

Annual Report 2018-19



Central Counterparty Bangladesh Limited



ANNUAL REPORT 2018-19



Central Counterparty Bangladesh Limited

DSE Tower, Level-5, Plot # 46, Road # 21, Nikunja-2, Dhaka-1229

E-mail: info@ccbl.com.bd, Web: www.ccbl.com.bd

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NOTICE OF THE 1ST ANNUAL GENERAL MEETING

Notice is hereby given that the 1st Annual General Meeting (AGM) of the shareholders of Central Counterparty Bangladesh Limited (CCBL) will be held at its registered office at DSE Tower, Level-5, Plot # 46, Road # 21, Nikunja-2, Dhaka-1229 at 11: 30 AM on Wednesday, March 23, 2022 to transact the following business:

- 1) To consider and adopt the Directors' report and the Audited Financial Statements of CCBL for the year ended June 30, 2019 together with the Auditors' Report thereon.
- 2) To approve appointment of First Auditor for the period ended June 30, 2019 and fix their remuneration.
- 3) To approve re-appointment of Statutory Auditor(s) for the year ended June 30, 2020 and fix their remuneration.
- 4) To transact any other business with the permission of the chair.

On behalf of the
Central Counterparty Bangladesh Limited

February 22, 2022



Farhad Ahmed
Managing Director & CEO

Notes:

- A Shareholder entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his/her stead. The proxy form, a specimen of which is enclosed, must be duly stamped and emailed at info@ccbl.com.bd not later than 48 hours before the day of the Annual General Meeting.
- Shareholders are requested to submit their queries, if any, on the Directors' Report / Audited Financial Statements at info@ccbl.com.bd at least 72 hours before the Meeting.
- The Record Date: March 3, 2022

OVERVIEW OF CCBL

Automation of the trading system in Bangladesh started in the mid-90's. The objective was to make the capital market more efficient by providing all participants with quicker and more effective means of exchanging information.

As a part of the continuous modernization and increment in capacity of capital market in Bangladesh, the market regulator and relevant stakeholders took the different initiatives such as modernization of Stock Exchanges, establishment of Central Securities Depository, etc. The Bangladesh Securities and Exchange Commission promulgated the Bangladesh Securities and Exchange Commission (Clearing and Settlement) Rules, 2017 to form a Central Counterparty (CCP) in Bangladesh.

Under the purview of the aforesaid rules, Central Counterparty Bangladesh Limited (CCBL) was registered in January 2019. The company was established to act as a central counterparty to ensure clearing and settlement of trades of securities in the stock exchanges. Clearing and settlement of payment is an essential component of all securities transactions, which is currently being undertaken by the stock exchanges themselves.

COMPANY INFORMATION

Name of the Company	:	Central Counterparty Bangladesh Limited
Nature of Business	:	Clearing & Settlement of Securities
Authorized Capital	:	BDT 5,000 Million
Paid up Capital	:	BDT 3,000 Million
Class of Share	:	Ordinary Share @ Tk. 10 each
Voting Rights	:	One Vote Per Ordinary Share
Company Registration No	:	C-149399/2019
Tax Identification No	:	171038294526
Statutory Auditor	:	Hoda Vasi Chowdhury & Co., Chartered Accountants
Registered Office	:	DSE Tower, Level-5, Plot # 46, Road # 21, Nikunja-2, Dhaka-1229
Web Address	:	www.ccbl.com.bd
E-mail Address	:	info@ccbl.com.bd

KEY MILESTONES

Bangladesh Securities and Exchange Commission (Clearing and Settlement) Rules, 2017 Gazetted	: June 11, 2017
Joint meeting was held between DSE, CSE & CDBL	: July 13, 2017
1 st meeting of the CCP Formation Committee	: July 30, 2017
Draft MoA and AoA sent to BSEC for vetting	: December 13, 2017
Apply to BSEC for Intent & Consent Letter for Raising of Capital	: January 8, 2019
Apply to RJSC for Certification of Incorporation of CCBL	: January 8, 2019
Received Intent & Consent letter from BSEC for Raising Capital	: January 9, 2019
Received Certificate of Incorporation of CCBL from RJSC	: January 14, 2019

CCP FORMATION COMMITTEE

(From July 30, 2017 to January 13, 2019)

Name	Position
Professor Dr. Abul Hashem, then Chairman, DSE	Chairman
Mr. A.K. M. Nurul Fazal Bulbul, Vice Chairman, CDBL	Vice Chairman
Mr. M. Shaifur Rahman Mazumder, then MD, CSE	Member
Mr. Anis A. Khan, then Chairman Board of Governors, ABB	Member
Mr. K. A. M. Majedur Rahman, then MD, DSE	Member Secretary

PROMOTER DIRECTORS

(Certificate of Incorporation of CCBL from RJSC on January 14, 2019)

Name	Nominating Organization
Professor Dr. Abul Hashem	Dhaka Stock Exchange Limited
Mr. A. K. M. Nurul Fazal Bulbul	Central Depository Bangladesh Limited
Mr. M. Shaifur Rahman Mazumder	Chittagong Stock Exchange Limited
Mr. K. A. M. Majedur Rahman	Dhaka Stock Exchange Limited
Mr. Anis A. Khan	Shareholding Banks

FIRST BOARD OF DIRECTORS

(As on July 2, 2020)

Name	Designation
Independent Directors:	
Mr. Md. A. Salam Sikder	Chairman
Mr. Mohammed Habibus Samad, FCA	Independent Director
Mr. Mohammad Tajdiqul Islam, FCMA	Independent Director
Dr. Mohammed Jamal Uddin, FCMA	Independent Director
Mr. Md. Mostafizur Rahaman	Independent Director
Dr. Muhammad Asif Hossain Khan	Independent Director
Dr. Mohammad Tareq	Independent Director
Shareholder Directors:	
Mr. Md. Rakibur Rahman (up to October 4, 2021)	Director Nominated by DSE
Dr. A. K. M. Masud (from November 29, 2021)	Director Nominated by DSE
Mrs. Salma Nasreen ndc (from September 24, 2020)	Director Nominated by DSE
Mr. Asif Ibrahim	Director Nominated by CSE
Mr. A. K. M. Nurul Fazal Bulbul	Director Nominated by CDBL
Mr. Anis A. Khan	Director Nominated by Banks
Mr. A. K. M. Nurul Fazal Bulbul	Promoter Director was acted as the Managing Director up to December 31, 2020
Mr. Farhad Ahmed (from January 1, 2021)	Managing Director & CEO

SHAREHOLDING INFORMATION

Sl. No.	Name of Shareholders	No. of Shares	Amount (Tk.)	Percentage (%)
1	Dhaka Stock Exchange Ltd.	135,000,000	1,350,000,000	45.00%
2	Chittagong Stock Exchange Ltd.	60,000,000	600,000,000	20.00%
3	Central Depository Bangladesh Ltd.	60,000,000	600,000,000	20.00%**
4	Agrani Bank Limited	3,750,000	37,500,000	1.25%
5	Mercantile Bank Limited	3,750,000	37,500,000	1.25%
6	Modhumoti Bank Limited	3,750,000	37,500,000	1.25%
7	Mutual Trust Bank Limited	3,750,000	37,500,000	1.25%
8	National Bank Limited	3,750,000	37,500,000	1.25%
9	National Credit and Commerce Bank Limited	3,750,000	37,500,000	1.25%
10	NRB Bank Limited	3,750,000	37,500,000	1.25%
11	Global Islami Bank Limited	3,750,000	37,500,000	1.25%
12	Prime Bank Limited	3,750,000	37,500,000	1.25%
13	Rupali Bank Limited	3,750,000	37,500,000	1.25%
14	Social Islami Bank Limited	3,750,000	37,500,000	1.25%
15	Standard Bank Limited	3,750,000	37,500,000	1.25%
	Total	300,000,000	3,000,000,000	100%

**As per Bangladesh Securities and Exchange Commission (Clearing and Settlement) Rules, 2017 and Articles of Association, Strategic Investors, acceptable to the Commission shall hold maximum 10% of total issued and paid-up capital of the Company individually or collectively. The allocated 10% share for Strategic Investors has been issued in favor of Central Depository Bangladesh Limited (CDBL) till inclusion of any Strategic Investors and this 10% shares and any stock dividend thereon shall be preserved in a blocked account until it is transferred to the Strategic Investors.

FINANCIAL HIGHLIGHTS

All figures in Million BDT

Particulars	FY 2019
Statement of Income	
Interest Income	68.99
Preliminary Expenses	9.99
Operating Expenses	1.73
Net Profit before Tax	57.27
Net Profit after Tax	33.73
Earnings Per Share (EPS)	0.11
Statement of Financial Position	
Current Assets	3,068.12
Current Liabilities	34.60
Non-Current Assets	0.21
Non-Current Liabilities	0.00
Total Assets	3,068.33
Total Liabilities	34.60
Shareholder's Equity Information	
Paid up Capital	3,000.00
Retained Earnings	33.73
Net Asset Value Per Share (NAV)	10.11
Statement of Cash Flows	
Net Cash Flow from Operating Activities	(1.43)
Net Operating Cash Flows Per Share (NOCFPS)	(0.005)



DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Shareholders,

Assalamu Alaikum,

On behalf of the Board of Directors, I would like to extend my sincere gratitude to all of you for participating in the 1st Annual General Meeting of the Central Counterparty Bangladesh Limited (CCBL). You are probably aware that the CCBL was incorporated with the Registrar of Joint Stock Companies on January 14, 2019 but our first Board of Directors was constituted on July 02, 2020 after appointment of Independent Directors. As a result, the CCBL could not call its Statutory Meeting, First and Second Annual General Meeting within stipulated time. The first Board after its formation appointed Statutory Auditor for audit of the Financial Statements for the Year ended June 30, 2019 and June 30, 2020. Thereafter the Central Depository Bangladesh Limited, one of our shareholders filled a petition in the Company bench of the Hon'ble High Court in the matter of 321 of 2021 under section 81 (2) read with 85 (3) and 396 of the Companies Act, 1994 for permitting to call and hold Statutory meeting, first and second Annual General Meeting also for condoning the delay.

The Hon'ble Court after hearing condoned the delay and issued following orders:

Quote

- “(i) The late appointment of auditors is hereby condoned and the company shall be competent to have its account audited by the already appointed audit firm, who will prepare the statutory report as of June 30, 2019 for the purpose of holding the statutory meeting.
- (ii) The Managing Director on behalf of the company is hereby entrusted with the power to call, conduct and hold the statutory meeting and Annual General Meetings of the company for the calendar years 2020 and 2021 upon scheduling the date, time and place within 8 (eight) weeks from the date of drawing up of this Judgement and Order. The Managing Director of the company or any other person of the company who were liable to pay fine of Tk. 250 (two hundred fifty) for each day's delay are relieved/exonerated from paying the said fine. ”

Unquote

In this backdrop, the CCBL is calling its First Annual General Meeting.

Appointment of Directors

As the members of the Board of Directors were appointed on July 02, 2020, there will be no retirement and reelection as the Board members were not appointed during this period.

**Shareholder's Representation in the Board:**

SL	Shareholder's Name	Nominee
1	Dhaka Stock Exchange Limited	Mr . Md. Rakibur Rahman (Up to 04-Oct-2021) Mrs. Salma Nasreen ndc Dr. A. K. M. Masud (From 29-Nov-2021)
2	Chittagong Stock Exchange Limited	Mr . Asif Ibrahim
3	Central Depository Bangladesh Limited	Mr. A. K. M. Nurul Fazal Bulbul
4	Banks	Mr . Anis A. Khan

Major Activities During the Period:

The Bangladesh Securities and Exchange Commission (Clearing and Settlement) Rules, 2017 was promulgated on	: June 11, 2017
Joint meeting was held among DSE, CSE & CDBL to form a CCP Company	: July 13, 2017
1 st meeting of the Formation Committee held on	: July 30, 2017
Application submitted to BSEC for Intent & Consent Letter for Raising of Capital	: January 8, 2019
Apply to RJSC for Certification of Incorporation of CCBL	: January 8, 2019
Received Intent & Consent letter from BSEC for Raising Capital	: January 9, 2019
Received Certificate of Incorporation of CCBL from RJSC	: January 14, 2019

Financial Highlights

During the financial year the company earned income only from interest on short term deposits (FDR) and Short Notice Deposits (SND) account.

(Figures in BDT)

Particulars	FY 2019
Interest Income	68,987,117
Preliminary Expenses	9,991,164
Operating Expenses	1,728,875
Net Profit before Tax	57,267,078
Net Profit after Tax	33,732,177
Earnings Per Share (EPS)	0.11

Dividend

The Board of Directors in its 22nd the meeting held on June 21, 2021, approved the accounts for the period ended June 30, 2019 and did not recommend any dividend to the shareholders for consideration at the 1st Annual General Meeting of the Company.

Appointment of Auditors

The Board of Directors in its 1st meeting held on July 2, 2020, appointed Hoda Vasi Chowdhury & Co. Chartered Accountants with remuneration of BDT 75,000 (Bangladesh Taka seventy-five thousand) only, as the first statutory auditors of CCBL.

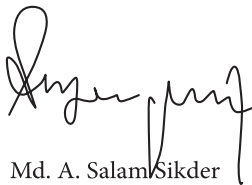
The auditors of the Company, Hoda Vasi Chowdhury & Co. Chartered Accountants, retire as per Section 210 of the Companies Act 1994 and being eligible have offered themselves for re-appointment.

Acknowledgements

On behalf of the Board of Directors of CCBL, I wish to express my appreciation and thanks to the Bangladesh Securities and Exchange Commission (BSEC) for their continued support and guidance. The Board also gratefully acknowledges for the support received from its esteemed shareholders. The Board also likes to convey its thanks to Bangladesh Bank, Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE), Central Depository Bangladesh Limited (CDBL), Bangladesh Association of Banks (BAB), Association of Bankers, Bangladesh Ltd. (ABB), who extended the much-needed support and cooperation to CCBL and the capital market in general.

Finally, I would like to convey my special thanks to the Project team members drawn from DSE and CSE for their diligent efforts in driving the initial operation of the company.

On behalf of the Board



Md. A. Salam Sikder

Chairman

Central Counterparty Bangladesh Limited

February 22, 2022

PICTORIAL



A Workshop on CCP Operation was held on February 15 & 16, 2019 at BRAC CDM. From left Mr. K. A. M. Majedur Rahman then MD of DSE, Prof. Dr. Swapan Kumar Bala then Commissioner of BSEC, Prof. Md. Helal Uddin Nizami then Commissioner of BSEC, Prof. Dr. M. Khairul Hossain then Chairman of BSEC, Prof. Dr. Abul Hashem then Chairman of DSE and Mr. Khondoker Kamaluzzaman then Commissioner of BSEC.



1st Meeting of the Promoters held on March 10, 2019 at MTB Centre. From left Mr. Anis A. Khan then MD & CEO of MTB, Mr. A. K. M. Nurul Fazal Bulbul Vice Chairman of CDBL, Prof. Dr. Abul Hashem then Chairman of DSE, Mr. K. A. M. Majedur Rahman then MD of DSE and Mr. M. Shaifur Rahman Mazumder then MD of CSE.



FINANCIAL STATEMENTS of Central Counterparty Bangladesh Limited

For the period
from 14 January 2019 to 30 June 2019

INDEPENDENT AUDITORS' REPORT

To the Shareholders of

Central Counterparty Bangladesh Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Central Counterparty Bangladesh Limited (hereinafter referred to as "the Company" or "CCBL"), 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 period from 14 January 2019 to 30 June 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matter

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

Recognition of income tax expenses

The Company reported income tax expenses amounting to Taka 23,534,901 for the current period in the statement of profit or loss and other comprehensive income as per Income Tax Ordinance, 1984.

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

- We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition of tax expenses.
- We assessed the completeness and accuracy of the calculation of current period tax expenses.
- We involved tax specialist to assess key assumptions, control, recognition and measurement of tax expenses.
- We also assessed the appropriateness of presentation of disclosures under IAS 12 - Income Taxes.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements:

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the Company's statement of financial position and the statement of profit or loss and other comprehensive income along with the annexed notes 1 to 24 dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the Company's business.



Dhaka, 21 June 2021

DVC: 2108280469AS477072

A F Nesaruddin, FCA
Senior Partner
Enrolment # 469
Hoda Vasi Chowdhury & Co
Chartered Accountants


Central Counterparty Bangladesh Limited

Statement of Financial Position

As at 30 June 2019

	Notes	2019 Taka
ASSETS		
Non-current assets		
Property, plant and equipment (PPE), net	4	207,770
Deferred tax asset	5	3,875
		211,645
Current assets		
Short term investments - FDRs	6	2,850,000,000
Interest receivables	7	63,087,500
Advance income tax	8	589,962
Cash and cash equivalents	9	154,440,583
		3,068,118,045
TOTAL ASSETS		3,068,329,690
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	10	3,000,000,000
Retained earnings		33,732,177
		3,033,732,177
Current liabilities		
Other payables	11	10,185,401
Liabilities for expense	12	873,336
Provision for taxation	13	23,538,776
		34,597,513
TOTAL EQUITY AND LIABILITIES		3,068,329,690
Net Asset Value per share (NAV)	19	10.11

These financial statements should be read in conjunction with the annexed notes.


Md. A. Salam Sikder
 Chairman



Salma Nasreen ndc
 Director


Mohammad Tajdiqul Islam, FCMA
 Director


Farhad Ahmed
 Managing Director & CEO


Ananta Kumar Sarker, FCS, ACMA
 Company Secretary

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


A F Nesaruddin, FCA
 Senior Partner
 Enrolment # 469
 Hoda Vasi Chowdhury & Co
 Chartered Accountants

Dhaka, 21 June 2021

DVC: 2108280469AS477072

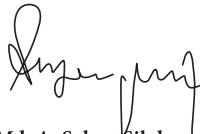
Central Counterparty Bangladesh Limited

Statement of Profit or Loss and Other Comprehensive Income

For the period from 14 January 2019 to 30 June 2019

	Notes	2019 Taka
Revenue	14	-
Operating and administrative expenses	15	(11,720,039)
Operating loss		(11,720,039)
Other income	16	68,987,117
Net profit before tax		57,267,078
Income tax expenses	17	(23,534,901)
Net profit after tax		33,732,177
Profit for the period		33,732,177
Other comprehensive income		-
Total comprehensive income for the period		33,732,177
Earnings per share (EPS)	18	0.11

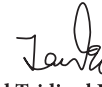
These financial statements should be read in conjunction with the annexed notes.



Md. A. Salam Sikder
Chairman



Salma Nasreen ndc
Director



Mohammad Tajdiqul Islam, FCMA
Director



Farhad Ahmed
Managing Director & CEO



Ananta Kumar Sarker, FCS, ACMA
Company Secretary

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

Dhaka, 21 June 2021

DVC: 2108280469AS477072



A F Nesaruddin, FCA
Senior Partner
Enrolment # 469
Hoda Vasi Chowdhury & Co
Chartered Accountants

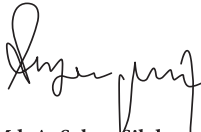
Central Counterparty Bangladesh Limited

Statement of Changes in Equity


For the period from 14 January 2019 to 30 June 2019

Amount in Taka

Particulars	Share capital	Retained earnings	Total equity
Balance as at 14 January 2019	-	-	-
Addition during the period	3,000,000,000	-	3,000,000,000
Net profit during the period	-	33,732,177	33,732,177
Dividend paid during the period	-	-	-
Balance as at 30 June 2019	3,000,000,000	33,732,177	3,033,732,177



Md. A. Salam Sikder
Chairman



Salma Nasreen ndc
Director



Mohammad Tajdiquil Islam, FCMA
Director



Farhad Ahmed
Managing Director & CEO



Ananta Kumar Sarker, FCS, ACMA
Company Secretary

Central Counterparty Bangladesh Limited

Statement of Cash Flows

For the period from 14 January 2019 to 30 June 2019

	Notes	2019 Taka
A. Cash flows from operating activities		
Cash receipts from customers		-
Cash paid to suppliers, employees and others		(835,756)
Cash used in operating activities		(835,756)
Income tax paid		(589,962)
Net cash used in operating activities		(1,425,718)
B. Cash flows from investing activities		
Short term investment in FDRs		(2,850,000,000)
Acquisition of property, plant and equipment		(33,316)
Interest received		5,899,617
Net cash used in investing activities		(2,844,133,699)
C. Cash flows from financing activities		
Proceeds from issuance of share		3,000,000,000
Net cash generated from financing activities		3,000,000,000
<i>Net increase in cash and cash equivalents (A+B+C)</i>		154,440,583
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		154,440,583
Net operating cash flows per share (NOCFPS)	20	(0.005)

These financial statements should be read in conjunction with the annexed notes.



Md. A. Salam Sikder
Chairman



Salma Nasreen ndc
Director



Mohammad Tajdiqul Islam, FCMA
Director



Farhad Ahmed
Managing Director & CEO



Ananta Kumar Sarker, FCS, ACMA
Company Secretary



Central Counterparty Bangladesh Limited

Notes to the Financial Statements

For the period from 14 January 2019 to 30 June 2019

1 Background and objective of the Company

1.1 Legal form of the Company

Central Counterparty Bangladesh Limited (hereinafter referred to as “the Company” or “CCBL”), was incorporated on 14 January 2019 as a Public Limited Company with the Registrar of Joint Stock Companies & Firms under the Companies Act, 1994 as well as under Bangladesh Securities and Exchange Commission (Clearing and Settlement) Rules, 2017. The Company was sponsored by the Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Central Depository Bangladesh Limited and 12 (twelve) private commercial banks (PCBs). The Company will be the first settlement company in history of Bangladesh.

1.2 Registered office of the company

Registered office of the Company is situated at DSE Tower, Nikunja - 2, Dhaka - 1229.

1.3 Objective of the Company

The main objectives of the Company are to carry on business of clearing and settlement of securities and to facilitate activities in relation to securities market and similar markets.

2 Significant accounting policies

2.1 Basis of preparation and presentation of financial statements

These financial statements have been prepared in compliance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act, 1994, Bangladesh Securities and Exchange Commission (Clearing and Settlement) Rules, 2017 and other applicable laws.

The statement of financial position and the statement of profit or loss and other comprehensive income have been prepared according to IAS 1 "Presentation of Financial Statements" and statement of cash flows is prepared according to IAS 7 "Statement of Cash Flows".

2.2 Application of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

The applicable IASs and IFRSs are as follows:

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

Other Regulatory compliances

The Securities and Exchange Rules 1987
The Income Tax Ordinance 1984
The Income Tax Rules 1984
The Value Added Tax Ordinance 1991
The Value Added Tax Rules 1991

2.3 Financial Statements Composition:

The financial statements of the Company comprise of:

- a) Statement of Financial Position
- b) Statement of Profit or Loss and Other Comprehensive Income
- c) Statement of Changes in Equity
- d) Statement of Cash Flows
- e) Notes to the Financial Statements

2.4 Accrual Basis

The financial statements have been prepared under the accrual basis of accounting in which transactions are recognised when they occur, not when the related cash flows into or out of the entity.

2.5 Going concern

The financial statements have been prepared on going concern basis as the Company will continue in operation for the foreseeable future. The management has neither the intention nor the necessity to cease operation and/or liquidate the Company.

2.6 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2.7 Property, plant and equipment (PPE)**Recognition and measurement**

Items of property plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the property plant and equipment.

Subsequent cost

The cost of replacing part of an item of property, plant and equipment 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 property, plant and equipment are recognized in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

Retirement and disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset in the Statement of Profit or Loss and Other Comprehensive Income.

Depreciation of Property, plant and equipment (PPE)

The Company uses straight line depreciation method. Depreciation is charged when the assets are available for use. In respect of addition to fixed assets, depreciation is charged from the month of addition while no depreciation is charged in the month of disposal. Depreciation rates are as follows:

addition to fixed assets, depreciation is charged from the month of addition while no depreciation is charged in the month of disposal. Depreciation rates are as follows:

<u>Category of Asset</u>	<u>Annual rate (%)</u>
Office equipment	15%
Furniture and fixtures	15%

Impairment

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment in line with IAS 36 "Impairment of Assets". If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in profit or loss account. No such indication of impairment has been observed during the current period.

2.8 Provision

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

2.10 Foreign currency transactions

Foreign currency transactions are converted into Bangladesh Taka at the rate of exchange prevailing on the transaction dates. There is no transaction incurred during this period.

2.11 Taxation

Current tax

Current income tax is recognized on the basis of Company's computation based on the best estimated assessable profit for the period @ 35% pursuant to provisions of Income Tax Ordinance, 1984. The tax rate for the period is applied on the basis of Finance Act, 2019.

Deferred tax

Deferred tax has been recognized in accordance with IAS 12 "Income Taxes". It is provided using the liability method for temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used for taxation purpose. Deferred tax is determined at the effective income tax rate prevailing at the reporting date.

2.12 Revenue recognition

The Company recognizes revenue based on the services rendered and invoices raised against on accrual basis in compliance with IFRS 15 "Revenue from Contracts with Customers".

2.13 Non-operating Income

Non-operating income includes interest income on FDRs and bank balance.

2.14 Earnings per share (EPS)

a) Basic earnings per share

Earnings per share (EPS) has been calculated in accordance with the IAS 33 "Earnings Per Share". Computation of basic earnings per share has been done by dividing the earnings attributable to the number of ordinary shares held by the shareholders during the period.

b) Diluted earnings per share

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

2.15 Related party disclosures

The Company has carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The information as required by IAS-24: "Related Party Disclosures" has been disclosed in a separate note to the financial statements.

2.16 Reporting period

The Financial Statements of the Company cover period from 14 January 2019 to 30 June 2019.

2.17 Comparative Information and its Rearrangement

Comparative information for the financial statements have not been disclosed as it is the first financial statements of the Company.

03 General

Figures appearing in these financial statements have been rounded off to the nearest Taka.

04 Property, plant and equipment (PPE), net Amount in Taka

Particulars	Cost				Rate %	Depreciation			Written down value	
	Opening balance	Addition during the period	Disposal during the period	Closing balance		Opening balance	Charged during the period	Disposal during the period		Closing balance
Office equipment	-	196,377	-	196,377	15%	-	30,076	-	30,076	166,301
Furniture and fixtures	-	44,772	-	44,772	15%	-	3,303	-	3,303	41,469
Total as at 30 June 2019	-	241,149	-	241,149		-	33,379	-	33,379	207,770

Depreciation has been allocated to:

Operating and administrative expenses (note - 15)	2019 Taka
Preliminary expense (depreciation up to incorporation - note 15.1)	14,784
	18,595
	<u>33,379</u>

	2019 Taka
5 Deferred tax asset	
Property, plant and equipment - carrying amount	207,770
Property, plant and equipment - tax base	218,841
Deductible temporary difference	11,071
Applicable tax rate	35%
Deferred tax asset as on 30 June 2019	3,875
Opening balance	-
Deferred tax income for the period	(3,875)
<p>Business loss apart from depreciation, in any will be considered in calculating deferred tax after getting final assessment order from Tax Authority.</p>	
06 Short term investments (FDR)	
Bank Asia Limited	150,000,000
BRAC Bank Limited	150,000,000
Dhaka Bank Limited	150,000,000
Eastern Bank Limited	300,000,000
EXIM Bank Limited	150,000,000
IFIC Bank Limited	300,000,000
Mercantile Bank Limited	150,000,000
Mutual Trust Bank Limited	300,000,000
Prime Bank Limited	150,000,000
Pubali Bank Limited	150,000,000
Southeast Bank Limited	150,000,000
The City Bank Limited	300,000,000
Trust Bank Limited	150,000,000
United Commercial Bank Limited	150,000,000
IDLC Finance Limited	150,000,000
	2,850,000,000
07 Interest receivable	63,087,500
08 Advance income tax	
Opening balance	-
Add: Paid (deducted at source) during the period	589,962
	589,962
09 Cash and cash equivalents	
Cash in hand	42,876
Cash at bank with Mutual Trust Bank Limited	154,397,707
	154,440,583

		2019 Taka
10 Share capital		
10.1 Authorized capital		
	500,000,000 ordinary shares of Taka 10 each	5,000,000,000
10.2 Issued, subscribed & paid-up capital		
	300,000,000 ordinary shares of Taka 10 each	3,000,000,000
10.3 Composition of shareholders		
	The shareholding position is as under:	

Name of the shareholders	Category	As at 30 June 2019		
		% of Holding	Number of Shares	Taka
Dhaka Stock Exchange Limited	Exchange	45%	135,000,000	1,350,000,000
Chittagong Stock Exchange Limited	Exchange	20%	60,000,000	600,000,000
Central Depository of Bangladesh Limited	Depository	20%	60,000,000	600,000,000
Banks	Bank	15%	45,000,000	450,000,000
Total		100%	300,000,000	3,000,000,000

As per Articles of Association, Strategic Investors, acceptable to the Commission shall hold maximum 10% of total issued and paid up capital of the Company individually or collectively. The allocated 10% share for Strategic Investors has been issued in favor of Central Depository Bangladesh Limited (CDBL) till inclusion of any Strategic Investors and this 10% shares and any stock dividend thereon shall be preserved in a blocked account until it is transferred to the Strategic Investors.

The Company has issued 15% of its paid up capital to 12 (twelve) Banks equally i.e., each bank is holding 1.25% share.

	2019 Taka
11 Other payables	
Payable to Dhaka Stock Exchange (DSE)	
Advertisement expense	279,450
Asset procurement	207,832
Foreign tour expense	1,686,880
Legal expenses	6,538,761
Workshop expenses	1,457,153
Miscellaneous expense	15,325
	10,185,401
12 Liabilities for expense	
Board meeting fees	788,336
Technical Committee meeting fees	10,000
Audit fee	75,000
	873,336
13 Provision for taxation	
Opening balance	-
Add: Provision made for the period	23,538,776
	23,538,776
14 Revenue	
The Company has not commenced its operation yet. Hence, there was no revenue to recognise for the period.	
15 Operating and administrative expenses	
Preliminary expenses (note - 15.1)	9,991,164
Other meeting fees (note - 15.2)	310,000
Board meeting fees	788,336
Advertisement expense	501,951
Entertainment expense	2,930
Audit fee	75,000
Depreciation	14,784
Bank charge	1,320
Conveyance	232
Stationery	645
Miscellaneous expense	33,677
	11,720,039

	2019 Taka
15.1 Preliminary expenses	
Legal expenses	6,538,761
Workshop expenses	1,457,153
Advertisement expenses	279,450
Foreign tour expenses	1,686,880
Depreciation	18,595
Other expenses	10,325
	9,991,164
As per paragraph 69 of International Accounting Standard 38 "Intangible Assets" preliminary expense is treated as an expense.	
15.2 Other meeting fees	
Operation Committee meeting fees	40,000
Technical Committee meeting fees	270,000
	310,000
16 Other income	
Interest income on short term deposits (FDRs)	63,087,500
Interest income on SND account	5,899,617
	68,987,117
17 Income tax expense	
Major components of tax expenses	
In compliance with the requirements of para-79 of IAS-12 "Income tax" the major components of tax expenses are given below:	
Current tax expense	23,538,776
Deferred tax income	(3,875)
	23,534,901
18 Earnings per share	
Basic earnings per share	
Net profit after tax for the period	33,732,177
Number of ordinary shares	300,000,000
Basic earnings per share	0.11
No diluted earning per share is required to be calculated as there was no scope for dilution for the period.	
19 Net Asset Value (NAV) per share	
Total assets	3,068,329,690
Less: Total liabilities	34,597,513
Net assets	3,033,732,177
Number of ordinary shares	300,000,000
NAV per share	10.11

	2019 Taka
20 Net Operating Cash Flow Per Share (NOCFPS)	
Net operating cash flow	(1,425,718)
Weighted average number of ordinary shares	300,000,000
NOCF per share	(0.005)

21 Related party transactions

During the period, the Company has carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Name of those related parties, nature of those transactions and their total value have been shown hereafter in accordance with the provisions of IAS-24: "Related Party Disclosures":

Amount in Taka

Name of the party	Relationship	Nature of transaction	Transaction during the year	Payment	Outstanding balance on 30 June 2019
Dhaka Stock Exchange (DSE)	Shareholders	Preliminary expenses and others	10,185,401	-	10,185,401

22 Contingencies and commitments

22.1 Contingencies

- i) Claims against the Company not acknowledged as debts
- ii) Claims made by the Company not acknowledged as assets

Nil

Nil

22.2 Capital expenditure commitments:

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

Nil

Nil

23 Particulars of employees

The number of employees engaged for the year or part thereof:

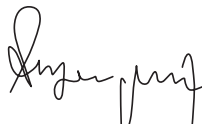
- Above Taka 3,000 per month
- Below Taka 3,000 per month

Nil

Nil

24 Events after reporting period

No material events occurred from the date of the Statement of Financial Position to the date of issue of these financial statements, which could materially affect the values stated in the Statement of Financial Position.



Md. A. Salam Sikder
Chairman



Salma Nasreen ndc
Director



Mohammad Tajdiqul Islam, FCMA
Director



Farhad Ahmed
Managing Director & CEO



Ananta Kumar Sarker, FCS, ACMA
Company Secretary

ACRONYMS

AGM	Annual General Meeting
BAS	Bangladesh Accounting Standard
BDT	Bangladesh Taka
BFRS	Bangladesh Financial Reporting Standards
BICM	Bangladesh Institute of Capital Market
BO	Beneficiary Owners
BSEC	Bangladesh Securities and Exchange commission
CCBL	Central Counterparty Bangladesh Limited
CCP	Central Counterparty
CDBL	Central Depository Bangladesh Limited
CSE	Chittagong Stock Exchange
DCCI	Dhaka Chamber of Commerce and Industry
DP	Depository Participant
DSE	Dhaka Stock Exchange
EPS	Earnings per Share
FBCCI	The Federation of Chambers of Commerce and Industries
FCA	Fellow of chartered Accountants
FCMA	Fellow of Cost & Management Accountants
FDR	Fixed Deposit Receipt
FY	Financial Year
GDP	Gross Domestic Product
IFRS	International Financial Reporting Standard
RJSC	Registrar of Joint Stock Companies and Firms
SND	Special Notice Deposits
VAT	Value Added Tax



Central Counterparty Bangladesh Limited

DSE Tower, Level-5, Plot # 46, Road # 21, Nikunja-2, Dhaka-1229

Proxy Form

I/We

of

being a Member of Central Counterparty Bangladesh Limited do hereby appoint

Mr./Ms

of Or

(failing him/her) Mr./Ms

as my / our proxy, to vote for me/us and on my/our behalf at the 1st Annual General Meeting of the Company to be held on Wednesday, March 23, 2022 at the registered office at DSE Tower, Level -5, Plot # 46, Road # 21, Nikunja-2, Dhaka-1229 and any adjournment thereof or at any Ballot be taken in consequence thereof

Signed this day of, 2022.

Signature

Signature

Name

Name

(Proxy)

(Member)

Note :

- The proxy form, duly completed, must be stamped and emailed at info@ccbl.com.bd not later than 48 hours before the day of the Annual General Meeting.

ATTENDANCE SLIP

I hereby record my attendance at the 1st Annual General Meeting of the Central Counterparty Bangladesh Limited to be held on Wednesday, March 23, 2022, at the registered office at DSE Tower, Level -5, Plot # 46, Road # 21, Nikunja-2, Dhaka-1229 as a shareholder of the company.

Signature

Date: March 23, 2022

Name:

(Member)

Note:

- Shareholders attending the meeting or by proxy are requested to complete the attendance slip and email at info@ccbl.com.bd.



Central Counterparty Bangladesh Limited

DSE Tower, Level-5, Plot # 46, Road # 21, Nikunja-2, Dhaka-1229
E-mail: info@ccbbl.com.bd, Web: www.ccbbl.com.bd