees (excluding AIT & VAT)	90,000	60,000
		Committee meeting attendance fees (excluding AIT & VAT)	50,000	60,000
Mr.S.M. Abu Tayyab (From: 18.03.2019)	Director	Expenditure:		
		Board meeting attendance fees (excluding AIT & VAT)	30,000	-
		Committee meeting attendance fees (excluding AIT & VAT)	20,000	-

Notes to the financial statements (continued)

Name of Directors	Status in CSE	Nature of transactions	30 June 2019 Amount (Taka)	30 June 2018 Amount (Taka)
Mr. Mirza Salman Ispahani	Director	Revenue:		
		Turnover	279,365,559	437,228,962
		Transaction Income	64,257	133,982
		Capacity Charge (out of Tk 400,000)	335,743	266,018
		TREC Renewal income - Annual	50,000	50,000
		Expenditure:		
		Board meeting attendance fees (excluding AIT & VAT)	20,000	40,000
		Committee meeting attendance fees (excluding AIT & VAT)	10,000	10,000
		Office Tea Expenses	94,464	78,336
		Assets:		
		Receivable against Capacity Charge	174,575	266,018
		Receivable against TREC Renewal income	50,000	-
		Liabilities:		
Payable against trade	267,195	1,257,159		
Major (Retd.) Emdadul Islam	Director	Revenue:		
		Turnover	262,041,092	355,923,478
		Transaction Income	60,271	81,271
		Capacity Charge (out of Tk 400,000)	339,729	318,729
		TREC Renewal income - Annual	50,000	50,000
		Expenditure:		
		Board meeting attendance fees (excluding AIT & VAT)	90,000	80,000
		Committee meeting attendance fees (excluding AIT & VAT)	40,000	30,000
		Assets:		
		Receivable against Capacity Charge	174,611	318,729
		Receivable against trade	181,346	418,107
		Receivable against TREC Renewal income	50,000	50,000
		Liabilities:		
Payable against Capacity Charge	-	1,992		
Payable against trade	125,931	-		
Mr. Shahjada Mahmud Chaudhuri	Director	Revenue:		
		Turnover	118,576,616	196,203,989
		Transaction Income	27,274	46,806
		Capacity Charge (out of Tk 400,000)	372,726	353,194
		TREC Renewal income - Annual	50,000	50,000
		Expenditure:		
		Board meeting attendance fees (excluding AIT & VAT)	50,000	40,000
		Committee meeting attendance fees (excluding AIT & VAT)	20,000	10,000
		Assets:		
		Receivable against TREC Renewal income	-	50,000
		Receivable against Capacity Charge	191,264	353,194
		Liabilities:		
		Payable against trade	33,968	79,374

Notes to the financial statements (continued)

Name of Directors	Status in CSE	Nature of transactions	30 June 2019 Amount (Taka)	30 June 2018 Amount (Taka)
Mr. Sayadur Rahman	Director	Revenue:		
		Turnover	8,855,567,364	7,167,011,493
		Transaction income	1,134,707	938,734
		TREC Renewal income - Annual	50,000	50,000
		Expenditure:		
		Board meeting attendance fees (excluding AIT & VAT)	90,000	30,000
		Committee meeting attendance fees (excluding AIT & VAT)	25,000	-
		Assets:		
		Receivable against trade	14,078,774	8,110,378
		Receivable against TREC Renewal income	50,000	-
		Liabilities:		
Payable against trade	496,867	307,847		
Mr. Md. Shamsul Islam, FCA (Retired on 25.10.2017)	Ex-Director	Revenue:		
		Turnover	-	10,498,238,900
		Transaction income	-	-
		Capacity Charge (out of Tk 1,000,000, however actual commission & contract charge-26,90,096.41)	-	1,000,000
		TREC Renewal income - Annual	-	50,000
		Expenditure:		
		Board meeting attendance fees (excluding AIT & VAT)	-	10,000
		Committee meeting attendance fees (excluding AIT & VAT)	-	5,000
		Travelling and Accommodation	-	2,562,986
		Assets:		
		Receivable against trade	-	1,052,754
		Liabilities:		
		Payable against Capacity Charge	-	903,633
Payable against trade	-	1,278,597		

Notes to the financial statements (continued)

6.00	Capacity charge/transaction income			
	<i>In Taka</i>		July'18-June'19	July' 17-June'18
	Capacity charge		39,849,709	35,203,774
	CSE commission		28,886,734	24,443,526
	Fees against Gift of Share		788,669	91,474
	Contract charges		-	9,243,082
			69,525,112	68,981,856
7.00	Listing income			
	<i>In Taka</i>		July'18-June'19	July' 17-June'18
	Annual Listing		135,899,796	127,419,297
	Initial Listing		81,596,251	82,606,887
	IPO Application Data Transmission Income		2,800,000	2,000,000
	Draft Prospectus Scrutiny Income		1,025,000	1,100,000
			221,321,047	213,126,184
8.00	TREC renewal income			
	<i>In Taka</i>		July'18-June'19	July' 17-June'18
	TREC renewal income		7,325,000	7,350,000
			7,325,000	7,350,000
9.00	Service charge and commission			
	<i>In Taka</i>	Note	July'18-June'19	July' 17-June'18
	Depository participant income	9.01	718,186	1,066,932
	Regulatory, data broadcasting and others		2,267,500	952,500
	Book building system		34,573,696	4,823,688
	TREC transfer income		3,000,000	-
	Service charge on transfer of shares of TREC		8,576	-
	DP operation through optical fiber		-	640,300
	API application income		-	25,000
			40,567,958	7,508,420
9.01	Depository participant income			
	<i>In Taka</i>		July'18-June'19	July' 17-June'18
	Beneficiary Owner (B.O.) Account opening fee		15,600	22,250
	Transaction & De-mat fee		320,189	567,918
	Account maintenance fee		514,650	623,200
	Other income		2,220	4,620
			852,659	1,217,988
	D.P expenses		(134,473)	(151,056)
			718,186	1,066,932
10.00	Trader certificate and renewal income			
	<i>In Taka</i>		July'18-June'19	July' 17-June'18
	Traders' Certificate income @ Tk. 10,000		1,630,000	6,131,500
	Traders' Certificate renewal income @ Tk. 5,000		6,415,000	12,030,000
			8,045,000	18,161,500
11.00	Human resource cost			
	<i>In Taka</i>	Note	July'18-June'19	July' 17-June'18
	Key Management's Compensation Packages	11.01	10,799,594	10,565,695
	Other Management's Compensation Packages	11.02	119,445,428	111,875,726
	Director Fees and Expenses	11.03	1,714,675	1,507,347
			131,959,697	123,948,768

Notes to the financial statements (continued)

11.01 Key Management's Compensation Packages			
MD's compensation package			
<i>In Taka</i>		July'18-June'19	July' 17-June'18
Basic salary		3,300,000	3,600,000
Allowances		2,612,500	2,850,000
Bonus		600,000	600,000
Final settlement of Ex- Managing Director		750,000	-
		7,262,500	7,050,000
CRO's compensation package			
Basic salary		1,320,000	1,176,300
Allowances		1,997,094	2,148,665
Bonus		220,000	172,100
Provident Fund Contribution		-	18,630
		3,537,094	3,515,695
		10,799,594	10,565,695
11.02 Other Management's Compensation Packages			
<i>In Taka</i>		July'18-June'19	July' 17-June'18
Salaries and allowances		99,612,292	92,123,347
Gratuity		9,051,828	10,062,017
Bonus		6,452,141	5,854,698
Provident Fund Contribution		3,862,086	3,512,047
Medical expenses		467,081	323,617
		119,445,428	111,875,726
11.03 Director Fees and Expenses			
<i>In Taka</i>	Note	July'18-June'19	July' 17-June'18
Board meeting	11.03.01	1,185,562	993,349
Committee meeting	11.03.02	529,113	513,998
		1,714,675	1,507,347
Each director is paid Tk. 10,000 per board meeting per attendance and Tk 5,000 per committee meeting per attendance (excluding VAT & AIT).			
11.03.01 Board meeting			
Board attendance fees		1,047,796	894,460
Meeting expenses		137,766	98,889
		1,185,562	993,349
11.03.02 Committee meeting			
Attendance fees		472,260	455,592
Meeting expenses		56,853	58,406
		529,113	513,998
12.00 Other Operating Expenses			
<i>In Taka</i>	Note	July'18-June'19	July' 17-June'18
Office general expenses	12.01	20,256,605	17,387,966
Electricity, fuel and water	12.02	5,781,986	5,431,357
Travelling, accommodation and conveyance	12.03	5,018,736	5,942,187
Insurance premium	12.04	1,963,054	2,401,535
Depreciation on Property, plant and equipments	22.00	18,346,159	18,465,149
		51,366,540	49,628,194

Notes to the financial statements (continued)
12.01 Office general expenses

<i>In Taka</i>	Note	July'18-June'19	July' 17-June'18
Transportation expenses		5,220,427	5,550,748
Security and cleaning services		4,436,694	4,273,141
Repairs and maintenance		1,257,467	1,117,556
AGM, TREC Holders' meeting and others	12.01.01	1,710,238	1,742,024
Subscriptions	12.01.02	921,200	1,386,361
Legal and professional expenses	12.01.03	932,675	326,750
Rates and taxes	12.01.04	762,956	784,622
Vehicle expenses		1,144,393	991,913
Office expenses		532,601	482,832
Audit fee		126,500	126,500
Periodicals and newspapers		48,063	95,303
Advertisement and development		758,608	375,216
Repair/Rental of NGTS equipment		300,370	135,000
Picnic expenses		2,104,413	-
		20,256,605	17,387,966

12.01.01 AGM, TREC Holders' meeting and others

<i>In Taka</i>	July'18-June'19	July' 17-June'18
Guest and visitors expenses	966,746	872,752
Refreshment expenses for various marketing purposes	172,013	338,900
Expenses for Journalists	81,478	78,634
TREC Holders' meeting	2,570	34,197
Annual General Meeting	487,431	341,045
Refreshment expenses for foreign delegates	-	76,496
	1,710,238	1,742,024

12.01.02 Subscriptions

<i>In Taka</i>	July'18-June'19	July' 17-June'18
South Asian Federation of Exchanges (USD 10,000 p.a.)	420,124	814,476
World Federation of Exchanges (GBP 4,180 p.a.)	479,662	454,635
Chittagong Club Limited	20,614	15,600
Chittagong Chamber of Commerce and Industry	800	1,650
Development fee to Chittagong Club Ltd. due to change of nominee	-	100,000
	921,200	1,386,361

12.01.03 Legal and professional expenses

<i>In Taka</i>	July'18-June'19	July' 17-June'18
Income Tax consultancy - Rahman Rahman Huq	155,250	149,500
Other Legal & Professional Fee	32,400	31,500
Audit fee of CSE Employees Provident Fund - Rahman Rahman Huq	11,500	5,750
Data entry in CSE website - Rahman Rahman Huq	690,000	115,000
Return filling at RJSC-Kazi Md.Moyeenul Karim	37,500	-
Audit fee of CSE workers' Profit Participation Fund - Rahman Rahman Huq	6,025	-
Sylhet Metrocity Sec. Ltd-Md. Ashik Al Jalil	-	25,000
	932,675	326,750

Notes to the financial statements (continued)

12.01.04 Rates and taxes

<i>In Taka</i>	July'18-June'19	July' 17-June'18
Registration fee of vehicles	207,552	213,954
Holding tax	486,000	486,000
Land development tax	39,900	58,500
Trade License	18,200	18,500
DP License	5,200	4,000
Filing fee of various return to RJSC	6,104	2,528
Fire License	-	1,140
	762,956	784,622

12.02 Electricity, fuel and water

<i>In Taka</i>	July'18-June'19	July' 17-June'18
Electricity	4,792,812	4,350,239
Water	567,757	553,601
Diesel (HSD) for Generator	405,180	508,038
Gas	16,237	19,479
	5,781,986	5,431,357

12.03 Travelling, accommodation and conveyance

<i>In Taka</i>	July'18-June'19	July' 17-June'18
Travelling and accommodation-Directors		
Foreign travel	746,109	1,104,129
Local travel	893,297	728,304
Travelling and accommodation-Executives		
Foreign travel	386,230	1,442,954
Local travel	2,742,910	2,405,258
Conveyance	250,190	261,542
	5,018,736	5,942,187

12.04 Insurance premium

<i>In Taka</i>	July'18-June'19	July' 17-June'18
Employees	953,609	1,150,905
Property	1,009,445	1,250,630
	1,963,054	2,401,535

13.00 Information technology and communication expenses

<i>In Taka</i>	Note	July'18-June'19	July' 17-June'18
Annual Maintenance Charge	13.01	59,356,395	57,535,708
Communication Expenses	13.02	7,136,015	6,960,268
Depreciation/amortization on Automation	23.00	32,120,452	31,837,215
		98,612,862	96,333,191

13.01 Annual Maintenance Charge

<i>In Taka</i>	July'18-June'19	July' 17-June'18
NGTS: Millennium IT Software Ltd.	27,465,225	26,811,071
NGTS: Intellect Design Arena Ltd. (Former Polaris Financial Technology Ltd.)	9,841,699	9,376,215
Middleware: IndigoTx Software Pvt. Ltd.	2,847,003	2,696,939
Oracle: Intellect Design Arena Pte Ltd. (Former: Polaris Software Lab Ltd.)	16,361,439	15,877,125
CSE Shariah Index & Benchmark Index: NSE Indices Ltd. (Former India Index Services Products Ltd.)	1,460,162	1,403,307
VRTS License: Exprezer Infotech	1,138,878	1,075,614
Oracle Linux Support: IBCS- Primax Software (Bangladesh) Ltd.	241,989	295,437
	59,356,395	57,535,708

Notes to the financial statements (continued)

13.02 Communication Expenses

<i>In Taka</i>	Note	July'18-June'19	July' 17-June'18
DDN Line Rent and Data Communication	13.02.01	3,162,438	3,273,988
Fax and Telephone		1,648,304	1,693,215
Postage and Courier		1,026,962	1,016,944
Website maintenance & hosting charge		603,033	935,217
Verisign		16,028	40,904
Website Development, Testing and Commission		679,250	-
		7,136,015	6,960,268

13.02.01 DDN Line Rent and Data Communication

<i>In Taka</i>	July'18-June'19	July' 17-June'18
BTCL	128,040	140,232
Link 3 Technologies Ltd.	787,416	863,600
Agni Systems Ltd.	579,600	634,800
Drik ICT Ltd.	166,954	180,000
Fiber @ Home Ltd.	1,269,642	1,143,356
Telnet Communication Ltd	230,786	312,000
	3,162,438	3,273,988

14.00 Educational activities and marketing expenses

<i>In Taka</i>	Note	July'18-June'19	July' 17-June'18
Publications and stationery	14.01	1,901,804	2,025,866
Seminar & workshop, Promotion and Training	14.02	9,181,449	6,666,972
		11,083,253	8,692,838

14.01 Publications and stationery

<i>In Taka</i>	July'18-June'19	July' 17-June'18
Publications:		
Portfolio	794,560	725,790
Bazar Parikrama	1,956,308	2,091,157
	2,750,868	2,816,947
Advertisement income	(2,714,203)	(2,417,400)
Sale of publication	(3,930)	(3,000)
	32,735	396,547
Stationery:		
General stationery	846,414	833,812
Computer stationery	535,758	540,307
Printing Expenses	486,897	255,200
	1,869,069	1,629,319
	1,901,804	2,025,866

14.02 Seminar & workshop, Promotion and Training

<i>In Taka</i>	Note	July'18-June'19	July' 17-June'18
Seminar and workshop expenses	14.02.01	6,053,908	4,705,371
Promotional expenses	14.02.02	3,093,111	1,556,851
Training - Local		34,430	404,750
		9,181,449	6,666,972

Notes to the financial statements (continued)
14.02.01 Seminar and workshop expenses

<i>In Taka</i>	July'18-June'19	July' 17-June'18
Conference on Anti Money Laundering	684,575	325,640
Traders /AR Training Programme	293,700	305,120
Meeting with TREC Holders, Merchant Banks, Asset Management Company and other marketing expenses.	122,464	266,259
Training program for different stakeholders on financial statement analysis, fundamental and technical analysis, IAS, IFRS, Clearing-settlement and DP service.	65,257	(115,705)
Press conference on national budget	9,954	82,665
Financial Literacy Programme	75,160	64,256
Awareness program for Compliance Authority	3,500	9,940
Training and awareness program on ITS, Global Work Station	260,088	9,820
Training on Innovation Programme	1,693,698	623,693
Celebration of World Investors Week	321,160	421,844
Free of cost day long training by CSE & BICM	24,352	80,612
Contribution to Biniyog Shiksha Tahobil constituted by Bangladesh Securities & Exchange Commission	2,500,000	2,500,000
Discussion on Introduction of Exchange Traded Fund (ETF)	-	131,227
	6,053,908	4,705,371

14.02.02 Promotional Expenses

<i>In Taka</i>	July'18-June'19	July' 17-June'18
2018-19: Complementary Capacity Building Visit in Indonesia of top 6 TREC Holders ;2017-18: Complementary Malaysia tour of top 10 TREC Holders	750,000	721,768
2018-19: CSE Diary; 2017-18: Note book	720,000	457,125
Refund of Commission and Contract charge	251,879	368,461
Participation in Unnayan Mela organized by BSEC	6,665	271,938
Crests	60,000	52,250
Gift to foreign delegate	43,320	62,807
Sponsorship expenses	50,000	298,750
Souvenir (Coat Pin, Pen) for Stake Holders	103,000	-
Celebration of Silver Jubilee of BSEC	521,069	-
Award to top ten terminals	587,178	-
Capital Market and Investment Fair at Chittagong	-	(846,828)
Participation in Digital World	-	133,740
SMS of Trade Information to TREC Holders	-	21,000
CSE Documentary	-	15,840
	3,093,111	1,556,851

15.00 Other income

<i>In Taka</i>	Note	July'18-June'19	July' 17-June'18
Dividend of CDBL		34,031,388	34,031,388
Rental Income	15.01	7,901,904	7,574,631
Disposal of NGTS equipment		(58,030)	392,375
Transfer of ownership of car		-	10,000
		41,875,262	42,008,394

15.01 Rental Income

<i>In Taka</i>	July'18-June'19	July' 17-June'18
Sylhet office rent	763,200	801,360
Dhaka office rent	4,631,964	4,625,391
Conference Hall and Space rent	3,495,000	3,131,915
	8,890,164	8,558,666
Less: Service charges	(988,260)	(984,035)
	7,901,904	7,574,631

Notes to the financial statements (continued)

16.00 Finance income

<i>In Taka</i>	July'18-June'19	July' 17-June'18
Interest on bank deposits/FDRs	470,958,641	388,355,175
Interest on Zero Coupon Bond	5,810,237	2,726,989
	476,768,878	391,082,164

17.00 Finance charges

<i>In Taka</i>	July'18-June'19	July' 17-June'18
Charges for P.O/D.D/T.T	34,177	23,581
Excise duty	2,914,450	4,000,650
	2,948,627	4,024,231

18.00 Workers' Profit Participation Fund and Workers' Welfare Fund

<i>In Taka</i>	July'18-June'19	July' 17-June'18
Contribution to Workers' Profit Participation and Welfare Fund	28,472,864	23,279,565

Provision for Workers' Profit Participation Fund and Workers' Welfare Fund is made @ 5% of net profit as per provision of the Bangladesh Labor Act 2006 in line with changes in the Act in July 2013.

19.00 Income taxes

19.01 Liabilities for current tax

<i>In Taka</i>	July'18-June'19	July' 17-June'18
Opening balance	99,225,480	56,973,271
Provided during the year		
Current year	161,275,409	99,225,480
Prior year	-	2,400,284
Payment of tax	(99,225,480)	(59,373,555)
Closing balance	161,275,409	99,225,480

19.02 Deferred tax liability:

Opening balance	75,794,901	82,580,848
Adjusted against temporary difference of PPE and intangible assets	(7,901,709)	(3,845,265)
Adjusted for temporary difference of gratuity	(3,057,580)	(2,940,682)
Net deferred tax benefit	(10,959,289)	(6,785,947)
Closing balance of Deferred tax liability	64,835,612	75,794,901

Deferred tax liability/ (asset)

Reconciliation of deferred tax liability as on 30 June 2019

In Taka

	Applicable rate	Carrying amount	Tax base	Temporary difference	Deferred tax liability/ (asset)
Automation & PPE (except land)	7%-35%	504,236,413	227,115,442	277,120,971	95,269,730
Liability for gratuity	35%	86,954,622	-	(86,954,622)	(30,434,118)
Deferred tax liability as on 30 June 2019					64,835,612

Reconciliation of deferred tax liability as on 30 June 2018

In Taka

	Applicable rate	Carrying amount	Tax base	Temporary difference	Deferred tax liability/ (asset)
Automation & PPE (except land)	7%-35%	548,326,293	248,998,960	299,327,334	103,171,439
Liability for gratuity	35%	78,218,680	-	(78,218,680)	(27,376,538)
Deferred tax liability as on 30 June 2018					75,794,901

Notes to the financial statements (continued)

20.00 Basic and diluted earnings per share

<i>In Taka</i>	July'18-June'19	July' 17-June'18
Profit attributable to ordinary shareholders (BD Taka)	390,668,294	347,471,914
Weighted average number of shares (Nos.)	634,524,840	634,524,840
Basic and diluted earnings per share (Tk.)	0.62	0.55

21.00 Provision for settlement guarantee fund of CSE

As per CSE Demutualization Scheme and Chittagong Stock Exchange (Settlement Guarantee Fund) Regulations, 2013, Chittagong Stock Exchange Limited is required to contribute Tk. 500 million as initial contribution and 5% of annual net profit of the exchange as regular contribution to the fund. The Regulation was published in the Bangladesh Gazette on 06 April 2014 retrospective with effect from demutualization date i.e. 21 November 2013.

The Board has decided to settle initial contribution of Tk. 500 million in 10 equal yearly installments of Tk. 50 million each. The Board has also decided that balance in the retained earnings against pre-demutualized period amounting to Tk. 225,341,287 will be utilized first for this initial contribution.

<i>In Taka</i>	Contribution		
July'17 - June'18	Initial	Regular	Total
Opening balance	225,000,000	73,438,543	298,438,543
Transfer of initial contribution during the year	50,000,000	-	50,000,000
Transfer of regular contribution during the period from net profits of 30 June 2018	-	23,279,565	23,279,565
Closing balance as at 30 June 2018	275,000,000	96,718,108	371,718,108
July'18 - June'19			
Opening balance	275,000,000	96,718,108	371,718,108
Transfer of initial contribution during the year	50,000,000	-	50,000,000
Transfer of regular contribution during the year from net profits of 30 June 2019	-	28,472,864	28,472,864
Closing balance as at 30 June 2019	325,000,000	125,190,972	450,190,972

Notes to the financial statements (continued)

22.00 Property, plant and equipment-Revaluation model

In Taka

Particulars	COST/REVALUATION		Disposal	At 30 June 2019	ACCUMULATED DEPRECIATION			Carrying amount at 30 June 2019
	At 1st July 2018	Additions			At 1st July 2018	Charged for the year	Write off	
Freehold Land	1,168,181,306	132,000	-	1,168,313,306	-	-	-	1,168,313,306
Leasehold Land	47,141,741	-	-	47,141,741	2,639,939	502,846	-	43,998,956
Building	410,263,287	-	-	410,263,287	70,618,617	14,359,214	84,977,831	325,285,456
Furniture and Fixture	16,585,523	4,547	-	16,590,070	14,847,528	906,899	15,754,427	835,643
Air Conditioner	12,216,500	341,190	-	12,557,690	11,644,847	263,877	11,908,724	648,966
Electrical Installation (Generator)	7,821,170	-	-	7,821,170	7,812,706	8,464	7,821,170	-
Electrical Installation (Sub-station)	1,492,174	-	-	1,492,174	1,492,173	-	1,492,173	1
Electrical Fittings	9,519,765	-	-	9,519,765	9,412,011	61,042	9,473,053	46,712
Fire Alarm & Access Control System	6,078,663	21,600	-	6,100,263	3,918,976	440,679	4,359,655	1,740,608
Vehicle	14,004,838	-	-	14,004,838	14,004,838	-	14,004,838	-
Computers	20,538,120	40,860	171,367	20,407,613	19,006,411	529,095	19,455,669	951,944
Books	218,645	-	-	218,645	198,653	8,049	206,702	11,943
Office Equipment	7,328,435	195,560	25,253	7,498,742	6,795,788	274,258	7,044,793	453,949
Other Equipment	1,044,911	8,900	-	1,053,811	811,347	61,497	872,844	180,967
Office Renovation	9,188,508	130,630	-	9,319,138	6,771,451	930,239	7,701,690	1,617,448
Total	1,731,623,586	875,287	196,620	1,732,302,253	169,975,285	18,346,159	105,090	1,544,085,899
Total 30 June 2018	1,708,051,096	23,572,490	-	1,731,623,586	151,510,138	18,465,149	-	1,561,648,299

Description of Revaluation:

In order to ensure transparency in the operations of CSE, the government passed an act under the name and style of The Exchanges Demutualization Act 2013 under which it was required to revalue all its assets and liabilities at 31 March 2013 with the ultimate objective of separating management from policy making function while turning CSE into a profit making public limited company.

The purpose of the valuation engagement was to arrive at a fair market value of Company's assets and liabilities at 31 March, 2013 for the purpose of demutualization and Hoda Vasi Chowdhury & Co., Chartered Accountants was engaged by CSE. Hoda Vasi Chowdhury & Co., Chartered Accountants have engaged a reputed engineering and survey firm named 'PRONOYON' located in Chittagong as valuers for valuation of land and buildings. Replacement cost and market price method, wherever applicable, have been used by the independent valuer for re-valuation of property, plant and equipment.

As at 31 March 2013

Taka

Revalued amount	1,633,587,725
Value as per audited statement	281,574,157
Revalued surplus amount	1,352,013,568

Notes to the financial statements (continued)

22.01 Property, plant and equipment

As per the provisions of the Exchanges Demutualization Act 2013, assets of the company were revalued in the year 2013. Had there been no revaluation, the value of assets would have been as follows:

Cost Model:
In Taka

Particulars	COST			DEPRECIATION			Carrying amount at 30 June 2019
	At 1st July 2018	Additions	Disposal	At 30 June 2019	Charged for the year	Write off	
Freehold Land	125,764,913	132,000	-	125,896,913	-	-	125,896,913
Leasehold Land	16,060,592	-	-	16,060,592	171,848	-	1,899,024
Building	165,260,467	-	-	165,260,467	5,784,116	-	61,640,336
Furniture and Fixture	16,585,523	4,547	-	16,590,070	894,966	-	15,754,427
Air Conditioner	12,216,500	341,190	-	12,557,690	217,948	-	11,908,725
Electrical Installation (Generator)	7,821,170	-	-	7,821,170	3,689	-	7,821,170
Electrical Installation (Sub-station)	1,492,174	-	-	1,492,174	-	-	1,492,173
Electrical Fittings	9,519,765	-	-	9,519,765	-	-	9,475,844
Fire Alarm & Access Control System	6,078,663	21,600	-	6,100,263	440,680	-	4,359,655
Vehicle	14,004,838	-	-	14,004,838	-	-	14,004,838
Computers	20,538,120	40,860	171,367	20,407,613	399,025	79,837	19,455,669
Books	218,645	-	-	218,645	7,794	-	206,702
Office Equipment	7,328,435	195,560	25,253	7,498,742	261,885	-	7,044,793
Other Equipment	1,044,911	8,900	-	1,053,811	61,497	25,253	872,844
Office Renovation	9,188,508	130,630	-	9,319,138	930,239	-	7,701,690
Total as on 30 June 2019	413,123,224	875,287	196,620	413,801,891	9,173,687	105,090	163,637,890
Total 30 June 2018	389,550,734	23,572,490	-	413,123,224	9,559,052	-	154,569,293
							258,553,929

Notes to the financial statements (continued)

23.00 Automation-Intangible assets and equipments

In Taka	Particulars	C O S T			DEPRECIATION / AMORTIZATION				Carrying amount at 30 June 2019
		At 1st July 2018	Additions during the year	Disposal during the year	At 30 June 2019	Charged for the year	Disposal for the year	At 30 June 2019	
A. Intangible assets									
Consultancy Software:									
Next Generation Trading System (NGTS)	1,638,801	-	-	1,638,801					
CSE Shariah and Benchmark Index Accounting information system	338,454,559	3,652,475	-	342,107,034					
Microsoft Software License	1,705,826	-	-	1,705,826					
	60,000	-	-	60,000					
	3,336,993	349,026	-	3,686,019					
Total intangible assets on 30 June 2019	345,196,179	4,001,501	-	349,197,680	167,349,498	23,713,805	-	191,063,303	158,134,377
Total intangible assets on 30 June 2018	342,935,186	2,260,993	-	345,196,179	143,975,627	23,373,871	-	167,349,498	177,846,681
B. Equipments									
Network Trading System	31,521,078	-	-	31,521,078					
Fiber Optics Laying	32,026,845	-	-	32,026,845					
Telecommunication Network	2,036,480	-	-	2,036,480					
Trading System	180,000	-	-	180,000					
Next Generation Trading System (NGTS)	34,342,255	-	140,000	34,202,255					
Telecommunication Server	21,764,616	-	-	21,764,616					
Fiber Optics	75,790,716	762,000	-	76,552,716					
Trading Equipment	5,786,447	-	-	5,786,447					
Net Infinite Server (ITS)	12,381,106	458,625	-	12,839,731					
Accessories (Local)	2,746,642	-	-	2,746,642					
Mux Equipment	1,413,822	-	-	1,413,822					
	938,000	-	-	938,000					
	1,961,663	-	-	1,961,663					
	149,044	-	-	149,044					
Total Equipments on 30 June 2019	223,038,714	1,220,625	140,000	224,119,339	201,524,293	8,406,647	140,000	209,790,940	14,328,399
Total Equipments on 30 June 2018	224,773,714	550,000	2,285,000	223,038,714	194,546,199	8,463,344	1,485,250	201,524,293	21,514,421
Total Automation on 30 June 2019	568,234,893	5,222,126	140,000	573,317,019	368,873,791	32,120,452	140,000	400,854,243	172,462,776
Total Automation on 30 June 2018	567,708,900	2,810,993	2,285,000	568,234,893	338,521,826	31,837,215	1,485,250	368,873,791	199,361,102

Notes to the financial statements (continued)

24.00 Investment with CDBL		July' 18-June'19	July' 17-June'18
<i>In Taka</i>			
13,612,555 shares (Revalued @ Tk 45 per share to arrive at fair value as required by the Exchanges Demutualization Act 2013)		612,564,975	612,564,975
Closing balance		612,564,975	612,564,975

Assets earning ratio method has been used by the valuer in estimating the fair value of investment in CDBL.

25.00 Investment In Zero Coupon Bond		July' 18-June'19	July' 17-June'18
<i>In Taka</i>			
Recoverable within 1 year		14,859,735	13,727,240
Recoverable after 1 year		52,347,592	67,207,327
		67,207,327	80,934,567

Issuer

IPDC Finance Limited

Issue date

31 January 2018

Face value of each bond

Denomination of face value of each bond is BDT 1,000,000.

Discount range

Discount range is expected to be within the range of 8% to 8.25% p.a.

Tenure and redemption

From 6 months to 5 years from the issue date .

Subscription

Company subscribed in 100 nos. of redeemable zero coupon bond issued by IPDC @ Tk. 80,934,567 for six months to five years from issue date.

Transferability

Transferable as per agreement.

Redemption

Bonds within a bundle shall be redeemed equally over five (5) years on semi-annual basis.

Effective interest rate (EIR)

EIR is 8.087% per annum.

26.00 Investment In CCBL (Central Counterparty Bangladesh Limited)		July' 18-June'19	July' 17-June'18
60,000,000 shares @ Tk 10 each (20% of paid up capital of 30 crore shares of CCBL)		600,000,000	-
		600,000,000	-

27.00 Trade receivables-clearing		July' 18-June'19	July' 17-June'18
<i>In Taka</i>			
Receivables against trade		169,200,472	230,475,925

This represents amount receivable from CSE TREC Holders arising from transactions on 30.06.2019. The amount was fully realized after the reporting date.

28.00 Trade receivables-others		July' 18-June'19	July' 17-June'18
<i>In Taka</i>			
Accrued interest on FDR	Note 28.01	184,825,511	141,863,974
Other receivables	28.02	87,655,961	50,919,419
		272,481,472	192,783,393

28.01 This include Taka 32,700,000 from International Leasing and Financial Services Ltd., Phoenix Finance & Investment Ltd., Premier Leasing & Finance Ltd. and Union Capital Ltd. on matured TDRs yet to be received.

Notes to the financial statements (continued)
28.02 Other receivables

<i>In Taka</i>	Note	July' 18-June'19	July' 17-June'18
Receivable against capacity charge	28.02.01	20,191,392	33,121,543
Receivable against listing income		21,998,037	9,447,459
Rent and electricity bills receivable from tenants		4,362,574	3,453,806
Legal and advertisement expenses recoverable from Trendset Securities Ltd. (TSL) and Sylhet Metrocity Securities Ltd.		1,490,558	1,189,259
Compensation against shares	28.02.02	1,463,213	1,463,213
Data broadcasting fee- ETV		175,000	140,000
Other receivables		373,334	309,774
TREC Renewal Income		2,995,000	(980,000)
CSE Investors' Protection Fund		44,999	47,376
Interest Receivable on Zero Coupon Bond		2,264,466	2,726,989
Depository Participant (DP) receivable	28.02.03	330,299	-
Receivables from IBCS-Primax Software (BD) Ltd.		294,677	-
Receivable from DSE against Book Building Systems		31,672,412	-
		87,655,961	50,919,419

28.02.01 This represents amount receivable from CSE TREC Holders as commission and contract charge against their trade according to the following category:

Tk 400,000 (Taka Four Lac) minimum for the period from July' 2018 to June' 2019.

Tk 400,000 (Taka Four Lac) minimum and Tk 1,000,000 (Taka Ten lac) maximum for the period from July' 2017 to June' 2018

28.02.02 Compensation against shares **1,463,213** 1,463,213

The amount represents the compensation receivable against 12 (twelve) scrips which were lost in course of transit. Duplicate share certificates have been received from 7 (seven) issuers so far against the claim lodged by CSE. Of these, 5 (five) scrips were sold at Tk. 622,563, which is Tk. 356,323 higher than the compensation paid in respect of these scrips. Correspondences are being made with the issuers of the remaining scrips for issuing fresh share certificates against the remaining scrips.

28.02.03 Depository participant (DP) charges receivable

<i>In Taka</i>	July' 18-June'19	July' 17-June'18
Transaction fee & De-mat fee	330,299	-
	330,299	-

29.00 Advances, deposits and prepayments

<i>In Taka</i>	Note	July' 18-June'19	July' 17-June'18
Advances	29.01	2,158,251	4,723,659
Deposits	29.02	1,435,202	1,465,202
Prepayments	29.03	32,660,138	32,903,071
Advance against car scheme	30.01	1,500,000	1,575,000
		37,753,591	40,666,932

29.01 Advances

<i>In Taka</i>	Note	July' 18-June'19	July' 17-June'18
Advance for Land purchase	29.04	1,586,000	1,586,000
Other advances	29.05	572,251	3,137,659
		2,158,251	4,723,659

29.02 Deposits - Security

<i>In Taka</i>	July' 18-June'19	July' 17-June'18
BTCL	632,000	632,000
RAJUK against application for allotment of land	600,000	600,000
Electricity	152,625	152,625
DDN Line Rent	45,577	45,577
Duncan Product Ltd.	5,000	5,000
Chittagong Club Ltd	-	30,000
	1,435,202	1,465,202

Notes to the financial statements (continued)
29.03 Prepayments

<i>In Taka</i>	Note	July' 18-June'19	July' 17-June'18
Data communication, trading system, index and website	29.06	31,153,715	30,881,221
Insurance premium		1,233,253	1,249,940
Annual subscription of SAFE & WFE		237,221	666,435
Issuer Book Entry Demat Register Maintenance		35,336	35,334
BTCL for Domain Hosting		613	1,533
RND Technologies Ltd. for Antivirus		-	68,608
		32,660,138	32,903,071

29.04 Advance for land purchase
1,586,000 1,586,000

The amount represents the advance against land adjacent to CSE Building under the following registered deeds (Bainanama):

Baina Ref.	Party	Date	Area	Rate	Total amount (Taka)	Advance (Taka)
Baina no. 8018	Ms. Khadija Begum	08.05.12	0.0048 Acre or 1 Kora or 212 sft	Tk 70 lac per Ganda	1,717,593	1,586,000
Total					1,717,593	1,586,000

29.05 Other advances

<i>In Taka</i>	July' 18-June'19	July' 17-June'18
Advance commission on advertisement	114,480	150,000
Travelling, conveyance and office expenses	42,771	43,385
Advance to Amicus Corporation Advisory Group for data collection, interview, report of Proposed CSE Complex Project	345,000	345,000
Advance for land litigation	70,000	70,000
DATACRAFT Ltd. for website development	-	391,874
Intellect Design Arena for Market Maker Software	-	1,452,900
Advance to HG Aviation, Cox Today, Soudia Bus for Annual Picnic	-	449,000
Advance to Thakral Information for Server	-	165,000
Advance to Corporate Management Services for secretarial work with RJSC	-	20,000
Advance to Greenwhal Enterprise for kitchen cabinet at CSE Dhaka Office	-	50,500
	572,251	3,137,659

29.06 Data communication, trading system, index and website

<i>In Taka</i>	July' 18-June'19	July' 17-June'18
Millennium IT Software Ltd. for NGTS	13,935,873	13,756,567
Intellect Design Arena Pte Ltd. (Former: Polaris Software Lab Ltd.) for Oracle Licences	10,895,595	10,755,408
Intellect Design Arena Ltd. (Former Polaris Financial Technology Ltd.) for NGTS	5,114,216	4,810,867
VRTS License	738,797	889,906
NSE Indices Ltd. (Former: India Index Services & Products Ltd.)	412,671	410,456
Secure Socket Layer Certificate for website	56,563	-
IBCS-PRIMAX for Oracle Linux Support renewal	-	241,989
Software Shop Ltd. for VeriSign	-	16,028
	31,153,715	30,881,221

30.00 Advance against car scheme

<i>In Taka</i>	Note	July' 18-June'19	July' 17-June'18
Recoverable in more than one year	30.01	5,025,000	4,750,000

30.01 Advance against car scheme

<i>In Taka</i>	July' 18-June'19	July' 17-June'18
Recoverable within one year	1,500,000	1,575,000
Recoverable in more than one year	5,025,000	4,750,000
	6,525,000	6,325,000

Notes to the financial statements (continued)

31.00	Advance income tax		July' 18-June'19	July' 17-June'18
	<i>In Taka</i>			
	Opening balance		81,140,181	36,414,551
	Paid/adjusted during the year		39,365,025	44,725,630
	Closing balance		120,505,206	81,140,181
32.00	Investment in FDRs			
	<i>In Taka</i>		July' 18-June'19	July' 17-June'18
	NCC Bank Ltd		300,000,000	300,000,000
	IFIC Bank Ltd.		275,000,000	200,000,000
	Mutual Trust Bank Ltd.		270,000,000	30,000,000
	Southeast Bank Ltd.		260,000,000	230,000,000
	Al Arafah Islami Bank Ltd.		250,000,000	300,000,000
	Mercantile Bank Ltd.		240,000,000	230,000,000
	Shahjalal Islami Bank Ltd.		215,000,000	275,000,000
	EXIM Bank Ltd.		210,000,000	80,000,000
	IDLC Finance Ltd.		200,000,000	200,000,000
	Jamuna Bank Ltd.		200,000,000	110,000,000
	Dhaka Bank Ltd.		175,000,000	225,000,000
	One Bank Ltd.		170,000,000	300,000,000
	United Commercial Banks Ltd.		150,000,000	140,000,000
	Phoenix Finance & Investment Ltd.		145,000,000	185,000,000
	Lanka Bangla Finance Ltd.		140,000,000	200,000,000
	International Leasing & Financial Services Ltd.		140,000,000	150,000,000
	Delta Brac Housing Finance Corp. Ltd.		110,000,000	150,000,000
	Premier Bank Ltd.		110,000,000	10,000,000
	Bangladesh Finance & Investment Co. Ltd.		100,000,000	100,000,000
	Modhumati Bank Limited		100,000,000	20,000,000
	Union Capital Ltd.		90,000,000	130,000,000
	SBAC Bank Ltd.		85,000,000	100,000,000
	BRAC Bank Ltd.		50,000,000	300,000,000
	Islamic Finance & Investment Ltd.		50,000,000	60,000,000
	United Finance Ltd		50,000,000	30,000,000
	Prime Finance & Investment Ltd.		35,000,000	70,000,000
	AB Bank Ltd.		30,000,000	135,000,000
	IPDC Finance Ltd.		20,000,000	45,000,000
	Midas Financing Ltd.		20,000,000	40,000,000
	Premier Leasing & Finance Ltd.		15,000,000	30,000,000
	First Security Islami Bank Ltd.		15,000,000	100,000,000
	NRB Bank Ltd.		10,000,000	100,000,000
	Union Bank Ltd.		110,000,000	-
	Bank Asia Ltd.		100,000,000	-
	National Housing Finance and Investment Ltd.		20,000,000	-
	Social Islami Bank Ltd.		-	70,000,000
	Investment Corporation of Bangladesh		-	40,000,000
	NRB Global Bank Ltd.		-	10,000,000
	Eastern Bank Ltd.		-	170,000,000
	Midland Bank Ltd.		-	20,000,000
	Shimanto Bank Ltd.		-	20,000,000
			4,460,000,000	4,905,000,000

Following FDR balances are earmarked against Chittagong Stock Exchange Settlement Guarantee Fund and Gratuity payable:

<i>In Taka</i>		July' 18-June'19	July' 17-June'18
Earmarked against	Bank/Financial Institution		
Chittagong Stock Exchange Settlement Guarantee Fund	Al-Arafah Islami Bank Ltd.	250,000,000	300,000,000
	IFIC Bank Ltd.	200,000,000	-
	Dhaka Bank Ltd.	-	75,000,000
Gratuity payable	Dhaka Bank Ltd.	80,000,000	80,000,000
	IFIC Bank Ltd.	5,000,000	-
		535,000,000	455,000,000

Notes to the financial statements (continued)
33.00 Cash and cash equivalents

<i>In Taka</i>	July' 18-June'19	July' 17-June'18
Cash in hand:		
Cash in hand	53,268	35,801
Cash at banks:		
Current Trade	1,388,685	70,364,374
SND and STD Trade	155,782,305	397,895,792
	157,170,990	468,260,166
	157,224,258	468,295,967

34.00 Share capital

<i>In Taka</i>	Note	July' 18-June'19	July' 17-June'18
Authorised :			
1,000,000,000 Ordinary shares of Tk. 10 each		10,000,000,000	10,000,000,000
Details of paid up share capital are as follows:			
Shares fully paid in cash (4,440,000 ordinary shares of Tk 10 each)		44,400,000	44,400,000
Bonus shares (630,084,840 ordinary shares of Tk. 10 each issued upon demutualization)		6,300,848,400	6,300,848,400
		6,345,248,400	6,345,248,400

As per the Exchanges Demutualization Act 2013 CSE issued 4,287,330 ordinary shares of Tk 10 face value to each of 148 initial shareholders (including 1 forfeited share) against 1 share of Tk 300,000 face value. Of these shares, 60% i.e. 2,572,398 shares have been kept in a blocked account and 40% i.e. 1,714,932 shares have been transferred to the respective B.O. account of the initial shareholders as per the requirement of the Exchanges Demutualization Act 2013.

34.01 Share forfeiture account

<i>In Taka</i>	July' 18-June'19	July' 17-June'18
4,287,330 Ordinary Share of Tk. 10	42,873,300	42,873,300

The board meeting held on 13 August 2018 decided to forfeit 4,287,330 shares and TREC of Sylhet Metrocity Securities Ltd. in line with the Rule 3 (1 A) of the Securities and Exchange Rules, 1987 and Regulations 8(1) (iii) of Chittagong Stock Exchange (Trading Right Entitlement Certificate) Regulation, 2013.

The forfeited 4,287,330 shares and TREC of Trendset Securities Ltd. were issued to BRB Securities Ltd. as per decision of the Board on 6th December 2018.

35.00 Gratuity payable

<i>In Taka</i>	July' 18-June'19	July' 17-June'18
Opening Balance	78,218,680	69,816,731
Provided during the Year	9,091,694	10,073,123
Paid during the year	(355,752)	(1,671,174)
Closing Balance	86,954,622	78,218,680

36.00 Trade payables-clearing

<i>In Taka</i>	Note	July' 18-June'19	July' 17-June'18
Payable against trade	36.01	241,254,408	482,981,187
		241,254,408	482,981,187

36.01 It represents amount payable to CSE Members on account of transactions during 18.6.19 to 30.6.19. Full amount was paid after the reporting date.

Notes to the financial statements (continued)

37.00 Liabilities for expenses				
<i>In Taka</i>	Note	July' 18-June'19	July' 17-June'18	
Bangladesh Stock Dealers' Association		5,260,607	5,260,827	
Communication expenses	37.01	2,729,312	1,861,001	
Salaries and allowances payable		884,012	3,446,808	
Annual maintenance charges	37.02	583,696	490,383	
Payable to CDBL against Depository Participant and B.O	37.03	8,738,736	10,063,950	
Account maintenance charges				
Promotional & development expenses	37.04	1,080,000	210,000	
Electricity, water and gas		227,430	285,201	
Audit fee		126,500	126,500	
Publication, printing and stationery		597,944	879,017	
Security and cleaning services		218,183	215,963	
Travelling, accommodation & conveyance		276,167	329,744	
Repair and maintenance		93,105	225,341	
Transportation expenses		237,950	252,200	
Other payable against expenses		169,351	186,015	
Legal and professional fee		69,000	28,750	
Expenses for Innovation Program at Chittagong & Hobigonj		1,198,887	-	
Service charge of Dhaka and Sylhet Office		-	20,000	
CDBL for renewal of DP registration certificate		-	4,000	
Advertising expenses		-	14,161	
		22,490,880	23,899,861	
37.01 Communication expenses				
<i>In Taka</i>		July' 18-June'19	July' 17-June'18	
Fiber @ Home Ltd. for data transmission		605,964	110,613	
Link3 Technologies Ltd. for data communication and web hosting		894,210	720,341	
Agni Systems Ltd. for data communication		668,620	590,420	
BTCL for telephone and fax		100,000	143,000	
Postage & others		75,130	98,387	
BTCL for DDN and data communication		58,430	70,116	
Drik ITC Ltd. for dark fiber connectivity		97,172	15,000	
Telnet Communication Ltd for connectivity between CSE & CDBL with redundant link		104,786	23,000	
Datacraft Ltd. for Website Maintenance		125,000	-	
Beximco Ltd. for website maintenance		-	58,000	
Grameen phone for mobile bill		-	27,158	
Banglalink Digital Communication for mobile bill		-	4,966	
		2,729,312	1,861,001	
37.02 Annual maintenance charges				
<i>In Taka</i>		July' 18-June'19	July' 17-June'18	
IndigoTX Software Pvt Ltd for GOTX Middleware		583,696	490,383	
		583,696	490,383	
37.03 Payable to CDBL against Depository Participant and BO Account Maintenance charges				
<i>In Taka</i>		July' 18-June'19	July' 17-June'18	
Transaction fee & Demat fee		1,857,155	1,609,169	
B.O Account maintenance fee		6,881,581	8,454,781	
		8,738,736	10,063,950	

Notes to the financial statements (continued)

37.04 Promotional & development expenses

<i>In Taka</i>	July' 18-June'19	July' 17-June'18
Award to top ten terminals	330,000	-
Complementary Capacity visit in Indonesia by top six TREC Holders	750,000	-
Bangladesh Capital Market Journalists Forum	-	200,000
Dhaka Reporters Unity	-	10,000
	1,080,000	210,000

38.00 Liabilities for other finance

<i>In Taka</i>	Note	July' 18-June'19	July' 17-June'18
Trade Margin		590,000	70,590,000
Annual listing income received in advance		44,688,375	44,975,251
Workers' profit participation and welfare fund		33,933,926	26,412,670
Value Point Capitals Limited	38.01	1,286,820	1,286,820
Members' clearing house security deposit		7,421,359	7,371,359
Commission & Contract charge		368,668	5,532,848
Advance against rent		3,532,590	3,532,590
Deposits of BO account holders		2,476,500	2,467,100
Advance against advertisement		668,800	1,011,000
Bid Money against issuance of forfeited shares of CSE	38.02	7,957,026	860,000
Cash back rebate		201,513	201,513
Investors' Protection Fund		282,428	136,766
Provident Fund- Employees' subscription		645,525	107,106
VAT deducted at source		159,198	132,491
CSE Employees' Welfare Council		91,154	62,194
Tax deducted at source		30,537	30,543
Payable to BSEC		2,045,640	-
Advance listing fee awaiting Board approval		-	8,979,613
Others		134,307	72,367
		106,514,366	173,762,231

38.01 Value Point Capitals Limited

The balance has been arrived at after crediting sale proceeds of membership and debiting various payments on behalf of Value Point Capitals Ltd. and other expenses incurred. Mr. Khondoker Rashed Ahmed, Ex-Managing Director of the company has filed a Court case in November, 2004 claiming compensation from other two directors of the company and also making CSE a party urging not to pay this amount to any one till the adjudication of the case. The case is pending in the Court of 3rd Joint District Judge for hearing.

38.02 Bid money against issuance of forfeited shares of CSE

<i>In Taka</i>	July' 18-June'19	July' 17-June'18
Nutriqual Ltd. & BRB Securities Ltd. on account of Trendset Securities Ltd.	3,782,026	860,000
MTB Securities Ltd. on account of Sylhet Metrocity Securities Ltd.	4,175,000	-
	7,957,026	860,000

<i>In Taka</i>	July' 18-June'19	July' 17-June'18
39.00 Unclaimed dividend	47,779,235	29,738,431
The above amount represent 6% cash dividend against 6 TREC Holders for the year ended 31.12.2015, 7 TREC Holders for the year ended 30.06.17 and 5% cash dividend against 12 TREC Holders for the year ended 30.06.18.		
For the year ended 31.12.15	14,405,429	16,977,827
For the year ended 30.06.17	14,304,302	12,760,604
For the year ended 30.06.18	19,069,504	-
	47,779,235	29,738,431

Notes to the financial statements (continued)
40.00 Capital expenditure commitments

1. An amount of Tk 131,593 has to be paid against land under the Bainanama (No. 8018 dated 8.5.12) for 212 sft land.
2. Tk. 345,000 has been paid as advance out of Tk 690,000 to Amicus Corporation Advisory Group for data collection, interview, report on Proposed CSE Complex Project.
3. According to the statement of work, dated 1st November 2018 for upgrading the trading application to the Global Workstation in place of existing Dealer Workstation, USD 25,000 is required to be paid to Intellect Design Arena Ltd, India.
4. A work order was issued on 30th June 2019 for TK 170,000 in favour of Smart Technologies (BD) Ltd. for supply of 4 nos HP desktop.

41.00 Particulars of employees

	Number of Employees	
	30 June 2019	30 June 2018
Employees drawing more than Tk. 3,000 per month	90	87
Employees drawing less than Tk. 3,000 per month	-	-

42.00 Contingent liabilities

The company had no contingent liabilities at the reporting date.

43.00 Events after reporting date

No material events have occurred from the reporting date to the date of issue of these financial statements which could affect the values stated therein.

Notes to the financial statements (continued)

44.00 Financial instruments- Fair value and risk management
A. Accounting Classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount						Total
		Fair value through profit or loss	Financial assets at amortized cost	Debt investments at fair value through other comprehensive income	Equity investments at fair value through other comprehensive income	Other financial liabilities	Total	
30 June 2019								
<i>In Taka</i>								
Financial assets not measured at fair value								
	24	-	612,564,975	-	-	-	612,564,975	
	26	-	600,000,000	-	-	-	600,000,000	
	27	-	169,200,472	-	-	-	169,200,472	
	28	-	272,481,472	-	-	-	272,481,472	
	32	-	4,460,000,000	-	-	-	4,460,000,000	
	25	-	52,347,592	-	-	-	52,347,592	
	33	-	157,170,990	-	-	-	157,170,990	
		-	6,323,765,501	-	-	-	6,323,765,501	
Financial liabilities not measured at fair value								
	36	-	-	-	-	241,254,408	241,254,408	
	38	-	-	-	-	106,514,366	106,514,366	
		-	-	-	-	347,768,774	347,768,774	
30 June 2018								
<i>In Taka</i>								
Financial assets not measured at fair value								
	24	-	-	-	612,564,975	-	612,564,975	
	27	-	-	230,475,925	-	-	230,475,925	
	28	-	-	192,783,393	-	-	192,783,393	
	32	-	-	-	4,905,000,000	-	4,905,000,000	
	25	-	-	-	67,207,327	-	67,207,327	
	33	-	-	468,260,166	-	-	468,260,166	
		-	-	891,519,484	5,584,772,302	-	6,476,291,786	
Financial liabilities not measured at fair value								
	36	-	-	-	-	482,981,187	482,981,187	
	38	-	-	-	-	173,762,231	173,762,231	
		-	-	-	-	656,743,418	656,743,418	

Notes to the financial statements (continued)

(i) When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: quoted price (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(ii) The Company has not disclosed the fair values of financial instruments such as trade receivables and payables, because their carrying amounts are a reasonable approximation of fair values.

B. Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- a) Credit risk
- b) Liquidity risk and
- c) Market risk

Risk management framework

The company management has overall responsibility for the establishment and oversight of the Company's risk management framework. The company's management policies are established to identify and analyze the risks faced by the company to set appropriate risk limits and controls and to monitor risks and adherence to limit. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

a) Credit risk

Credit risk is the risk of financial loss if a customer fails to meet its contractual obligations which arise principally from the Company's receivables from TREC holders/members. Moreover, trading or transaction of stocks leads to some credit risk for the company as fee received from transactions is the main source of income.

Exposure to credit risk

The trading and carrying amount of financial assets shown in the Statement of Financial Position represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows :

<i>In Taka</i>	July' 18-June'19	July' 17-June'18
Trade receivables-clearing	169,200,472	230,475,925
Trade receivables-others	272,481,472	192,783,393
Advances and deposits	37,753,591	40,666,932
Investment in FDRs	4,460,000,000	4,905,000,000
Cash at bank	157,170,990	468,260,166
Investment in Zero Coupon Bond	67,207,327	80,934,567
	5,163,813,852	5,918,120,983

Ageing of Trade Receivables-Clearing

The ageing of accounts receivable clearing and Trade receivable others at the end of the reporting period that were not impaired was as follows:

<i>In Taka</i>	July' 18-June'19	July' 17-June'18
0-90 days	169,200,472	230,475,925

Notes to the financial statements (continued)

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed condition, having sufficient capability to manage unacceptable loss, if arising, or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities:

<i>In Taka</i>		At 30 June 2019				
Contractual cash flows						
Non-derivative financial liabilities	Carrying amount	Within 12 months	Within 2-5 years	More than 5 years	Other	Total
Trade payable - clearing	241,254,408	241,254,408	-	-	-	241,254,408
Gratuity payable	86,954,622	-	-	-	86,954,622	86,954,622
Liability for expenses	22,490,880	17,230,273	5,260,607	-	-	22,490,880
Liability for other finance	106,514,366	91,797,097	6,009,090	8,708,179	-	106,514,366
	457,214,276	350,281,778	11,269,697	8,708,179	86,954,622	457,214,276

<i>In Taka</i>		At 30 June 2018				
Contractual cash flows						
Non-derivative financial liabilities	Carrying amount	Within 12 months	Within 2-5 years	More than 5 years	Other	Total
Trade payable - clearing	482,981,187	482,981,187	-	-	-	482,981,187
Gratuity payable	78,218,680	-	-	-	78,218,680	78,218,680
Liability for expenses	23,899,861	18,639,034	5,260,827	-	-	23,899,861
Liability for other finance	173,762,231	159,104,362	5,999,690	8,658,179	-	173,762,231
	758,861,959	660,724,583	11,260,517	8,658,179	78,218,680	758,861,959

c) Market risk

Market risk is the risk that arises from the economic, political, competitive and regulatory environment within which the Company operates. The main market risks are clients and competition, changing regulatory environment and fiscal regime and political environment. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Notes to the financial statements (continued)

45.00 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the company except otherwise stated.

45.01 Revenue Recognition

Revenue is recognized when the company satisfies a performance obligation as specified in the contract with customers as per IFRS-15.

- i) The Company accounts for a contract only when,
 - a) The contract is approved (written, oral or implied by an entity's customary business practices),
 - b) The rights and payment terms regarding goods and services to be transferred can be identified,
 - c) The contract has commercial substance,
 - d) It is probable that the consideration will be received (considering only the customer's ability and intention to pay).
- ii) At contract inception, the Company assesses the goods or services promised in a contract with a customer and identifies each promise to transfer goods or services to the customer as a performance obligation. Performance obligations are the contractual promise by an entity, to transfer to a customer, distinct goods or services, either individually, in a bundle, or as a series over time.
- iii) The Company determines the transaction price which is the amount of consideration an entity expects to be entitled to in exchange for transferring the promised goods or services (not amounts collected on behalf of third parties, e.g. sales taxes, VAT, etc.).
- iv) The Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer.
- v) The transaction price allocated to each performance obligation is recognized when the performance obligation is satisfied at a point in time or over time.

45.02 Foreign currency translations

Transactions in foreign currencies are translated to the functional currency (BD Taka) at exchange rates at the dates of respective transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are retranslated into Bangladesh Taka at the exchange rates ruling at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into Bangladesh Taka at the exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognized in profit or loss.

45.03 Employee benefits schemes**45.03.01 Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amounts. The Recognized Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose.

Obligation for contribution to defined contribution plan is recognized as Provident Fund Contribution expense in statement of profit or loss and other comprehensive income in the period during which services are rendered by employees.

Both the confirmed employee and the Exchange contribute equal amount (10% of basic salary) towards the fund.

45.03.02 Defined Benefit Plan-Gratuity

The Exchange provides gratuity benefits to its employees working for more than five (5) years based on basic salary. It is calculated based on a fraction multiplied by last basic salary and length of service. The fraction depends on the length of service. It is 1.25, 1.50 and 2.00 for 5-7 years, 7-10 years and more than 10 years respectively.

45.03.03 Car Loan

The Exchange provides car loan facility to its executives under the car scheme of the Exchange.

45.04 Property, plant and equipment

Items of Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Notes to the financial statements (continued)

45.04.01 Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed/installed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of fixed assets have different useful lives, they are accounted for as separate items (major components) of fixed assets.

The gain or loss on disposal of an item of fixed assets is determined by comparing the proceeds from disposal with the carrying amount of the fixed assets, and is recognized on net basis under Non-operating income/expenses in the statement of comprehensive income.

45.04.02 Subsequent costs

The cost of replacing part of an item of fixed assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of fixed assets are recognized in statement of comprehensive income as incurred.

45.04.03 Depreciation

Depreciation on Property, Plant and Equipment is calculated on Straight Line method applying the rates so as to write off assets over their expected useful lives. Depreciation is charged from the month in which the assets comes into use or is capitalized. No depreciation is charged on the assets retired during the year.

The rates of depreciation/amortization are as follows:

<u>Particulars</u>	<u>Rate (%)</u>
Leasehold land	1.07%
Building (Dhaka and Sylhet Commercial space and Chittagong Building)	3.50%
Books, Furniture and Fixture, Office renovation, Fire Alarm System and Other assets	10%
Generator	15%
Electrical Sub-station, Office Equipment, Air Conditioner, Vehicles, Computers, Access Control System and Electric Fittings	20%

45.05 Automation
45.05.01 Recognition and measurement

Services and Equipments under automation are stated at cost less accumulated amortization/depreciation.

45.05.02 Intangible asset

Intangible assets are initially recognized at cost. Software and consultancy are the intangible assets of the company. After initial recognition, an intangible asset is recognized at its cost less any accumulated amortization and any accumulated impairment losses.

Amortization methods, useful lives and residual values are reassessed at the reporting date and adjusted, if appropriate.

45.05.03 Amortization/depreciation

Amortization/depreciation on automation is calculated on straight line method applying the rates so as to write off these assets over their expected useful lives. Amortization/depreciation is charged on the assets from the month in which the assets comes into use or is capitalized. No amortization/depreciation is charged on the assets retired during the year.

The rates of amortization/depreciation are as follows:

<u>Particulars</u>	<u>Rate (%)</u>
Automation Services and Equipments (Other than NGTS software)	20%
Next Generation Trading System (NGTS)-Hardware	10%
Next Generation Trading System (NGTS)-Software	6.67%

Notes to the financial statements (continued)

45.06 Financial instruments**(i) Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement**(a) Financial assets**

Financial assets are classified into the following categories: financial assets at amortized cost, debt investments at fair value through other comprehensive income, equity investments at fair value through other comprehensive income and financial assets at fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(a) Cash and bank balances

Cash and bank balances comprise cash in hand, cash at bank which are available for use by the Company without any restriction.

(b) Trade receivables- clearing

Trade receivables- clearing represent the amounts due from CSE TREC Holders on Financial Position date arising from transactions. Trade receivables- clearing are initially recognized at cost which is the fair value of the consideration given in return.

(c) Trade receivables- others

Trade receivables- others represent the amounts receivable from interest on FDR, interest on Zero Coupon Bond, compensation against shares, rent and electricity bill receivable from tenants and others. Receivable against capacity charge represent final discharge of commission and contract charge against CSE TREC Holders as their trade for the year ended 30 June 2019. Trade receivables- others are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at amortized cost less impairment losses due to uncollectibility of any amount so recognized.

Debt investments at fair value through other comprehensive income

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at fair value through other comprehensive income

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Notes to the financial statements (continued)

(b) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(a) Share capital (ordinary shares)

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses.

(b) Trade payables- clearing

Trade payables- clearing represent the amounts due to CSE TREC Holders on the reporting date on account of transactions. Trade payables- clearing is initially recognized at cost which is the fair value of the consideration. After initial recognition these are carried at amortized cost.

(c) Liabilities for expenses

Liabilities for expenses represent the amounts committed to various parties against different expenses. These are initially recognized at cost which is the fair value.

(d) Liabilities for other finance

Liabilities for other finance represent the amounts due to various parties for receiving services. These are initially recognized at cost which is the fair value. After initial recognition these are carried at amortized cost.

(iii) Derecognition**Financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

45.07 Impairment**45.07.01 Property, Plant and Equipment**

The carrying amount of the company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

45.07.02 Receivables

Company policy is to provide for impairment loss on debtors, if it estimates that the amount is uncollectable.

45.08 Leased assets

Leases in terms of which the entity assumes that substantially all the risks and rewards of ownership are transferred to the entity, it is classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognized in the entity's statement of financial position.

Notes to the financial statements (continued)

45.09 Lease payments

Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease.

Determining whether an arrangement contains a lease

At inception of an arrangement, the company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the company the right to control the use of the underlying asset.

45.10 Finance Income and Costs

Interest income on FDRs and SND Accounts have been recognized on accrual basis.

Finance costs comprise bank charges for transacting with various banks are recognized in profit and loss.

45.11 Income tax

Income tax expense comprises current tax and deferred tax. Income tax expenses are recognized in the statement of profit or loss and other comprehensive income as per provision of income tax laws following the IAS-12.

45.11.01 Current tax

Current tax is the expected tax payable on the taxable income for the period/year, using tax rates enacted or substantively enacted at the reporting date. The Government vide SRO no. 157-Ain/Income tax/2014 dated 26 June 2014 has imposed tax at varying rates for five years commencing from July 2014. Subsequently, vide SRO no.109-Ain/Income Tax/2016 dated 25 April, 2016 the Government has extended 100% tax exemption up to 30 June, 2016. After that, exemption is 80%, 60%, 40% and 20% for the year 2017 - 2019 consecutively. After 30 June 2019, there will be no exemption.

45.11.02 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

45.12 Earnings per Share (EPS)

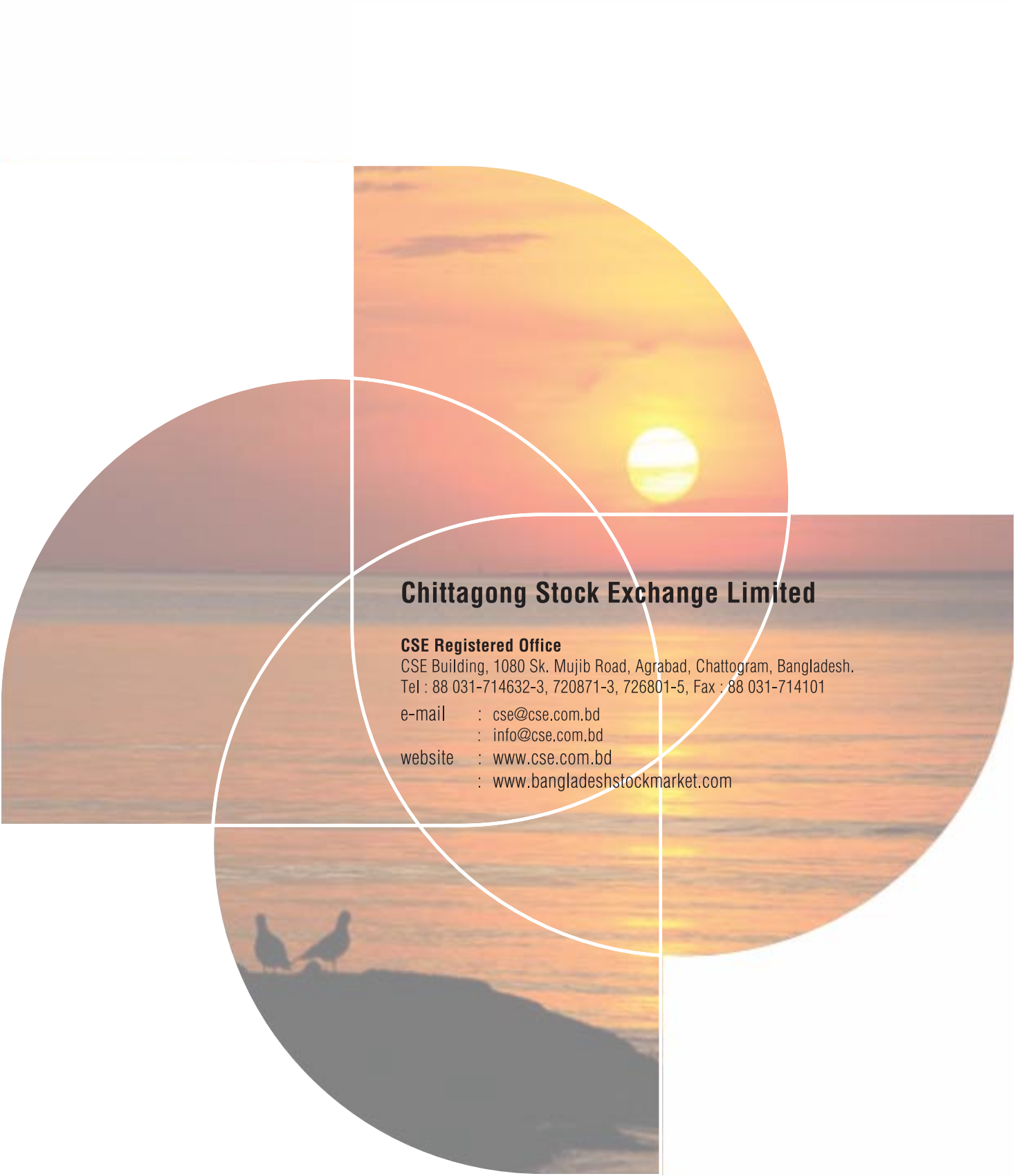
In compliance to IAS 33: "Earnings per Share", the company presented basic earnings per share for its ordinary shares. Diluted earnings per share has not been calculated as there is no scope for dilution.

45.13 Standards adopted but not yet effective

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standards and amendments to standards. All previously adopted reporting standards are consistently applied by the Company to the extent relevant for the Company.

New standards	Summary of the requirements	Possible impact on financial statements
IFRS 16 Lease	<p>IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.</p> <p>IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019.</p>	<p>The company is assessing the potential impact on its financial statements resulting from the application of IFRS 16.</p>





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