



THE STRUCTURE OF DHAKA STOCK EXCHANGE LTD



MARCH 24, 2019
DHAKA STOCK EXCHANGE LTD
[Company address]

INTERNSHIP REPORT
ON
THE STRUCTURE OF DHAKA STOCK EXCHANGE LTD



This Report is Prepared under the Supervision of:

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Letter of Transmittal

28th December, 2018

Mosabbir Ahmad

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Subject: Submission of Internship Report.

Dear Sir,

It is my great pleasure to submit on The Structure of Dhaka Stock Exchange Ltd of Dhaka Stock Exchange as a part of my Internship program. I have closely observed different departments operations of Dhaka Stock Exchange in my internship period. I enjoyed preparing this report, which enriched my practical knowledge of the theoretical concept. I tried to reflect the practical operational aspects of the DSE, which is complementary to the theoretical lessons.

I am very much glad that you have given me the opportunity to prepare this report for you and hope that this report will meet the standards of your judgement.

Sincerely yours,

Akib Ahmed Khan

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Declaration

I do hereby solemnly declare that the work presented in this internship report has been carried out by me and has not been previously submitted to any other University/College/Organization for an academic qualification/certificate/diploma or degree.

The work I have presented does not breach any existing copyright and no portion of this report is copied from any work done earlier for a degree or otherwise.

I further undertake to indemnify the department against any loss and damage arising from breach of the foregoing obligations.

Signature & Date

Akib Ahmed Khan

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Acknowledgement

I am really grateful to have this opportunity and I want to thank the persons whose ideas, instructions, support and guideline help me to complete this report. I am also thankful to Dhaka Stock Exchange Ltd.'s officials and staffs for their friendly behavior and great cooperation. I also show my gratitude towards the persons whose books, working paper, journals and materials help me to write this report.

I am greatly appreciated and inspired by Mosabbir Ahmad, Faculty of Finance, United International University to write this internship report on The structure of Dhaka Stock Exchange. I would like to thanks Mr. Syed Al Amin Rahman, Deputy General Manager (DGM) of Human Resource & Admin, for giving me the opportunity to work on Dhaka Stock Exchange Limited and supervise me to enlarge my skills. My special thanks go to Mr. pathan, manager of human resource. I would also like to express my gratitude to all especially Mr. Shaid, deputy manager of Human resource, Mr. Rashid, senior officer of Human resource, Miss Tanzina, executive of Human Resource and Miss Ferdosi, junior Executive of Human Resource for supervising me at the time of my internship attachment with their best efforts.

Moreover, I am very much grateful to all the officials of Dhaka Stock Exchange. This report would not be possible without the cooperation of all officials of DSE. So my heartiest appreciation to close officials.

Finally, I would like to thank all other who's strong support makes me able to complete this report.

EXECUTIVE SUMMERY

This report is made by the basis of my three months' practical observation, knowledge and experience at Dhaka Stock Exchange Ltd.

This project will cover the complete knowledge about the main working of stock exchange. Financial markets first came to prominence during the 17th century at the start of the industrial revolution. The first financial markets came about in London.

The whole report on Dhaka Stock Exchange Ltd is divided in to four chapter started with Introduction. An Overview of stock exchange, Dhaka stock exchange at a glance, Function of DSE, SWOT Analysis of DSE, Findings & Recommendation, Conclusion respectively of Dhaka Stock Exchange Limited.

Now a day's stock market plays an important role in economic development. The main function of stock exchanges is to promote tile movement of capital across the Region, to increase investment opportunities and encourage optimum financing for firms irrespective of where the entity resides.

This report describes the main terms that use in Dhaka Stock Exchange. This project will describe the working of the stock exchange and will mainly emphasize on the structure of Dhaka Stock Exchange Ltd. This report also gives an idea what impact that Dhaka Stock Exchange create in entire economy of Bangladesh.

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CHAPTER ONE

INTRODUCTION

BACKGROUND

Internship is the process of working of assistant to gain practical experience and skills in an organization. In order to expose the students to the actual working environment. Internship has been included as a compulsory requirement for the successful completion of four year BBA under United International University. BBA is a management program with the provision of twelve trimester comprising of 120 credit hours in Bangladesh.

Internship is an opportunity to observe, learn and understand the organization culture, acquire knowledge and skills in the respective field which helps the students in their further career development. It is carried out in the organization which suits the area of specialization.

Internship provides the opportunity to understand how the knowledge acquired through the lectures, group discussion and formal study is applied in real working situation. It is the best way of knowledge gaining as it provides an experience. Similarly assigned responsibilities during the internship period help to enhance the interpersonal and communicative skills and boost up the confident level as well.

As a student of BBA, Capital Market is good option for internship. Capital Market play an important role in modern economy. Capital Market is the institution which is engaged in security transactions. Capital Market is the crucial component for rising up the financial status of a nation.

Even though interns are not the employees of the organization, they are given an opportunity to work as if they are the employees. The interns do what the staffs of the organization have to do. However, they do not have obligations or authority over anything.

The internee did his internship in the Dhaka Stock Exchange Ltd. The internee was given the opportunity to observe and learn the functioning of the HRM, Accounting and finance departments.

OBJECTIVES OF THE STUDY

The general objective of the study is to get practical insights of general Capital Market. “DSE -A milestone for Economic Development” – the name of the paper defines the main objective. DSE is contributing a lot for the nation through market capitalization by creating investment opportunities for the deficit holders of the society from the surplus holder who have not such available sources of investments. DSE is performing the role of transferring capital for the overall

development of the nation. The main objective of the study is to gain Practical knowledge about the activities of Membership Affairs Department of DSE. The specific objectives are as follows:

- To examine the trading system of DSE.
- To know growth, development, organization and management of DSE.
- To examine current issues of DSE.
- To evaluate trading order and settlement system of DSE.
- To identify the problems and prospects of DSE.

RATIONAL OF THE STUDY

In college we learn organizational system only in theoretical basis. Internship is the place where how theoretical knowledge is useful in real life scenarios. For that students need to prepare resumes, write cover letters and go through interviews as if they were applying for a job. This gives students valuable experience in preparation for employment. The internship allows opportunities for the development of practical skills in contexts where professional criticism is both immediate and constructive. It also furnishes students with opportunities to observe and understand connections between course work and skills needed to perform effectively in a given profession. Finally, internships aid in the identification of knowledge and skills essential to doing well in a particular profession. Since only students with a strong academic record are permitted to do internships for credit, the students of business studies want students to view the internship program as an incentive to perform well academically in all of their course work. Successful completion of an internship often provides students with professional confidence.

SCOPE OF THE STUDY

Generally, an internship consists of an exchange of services for experience between the students and the organization. Internship program is a good opportunity to show our learning skills that we get from university. Students can also use an internship to determine if they have an interest in a particular career. It helps to build curriculum vitae(CV) for the students.

METHODOLOGY

To conduct a study properly designing of the process is essential because reliability and validity of the outcomes of a study depends on the reliable data and information. In this connection some activities have been carried out to collect data and information.

To attain the objective, I collected data & information required. Those data & information were collected from various sources & then analyzed.

Collection of data & information:

Primary data & information:

- Observation & collection of data from different investors by asking them related question
- Conversation with the executives & officers of Dhaka stock exchange Ltd.

Secondary data & information:

- Annual report DSE.
- Monthly review of DSE.
- Several kind of academic Test-Book.
- Different publications regarding stock exchange function
- Price index

Visiting the websites:

WWW.DSEBD.COM

ORGANIZATION SELECTION

DURATION

The duration of internship period has been defined for 3 months by United International University. The intern has completed from 1st July to 30th September-2018 in Dhaka Stock Exchange Ltd. During this period, the intern has gained the experience of working at different departments of the DSE.

ACTIVITIES DONE IN THE ORGANIZATION

LIMITATIONS OF THE STUDY

While going through the internship program, it should be noted that period was very pleasant because of cooperation and trustfully access had been given into too many databases for updating. But as it was an internship program designed by the department of B.B.A course some limitations should to be mentioned from report preparation point of view.

There are some limitations I had faced during completing this report. These are:

1. This report is prepared on the basis of data available to me. So any kind of fault or error data would be a cause of misleading result to the reader of this report.
2. A huge number of data is given regarding securities market operation. For time shortage, it's not possible for me to accumulate and represent all data in the report.

3. As DSE is a sensitive organization, any leakage of internal information may fall a great impact on market. So I was not allowed to access all information.
4. Employees of said organization are so busy that they cannot give proper time to cooperate internee.
5. Shortcoming of practical experience to comprehend the conceptual framework of this type of report.

CHAPTER TWO

INTRODUCTION TO DSE

INTRODUCTION

BRIEF HISTORY OF DSE

The necessity of establishing a stock exchange in the then East Pakistan was first recognized by the Government in the early 1952 when the Calcutta Stock Exchange prohibited transactions of Pakistani shares and securities. The Provincial Industrial Advisory Council of Pakistan formed an organizing committee very soon for the establishment of a Stock Exchange in East Pakistan. A decisive step was taken in the second meeting of the organizing committee held on the 13th March, 1953. In the cabinet room of Eden Building, various aspects of the issue were discussed in detail under the chairmanship of A. Khaleeli, Secretary, Commerce, Labor and Industries Department of the Government of East Bengal. The central government's proposal on opening a branch of Karachi Stock Exchange at Dhaka did not find favor in the meeting as attendees of the meeting felt that East Pakistan should have an independent Stock Exchange. It was suggested that Dacca-Narayanganj Chamber of Commerce & Industry should approach its members for subscribing Rs. 2000 each to have membership card to be honorable member of the proposed Stock Exchange. It was decided that the location of the Exchange should be anywhere at Dhaka or Narayanganj or Chittagong. An organizing committee consisting of leading commercial and industrial personalities of the province was formed with Mirza Mehdi Ispahani as the convener in order to organize the proposed Exchange.

The chamber informed its members and members of its affiliated associations on the proceedings of the above meeting and requested them to intimate whether they were interested to be member of the proposed Stock Exchange. This was followed by a meeting held on July 07, 1953 at the chamber at which about 100 persons shown their keen interest in the formation of the Exchange. The meeting proposed 8 gentlemen to be promoters of the Exchange with M Mehdi Ispahani as the convener and authorized them to draw up the Memorandum and Articles of Association of the Exchange and to proceed for obtaining Certificate of Incorporation under the

Companies Act, 1913. The other 7 promoters of the Exchange were J. M. Addison-Scott, Mohamed Hanif, A. C. Jain, A. K. Khan, Abdul Jalil, M.

Shabbir Ahmed and Sakhawat Hossain.

It was also decided that membership fee would be Rs. 2,000 and subscription would be at the rate of Rs. 15 per month. The Exchange would be consisted of not more than 150 members. On September 03, 1953 a meeting of the promoters held at the chamber where it was decided to appoint Orr Dignam & Co. as the solicitor to draw up the Memorandum and Articles of Association of the Stock Exchange based on the prevailing rules of the Stock Exchanges in other countries and taking into account the local conditions. The promoters incorporated the formation under the name as the East Pakistan Stock Exchange Association Limited on April 28, 1954.

At the time of incorporation, the authorized capital of the Exchange was Rs. 3,00,000 divided into 150 shares of Rs. 2,000 each. The authorized capital of the Exchange was increased to Rs. 5,00,000 divided into 250 shares of Rs. 2,000 each by an Extraordinary General Meeting held on February 22, 1964. The paid up capital of the Exchange reached to Tk. 5,00,000 divided into 250 shares of Tk. 2,000 each by subscribing its 250th membership in April, 2013. The Exchange started its journey as a Demutualized Stock

Exchange from November 21, 2013 with the Authorized Share Capital of Tk. 2500,00,00,000 (Taka two thousand five hundred crore) divided into 250,00,00,000 (Two hundred fifty crore) Shares of Tk. 10 each and the paid-up capital of Tk. 1803,77,65,000 (Taka eighteen hundred three crore seventy-seven lac and sixty-five thousand) only.

Although incorporated in 1954, the formal trading of the Exchange started in 1956 at Narayanganj after obtaining the Certificate of Commencement of Business. It was shifted to Dhaka in 1958 and started functioning at the Narayanganj Chamber Building situated at Motijheel C/A.

On October 01, 1957, the Stock Exchange purchased a land measuring 8.75 katha at 9/F Motijheel C/A, Dhaka from the Government and shifted to its own present location in 1959.

However, the name of the company was changed to East Pakistan Stock Exchange Ltd. on June 23, 1962. Again on May 14, 1964, the name of East Pakistan Stock Exchange Limited was changed to "Dacca Stock Exchange Ltd."

The trading of the exchange was suspended due to liberation war and resumed on August 16, 1976 after the independence of our country.

On August 10, 1998, the Stock Exchange introduced Automated Trading System and entered into the new horizon of modern technology based Trading System.

On January 24, 2004, the trading system of the Exchange integrated with the Central Depository System, a new hub of modernization of trading system replacing paper based shares with electronic based shares. The trading of 'Government Bond' started on January 1, 2005, which created new opportunity for the Exchange.

Direct Listing Regulations, 2006 was approved on April 12, 2006, which brought about a revolutionary change in the listing of securities in the capital market. Book-Building method, a new invention of the listing method of securities in capital market was approved in the year 2010.

DSE Broad Index (DSEX) and DSE 30 Index (DS30) developed by S&P Dow Jones Indices, a renowned Index Service Provider were introduced in the Exchange on January

28, 2013. DSE initiated Bangla Website in addition to English Website on February 18, 2013. DSE introduced "DSE Shariah Index" on September 25, 2013 to keep pace with the demand of the same. In addition, DSE Shariah Index (DSES), a newly developed and mostly operative Index was brought in the Exchange on January 20, 2014.

Instant Watch Market Surveillance Software developed by Trapets AB, a world famous capital market related software developer was installed on February 11, 2014 in the main stream of Surveillance System of DSE for surveillance of the transactions of capital market. X-streamINET the matching engine and FlexTP the Order Management System (OMS) were developed and installed by Nasdaq and Flextrade respectively, the world famous trading engine and OMS provider on December 11, 2014 for accommodating 2000 orders and 1000 transactions per second without any interruption. DSE launched Mobile APP "DSE INFO" and DSE-Mobile on November 25, 2015 and March 09, 2016 respectively and thus entered into the new era of digitalization for capital market.

On October 30, 2016, the ISO Certification Body, SGS Ltd. issued to DSE the ISO 9001:2008 and SGS Ltd. upgraded the said certification to 9001:2015 on June 8, 2018.

DSE obtained the Membership of WFE on June 06, 2017, which uplifted the image of DSE. Through this membership, DSE has established its own significant place among the leading Exchanges of the globe.

In compliance with the Exchanges Demutualization Act, 2013, Share Purchase Agreement (SPA) executed between Dhaka Stock Exchange Ltd. (DSE) and the consortium of

Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE), the Strategic Investors of DSE on May 14, 2018. DSE Shares were transferred to the Strategic Investors on September 04, 2018 and the representative of the consortium, MR. Xie Wenhai included as a member of the Board of DSE on the same day. DSE, with the relentless initiatives and association of strategic investors, is thriving to be a leading Exchange in this region.

VISION

To be the leading exchange in the region and a key driver of economic growth with state-of-art technology and world class service to ensure highest level of confidence among stakeholders.

MISSION

Proactive approach to keep pace with continuous technological advancement, and providing highest standard of service through efficiency improvement and introduction of new products.

Contributing to country's economic growth through creation of wealth, facilitating access to capital and penetrating untapped market.

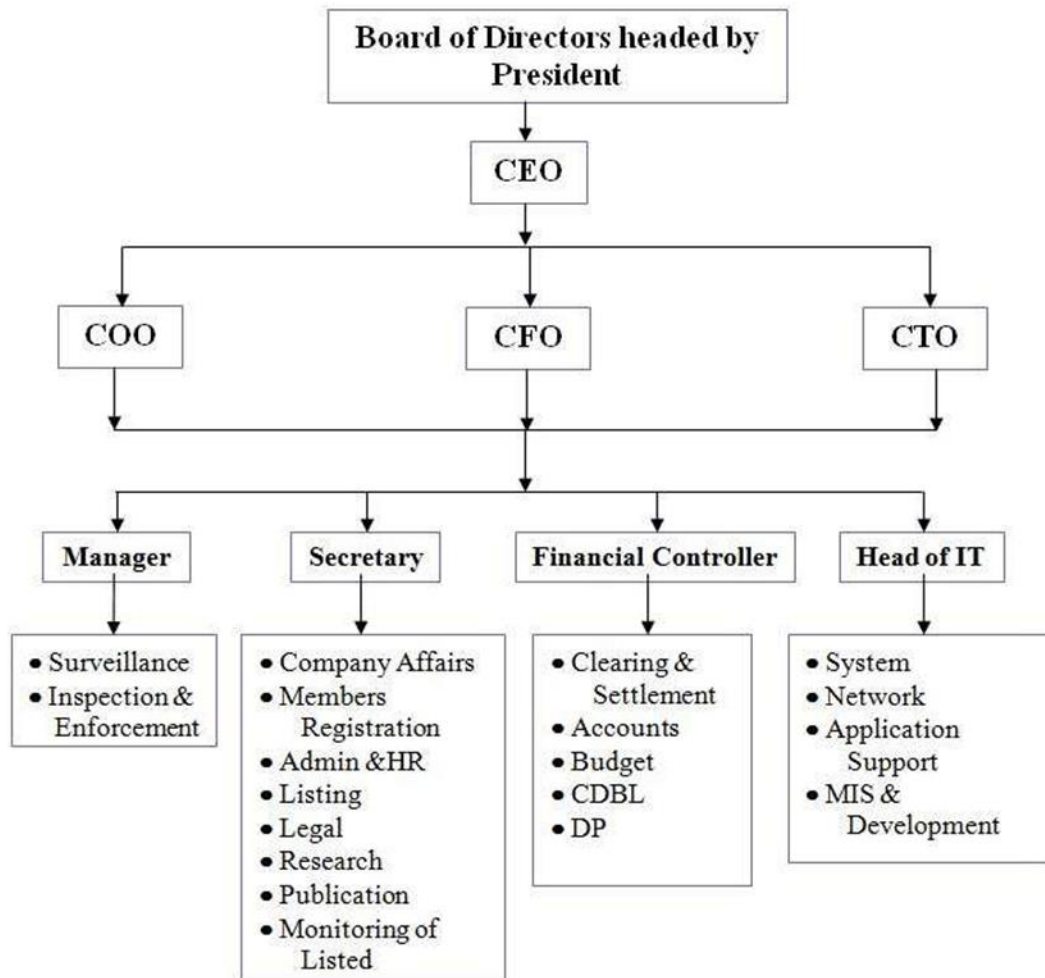
Superior corporate governance to enhance confidence of investors, regulators, issuers and intermediaries.

FUNCTIONS OF DSE

- Listing of Companies (As per Listing Regulations).
- Providing the screen based automated trading of listed Securities.
- Settlement of trading (As per Settlement of Transaction Regulations).
- Gifting of share / granting approval to the transaction/transfer of share outside the trading system of the exchange (As per Listing Regulations 47).
- Market Administration & Control.
- Market Surveillance.
- Publication of Monthly Review.
- Monitoring the activities of listed companies (As per Listing Regulations).
- Investors grievance Cell (Disposal of complaint by laws 1997).
- Investors Protection Fund (As per investor protection fund Regulations 1999).
- Announcement of Price sensitive or other information about listed companies through online.

DSE MANAGEMENT

As per Article 105B, the management is totally separated from the Council. A highly qualified and trained professional Management Team is running Day to day operations and the Chief Executive Officer is the head of Management Team of the Exchange. The Management team runs independently under policies set by the Board of Directors. Other members are the Secretary, Financial controller and IT-Director.



DIVISIONS AND DEPARTMENTS OF DSE:

Divisions and Departments of DSE

Under the Office of the Managing Director

- [INTERNAL AUDIT DEPARTMENT](#)

[HR & ADMIN DIVISION](#)

- [HUMAN RESOURCES DEPARTMENT](#)
- [COMMON SERVICES DEPARTMENT](#)
- [DSE TRAINING ACADEMY](#)
- [MAINTENANCE ADMIN DEPARTMENT](#)
- [SECURITY DEPARTMENT](#)
- [DSE TOWER PROJECT, NIKUNJA](#)

[MARKET DEVELOPMENT DIVISION](#)

- [MARKET OPERATIONS DEPARTMENT](#)
- [PRODUCT & MARKET DEVELOPMENT DEPARTMENT](#)
- [OTC MARKET DEPARTMENT](#)
- [RESEARCH & INFORMATION DEPARTMENT](#)

[FINANCE & ACCOUNTS DIVISION](#)

- [CLEARING ACCOUNTS DEPARTMENT](#)
- [GENERAL ACCOUNTS DEPARTMENT](#)
- [DSE FSDP DEPARTMENT](#)
- [TREASURY MANAGEMENT DEPARTMENT](#)
- [RISK MANAGEMENT DEPARTMENT](#)

[INFORMATION & COMMUNICATION TECHNOLOGY DIVISION](#)

- [APPLICATION SUPPORT DEPARTMENT](#)
- [BACK OFFICE DEVELOPMENT DEPARTMENT](#)

- [IT INFRASTRUCTURE DEPARTMENT](#)
- [MIS & DEVELOPMENT DEPARTMENT](#)
- [NETWORK DEVELOPMENT DEPARTMENT \(LOCAL COMMUNICATION\)](#)
- [NETWORK DEVELOPMENT DEPARTMENT \(DISTANCE COMMUNICATION\)](#)
- [SYSTEM & MARKET ADMINISTRATION DEPARTMENT](#)
- [WEB DEVELOPMENT DEPARTMENT](#)
- [IT STRATEGY & SECURITY DEPARTMENT](#)

[COMPANY AFFAIRS DIVISION](#)

- [BOARD & CORPORATE AFFAIRS DEPARTMENT](#)
- [LEGAL AFFAIRS DEPARTMENT](#)
- [PR & PUBLICATION DEPARTMENT](#)
- [TREC AFFAIRS DEPARTMENT](#)

[REGULATORY AFFAIRS DIVISION](#)

- [SURVEILLANCE DEPARTMENT](#)
- [MONITORING & COMPLIANCE DEPARTMENT](#)
- [INVESTIGATION AND ENFORCEMENT DEPARTMENT](#)
- [LISTING AFFAIRS DEPARTMENT](#)
- [INVESTOR COMPLAINTS, ARBITRATION & LITIGATION DEPARTMENT](#)
- [CORPORATE GOVERNANCE & FINANCIAL REP](#)

DIVISIONS & DEPARTMENTS AND THEIR ACTIVITIES

Dhaka Stock Exchange Ltd. (DSE) is a very reputed and important organization in the financial sector of Bangladesh. It is being proved to be an excellent enterprise for-

Being action oriented Promoting managerial autonomy and entrepreneurship

Paying close attention to the needs of officers and employees. Having a simple organization structure.

The head of every department is charged with the responsibility to take the necessary actions to make it possible for each officer and employee to contribute to his best to the performance of the group or department, which ultimately will lead to the fulfillment of corporate goal- the efficient operation of the securities market of the country.

At present DSE Performs its functions through four divisions with 26 departments. The divisions are:

A. Administration Division

B. Operation Division

C. Finance Division

D. Information and Communication Division.

(A). ADMINISTRATION DIVISION:

The Administration Division of DSE runs with the goal of providing possible assistance to all other departments in their smooth operation. The number of member firms in DSE has been increased from 195 to 230 in recent days. The Administration Division is involved in all day affairs administrative activities and all works of the CEO's Secretariat. This department also arranges training programs offered by DSE and SEC.

The Executive in each part will report to respective Senior Executive and each Senior Executive will report to Manager. Manager will be responsible to AGM, AGM; will be responsible to DGM, Admin and DGM; Admin will finally be responsible to CEO through GM, Admin. The Departments of this Division are:

1.MembershipAffairs

2.BoardAffairs

3. HRM, Admin & Training Affairs

4. Logistic, Maintenance & Protocol Department

5. Research, Development &Information

6. Publication Department

7. Public Relation Department

8. Security Department

9. DSE Training Academy

10. Personal office in CEO.

1. FUNCTIONS OF MEMBERSHIP AFFAIRS:

- Registration of every DSE Broker/Dealer under the Membership regulation of Security Exchange commission (SEC).
- Completion of regulatory formalities regarding the transfer of existing membership (share).
- Yearly renewal of registration of all membership from SEC.
- Competition of all formalities regarding the registration of new members by SEC.
- Collection and preservation of yearly audited Balance Sheets of member houses and submission of one copy to SEC.
- Completion of all formalities regarding the registration of new/fresh authorizes and sending to SEC for registration.
- Renewal of registration of existing authorized representatives from SEC
- Registration of authorized switched off from one member house to another.
- Maintenance of updated information regarding all the members through Database
- Maintenance of all member files and all letters, documents, etc. related to members.
- Communication with members for members for training provided by DSE

2. FUNCTIONS OF BOARD AFFAIRS:

- Contact with the CEO and Board of Directors and set up the schedule of Board meeting
- Preparation of minutes of the Board meetings and Committee meetings and get those minutes signed by the CEO and Board of Directors
- Communication with Securities and Exchange Commission regarding the decisions of the Board as per requirement of the Board and SEC.
- Preparation and maintenance of all documents relating to Board meeting and COMMITTEE MEETING.
- Forwarding of letters, documents, etc. to SEC, Member firms and other institutions.
- Receiving and filling of all documents, letters, etc. from SEC, member firms and other institutions.
- Issuance of departmental circular, IT announcement, etc.
- Coordination of all activities relating to the maintenance of Investor's protection fund
- Any other action as required by CEO.

COMMITTEE MEETING.

- Forwarding of letters, documents, etc. to SEC, Member firms and other institutions.
- Receiving and filling of all documents, letters, etc. from SEC, member firms and other institutions.
- Issuance of departmental circular, IT announcement, etc.
- Coordination of all activities relating to the maintenance of Investor's protection fund
- Any other action as required by CEO.

3. FUNCTIONS OF HRM, ADMIN & TRAINING AFFAIRS:

- Filling and keeping filled positions in the organization structure.
- Identification of job requirements and selection, recruitment, placing and planning the careers of existing and new officers' employees in accordance with job requirements.
- Provision of training and otherwise development of both candidates and current job holders so that they can perform tasks effectively and efficiently.
- Continues checkup of attendance and leave status of officers and employees and reporting to the CEO.
- Submission of Annual Confidential Report (ACR) of all employees to the CEO.
- Maintenance of updated information regarding all officers and employees.

TRAINING ACTIVITIES:

Training Programs on different Grounds are arranged here, likely;

- A. Authorized Representative Training.
- B. New Member Training.
- C. New Authorized Representative Training.
- D. Investors awareness Training.
- E. DSE Employee Training (Local & Foreign)
- F. Automated Clearing & Settlement Training.

Moreover, additional training programs are arranged if any inclusion in the Capital Market.

TRAINING ACTIVITIES:

Training Programs on different Grounds are arranged here, likely;

- A. Authorized Representative Training.
- B. New Member Training.
- C. New Authorized Representative Training.
- D. Investors awareness Training.
- E. DSE Employee Training (Local & Foreign)
- F. Automated Clearing & Settlement Training.

Moreover, additional training programs are arranged if any inclusion in the Capital Market.

4. LOGISTIC, MAINTENANCE & PROTOCOL DEPARTMENT:

Logistic, Maintenance and Protocol Department of DSE is involved in providing all types of logistic and protocol services as per requirement.

- Collections of member's dues.
- Preparation of bills for listing fees.
- Collection of listing fees.
- Follow up of listing fees realization and receivables from listed companies.
- Maintenance of liaison with banks.
- Dealing with important matters and L/C when necessary.
- Net capital balance collection from members and reporting to SEC.
- Any other duties as and when required.
- Insurance of members and DSE staff.
- Supervision send assurance of the logistic and supply chain of DSE.
- Procurement/purchase of logistic items to run smoothly.
- Monitoring the responsibilities of logistic support units.

FUNCTIONS OF MAINTENANCE:

- Maintenance Of 1250 KVA substation (1250 KVA transformer, 11 KV H.T switch gear, 2000 ALT 400 Emergency control panel).

- Maintenance of 250 KVA & 30 KVA generators.
- Maintenance voltage stabilizer of IT main server & lift power supply.
- Maintenance of lift.
- Maintenance of Photocopier.
- Maintenance of power distribution at all the floors in 9/E and 9/F, DSE.
- Maintenance of the PABX system.
- Maintenance of air cooler of DSE office.
- Taking care of all office, toilet & lighting of 12 floors in DSE.
- Maintenance of all types of electrical applications and supervision of related activities.
- Maintenance of pump (water supply).

5. RESEARCH, DEVELOPMENT & INFORMATION DEPARTMENT

The Research & Library Department is concerned with providing assistance to all types of research work and supervising the DSE library.

FUNCTIONS OF RESEARCH, DEVELOPMENT & INFORMATION DEPARTMENT:

- Preparing database for all listed companies.
- Supporting to teachers and students in their research works and projects by providing necessary data listed companies.
- Distribution of required information to members and investors to meet up their queries regarding listed companies, any regulation, etc.
- Inform the listing department of any announcement regarding company degradation, share addition, etc. which the listing Department sends to IT for announcement.
- Provision of data and information for publication & Public Relation Department for any publication of DSE like Monthly review, Annual report, Profile, Diary, etc.
- Submission of monthly data regarding market trade to SEC.
- Regular provision of data to SEC as per requirement.

6. PUBLICATION DEPARTMENT PREPARATION AND PRINTING OF –

- Monthly review (with half yearly).

- Annual report.
- Diary.
- DSE Profile.
- Members Directory.
- Company Directory.
- All gazette notification published by BG press.
- Supervision of Paper citing.

PUBLICATION

- Co-ordination with Press and Electronic Media.
- Conduct the Media and others meeting.
- Press release and other related issues.
- Maintenance of all kinds of information

7. SECURITY DEPARTMENT

There is another important section is Security Section. Executive, Security supervisor, Assistant security supervisor and some guards are working there.

FUNCTIONS OF SECURITY DEPARTMENT:

- Preparing roster of duties for all the security guards of DSE and Security Company.
- Regular checkup of arrangements for physical security to ensure a satisfactory security system.
- Arrangement of security protection for VIP, VVIP and foreign? Dignitaries visiting DSE.
- Surprise check of security by day and night for strict maintenance of the security system.
- Continuous co-operation and communication with police department and other law enforcement agencies.

(B). FINANCE DIVISION:

Finance Division deals with all activities relating to the preparation & maintenance of general accounts and clearing accounts and for assistance to the Deputy Financial controller in the budgetary control of DSE. The Departments of Finance Division are:

1. General Account Department
2. Clearing Account Department

3. DSE Full Service DP

4. Clearing House (Share)

FUNCTION OF GENERAL ACCOUNTS

- Preparation and maintenance of books of accounts (Journal Entries, Ledger Books, Cash Books, Income & Expenditure Accounts, Balance Sheet & Cash flow Statement.)
- Preparation of monthly Financial Statement.
- Preparation of salary payroll.
- Bank reconciliation.
- Controlling of all software/ Database relating to general accounts, Petty Cash, Clearing, Salary and Members Bill.
- Scheduling of all expenses.
- Preparation of all kinds of payment note.
- Maintenance of asset register.
- Submission of early financial statement to SEC.
- Maintenance of member accounts and Provision of accounting data for members about their own accounts as per requirement.

CLEARING ACCOUNT DEPARTMENT

Clearing Accounts is concerned with the monitoring and verification of clearing accounts related activities. The main function of clearing accounts is:

- Margin Settlement
- Data collection and processing and preparation of statements.
- Collection and disbursement of payments.
- Banking.
- Clearance.
- Demoted spot trade settlement.
- EX DP
- Preparation & Accounts.

SETTLEMENT OF MEMBER'S MARGIN:

- Collection of security deposit as margin within trade.

- Disbursement of security after maturity.
- Maintenance of margin account such as demoted shares, FDR, Bank Guarantee.
- Preparation of charges against margin.

DATA COLLECTION AND PROCESSING AND PREPARATION OF STATEMENTS

- Collection & processing of trade related data and for preparation of necessary statements.
- Calculation of Lagal charge, Hawla charge and Tax at source.
- Preparation of Receivable and Payable Statements after all adjustments.
- Preparation of Accounting Statements.

COLLECTION AND DISBURSEMENT OF PAYMENTS:

- Collection of payment from selling broker as per Receivable Statement.
- Issuance of cheque to the buying members as per Payable Statement.
- Issuance of cheque to the members against security deposit after adjustment/maturity
- Reconciliation with accounts.

BANKING (GENERAL):

- Assurance of deposit of cheques.
- Assurance of payment order.

BANKING (FUND):

- Management of funds relating to clearing accounts.
- Maintenance of FDR Account.

CLEARANCE:

- Preparation of daily clearance report and submission of report to IT.
- Submission of weekly and monthly clearance reports (Defaulter List to SEC.
- In case of Defaulters.
- Stop all payments.
- Preparation of Buying In/Selling Out order.
- Preparation of the accounts regarding Buying In /Selling out.
- Preparation of resumption order and provision of it for IT.

- Submission of report to SEC regarding the settlement of defaulter members.

DEMATED SPOT TRADE SETTLEMENT:

- Assurance of deposit by the buying members to the bank.
- Assurance of share availability of the selling members their clearing accounts.
- Collection of data and preparation of Statement.
- Issuance of payment.

EXDP:

- Looking after all the reports provided by CDBL every day.
- Assurance of available demated shares buying in / Selling out by DSE.
- Collection of necessary documents.

PREPARATION OF ACCOUNTS:

- Daily & monthly ledger.
- Daily and monthly clearing accounts.
- Daily and monthly clearing reconciliation.
- Maintenance Tax account daily and monthly.
- Transfer of fines, interest and other charges monthly.

FUNCTION OF CLEARING HOUSE (SHARE) DEPARTMENT

GENERAL SHARES:

- Reception, reconciliation and delivery of shares to member houses every day.
- Assurance of share settlement and clearing in time.
- Settlement of margin
- Taking necessary actions in case of violation of margin rule by member firms.
- Preparation of list of defaulter members and adoption of necessary actions against the defaulters.
- Preservation of DSE share volt.
- Communication with listed companies as and when requires.

DISPUTED, ODD LOT, BLOCK SHARES & SPOT TRADE:

- Verification of disputed share (fake, reported, lost, stolen) settlement and correspondence with listed companies and member firms in this regard.
- Supervision of receiving and delivery of good shares against any defective share.
- Arrangement of receiving and delivery of odd lot shares and block shares.

- Settlement of spot transaction of physical shares.
- Settlement of spot transaction of CDBL shares.
- In case of default in settlement of spot transaction of physical shares and CDBL shares, proper reporting for the suspension of defaulter member.
- Settlement of bonus, dividend and other benefits on demate shares not transferred into CDBL for unavoidable circumstances.
- Assurance of share settlement and clearing in time.
- Preparation of defaulter list.
- Preparation of selling out and buying in list of shares.
- Communication with listed companies as per requirement.

DSE FULL SERVICE DP

DSE DP provides DP services to brokers and dealers who are trading participants that is who cannot provide DP services to their clients.

DEMATE / REMATE ACTIVITIES

Completion of all activities relating to the conversion of shares from physical to electronic form (Demate) or electronic to physical form (Remate)

- Verifications and receiving of physical share in order to demate shares.
- Entrance of shares off line.
- Upload of shares on line.
- Checkup of demate confirmation.
- Checkup of demate pending status, collection of pending shares and re-entry of rejected physical shares.
- Verification of demate share in order to remate shares.
- Entrance of shares off line.
- Upload of shares online.
- Checkup of remote confirmation.

BO ACCOUNTS SERVICES

- Opening of BO Accounts for beneficiary owners account holders refereed by trading participants.
- Providing services to beneficiary owners in time.
- Reception of pay in form, verification of signature of BO and existence of shares.
- Pay in set up of shares off line and upload online.
- Reception of pay out from members, verification of signature and the existence of shares.
- Approval of pay out by another person and upload online.
- Liaison with issuer to solve the demate problem.
- Liaison with BO account holders and answer their quarries.
- Liaison with CEO and other departments.
- Liaison with CDBL.

(C). OPERATION DIVISON:

1. Surveillance Department
2. Monitoring, Investigation & Compliance Department
3. Legal Affairs
4. Listing Department
5. Market Operations
6. Internal Audit & Compliance.

LISTING & MARKET OPERATION

IPO RELATED FUNCTIONS

- Processing and evaluation of the draft prospectus of IPO.
- Evaluation of Financial Statements of new companies to be listed and preparation of the IPO comments for Securities and Exchange Commission.

LISTED COMPANY RELATED FUNCTIONS

- To communicate with all the listed companies regarding the compliance of relevant rules and regulation.
- Assurance of timely disbursement of corporate announcement.

- Monitoring of listed companies for the compliance of listing Regulations, Company Law and other relevant rules.
- Announcement of half yearly and yearly performance of listed companies through the trading system.
- Evaluation of performance of listed companies and update listed company records.
- Processing of approval for transfer of share outside the trading system.
- Processing and recording of all types of transfer / sale or buy of shares of Sponsors/Directors.
- Processing of application of gifting of shares as well as transfer of shares in special circumstances.

MARKET OPERATION

- Taking subsequent action for corporate announcement as per rules and regulation.
- Adoption of all necessary actions required for Book Closure/Record Date and other corporate benefits.
- Trade suspension or trade halt age of listed companies and members also during the trading hour considering the necessity of market operations.
- Protection of investor's interest in the listed companies when any anomaly is observed in DSE.

MONITORING, INVESTIGATION & COMPLIANCE DEPARTMENT

Monitoring and Investigation Department assists in smooth functioning of capital market. The objective of this department is to inspect, monitor and have feedback on the member houses according to securities rules and regulations and settle dispute between investors and member houses, provide support to settle claims, monitor other activities of the exchange like activities of DSE DP regarding pay in/ pay out and other legal matters of the exchange.

Activities of Monitoring, Investigation & Compliance department:

The main functional areas of the department are:

- Monitoring
- Investigation
- Legal & Compliance

MONITORING

- TWS set up monitoring

- Room verification
- DP- monitoring
- Any other monitoring ordered by CEO regarding violations of Securities
- rules by any listed company with DSE or any brokerage house.
- Company Monitoring ordered by SEC any directed by CEO.

PROCEDURE OF GENERAL MONITORING:

General Observation (General documents related with share trading):

- Account opening Form
- Buy Sale Order Slip
- Trade confirmation Statement
- Buy/Sale order register
- Money receipt
- Payment Voucher
- Share receive and Delivery certificate
- Broker/dealer license
- Authorize registration certificate
- Client ledger.
- Stock report.
- Bank Account Statement.
- Net Capital Balance position.
- Deed of Margin Agreement between member and investor (if possible).
- Compliance report.
- Compliant register.

SPECIAL OBSERVATION (MONITORING HOUSE ACTIVITIES AS DEPOSITORY PARTICIPANT):

- BO account opening for
 - Pay in slip
 - Pay out slip
 - BO stock report
 - Find discrepancies and variability of houses activities and generating report.
 - Inform the concern house about their deficiencies.
 - Aware them about securities rules and provide feedback to the house to overcome deficiencies regarding any lapse in operating house activities and also try to re from them in order to rules and regulations.
 - Final report submits to the Securities and Exchange Commission about house status.
- Monitoring department monitors the activities of at least 5 brokerage houses in each Calendar month.

SPECIAL MONITORING

Monitoring Department conducts special monitoring in brokerage houses according to SEC order through their inspection report. The procedure is same as general monitoring. The department conducts some other monitoring from time to time. They are as follows:

- TWS set up monitoring: Monitoring department inspect the setup of TWS according to TWS installation and user manual.
- Room verification: Monitoring department inspect brokerage house office premises whether they are properly decorated and suitable for business.
- DP – Monitoring: Monitoring Department inspect DP activities of the brokerage house regarding their pay in, pay out, and other activities as DP.

INVESTIGATION

One of the main responsibilities of Monitoring Department is to ensure compliance with Securities and Exchange rules and investigate any fraudulent activities in respect of securities market operations.

LEGAL AFFAIRS

This department assists DSE in various legal matters such as

- Correspondence with outside solicitors if any litigation arise against DSE.
- Assists in any other legal matters of DSE.

- Settlement of dispute that arises out by death of members or un settled claim by the member.
- Arrangement of hearing between appellant accused member house and settlement of any undue claim against the house.

SURVEILLANCE DEPARTMENT

Another important department of Dhaka Stock Exchange is Surveillance Department.

Its functions broadly describe in under below:

Functions of Surveillance Department:

1. PRICE MONITORING

ON LINE SURVEILLANCE:

For detecting potential market abuses at a nascent stage to reduce ability of the market participants to unduly influence the price & volume of the scripts traded at DSE by accessing into orders & trades of members.

OFF-LINE SURVEILLANCE:

Monitoring of-

- High/Low difference in prices.
- Percentage change in prices over a week/fortnight/month.
- Top N scrip by Turnover a week/Fortnight/month.
- Trading in infrequently traded scrip.
- Scrip's hitting new high/low price, etc.

INVESTIGATIONS:

Conducting in-depth investigations based preliminary enquiries/analysis of trading of the scrip. In Case of irregularities observed, necessary actions are initiated or investigation case is forwarded to SEC through the CEO, if necessary.

SURVEILLANCE ACTIONS:

- Warning to member – verbal/written to members through the CEO are issued when market irregularities in the scrip are suspected

- Impositions of penalty/suspension – penalize or suspend the members through the CEO who are involved in market irregularities, based on the input/evidence available from investigation report.

RUMOR VERIFICATION:

- Liaising with Compliance Officers of companies to obtain comments of the company on various price sensitive corporate news items appearing in selected News Papers.
- Comments received from the companies are disseminated to the market by way of online news bulletin.
- Investigations based on rumor verifications are carried out, if required, to detect cases of suspected insider trading

2. POSITION MONITORING:

The Surveillance Department closely monitors outstanding exposure of members on a daily basis. For this purpose, it observes various off-line market monitoring reports. The reports are scrutinized to ascertain whether there is excessive purchase or sale position build up compared to the normal business of the member, whether there are concentrated purchases or sales, whether the purchases have been made by inactive or financially weak members and even the quality of scrip's is considered to assess quality of exposure. The following key areas are examined to assess the market risk involved –

ONLINE MONITORING OF BROKER POSITION

Surveillance closely monitors broker's gross turnover exposure for ensuring margin calls in time.

- B/S Statement of Trading Members
- Concentrated B/S
- B/S of scrip having thin trading
- Verification of Institutional Trade
- Verification of Foreign Trade
- Verification of Cross Reporting Trade
- Verification of D Form Trades
- Verification of Sponsor's Trade
- Snap Investigation
- Market Intelligence
- Review block Trades

- Review List of Settlement Failures
- Verification of Company Accounts
- Review of Media Information
- Monitoring on newly Listed Stock
- Development of Good Liaison
- Development of market contacts & to picking up Intelligence.

Reporting

- Preparation of daily market report to reflect the state of the market & share prices at a specified time & distribution to the CEO.
- Submission of routine weekly report of market monitoring of Surveillance Department to the Commission.
- Submission of routine weekly report of foreign trades to Commission.
- Off & on inspection to member firms, preparation of reports thereof & forwarding to the CEO.
- Instant reporting to the CEO following his instruction.
- Reporting to the Commission following their enquiry in particular area of brokers/scrapes.
- Any other activities as & when directed by the CEO.

INTERNAL AUDIT & COMPLIANCE

Functionalities:

- Identification of irregularities in any payment or lapse of any documents.
- Random checkup of DSE store to find our irregularities.
- Regular checkup of petty cash.
- Identification of over expenses from petty cash.
- Supervision and examination of entrance of income in DSE Accounts.
- Submission of weekly or monthly report on petty cash account to CEO.
- Any other action as per requirement.

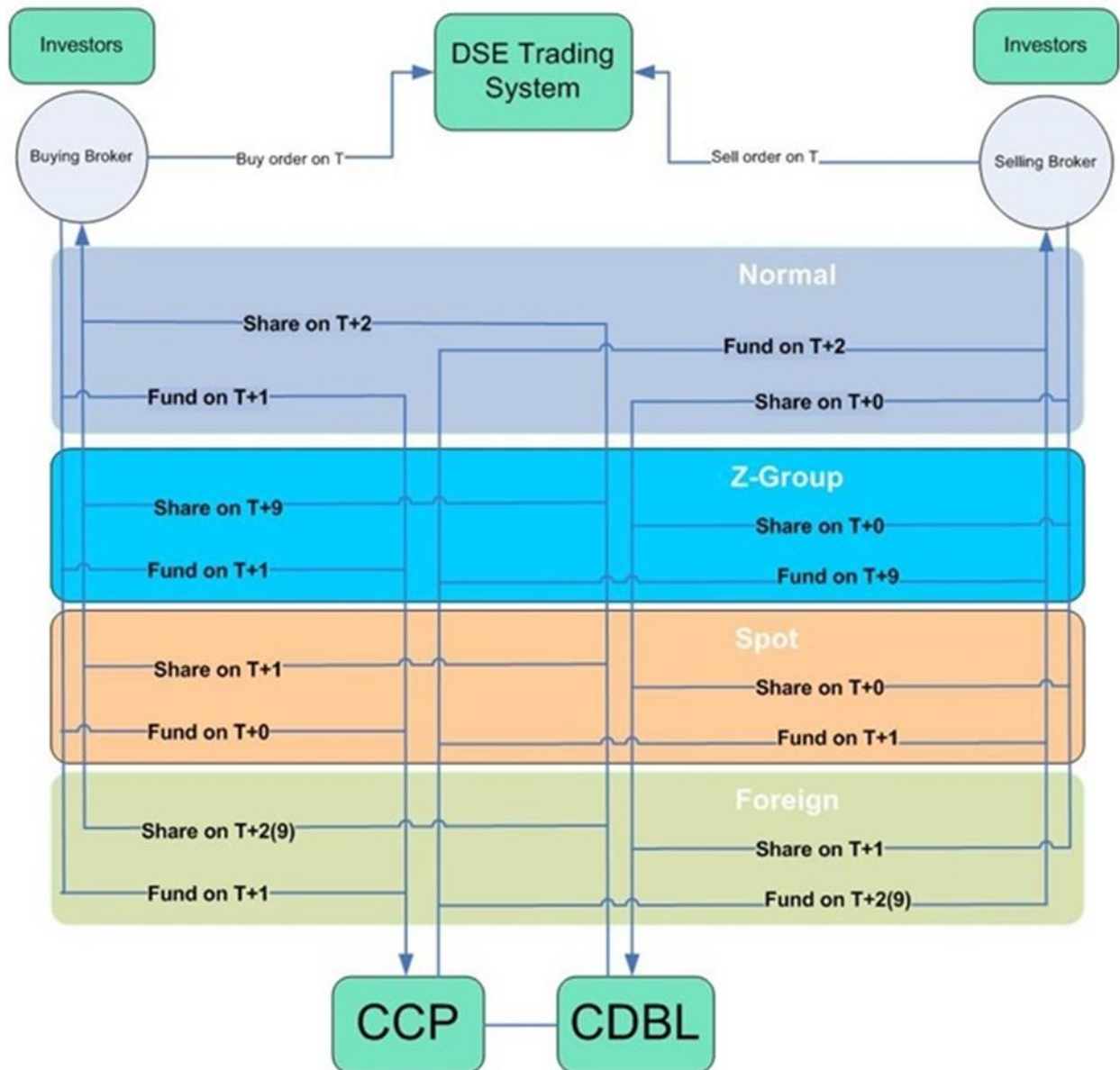
(D). INFORMATION & COMMUNICATION TECHNOLOGY DIVISION:

1. System & Market Administration Development
2. Network Department

3. Web Development Department
4. MIS & Development Department
5. Back Office Department
6. Application Support Department.

SETTLEMENT CYCLE

Settlement Cycles



Member of WFE



Dhaka Stock Exchange applied for membership of WFE on January 19, 2015 and July 01, 2016 the application was accepted by the board of directors of WFE. Finally, on June 06, 2017 World Federation of Exchange gave the full membership of DSE. The 56th Annual General Meeting held at Colombia from November 02 to November 04 director of DSE A. M. Majedur Rahaman attended the issue of full membership of DSE was accepted in principle.

PARTNER EXCHANGE OF THE UN SSE

Worldwide more than 75 stock exchanges committed to sharing information and knowledge, sustainability, transparency of capital market with each other of the principle of UN SSE. DSE also signed of commitment with the UN SSE. DSE is very delightful to join with UN SSE. It will increase international value of DSE. The collaboration with UN SSE initiative will give DSE an opportunity to create international renowned ESG reporting expertise in our country which would be beneficial to all capital market shareholders.

DSE is the leading exchange market with 95% of share turnover in total turnover. DSE is aware of corporate transparency and performance in respect to environment, social and corporate governance issues of listed companies. Recently DSE has started joint workshops to promote sustainability investment and developed environmental, social and corporate governance and performance of the listed companies.

MEMBER OF SAFE

South Asian federation of Exchange, the club of 28 south Asian member, are working to share, exchange and create technologies, experience for the fastest growth and upgradation of capital market. SAFE are working locally as well as international integration. The SAFE works towards the creation of general platform and standard and the best business practice and performance of the capital market. The SAFE is one of the renowned members of SAARC (South Asian Association of Regional Cooperation) establish with the motto of capital and financial markets development. Over more than a decade, The SAFE is working and hosting securities events for promoting financial markets all over the Asian region.

FINANCIAL RESULTS OF LAST FIVE YEARS

- Income Statement**

(BDT million)	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18
Revenue	1925	1949	1871	2082	2096
Expense	585	602	673	737	808

NPBT	n/a	n/a	n/a	1345	1287
NPAT	1340	1346	1198	1239	1044
• Financial Statement					
Current Assets	1714	2330	4914	13617	13746
Current liabilities	908	1492	4454	4476	5376
Noncurrent assets	8732	9000	9397	9677	9802
Noncurrent liabilities	367	376	400	440	473
• Financial Ratio					
Current Ratio	1.89	1.56	1.10	3.04	2.56
Net Profit Margin(%)	70.00	69.00	64.00	59.51	50.00
ROE(%)	6.79	6.39	5.86	6.23	5.46
ROA(%)	6.38	5.87	4.73	4.99	4.18
Operating cash flow per Share	0.13	0.20	0.27	0.34	0.65

DSE EFFORTS IN FY2017-18

The activities of DSE has brought a big change in the capital market area. In FY2017-18 DSE has fulfilled a number of strategic activities and achieved international recognition. The major activities are:

- Shenzhen Stock exchange and Shanghai Stock Exchange be the strategic partner of DSE
- Memorandum and Article of Association of proposed Central Counter Party Bangladesh Limited now at its final stage and BSEC approved the Memorandum and Article of Association
- Invention of DSE Mobile Apps for Android and iOS users
- Development of ISO 9001:2015 standard regarding quality Management Systems requirements
- Small capital companies are qualified investors offers by the rule of small capital Company
- New formation of ATB (Alternative Trading Board) rules at its final stage
- Nikunjo Building is almost complete to operate and hopefully all TREC holders can be joined in the membership Club

CHAPTER THREE

SWOT ANALYSIS OF DSE

STRENGTHS OF DHAKA STOCK EXCHANGE

- Number one stock exchange brand in Bangladesh
- Spread widest networks in the main cities in Bangladesh
- Capable to provide one stop service of the all branches

- Superior quality and perfect performance to their clients
- Well trained and qualified management team
- DSE believes in quality trading infrastructure
- DSE provides expert advice, supports its customer and provides customer base satisfaction
- Up to date with hardware infrastructure and software development for the eclectic trading
- Preferable Clearing and settlement process

WEAKNESS OF DHAKA STOCK EXCHANGE

- Weak IPO pricing model in DSE fundamentals. As a result, sponsors don't earn more than the public investors
- Weak monitoring in surveillance over of price of share. As a result, share price increase unexpectedly and fall unexpectedly
- Lack of guideline process when market penetrate because of unexpectedly of price falling
- Lack of decentralize management to making crucial decision
- Need to develop internal audit control system

OPPORTUNITIES OF DHAKA STOCK EXCHANGE

- New brokerage house will be open in all the district in Bangladesh
- DSE is working to increase investment awareness to the investors so that they can take right decision for their investments
- The management and the directors are visiting other country exchange markets so that the experience and knowledge can be used in capital market of Bangladesh
- Settlement and clearing system is to be independent for less time period transaction settlement to more accountability and transparency
- More stable and equalize face value of securities
- Online trading system ate developing to enlarge the capital market for bigger dimensions

TREATS OF DHAKA STOCK EXCHANGE

- The demand and supply of the share is unstable in the capital market. So investors face hassle to find the supply of good shares. DSE also working to improve the situation and DSE seeking government support to control the overall situation
- There is political imbalance and investors got scared of investment after the market fall in 2010. As a result, DSE can't reach up to the level market expansion
- Though DSE is the largest capital market in Bangladesh, the manpower may short to set the market in the desire position

FINDINGS

The positive and negative aspects of Stock Exchange according to my point view are:

POSITIVE ASPECTS

The positive aspects of Stock Exchange are:

- Net capital balance requirement redefined and enhanced 10 times
- Capital Adequacy introduced exposure of brokers not to exceed 25 times net capital balance
- Introduction of T+3 system
- Margin requirements strengthened
- BODs of Stock Exchanges restructured to include 50% independent directors
- Independent, professional Managing Directors appointed and removed with SEC approval
- Size of BOD reduced from 18 to 10 members. Chairman to be appointed by the BOD

NEGATIVE ASPECTS

The negative aspects of stock exchange according to my point of view are:

- Require improve risk management at the exchanges
- Develop a regulatory framework for online trading
- There is need for demutualization of stock exchanges
- There is need for further strengthen audit practices and enforce International Accounting Standards.

FUTURE PROSPECTS

RECOMMENDATIONS

CHAPTER FOUR

CONCLUSION

Day by day DSE is doing great job to improve the market and expanding the capital market. Though DSE performing well, but there is some area where DSE need to be further improvement. The board of directors, the management team and all the employees works hard to achieve the selected goals.

Our political stability and the economy are in good shape. So the capital market has a great opportunity to expand the market and attract the good number of investors to do maximum future growth of the capital market.

DSE has a good financial position in FY2017-2018. The board of directors' selection is pretty much amazing. SEC also decrease the number of directors to take decision efficiently and effectively.

DSE overall performance is quite satisfied. The management is working perfectly, but the DSE is too dependent on SEC. As a result, it is sometime cause trouble for DSE management. But good thing is DSE is trying their best to improve the market and challenging situation.