



Annual Report  
2020



**GSP**  
FINANCE

*creating opportunities*

**GSP FINANCE COMPANY (BANGLADESH) LIMITED**

# 2020

Annual Report



**GSP FINANCE COMPANY (BANGLADESH) LIMITED**



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# Letter of Transmittal

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All Shareholders  
Bangladesh Bank  
Bangladesh Securities and Exchange Commission  
Registrar of Joint Stock Companies & Firms  
Dhaka Stock Exchange Limited  
Chittagong Stock Exchange Limited

Subject: Annual Report for the year ended December 31, 2020

Dear Sir (s):

On behalf of the Board of Directors of GSP Finance Company (Bangladesh) Limited, the undersigned is pleased to present a copy of the Annual Report for the year ended December 31, 2020 together with the audited Financial Statements including consolidated and separate Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Equity for the year ended December 31, 2020 and along with notes thereon for your kind perusal and record.

Thanking you,

Sincerely yours,



**Md. Mizanur Rahman**  
Deputy Managing Director  
&  
Company Secretary

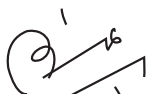
Date: August 14, 2021

## Notice of the 26<sup>th</sup> Annual General Meeting (Through Online Digital Platform)

Notice is hereby given that the 26th Annual General Meeting of the shareholders of GSP Finance Company (Bangladesh) Limited will be held on Tuesday, September 28, 2021 at 10:00 a.m. by using Digital Platform (pursuance to BSEC Order no. SEC/SRMIC/94-231/25, dated July 08, 2020) through the following link: <https://gspfinance.bdvirtualagm.com> to transact the following business:

01. To receive and adopt the Directors' Report to the Shareholders, Auditors' Report and Audited Financial Statements for the year ended December 31, 2020.
02. To declare Dividend for the year ended December 31, 2020.
03. To elect Directors in place of those who shall retire by rotation in accordance with the provision of Articles of Association of the Company and the Companies Act. 1994.
04. To appoint the Statutory Auditors of the Company for the year 2021 until the conclusion of the next Annual General Meeting and to fix their remuneration.
05. To appoint the Corporate Governance compliance Auditors of the Company for the year 2021 and to fix their remuneration.

By order of the Board



**Md. Mizanur Rahman**  
Deputy Managing Director  
&  
Company Secretary  
Dated: August 14, 2021

### Notes:

01. The Members whose name appeared in the Register of Members of the Company and/or in the Depository Register on the "Record date" i.e. September 07, 2021 are eligible to attend the 26th Annual General Meeting and be entitled to the dividend as approved in the AGM.
02. The shareholders will join the virtual AGM through the link: <https://gspfinance.bdvirtualagm.com>. The shareholders will be able to submit their questions/comments electronically 24 (Twenty-four) hours before holding the AGM through this link and also during the Annual General Meeting. In order to login for the virtual AGM, the shareholders need to click on the link and provide their 16 digit Beneficiary Owners (BO) Account number or Folio number, name of respective shareholder, number of shares and mobile number or e-mail address.
03. Shareholders may login to the system prior to starting of the meeting at 10:00 a.m. on September 28, 2021 (Tuesday). The Link will activate at 10:01 a.m. (Bangladesh Time) on September 27, 2021. For any IT related guidance and help regarding the login process, the respected members may contact at +880 9674306-11 or 01817 085761 or visit GSPB website at: [www.gspfinance.com](http://www.gspfinance.com)
04. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018 the soft copy of the Annual Report for the year 2020 along with the Notice, Proxy Form and Attendance Slip have been forwarded to all the Members at their respective e-mail address available with us as per CDBL record. The Members may also collect the Proxy Form from the Registered Office of the Company. These are also available in the website of the Company at : [www.gspfinance.com](http://www.gspfinance.com)
05. A Member may appoint a proxy to attend and vote in his/her place by filling proxy form at this virtual AGM. The "Proxy Form" duly filled, signed and stamped at BDT 20/-, must be deposited at the registered office or send through e-mail to [secretariat@gspfinance.com](mailto:secretariat@gspfinance.com) not later than 48 hours before the time scheduled for holding the AGM.

**N.B:** Members may please note that no gift or benefits in cash or kind shall be given at the AGM.

## VISION

To be a premier financial institution in Bangladesh with strong commitment to the development of the society and the national economy.

## MISSION

- High quality financial services with state of the art technology.
- Working closely with our clients.
- Maximizing return on equity.
- Maintaining a high standard of professional ethics.
- Securing a sustainable growth strategy.

## STRATEGIC OBJECTIVES

- Create high quality investment portfolio.
- Strengthening our position in capital market operation.
- Continuous diversification for maximization of shareholders' value.
- Maintain long-term business relationship with our clients.
- Retaining most dynamic people with good aptitude.
- Responding quickly to new opportunities.
- Balanced diversification of funding sources.
- Strengthening corporate governance practices.

## CORE VALUES

- Integrity
- Commitment
- Transparency
- Service Excellence
- Business Ethics
- Teamwork
- Prudent risk taking
- Clients Focus
- Friendly Environment
- Equal opportunity
- Trust & Respect

## THE COMPANY AT A GLANCE

GSP Finance Company (Bangladesh) Limited is a Financial Institution (FI) incorporated in Bangladesh on October 29, 1995 as a public limited company under the Companies Act 1994. The Company received its certificate of commencement of business on January 14, 1996 and its license on March 04, 1996 as required under Section 4(1) of the Financial Institutions Act 1993. The Company went into commercial operation on April 17, 1996. The Company also got a separate license from Bangladesh Securities and Exchange Commission on August 24, 1999 for working as a Merchant Bank. GSP Finance Company (Bangladesh) Limited was listed with Chittagong and Dhaka Stock Exchanges on March 14, 2012 and March 28, 2012 respectively.

## GSP INVESTMENTS LIMITED

(A Subsidiary of GSP Finance Company (Bangladesh) Limited)

Pursuant to the requirement of Bangladesh Securities and Exchange Commission, GSP Finance Company (Bangladesh) Limited formed a subsidiary in the name of " GSP Investments Limited " with a view to separate its Merchant Banking operation which was approved by Bangladesh Securities and Exchange Commission vide their letter no. SEC/Reg./MB/SUB-16/2011/113 dated August 14, 2014. GSP Investments Limited duly incorporated with the RJSC, Dhaka as a private limited company with an authorized and paid up capital of Tk. 500 million and Tk. 250 million respectively.

## PRODUCTS AND SERVICES

### Financial segments

- Lease Finance
- Term Finance
- Working Capital Finance
- Bridge/ equity finance
- Syndication finance
- SME finance
- Term Deposit

### Deposit schemes

- Monthly income deposit
- Quarterly income deposit
- Half yearly income deposit
- Yearly income deposit
- Double income deposit

### GSP Investments Limited

(A Subsidiary of GSP Finance Company (Bangladesh) Limited)

- Issue Management
- Underwriting
- Portfolio Management
- Margin Loan
- Securities Trading Services



## CORPORATE INFORMATION

### Registered Name of the Company

**GSP Finance Company (Bangladesh) Limited**

#### Legal Form

A public limited company incorporated in Bangladesh on October 29, 1995 under the Companies Act 1994. The Company licensed as Financial Institution under Financial Institutions Act 1993 on March 04, 1996 and also got a separate license from Bangladesh Securities and Exchange Commission on August 24, 1999 for working as a Merchant Bank. The Company was listed with Dhaka and Chittagong Stock Exchanges in 2012.

#### Company Registration No.

C-29591 (879) / 95

#### Bangladesh Bank License No.

আঃপ্রঃ(অ-ব্যাংকিং)বিভাগ/ঢাকা/১০/৯৬

#### GSP Investments Limited - License No.

(A Subsidiary of GSPB)

MB- 88/2014

#### Registered Office

1, Paribagh, Mymensingh Road,  
Dhaka-1000, Bangladesh.

Tel: +880-2-9674306, 9674425 (Auto Hunting)

Fax: +880-2-9674194

#### Website

[www.gspfinance.com](http://www.gspfinance.com)

#### Legal Advisor

Chowdhury & Hyders

Barristers, Advocates and Consultants

Room No. 6/B, Meherba Plaza (6th floor)

33, Topkhana Road, Dhaka-1000.

#### Tax Adviser

Adil & Associates

Advocates & Tax Consultants

50, Purana Paltan Line (2nd floor)

Dhaka-1000.

#### Auditors

Zoha Zaman Kabir Rashid & Co.

Chartered Accountants

Rupayan Karim Tower, Level # 7

Suite # 7A, 80, Kakrail

Dhaka – 1000, Bangladesh

#### Membership

Bangladesh Leasing & Finance Companies Association (BLFCA)

Bangladesh Association of Publicly Listed Companies (BAPLC)

Bangladesh Merchant Bankers Association (BMBA)

Foreign Investors Chamber of Commerce & Industry (FICCI)

Bangladesh – Malaysia Chamber of Commerce and Industry (BMCCI)

#### Principal Bankers

BASIC Bank Ltd.

Commercial Bank of Ceylon PLC

Dutch- Bangla Bank Ltd.

Mutual Trust Bank Ltd.

Modhumoti Bank Ltd.

NCC Bank Ltd.

Shahjalal Islami Bank Ltd.

Southeast Bank Ltd.

The City Bank Ltd.

Union Bank Ltd.

Woori Bank

#### Stock Brokers

Multi Securities & Services Limited

Haji Ahmed Brothers & Securities Ltd.

United Financial Trading Company Limited

#### Chairman

Mr. Feroz U. Haider

#### Managing Director & CEO

Mr. Mohammad Imdadul Islam

#### Company Secretary

Mr. Mizanur Rahman

## BOARD OF DIRECTORS

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**Mr. Feroz U. Haider**

Chairman of the Board

**Mr. Saber Hossain Chowdhury**

Vice Chairman of the Board

Nominated by Karnaphuli Industries Limited

**Dr. ATM Shamsul Huda**

Vice Chairman of the Board

Nominated by Tai Ping Asian Investment Limited

**Mr. Moin U. Haider**

Director of the Board &

Chairman, Executive Committee

**Mr. Wolf- Peter Berthold**

Director of the Board

**Mr. Mohamed Abdul Jalil**

Director of the Board

Nominated by Tai Ping Asian Investment Limited

**Mr. Wajid Ali Khan Panni**

Independent Director of the Board &

Chairman, Audit Committee

**Ambassador F. A. Shamim Ahmed (Retd.)**

Independent Director of the Board

**Ms. Silwat A. Haider**

Director of the Board

**Mr. Mohammad Imdadul Islam**

Managing Director & CEO

## BRIEF PROFILE OF THE DIRECTORS



### **Mr. Feroz U. Haider**

Chairman of the Board

Mr. Feroz U. Haider is a renowned international banker with experience in very senior positions in financial institutions in South East Asia. He started his banking career in 1967 with United Bank Limited (now Janata Bank) after his graduation from University of Dhaka and worked till 1975. From 1976 to 1978 he was the General Manager of Gulf Finance Company Limited, Hong Kong. He was the Managing Director of GSP Finance Company Limited, Hong Kong and GSP International Bank Limited, Vanuatu. From 1989 to 1996 he was the Chairman of GSP International Bank Limited, Vanuatu, and President of Thai Prasit Insurance Company Limited, Hong Kong (now Mittare Insurance Co. Ltd.). From the date of incorporation (October 29, 1995) of GSP Finance Company (Bangladesh) Limited, he served as Chairman and Managing Director of the Company, since 2008 he has elected as Chairman of the Board of Directors of the Company.



### **Mr. Saber Hossain Chowdhury**

Vice Chairman of the Board

Nominated by Karnaphuli Industries Limited

Mr. Saber Hossain Chowdhury is a Director & Vice Chairman of GSP Finance Company (Bangladesh) limited representing Karnaphuli Industries Limited. He was elected as Member of 7th Jatio Sangsad (National Assembly), 9th Jatio Sangsad, 10th Jatio Sangsad and again he elected as Member of 11th Jatio Sangsad. He served as Deputy Minister of Shipping from December 1996 to March 1998 and thereafter as Deputy Minister of Local Government & Rural Development (LGRD) till July 2001. He was also a Member of the Parliamentary Committee for the Ministry of Sports and Cultural Affairs for the term of 1996-2001. During his tenure as the Member of the Parliament and also as the Deputy Minister, he was widely acclaimed as having acted with honesty and integrity, thereby holding high image of his constitutional positions. He is also the Managing Director of Karnaphuli Group of Companies. Mr. Chowdhury holds Bachelor degree of Political Science and Economics from London University and LL.B in Westminster University, London. Mr. Saber Hossain Chowdhury has been elected as Vice Chairman of the Board of GSP Finance Company (Bangladesh) Limited in its 195th meeting held on December 07, 2016. He was the 28th President of Inter-Parliamentary Union (IPU) having been elected to the position on 16th October 2014 for a term of 3 years. He was the first Bangladeshi to have been elected to this highest office of global parliamentary leadership. At present Mr. Saber Hossain Chowdhury is the Honorary President of Inter-Parliamentary Union (IPU).



### **Dr. ATM Shamsul Huda**

Vice Chairman of the Board

Nominated by Tai Ping Asian Investment Limited

Dr. ATM Shamsul Huda was born in 1943. He obtained his B.A (Honors) and M.A in History from the University of Dhaka and he stood 1st class 1st position in both the examination. He also earned Masters in Public Administration and PhD from Syracuse University, New York, USA in 1975 and 1979 respectively. He started his career as a teacher of the University of Dhaka in the department of History and later joined the Civil Service of Pakistan (CSP) in 1966. Prior to Independence of Bangladesh he worked extensively at field levels in both East and West Pakistan.

During his 34 years of long service with the Government, has held such positions as Member, Public Administration Training center; Chairman, Bangladesh Water Development Board; Managing Director, Bangladesh Agricultural Development Bank; Secretary, Banking Division, Ministry of Finance and Secretary, Ministry of Water Resources. He retired from Government service in 2000.

He was appointed as Chief Election Commissioner on February 05, 2007 for tenure of 5 years. He retired as CEC on 5th of February, 2012. Mr. ATM. Shamsul Huda has been re-elected as Vice Chairman of the Board of GSP Finance Company (Bangladesh) Limited in its 218th meeting held on July 30, 2019.



**Mr. Moin U. Haider**

Director of the Board &  
Chairman, Executive Committee

Mr. Moin U. Haider has been a shareholder of the Company since 2000 and became a Director in 2005. He is a graduate in Business-Economics from Lewis & Clark College, Portland, Oregon, USA in 2003 and has an Associate of Occupational Studies Degree in Automotive Technology from Universal Technical Institute, Phoenix, Arizona, USA in 2004. Mr. Haider has also obtained the Canadian Securities Certification from Canadian Securities Institute, Toronto, Canada in 2012. Mr. Moin U. Haider has been elected as Chairman of the Executive Committee of the Board of GSP Finance Company (Bangladesh) limited in 2016.



**Mr. Wolf-Peter Berthold**

Director of the Board

Mr. Berthold, a native German, has been living in Hong Kong since 1977. He established an investment firm, Deutsche Asiatische Beteiligungsgesellschaft (DBA) Ltd. in 1996. As Chairman /CEO of DBA Ltd. He oversees the firm's investment activities, including but not limited to Private Equity investments. Prior to establishing his own business, he worked for several major German Banks in Hong Kong as the head of private banking and portfolio management (AUM exceeding 1 bn USD) with regional responsibility. He is the Chairman of Sino Investment Management Services Ltd. (SIMS) and CEO/ Chairman of Helicon Enterprises Co. Ltd, a property investment company. Mr. Berthold serves as an independent director /advisor on various boards and investment committees. He is an honorary member of the Hong Kong Association of Financial Advisors (FHKFA) and a licensed representative (RA6) of the HK SFC. Mr. Berthold holds a degree in business administration and economics (Diploma Kaufmann) from the University of Mannheim, Germany.



**Mr. Mohamed Abdul Jalil**

Director of the Board  
Nominated by Tai Ping Asian Investment Limited

Mr. Mohamed Abdul Jalil is a Director of GSP Finance Company (Bangladesh) Limited representing Tai Ping Asian Investment Limited. Mr. Jalil was a senior civil servant in the Government Sector. He was a Member (Taxes) Ex-officio Additional Secretary, NBR. He was involved in preparation of National Budget and Budgetary Policy and Taxation Policy. He also served as Director Finance of Petrobangla and Member Finance of BTTB. He also represented Government of Bangladesh as Director in the Board of Directors of Jamuna Oil Company Limited and National Tubes Ltd. He was General Secretary of Officers Club, Dhaka for four years and hold other positions of Officers Club for twenty five years. Meanwhile, he involved himself in various social activities. Mr. Jalil got Gold Medal for Education and Social Welfare from Bangladesh Jatiyo Shahyto Sangshad – 1993 and got another Gold Medal for Education and Social Welfare, Sher-e-Bangla Jatiyo Shishu Academy 1997. Mr. Jalil holds B.A (Hons) and M.A in (Economics) and LL.B from the University of Dhaka. He was a Director of Telephone Shilpa Sangstha and Bangladesh Cable Factory. Presently, he is Chairman of Bangladesh Unnayan Parishad, a research organization.



### **Mr. Wajid Ali Khan Panni**

Independent Director of the Board &  
Chairman, Audit Committee

Mr. Wajid Ali Khan Panni is an Independent Director of GSP Finance Company (Bangladesh) Limited. Mr. Panni was born in 1944. He studied in Darjeeling, India, then Aitchison College and F.C College in Lahore. Mr. Panni was a founder Trustee of Education, Science, Technology and Cultural Development Trust (ESTD) and a member of the Governing Council of Independent University Bangladesh (IUB). He was the first Vice president (Finance and Administration) Mutwali, Wajid Ali Khan Panni Waqf Estate, Karatia, Tangail. He was elected to the parliament as an Independent Candidate in 1986, Deputy Foreign Minister from 1986 to 1988. Chairman District Council, Tangail from 1988 to 1990. He was High Commissioner of Bangladesh to Malaysia from March 1997 to December 1999. Mr. Panni is presently actively involved in IUB and the trust which he is a member and a Share holder/ Director of Shapla Technologies Ltd. Mr. Wajid Ali Khan Panni has been elected as Chairman of the Audit Committee of the Board of GSP Finance Company (Bangladesh) limited in its 213th meeting held on November 29, 2018.



### **Ambassador F. A. Shamim Ahmed (Retd.)**

Independent Director of the Board

Ambassador F.A. Shamim Ahmed (Retd.) was appointed as an Independent Director of GSP Finance Company (Bangladesh) Limited in its 213th BOD meeting held on November 29, 2018. Mr. Ahmed was born in 1948. He earned Honours and Master's degrees in Sociology from the University of Dhaka. A former career diplomat, Ambassador F. A. Shamim Ahmed has served in various capacities in the Bangladesh Foreign Ministry and Embassies abroad during his 33 years long tenure in the Foreign Service. His assignments have pertained mainly to South Asia and UN and multilateral matters.

Before his retirement in May 2007 as Ambassador Grade A and Secretary to the government, Ambassador Shamim Ahmed served as the country's High Commissioner to Pakistan for four years. Prior to that he was Bangladesh Ambassador to the Kingdom of the Netherlands and was, concurrently, Permanent Representative to the Organization for Prevention of Chemical Weapons (OPCW).

Ambassador Ahmed served as the Deputy Permanent Representative to the United Nations in New York from 1997 - 2000. He was a member of the Bangladesh's delegation to the Security Council in 2000 with the rank of Ambassador. He also served as Consul General in New York.

His other diplomatic assignments were Deputy Chief of Mission in Islamabad; Deputy Chief of Mission in Rome with accreditation as Alternate Permanent Representative to the UN FAO, World Food Programme and the International Fund for Agricultural Development.; Second / First Secretary in Tokyo and second Secretary in Nairobi with accreditation to the Headquarters of the United Nations Environment Programme. He attended a Foreign Service training programme in Canberra, Australia in 1976.



**Ms. Silwat A. Haider**

Director of the Board

Ms. Silwat A. Haider Director of GSP Finance Company (Bangladesh) Limited has served as a Management Consultant and Project Management specialist with various organisations in the UK for the last twenty years. This has included AEA Consulting; Arts Council England; Mouchel (now WSP); the Natural History Museum; and the National Portrait Gallery. At present she is working as Head of Capital Projects at the British Museum in London. During her long tenure, she has worked in various areas of Arts, Culture, Business and Finance. Ms. Haider holds a B. Sc. (Econ) International History (Hons) from London School of Economics & Political Science, University of London and a M. A. in Art History and Archeology from the School of Oriental and African Studies, University of London.



**Mr. Mohammad Imdadul Islam**

Managing Director & CEO

Mr. Mohammad Imdadul Islam joined in GSP Finance Company (Bangladesh) Limited as Additional Managing Director on November 11, 2019.

A post-graduate in Management from the University of Dhaka, Mr. Islam has been in the banking industry for over 29 years, a career that began in May 1991 with the then Arab Bangladesh Bank Limited as Probationary Officer (5th Batch). During his banking career, Mr. Islam managed a number of functional areas covering Business (Corporate, SME and Retail), Risk, Operations, Credit Administration, General Banking, CBS Project implementation, Alternate Delivery Channel etc.

Prior to this assignment, Mr. Islam was the Senior Executive Vice President & Head of Retail, SME and Other Business Division of Meghna Bank Limited, where he joined in March 2013. He was the founding team member of Meghna Bank and established various business units. He also discharged various important responsibilities at Meghna Bank including that of CAMLCO.

He also worked with ONE Bank Ltd., Dhaka Bank Ltd., Standard Chartered Bank, and Credit Agricole Indosuez in various responsibilities. He led the Core Banking Solution (CBS) Project - "PROJECT TURBO" of Dhaka Bank Ltd. and was also actively involved in the CBS Projects of ONE Bank Ltd. and Meghna Bank Ltd. Retail Banking Business got tremendous momentum under his leadership during his tenure with Dhaka Bank and ONE Bank.

He attended various training programs, workshops and seminars at home and abroad.

## COMMITTEES OF THE BOARD & MANAGEMENT

### Executive Committee

#### **Chairman**

Mr. Moin U. Haider

#### **Members**

Mr. Feroz U. Haider  
Mr. Saber Hossain Chowdhury  
Mr. Mohamed Abdul Jalil

### Audit Committee

#### **Chairman**

Mr. Wajid Ali Khan Panni

#### **Members**

Mr. Saber Hossain Chowdhury  
Dr. ATM Shamsul Huda  
Mr. Mohamed Abdul Jalil  
Mr. Moin U. Haider

### Management Committee (MANCOM)

#### **Chairman**

Mr. Mohammad Imdadul Islam

#### **Members**

Mr. Mizanur Rahman  
Mr. Asif Rahman  
Ms. Zeenat Alam  
Mr. Shazzad Hossain  
Mr. Wahidul Islam

### Asset-Liability Management Committee (ALCO)

#### **Chairman**

Mr. Mohammad Imdadul Islam

#### **Members**

Mr. Mizanur Rahman  
Mr. Asif Rahman  
Mr. Shazzad Hossain  
Mr. Wahidul Islam

### Anti Money Laundering Compliance Committee

#### **Chairman**

Mr. Mohammad Imdadul Islam

#### **Members**

Mr. Mizanur Rahman  
Mr. Shazzad Hossain  
Mr. Wahidul Islam  
Mr. Saiful Islam

### Credit Committee

#### **Chairman**

Mr. Mohammad Imdadul Islam

#### **Members**

Mr. Asif Rahman  
Ms. Zeenat Alam  
Mr. Nazmol Hossain

### BASEL Implementation Committee

#### **Chairman**

Mr. Mohammad Imdadul Islam

#### **Members**

Mr. Mizanur Rahman  
Mr. Asif Rahman  
Mr. Wahidul Islam

### Risk Management Forum

#### **Chairman**

Mr. Mohammad Imdadul Islam

#### **Members**

Mr. Mizanur Rahman  
Mr. Asif Rahman  
Mr. Wahidul Islam  
Mr. Nazmol Hossain

### Integrity Committee

#### **Chairman**

Mr. Mohammad Imdadul Islam

#### **Members**

Mr. Mizanur Rahman  
Mr. Asif Rahman  
Mr. Wahidul Islam  
Mr. Ramzan Hossain

## CAPITAL AND SHAREHOLDING STRUCTURE

	Amount in Taka	
	2020	2019
<b>Share Capital</b>		
Authorized share capital 200,000,000 ordinary shares of Tk. 10 each	2,000,000,000	2,000,000,000
Issued, Subscribed and Paid up Capital 142,789,623 ordinary shares of Tk. 10 each	1,427,896,230	1,292,213,780
<b>Sponsors/Directors:</b>	<b>% of share holding 2020</b>	<b>Amount in Taka</b>
		<b>2020</b>
		<b>2019</b>
<b><u>A. Foreign</u></b>		
<b>Institution:</b>		
Tai Ping Asian Investment Limited	10.42%	148,721,190
		134,589,320
<b>Individual:</b>		
Mr. Wolf - Peter Berthold	3.59%	51,204,880
		46,339,260
Sub Total	14.01%	199,926,070
		180,928,580
<b><u>B. Domestic</u></b>		
<b>Institution:</b>		
Karnaphuli Industries Limited	9.07%	129,526,560
		117,218,610
<b>Individuals:</b>		
Mr. Feroz U. Haider	8.07%	115,186,900
		104,241,540
Mr. Moin U. Haider	2.00%	28,557,930
		25,844,280
Ms. Silwat A. Haider	2.00%	28,557,970
		25,844,320
AVM (Retd.) Altaf Hossain Choudhury Ndu. Psc	0.36%	5,166,670
		4,675,720
Sub Total	21.50%	506,922,100
		277,824,470
<b><u>C. General Shareholders</u></b>	64.49%	920,974,130
		833,460,730
<b>Total (A+B+C)</b>	<b>100.00%</b>	<b>1,427,896,230</b>
		<b>1,292,213,780</b>





## Message from The Chairman

Bismillahir Rahmanir Rahim

### Distinguished Shareholders:

Assalamu Alaikum,

By the grace of Almighty Allah, it is my pleasure to welcome you all at 26th Annual General Meeting of GSP Finance Company (Bangladesh) Limited. I would like to express my sincere thanks to the respected shareholders for their support and co-operation during the Year 2020. I also extend my thanks to the Honorable Members of the Board of Directors for their presence and active support for the growth of the company.

COVID – 19 PANDEMICS has taken its toll throughout the World – as a consequence all most all countries of the world suffered economic slowdown since March 2020. The mayhem is still going on. Bangladesh is no exception. Our exports suffered serious setback during this period. Many business houses suffered loss of revenue due to intermittent lockdown. The entire financial industry suffered due to this PANDEMIC.

Bangladesh is a naturally beautiful middle-income country. Its economy is flourishing rapidly. Over the past decade Bangladesh's economic growth has steadily increased from 6% to 8% per annum. The COVID-19 pandemic has adversely affected the economy of Bangladesh. According to the provisional estimates of the Bangladesh Bureau of Statistics (BBS), GDP growth in FY 2019 - 2020 stood at 5.24%, compared to 8.15% in the previous fiscal year. Growth in export and import in FY 2019 – 2020 is negative. However, remittance inflows grew by 10.87% has reduced the current account deficit compared to the previous fiscal year.

At the same time, the increase in capital and financial account inflows has led to a surplus in the overall balance of payments. As a result, the foreign exchange reserves have increased significantly. To keep the country's economy afloat in the face of the ongoing corona pandemic, extra spending on healthcare, emergency humanitarian assistance has been materialized. The government has already announced a financial package of about Tk. 1.2 lakh crore for economic recovery in different sectors, that includes both industrial, service and agricultural sectors. As a result of these actions taken by the government, the economy is expected to turn around.

(Source: Bangladesh Economic Review 2020, Ministry of Finance)

As the COVID-19 pandemic unfolded, central banks across the globe responded with a dramatic easing of monetary policy to provide liquidity support to the economy. The monetary policy stance and monetary program of Bangladesh Bank for FY20 was drawn-up with the dual objectives of maintaining price stability and supporting inclusive, equitable and environmentally sustainable economic growth. The Bangladesh Bank injected over Tk. 36,000 crore reserve money considered as extra money into the market during this period through various methods.

In the year 2020 the entire financial sector especially NBFIs has suffered a lot due to COVID-19 pandemic and passed a difficult time with severe liquidity crunch, non-renewal of existing and new credit facilities by the banks, huge FDR encashment pressure from depositors and non-payment of installments by the borrowers on time etc, which adversely impacted the overall profitability of the industry.

GSP Finance Company (Bangladesh) Limited has a long successful history of professionalism & high standard of business ethics which is based on a well-developed culture of accountability, transparency, fairness and good governance.

GSP Finance Company (Bangladesh) Limited maintains fair, transparent and sound management system. It has well designed management structure having professional experience and relevant training with clearly defined roles for different departments and delegation of authority at different levels.

The year 2020 was an unprecedentedly challenging and a difficult year, but the performance of the company was satisfactory. In the year consolidated net profit after tax and provision stood at Tk. 220 million with earnings per share BDT 1.55. Deposits and Advances of the company stood at Tk. 2,269 million & Tk. 7,724 million as at 31st December 2020 respectively. I firmly believe that we shall be able to meet all the present & future challenges, more courageously.

We understand that the year 2021 will be a hard year for FIs. The key challenges for the Company in 2021 will be to continue to support demand for financing shrinking interest rate margins and increasing non-performing loans. It is my belief that the Company will be able to deliver on its commitment to grow sustainably and generate reasonable returns by pursuing a prudent and dynamic business strategy.

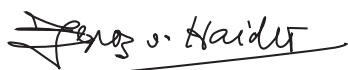
GSP Finance Company (Bangladesh) Limited continuously reviews its human resource policies and implements effective management policies and practices to enhance the productivity of the employees by promoting the sense of belongingness.

I would like to express my sincere thanks to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Registrar of Joint Stock Companies and Firms, National Board of Revenue and other regulatory authorities for their continued guidelines and co-operation.

I would once again like to express my deep appreciation to my colleagues in the Board and members of the staff for their co-operation and commitment. I also extend my heartfelt thanks to our shareholders for their trust in the Board of Directors of GSP Finance Company (Bangladesh) Limited.

Stay safe and stay well.

May the Almighty Allah bless us all.



**Feroz U. Haider**  
Chairman



# Message

from The Managing Director & CEO

Bismillahir Rahmanir Rahim

**Dear Shareholders:**

Assalamu Alaikum,

We are going through a period of high volatility. Wide ranging changes in the overall external environment and changing customer behaviour have impacted the way of doing business. Year 2020 was the most challenging year the world has encountered in the antiquity with great uncertainty regarding impending economic activities caused by Corona Pandemic and as a consequence the entire global economy plunged into severe crisis responding to which we had to reset our strategy in order to ensure smooth operation.

COVID-19 virus has claimed millions of lives across the world and forced many countries to shut down significant economic activities to protect valuable lives. Unemployment has increased sharply and numerous small business entities were wiped out of existence. With a very few exception, medium and large business entities also suffered huge loss which will take quite a long time to recover.

In spite of the adverse economic scenario, Bangladesh registered a positive GDP growth of 5.20% during 2020 compared to the previous year's GDP growth rate of 8.15%. To face the unprecedented challenges, the Government of Bangladesh provided significant support in the form of "Stimulus Packages" for individuals, businesses and communities.

Liquidity crisis in the entire financial sector contributed to the slowdown of growth with respect to fund mobilization, loan disbursement and profitability. Overall decrease in loan recovery has significantly affected the liquidity position of entire financial industry. Moreover, financial scams of some Banks & NBFIs influenced significantly towards liquidity crunch.

The chronic problem of default loans in financial sector kept mounting. Corona Pandemic has further added fuel to this problem. Loan recovery and regularization of classified and nonperforming loans (NPLs) were the top priority during this year. More emphasize was given to ensure genuine recovery from re-scheduled and default loans. Considering COVID-19 effect, Bangladesh Bank declared moratorium facility on bank loan repayments to give entrepreneurs a breathing space. Although the economic activities are slowly picking up, the health crisis is still there and uncertainties are running deep and the support is expected to continue during 2021.

Despite overall economic scenario, GSP Finance Company (Bangladesh) Limited has been able to achieve a good financial result. During the year 2020, net profit after tax and provision stood at Tk. 220 million and earnings per share BDT 1.55. Deposits and Advances of the company stood at Tk. 2,269 million & Tk.7,724 million as on 31st December 2020 respectively.

GSP Finance Company (Bangladesh) Limited is committed to cater the financial requirements of its valued clients with utmost professionalism and maintaining high level of ethical standard while generating sustainable revenue and benefits for the shareholders. Our Annual Report reflects transparency for our shareholders in particular and for public in general. GSP Finance Company (Bangladesh) Limited will continue to maintain higher ethical standard, corporate governance, statutory compliance etc. in order to honour the trust of our various stakeholders with our all out efforts and dedications. Management's discussion & analysis of the financials have been presented on page no. 56 in this Annual Report as per clause no. 1(5) (xxv) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018. I would like to express my appreciation to all the Honourable Members of the Board of Directors of GSP Finance Company (Bangladesh) Limited who have always extended their valuable guidance and strategic advices for the growth of a company.

On behalf of the Management of the Company, I also express my gratitude to all of our honorable Shareholders and valued Customers who continue to put their trust in GSP Finance Company (Bangladesh) Limited. I would like to assure that our resilience and endurance will be able to overcome the challenging economic condition of the Year 2020 and create value for all our stakeholders.

Finally, I sincerely thank the Regulatory Authorities including Bangladesh Bank, BSEC, NBR, DSE, CSE, RJSC, our Auditors for their continued support, guidance, advice and co-operation.

Sincere thanks & best regards.



**Mohammad Imdadul Islam**  
Managing Director & CEO

# Directors' Report

Bismillahir Rahmanir Rahim

**Dear Shareholders,**

Assalamu Alaikum,

On behalf of the Board of Directors of GSP Finance Company (Bangladesh) Limited, I welcome you all to 26th Annual General Meeting of the Company and pleased to present the Annual Report for the year ended December 31, 2020. Report includes Audited Financial Statements, Consolidated Financial Statements of the Company for the year ended December 31, 2020 and the Auditors' Report thereon for consideration and approval of our honorable shareholders. This report has been prepared in compliance with Section 184 of the Companies Act 1994, BSEC's Notification dated June 03, 2018, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and the guidelines issued by Bangladesh Bank and other regulatory authorities. The Financial Statements were reviewed and approved by the Board of Directors of the Company on August 14, 2021.

Relevant disclosures and explanations relating to certain issues have been given by the Directors, which they consider important to ensure transparency and good governance practices. We believe that it is comprehensive enough to understand the operational procedures and overall performance of the company at a glance during the year under reporting.

## PRINCIPAL ACTIVITIES OF THE COMPANY

The Principal Activities of GSP Finance Company (Bangladesh) Limited are:

- Lease Finance
- Term Finance
- Working Capital Finance
- Syndication Finance
- Bridge / Equity Finance
- SME Finance
- Term Deposit

## OPERATIONAL PERFORMANCE OF THE COMPANY

The year 2020 was an unprecedentedly challenging year and an altered world. 2020 showed us the vulnerability of the socio-economic order in our world. The outbreak of Covid -19 with its swift, unstoppable spread throughout the World brought the fictions and movies into reality. It created havoc across the countries rich or poor, developed or developing. Mankind is still vulnerable to such sudden pandemic outbreak despite all its knowledge and technological prowess.

This pandemic has spread so fast that the countries practically locked themselves in and shut down activities for much of 2020. The lockdown along with huge death toll, fear and panic among people, has resulted economic disruption across the globe that led the global GDP to shrink by 4.3% in 2020, according to IMF data.

Our country has shown extraordinary resilience during the pandemic and has managed to show positive achievements. Expert's opinion that the impact on the emerging markets would be lower than on advanced economies - proved to be true for us. Bangladesh has a positive GDP growth rate projection of 5.20% for FY 2020-2021, according to Bangladesh Bank Monetary Policy Statement FY 2020-2021.

The global economic recession, owing to the pandemic, also affected the financial industry of the country. GSP Finance Company (Bangladesh) Limited is also not out of it. The already high liquidity crunch prevailing in the NBFIs sector has increased by several folds in the beginning of 2020. As the entire financial sector especially NBFIs are facing prolonged severe liquidity crisis, non-renewal of existing and new credit facilities by the banks, huge FDR encashment pressure from depositors and non-payment of installments by borrowers on time etc. have created tremendous pressure on our fund management. Our Company met the challenges through focused marketing plan, diversified products and services, taking steps towards adopting a fully automated and modern system, improving the asset quality by strengthening the recovery of non-performing assets, emphasize on human resources development program to upgrade the skills and knowledge of our personnel.

#### FINANCING AND INVESTMENT OPERATION OF THE COMPANY

GSP Finance Company (Bangladesh) Limited pursues a conservative approach while making any investment decision. As a reflection of its corporate vision, the company always prefers the segmented business proposition which includes corporate and institutional clients and SME. Keeping this in mind, GSP Finance Company (Bangladesh) Limited is offering tailored financial products for the growth of various sectors of the economy.

**Lease Finance:** Lease financing is one of the major fund-based activities of GSP Finance Company (Bangladesh) Limited. The Company offers fully payout financial lease for procuring capital machinery, equipment, vehicles & riverine transport. GSP Finance Company (Bangladesh) Limited provides services to customers of different segments. Through a prudent business model, the company has diversified its business in other business segments in the year 2020. The investment under lease finance registered a negative growth of (7.71) % of the Company with exposure of Tk. 1,384.99 million at the end of 2020 as opposed to Tk. 1,500.74 million for the previous year.

**Term Finance:** Term finance continued to be a core product of GSP Finance Company (Bangladesh) Limited. Long-term finance is available for commercial, industrial, SME sectors for a period ranging from 12 to 60 months depending on the nature of business and need. To provide liquidity comfort to corporate houses in emergency situation, the short-term finance is made under the different categories i.e. direct finance for working capital, work order finance, bridge finance, finance against term deposits etc. As pointed out by the Bangladesh Bank, term finance by FIs is the alternate source of capital financing for the industrial growth in the country. The Company's investment under term finance registered a negative growth of (2.08) % in 2020 which stood at Tk. 5,629.41 million at the end of 2020 as opposed to Tk. 5,748.88 million of the previous year due to recovery and pre-payment of loans by customers who got low interest-bearing loans from Banks as they reduced interest rates on investment as per Govt. policy for lending at single digit.

**Fund Arrangement/Syndication:** GSP Finance Company (Bangladesh) Limited actively participated as a co-financer in various large syndication loans in order to diversify its portfolio and reduce risks. The total commitments of the company in syndications and structured finance arrangements stood at Tk. 564.89 million as at December 31, 2020.

### CAPITAL MARKET OPERATION OF THE COMPANY

GSP Finance Company (Bangladesh) Limited operates in the Capital market through its Subsidiary Company GSP Investments Limited.

**Investment in Share and Securities:** GSP Finance Company (Bangladesh) Limited maintains its own portfolio for investment in listed companies' shares and securities as well as pre-IPO & IPO placement. The risk of investment is minimized through diversification and investing mostly in fundamentally strong securities. In 2020, the Company earned Tk. 13.62 million in the form of capital gain and dividend.

**Banking Arrangement:** In 2020, the Company secured Tk. 96.07 million from banks against different forms of borrowings to finance our operations and repaid Tk. 101.10 million as per terms and conditions of contracts. During the year, the cost of borrowing decreased slightly.

**Deposit Mobilization:** GSP Finance Company (Bangladesh) Limited mobilizes term deposits from corporate and individuals through its wide range of deposit schemes with different maturity options, monthly/quarterly/half-yearly/yearly income options, double money options, monthly saving options etc. The deposit base of the Company registered a negative growth and stood at Tk. 2,269.46 million as on December 31, 2020 as opposed to Tk. 2,809.99 million of December 31, 2019 due to withdrawal of corporate deposits as they were offered higher rates by some financial institutions those were in dire need of funds and also to meet their expenses during business disruption due to Corona Pandemic.

**Money Market Operations:** As a Financial Institution GSP Finance Company (Bangladesh) Limited actively participates in the money market on a regular basis and has been dealing with both borrowing and lending activities with different banks/financial institutions to manage its treasury function in a prudent way to augment its earnings. GSP Finance Company (Bangladesh) Limited also maintains a very high standard of commitment in money market operations and has built up a strong reputation for itself in the money market.

**Key Operational and Financial Information:** Key operational and financial information over the last five years of the Company has been presented on page no 59 in this Annual Report as per clause no.1 (5) (xix) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

### MANAGEMENT'S DISCUSSION & ANALYSIS

A Management's discussion & analysis of the financials have been highlighted on page no 56 in this Annual Report as per clause no. 1(5) (xxv) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

### RISK MANAGEMENT

Risk and uncertainties are essential elements of the financing business. To mitigate and manage these risks, GSP Finance Company (Bangladesh) Limited has different committees namely, Credit Committee (CC), Asset and Liability Committee (ALCO), Risk Management Committee, Management Committee and Audit Committee.

The Committees regularly meet to review the market, credit and liquidity risk related factors and recommend and implement suitable measures to counter these risks. Appropriate and effective internal control systems are also in place to address operational risks. Credit Risk Department of GSP Finance Company (Bangladesh) Limited also assists the management in building a quality credit portfolio. The Company has also taken steps to further strengthen its Internal Control and Compliance function.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

GSP Finance Company (Bangladesh) Limited has a commitment towards all stakeholders to engage in ethical practices. As a leading financial institution, we recognize our responsibilities towards the society and participate actively in CSR activities including promotion of staff welfare activities.

#### **ENVIRONMENTAL ISSUES**

GSP Finance Company (Bangladesh) Limited is very concerned regarding environmental issues and accordingly it continuously reviews the environment related issues of our clients. It ensures that the clearance certificate from the regulators have been obtained at the time of providing lease or loan facilities wherever necessary. We are equally concerned about maintaining good environment in the office and for augmentation of this we have installed solar panel at our premises as a source of alternate energy for providing power to our office.

#### **HUMAN RESOURCES OF THE COMPANY**

GSP Finance Company (Bangladesh) Limited continuously reviews its human resource policies and implements effective management policies and practices to enrich its employees. We believe that our human resources possess competitive advantage in terms of their experience and professional expertise. Considering this, we strive to recruit the best suited persons for the right positions, provide them with adequate training and implement programs to develop and retain them. GSP Finance Company (Bangladesh) Limited carefully looks into the motivational aspects, health and safety of its employees. Capacity building activities are being encouraged and promoted by the Company all the year round.

#### **CORPORATE AND FINANCIAL REPORTING FRAME WORK**

The Directors of GSP Finance Company (Bangladesh) Limited, in accordance with BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/ 80 dated June 3, 2018, confirms compliance with the financial reporting framework for the following:

- The financial statements prepared by the management of GSP Finance Company (Bangladesh) Limited present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been consistently applied in preparation of the financial statements and any departure there from has been adequately disclosed;
- Internal control process have been properly designed and effectively implemented and monitored;
- There is no significant doubt upon the Company's ability to continue as a going concern.



**CEO AND CFO'S DECLARATION CERTIFICATE**

The CEO and CFO's declaration to the Board is appended on page no 29 in this Annual Report as per clause no. 1(5) (xxvi) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

**THE PATTERN OF SHAREHOLDINGS**

The Authorized Capital of GSP Finance Company (Bangladesh) Limited is Tk. 2,000,000,000 divided into 200,000,000 ordinary shares of Tk. 10 each. The present paid-up Capital of the Company is Tk. 1,427,896,230 divided into 142,789,623 ordinary shares of Tk. 10 each. The shareholding pattern of the Company as at December 31, 2020 is shown on page 15 in this Annual Report as per clause no. 1(5) (xxiii) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

**BOARD MEETING ATTENDANCE AND REMUNERATION OF DIRECTORS**

During the year ended on December 31, 2020 a total number of 06 Board Meetings were held and attendance of directors are presented on page 43 and their remuneration paid during the year are given in Notes- 31 in this Annual Report as per clause no.1(5)(xxii) & 1(5)(x) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

**RELATED PARTY TRANSACTIONS**

In the ordinary course of business a number of transactions with other entities that fall within the definition of related party contained in BAS 24: Related party disclosures; The Company extends leases/loans to related parties including its Directors and related Companies. A statement of related party transactions along with their basis has been presented on page 108 in this Annual Report as per clause no.1(5)(vi) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

**COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE**

Status of the compliance of conditions of Corporate Governance Code imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018, along with a certificate from a practicing Chartered Accountant has been enclosed in Annexure - B on page 30 in this Annual Report. We also enclose a statement of compliance on the good governance guidelines issued by the Bangladesh Bank as Annexure III on page no 45 in this Annual Report.

**FINANCIAL RESULT AND PROPOSED APPROPRIATION**

The financial results of the Company and the proposed appropriation of profit for the year 2020 are summarized below with explanations in the enclosed audited Financial Statements:

Profit after tax	Tk. 203,121,144
Transfer to Statutory Reserve (20% on profit after tax)	Tk. (40,624,229)
Retained earnings brought forward	Tk. 3,979,056
Transfer to WPPF @ 5%	Tk. (8,124,846)
<b>Profit available for declaration of Dividend for the year 2020</b>	<b>Tk. 158,351,125</b>

**DIVIDEND**

Considering the overall environment of financial market, current financial strength of the Company the Board of Directors recommended 11 % dividend (5.50 % cash dividend i.e. Tk 0.55 per share and 5.50% stock dividend i.e. 5.50 bonus shares for every 100 shares) for the year ended December 31, 2020 subject to approval of Bangladesh Bank and its shareholders in this Annual General Meeting.

**INTERIM DIVIDEND**

No bonus share or stock dividend has been or shall be declared as interim dividend.

**DIRECTORS RESUME AND LINE OF EXPERTISE**

A brief resume of Directors are appended in page no 10 to 13 in this Annual Report which includes his/her nature of expertise and qualifications.

**FORMATION OF SUBSIDIARY FOR MERCHANT BANKING ACTIVITIES**

Pursuant to the requirement of Bangladesh Securities and Exchange Commission, GSP Finance Company (Bangladesh) Limited formed a subsidiary in the name and style "GSP Investments Limited" with a view to separate its Merchant Banking operation which was approved by Bangladesh Securities and Exchange Commission vide their letter no. SEC/Reg./MB/SUB-16/2011/113 dated August 14, 2014.

The Principal Activities of GSP Investments Limited are:

- Issue Management
- Underwriting
- Portfolio Management
- Securities Trading Services
- Margin Loan

**DIRECTORS RETIREMENT AND REAPPOINTMENT**

In accordance with the section no. 91 (2) of the Companies Act 194 and Article no.116 of the Article of Association of the Company one third (1/3) directors are to retire from the Board of Directors and accordingly (1) Mr. Wolf-Peter Berthold and (2) Ms. Silwat A. Haider, Director of the Company will retire and being eligible, all of them offered themselves for re-election.

**APPOINTMENT OF AUDITORS**

The Company's Auditors Zoha Zaman Kabir Rashid & Co. Chartered Accountants, having address at Rupayan Karim Tower, Level- 7, Suite # 7A, 80, Kakrail, Dhaka- 1000, Bangladesh worked as Statutory Auditors of the Company for the year 2020 with a fee of Tk. 170,000/- plus VAT @ 15% only and they will retire in the 26th Annual General Meeting of the Shareholders of the Company. As per DFIM Circular no. 04 dated April 30, 2015 of Bangladesh Bank, Zoha Zaman Kabir Rashid & Co. Chartered Accountants may continue as Statutory Auditors for a further period of 1 (one) year as agreed from time to time by the Shareholders in the Annual General Meeting. In this respect Zoha Zaman Kabir Rashid & Co. Chartered Accountants has also shown their willingness to act as Auditor vide their letter dated August 08, 2021 for the year 2021, at the same fee subject to approval of Bangladesh Bank before holding the 26th Annual General Meeting of the Company.

In order to comply with the condition No. 9 of "Corporate Governance Code" Malek Siddique Wali" Chartered Accountants having address at 9-G, Motijheel C/A, Dhaka-1000 worked as Compliance Auditors on BSEC Corporate Governance Code of the Company for the year 2019 with a fee of Tk.30, 000/- plus VAT @ 15% only and they will retire in the 26th Annual General Meeting of the Shareholders of the Company.

As per condition No. 9 of "Corporate Governance Code" issued by Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018, Malek Siddique Wali Chartered Accountants may continue as Compliance Auditors for a further period of 1 (one) year as agreed from time to time by the Shareholders in the Annual General Meeting.

In this respect Malek Siddique Wali Chartered Accountants has also shown their willingness to act as Compliance Auditor vide their letter dated August 08, 2021 for the year 2021 at the same fee which will be approved by the shareholders in the 26th Annual General Meeting of the Company.

#### ECONOMIC AND INDUSTRY OUTLOOK

On the global extent, 2021 promises to be year of change. The mass vaccination against COVID-19 is raising new hope and the world economy is ready for a rebound on the back of a stable global trade condition and relative peace in the geopolitical arena. The emerging economies are expected to achieve new momentum and the new opportunities arising from a post pandemic landscape.

The Bangladesh economy is expected to embrace this momentum in the coming year, with economic activity picking up and registering a pre-Covid level of growth. The Central Bank foresees a strong credit growth in both the public and private sectors. Resumption of the large infrastructural projects by the government will generate fresh opportunities. However, the excess liquidity in the market will create challenges for financial institutions.

The key challenges for the Company in 2021 will be to continue to support demand for financing shrinking interest rate margins and increasing non-performing loans. It is my belief that the Company will be able to deliver on its commitment to grow sustainably and generate reasonable returns by pursuing a prudent and dynamic business strategy in the upcoming year.

#### ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express my sincere thanks to our valued shareholders, regulatory authorities like Bangladesh Bank, Bangladesh Securities and Exchange Commission, Stock Exchanges, RJSC and other business associates for their guidance valuable suggestions, continuous support and co-operation extended during the period under review. I would like to thank our auditor Zoha Zaman Kabir Rashid & Co. Chartered Accountants for their efforts in timely completion of audit. I also thank our dedicated management team and employees whose hard work and firm commitment made the year a successful one. We hope to get support, advice and encouragement from all of you for our continuous and unhindered growth.

May Allah be with us throughout our journey.

On behalf of the Board of Directors



**Feroz U. Haider**  
Chairman

## REPORT OF THE AUDIT COMMITTEE

The Audit Committee as a sub-committee of the Board of Directors of the Company and the Audit Committee assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of the affairs of the Company and in ensuring a good monitoring system within the business.

### Composition of the Committee

All the members of the Audit Committee are Non-executive Directors. The committee has five members with three members forming a quorum. The Chairman of the committee is an Independent Director of the Company. During the year the Audit Committee comprised of the following Directors of the Board:

Sl	Name of the Members	Position in the Committee	Position in the Board
1	Mr. Wajid Ali Khan Panni	Chairman	Independent Director
2	Mr. Saber Hossain Chowdhury	Member	Vice Chairman and Director
3	Dr. ATM Shamsul Huda	Member	Vice Chairman and Director
4	Mr. Mohamed Abdul Jalil	Member	Director
5	Mr. Moin U. Haider	Member	Director

### Scope of work of the Audit Committee

The scope of the Audit Committee of GSP Finance Company (Bangladesh) Limited is determined by its Terms of Reference (ToR) which, in turn, are shaped by directives from its principal regulators, Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC). These include, but are not limited to, exercising oversight over:

- The internal control system of the company
- Financial reporting
- The Internal Control and Compliance department
- Compliance with regulatory requirements

The Committee is authorized to investigate any matter within its terms of reference, access all documents and information of the company, seek information from any director or employee of the company and co-opt any resource (including external professional assistance) it sees fit in order to fulfill its duties. However, the committee has no executive function and its primary objective is to review and challenge, rather than assume responsibility for any matters within its remit.

### Meetings of the Audit Committee

The Committee held on four meetings during the year 2020. The Managing Director, Chief Financial Officer and Head of Internal Control & Compliance attend the committee meetings by invitation. The Company Secretary as the Secretary of the committee. The proceedings of the Audit Committee meetings are regularly reported to the Board of Directors.

### Activities of the Audit Committee

The Audit Committee carried out the following activities during the year 2020

- The Audit Committee reviewed the annual financial statements for the year 2020 and placed its recommendations to the Board of Directors.
- Reviewed with the external auditors and management prior to finalization of financial statements for the year ended December 31, 2020 as per clause no.2 (kha -2) of circular number 13, dated October 26, 2011 issued by Department of Financial Institutions and Markets (DFIM), Bangladesh Bank.

- Reviewed the financial statements of GSP Finance Company (Bangladesh) Limited for the year ended December 31, 2020 as per clause no. 5.5 (f) of Corporate Governance Code (CGC) issued by Bangladesh Securities and Exchange Commission dated June 03, 2018.
- Recommended to the Board for appointment of external auditors for the year 2021.
- Reviewed the effectiveness and independence for the external auditors.
- Reviewed report of the audit committee for 2020 prior to its publication in the annual report 2020.
- Reviewed Internal Control & Compliance report of 2020.
- Reviewed and approved annual audit plan for the year 2020.
- Reviewed the quarterly and half yearly un-audited financial statements of GSP Finance Company (Bangladesh) Limited and its subsidiaries as per clause no. 5.5 (g) of Corporate Governance Code (CGC) issued by Bangladesh Securities and Exchange Commission, dated June 03, 2018.
- Reviewed the scope of work and terms of reference (ToR) for appointment of external audit firm for carrying out Information Systems Audit and Vulnerability Assessment of GSP Finance Company (Bangladesh) Limited.
- Reviewed the compliance status of management report issued by Zoha Zaman Kabir Rashid & Co. Chartered Accountants, external auditors of the company, based on their annual audit of financial statements of GSP Finance Company (Bangladesh) Limited for the year ended December 31, 2020.

#### **Acknowledgement**

The Board Audit Committee would like to express their thanks to the Members of the Board Audit Committee, management, auditors and all employees for their dedication and efforts during the year 2020.

On behalf of the Audit Committee



**Wajid Ali Khan Panni**  
Chairman, Audit Committee

## GSP Finance Company (Bangladesh) Limited Declaration by CEO and CFO

Date: August 14, 2021

The Board of Directors  
GSP Finance Company (Bangladesh) Limited  
1, Paribagh, Mymensingh Road,  
Dhaka-1000

**Subject: Declaration on Financial Statements for the year ended on December 31, 2020**

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of GSP Finance Company (Bangladesh) Limited for the year ended on December 31, 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on December 31, 2020 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Mohammad Imdadul Islam  
Managing Director & CEO



Md. Wahidul Islam  
Chief Financial Officer (C.C.)



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস  
৯-জি, মতিঝিল বাণিজ্যিক এলাকা, ঢাকা-১০০০

**Malek Siddiqui Wali**

CHARTERED ACCOUNTANTS

9-G, Motijheel C/A, 2<sup>nd</sup> Floor, Dhaka-1000, Bangladesh.

Extension Office: Property Heights, 1<sup>st</sup> Floor

12, RK Mission Road, Dhaka - 1000.

PHONE: 9513471, 9569867

PABX: 9576118-9, 9576128

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Annexure-B

[Certificate as per condition No. 1(5)(xxviii)]

## Report to the Shareholders of GSP Finance Company (Bangladesh) Limited on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by GSP Finance Company (Bangladesh) Limited for the year ended on December 31, 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The governance of the company is satisfactory.

Place: Dhaka  
Dated: August 12, 2021

  
Md. Waliullah, FCA  
Malek Siddiqui Wali  
Chartered Accountants

## COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE BY BSEC

### Status of Compliance with the Corporate Governance Code (CGC) as on December 31, 2020

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006 158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

#### (Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
	<b>Board of Directors</b>			
1(1)	<b>Size of the Board of Directors:</b> The total number of members of the company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty);	√		The number of Board members of the Company is 9 (nine) including 2 (two) Independent Directors.
1(2)	<b>Independent Directors</b>			
1(2)(a)	At least one-fifth (1/5) of the total number of Directors in the company's Board shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of Independent Director(s);	√		
1(2)(b)	<b>Criteria of "Independent Director"</b>			
1(2)(b) (i)	who either does not hold share in the company or holds less than one (1%) shares of the total paid up shares of the company	√		
1(2)(b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1(2)(b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years	√		
1(2)(b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary / associated companies;	√		
1(2)(b) (v)	Who is not a member or TREC holder, director or officer of any stock exchange;	√		
1(2)(b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code;	√		
1(2)(b) (viii)	who shall not be an independent director in more than 5 (five) listed companies;	√		
1(2)(b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI); and	√		



Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	Independent Director(s) shall be appointed by the Board of Directors and approved by the Shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only			
1(3)	<b>Qualification of Independent Director</b>			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	√		
1(3)(b)(i)	Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	√		
1(3)(b)(iii)	Former official of government in the position not below 5th Grade of the national pay scale and educational background of bachelor degree in economics or commerce or business or law; or	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification; or	√ √		
1(3)(c)	The independent director must have at least 10 (ten) years of in any field mentioned in clause (b);			
1(3)(d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	√		No such deviation occurred
1(4)	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and / or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and / or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and / or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	<b>The Directors' Report to Shareholders</b> The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
1(5)(i)	Industry outlook and possible future developments in the industry;	√		
1(5)(ii)	Segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;			Not applicable
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss)			Not applicable
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			Not applicable
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not applicable
1(5)(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			Not applicable
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of accounts of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		Not applicable, as the company declared 11% dividend ( 5.50% cash dividend i.e. Tk. 0.55 per share and 5.50% stock dividend i.e. 5.50 bonus shares for every 100 shares) for the year ended December 31,2020
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1(5)(xxiii)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details);	√		
1(5)(xxiii)(c)	Executives;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5)(xxiv)	In case of the appointment / re-appointment of a director the company shall disclose the following information to the shareholders:-			
1(5)(xxiv)(a)	A brief resume of the director;	√		Information regarding the Directors' are disclosed in brief profile of the Directors' on page no. 10 of this Annual Report
1(5)(xxiv)(b)	Nature of his / her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5)(xxv)	Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements			
1(5)(xxv) (a)	Accounting policies and estimation for preparation of financial statements	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly page no. 70-82 of this Annual Report describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes as cash flows in absolute figure for such changes	√		Refer to the Financial Capital: Analysis with the Management Committee on page no. 56 of this Annual Report

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
<b>1(6)</b>	<b>Meetings of the Board of Directors</b>			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB), in so far as those standards are not inconsistent with any condition of this Code.;	√		
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;			Reference to the Corporate Governance Report on page no. 30 of this Annual Report.
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency environment, employees, customers and suppliers; and independency			Reference to the Corporate Governance Report on page no. 30 of this Annual Report.
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
2(a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		
2(b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
<b>3(1)</b>	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a MD or CEO, CS, CFO and HIAC	√		
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
<b>3(2)</b>	<b>Requirement to attend Board of Directors' Meetings:</b>			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters	√		
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in this Annual Report ;			
<b>4</b>	<b>Board of Directors' Committee</b>			
	For ensuring good governance in the company, the Board shall have at least following sub-committees;			
	(i) Audit Committee; and (ii) Nomination and Remuneration Committee.			As per Bangladesh Bank guidelines, GSP Finance Company (Bangladesh) Limited being a Financial Institution (FI) can only form two subcommittees of the Board: Audit Committee and Executive Committee. No other subcommittee of the Board is permitted by Bangladesh Bank.  However, to comply with this clause of CGG of BSEC, we have addressed the issue with Bangladesh Bank through Bangladesh Leasing and Finance Companies Association (BLFCA). Till the date of reporting, we have not received any direction in this regard.

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
<b>5</b>	<b>Audit Committee</b>			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	<b>Constitution of the Audit Committee:</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) Independent Director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No such event occurred
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without Independent Director;	√		
5(3)	<b>Chairman of the Audit Committee</b>			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM). Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM;	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
5(4)	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	√		
	Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must;	√		
5(5)	<b>Role of Audit Committee:</b>			
	The Audit Committee shall : -			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	monitor Internal Control Risk management process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	oversee hiring and performance of external auditors	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the board for approval;	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	√		
5(5)(h)	review the adequacy of internal audit function;	√		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in this Annual Report ;	√		
5(5)(j)	review statement of significant related party transactions submitted by the management;	√		
5(5)(k)	review Management Letters/ Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in this Annual Report along with the comments of the Audit Committee.			Not applicable

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
<b>5(6)</b>	<b>Reporting of the Audit Committee:</b>			
5(6)(a)	Reporting to Board of Directors:			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	Report on conflicts of interests;			No such event occurred
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect in the internal control system;			No such event occurred
5(6)(a)(ii)(c)	suspected infringement of laws, including securities related laws, rules and regulations;			No such event occurred
5(6)(a)(ii)(d)	any other matter which shall be disclosed to the Board of Directors immediately;			No such event occurred
<b>5(6)(b)</b>	<b>Reporting to the Authorities:</b>			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any reflection is necessary and if the Audit Committee finds that such reflection has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such event occurred
<b>5(7)</b>	<b>Reporting to the Shareholders and General Investors</b>			
	Report on the activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			No such event occurred
<b>6</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
				As per Bangladesh Bank guidelines, GSP Finance Company (Bangladesh) Limited being a Financial Institution (FI) can only form two subcommittees of the Board: Audit Committee and Executive Committee. No other subcommittee of the Board is permitted by Bangladesh Bank.  However, to comply with this clause of CGC of BSEC, we have addressed the issue with Bangladesh Bank through Bangladesh Leasing and Finance Companies Association (BLFCA). Till the date of reporting, we have not received any direction in this regard.
<b>6(1)</b>	<b>Responsibility to the Board of Directors</b>			
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;			
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			



Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
6(2)	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			
6(2)(b)	All members of the Committee shall be non-executive directors;			
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;			
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and / or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and / or member(s) of staff shall be required or valuable for the Committee;			
6(2)(g)	The company secretary shall act as the secretary of the Committee.			
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director			
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company			
6(3)	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;			
6(4)	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;			
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6(4)(d)	the proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			
6(5)	<b>Role of the NRC</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;			
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and			
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;			
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			
7	External or Statutory Auditors			
7(1)	The issuer Company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	√		
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		
7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	any service that the Audit Committee determines;	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	any other service that creates conflict of interest.			
7(2)	no partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
	Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7(3)	representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	<b>Maintaining a website by the Company</b>			
8(1)	The company shall have an official website linked with the website of the stock exchange;	√		
8(2)	The company shall keep the website functional from the date of listing;	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s);	√		
9	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in this Annual Report .	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		The agenda will be placed in the 26th Annual General Meeting. Refer to the notice of the AGM, on page no. 04 of this Annual Report
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

### Compliance of Section 1(5)(xxii)

Meeting of the Board of Directors and its Sub- Committees held during the year and attendance by each Director:-

Name of Directors	Board of Directors Meeting		Executive Committee Meeting		Audit Committee Meeting	
	Meeting held	Attended	Meeting held	Attended	Meeting held	Attended
Mr. Feroz U. Haider	6	6	-	-	-	-
Mr. Saber Hossain Chowdhury	6	-	-	-	4	-
Dr. ATM Shamsul Huda	6	6	-	-	4	3
Mr. Moin U. Haider	6	6	-	-	4	3
Mr. Wolf-Peter Berthold	6	4	-	-	-	-
Mr. Mohamed Abdul Jalil	6	5	-	-	4	3
Mr. Wajid Ali Khan Panni	6	3	-	-	4	3
Ambassador F. A. Shamim Ahmed (Retd.)	6	6	-	-	-	-
Ms. Silwat A. Haider	6	1	-	-	-	-

**Notes:**

- Directors who could not attend the meetings were granted leave of absence by the Board.

## Compliance of Section 1(5)(xxiii)

**THE PATTERN OF SHAREHOLDING:**

a) Parent or Subsidiary or Associated Companies and other related party:

Name	Relation	Shares held
Nil		Nil

b) Directors, Chief Executive Officer/Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children:

Name	Relation	Shares held (nos.)
Mr. Feroz U. Haider	Chairman & Director	11,518,690
Mr. Saber Hossain Chowdhury	Vice Chairman & Director Representing : Karnaphuli Industries Limited	12,952,656
Dr. ATM Shamsul Huda	Vice Chairman & Director Representing : Tai Ping Asian Investment Limited	14,872,119
Mr. Mohamed Abdul Jalil	Director Representing: Tai Ping Asian Investment Limited	
Mr. Wolf-Peter Berthold	Director	5,120,488
Mr. Moin U. Haider	Director	2,855,793
Ms. Silwat A. Haider	Director	2,855,797
Mr. Wajid Ali Khan Panni	Independent Director	None
Ambassador F.A. Shamim Ahmed (Retd.)	Independent Director	None
Mr. Mohammad Imdadul Islam	Managing Director & CEO	None
Mr. Mizanur Rahman	DMD & Company Secretary	None
Mr. Wahidul Islam	Chief Financial Officer (C.C.)	None
Mr. Shahedul Islam	Head of Internal Audit and Compliance (C.C.)	None

c) Executives (Top five salaried employees of the Company, other than Directors, CEO, CFO, Company Secretary and Head of Internal Audit Compliance):

Designation	Name	Shares held
General Manager (Marketing)	Mr. Asif Rahman	None
Deputy General Manager ( Sales)	Mr. Shazzad Hossain	None
Deputy General Manager ( Marketing)	Ms. Zeenat Alam	None
Assistant General Manager & DCS	Mr. Ramzan Hossain	None
Manager & Head of Recovery	Mr. Raihanul Islam	None

d) Shareholders holding ten percent (10%) or more voting interest in the company:

Name of Shareholder	Percentage	Shares held (nos.)
Tai Ping Asian Investment Limited	10.42%	14,872,119

## Statement of Compliance with Good Governance Guideline issued by the Bangladesh Bank

In terms of DFIM Circular No.7 dated September 25, 2007 of Bangladesh Bank, Financial Institutions are required to comply with the policy on role and responsibility of the Board of Directors, Chairman & Chief Executive Officer. The Board of Directors of the Company has taken appropriate steps to comply with the guidelines and implemented the same.

A status report on compliance with those guidelines is given below:

Sl. No.	Particulars	Compliance Status
1.	<b>(a) Work-planning and strategic management:</b>	
	(i) The Board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goal and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests the development of implementation of the work-plans.	Complied
	(ii) The Board shall have its analytical review incorporated in the Annual report as regard the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies.	Complied
	(iii) The Board will set the Key Performance Indicator (KPI)s for the Managing Director / CEO and other senior executives and will evaluate half yearly / yearly basis.	Complied
	<b>(b) Formation of sub-committee:</b>	
	Executive Committee may be formed in combination with directors (excluding any alternate Directors) of the Company only for rapid settlement of emergency matters (approval of loan/lease application, write-off, rescheduling etc.) arisen from the regular business activities.	Complied
	<b>(c) Financial Management:</b>	
	(i) Annual Budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied
	(ii) Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to recovery of overdue loan/lease.	Complied
	(iii) Board shall approve the Company's policy on procurement and collection and shall also approve the expenditures according to policy. The Board shall delegate the authority on the Managing Director and among other top executives for approval of expenditure within budget to the maximum extend.	Complied
	(iv) The Board shall adopt the operation of bank accounts. Groups may be formed among the management to operate bank accounts under joint signatures.	Complied

	<b>(d) Management of loan/lease/investments:</b>	
	(i) Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/lease/investment specifically to management preferably on Managing Director and other top executives.	Complied
	(ii) No director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal.	Complied
	(iii) Any syndicated loan/lease/investment proposal must be approved by the Board.	Complied
	<b>(e) Risk Management:</b>	
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	Complied
	<b>(f) Internal control and compliance management:-</b>	
	A regular Audit Committee as approved by the Board shall be formed. Board shall evaluate the reports presented by the Audit Committee on compliance with the recommendation of internal auditor, external auditors and Bangladesh Bank Inspection team.	Complied
	<b>(g) Human resource management:</b>	
	Board shall approve the policy on Human Resources Management and Service Rule. Chairman and Director of the Board shall not interfere on the administrative job in line with the approved Service Rule.	Complied
	Only the authority for the appointment and promotion of the Managing Director/Deputy Managing Director/General Manager and other equivalent position shall lie with the Board in compliance with the policy and Service Rule. No director shall be included in any Executive Committee formed for the purpose of appointment and promotion of others.	Complied
	<b>h) Appointment of Managing Director / CEO:</b>	
	The Board shall appoint a competent Managing Director / CEO for the Company with the approval of the Bangladesh Bank and shall approve any increment of his salary and allowances.	Complied
	<b>(i) Benefits offer to the Chairman:</b>	
	Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in the business-interest of the Company subject to the approval of the Board.	Complied
<b>2.</b>	<b>Responsibilities of the Chairman of the Board of Directors:</b>	
	(a) Chairman shall not participate in or interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power;	Complied
	(b) The minutes of the Board Meetings shall be signed by the Chairman;	Complied
	(c) Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances;	Complied

3.	<b>Responsibilities of Managing Director:</b>	
	(a) Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management;	Complied
	(b) Managing Director shall ensure compliance of Financial Institutions Act 1993 and other relevant circulars of Bangladesh Bank and other regulatory authorities;	Complied
	(c) All recruitment/promotion/training, except recruitment/promotion/training of DMD / GM, shall be vested upon the Managing Director. He shall act such in accordance with the approved HR policy of the Company;	Complied
	(d) Managing Director may re-schedule job responsibilities of employees;	Complied
	(e) Managing Director may take disciplinary actions against the employees except DMD / GM;	Complied
	(f) Managing Director shall sign all the letters/statements relating to compliance of policies and guidelines. However, Departmental/Unit heads may sign daily letters/statements as set out in DFIM circular no.2 dated 06 January 2009 if so authorized by the Managing Director.	Complied

### Dividend Distribution Policy

GSP Finance Company (Bangladesh) Limited has formulated a dividend distribution policy in line with the Directive of Bangladesh Securities and Exchange Commission (BSEC), no BSEC/CMMRRCD/2021-386/03, dated on January 14, 2021 and this policy seeks to lay down a broad framework for the distribution of dividend by the Company to its shareholders. It includes the details of preface, objectives and scope of the policy, mode of dividend, determinates of dividend policy, impact of key financials, process of dividend declaration, tax calculation and deduction, utilization of retained earnings, , unclaimed dividend distribution and compliance , review and amendment in line with the said directive of Bangladesh Securities and Exchange Commission (BSEC). In addition, GSP Finance Company (Bangladesh) Limited ensures timely adaption of any directives and circulars stipulated by Bangladesh Securities and Exchange Commission, Dhaka and Chittagong Stock Exchanges regarding dividend distribution and management from time to time.



## DISCLOSURES UNDER PILLAR III- MARKET DISCIPLINE

### A) Scope of application

#### Qualitative Disclosures:

- a) The name of the Financial Institutions
  - GSP Finance Company (Bangladesh) Limited
- b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (i) that are fully consolidated; (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).
  - The GSPB has one wholly owned subsidiary: GSP Investments Limited which is fully consolidated.
- c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.
  - **Not applicable.**

#### Quantitative Disclosures:

- d) The aggregate amount of capital deficiencies in subsidiary not included in the consolidation that are deducted and the name(s) of such subsidiary.
  - **Not applicable.**

### B) Capital structure

#### Qualitative Disclosures

- a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.
  - **Tier 2 capital includes:**
    - i) General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk;
    - ii) Revaluation reserves:
      - 50% Revaluation reserve for fixed assets;
      - 45% Revaluation reserve for securities;
    - iii) All other preference shares.

#### Conditions for maintaining regulatory capital:

##### The calculation of Tier 1 capital, and Tier 2 capital shall be subject to the following conditions:

- i) The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital.
- ii) 50% of revaluation reserves for fixed assets and 45% of revaluation reserves for securities are eligible for Tier 2 capital.

#### Quantitative Disclosures:

##### b) The amount of Tier 1 capital, with separate disclosure of:

Particulars	Amount in BDT
Paid up capital	1,427,896,230
Non-repayable share premium account	-
Statutory reserve	515,405,831
General reserve	-
Retained earnings	173,826,577
Minority interest in subsidiaries	-
Non-cumulative irredeemable preference shares	-
Dividend equalization account	-
<b>Total Tier 1 capital</b>	<b>2,117,128,638</b>

(c)	The total amount of Tier 2 capital	580,236,774
(d)	Other deductions from capital	-
(e)	Total eligible capital	2,697,365,412

### C) Capital Adequacy

#### Qualitative Disclosures

- (a) A summary discussion of the FI's approach to assessing the adequacy of its capital to support current and future activities.
- Risk Weighted Assets (RWA) and Capital Adequacy Ratio (CAR)  
GSPB has adopted Standardized Approach for computation of Capital Charge for Credit Risk and Market Risk while Basic Indicator Approach for Operational Risk. Total Risk Weighted Assets (RWA) of the Company is determined by multiplying the capital charge for market risk and operational risk by the reciprocal of the minimum capital adequacy ratio i.e. 10% and adding the resulting figures to the sum of risk weighted assets for credit risk. Total RWA is then used as denominator while total Eligible Regulatory Capital as on numerator to derive Capital Adequacy Ratio.
  - Strategy to achieve the required Capital Adequacy:

#### Operational level:

##### Immediate measures:

- Asking unrated Corporate clients to have credit rating from External Credit Assessment Institutions (ECAIs) recognized by Bangladesh Bank;
- Rigorous monitoring of overdue contracts to bring those under 90 days overdue;
- Assessing incremental effect of capital charge over the expected net income from financing before sanctioning any appraisal, which could be one of the criteria for taking financing decision.

##### Continuous measures:

- Concentrating on SME clients having exposure up to BDT 1 crore as this will carry 75% fixed risk weight (for regular contracts only);
- Financing clients having good credit rating;
- Using benefit of credit risk mitigation by taking eligible financial collaterals against transactions;
- Focusing more on booking high spread earning assets and thus increasing retained earnings.

#### Strategic level:

- Injecting fresh capital by issuing right shares, if required.

	Quantitative Disclosures	Amount in BDT
(b)	Capital requirement for Credit Risk On-Balance Sheet Off-Balance Sheet	9,751,356,941
(c)	Capital requirement for Market Risk	831,493,100
(d)	Capital requirement for Operational Risk	1,462,879,191

#### (e) Total and Tier 1 capital ratio:

- For the consolidated group; and
- For stand alone

Particular	Consolidated	Stand Alone
CAR on Total capital basis (%)	21.93	22.39
CAR on Tier 1 capital basis (%)	17.32	17.58

### D) Credit Risk

#### Qualitative Disclosures

- (a) The general qualitative disclosure requirement with respect to credit risk, including:

- Definitions of past due and impaired (for accounting purposes)

As per the Bangladesh Bank's Prudential Guideline on Capital Adequacy and Market Discipline for Financial Institutions, the unsecured portion of any claim or exposure (other than claims secured by residential property) that is past due for 90 days or more, net of specific provisions (including partial write-off) will be risk weighted as per risk weights of respective balance sheet exposures. For the purpose of defining the net exposure of the past due loan, eligible financial collateral (if any) may be considered for Credit Risk Mitigation.

➤ **Description of approaches followed for specific and general allowances and statistical methods;**

Specific and General provisions are maintained according to the relevant Bangladesh Bank guideline. For Example, 0.25% provision is maintained against SME-Standard loan/ lease, 1% provision is maintained against good loans (other than SME-Standard loan/ lease, 5% against SMA loan/ lease, 20% against sub-standard loan/ lease, 50% against doubtful loan/ lease and 100% against bad/loss loan/ lease after deducting the amount of interest expenses and value of eligible securities from the outstanding balance of classified accounts.

- Discussion of the FI's credit risk management policy.
- Implementation of various strategies to minimize risk:
- To encounter and mitigate credit risk the following control measures are taken place at GSPB:
- Looking into payment performance of customer before financing;
- Annual review of clients;
- Adequate insurance coverage for funded assets;
- Vigorous monitoring and follow up by Special Assets Management and collection Team;
- Strong follow up of compliance of credit policies by Credit Administration Department;
- Taking collateral and performing valuation and legal vetting on the proposed collateral;
- Seeking legal opinion from internal and external lawyer for any legal issues;
- Maintaining neutrality in politics and following arm's length approach in related party transactions;
- Regular review of market situation and industry exposure;
- Sector-wise portfolio is maintained within specific limits to ensure diversification of loan assets.

In addition to the industry best practices for assessing, identifying and measuring risks GSPB also considers Guidelines for Managing Core Risks of financial institutions issued by the Country's Central Bank, Bangladesh Bank; vide FID Circular No. 10 dated September 18, 2005 for management of risks.

➤ **Approved Credit Policy by the Board of Directors**

The Board of Directors has approved the Credit Policy for the company where major policy guidelines, growth strategy, exposure limits (for particular sector, product, individual company and group) and risk management strategies have been described/stated in detail. Credit Policy is regularly updated to cope up with the changing global, environmental and domestic economic scenarios.

➤ **Separate Credit Risk Management (CRM) Department**

An independent Credit Risk Management (CRM) Department is in place, at GSPB, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high quality credit portfolio and maximize returns from risk assets. Research team of CRM regularly reviews market situation and exposure of GSPB in various industrial sub-sectors. CRM has been segregated from Credit Administration Department in line with Central Bank's Guidelines. CRM assess credit risks and suggest mitigations before recommendation of every credit proposal while Credit Administration confirms that adequate security documents are in place before disbursement.

➤ **Special Assets Management and Collection Team**

A strong Law and Recovery Team monitors the performance of the loans & advances, identify early signs of delinquencies in portfolio, and take corrective measures to mitigate risks, improve loan quality and to ensure recovery of loans in a timely manner including legal actions.

➤ **Independent Internal Control and Compliances Department (ICC)**

Appropriate internal control measures are in place at GSPB. GSPB has also established Internal Control and Compliances Department (ICC) to ensures, compliance with approved lending guidelines, Bangladesh Bank guidelines, operational procedures, adequacy of internal control and documentation procedures. ICC frames and implements policies to encounter such risks.

➤ **Credit Evaluation**

The Credit Evaluation Committee (CEC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The CEC critically reviews projects considering the current global financial crisis and its probable impact on the project.

Risk Grading Model (RGM) helps a Financial Institution to understand the various dimensions of risks involved in transactions related to small business clients who are plying their businesses in various geographical locations across the country. GSPB has been developing and managing RGM to promote the safety and soundness of the Company by facilitating informed decision-making. This model measures credit risk and differentiate individual credits and groups of credits by the risk they pose. This allows management and examiners to monitor changes and trends in risk levels. The process also allows the management to manage risk to optimize returns.

To mitigate credit risk, GSPB search for credit report from the Credit Information Bureau (CIB) of Bangladesh Bank. The report is scrutinized by CRM and CEC to understand the liability condition and repayment behavior of the client. Depending on the report, banker's opinions are taken from client's banks. Suppliers' and buyers' opinion are taken to understand the market position and reputation of our proposed customers.

➤ **Credit Approval Process**

To ensure both speedy service and mitigation of credit risk, the approval process is maintained through a multilayer system. Depending on the size of the loan, a multilayer approval system is designed. As smaller loans are very frequent and comparatively less risky, lower sanctioning authority is set to improve the turnaround time and associated risk. Bigger loans require more scrutiny as the associated risk is higher. So sanctioning authority is higher as well.

➤ **Credit Quality and Portfolio Diversification**

GSPB believes in diversification in terms of products as well as sectors. To mitigate the Credit Risk, the company diversifies its loan exposure to different sectors confirming the Central Bank's requirements. Threshold limit is set for any sector so that any adverse impact on any industry has minimum effect on GSPB's total return. Central Bank's instructions are strictly followed in determining Single Borrower/Large Loan limit. Significant concentration of credit in terms of groups or geographical location is carefully avoided to minimize risk.

➤ **Early Warning System**

Performance of loans is regularly monitored to trigger early warning system to address the loans and advances whose performance show any deteriorating trend. It enables the company to grow its credit portfolio with ultimate objective to protect the interest of stakeholders.

➤ **NPL Management**

GSPB measures its loan portfolio in terms of payment arrears. The impairment levels on the loans and advances are monitored regularly.

**As per FID Circular No.3 dated March 15, 2007:**

1. Loan/Lease, classified as bad/loss and with 100% provision, can only be written-off.
2. Approval from the Board of Directors has to be taken before write-off.
3. The financial institutions should constantly try to recover the loan/lease written-off amount. If legal action has not been taken against the client, legal charges should be placed before the write off.
4. To expedite the legal settlement or collection of the due amount, third party agents can be appointed by the financial institutions.
5. A separate ledger should be maintained for the written off loans/leases and the accumulated written off value should be disclosed separately under the heading of "notes to the account" in the annual report/balance sheet of the financial institutions.
6. Even if the loan/lease has been written off, the client should be classified as defaulter and reported to CIB accordingly.

Detail records for all such write off accounts are meticulously maintained and followed up.

➤ **Counter-party Credit Rating**

GSPB is taking initiatives to rate the Corporate Clients of the company immediately by the External Credit Assessment Institutions (ECAIs)/Rating Agencies duly recognized by the Central Bank.

#### Methods used to measure Credit Risk

As per the directives of Bangladesh Bank, 'The Standardized approach' is applied by the company to measure its Credit Risk.

#### Quantitative Disclosures

##### (b) Total gross credit risk exposures broken down by major types of credit exposure.

Particulars	Amount in BDT
Leasing	1,384,993,701
Term finance	3,423,335,811
Margin loan to portfolio investors	2,206,076,458
<b>Total</b>	<b>7,014,405,970</b>

##### (c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.

Area	Amount in BDT
Dhaka	6,623,664,580
Chittagong	390,741,390
<b>Total</b>	<b>7,014,405,970</b>

##### (d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.

Sector	Amount in BDT
Agriculture	43,313,297
Electronics and Electrical Products	-
Food Production and Processing Ind.	135,505,698
Garments and Knitwear	583,416,087
Glass, Glassware and Ceramic Industries	-
Housing	-
Iron, Steel and Engineering	180,142,417
Paper, Printing and Packaging	173,907,589
Pharmaceuticals and Chemicals	439,946,456
Plastic Industry	-
Power & Energy	117,100,2009
Telecommunication and IT	122,248,793
Textile	322,400,085
Transport and Aviation	530,437,847
Service	1,065,072,028
Others	3,300,915,194
<b>Total</b>	<b>7,014,405,970</b>

##### (e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.

Particulars	Amount in BDT
Repayable on demand	-
Up to 1 month	433,789,694
Over 1 month but not more than 3 months	907,027,563
Over 3 months but not more than 1 year	758,711,075
Over 1 year but not more than 5 years	4,914,877,638
Over 1 year but not more than 5 years	-
<b>TOTAL</b>	<b>7,014,405,970</b>

##### (a) Gross Non Performing Assets ( NPAs)

Non Performing Assets ( NPAs) to Outstanding Loans & advances Movement of Non Performing Assets (NPAs)

Particulars	Amount in BDT
Sub-standard	-
Doubtful	-
Bad/Loss	1,217,628,781
<b>Total</b>	<b>1,217,628,781</b>

### Movement of specific provisions for NPAs

Particulars	Amount in BDT
Opening balance	428,793,978
Provisions made during the period	46,138,497
Write-off	-
Write-back of excess provisions	-
Closing balance	474,932,475

### E) Equities: Banking book positions

#### Qualitative Disclosures

The general qualitative disclosure requirement with respect to equity risk, including:

Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and

➤ **Total equity shares holdings are for capital gain purpose.**

Discussion of important policies covering the valuation and accounting of equity holdings in the banking book positions. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.

- Quoted shares are valued at cost prices and if the total cost of a particular share is lower than the market value of that particular share, then provision are maintained as per terms and condition of regulatory authority. On the other hand, unquoted share is valued at cost price or book value as per latest audited accounts.

#### Quantitative Disclosures

- a) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.

Particulars	Cost Price	Market Price
Quoted shares	455,983,653	415,693,995
Unquoted shares	52,553,450	52,553,450

b) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.

- **Capital Gain on sale of Share BDT 276,574**

c)

Particulars	Amount in BDT
Total unrealized gains (losses)	(40,289,658)
Total latent revaluation gains (losses)	-
Any amounts of the above included in Tier 2 capital.	-

d) Capital requirements broken down by appropriate equity groupings, consistent with the FI's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.

- Specific Risk Market value of investment in equities is BDT 41.57 crore. Capital Requirement is 10% of the said value which stand to BDT 4.16 crore.
- General Risk Market value of investment in equities is BDT 41.57crore. Capital Requirement is 10% of the said value which stand to BDT 4.16crore.

All requirements are 10% of the said value, which stand to BDT 8.32crore

### F) Interest rate in the banking book

#### Qualitative Disclosures

a) The general qualitative disclosure requirement including the nature of interest risk and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits.

Interest rate risk in the banking book arises from mismatches between the future yield of an assets and their funding cost. Assets Liability Committee (ALCO) monitors the interest rate movement on a regular basis. GSPB measure the Interest Rate Risk by calculation Duration Gap i.e. a positive Duration Gap affect company's profitability adversely with the increment of interest rate and a negative Duration Gap increase the company's profitability with the reduction of interest rate.

## Quantitative Disclosures

- b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk broken down by currency (as relevant).

### Maturity wise Distribution of Assets-Liabilities

Particulars	1 to 30/31 day (One month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year
1	2	3	4	5	6
A. Total Rate Sensitive Liabilities (A)	43.66	51.81	58.52	68.17	88.47
B. Total Rate Sensitive Assets (B)	20.48	16.62	42.04	39.68	65.69
C. Mismatch	-23.18	-35.19	-16.49	-28.50	-22.78
D. Cumulative Mismatch	-23.18	-58.37	-74.86	-103.35	-126.14
E. Mismatch (%)	-53.09	-67.93	-28.17	-41.80	-25.75

### Interest Rate Risk - Increase in Interest Rate Amount in crore BDT

Magnitude of Shock	Minor	Moderate	Major
	2%	4%	6%
Change in the Value of Bond Portfolio	0.00	0.00	0.00
Net Interest Income	-2.52	-5.05	-7.57
Revised Regulatory Capital	273.46	270.93	268.41
Risk Weighted Assets	1208.35	1208.35	1208.35
Revised CAR (%)	22.63	22.42	22.21

## G) Market risk

### Qualitative Disclosures (a)

#### Views of BOD on trading/investment activities

All the Market Risk related policies/guidelines are duly approved by BOD. The BOD sets limit and review and updates the compliance on regular basis aiming to mitigate the Market risk.

#### Methods used to measure Market risk

Market Risk is the probability of losing assets in balance sheet and off- balance sheet position arising out of volatility in market variables i.e. interest rate, exchange rate and prices of securities. In order to calculate the market risk for trading book purposes the company uses Standardized (rule based) Approach where capital charge for interest rate risk, price and foreign exchange risk is determined separately.

#### Market Risk Management system

Policies and processes for mitigating market risk

A Policy for managing Market Risk has been set out by the Board of Directors of the company where clear instructions has been given on Loan Deposit Ratio, Whole Sale Borrowing Guidelines, Medium Term Funding, Maximum Cumulative Outflow, Liquidity Contingency Plan, Local Regulatory Compliance, Recommendation / Action Plan etc. Treasury manages the Market Risk with the help of Asset Liability Management Committee (ALCO) and Asset Liability Management (ALM) Desk in the following fashion:

#### Interest Risk Management

Treasury Division reviews the risks of changes in income of the Company as a result of movements in market interest rates. In the normal course of business GSPB tries to minimize the mismatches between the duration of interest rate sensitive assets and liabilities. Effective Interest Rate Risk Management is done as under:

#### Market analysis

Market analysis over interest rate movements are reviewed by the Treasury of the company. The type and level of mismatch interest rate risk of the company is managed and monitored from two perspectives, being an economic value perspective and an earning perspective.

#### GAP analysis

ALCO has established guidelines in line with central Bank's policy for the management of assets and liabilities, monitoring and minimizing interest rate risks at an acceptable level. ALCO in its regular monthly meeting analyzes Interest Rate Sensitivity by computing GAP i.e. the difference between Rate Sensitive Assets and Rate Sensitive Liability and take decision of enhancing or reducing the GAP according to prevailing market situation aiming to mitigate interest rate risk.

#### Continuous Monitoring

Company's treasury manages and controls day-to-day trading activities under the supervision of ALCO that ensures continuous monitoring of the level of assumed risks.

#### Equity Risk Management

Equity Risk is the risk of loss due to adverse change in market price of equities held by the Company. Equity Risk is managed by the following fashion:

GSPB minimizes the Equity Risks by Portfolio diversification as per investment policy of the company. The entire portfolio is managed by GSPB Investments Limited.

#### Quantitative Disclosures (b)

##### The capital requirements for Market Risk:

Particular	Amount in crore BDT
Interest rate risk	-
Equity position risk	8.32
Foreign Exchange Position and Commodity risk (if any).	-

#### H) Operational Risk:

##### Qualitative disclosure (a)

##### Views of Board on system to reduce Operational Risk:

All the policies and guidelines of internal control and compliances are duly approved by the Board. The Board delegates its authority to Executive Committee and to MANCOM members as per company policy of delegation of authority. Audit Committee of the Board directly oversees the activities of internal control and compliance as per good governance guideline issued by Securities and Exchange Commission.

##### Performance gap of executives and staffs

GSPB's recruitment strategy is based on retaining and attracting the most suitable people at all levels of the business and this is reflected in our objective approach to recruitment and selection. The approach is based on the requirements of the job (both now and in the near future), matching the ability and potential of the individual. Qualification, skills and competency form our basis for nurturing talent. We are proud to state that favorable job responsibilities are increasingly attracting greater participation from different level of employees in the GSPB family. We aim to foster a sense of pride in working for GSPB and to be the employer of choice. As such the exists no performance gap in GSPB.

##### Potential external events

No such potential external event exists to rise operational risk of GSPB at the time of reporting.

##### Policies and procedures for mitigating operational risk:

GSPB has also established Internal Control and Compliances Department (ICC) to address operational risk and to frame and implement policies to encounter such risks. ICC assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk.

##### Approach for calculating capital charge for operational risk:

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. GSPB uses basic indicator approach for calculation capital charge against operational risk i.e. 15% of average positive annual gross income of the company over last three years.

#### Quantitative Disclosures (b)

##### Capital requirement for operational risk:

Particular	Amount in crore BDT
Capital requirement for operational risk:	14.63



# MANAGEMENT DISCUSSION AND ANALYSIS

## Capital

In spite of an unprecedentedly challenging and a difficult year, GSP Finance Company (Bangladesh) Limited remains well capitalized, as capital adequacy ratio remains well above the Basel II minimum regulatory capital requirements and GSP Finance Company (Bangladesh) Limited (GSPB)'s CAR reached to 22.39% in 2020 from 20.34% in 2019. At GSPB, Capital Management policy sets out the principles and guidelines for effective and prudent capital planning, usage and management.

Tier I Core Capital of GSPB as at 31 December 2020 were BDT 2,117 million. On solo basis, GSPB's core capital increased by 10.61% in 2020 compared to that of 2019 because paid up capital increase of BDT 135 million through stock dividend and by financial performance, means of Net Profit after tax of BDT 203 million.

Tier II Supplementary capital of the company comprises of General Provision for leases and loans and assets revaluation reserve as a part of Tier II capital. Supplementary capital of the GSPB decreased by 0.78% in 2020 to BDT 580 million from BDT 585 million of 2019.

GSPB's total eligible capital increased by 7.95% to BDT 2,697 million in 2020 compared to BDT 2,499 million of 2019. Compared to 2019, on solo basis, GSPB's risk weighted assets decrease by 1.97% in 2020 and so does our capital requirement. We not only maintained the required level of capital, we had a good surplus. The surplus eligible capital of the company at the close of business on 31 December 2020 were BDT 428 million.

Our strong capital base created opportunity for us to grow further in coming days.

## Funding and Liquidity

The year 2020 was very tight from liquidity perspective; GSPB has shown decrease its deposit portfolio and at the same time decreased bank borrowings. Due to high attrition rate of corporate and Institutional deposits and bank borrowings, Portfolio of Retail TDR, Corporate TDR, Bank & FIs TDR is decreased by BDT 541 million in 2020 and borrowings from banks and other financial institutions decreased by total BDT 05 million in 2020 and lease, loan portfolio also decreased by BDT 235 million compared to 2019.

Despite the liquidity shortage in 2020, we have been able to maintain our liquidity position well in excess of prudential liquidity requirements.

## Profitability Position:

GSP Finance Company (Bangladesh) Limited went through a challenging phase during 2020. Performances of the Company increase in profitability in 2020 compared to 2019. Decrease in provision for investment in shares and increase provision for leases, loans and advances which are affected the Company's profitability. The profit before provision was BDT 256 million compared to BDT 537 million in 2019 and net profit after tax was BDT 203 million compared to BDT 177 million in 2019.

## Interest Income

Interest income is the core component of revenue of the Company. Lease, loan and advances portfolio of the Company decreased by 3.24% in 2020, interest income decreased by 15.32% to BDT 764 million in 2020, which was BDT 902 million for the year 2019. Interest income decrease due to decrease of lease/loan portfolio in 2020 compared to 2019.

## Interest Expenses

In the year 2020 GSPB interest expenses increased by 7.47% to BDT 496 million from BDT 462 million of 2019. Total deposit and borrowings experienced a negative growth of 11.72%, growth of interest expenses is higher than last year. Liquidity crunch and its effect in money market escalated the cost of fund in 2020 compared to 2019.

## Investment Income

It was a difficult year for the capital market due to Covid-19 pandemic and bearish capital market condition. Transaction volume in DSE decreased compared to last year. On the other hand, liquidity shortage of money market also affected the capital market. In this situation GSPB's investment income experienced decreased by 67.12% compared to 2019. Out of investment income, income from share trading decreased by 98.75% and dividend income decreased by 30.63%. Moreover, provision for diminution in value of investment has decreased by BDT 106 million for 2020.

## Operating Expenses

Efficient control over operating expenses has kept the withering to (17.89%) in 2020 from 2019. GSPB withering in salary and allowance around (11.04%) reflect the well control in human resource of GSPB.

Operating Expense	2019	2018	Amount in BDT	
			Y-O-Y Growth	
			Amount	%
Salary & Allowance	40,886,688	48,914,351	(8,027,663)	-11.04%
Rent, taxes, insurance, electricity, etc	1,432,149	1,355,719	76,430	0.11%
Legal expenses	220,000	140,000	80,000	0.11%
Postage, stamp, telecommunication, etc	433,172	435,514	(2,342)	0.00%
Stationery, printing, advertisement	1,409,079	1,589,238	(180,160)	-0.25%
Managing Director's salary & allowances	2,738,335	6,600,000	(3,861,665)	-5.31%
Director's Fees	392,000	520,000	(128,000)	-0.18%
Audit Fees	195,500	195,500	-	0.00%
Depreciation and repairs of company's assets	4,112,405	3,228,198	884,207	1.22%
Other Operating expenses	7,866,506	9,714,357	(1,847,851)	-2.54%
<b>Total Operating Expense</b>	<b>59,685,833</b>	<b>72,692,877</b>	<b>(13,007,044)</b>	<b>-17.89%</b>

## Revenue

Revenue for 2020 has been BDT 811.85 million which shows a negative growth rate of 24.25% from the previous year, of which 94.12% was from interest earning products, 1.68% from investment income and rest 4.20% from other operating income sources.

## Profitability

As the capital market was bearish and financial industry suffered liquidity crisis and decreased provision for leases, loans and advances & investments GSPB's experienced 14.13% growth of profitability. Pre-tax profit was recorded at BDT 328.54 million for the year 2020, which was BDT 286.72million in the previous year.

## Portfolio

Lease, Loans & Advances Portfolio of GSPB shows a negative growth of 3.24% from BDT 7,249.62million in 2019 to BDT 7,014.41 million in 2020.

## Credit Quality and NPL

GSP Finance Company (Bangladesh) Limited NPL Ratio has decreased to 17.36% in 2020.

## Liquidity and Capital Adequacy Ratio

Capital Adequacy Ratio (CAR) at the end of 2020 stood at 22.39% against the Bangladesh Bank's stipulation of 10% which was 20.34% in 2019. This shows the strength of Capital and the level of compliance of GSPB with the regulatory requirements and to ensure a sustainable growth.

## Share Performance

Market price of our share had shown fluctuation throughout the year in between BDT 21.70 and BDT 11.30 and finally settled at BDT 20.00 at the end of 2020.

## ROA

For the year 2020, our Return on Assets (ROA) was 2.20% compared to 1.88% of 2019.

### ROE

GSPB's Return on Equity (ROE) was 6.70% in 2020. and its five-years cumulative average negative growth rate was 0.11%.

### EPS

Earnings per Share (EPS) for 2020 stood at BDT 1.42 compared to BDT 1.25 in 2019. Due to liquidity crunch in banking sector, continued bearish capital market throughout 2020 but decrease non-performing loan & investment in shares provision, our bottom line result has been positive affected as profitability increased.

### Total Asset

In terms of Asset negative Growth, GSPB's total assets reduce from 2019 to 2020. From the year 2019 to 2020 asset decreased by 2.54%. GSPB's total assets BDT 9,215.53 million in 2020 where 2019 was BDT 9,455.56million.

### Total Deposit

Total Deposit of GSPB mainly sourced through Term Deposits. GSPB maintains a well-diversified term deposit portfolio with a good number of products depending on depositors' preference.

### Outlook for 2021

The year 2021 will be a hard year for NBFIs and the key challenges for the company in 2021 will be to continue to support demand for financing shrinking interest rate margins and increasing non-performing loans.

As we know, in the year 2020 the entire financial sector especially NBFIs has suffered a lot due to COVID-19 pandemic and passed a difficult time with severe liquidity crunch, non-renewal of existing and new credit facilities by the banks, huge FDR encashment pressure from depositors and non-payment of installments by the borrowers on time etc, which adversely impacted the overall profitability of the industry.

Nonetheless, the Company will be able to deliver on its commitment to grow sustainably and generate reasonable returns by pursuing a prudent and dynamic business strategy.

## FINANCIAL HIGHLIGHTS

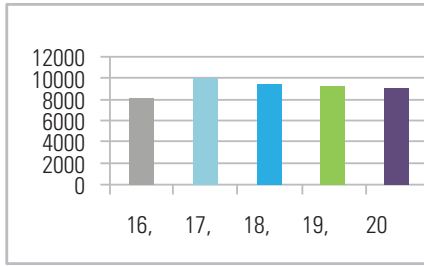
Operational Performance	2016	2017	2018	2019	2020
Operating revenue	922,101,313	1,038,570,606	1,047,456,390	1,071,766,750	811,847,282
Financial expenses	311,603,594	379,714,179	422,564,307	461,775,809	496,277,580
Operating expenses	63,698,887	65,560,469	66,962,296	72,692,877	59,685,833
Profit before taxation	480,310,705	513,340,910	471,250,389	286,719,104	328,543,463
Net Profit after tax	286,252,109	307,099,348	293,678,772	177,970,719	203,121,144

Financial performance	2016	2017	2018	2019	2020
Lease & term finance	4,791,656,232	6,627,994,210	5,734,165,448	5,364,849,807	4,808,329,512
Investor's portfolio loan (Loan to GSPI)	1,345,966,755	1,442,570,276	1,619,839,926	1,884,773,562	2,206,076,458
Investment in Share	245,856,625	309,186,018	507,040,024	506,075,833	508,537,103
Other assets	341,886,709	364,812,748	365,550,895	354,225,009	342,955,105
Current assets	3,310,697,748	3,732,765,320	3,302,774,377	3,366,821,587	3,054,517,410
Total asset	8,134,124,311	9,961,488,185	9,591,342,540	9,455,555,493	9,215,527,719
Term deposits	3,689,298,401	4,177,070,229	3,113,838,775	2,809,991,267	2,269,458,671
Current liabilities	2,829,211,791	3,029,386,585	2,782,619,965	2,485,509,434	2,462,174,932
Long term liabilities	2,790,173,832	4,340,455,493	3,923,397,696	4,134,773,415	3,719,534,525
Total Liabilities	5,619,385,623	7,369,842,078	6,706,017,661	6,620,282,849	6,181,709,457

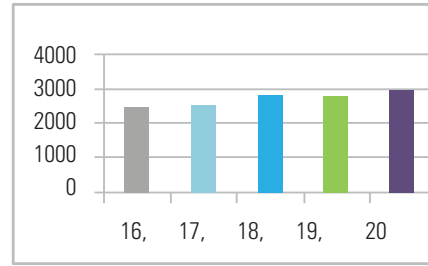
Financial ratios	2016	2017	2018	2019	2020
Current ratio (Times)	1.17	1.23	1.19	1.35	1.24
Financial expense coverage (Times)	2.54	2.35	2.12	1.62	1.51
Debt/Equity (Times)	1.84	2.32	2.02	1.64	1.35
Equity Multiplier	3.23	3.84	3.70	3.34	3.04
Net interest margin %	7.61	6.36	5.44	4.54	2.87
Net profit margin (%)	31.04	29.57	28.04	16.61	25.02
Return on equity (%)	13.50	12.03	11.50	6.29	6.70
Return on assets (%)	3.52	3.08	3.06	1.88	2.20
Rate of Dividend (%)	22.00	23.50	18.00	10.50	11.00
Price earnings ratio (Times)	8.37	10.46	8.98	11.01	14.06
Dividend (%)	22.00	23.50	18.00	10.50	11.00
Financial expense to total expenses (%)	83.03	85.28	86.32	86.40	89.26
Operating expense to operating revenue (%)	6.91	6.31	6.39	6.78	7.35
EPS (TK.)	2.74	2.94	2.27	1.25	1.42

Equity statistics	2016	2017	2018	2019	2020
Authorized capital	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Number of shares	104,632,695	104,632,695	129,221,378	129,221,378	142,789,623
Paid up Capital	1,046,326,950	1,046,326,950	1,292,213,780	1,292,213,780	1,427,896,230
Year end market price	22.90	30.70	20.40	15.20	20.00
Net asset value per share	24.03	24.77	22.33	19.82	21.25

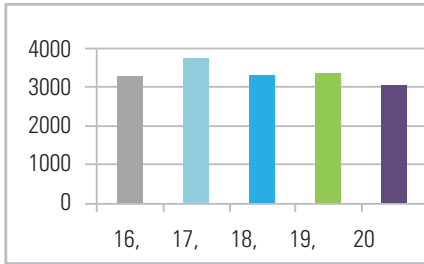
**Total asset**  
BDT in million



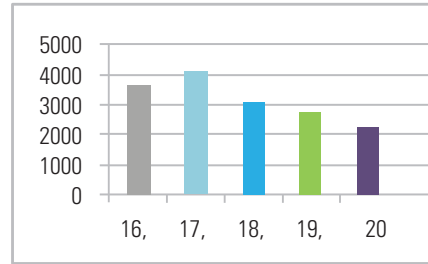
**Shareholder's equity**  
BDT in million



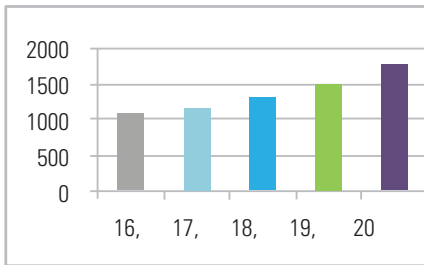
**Current asset**  
BDT in million



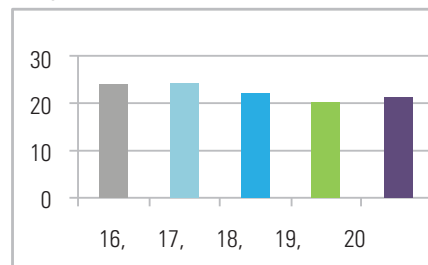
**Term deposit**  
BDT in million



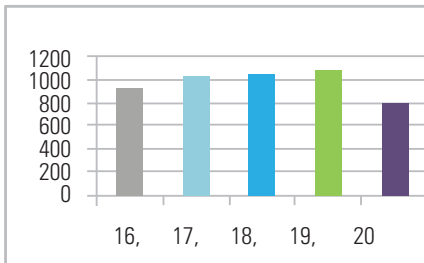
**Investor's portfolio loan**  
BDT in million



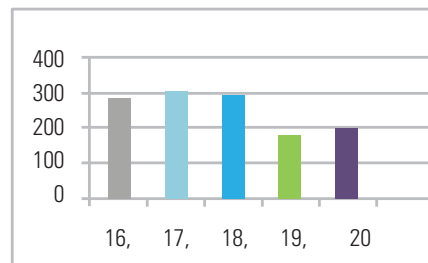
**Net asset value per share**  
BDT per share



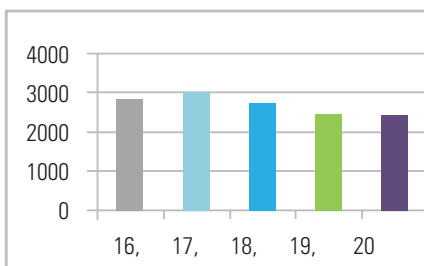
**Operating revenue**  
BDT in million



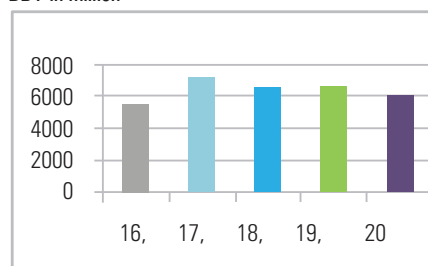
**Net profit after tax**  
BDT in million



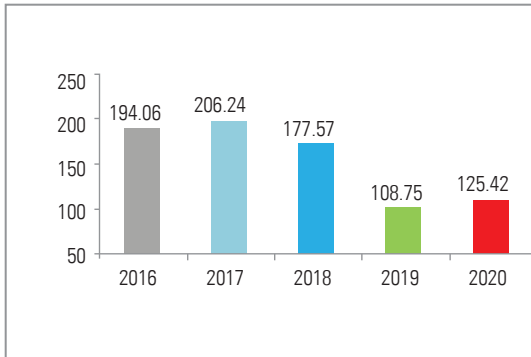
**Current liabilities**  
BDT in million



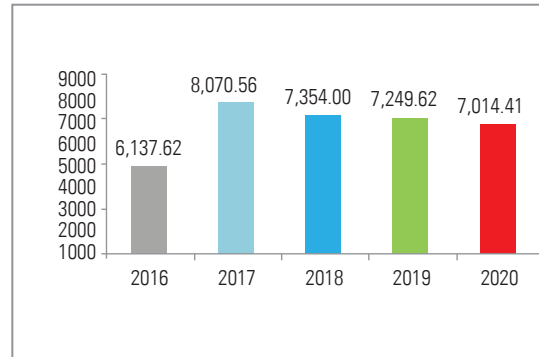
**Total liabilities**  
BDT in million



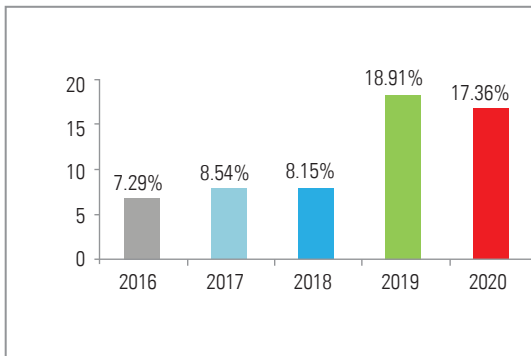
**Provision for Income Tax** in BDT mn



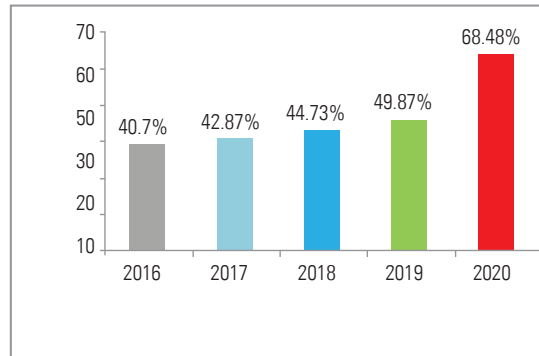
**Total Lease/ Loan Portfolio** in BDT mn



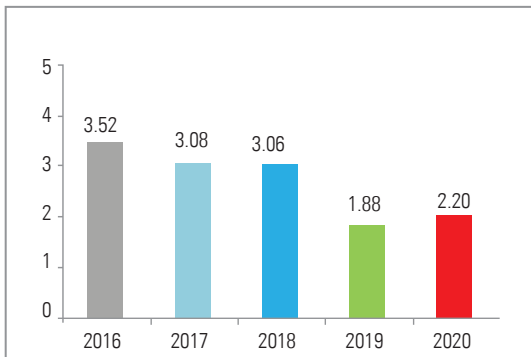
**Non Performing Lease/ Loan (%)**



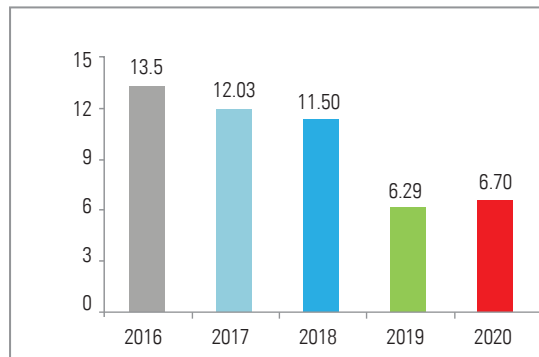
**Cost to Income Ratio**



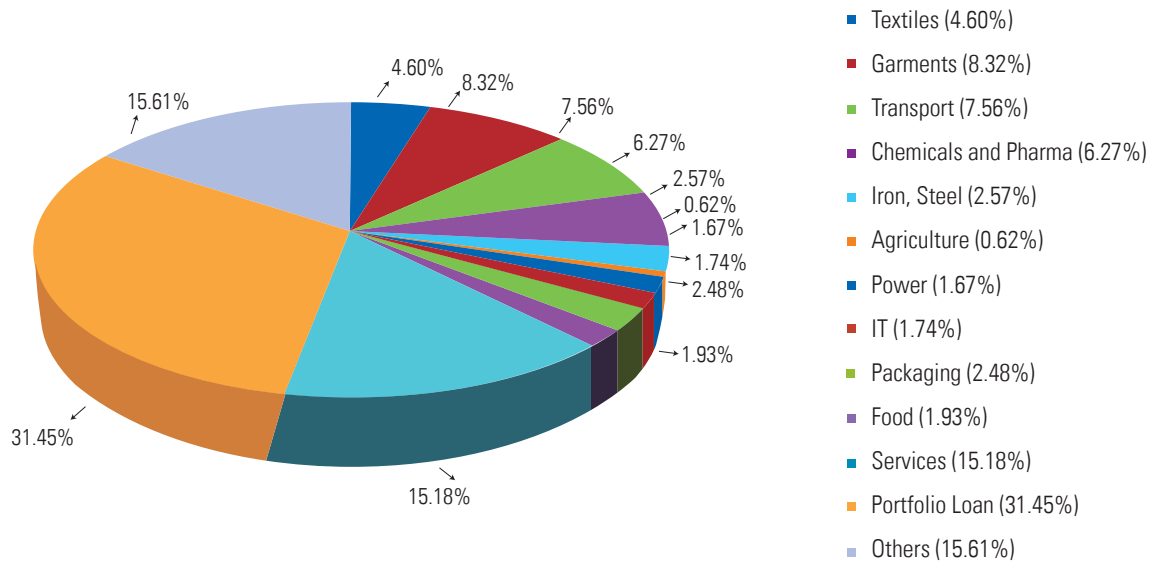
**Return of Assest**



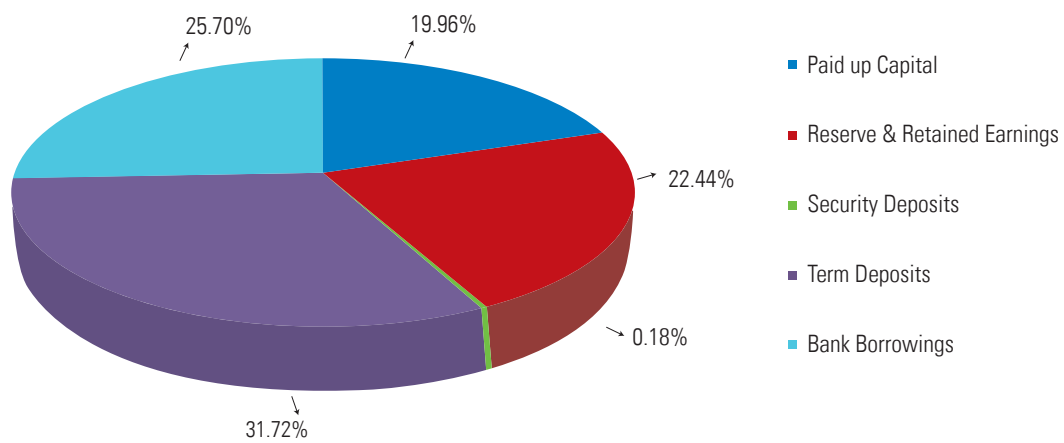
**Return on Equity**



## Sectorwise Leases, Loans & Advances



## Capitalization





জোহা জামান কবির রশীদ এ্যান্ড কোং  
চার্টার্ড একাউন্টেন্টস  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants

## Independent Auditor's Report

To the shareholders of GSP Finance Company (Bangladesh) Limited

Report on the audit of the consolidated and separate financial statements

### Opinion

We have audited the consolidated financial statements of GSP Finance Company (Bangladesh) Limited and its subsidiary (the 'Group') as well as the separate financial statements of GSP Finance Company (Bangladesh) Limited (the 'Company'), which comprise the consolidated and separate balance sheet as at 31 December 2020, and the consolidated and separate profit and loss accounts, consolidated and separate statement of changes in equity and consolidated and separate cash flow statement for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Company give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Company as at 31 December 2020, and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Financial Institutions Act, 1993, the Rules and Regulations issued by the Bangladesh Bank, the Companies Act, 1994 and other applicable Laws and Regulations.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

• The company has kept WPPF with the retained earning @ 5% (Note no:18) in 2020 amounting Tk. 8,124,846 on net profit after deduction of statutory reserve and amounting Tk. 7,350,606 for 2013-2019 @ 5% calculated on retained earning balance as at 31 December 2019. In line with the letter from Bangladesh Bank- বৈমুবি/খডি/৭০২/১৩৫/২০২০-৯৩৭ dated on 05 February 2020 the company kept total fund Tk. 15,475,452 with retained earnings instead of maintaining separate account.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for 2020. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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Risk	Our response to the risk
<p><b>Measurement of provision for leases, loans and advances</b></p> <p>The process for estimating the provision for leases, loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end of 2020 the Group reported total gross leases, loans and advances of BDT 7,724,035,465 (2019: BDT 7,853,714,909) and it represents 79.43% of total assets. Provision for leases, loans and advances was of BDT 558,520,547 (2019: BDT 525,394,754).</p> <p>We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> <li>• Completeness and timing of recognition of loss events in accordance with criteria set out in FID circular no 08, dated 03 August 2002, FID circular no 03, dated 03 May 2006 and FID circular no 03 dated 29 April 2013;</li> <li>• For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows;</li> <li>• Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates;</li> </ul>	<p><b>We tested the design and operating effectiveness of key controls focusing on the following:</b></p> <ul style="list-style-type: none"> <li>• Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators;</li> <li>• Reviewed quarterly Classification of Loans (CL);</li> </ul> <p><b>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</b></p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the companies general and specific provisions in line with Bangladesh Bank guidelines;</li> <li>• Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and</li> </ul> <p>Finally compared the amount of loan provision and loan classification disclosed in the financial statements with the quick summary report prepared by Bangladesh Bank.</p> <p>Considering the unprecedented adverse impact on Bangladesh economy due to COVID-19, Bangladesh Bank has instructed to NBFIs not to further downgrade any loan or lease or advance from its existing classification applicable as at 1st January 2020. Initially the duration of this moratorium for any further downgrade was up to 30 June 2020 but considering longer adverse impact of COVID-19 this has been further extended to 31 December 2020 vide DFIM Circular Letter no 06 dated 01 November 2020. Accordingly, amount and percentage of classified loan has improved as at 31 December 2020 as compared to 31 December 2019 since no additional classification or further downgrade of classified loans and advances have been recognized during the current period.</p>

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	<p>The said BB Circular has also instructed to consider all installments payable during the period from 1 January 2020 to 31 December 2020 as deferred and reschedule the number of installment and amount from 01 January 2021. As a result, the number of installments unpaid during January to December 2020 shall be added with the revised repayment schedule.</p> <p>No penal interest or additional fee/charge/commission shall be imposed on these deferred installments.</p> <p>We have verified as compliance of above Bangladesh Bank instructions. However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally there are inherent risk that the judgment applied by management in assessing recoverability of interest income may be different than the actual situation in future.</p>
See note no 07 & 14.2 to the financial statements	
<b>Measurement of Deferred Tax Liabilities (DTL)</b>	
<p>The Company reports net Deferred Tax Liabilities (DTL) amounted to BDT 14,281,599 as at 31 December 2020. (2019: BDT 12,063,078). Deferred tax expense accounted for during the year 2020 BDT 2,218,521 (Deferred tax expense in 2019: BDT 1,228,721)</p> <p>Significant judgment is required in relation to deferred tax assets/ liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and have tested the operational effectiveness of the Group's key controls over the recognition and measurement of DTLs and the assumptions used in estimating the Group's future taxable income.</p> <ul style="list-style-type: none"> <li>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</li> <li>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTLs.</li> <li>Finally assessed the appropriateness and presentation of disclosures against "IAS-12" Income Tax.</li> </ul>
See note no 36.2 to the financial statements	
<b>Revenue</b>	
<p>Revenue of BDT 427,924,909 is recognized in the Statement of Profit or Loss and Other Comprehensive Income of the Group. Revenue has decreased by 38.94% since last year. This was an area of focus for our audit and significant audit effort was directed. Against this background, the proper application of the accounting standards is considered to be complex and to a certain extent based on estimates and assumptions made by management.</p>	<p>Our audit procedures included obtaining our understanding of the process of interest income, investment income, brokerage commission, profit on investment ascertaining the balance and the interest charged over the financial year.</p> <p>Additionally,</p> <ul style="list-style-type: none"> <li>Carried out cut-off testing to ensure the income was recognized in correct period.</li> </ul>

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	<ul style="list-style-type: none"> <li>• Our audit approach was a combination of test of internal control and substantive procedures.</li> <li>• We also tested journal entries recognized to revenue focusing on unusual or irregular transactions.</li> <li>• In addition, we performed substantive analytical to understand how the revenue has trended over the year among other parameters, we performed a detailed testing on transactions around the year—end, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized to revenue focusing on unusual or irregular transactions.</li> <li>• Evaluate the Group’s work to implement “IFRS-15” and assessed whether accounting principles comply with the new accounting standard.</li> </ul>
See note no 20, 22, 23 & 24 to the financial statements	
<b>IT systems and controls</b>	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p>	<p>We tested the design and operating effectiveness of the Group’s IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Group’s periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

**Other Information**

The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditor’s report thereon. We obtained Director’s report and performance analysis with the management committee prior to the date of our auditor’s report. We expect to obtain the remaining reports of the Annual report after the date of our auditor’s report. Management is responsible for the other information.

**Our opinion on the consolidated and separate financial statements does not cover 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. If, based on the work we have performed on the other information obtained prior to the date of the auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements of the Group and also separate financial statements of the Company in accordance with IFRSs as explained in note 2 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. The Financial Institutions Act, 1993 and the Bangladesh Bank guidelines require the Management to ensure effective internal audit, internal control and risk management functions of the Company. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group's and the Company's financial reporting process.

**Auditor's responsibilities for the audit of the consolidated and separate financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatement 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement 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
- 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 Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, 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 consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 the Securities and Exchange Rules 1987, the Financial Institutions Act 1993 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- i. 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;
- ii. 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;
- iii. the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- iv. the expenditures incurred and payments made were for the purpose of the Company's business for the year;
- v. the financial statements of the Company have been drawn up in conformity with the Financial Institutions Act 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- vi. adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Banks instructions in this regard have been followed properly;
- vii. the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- viii. the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- ix. statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- x. taxes and duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking

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- xi. nothing has come to our attention that the Company has adopted any unethical means i.e. "Window dressing" to inflate the profit and mismatch between the maturity of assets and liabilities;
- xii. proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- xiii. based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- xiv. the Company has complied with relevant laws pertaining to capital, reserve, and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/ leases found satisfactory;
- xv. we have reviewed over 80% of the risk weighted assets of the Group & Company and we have spent around 930 person hours for the audit of the books and accounts of the Company;
- xvi. the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- xvii. the Company has complied with the "First Schedule" of the Financial Institutions Act, 1993 in preparing these financial statements; and
- xviii. all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dated, Dhaka  
14 August 2021

**Md. Iqbal Hossain FCA**  
Partner, Enrolment No. : 596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants  
DVC : 2108260596AS461234

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## GSP FINANCE COMPANY (BANGLADESH) LIMITED

### CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2020

	Notes	Amount in Taka	
		2020	2019
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>		17,685,934	37,081,005
In hand (including foreign currencies)	3.1(a)	134,211	138,437
Balance with Bangladesh Bank and its agents bank(s) (including foreign currencies )	3.2(a)	17,551,723	36,942,568
<b>Balance with other banks and financial institutions</b>	4(a)	373,733,266	342,850,149
In Bangladesh		373,733,266	342,850,149
Outside Bangladesh		-	-
<b>Money at call and short notice</b>	5(a)	-	-
<b>Investments</b>	6(a)	547,066,369	544,420,369
Government		-	-
Others		547,066,369	544,420,369
		7,724,035,465	7,853,714,909
Leases ,loans and advances	7(a)	7,724,035,465	7,853,714,909
Bills purchased and discounted	8(a)	-	-
<b>Fixed assets including premises, furniture and fixtures</b>	9(a)	967,855,945	972,680,657
<b>Other Assets</b>	10(a)	93,344,478	105,754,915
<b>Non-business assets</b>	11	-	-
<b>Total Assets</b>		<b>9,723,721,457</b>	<b>9,856,502,004</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from banks ,other financial institutions and agents:	12(a)	1,839,288,500	1,844,314,930
<b>Deposits and other accounts</b>	13(a)	2,269,458,671	2,809,991,267
Current deposits		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		2,269,458,671	2,809,991,267
Bearer certificate of deposit		-	-
Other deposits		-	-
<b>Other liabilities</b>	14(a)	2,487,528,414	2,295,379,722
<b>Total Liabilities</b>		<b>6,596,275,585</b>	<b>6,949,685,919</b>
<b>Capital / Shareholders' Equity</b>			
Paid up capital	15.2	1,427,896,230	1,292,213,780
Statutory reserve	16	515,405,831	474,781,602
Other reserve	17	916,689,624	916,689,624
Retained earnings :			
Retained earnings balance	18(a)	267,454,135	223,131,030
<b>Total equity attributable to equity holders of the company</b>		<b>3,127,445,820</b>	<b>2,906,816,036</b>
<b>Non-controlling interest</b>		52	49
<b>Total liabilities and Shareholders' equity</b>		<b>9,723,721,457</b>	<b>9,856,502,004</b>

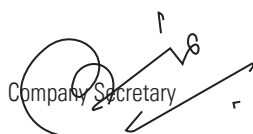




**GSP FINANCE COMPANY (BANGLADESH) LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Notes	Amount in Taka	
		2020	2019
Interest income from leases, loans and advances	20(a)	870,745,022	983,366,986
Interest expenses on borrowings, deposits, etc	21(a)	(496,277,580)	(461,775,809)
<b>Net interest income</b>		<b>374,467,442</b>	<b>521,591,177</b>
Investment income	22(a)	14,196,202	44,568,688
Commission, exchange and brokerage	23(a)	5,070,434	6,590,832
Other operating income	24(a)	34,190,831	128,045,457
<b>Total operating income</b>		<b>427,924,909</b>	<b>700,796,154</b>
Salary and allowances	25(a)	43,664,122	53,609,358
Rent, taxes, insurance, electricity, etc.	26(a)	1,432,149	1,355,719
Legal expenses	27(a)	220,000	140,000
Postage, stamp, telecommunication, etc.	28(a)	437,937	441,434
Stationery, printing, advertisements, etc.	29(a)	1,422,294	1,617,786
Managing Director's salary and allowances	30(a)	4,485,035	8,847,742
Directors' fees	31(a)	584,000	768,000
Audit fees	32(a)	218,500	218,500
Charges on loan losses		-	-
Depreciation and repairs of company's assets	33(a)	5,034,211	4,369,237
Other operating expenses	34(a)	8,605,271	10,917,382
<b>Total operating expenses</b>		<b>66,103,518</b>	<b>82,285,158</b>
<b>Profit before provision</b>		<b>361,821,392</b>	<b>618,510,996</b>
Provision for leases, loans and advances & investments	35(a)	5,264,100	315,533,105
Other provision		-	-
<b>Total provision</b>		<b>5,264,100</b>	<b>315,533,105</b>
<b>Total profit before income tax</b>		<b>356,557,292</b>	<b>302,977,891</b>
Provision for income tax			
Current Tax		133,708,983	113,616,709
Deferred tax		2,218,521	1,228,721
<b>Total Provision for income tax</b>	36(a)	<b>135,927,504</b>	<b>114,845,430</b>
<b>Net profit after income tax</b>		<b>220,629,787</b>	<b>188,132,461</b>
<b>Attributable to</b>			
Shareholders of the company		220,629,784	188,132,459
Non-controlling interest		3	2
Retained earnings brought forward from previous year		223,131,030	303,191,195
		<b>443,760,817</b>	<b>491,323,656</b>
<b>Appropriations:</b>			
Statutory reserve	16	40,624,229	35,594,144
Dividend paid from Retained earnings for the year 2019		135,682,450	232,598,480
		<b>176,306,679</b>	<b>268,192,624</b>
<b>Retained earnings carried to the balance sheet</b>	18(a)	<b>267,454,135</b>	<b>223,131,030</b>
<b>Earnings per share (2019 restated)</b>	38(a)	<b>1.55</b>	<b>1.32</b>

The accompanying notes form an integral part of these financial statements


  
 Company Secretary

  
 Director

  
 Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka  
 August 14, 2021

  
**Md. Iqbal Hossain FCA**  
 Partner, Enrolment No. : 596 (ICAB)  
 Zoha Zaman Kabir Rashid & Co.  
 Chartered Accountants

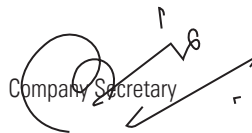
**GSP FINANCE COMPANY (BANGLADESH) LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Amount in Taka	
	2020	2019
<b>Cash flows from operating activities:</b>		
Interest receipt in cash	848,627,521	956,349,058
Interest payment	(489,277,580)	(446,886,300)
Dividend receipts	13,731,276	20,037,036
Commission, Exchange and brokerage	5,070,434	6,590,832
Recoveries of loan previously written-off	-	-
Income taxes paid	(4,548,736)	(13,183,990)
Receipts from other operating activities	34,655,757	152,577,109
Payments for other operating activities	(61,340,107)	(77,662,921)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>346,918,565</b>	<b>597,820,824</b>
<b>Increase / decrease in operating assets and liabilities</b>		
Statutory deposit	-	-
Trading securities	-	-
Leases, loans and advances	129,679,444	21,285,832
Other assets	39,076,675	49,455,624
Deposit and other accounts	(540,532,596)	(303,847,508)
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	44,210,087	125,862,149
	(327,566,390)	(107,243,903)
<b>Net cash flow from operating activities</b>	<b>19,352,175</b>	<b>490,576,921</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of securities	414,685	140,919,845
Payments for purchases of securities	(3,060,685)	(136,893,441)
Purchase of fixed assets	(191,699)	(10,678,042)
Proceeds from sale of fixed assets	-	1,600,000
Payment against lease obligation	-	-
<b>Net cash used by investing activities</b>	<b>(2,837,699)</b>	<b>(5,051,638)</b>
<b>Cash flows from financing activities:</b>		
Receipts of borrowings from banks, other financial institutions and agents	96,070,420	547,431,635
Repayment of borrowings from banks, other financial institutions and agents	(101,096,850)	(826,189,542)
Receipts against issue of share capital	-	-
Dividend paid in cash	-	(232,598,480)
<b>Net cash flow/used by financing activities</b>	<b>(5,026,430)</b>	<b>(511,356,387)</b>
Net increase / (decrease) in cash and cash equivalents	11,488,046	(25,831,104)
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	379,931,154	405,762,258
<b>Cash and cash equivalents at the end of the year</b>	<b>391,419,200</b>	<b>379,931,154</b>

**Cash and cash equivalents at the end of the year**  
 cash in hand (including foreign currencies)  
 Balance with Bangladesh Bank and its agent bank(s)  
 (including foreign currencies)  
 Balance with banks and other financial institutions  
 Money at call and short notice

Amount in Taka	
2020	2019
134,211	138,437
17,551,723	36,942,568
373,733,266	342,850,149
-	-
<b>391,419,200</b>	<b>379,931,154</b>
<b>0.14</b>	<b>3.44</b>

**Net Operating Cash Flow per share (2019 restated)**

  
 Company Secretary

  
 Director

  
 Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka  
 August 14, 2021

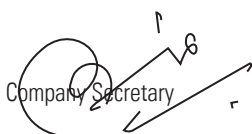


**Md. Iqbal Hossain FCA**  
 Partner, Enrolment No. : 596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
 Chartered Accountants

**GSP FINANCE COMPANY (BANGLADESH) LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Particulars	Attributable to equity holders of the company					Non-controlling interest (Tk.)	Total equity (Tk.)
	Paid up capital (Tk.)	Capital Reserve (Tk.)	Statutory Reserve (Tk.)	Retained Earnings (Tk.)	Total (Tk.)		
Balance as at January 01, 2019	1,292,213,780	916,689,624	439,187,458	303,191,195	2,951,282,058	47	2,951,282,105
Issue of share Capital	-	-	-	-	-	-	-
Net profit after tax for the year 2019	-	-	-	188,132,459	188,132,459	2	188,132,461
Transferred to statutory reserve	-	-	35,594,144	(35,594,144)	-	-	-
Issue of share Capital	-	-	-	-	-	-	-
Transferred to provision for Tax	-	-	-	-	-	-	-
Dividend paid (2018)	-	-	-	(232,598,480)	(232,598,480)	-	(232,598,480)
Revaluation of properties	-	-	-	-	-	-	-
Balance as at 31st December 2019	1,292,213,780	916,689,624	474,781,602	223,131,030	2,906,816,036	49	2,906,816,085
Changes in accounting policy	-	-	-	-	-	-	-
<b>Restated balance</b>	1,292,213,780	916,689,624	474,781,602	223,131,030	2,906,816,036	49	2,906,816,085
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investment	-	-	-	-	-	-	-
Issue of share Capital	-	-	-	-	-	-	-
Dividend paid (2019)	135,682,450	-	-	(135,682,450)	-	-	-
Net profit after tax for the year	-	-	-	220,629,784	220,629,784	3	220,629,787
Transferred to statutory reserve	-	-	40,624,229	(40,624,229)	-	-	-
<b>Balance as at 31st December 2020</b>	<b>1,427,896,230</b>	<b>916,689,624</b>	<b>515,405,831</b>	<b>267,454,135</b>	<b>3,127,445,820</b>	<b>52</b>	<b>3,127,445,872</b>

The accompanying notes form an integral part of these financial statements.


  
 Company Secretary

  
 Director

  
 Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka  
 August 14, 2021

  
 Md. Iqbal Hossain FCA  
 Partner, Enrolment No. : 596 (ICAB)  
 Zoha Zaman Kabir Rashid & Co.  
 Chartered Accountants

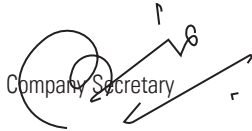
**GSP FINANCE COMPANY (BANGLADESH) LIMITED**  
**BALANCE SHEET**  
AS AT DECEMBER 31, 2020

	Notes	Amount in Taka	
		2020	2019
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3	17,664,363	37,064,007
In hand (including foreign currencies)		112,640	121,439
Balance with Bangladesh Bank and its agents bank(s) (including foreign currencies )		17,551,723	36,942,568
Balance with other banks and financial institutions	4	367,941,520	340,591,261
In Bangladesh		367,941,520	340,591,261
Outside Bangladesh		-	-
<b>Money at call and short notice</b>	5	-	-
<b>Investments</b>	6	508,537,103	506,075,833
Government		-	-
Others		508,537,103	506,075,833
		7,014,405,970	7,249,623,369
Leases , loans and advances	7.1	7,014,405,970	7,249,623,369
Bills purchased and discounted	8	-	-
<b>Fixed assets including premises, furniture and fixtures</b>	9	964,023,658	967,976,014
<b>Other Assets</b>	10	342,955,105	354,225,009
<b>Non-business assets</b>	11	-	-
<b>Total Assets</b>		<b>9,215,527,719</b>	<b>9,455,555,493</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from banks ,other financial institutions and agents:	12	1,839,288,500	1,844,314,930
<b>Deposits and other accounts</b>	13	2,269,458,671	2,809,991,267
Current deposits		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		2,269,458,671	2,809,991,267
Bearer certificate of deposit		-	-
Other deposits		-	-
<b>Other liabilities</b>	14	2,072,962,286	1,970,552,178
<b>Total Liabilities</b>		<b>6,181,709,457</b>	<b>6,624,858,375</b>
<b>Capital / Shareholders' Equity</b>		<b>3,033,818,262</b>	<b>2,830,697,118</b>
Paid up capital	15.2	1,427,896,230	1,292,213,780
Statutory reserve	16	515,405,831	474,781,602
Other reserve	17	916,689,624	916,689,624
Retained earnings:			
Retained earnings balance	18	173,826,577	147,012,112
<b>Total liabilities and Shareholders' equity</b>		<b>9,215,527,719</b>	<b>9,455,555,493</b>

**OFF-BALANCE SHEET ITEMS :**

		Amount in Taka	
		2020	2019
<b>Contingent liabilities</b>	18.1	-	-
Acceptances and endorsements		-	-
Letter of guarantee		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
<b>Other commitments</b>	18.2	-	-
Documentary credits and short term trade and related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Others		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		-	-
<b>Net assets value (NAV) per share (2019 restated)</b>		<b>21.25</b>	<b>19.82</b>

The accompanying notes form an integral part of these financial statements.


  
Company Secretary

  
Director

  
Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka  
August 14, 2021

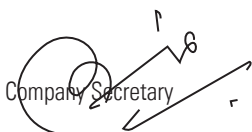
  
**Md. Iqbal Hossain FCA**  
Partner, Enrolment No. : 596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants

**GSP FINANCE COMPANY (BANGLADESH) LIMITED**  
**PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED DECEMBER 31, 2020

		Amounts in Taka	
		2020	2019
	<b>Notes</b>		
Interest income from leases, loans and advances	20	764,100,004	902,367,717
Interest expenses on borrowings, deposits, etc	21	(496,277,580)	(461,775,809)
<b>Net interest income</b>		<b>267,822,423</b>	<b>440,591,908</b>
Investment income	22	13,621,154	41,426,126
Commission, exchange and brokerage	23	-	-
Other operating income	24	34,126,124	127,972,907
<b>Total operating income</b>		<b>315,569,701</b>	<b>609,990,941</b>
Salary and allowances	25	40,886,688	48,914,351
Rent, taxes, insurance, electricity, etc.	26	1,432,149	1,355,719
Legal expenses	27	220,000	140,000
Postage, stamp, telecommunication, etc.	28	433,172	435,514
Stationery, printing, advertisements, etc.	29	1,409,079	1,589,238
Managing Director's salary and allowances	30	2,738,335	6,600,000
Directors' fees	31	392,000	520,000
Audit fees	32	195,500	195,500
Charges on loan losses		-	-
Depreciation and repairs of company's assets	33	4,112,405	3,228,198
Other operating expenses	34	7,866,506	9,714,357
<b>Total operating expenses</b>		<b>59,685,833</b>	<b>72,692,877</b>
<b>Profit before provision</b>		<b>255,883,868</b>	<b>537,298,064</b>
Provision for leases, loans and advances & investments	35	(72,659,594)	250,578,960
Other provision		-	-
<b>Total provision</b>		<b>(72,659,594)</b>	<b>250,578,960</b>
<b>Total profit before income tax</b>		<b>328,543,463</b>	<b>286,719,104</b>
<b>Provision for income tax</b>			
Current Tax	36	123,203,798	107,519,664
Deferred tax	36	2,218,521	1,228,721
<b>Total Provision for income tax</b>		<b>125,422,319</b>	<b>108,748,385</b>
<b>Net profit after income tax</b>		<b>203,121,144</b>	<b>177,970,719</b>
Retained earnings brought forward from previous year		147,012,112	237,234,017
		<b>350,133,256</b>	<b>415,204,736</b>
<b>Appropriations:</b>			
Statutory reserve	16	40,624,229	35,594,144
Dividend paid from Retained earnings for the year 2019		135,682,450	232,598,480
		<b>176,306,679</b>	<b>268,192,624</b>
<b>Retained earnings carried to the balance sheet</b>	18	<b>173,826,577</b>	<b>147,012,112</b>
<b>Earning per share (EPS) (2019 restated)</b>	38	<b>1.42</b>	<b>1.25</b>

The accompanying notes form an integral part of these financial statements


  
Company Secretary

  
Director

  
Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka  
August 14, 2021

  
**Md. Iqbal Hossain FCA**  
Partner, Enrolment No. : 596 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

**GSP FINANCE COMPANY (BANGLADESH) LIMITED**  
**CASH FLOW STATEMENT**  
FOR THE YEAR ENDED DECEMBER 31, 2020

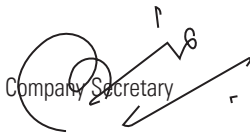
	Amount in Taka	
	2020	2019
<b>Cash flows from operating activities:</b>		
Interest receipt in cash	741,982,497	883,595,196
Interest payment	(489,277,580)	(455,644,725)
Dividend receipts	13,344,580	19,236,754
Recoveries of loan previously written-off	-	-
Income taxes paid	(4,357,060)	(12,965,646)
Receipts from other operating activities	34,402,698	129,950,872
Payments for other operating activities	(55,361,228)	(69,234,679)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>240,733,907</b>	<b>494,937,772</b>
<b>Increase / decrease in operating assets and liabilities</b>		
Statutory deposit	-	-
Trading securities	-	-
Leases, loans and advances	235,217,399	104,382,005
Other assets	37,744,471	61,675,461
Deposit and other accounts	(540,532,596)	(303,847,508)
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	42,417,382	135,757,700
	(225,153,344)	(2,032,342)
<b>Net cash flow from operating activities</b>	<b>15,580,563</b>	<b>492,905,430</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of securities	293,235	137,430,123
Payments for purchases of securities	(2,754,505)	(136,465,932)
Purchase of fixed assets	(142,249)	(10,652,142)
Proceeds from sale of fixed assets	-	1,600,000
Payment against lease obligation	-	-
<b>Net cash used by investing activities</b>	<b>(2,603,519)</b>	<b>(8,087,951)</b>
<b>Cash flows from financing activities:</b>		
Receipts of borrowings from banks, other financial institutions and agents	96,070,420	547,431,635
Repayment of borrowings from banks, other financial institutions and agents	(101,096,850)	(826,189,542)
Dividend paid in cash	-	(232,598,480)
<b>Net cash flow/used by financing activities</b>	<b>(5,026,430)</b>	<b>(511,356,387)</b>
Net increase / (decrease) in cash and cash equivalents	7,950,614	(26,538,908)
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	377,655,268	404,194,176
<b>Cash and cash equivalents at the end of the year</b>	<b>385,605,883</b>	<b>377,655,268</b>



Cash and cash equivalents at the end of the year  
 cash in hand (including foreign currencies)  
 Balance with Bangladesh Bank and its agent bank(s)  
 (including foreign currencies)  
 Balance with banks and other financial institutions  
 Money at call and short notice

Amount in Taka	
2020	2019
112,640	121,439
17,551,723	36,942,568
367,941,520	340,591,261
-	-
<b>385,605,883</b>	<b>377,655,268</b>
<b>0.11</b>	<b>3.45</b>

Net Operating Cash Flow per share (2019 restated)

  
 Company Secretary

  
 Director

  
 Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka  
 August 14, 2021

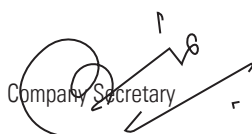


**Md. Iqbal Hossain FCA**  
 Partner, Enrolment No. : 596 (ICAB)  
 Zoha Zaman Kabir Rashid & Co.  
 Chartered Accountants

**GSP FINANCE COMPANY (BANGLADESH) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Particulars	Paid up capital (Tk.)	Capital Reserve(Tk.)	Statutory Reserve(Tk.)	Retained Earnings (Tk.)	Total (Tk.)
<b>Balance as at January 01, 2019</b>	1,292,213,780	916,689,624	439,187,458	237,234,017	2,885,324,879
Surplus/deficit on account of revaluation of properties					-
Profit for the year				286,719,104	286,719,104
Transferred to statutory reserve	-	-	35,594,144	(35,594,144)	-
Transferred to provision for Tax				(108,748,385)	(108,748,385)
Dividend paid (2018)	-	-	-	(232,598,480)	(232,598,480)
Revaluation of properties				-	-
<b>Balance as at 31st December 2019</b>	1,292,213,780	916,689,624	474,781,602	147,012,112	2,830,697,118
Changes in accounting policy	-	-	-	-	-
<b>Restated balance</b>	1,292,213,780	916,689,624	474,781,602	147,012,112	2,830,697,118
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investment	-	-	-	-	-
Issue of share Capital (including premium)	-	-	-	-	-
Dividend paid (2019)	135,682,450	-	-	(135,682,450)	-
Net profit after tax for the year	-	-	-	203,121,144	203,121,144
Transferred to statutory reserve	-	-	40,624,229	(40,624,229)	-
<b>Balance as at 31st December 2020</b>	1,427,896,230	916,689,624	515,405,831	173,826,577	3,033,818,262

The accompanying notes form an integral part of these financial statements.

  
Company Secretary

  
Director

  
Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka  
August 14, 2021



**Md. Iqbal Hossain FCA**  
Partner, Enrolment No. : 596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants

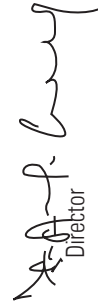
## GSP FINANCE COMPANY (BANGLADESH) LIMITED

### LIQUIDITY STATEMENT

(Analysis of maturity of assets and liabilities)  
FOR THE YEAR ENDED DECEMBER 31, 2020

Particulars	Up to 1 month		1-3 months		3-12 months		1-5 years		Above 5 years		Total	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>Assets :</b>												
Cash in hand	112,640	-	-	-	-	-	-	-	-	-	-	112,640
Balance with Bangladesh Bank and its agents	17,551,723	-	-	-	-	-	-	-	-	-	-	17,551,723
Balance with banks and other financial institutions	55,191,228	4,000,000	-	308,750,292	-	-	-	-	-	-	-	367,941,520
Money at call and short notice	-	-	-	-	-	-	-	-	-	-	-	-
Investments	455,983,653	-	-	49,984,000	-	-	-	-	-	2,569,450	-	508,537,103
Leases, loans and advances	433,789,694	907,027,563	758,711,075	4,914,877,638	-	-	-	-	-	-	-	7,014,405,970
Fixed assets including premises, furniture and fixtures	-	-	5,527,821	3,842,507	-	-	-	-	-	954,653,330	-	964,023,658
Other assets	-	-	57,887,721	35,067,424	-	-	-	-	-	249,999,960	-	342,955,105
Non-business assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets (A)</b>	<b>962,628,938</b>	<b>1,180,860,909</b>	<b>1,180,860,909</b>	<b>4,953,787,569</b>	<b>1,207,222,740</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,215,527,719</b>
<b>Liabilities :</b>												
Borrowings from banks, other financial institutions and agents	267,164,409	107,046,591	430,589,484	1,034,488,017	-	-	-	-	-	-	-	1,839,288,500
Deposits and other accounts	398,289,997	642,937,641	616,146,811	490,883,911	-	-	-	-	-	-	-	2,269,458,671
Provision and other liabilities	-	-	-	2,072,962,286	-	-	-	-	-	-	-	2,072,962,286
<b>Total liabilities (B)</b>	<b>665,454,406</b>	<b>749,984,232</b>	<b>1,046,736,295</b>	<b>3,598,334,214</b>	<b>1,211,200,311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,181,709,457</b>
<b>Net liquidity gap (A - B)</b>	<b>297,174,532</b>	<b>161,043,331</b>	<b>134,124,615</b>	<b>1,355,453,355</b>	<b>1,086,022,429</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,033,818,262</b>

  
Company Secretary

  
Director

  
Managing Director & CEO

Signed as per our annexed report of even date

  
Md. Iqbal Hossain FCA  
Partner, Enrolment No. : 596 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

Dated, Dhaka  
August 14, 2021

**GSP FINANCE COMPANY (BANGLADESH) LIMITED**  
**NOTES TO THE CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**1.0 CORPORATE INFORMATION:**

**1.1 Legal Status**

GSP Finance Company (Bangladesh) Limited is a Financial Institution (FI) incorporated in Bangladesh on October 29, 1995 as a Public Limited Company under the Companies Act, 1994. The Company offers lease finance of all types of plant, machinery, equipment and vehicles both for industrial and commercial use. The Company received its certificate of commencement of business on January 14, 1996 and its license on March 04, 1996 as required under Section 4(1) of the Financial Institutions Act, 1993. The Company went into commercial operation on April 17, 1996. The Company was listed with Chittagong and Dhaka Stock Exchanges on March 14, 2012 and March 28, 2012 respectively.

The registered office of the Company is situated at 1, Paribagh, Mymensingh Road, Dhaka-1000.

- 1.2 The Company also got a separate license from Bangladesh Securities and Exchange Commission on August 24, 1999 for working as a Merchant Bank. But pursuant to the requirement of Bangladesh Securities and Exchange Commission, GSP Finance Company (Bangladesh) Limited formed a subsidiary in the name of "GSP Investments Limited" with a view to separate its existing Merchant Banking operation which was approved by Bangladesh Securities and Exchange Commission vide their letter no. SEC/Reg./MB/SUB-16/2011/113 dated August 14, 2014. GSP Investments Limited is duly incorporated with the Registrar of Joint Stock Companies and Firms (RJSC) as a private limited company with authorised and paid up capital are Tk. 50 crore and Tk.25 crore respectively.

The principal activities of GSP Investments Limited are:

Issue Management  
Underwriting  
Portfolio Management  
Corporate Advisory Services  
Securities Trading Services  
Margin Loan

**1.3 Nature of Business**

The Company carries out the following types of business:

Lease Financing  
Term Finance  
Acceptance of Term Deposits  
Working Capital Finance  
Syndication Finance  
Money Market Operation

**2.00 SIGNIFICANT ACCOUNTING POLICIES :**

**2.1 Basis of Accounting**

These Financial Statements have been prepared under historical cost convention following accrual basis of accounting and in compliance with the requirements of Companies Act 1994, International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and Financial Institution Act 1993.

**2.1.1 Basis of consolidation of operation of subsidiary**

The Financial Statements of the Company and its subsidiary have been consolidated in accordance with International Accounting Standards 27 " Consolidated and Separate Financial Statements". The consolidation of the financial statement has been made after eliminating all material Inter Company balances, income and expenses arising from inter Company transactions.

**2.1.2 Statement of compliance**

The consolidated financial statements and separate financial statements of the Company have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement and investment in marketable securities which are stated at market value in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) , except the circumstances where local regulations differ, and the Companies Act, 1994, the Financial Institutions Act, 1993, Securities and Exchange Rules 1987, the Listing Regulations of Dhaka & Chittagong Stock Exchanges and other applicable laws and regulations.

The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been kept blank in the financial statements

## 2.2 Components of the financial statements

The financial statements comprise of (As per DFIM Circular No. 11, Dated 23 December 2009):

- a) Consolidated and Separate Balance Sheet as at 31 December 2020;
- b) Consolidated and Separate Profit and Loss Account for the year ended 31 December 2020;
- c) Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2020;
- d) Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2020;
- e) Liquidity Statement of the Company for the year ended 31 December 2020 and
- f) Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2020.

## 2.3 Directors' responsibility statement

The Board of Directors' takes the responsibility for the preparation and presentation of these financial statements.

## 2.4 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

The most critical estimates and judgments are applied to the following:

\* Provision for impairment of loans, leases and investments

\* Gratuity

\* Useful life of depreciable assets

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognised in the period in which the estimates are revised. In accordance with the guidelines as prescribed by IAS 37: "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized in the following situations:

### Provisions

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Interest is recognized as and when it is accrued. Lease interest outstanding over 2 months are recognized as interest suspense and not as revenue. Fee based income and delinquent charges from lease operations are accounted for on cash basis.

## 2.5 Separate Books of Accounts

The company maintains separate office and books of accounts for its subsidiary as required under the regulations of Bangladesh Securities and Exchange Commission.

## 2.6 Investment in securities

Investment in marketable ordinary shares has been shown at cost or market price, whichever is lower, on an aggregate portfolio basis. Investment in non-marketable shares has been valued at cost or intrinsic value whichever is lower. Full provision for diminution in value of shares as on closing of the year on an aggregate portfolio basis is made in the financial statements as required by Bangladesh Bank DFIM circular No. 02 dated January 31, 2012.

## 2.7 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which those are incurred in accordance with benchmark treatment of IAS 23.

## 2.8 Revenue Recognition

As per IAS 18, revenue is recognized when it is expected that the economic benefits associated with the transaction will flow to Company and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

- 2.8.1 Lease Financing**  
Interest is recognized as and when it is accrued. Lease interest outstanding over 2 months are recognized as interest suspense and not as revenue. Fee based income and delinquent charges from lease operations are accounted for on cash basis.
- 2.8.2 Interest on Direct Finance**  
Interest on term finance is recognized when interest is accrued. No interest on loan is accounted for as revenue where any portion of capital or interest is in arrear for more than 2 months. Fee based income and delinquent charges from loan operations are accounted for on cash basis.
- 2.9 Changes in significant accounting policies - IFRS 16 Leases**  
**As a Lessee**  
GSP Finance Company (Bangladesh) Limited does not have any rented premises or lease assets under definition of IFRS 16. However if GSPB availed any lease assets under IFRS 16 then GSPB will treat the mater under IFRS 16.  
**As a lessor**  
GSPB is not required to make any adjustments on transitions to IFRS 16 for leases in which it acts as a lessor.
- 2.10 Accounting for Direct Finance**  
Direct finance consisting of short term & long term finance are maintained based on the accrual method of accounting. Outstanding amount of long term loans has been shown in the balance sheet as assets under the head of Direct finance. Interest earnings are recognized as operational revenue.
- 2.11 Property and equipment**  
**i) Recognition and measurement**  
Items of fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per Bangladesh Accounting Standard (IAS) 16: "Property, Plant and Equipment".  
**ii) Subsequent expenditure on fixed assets**  
Subsequent expenditure is capitalized only when it increases the future economic benefit from the assets and that cost can be measured reliably. All other expenditures are recognized as an expense as and when they are incurred.
- 2.12 Depreciation**  
Fixed Assets for Company's own use are depreciated at different ranges from 10% to 20% applying straight line method throughout the estimated span of useful life ranging from five to ten years. Rate of depreciation is as follows:

Type of Assets	Rate
Land & Land Development	0%
Office Building	10%
Furniture & Fixtures	10%
Telephone System	20%
Motor Vehicles	20%
Electrical Goods & Installation	20%
Office Equipment	20%
Generator & Installation	20%
House Property	10%

- 2.13 Provisions for Doubtful loss on Leases and Direct Finance**  
Provisions for classified and unclassified leases and direct finance receivables have been made as per guidelines of Bangladesh Bank through FID circular no. 08 of 2002 , FID circular no.03 ,May 03 of 2006 and other directives as applicable as follows:

1 to 2	Unclassified (SME)	0.25%
1 to 2	Unclassified	1%
3 to 5	SMA	5%
6 to 11	Sub-standard	20%
12 to 17	Doubtful	50%
18 and over	Bad or Loss	100%

## 2.14 Employees Benefits Scheme

### 2.14.1 Defined Contribution Plan

#### 2.14.1.1 Provident fund

The Company operates a contributory provident fund for its permanent employees. This is a funded one and duly approved by NBR. Provident fund is administered by a Board of Trustees and is funded by contributions equally from the employees and from the company at a predetermined rate. The fund is handled & invested separately by the Board of Trustees.

#### 2.14.1.2 Other long term benefits

The Company operates a group term life insurance scheme for all of its permanent employees. It maintains a health insurance for hospitalisation of all of its permanent employees, which include their spouses.

### 2.14.2 Defined benefit Plan

#### 2.14.2.1 Gratuity

The Company operates an unfunded gratuity scheme. Employees are entitled to gratuity benefit after completion of minimum ten years continuous and uninterrupted service in the company. The gratuity payment is calculated on the basis of Actuarial Report. The proposal for funding facilities of the gratuity fund is under consideration of NBR.

## 2.15 Corporate Tax

### 2.15.1 Current Tax

Provision for Taxation for the Company has been sufficiently kept and the company has sufficient fund to meet taxation liabilities arising out of tax refunds of previous years.

### 2.15.2 Deferred Tax

The Company has conducted an exercise to find out deferred tax asset/(liability) based on temporary differences arising from the carrying amount of an asset or (liability) in the balance sheet and its tax base. Accordingly deferred tax is recognized as per IAS-12.

## 2.16 Trade Receivables

Trade receivables at the balance sheet date are stated at amounts which are considered realizable.

## 2.17 Payable and Accruals

Liabilities are recognized for the amounts to be paid in future for goods and services received.

## 2.18 Provisions

A provision is recognized in the Balance Sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## 2.19 Statutory reserves

As per Financial Institutions Regulation 1994, every Non Banking Financial Institution (NBFI) is required to transfer at least 20% of its current year's profit to the fund until such reserve fund equals to its paid up share capital and share premium (if any). In conformity with the above requirement, GSPB transfers 20% of net profit to statutory reserve before declaration of dividend.

## 2.20 General

### Comparative Information

Comparative information has been disclosed in respect of the year 2019 for all numerical information in the Financial Statements and also the narrative and descriptive information where it is relevant for understanding of the current year's Financial Statements.

Previous year figures have been rearranged wherever considered necessary to conform to current year's presentation.

## 2.21 Renewal of FDR and interest thereon

FDR if not encashed on due date, is considered automatically renewed with interest earned upto maturity date and due at the equivalent current rate of interest.

## 2.22 Rounding off

Monetary figures in the financial statements have been rounded off to the nearest Taka.

2.23 In addition to compliance with local regulatory requirements, in preparing the Consolidated Financial Statements and Separate Financial Statements, GSPB applied following IASs and IFRSs:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A
Name of the IFRS	IFRS No.	Status
Share Based payment	2	N/A
Business combination	3	N/A
Insurance Contracts	4	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	Applied
Financial Instruments	9	Applied
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied
Revenue from Contracts with customers	15	Applied
Lease	16	Applied

N/A= Not Applicable

#### 2.24 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, term deposits and investment in call loan that are readily convertible to a known amount of cash (with less than three months maturity) and that are subject to an insignificant risk of change in value.

#### 2.25 Earnings Per Share (EPS)

The Company calculates earnings per share in accordance with International Accounting Standards (IAS) 33: "Earnings Per Share" which has been shown in the face of the Profit and Loss Account and the computation is stated in note 38.



		Amount in Taka	
		2020	2019
<b>3.00</b>	<b>CASH</b>		
3.1	Cash in hand		
	In local currency	112,640	121,439
	In foreign currency	-	-
		<b>112,640</b>	<b>121,439</b>
3.1(a)	Cash in hand (consolidated)		
	GSP Finance Company (Bangladesh) Limited	112,640	121,439
	GSP Investments Limited	21,571	16,998
		<b>134,211</b>	<b>138,437</b>
3.2	Balance with Bangladesh Bank and its agents Bank(s)		
	In local currency	17,551,723	36,942,568
	In foreign currency	-	-
		<b>17,551,723</b>	<b>36,942,568</b>
3.2(a)	Balance with Bangladesh Bank and its agents Bank(s) (consolidated)		
	GSP Finance Company (Bangladesh) Limited	17,551,723	36,942,568
	GSP Investments Limited	-	-
		<b>17,551,723</b>	<b>36,942,568</b>
3.3	Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)		
	Cash Reserve Requirement @ 1.5% and Statutory Liquidity Reserve @ 5% have been calculated and maintained in accordance with FID Circular # 02, 06 and 03 dated 10 November 2004 , 31 May 2001 and June 21, 2020 respectively.		
	a) Cash Reserve Requirement		
	Required Reserve	12,929,380	23,254,400
	Actual Reserve maintained (note- 3.2 )	17,551,723	36,942,568
	Surplus / (deficit)	<b>4,622,343</b>	<b>13,688,168</b>
	b) Statutory Liquidity Reserve		
	Required Reserve	146,516,880	147,440,095
	Actual Reserve maintained (note-3.1, 3.2 and 4)	385,605,883	377,655,268
	Surplus / (deficit)	<b>239,089,003</b>	<b>230,215,173</b>
<b>4</b>	<b>Balance with banks and other financial institutions</b>		
	In Bangladesh (note -4.1)	367,941,520	340,591,261
	Outside Bangladesh	-	-
		<b>367,941,520</b>	<b>340,591,261</b>
	The company does not maintain any account outside of Bangladesh		
4(a)	Balance with banks and other financial institutions (consolidated)		
	GSP Finance Company (Bangladesh) Limited	367,941,520	340,591,261
	GSP Investments Limited	5,791,746	2,258,888
		<b>373,733,266</b>	<b>342,850,149</b>
4.1	Current deposits		
	Nationalised Commercial Bank	-	-
	Private Commercial Bank	-	-
	Foreign Commercial Bank	-	-
		<b>-</b>	<b>-</b>
	Short-term deposits		
	Nationalised Commercial Bank	-	-
	Private Commercial Bank	77,198,509	54,954,503
	Foreign Commercial Bank	261,250	4,958
		<b>77,459,759</b>	<b>54,959,461</b>

		Amount in Taka	
		2020	2019
	<b>Fixed deposits (FDR)</b>		
	Nationalised Commercial Bank	-	-
	Private Commercial Bank	176,911,514	172,798,547
	Foreign Commercial Bank	-	-
	Financial Institutions	113,570,247	112,833,253
		<b>290,481,762</b>	<b>285,631,800</b>
		<b>367,941,520</b>	<b>340,591,261</b>
4.2	Maturity grouping of balance with banks and other financial institutions		
	On demand	55,191,228	48,298,635
	Up to 1 month	4,000,000	4,000,000
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 year	308,750,292	288,292,626
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		<b>367,941,520</b>	<b>340,591,261</b>
5	<b>Money at call and short notice:</b>	-	-
5 (a)	<b>Money at call and short notice (consolidated)</b>	-	-
	GSP Finance Company (Bangladesh) Limited	-	-
	GSP Investments Limited	-	-
		<b>-</b>	<b>-</b>
6	<b>Investments</b>		
	Investment classified as per nature:		
	Government (note -6.1)	-	-
	Others (note-6.2)	508,537,103	506,075,833
		<b>508,537,103</b>	<b>506,075,833</b>
6 (a)	<b>Investments (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	508,537,103	506,075,833
	GSP Investments Limited	38,529,266	38,344,536
		<b>547,066,369</b>	<b>544,420,369</b>
6.1	Government Securities:		
	Treasury bills	-	-
	National investment bonds	-	-
	Bangladesh Bank bills	-	-
	Government notes / bonds	-	-
	Prize bonds	-	-
	Others	-	-
		<b>-</b>	<b>-</b>
6.2	Other investments:		
	Investment in shares (Annexure-A)	508,537,103	506,075,833
	Debenture and bonds	-	-
	Other investment	-	-
	Gold etc.	-	-
		<b>508,537,103</b>	<b>506,075,833</b>
6.3	Maturity grouping of investments:		
	On demand	455,983,653	443,022,383
	Up to 1 month	-	-
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 year	49,984,000	60,484,000
	Over 1 year but not more than 5 years	-	-
	Over 5 years	2,569,450	2,569,450
		<b>508,537,103</b>	<b>506,075,833</b>

		Amount in Taka	
		2020	2019
6.4	Other investments:		
	Investment in quoted Shares	455,983,653	443,022,383
	Investment in unquoted Shares	52,553,450	63,053,450
		<b>508,537,103</b>	<b>506,075,833</b>
<b>7</b>	<b>Leases , Loans and advances :</b>		
7.1	a) Inside Bangladesh		
	Leases (note -7.2)	1,384,993,701	1,500,741,168
	Loans and advances	5,629,412,269	5,748,882,201
	Cash credits	-	-
	Overdrafts	-	-
		<b>7,014,405,970</b>	<b>7,249,623,369</b>
	b) outside Bangladesh	-	-
		<b>7,014,405,970</b>	<b>7,249,623,369</b>
7.1.1	<b>Lease Finance</b>		
	Principal Outstanding	1,146,935,888	1,218,848,856
	Account receivable	238,057,813	281,892,312
	Total	<b>1,384,993,701</b>	<b>1,500,741,168</b>
	<b>Principal Outstanding</b>		
	Gross lease rental receivable	1,484,743,523	1,563,192,684
	Unearned lease income	337,807,635	344,343,828
	Total	<b>1,146,935,888</b>	<b>1,218,848,856</b>
7.2	Leases	1,384,993,701	1,500,741,168
	Advances for leases (note -7.2.1)	-	-
		<b>1,384,993,701</b>	<b>1,500,741,168</b>
7.2.1	Advance for leases		
	These represent disbursements made to clients for procuring assets under lease and on execution advances are transferred to lease	-	-
		<b>-</b>	<b>-</b>
7.3	Sector wise leases, loans and advances		
	Public sector	-	-
	Co-operative sector	360,732,265	378,899,580
	Private sector	6,653,673,705	6,870,723,789
		<b>7,014,405,970</b>	<b>7,249,623,369</b>
7.4	Residual maturity grouping of leases,loans and advances		
	On demand	-	-
	Up to 1 month	433,789,694	515,448,222
	Over 1 month but not more than 3 months	907,027,563	1,089,573,590
	Over 3 months but not more than 1 year	758,711,075	807,301,359
	Over 1 year but not more than 5 years	4,914,877,638	4,837,300,198
	Over 5 years	-	-
		<b>7,014,405,970</b>	<b>7,249,623,369</b>

		Amount in Taka	
		2020	2019
7.5	Leases, loans and advances on the basis of significant concentration		
	a) Leases, loans and advances to Directors and organizations related to Directors (fully secured)	8,764,352	14,766,373
	b) Leases, loans and advances to Chief Executive Officer and other senior executives	-	-
	c) Leases, loans and advances to customers groups:	-	-
	i) Leases	1,376,229,349	1,485,974,795
	ii) Loans	5,629,412,269	5,748,882,201
		<b>7,014,405,970</b>	<b>7,249,623,369</b>
	<b>d) Leases, loans and advances on sector basis:</b>		
	i) Textiles	322,400,085	301,922,712
	ii) Garments and Accessories	583,416,087	234,403,739
	iii) Transport (including Marin Transport)	530,437,847	466,922,302
	iv) Chemicals and pharmaceuticals	439,946,456	443,688,946
	v) Iron, Steel and Engineering	180,142,417	186,299,706
	vi) Agricultural Equipments and Agro Industries	43,313,297	39,887,265
	vii) Power and Energy	117,100,209	117,100,209
	viii) Electronics and Electrical	-	-
	ix) Information technology (IT)	122,248,793	138,391,867
	x) Paper printing and Packaging	173,907,859	253,548,780
	xi) Plastic	-	-
	xii) Real Estate and Housing	-	-
	xiii) Food and Beverage	135,505,698	420,949,505
	xiv) Glass and Ceramics	-	-
	xv) Services	1,065,072,028	1,192,853,624
	xvi) Others	3,300,915,194	3,453,654,714
		<b>7,014,405,970</b>	<b>7,249,623,369</b>
7.6	Leases, loans and advances on geographical basis:		
	<b>Inside Bangladesh:</b>		
	<b>Urban :</b>		
	Dhaka Division	6,623,664,580	6,871,288,004
	Chittagong Division	390,741,390	378,335,365
	Khulna Division	-	-
	Rajshahi Division	-	-
	Barisal Division	-	-
	Sylhet Division	-	-
		<b>7,014,405,970</b>	<b>7,249,623,369</b>
	<b>Rural :</b>		
	Dhaka Division	-	-
	Chittagong Division	-	-
	Khulna Division	-	-
	Rajshahi Division	-	-
	Barisal Division	-	-
	Sylhet Division	-	-
		-	-
	<b>Outside Bangladesh:</b>	-	-
	<b>Total</b>	<b>7,014,405,970</b>	<b>7,249,623,369</b>

		Amount in Taka	
		2020	2019
7.7	Classification of Leases, loans and advances :		
	<b>Unclassified :</b>		
	Standard	5,003,660,168	5,023,537,120
	Special mention account	793,117,022	854,922,771
		<b>5,796,777,189</b>	<b>5,878,459,891</b>
	<b>Classified :</b>		
	Sub-standard	-	-
	Doubtful	-	-
	Bad/Loss	1,217,628,781	1,371,163,478
		<b>1,217,628,781</b>	<b>1,371,163,478</b>
	<b>Total</b>	<b>7,014,405,970</b>	<b>7,249,623,369</b>
7.8	Net Leases ,loans and advances :		
	Total Leases , loans and advances (note- 7.1)	7,014,405,970	7,249,623,369
	<b>Less :</b>		
	Non-performing leases, loans and advances (note-7.7)	1,217,628,781	1,371,163,478
	Interest suspenses (note-14.5)	292,688,568	225,734,391
	Provision for leases, loans and advances	558,520,747	525,394,754
		<b>2,068,838,096</b>	<b>2,122,292,623</b>
		<b>4,945,567,874</b>	<b>5,127,330,746</b>
7.9	Particulars of Leases, loans and advances:		
	a) Lease, loans and advances considered good and in respect of which the financial institution is fully secured	3,734,592,397	3,987,292,853
	b) Lease , loans and advances considered good against which the financial institution holds no security other than the debtors personal guarantee	-	-
		2,221,234,896	2,182,861,596
	c) Lease , loans and advances considered good secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors	-	-
		1,058,578,677	1,079,468,920
	d) Lease , loans and advances adversely classified : provision not maintained there	-	-
	e) Lease , loans and advances due by directors or officers of the financial institution or any of them either separately or jointly with any other person	-	-
	f) Lease , loans and advances due from companies or firms in which the directors of the financial institution have interest as directors, partners,managing agents or in case of the private companies , as members	-	-
	g) Maximum total amount of leases , loans and advances including temporary advances made in any time during the year to the directors or managing directors or officers of the financial institution or any of them either separately or jointly with any other person	-	-
	h) Maximum total amount of leases, loans and advances including temporary advances granted during the year to companies or firms in which the directors of the financial institution have interest as directors, partners, managing agents or in case of the private companies, as members	-	-
	i) Due from banks and other financial institutions	-	-
	j) Classified leases , loans and advances:		
	i) Classified leases, loans and advances on which no interest has been charged	1,217,628,781	1,371,163,478
	ii) Provision on classified leases , loans and advances	474,932,475	428,793,978
	iii) Provision kept against leases, loans and advances classified as bad debts	474,932,475	428,793,978
	iv) Interest credited to interest suspense account (note-14.5)	292,688,568	225,734,391

	Amount in Taka	
	2020	2019
k) Cumulative amount of written-off leases, loans and advances:		
Opening balance	-	-
Amount written -off during the year	-	-
Amount realized against leases,loans and advances	-	-
The amount of written-off / classified leases, loans and advances for which law suites has been filed	-	-

7.10 Suits filed by the Company :

As at 31 December 2020 , GSP Finance Company (Bangladesh) Limited filed 16 suits against 16 clients under Artha Rin Adalat Ain -2003, Total suit amount was Tk. 97,22,10,346/-

7(a) Leases ,Loans and advances (consolidated)

GSP Finance Company (Bangladesh) Limited	7,014,405,970	7,249,623,369
GSP Investments Limited	2,915,705,953	2,488,865,102
	9,930,111,923	9,738,488,471
Less: Inter company transaction (Loan to GSPI)	2,206,076,458	1,884,773,562
	<b>7,724,035,465</b>	<b>7,853,714,909</b>

8 Bills purchased and discounted

Payable in Bangladesh	-	-
Payable outside Bangladesh	-	-
	-	-

8(a) Bills purchased and discounted (consolidated)

GSP Finance Company (Bangladesh) Limited	-	-
GSP Investments Limited	-	-
	-	-

9 Fixed assets including premises, furniture and fixtures:

**Cost:**

Opening Balance	1,043,687,797	1,040,521,501
Addition during the year	142,249	10,652,142
Revaluation surplus during the year	-	-
	1,043,830,046	1,051,173,643
Adjustment during the year	-	7,485,846
Closing Balance (A)	1,043,830,046	1,043,687,797

Less : Accumulated Depreciation :

Opening Balance	75,711,783	79,969,430
Charged during the year:	4,094,605	3,228,198
	79,806,388	83,197,628
Adjustment during the year	-	7,485,845
Closing Balance (B)	79,806,388	75,711,783
<b>Written Down Value (A-B) (Annexure -C )</b>	<b>964,023,658</b>	<b>967,976,014</b>

		Amount in Taka	
		2020	2019
9(a)	<b>Fixed assets including premises, furniture and fixtures (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	964,023,658	967,976,014
	GSP Investments Limited	3,832,287	4,704,643
	Written Down Value (Annexure -B )	<b>967,855,945</b>	<b>972,680,657</b>
10	<b>Other assets</b>		
	Corporate Tax paid in advance and Tax at source	90,564,347	86,207,287
	Advance, Deposits and Prepayments	28,450	28,450
	Sundry Debtors	2,362,348	17,989,312
	Investment in Subsidiary : GSP Investments Limited	249,999,960	249,999,960
		<b>342,955,105</b>	<b>354,225,009</b>
10(a)	<b>Other assets (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	342,955,105	354,225,009
	GSP Investments Limited	1,451,840	1,529,866
		<b>344,406,945</b>	<b>355,754,875</b>
	Less: Inter company transaction	251,062,467	249,999,960
		<b>93,344,478</b>	<b>105,754,915</b>
11	<b>Non-business assets</b>	-	-
	As at 31 December 2020, GSP Finance Company (Bangladesh) Limited does not have any non-business assets.		
12	<b>Borrowings from banks ,other financial institutions and agents:</b>		
	In Bangladesh (note-12.1)	1,839,288,500	1,844,314,930
	Outside Bangladesh (note-12.2)	-	-
		<b>1,839,288,500</b>	<b>1,844,314,930</b>
12.1	<b>In Bangladesh</b>		
	<b>Call borrowing</b>		
	Nationalised Commercial Bank	75,000,000	83,800,000
	Private Commercial Bank	110,500,000	92,000,000
		<b>185,500,000</b>	<b>175,800,000</b>
	<b>Term loan</b>		
	Nationalised Commercial Bank	-	-
	Private Commercial Bank	1,070,969,567	1,059,395,325
	Foreign Commercial Bank	246,756,207	271,022,337
	Bangladesh Bank (Refinance)	336,062,726	338,097,268
		<b>1,653,788,500</b>	<b>1,668,514,930</b>
		<b>1,839,288,500</b>	<b>1,844,314,930</b>
12.2	<b>Outside Bangladesh</b>	-	-
	As at December 31, 2020 the Company does not have any borrowing from outside of Bangladesh.		
12.3	<b>Analysis by Security against borrowing from banks, other financial institutions and agents.</b>		
	Secured	1,317,725,774	1,330,417,662
	Unsecured	521,562,726	513,897,268
		<b>1,839,288,500</b>	<b>1,844,314,930</b>
	Borrowing from banks, other financial institutions and agents are secured by floating charges with R.J.S.C on all moveable and immovable assets of the Company ranking Pari-Passu security sharing agreement among the lenders.		

		Amount in Taka	
		2020	2019
12.4	Maturity grouping of borrowings from banks, other financial institutions and agents.		
	Repayable on demand	185,500,000	175,800,000
	Up to 1 month	81,664,409	85,328,763
	Over 1 month but not more than 3 months	107,046,591	110,526,735
	Over 3 months but not more than 1 year	430,589,484	134,340,000
	Over 1 year but not more than 5 years	1,034,488,017	1,338,319,432
	Over 5 years	-	-
		<b>1,839,288,500</b>	<b>1,844,314,930</b>
12(a)	<b>Borrowings from banks, other financial institutions and agents (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	1,839,288,500	1,844,314,930
	GSP Investments Limited	2,206,076,458	1,884,773,562
		<b>4,045,364,958</b>	<b>3,729,088,492</b>
	Less: Inter company transaction (Loan to GSP)	<b>2,206,076,458</b>	<b>1,884,773,562</b>
		<b>1,839,288,500</b>	<b>1,844,314,930</b>
13	<b>Deposits and other accounts:</b>		
	Current deposits (note-13.1)	-	-
	Bills payable (note-13.2)	-	-
	Savings deposits (note-13.3)	-	-
	Term deposits (note-13.4)	2,269,458,671	2,809,991,267
	Bearer certificate of deposit (note-13.5)	-	-
	Other deposits (note-13.6)	-	-
		<b>2,269,458,671</b>	<b>2,809,991,267</b>
13.1	Current deposits	-	-
	To confirm the Bangladesh Bank's guidelines regarding deposits, the Company does not operate any current deposit account.		
13.2	Bills payable	-	-
	As at 31 December 2020 the company does not have any bills payable		
13.3	Savings deposits	-	-
	To conform with the Bangladesh Bank's guidelines regarding deposits, the company does not operate any savings deposit account.		
13.4	Term deposits		
	Deposits from banks and other financial institutions	1,407,500,000	1,907,500,000
	Deposits from other than banks and financial institutions	861,958,671	902,491,267
		<b>2,269,458,671</b>	<b>2,809,991,267</b>
13.4.1	Deposits from banks and other financial institutions		
	Nationalised Commercial Bank	800,000,000	800,000,000
	Private Commercial Bank	557,500,000	1,057,500,000
	Financial Institutions	50,000,000	50,000,000
		<b>1,407,500,000</b>	<b>1,907,500,000</b>
13.4.2	Deposits from other than banks and financial institutions		
	Deposits from general public	564,581,782	606,564,381
	Deposits from companies	297,376,889	295,926,886
		<b>861,958,671</b>	<b>902,491,267</b>
13.5	Bearer certificate of deposit	-	-
	To conform with the Bangladesh Bank's guidelines regarding deposits, the company does not have any bearer certificate of deposit.		



		Amount in Taka	
		2020	2019
13.6	Other deposits As at 31 December 2020, the company does not have any other deposit account.		
13.7	Maturity grouping of deposits and other accounts:		
	Repayable on demand	-	-
	Up to 1 month	398,289,997	502,671,749
	Over 1 month but not more than 6 months	642,937,641	865,160,622
	Over 6 months but not more than 1 year	616,146,811	611,681,565
	Over 1 year but not more than 5 years	490,883,911	670,834,138
	Over 5 years but not more than 10 years	121,200,311	159,643,193
	Over 10 years	-	-
		<b>2,269,458,671</b>	<b>2,809,991,267</b>
<b>13(a)</b>	<b>Deposits and other accounts (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	2,269,458,671	2,809,991,267
	GSP Investments Limited	-	-
		<b>2,269,458,671</b>	<b>2,809,991,267</b>
14	Other liabilities		
	Expenditure and other payable (note-14.1)	7,900,000	23,390,806
	Provision for leases, loans and advances (note-14.2)	558,520,747	525,394,754
	Provision for investment in share (note-14.3)	40,289,658	146,075,245
	Provision for income tax (note-14.4)	1,151,886,753	1,026,464,433
	Interest suspense account (note-14.5)	292,688,568	225,734,391
	Advance rental / installment against leases, loans and advances	13,093,195	15,917,023
	Provision for gratuity	4,000,000	3,000,000
	Unclaimed Dividend	4,583,366	4,575,526
		<b>2,072,962,286</b>	<b>1,970,552,178</b>
14.1	Expenditure and other payable		
	Sundry Creditors	34,500	34,500
	Accrued interest on deposits	7,000,000	22,490,806
	Audit Fee	195,500	195,500
	Security Deposit (Tenancy -BCDL)	500,000	500,000
	Security Deposit (Tenancy- GH)	170,000	170,000
		<b>7,900,000</b>	<b>23,390,806</b>
14.2	Provision for leases, loans and advances This represents the amount calculated as per circular issued by the Bangladesh Bank in this regard to cover all the required provision of the company as at 31 December 2020. Total provision is made up as follows:		
	<b>Movements in provision on classified leases, loans and advances (A)</b>		
	Balance on 01 January	428,793,978	297,761,027
	Provision made during the year	46,138,497	131,032,952
	Balance at 31 December	<b>474,932,475</b>	<b>428,793,978</b>
	<b>Movements in provision on unclassified leases, loans and advances (B)</b>		
	Balance at 01 January	96,600,776	80,597,749
	Provision made during the year	(13,012,504)	16,003,027
	Balance at 31 December	83,588,272	96,600,776
	<b>Total (A + B)</b>	<b>558,520,747</b>	<b>525,394,754</b>
14.3	Provision for investment in shares		
	Balance at 01 January	146,075,245	42,532,263
	Provision made / (adjustment) during the year	(105,785,587)	103,542,982
	Balance at 31 December (Annexure -A for detail)	<b>40,289,658</b>	<b>146,075,245</b>

		Amount in Taka	
		2020	2019
14.4	Provision for income tax:		
	Balance at 01 January	1,026,464,433	917,716,048
	Provision made during the year	125,422,319	108,748,385
		1,151,886,753	1,026,464,433
	Adjustment for the year	-	-
	Balance at 31 December	1,151,886,753	1,026,464,433
	This is arrived as at under:		

Year	Opening balance	Current tax provision	Adjusted as per assessment/reversal	Closing balance
Year ended 2001	-	32,578,393	28,338,015	4,240,378
Year ended 2002	4,240,378	42,882,847	10,506,502	36,616,723
Year ended 2003	36,616,723	-	793,103	35,823,620
Year ended 2004	35,823,620	-	-	35,823,620
Year ended 2005	35,823,620	-	-	35,823,620
Year ended 2006	35,823,620	23,049,759	30,526,868	28,346,511
Year ended 2007	28,346,511	13,860,932	5,906,787	36,300,656
Year ended 2008	36,300,656	12,810,773	-	49,111,429
Year ended 2009	49,111,429	19,936,977	2,490,200	66,558,206
Year ended 2010	66,558,206	55,954,412	2,010,128	120,502,490
Year ended 2011	120,502,490	30,011,498	-	150,513,988
Year ended 2012	150,513,988	73,814,410	21,356,557	202,971,841
Year ended 2013	202,971,841	65,873,374	8,197,378	260,647,837
Year ended 2014	260,647,837	80,428,947	4,599,991	336,476,792
Year ended 2015	336,476,792	126,724,116	10,485,823	452,715,085
Year ended 2016	452,715,085	194,058,596	30,193,616	616,580,065
Year ended 2017	616,580,065	206,241,562	-	822,821,627
Year ended 2018	822,821,627	177,571,617	82,677,196	917,716,048
Year ended 2019	917,716,048	108,748,385	-	1,026,464,433
Year ended 2020	1,026,464,433	125,422,319	-	1,151,886,753

The company's tax assessment has been completed upto Assessment Year 2019-2020. Sufficient provision for taxation has been made for the year.

#### 14.5 Interest suspense account

This represents interest on lease and loans income not recognized as income according to Bangladesh Bank's FID circular # 03 of 2006. Details are as follows:

Balance at 01 January	225,734,391	91,097,514
	75,129,833	147,262,598
Less: Amount recovered from interest suspense account during the year	(8,175,656)	(12,625,721)
Balance at 31 December	292,688,568	225,734,391

#### 14.5.1 Details of interest suspense account

Interest suspense for unclassified leases, loans and advances (A)

Standard	70,600,536	68,785,819
Special mention account	90,606,489	59,355,530
	161,207,025	128,141,349

Interest suspense for classified leases, loans and advances (B)

Sub - standard	-	-
Doubtful	-	-
Bad/Loss	131,481,543	97,593,042
	131,481,543	97,593,042

<b>Total (A + B)</b>	<b>292,688,568</b>	<b>225,734,391</b>
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#### 14(a) Other liabilities (consolidated)

GSP Finance Company (Bangladesh) Limited	2,072,962,286	1,970,552,178
GSP Investments Limited	415,628,638	324,827,544
	2,488,590,924	2,295,379,722
Less: Inter company transaction	1,062,510	-
	2,487,528,414	2,295,379,722

		Amount in Taka	
		2020	2019
<b>15</b>	<b>Share Capital:</b>		
15.1	Authorized capital 200,000,000 Ordinary shares of Tk. 10 each	2,000,000,000	2,000,000,000
15.2	Issued, Subscribed & Paid up Capital : 142,789,623 Ordinary shares of Tk.10 each	1,427,896,230	1,292,213,780
		% of share holding 2020	
	Domestic Shareholding Position	85.99%	1,075,674,560
	Foreign Shareholding Position	14.01%	216,539,220
		<b>100.00%</b>	<b>1,427,896,230</b>

- 15.3 Raising of share capital  
GSP Finance Company (Bangladesh) Limited raised its share capital as follows:

Year	Type of issue of paid up capital	No. of shares	Value of shares	Cumulative paid up capital
1995	Opening capital	22,505	2,250,500	2,250,500
1995	Allotment	25,000	2,500,000	4,750,500
1996	Allotment	1,429,177	142,917,700	147,668,200
1997	Allotment	23,318	2,331,800	150,000,000
2000	Allotment	100,000	10,000,000	160,000,000
2001	Allotment	100,000	10,000,000	170,000,000
2005	Bonus	170,000	17,000,000	187,000,000
2007	Bonus	187,000	18,700,000	205,700,000
2008	Bonus	102,850	10,285,000	215,985,000
2010	Bonus	6,047,580	60,475,800	276,460,800
2012	Allotment (IPO)	20,000,000	200,000,000	476,460,800
2012	Bonus	4,764,608	47,646,080	524,106,880
2013	Bonus	7,861,603	78,616,030	602,722,910
2014	Bonus	7,232,675	72,326,740	675,049,650
2015	Bonus	37,127,730	371,277,300	1,046,326,950
2017	Bonus	24,588,683	245,886,830	1,292,213,780
2019	Bonus	13,568,245	135,682,450	1,427,896,230

- 15.4 Holding of shares as on 31 December 2020 classified by number of shares as follows:

Range of share Quantity	Number of Shares	Number of Holders	Holding Position in %	Amount Tk.
Less than 500 shares	381,270	2344	0.27%	3,812,700
501 to 5000 shares	7,552,249	4100	5.29%	75,522,490
5001 to 10000 shares	4,862,986	652	3.41%	48,629,860
10001 to 20000 shares	7,103,572	489	4.97%	71,035,720
20001 to 30000 shares	5,341,096	216	3.74%	53,410,960
30001 to 40000 shares	3,289,588	92	2.30%	32,895,880
40001 to 50000 shares	3,232,181	69	2.26%	32,321,810
50001 to 100000 shares	9,625,250	132	6.74%	96,252,500
100001 to 1000000 shares	27,295,947	108	19.12%	272,959,470
Above 1000000 shares	74,105,484	13	51.90%	741,054,840
<b>Total</b>	<b>142,789,623</b>	<b>8215</b>	<b>100%</b>	<b>1,427,896,230</b>

		Amount in Taka	
		2020	2019
15.5	Capital adequacy requirement As per Clause 4(Gha) of The Financial Institutions Regulations 1994 and Bangladesh Bank's circulars in this regard, status of the company's capital adequacy is as under:		
	A. Eligible Capital :		
	1. Tier-1 Capital	2,117,128,638	1,914,007,494
	2. Tier-2 Capital	580,236,774	584,821,326
	3. Total Eligible Capital (1+2)	2,697,365,412	2,498,828,820
	B. Total Risk Weighted Assets (RWA)	12,045,729,232	12,288,219,733
	C. Capital Adequacy Ratio (CAR) (A3/B)*100	22.39	20.34
	D. Core Capital to RWA (A1/B)*100	17.58	15.58
	E. Supplementary Capital to RWA (A2/B)*100	4.82	4.76
	F. Minimum Capital Requirement Based on Risk Weighted Assets (10% of B)	1,204,572,923	1,228,821,973
	Surplus/(Deficit) (A3-F)	1,492,792,488	1,270,006,847
	Surplus/(Deficit) (as per DFIM Circular No.-5 dated 24 July 2011 and Circular No.-9 dated 04 November 2009)	427,896,230	292,213,780
	Tier-1 (Core Capital):		
	Paid up Capital	1,427,896,230	1,292,213,780
	Statutory Reserve	515,405,831	474,781,602
	Share Premium	-	-
	Non-Controlling interest	-	-
	Retained Earnings	173,826,577	147,012,112
		2,117,128,638	1,914,007,494
	Tier-2 (Supplementary Capital):		
	General Provision (Unclassified loans upto specified limit+S Balance Sheet Exposure)	121,891,962	126,476,514
	Assets Revaluation Reserve upto 50%	458,344,812	458,344,812
		580,236,774	584,821,326
	Risk Weighted Assets (RWA)		
	A. Credit Risk		
	On-Balance Sheet	9,751,356,941	10,118,121,083
	Off-Balance Sheet	-	-
	B. Market Risk	831,493,100	593,893,100
	C. Operational Risk	1,462,879,191	1,576,205,550
		12,045,729,232	12,288,219,733
15.5.1	Capital adequacy requirement (Consolidated) As per Clause 4(Gha) of The Financial Institutions Regulations 1994 and Bangladesh Bank's circulars in this regard, status of the company's capital adequacy is as under:		
	A. Eligible Capital :		
	1. Tier-1 Capital	2,210,756,248	1,990,126,461
	2. Tier-2 Capital	588,274,035	592,375,443
	3. Total Eligible Capital (1+2)	2,799,030,282	2,582,501,904
	B. Total Risk Weighted Assets (RWA)	12,762,236,466	12,974,749,096
	C. Capital Adequacy Ratio (CAR) (A3/B)*100	21.93	19.90
	D. Core Capital to RWA (A1/B)*100	17.32	15.34
	E. Supplementary Capital to RWA (A2/B)*100	4.61	4.57
	F. Minimum Capital Requirement Based on Risk Weighted Assets (10% of B)	1,276,223,647	1,297,474,910
	Surplus/(Deficit) (A3-F)	1,522,806,636	1,285,026,994
	Surplus/(Deficit) (as per DFIM Circular No.-5 dated 24 July 2011 and Circular No.-9 dated 04 November 2009)	427,896,230	292,213,780
	Tier-1 (Core Capital)		
	Paid up Capital	1,427,896,230	1,292,213,780
	Statutory Reserve	515,405,831	474,781,602
	Share Premium	-	-
	Non-Controlling interest	52	49
	Retained Earnings	267,454,135	223,131,030
		2,210,756,248	1,990,126,461

		Amount in Taka	
		2020	2019
	<b>Tier-2 (Supplementary Capital)</b>		
	General Provision (Unclassified loans upto specified limit+SMA+off Balance Sheet Exposure)	129,929,223	134,030,631
	Assets Revaluation Reserve upto 50%	458,344,812	458,344,812
		<u>588,274,035</u>	<u>592,375,443</u>
	<b>Risk Weighted Assets (RWA)</b>		
	A. Credit Risk		
	On-Balance Sheet	10,394,337,816	10,722,450,446
	Off-Balance Sheet	-	-
	B. Market Risk	759,693,100	501,093,100
	C. Operational Risk	1,608,205,550	1,751,205,550
		<u>12,762,236,466</u>	<u>12,974,749,096</u>
<b>16</b>	<b>Statutory reserve</b>		
	Balance at 01 January	474,781,602	439,187,458
	Add: Transferred during the year	40,624,229	35,594,144
	Balance at 31 December	<u>515,405,831</u>	<u>474,781,602</u>
<b>17</b>	<b>Other Reserve:</b>		
	Capital Reserve/ Revaluation Reserve :		
	Balance at 01 January	916,689,624	916,689,624
	Add: Addition during the year	-	-
	Balance at 31 December	<u>916,689,624</u>	<u>916,689,624</u>
<b>18</b>	<b>Retained earnings</b>		
	Balance at 01 January	147,012,112	237,234,017
	Less: Dividend paid for the year 2019	(135,682,450)	(232,598,480)
	Add: Net profit for the year 2020	203,121,144	177,970,719
		214,450,806	182,606,256
	Less: Transfer to statutory reserve	(40,624,229)	(35,594,144)
	<b>Balance at 31 December</b>	<u>173,826,577</u>	<u>147,012,112</u>
	<b>Apportionment:</b>		
	Retained earnings balance	173,826,577	147,012,112
	Note: Retained earnings balance includes WPPF @ 5% for 2020 Tk. 8,124,846/- for 2019 Tk. 7,350,606/-	<u>173,826,577</u>	<u>147,012,112</u>
	<b>Total</b>	<u>15,475,452/-</u>	
<b>18(a)</b>	<b>Retained earnings (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	173,826,577	147,012,112
	GSP Investments Limited (Note 18aa)	93,627,558	76,118,918
		<u>267,454,135</u>	<u>223,131,030</u>
<b>18(aa)</b>	<b>Retained earnings of subsidiary</b>		
	Balance at 01 January	76,118,918	65,957,178
	Add: Net profit for the year	17,508,640	10,161,740
		<u>93,627,558</u>	<u>76,118,918</u>
<b>18.1</b>	<b>Contingent liabilities</b>		
	Acceptances and endorsements	-	-
	Letter of guarantee (18.1.1)	-	-
	Irrevocable letter of credit	-	-
	Bills for collection	-	-
	Other contingent liabilities	-	-
		<u>-</u>	<u>-</u>
<b>18.1.1</b>	<b>Letter of guarantee</b>		
	Claims lodged with the company which is not recognized as loan	-	-
	Money for which the company is contingently liable in respect of the following:	-	-
	Directors	-	-
	Government	-	-
	Banks and other financial institutions	-	-
	others	-	-
		<u>-</u>	<u>-</u>

		Amount in Taka	
		2020	2019
18.2	<b>Other commitments</b>		
	Documentary credits and short term trade and related transactions	-	-
	Forward assets purchased and forward deposits placed	-	-
	Undrawn note issuance and revolving underwriting facilities	-	-
	Undrawn formal standby facilities, credit lines and other commitments	-	-
	Others	-	-
	As at 31 December 2020, the Company does not have any liabilities , which was not shown in the accounts.		
19	<b>Income statement</b>		
	<b>Income :</b>		
	Interest, discount and similar income (note-19.1)	777,721,158	943,793,843
	Dividend income	-	-
	Commission, exchange and brokerage (note-23)	-	-
	Gains less losses arising from dealing in securities	-	-
	Gains less losses arising from dealing in foreign currencies	-	-
	Other operating income (note-24)	34,126,124	127,972,907
	Profit less losses on interest rate changes	-	-
		<b>811,847,282</b>	<b>1,071,766,750</b>
	<b>Expenses:</b>		
	Interest expenses on deposits,borrowings,etc. (note-21)	496,277,580	461,775,809
	Charges on losses regarding leases, loans and advances	-	-
	Administrative expenses (note-19.2)	47,706,923	59,750,322
	Other operating expenses (note-34)	7,866,506	9,714,357
	Depreciation and repair of company's fixed assets (note-33)	4,112,405	3,228,198
		<b>555,963,413</b>	<b>534,468,686</b>
	<b>Surplus of income over expenditure</b>	<b>255,883,870</b>	<b>537,298,065</b>
19(a)	<b>Income statement (Consolidated)</b>		
	<b>Income :</b>		
	Interest, discount and similar income	884,941,224	1,027,935,674
	Dividend income	-	-
	Commission, exchange and brokerage	5,070,434	6,590,832
	Gains less losses arising from dealing in securities	-	-
	Gains less losses arising from dealing in foreign currencies	-	-
	Other operating income	34,190,831	128,045,457
	Profit less losses on interest rate changes	-	-
		<b>924,202,489</b>	<b>1,162,571,963</b>
	<b>Expenses:</b>		
	Interest expenses on deposits,borrowings,etc.	496,277,580	461,775,809
	Charges on losses regarding leases, loans and advances	-	-
	Administrative expenses	52,464,036	66,998,539
	Other operating expenses	8,605,271	10,917,382
	Depreciation and repair of company's fixed assets	5,034,211	4,369,237
		<b>562,381,097</b>	<b>544,060,967</b>
	<b>Surplus of income over expenditure</b>	<b>361,821,392</b>	<b>618,510,996</b>
19.1	<b>Interest, discount and similar income</b>		
	Interest income on leases,loans and advances (note-20)	764,100,004	902,367,717
	Investment income (note-22)	13,621,154	41,426,126
		<b>777,721,158</b>	<b>943,793,843</b>
19.2	<b>Administrative expenses</b>		
	Salary and allowances (note-25)	40,886,688	48,914,351
	Rent, taxes, insurance, electricity, etc. (note-26)	1,432,149	1,355,719
	Legal expenses (note-27)	220,000	140,000
	Postage,stamp,telecommunication etc. (note-28)	433,172	435,514
	Stationery,printing,advertisement etc. (note-29)	1,409,079	1,589,238
	Managing Director's salary and allowances (note-30)	2,738,335	6,600,000
	Directors' fees (note-31)	392,000	520,000
	Audit fees (note-32)	195,500	195,500
		<b>47,706,923</b>	<b>59,750,322</b>

		Amount in Taka	
		2020	2019
<b>20</b>	<b>Interest income on leases, loans and advances:</b>		
	Lease income	109,361,283	130,079,822
	Interest on loans and advances	319,139,532	478,438,223
	Interest on loan to GSP investments Ltd	334,593,063	292,999,616
	Interest during grace period	-	-
	Total interest income on leases, loans and advances	763,093,878	901,517,661
	Interest on balance with banks and other financial institutions	1,006,126	850,056
		<b>764,100,004</b>	<b>902,367,717</b>
<b>20(a)</b>	<b>Interest income on leases, loans and advances (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	764,100,004	902,367,717
	GSP Investments Limited	441,238,081	373,998,885
		1,205,338,085	1,276,366,602
	Less: Inter company transaction	334,593,063	292,999,616
		<b>870,745,022</b>	<b>983,366,986</b>
<b>21</b>	<b>Interest expenses on deposits, borrowings, etc. :</b>		
	a) Interest expenses on borrowings :		
	Interest on term loans	170,024,293	165,382,943
	Interest on call loans	6,510,454	7,000,177
	Interest on Bank over draft	13,596,664	25,016,357
	Bank charges	622,916	748,286
		190,754,328	198,147,763
	b) Interest expenses on deposits :		
	Total	305,523,252	263,628,046
		<b>496,277,580</b>	<b>461,775,809</b>
<b>21(a)</b>	<b>Interest expenses on deposits, borrowings, etc. (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	496,277,580	461,775,809
	GSP Investments Limited	334,593,063	292,999,616
		830,870,643	754,775,425
	Less: Inter company transaction	334,593,063	292,999,616
		<b>496,277,580</b>	<b>461,775,809</b>
<b>22</b>	<b>Investment income:</b>		
	Dividend on Share	13,344,580	19,236,754
	Profit on Share Trading	276,574	22,189,372
		<b>13,621,154</b>	<b>41,426,126</b>
<b>22(a)</b>	<b>Investment income (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	13,621,154	41,426,126
	GSP Investments Limited	575,048	3,142,562
		<b>14,196,202</b>	<b>44,568,688</b>
<b>23</b>	<b>Commission , exchange and brokerage</b>		
	Commission , exchange and brokerage	-	-
		<b>-</b>	<b>-</b>
<b>23(a)</b>	<b>Commission , exchange and brokerage (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	-	-
	GSP Investments Limited	5,070,434	6,590,832
		<b>5,070,434</b>	<b>6,590,832</b>
<b>24</b>	<b>Other operating income:</b>		
	Income from FDR	14,584,579	18,320,047
	Documentation charge	137,510	29,230
	Delinquent interest	16,654,375	104,768,036
	Service charge	560,000	379,150
	Transfer price on lease finance	215,198	461,150
	Processing fees	50,000	162,240
	Income from house property	1,717,000	1,692,000
	Profit on sale of fixed assets	-	1,599,998
	Miscellaneous earnings	207,462	561,056
		<b>34,126,124</b>	<b>127,972,907</b>

		Amount in Taka	
		2020	2019
<b>24(a)</b>	<b>Other operating income (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	34,126,124	127,972,907
	GSP Investments Limited	64,707	72,550
		<b>34,190,831</b>	<b>128,045,457</b>
<b>25</b>	<b>Salary and allowances:</b>		
	Basic pay and allowances	35,113,425	42,635,721
	Bonus (note-25.1)	2,715,019	3,214,563
	Company's contribution to provident fund	1,558,244	1,564,067
	Retirement benefit and gratuity	1,500,000	1,500,000
		<b>40,886,688</b>	<b>48,914,351</b>
<b>25.1</b>	<b>Bonus</b>		
	Festival	2,715,019	3,214,563
	Performance	-	-
		<b>2,715,019</b>	<b>3,214,563</b>
<b>25(a)</b>	<b>Salary and allowances(consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	40,886,688	48,914,351
	GSP Investments Limited	2,777,434	4,695,007
		<b>43,664,122</b>	<b>53,609,358</b>
<b>26</b>	<b>Rent, taxes, insurance, electricity, etc.:</b>		
	Rent, rate and taxes	77,235	77,184
	Insurance	244,900	139,768
	Power and electricity	1,110,014	1,138,767
		<b>1,432,149</b>	<b>1,355,719</b>
<b>26(a)</b>	<b>Rent, taxes, insurance, electricity, etc.(consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	1,432,149	1,355,719
	GSP Investments Limited	-	-
		<b>1,432,149</b>	<b>1,355,719</b>
<b>27</b>	<b>Legal expenses :</b>		
	Legal expenses	220,000	140,000
		<b>220,000</b>	<b>140,000</b>
<b>27(a)</b>	<b>Legal expenses (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	220,000	140,000
	GSP Investments Limited	-	-
		<b>220,000</b>	<b>140,000</b>
<b>28</b>	<b>Postage,stamp,telecommunication etc.:</b>		
	Postage and courier	5,454	11,834
	Telephone, fax, internet and mobile	403,019	367,830
	Stamp and court fee	24,699	55,850
		<b>433,172</b>	<b>435,514</b>
<b>28(a)</b>	<b>Postage,stamp,telecommunication etc.(consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	433,172	435,514
	GSP Investments Limited	4,765	5,920
		<b>437,937</b>	<b>441,434</b>
<b>29</b>	<b>Stationery, printing, advertisement, etc.:</b>		
	Printing and stationery	320,204	492,643
	Advertisement and publicity	1,088,875	1,096,595
		<b>1,409,079</b>	<b>1,589,238</b>



		Amount in Taka	
		2020	2019
29(a)	<b>Stationery, printing, advertisement, etc.(consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	1,409,079	1,589,238
	GSP Investments Limited	13,215	28,548
		<b>1,422,294</b>	<b>1,617,786</b>
30	<b>Managing Director's salary and allowances :</b>		
	Remuneration	2,538,335	6,200,000
	Other benefits	200,000	400,000
		<b>2,738,335</b>	<b>6,600,000</b>
30(a)	<b>Managing Director's salary and allowances (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	2,738,335	6,600,000
	GSP Investments Limited	1,746,700	2,247,742
		<b>4,485,035</b>	<b>8,847,742</b>
31	<b>Directors' fees :</b>		
	Directors fees	392,000	520,000
	Other benefits	392,000	520,000
		-	-
		<b>392,000</b>	<b>520,000</b>
31(a)	<b>Directors' fees (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	392,000	520,000
	GSP Investments Limited	192,000	248,000
		<b>584,000</b>	<b>768,000</b>
32	<b>Audit fees:</b>	195,500	195,500
		<b>195,500</b>	<b>195,500</b>
32(a)	<b>Audit fees (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	195,500	195,500
	GSP Investments Limited	23,000	23,000
		<b>218,500</b>	<b>218,500</b>
33	<b>Depreciation and repairs of company's assets:</b>		
	Depreciation on company's fixed assets (Annexure-C)	4,094,605	3,228,198
	Repairs of companies fixed assets	17,800	-
		<b>4,112,405</b>	<b>3,228,198</b>
33(a)	<b>Depreciation and repairs of company's assets (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	4,112,405	3,228,198
	GSP Investments Limited	921,806	1,141,039
		<b>5,034,211</b>	<b>4,369,237</b>
34	<b>Other operating expenses:</b>		
	Office maintenance	1,833,659	2,318,236
	Travelling and conveyances	372,893	523,790
	Motor vehicle running expenses	334,509	958,325
	Fees and subscriptions	2,259,970	2,922,577
	Staff welfare expenses	169,728	206,321
	Newspaper,books and periodicals	5,317	32,658
	Staff training and education	-	68,000
	Entertainment expenses	495,021	510,020
	Business promotion	847,197	806,000
	Commission on TDR	388,500	211,817
	Annual General Meeting Expenses (34.1)	609,711	1,126,613
	CSR Expenses (34.2)	550,000	30,000
		<b>7,866,506</b>	<b>9,714,357</b>

		Amount in Taka	
		2020	2019
<b>34.1</b>	<b>Annual General Meeting Expenses</b>		
	Rent for venue and Decoration	-	435,600
	Printing of Annual Reports and data base	489,345	559,923
	Publication of Notice	99,366	33,600
	Others	21,000	97,490
		<b>609,711</b>	<b>1,126,613</b>
<b>34.2</b>	<b>CSR Expenses</b>		
	Dhaka Metropolitan Police	-	30,000
	COVID-19 fund BLFCA	500,000	-
	COVID-19 fund (Cholo Corona joy kori)	50,000	-
		<b>550,000</b>	<b>30,000</b>
<b>34(a)</b>	<b>Other operating expenses(consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	7,866,506	9,714,357
	GSP Investments Limited	738,765	1,203,025
		<b>8,605,271</b>	<b>10,917,382</b>
<b>35</b>	<b>Provision for leases, loans and advances &amp; investments:</b>		
	Provision for classified leases, loans and advances	46,138,497	131,032,952
	Provision for unclassified leases, loans and advances	(13,012,504)	16,003,027
	Provision for Investment in Share	(105,785,587)	103,542,982
		<b>(72,659,594)</b>	<b>250,578,960</b>
<b>35(a)</b>	<b>Provision for leases, loans and advances &amp; investments (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	(72,659,594)	250,578,960
	GSP Investments Limited	77,923,694	64,954,145
		<b>5,264,100</b>	<b>315,533,105</b>
<b>36</b>	<b>Provision for income tax:</b>		
	Current tax (36.1)	123,203,798	107,519,664
	Deferred tax (36.2)	2,218,521	1,228,721
		<b>125,422,319</b>	<b>108,748,385</b>

36.1 Provisions for current tax has been made on the basis of the profit for the year in accordance with the provisions of Income Tax Ordinance, 1984 and amendments made thereto. The current tax rate for the Company is 37.50% on taxable income.

**36.2 Deferred tax asset/(liabilities)**

Deferred tax has been calculated based on deductible/(taxable) difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of International Accounting Standard (IAS) 12 "Income Taxes".

Deferred tax asset/(liabilities) is arrived at as follows:

	Carrying amount at balance sheet	Tax base	(Taxable)/deductible temporary difference
	Taka	Taka	Taka
Assets:			
Fixed assets net off depreciation	964,023,658	921,939,394	(42,084,264)
Liabilities:			
Employee gratuity	4,000,000	-	4,000,000
Total	<b>968,023,658</b>	<b>921,939,394</b>	<b>(38,084,264)</b>
Applicable tax rate			37.50%
Deferred tax asset/(liabilities) as on December 31, 2020			(14,281,599)
Deferred tax asset/(liabilities) as on December 31, 2019			(12,063,078)
Deferred tax income/(expenses) accounted for during the year			(2,218,521)

		Amount in Taka	
		2020	2019
36(a)	<b>Provision for income tax (consolidated)</b>		
	GSP Finance Company (Bangladesh) Limited	125,422,319	108,748,385
	GSP Investments Limited	10,505,185	6,097,045
		<b>135,927,504</b>	<b>114,845,430</b>
37	<b>Dividend :</b> 5.50% Cash Dividend and 5.50 % Stock Dividend for the year 2020 has been proposed by the Board of Directors in its 230th meeting held on August 14, 2021.		
38	<b>Earning per share :</b> Earning per share (EPS) is calculated in accordance with International Accounting Standard No. 33. Earning per share has been calculated as follows:		
	Net profit after tax	203,121,144	177,970,719
	Number of ordinary shares outstanding	142,789,623	142,789,623
	<b>Earning per share (2019 restated)</b>	<b>1.42</b>	<b>1.25</b>
	<b>Reason for changes in Earning per share:</b> The financial performance of the company has increased compared to previous year due to decline of operating expenses and decreased of provision for investment in share as against provision kept in previous year.		
38(a)	<b>Earning per share (Consolidated) :</b>		
	Net profit after tax	220,629,787	188,132,461
	Number of ordinary shares outstanding	142,789,623	142,789,623
	<b>Earning per share (2019 restated)</b>	<b>1.55</b>	<b>1.32</b>
	No diluted EPS is required to be calculated for the year since there was no scope of dilution of share during the year under review.		
	<b>Reason for changes in Earning per share:</b> The financial performance of the group has increased compared to previous year due to decline of operating expenses and decreased of provision for investment in share as against provision kept in previous year.		
39	<b>Net Asset Value per share (NAV):</b>		
	Total Shareholders' equity	3,033,818,262	2,830,697,118
	Number of shares outstanding	142,789,623	142,789,623
	<b>NAV per share (2019 restated)</b>	<b>21.25</b>	<b>19.82</b>
39(a)	<b>Net Asset Value per share (NAV) (Consolidated):</b>		
	Total Shareholders' equity	3,127,445,872	2,906,816,085
	Number of shares outstanding	142,789,623	142,789,623
	<b>NAV per share (2019 restated)</b>	<b>21.90</b>	<b>20.36</b>
40	<b>Net Operating Cash Flow per share:</b>		
	Net cash flow from operating activities	15,580,563	492,905,430
	Number of shares outstanding	142,789,623	142,789,623
	<b>NOCFPS (2019 restated)</b>	<b>0.11</b>	<b>3.45</b>
	<b>Reason for changes in net operating cash flow per share:</b> Net operating cash flow per share has decreased due to out flow of deposits compared to previous year and current year interest received amount also decreased compared to previous year.		

		Amount in Taka	
		2020	2019
40(a)	<b>Net Operating Cash Flow per share (Consolidated):</b>		
	Net cash flow from operating activities	19,352,175	490,576,921
	Number of shares outstanding	142,789,623	142,789,623
	NOCFPS (2019 restated)	0.14	3.44
	Reason for changes in net operating cash flow per share: Net operating cash flow per share has decreased due to out flow of deposits compared to previous year and current year interest received amount also decreased compared to previous year.		
41	<b>Composition of Shareholders' Equity :</b>		
	Paid up capital	1,427,896,230	1,292,213,780
	Statutory reserve	515,405,831	474,781,602
	Other reserve	916,689,624	916,689,624
	Retained earnings (Note: Retained earnings balance includes WPPF @ 5% ie Tk.15,475,452/=)	173,826,577	147,012,112
	<b>Total:</b>	<b>3,033,818,262</b>	<b>2,830,697,118</b>
41(a)	<b>Composition of Shareholders' Equity (Consolidated):</b>		
	Paid up capital	1,427,896,230	1,292,213,780
	Statutory reserve	515,405,831	474,781,602
	Other reserve	916,689,624	916,689,624
	Retained earnings	267,454,135	223,131,030
	Non-controlling interest	52	49
		<b>3,127,445,872</b>	<b>2,906,816,085</b>

\*Date of issue & other information:

Date	Types of Paid up Capital	No. of Shares	Face Value Per Share	Taka
01-10-1995	Promoter Share	22,505	100	2,250,500
29-11-1995	Allotment	25,000	100	2,500,000
15-06-1996	Allotment	1,429,177	100	142,917,700
26-02-1997	Allotment	23,318	100	2,331,800
06-07-2000	Allotment	100,000	100	10,000,000
15-02-2001	Allotment	100,000	100	10,000,000
23-04-2006	Bonus @ 10%	170,000	100	17,000,000
26-04-2008	Bonus @ 10%	187,000	100	18,700,000
12-04-2009	Bonus @ 5%	102,850	100	10,285,000
	Before Split	2,159,850		215,985,000
	After Split	21,598,500	10	215,985,000
15-02-2011	Bonus @ 28%	6,047,580	10	60,475,800
02-04-2012	IPO	20,000,000	10	200,000,000
13-05-2012	Bonus @ 10%	4,764,608	10	47,646,080
08-06-2013	Bonus @ 15%	7,861,603	10	78,616,030
20-02-2014	Bonus @ 12%	7,232,675	10	72,326,740
23-02-2015	Bonus @ 55%	37,127,730	10	371,277,300
14-03-2018	Bonus @ 23.50%	24,588,682	10	245,886,830
30-09-2020	Bonus @ 10.50%	13,568,245	10	135,682,450
	<b>Total</b>	<b>129,221,378</b>		<b>1,427,896,230</b>

**42 Reconciliation of Operating Activities of Cash Flows:**

	Amount in Taka	
	2020	2019
Net Profit After Tax	203,121,144	177,970,719
Depreciation	4,094,605	3,228,198
Provision for lease and loans	(72,659,594)	250,578,960
Provision for taxation	125,422,319	108,748,385
Decrease in lease and loans	235,217,399	104,382,005
Income tax paid	(4,357,060)	(12,965,646)
Decrease in deposit and other accounts	(540,532,596)	(303,847,508)
Increase in other liabilities	27,529,875	103,134,855
Decrease in other assets	37,744,471	61,675,461
<b>Cash flows from operating activities</b>	<b>15,580,563</b>	<b>492,905,430</b>

**42(a) Reconciliation of Operating Activities of Cash Flows (Consolidated):**

Net Profit After Tax	220,629,787	188,132,461
Depreciation	5,016,411	4,369,237
Provision for lease and loans	5,264,100	315,533,105
Provision for taxation	135,927,504	114,845,430
Decrease in lease and loans	129,679,444	21,285,832
Income tax paid	(4,548,736)	(13,183,990)
Decrease in deposit and other accounts	(540,532,596)	(303,847,508)
Increase in other liabilities	28,839,585	113,986,730
Decrease in other assets	39,076,675	49,455,624
<b>Cash flows from operating activities</b>	<b>19,352,175</b>	<b>490,576,921</b>

**43 Related party disclosures :**

a. Particulars of Directors and their interest in different entities

SI no	Name of the Director	Status in GSPB	Entities where they have interest	Status in interested entity
01	Mr. Feroz U. Haider	Chairman	1. GSP Investments Limited 2. Republic Insurance Company Ltd. 3. S.F. Haider Foundation Ltd.	1. Chairman 2. Director 3. Chairman
02	Mr. Saber Hossain Chowdhury	Director & Vice Chairman	1. GSP Investments Limited 2. Karnaphuli Group of Companies. 3. Republic Insurance Company Ltd.	1. Director 2. Managing Director 3. Director
03	Dr. ATM Shamsul Huda	Director & Vice Chairman		
04	Mr. Wolf-Peter Berthold	Director		
05	Ms. Silwat A. Haider	Director		
06	Mr. Moin U. Haider	Director & Chairman EC	GSP Investments Ltd.	Director
07	Mr. Mohamed Abdul Jalil	Director		
08	Mr. Wajid Ali Khan Panni	Independent Director		
09	Mr. F. A. Shamim Ahmed	Independent Director	GSP Investments Ltd.	Director

b. Significant contract where the Company is party and wherein Directors have interest - Nil

c. Related party transactions

The Company in normal course of business carried out a number of transactions with other parties that fall within the definition of related party as per IAS 24:Related Party Disclosures. These related party loans/Leases were made at the competitive terms including interest rates and collateral requirements, as those offered to other customers of similar terms & conditions.

Name of the related party	Relationship	Nature of Transaction	Closing Balance 2020	Closing Balance 2019
Container & Terminal service Ltd	Common Directors	Loan and Advances	8,764,352	14,766,373
GSP Investments Limited	Subsidiary Company	Loan and Advances	2,206,076,458	1,884,773,562
			<b>2,214,840,810</b>	<b>1,899,539,935</b>

- d. Share issued to Directors and executives without consideration or exercisable at a discount - Nil
- e. Lending policy to related parties  
Related parties are allowed Loans and Advances as per General Loan Policy of the Company.
- f. Investment in the Securities of Directors and their related concern - Nil
- g. Receivable from Directors-Nil

**44 Unacknowledged debt :**

The Company had no claim against it, which has not been acknowledged as debt at the balance sheet date.

**45 Number of employees :**

The total number of full time employees of the Company and their remuneration above Tk.48,000/- per annum were 43. There were no employees earning less than Tk. 48,000/- per year.

**46 Number of Board meeting and remuneration for attending thereof :**

Total number of 6 (six) Board of directors meetings were held during the year and directors remuneration for attending the board meeting was paid as per Company Law and Bangladesh Bank guidelines. No director has been paid any remuneration for any special service rendered.

**47 Receivable from directors :**

No amount is due from any of the directors of the Company.

**48 Disclosure regarding branch :**

As at December 31, 2020, the company has no branch in or outside of Bangladesh.

**49 Disclosure of Executive Committee :**

To conform with the Bangladesh Bank guidelines, the Board of Directors of GSP Finance Company (Bangladesh) Limited constituted the Executive Committee of the Board comprising members from the Board

**50 Disclosure on Audit Committee:**

**50.1 Particulars of Audit Committee**

According to the guidelines of Bangladesh Bank, the Board of Directors of GSP Finance Company (Bangladesh) Limited constituted the Audit Committee of the Board. Details of the committee members are as follows:

Name	Status in the company	Status with the committee
Mr. Wajid Ali Khan Panni	Independent Director	Chairman
Mr. Saber Hossain Chowdhury	Director	Member
Dr. ATM Shamsul Huda	Director	Member
Mr. Mohamed Abdul Jalil	Director	Member
Mr. Moin U. Haider	Director	Member

**50.2 Activities of the audit committee during the year.**

In the year 2020 the Audit Committee carried out the following activities:

- a) Reviewed the financial and other systems including internal control and its reporting procedure;
- b) Reviewed the duties, responsibilities, functions, degree of independence, due diligence with due care, objectivity and staffing of internal audit department;
- c) Recommend to the Board regarding appointment of the external auditors and their terms of appointment;
- d) Reviewed all the operational policies before being approved by the Board;
- e) Reviewed the effectiveness and independence for the statutory auditors;
- f) Reviewed along with the management, the quarterly and the half yearly financial statements before submission to the Board for approval;
- g) Reviewed along with the management, the annual financial statements before submission to the Board for approval;
- h) Ensured Strict adherence and compliance of the Bangladesh Accounting Standards and recommended the best accounting practices;
- i) Reviewed the delinquent portfolio and provided suitable guidelines;

50.3 Effective internal control and security documentation of the Company:  
Having assessed the internal financial controls, information system and reporting models, the committee is of the opinion that:

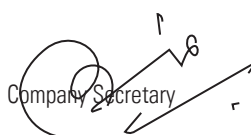
- Procedures followed by the management for internal control of the company's activities under the manual set by the management in line with Bangladesh Bank's guidelines are satisfactory.
- Company's assets are reasonably safeguarded and the financial position of the company is on sound footing.
- Overdue and litigation position of the company as stated by the management presents a true and fair view.

51 **Subsequent events :**

No material events occurred after the balance sheet date, non disclosure of which could affect the ability of the users of the financial statements to make proper evaluation and decisions.

52 **Highlights on the overall activities :**

Sl no.	Particulars	Amount in Taka	
		2020	2019
1	Paid up capital	1,427,896,230	1,292,213,780
2	Total eligible capital (note - 15.5.A)	2,697,365,412	2,498,828,820
3	Capital surplus / (deficit)	427,896,230	292,213,780
4	Total assets	9,215,527,719	9,450,979,967
5	Total deposits	2,269,458,671	2,809,991,267
6	Total leases, loans and advances	7,014,405,970	7,249,623,369
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	3.09	2.58
9	Percentage of classified leases, loans and advances against total leases, loans and advances	17.36	18.91
10	Profit after provisions and income tax	203,121,144	177,970,719
11	Leases, loans and advances classified for the year ended	1,217,628,781	1,371,163,478
12	Provision kept against classified leases, loans and advances	474,932,475	428,793,978
13	Provision surplus / (deficit)	4,000,000	4,740,971
14	Cost of fund	10.21	11.25
15	Interest earning assets	7,890,884,593	8,091,714,937
16	Non-interest earning assets	1,324,643,126	1,359,265,030
17	Return on assets (ROA) %	2.20	1.88
18	Return on investment (ROI) %	10.83	10.13
19	Income from investment	13,621,154	41,426,126
20	Earnings per share	1.42	1.25
21	Net Income per share	1.42	1.25
22	Price earnings ratio (times)	14.06	11.01

  
Company Secretary

  
Director

  
Managing Director & CEO

Signed as per our annexed report of even date



জোহা জামান কবির রশীদ এ্যান্ড কোং  
চার্টার্ড একাউন্টেন্টস  
**Zoha Zaman Kabir Rashid & Co.**  
*Chartered Accountants*

**Independent Auditor's Report**  
**To the shareholders of GSP investments Limited**  
**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of GSP investments Limited, which comprise the Statement of Financial Position as at December 31, 2020, Statement of Profit, Loss, and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement of the company give a true and fair view of the financial position of the company as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other 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 Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We summarize below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. 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.

Risk	Our response to the risk
<b>Provision for margin loan &amp; diminution value of Investment:</b> Margin loan BDT 2,915,705,953 represents 98.31% of total assets, provisions for margin loan of BDT 337,388,953 and reports investment in share BDT 38,529,266 provision for diminution in value of investments of BDT 17,478,698.	We tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none"><li>The accuracy of data input into the system used for credit grading and the approval of credit facilities</li><li>The ongoing monitoring and identification of loans displaying indicators of provision and whether they are migrating, on a timely basis including generation of days past due reports.</li></ul>

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**Zoha Zaman Kabir Rashid & Co.**  
*Chartered Accountants*

	<ul style="list-style-type: none"><li>• Our substantive procedures in relation to the provision for Margin loans and Investment comprised the following:</li><li>• Reviewed the adequacy of the company's general and specific provisions; Assessed the methodologies on which the provision amounts based, recalculated the Provisions and tested the completeness and accuracy of the underlying information</li></ul>
<b>See note no. 12 &amp; 13 to the financial statements</b>	

**Responsibilities of management and those charged with governance for the financial statements and internal controls**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, Companies Act 1994 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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**Zoha Zaman Kabir Rashid & Co.**  
*Chartered Accountants*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

**Report on other Legal and Regulatory Requirements**

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

- 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;
- in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- the Financial Position and profit and Statement of Profit and Loss and Other Comprehensive Income together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- the expenditures incurred were for the purpose of the company's business for the year;
- the information and explanation required by us have been received and found satisfactory;

Dated, Dhaka  
12 August 2021

**Md. Iqbal Hossain FCA**  
Partner, Enrolment No.:596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants  
DVC: 2108260596AS836286

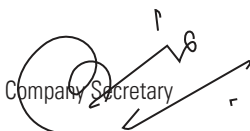
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**GSP INVESTMENTS LIMITED**  
BALANCE SHEET  
AS AT DECEMBER 31, 2020


		Amount in Taka	
		Dec. 31, 2020	Dec. 31, 2019
<b>ASSETS</b>			
<b>Non Current Assets:</b>		<b>3,832,287</b>	<b>4,704,643</b>
Property, plant and equipments	2	3,832,287	4,704,643
Investment in Share	3	38,529,266	38,344,536
<b>Current assets:</b>		<b>2,922,971,111</b>	<b>2,492,670,854</b>
Margin loan to portfolio clients	4	2,915,705,953	2,488,865,102
Accounts Receivable	5	200,000	469,701
Advance Income Tax	6	1,251,840	1,060,165
Cash & cash equivalents	7	5,813,317	2,275,886
<b>Total</b>		<b>2,965,332,663</b>	<b>2,535,720,033</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders equity:</b>		<b>343,627,568</b>	<b>326,118,926</b>
Share Capital	8	250,000,000	250,000,000
Retained Earnings	9	93,627,568	76,118,926
<b>Current Liabilities:</b>		<b>2,621,705,095</b>	<b>2,209,601,107</b>
Borrowing from Banks & Financial Institutions	10	2,206,076,458	1,884,773,562
Portfolio investors' fund		3,225,723	1,884,033
Accounts payable	11	273,209	156,800
Provision for investment in shares	12	17,478,698	21,627,347
Provision for Margin Loan	13	337,388,953	255,316,610
Provision for Income Tax	14	56,176,544	45,671,359
Other Liabilities	15	1,085,510	171,396
<b>Total</b>		<b>2,965,332,663</b>	<b>2,535,720,033</b>
<b>Net assets value (NAV) per share</b>		<b>13.75</b>	<b>13.04</b>

  
Company Secretary

  
Director

  
CEO/Managing Director (C.C)

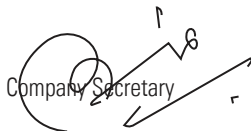
Signed as per our annexed report of even date

  
**Md. Iqbal Hossain FCA**  
Partner, Enrolment No. : 596 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants

Dated, Dhaka  
August 12, 2021

**GSP INVESTMENTS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**


		Amount in Taka	
		2020	2019
	Notes		
<b>OPERATING INCOME</b>			
Interest Income	16	441,238,081	373,998,885
Less: Interest expenses	17	334,593,063	292,999,616
<b>Net Interest Income</b>		<b>106,645,018</b>	<b>80,999,269</b>
Investment Income	18	575,048	3,142,562
Commission, exchange and brokerages	19	5,070,434	6,590,832
Other operating income	20	64,707	72,550
		<b>5,710,189</b>	<b>9,805,944</b>
<b>Total operating income(a)</b>		<b>112,355,207</b>	<b>90,805,213</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	21	2,777,434	4,695,007
Postage & stamps	22	4,765	5,920
Printing & Stationary	23	13,215	28,548
Directors' fees		192,000	248,000
MD's Salary & allowances		1,746,700	2,247,742
Depreciation on property, plant and equipments	24	921,806	1,141,039
Other Operating expenses	25	761,765	1,226,025
<b>Total operating expenses(b)</b>		<b>6,417,685</b>	<b>9,592,281</b>
Profit before provision (c=a-b)		<b>105,937,522</b>	<b>81,212,932</b>
Provision for investment in shares	12	(4,148,649)	11,965,624
Provision for Margin Loan	13	82,072,343	52,988,521
<b>Total profit before tax</b>		<b>28,013,827</b>	<b>16,258,787</b>
Provision for income tax	14	10,505,185	6,097,045
<b>Net profit after tax</b>		<b>17,508,642</b>	<b>10,161,742</b>
Other comprehensive income		-	-
		<b>17,508,642</b>	<b>10,161,742</b>
<b>Earning per share (EPS)</b>	26	<b>0.70</b>	<b>0.41</b>

  
 Company Secretary

  
 Director

  
 CEO/Managing Director (C.C)

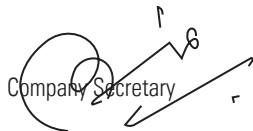
Signed as per our annexed report of even date

  
**Md. Iqbal Hossain FCA**  
 Partner, Enrolment No. : 596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
 Chartered Accountants

Dated, Dhaka  
 August 12, 2021

**GSP INVESTMENTS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**


	Amount in Taka	
	2020	2019
<b>A. Cash flows from operating activities:</b>		
Interest receipts	441,238,081	365,753,478
Interest payments	(334,593,063)	(284,241,191)
Commission, exchange and brokerage	5,070,434	6,590,832
Receipts from other operating income & Investment income	909,456	2,961,277
Payment for operating activities	(4,465,356)	(9,461,310)
Advance income tax	(191,676)	(218,344)
<b>Net cash flows from operating activities</b>	<b>107,967,876</b>	<b>81,384,742</b>
<b>B. Cash flows from investing activities:</b>		
Payment for acquisition of fixed assets	(49,450)	(25,900)
Sale of Fixed Assets	-	-
Investment in Share	(184,730)	3,062,213
<b>Net cash flows/used from investing activities</b>	<b>(234,180)</b>	<b>3,036,313</b>
<b>C. Cash flows from financing activities:</b>		
Proceeds from issue of ordinary share	-	-
Portfolio investors' fund	1,341,690	(617,078)
Margin loan to customers	(426,840,851)	(348,029,809)
Borrowing/Repayment of loan from Banks & Financial Institutions	321,302,896	264,933,636
<b>Net cash used by financing activities</b>	<b>(104,196,265)</b>	<b>(83,713,251)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>3,537,431</b>	<b>707,804</b>
Cash and cash equivalents at the beginning of the year	2,275,886	1,568,082
<b>Cash and cash equivalents at the end of the year</b>	<b>5,813,317</b>	<b>2,275,886</b>
<b>Net Operating Cash Flow per share</b>	<b>4.32</b>	<b>3.26</b>

  
 Company Secretary

  
 Director

  
 CEO/Managing Director (C.C)

Signed as per our annexed report of even date

  
**Md. Iqbal Hossain FCA**  
 Partner, Enrolment No. : 596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
 Chartered Accountants

Dated, Dhaka  
 August 12, 2021

**GSP INVESTMENTS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Particulars	Paid up capital (Tk.)	Retained Earnings (Tk.)	Total (Tk.)
Balance as at January 01, 2019	250,000,000	65,957,184	315,957,184
Profit after tax for the year 2019	-	10,161,742	10,161,742
Balance as at December 31, 2019	250,000,000	76,118,926	326,118,926
Changes in accounting policy	-	-	-
<b>Restated balance</b>	<b>250,000,000</b>	<b>76,118,926</b>	<b>326,118,926</b>
Issue of Share capital	-	-	-
Net profit after tax for the year 2020	-	17,508,642	17,508,642
<b>Balance as at 31 December, 2020</b>	<b>250,000,000</b>	<b>93,627,568</b>	<b>343,627,568</b>

  
 Company Secretary

  
 Director

  
 CEO/Managing Director (C.C)

Signed as per our annexed report of even date



**Md. Iqbal Hossain FCA**  
 Partner, Enrolment No. : 596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
 Chartered Accountants

Dated, Dhaka  
 August 12, 2021

**GSP INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

1.0 Significant Accounting Policies and Other Material Information:

1.1 Legal Form of Enterprise:

GSP Investments Limited was incorporated in Bangladesh as a Private Limited Company as on December 02, 2010 under the Companies Act, 1994 with a view to separate Merchant Banking operation of GSP Finance Company (Bangladesh) Limited. The authorized and paid up capital of the company are Tk. 500 million and Tk. 250 million respectively. It is a wholly owned subsidiary of GSP Finance Company (Bangladesh) Limited which was approved by Bangladesh Securities and Exchange Commission vide their letter no. SEC/Reg./MB/SUB-16/2011/113 dated August 14, 2014. GSP Investments Limited took over all the business, operations and services of the Merchant Banking Unit of GSP Finance Company (Bangladesh) Limited on receipt of approval letter from Bangladesh Securities and Exchange Commission (BSEC). The registered office of the Company is situated at 01, Paribagh, Mymensingh Road, Dhaka-1000.

1.2 Nature of Business:

- Issue management,
- Underwriting,
- Portfolio management,
- Margin loan
- Advisory services on securities
- Trading services

1.3 Basis of Presentation of Financial Statements:

The following underlying assumptions, measurement base, laws, rules, regulations and accounting pronouncements have been considered in preparing and presentation the financial statements:

- Going Concern;
- Accrual Basis;
- Historical Cost Convention;
- Bangladesh Accounting Standards (BASs);
- BSEC (Merchant Bankers & portfolio Manager) Rules 1996; and
- BSEC Rules 1987.

1.4 Depreciation Policy:

Depreciation on fixed assets is charged on the basis of diminishing balance method at different rates varying from 10% to 20% per annum throughout the estimated useful lives of the assets.

1.5 Statement of Cash Flow:

Statement of Cash Flows (Direct Method) has been prepared as per BAS-07.

1.6 Taxation:

Provision for Income Tax:

Provision for Income Tax has been calculated on the income of the company @ 37.50% as per Income Tax ordinance 1984.

1.7 Investment:

Investment is carried in Financial Statements at cost.

1.8 General Comparative Information:

Comparative information has been disclosed in respect of the year 2018 for all numerical information in the Financial Statements and also the narrative and descriptive information where it is relevant for understanding of the current year's Financial Statements.

1.9 Rounding off:

Figures have been rounded to nearest taka.

		Amount in Taka	
		2020	2019
<b>2</b>	<b>Property, plant and equipments:</b>		
	Cost:		
	Opening Balance	9,321,567	9,295,667
	Addition during the year	49,450	25,900
		9,371,017	9,321,567
	Adjustment during the year	-	-
	<b>Closing Balance (A)</b>	9,371,017	9,321,567
	Less : Accumulated Depreciation :		
	Opening Balance	4,616,924	3,475,885
	Charged during the year:	921,806	1,141,039
		5,538,730	4,616,924
	Adjustment during the year	-	-
	<b>Closing Balance (B)</b>	5,538,730	4,616,924
	<b>Written Down Value (A-B) (Annexure -A)</b>	<b>3,832,287</b>	<b>4,704,643</b>
<b>3</b>	<b>Investment in Share (Own portfolio):</b>		
	Opening balance	38,344,536	41,406,749
	Add: Addition/(Adjustment) during the year	184,730	(3,062,213)
	Balance (Annexure B)	<b>38,529,266</b>	<b>38,344,536</b>
<b>4</b>	<b>Margin loan to portfolio clients:</b>		
	Margin loan	2,915,705,953	2,488,865,102
		<b>2,915,705,953</b>	<b>2,488,865,102</b>
<b>5</b>	<b>Accounts Receivable</b>		
	Security Deposit-CDBL	200,000	200,000
	Haji Ahmad Brothers Securities Ltd.	-	233,180
	Multi Securities & Services Ltd.	-	36,521
	United Financial Trading Company Lt.	-	-
		<b>200,000</b>	<b>469,701</b>
<b>6</b>	<b>Advance Income Tax :</b>		
	Opening balance	1,060,165	841,821
	Add: Addition during the year	191,676	218,344
	Less: Adjustment during the year	-	-
		<b>1,251,840</b>	<b>1,060,165</b>
<b>7</b>	<b>Cash &amp; cash equivalents:</b>		
	Cash in hand	21,571	16,998
	Basic Bank Ltd. (SND A/C. No. 0000-21-6010000962)	446,201	454,023
	Bank Asia Ltd. (SND A/C. No. 08536000006)	5,345,545	1,804,865
		<b>5,813,317</b>	<b>2,275,886</b>
<b>8</b>	<b>Share Capital:</b>		
<b>8.1</b>	<b>Authorized Capital</b>		
	50,000,000 Ordinary Shares of Tk.10 each	<b>500,000,000</b>	<b>500,000,000</b>
<b>8.2</b>	<b>Issued, Subscribed and Paid up Capital</b>		
	25,000,000 Ordinary Shares of Tk.10 each	<b>250,000,000</b>	<b>250,000,000</b>
<b>9</b>	<b>Retained Earnings:</b>		
	Opening balance	76,118,926	65,957,184
	Net Profit after tax	17,508,642	10,161,742
		<b>93,627,568</b>	<b>76,118,926</b>
<b>10</b>	<b>Borrowing from Banks &amp; Financial Institutions:</b>		
	GSP Finance Company (Bangladesh) Limited	2,206,076,458	1,884,773,562
		<b>2,206,076,458</b>	<b>1,884,773,562</b>



		Amount in Taka	
		2020	2019
<b>11</b>	<b>Accounts Payable:</b>		
	CDBL Charge payable	150,150	156,800
	Multi Securities & Services Ltd.	123,059	
		<b>273,209</b>	<b>156,800</b>
<b>12</b>	<b>Provision for investment in shares:</b>		
	Opening balance	21,627,347	9,661,723
	Add: Addition/(Adjustment) for the year	(4,148,649)	11,965,624
		17,478,698	21,627,347
	Less: Adjustment for the year	-	-
		<b>17,478,698</b>	<b>21,627,347</b>
<b>13</b>	<b>Provision for Margin Loan:</b>		
	Opening balance	255,316,610	202,328,089
	Add: Addition for the year	82,072,343	52,988,521
		337,388,953	255,316,610
	Less: Adjustment for the year	-	-
		<b>337,388,953</b>	<b>255,316,610</b>
<b>14</b>	<b>Provision for Income Tax:</b>		
	Opening balance	45,671,359	39,574,314
	Add: Addition for the year (@ 37.50%)	10,505,185	6,097,045
		56,176,544	45,671,359
	Less: Adjustment for the year	-	-
		<b>56,176,544</b>	<b>45,671,359</b>
<b>15</b>	<b>Other Liabilities:</b>		
	Audit fee payable including VAT	23,000	23,000
	Tax deduction at source	-	4,750
	VAT deduction at source	-	1,500
	Provident Fund	-	142,146
	GSP Finance Company (Bangladesh) Ltd.	1,062,510	-
		<b>1,085,510</b>	<b>171,396</b>
<b>16</b>	<b>Interest Income:</b>		
	Interest on Margin Loan	441,094,716	373,866,008
	Interest on Bank balance	143,365	132,877
		<b>441,238,081</b>	<b>373,998,885</b>
<b>17</b>	<b>Interest expenses:</b>		
	Interest Expense on term loan	334,593,063	292,999,616
		<b>334,593,063</b>	<b>292,999,616</b>
<b>18</b>	<b>Investment Income:</b>		
	Dividend income	386,696	800,282
	Income from Share Trading	188,353	2,342,280
		<b>575,048</b>	<b>3,142,562</b>
<b>19</b>	<b>Commission, Exchange and Brokerage:</b>		
	Underwriting commission (APSCLBOND)	250,000	50,000
	Portfolio management income	4,433,282	5,449,904
	Transaction settlement income	387,152	1,090,928
		<b>5,070,434</b>	<b>6,590,832</b>

		Amount in Taka	
		2020	2019
<b>20</b>	<b>Other Operating Income:</b>		
	Documentation income	-	4,000
	Account Closing income	4,016	2,000
	Clients Accounts Maintenance income	60,550	65,550
	Other income	141	1,000
		<b>64,707</b>	<b>72,550</b>
<b>21</b>	<b>Salary &amp; allowances:</b>		
	Salary & allowances	2,589,809	4,383,178
	Bonus to Staff	187,625	311,829
		<b>2,777,434</b>	<b>4,695,007</b>
<b>22</b>	<b>Postage &amp; Stamps</b>		
	Revenue Stamp	4,765	5,920
<b>23</b>	<b>Printing &amp; Stationery:</b>		
		13,215	28,548
		<b>13,215</b>	<b>28,548</b>
<b>24</b>	<b>Depreciation on property, plant and equipments:</b>		
	Depreciation on Fixed Asset as per Annexure-A	921,806	1,141,039
<b>25</b>	<b>Other Operating Expenses:</b>		
	Advertisement	1,500	10,395
	Audit Fees	23,000	23,000
	Bank Charges & Commission	24,212	23,101
	CDBL Charges	21,965	51,435
	Entertainment Expenses	50,263	102,737
	Fees & Subscription	170,770	186,682
	Motor Vehicle Running Expenses	182,360	376,041
	Office Maintenance	112,200	171,781
	Service Charge	-	-
	Staff training & Education	-	6,000
	Telephone & Internet bill	-	1,000
	Insurance Premium	131,520	170,185
	Travelling & Conveyances	27,385	103,668
	Uniform & Liveries	16,590	-
		<b>761,765</b>	<b>1,226,025</b>
<b>26</b>	<b>Earning Per Share (EPS):</b>		
	Net Profit after tax	17,508,642	10,161,742
	Number of Ordinary Share	25,000,000	25,000,000
	<b>Basic Earning Per Share (EPS)</b>	<b>0.70</b>	<b>0.41</b>

**GSPINVESTMENTS LIMITED**  
FIXED ASSETS SCHEDULE  
AS AT 31 DECEMBER 2020

ANNEXURE - A

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value as on 31.12.2020
	Balance as on 01.01.2020	Addition during the year	Adjustment During the year	Balance as on 31.12.2020		Balance as on 01.01.2020	Addition during the year	Adjustment During the year	Balance as on 31.12.2020	
Office equipment	961,723	49,450	-	1,011,173	20%	736,819	48,744	-	785,563	225,610
Furniture & Fixture	81,585	-	-	81,585	10%	46,965	3,462	-	50,427	31,158
Software	1,340,000	-	-	1,340,000	20%	1,166,739	34,652	-	1,201,391	138,609
Office Decoration	695,534	-	-	695,534	10%	501,299	19,424	-	520,723	174,812
Motor Vehicle	6,242,725	-	-	6,242,725	20%	2,165,103	815,524	-	2,980,627	3,262,098
As at 31 December, 2020	9,321,567	49,450	-	9,371,017		4,616,925	921,806	-	5,538,731	3,832,287
As at 31 December, 2019	9,295,667	25,900	-	9,321,567		3,475,886	1,141,039	-	4,616,925	4,704,643

**GSPINVESTMENTS LIMITED**  
**INVESTMENT IN SHARES**  
**AS AT 31 DECEMBER 2020**

**ANNEXURE - B**

Sl.	Name of the issuer company	No. of Shares	Cost price as at 31 Dec. 2020 (Tk)	Market Price as at 31 Dec. 2020 (Tk.)	Provision required as at 31 Dec. 2020 (Tk.)
Investment in shares:					
1	LANKABAFIN	293,418	10,681,609	9,213,325	(1,468,284)
2	HEIDELBCEM	45,834	19,717,813	6,856,766	(12,861,047)
3	BSRMLTD	57,681	6,343,164	3,472,396	(2,870,768)
4	ESQUIRENIT	20,890	940,050	549,407	(390,643)
5	RUNNERAUTO	7,566	540,450	385,109	(155,341)
6	APSCLBOND	35	175,000	182,648	7,648
7	ROBI	13,118	131,180	390,916	259,736
<b>Total</b>			<b>38,529,266</b>	<b>21,050,567</b>	<b>(17,478,699)</b>

## GSP FINANCE COMPANY (BANGLADESH) LIMITED

INVESTMENT IN SHARES  
AS AT DECEMBER 31, 2020

ANNEXURE - A

Sl. No.	Name of the issuer company	No. of Shares	Cost price as at Dec. 31, 2020 (Tk)	Market Price as at Dec. 31, 2020 (Tk.)	Provision required as at Dec. 31, 2020 (Tk.)
<b>Investment in quoted shares:</b>					
1	ACME Laboratories Ltd.	186,237	9,684,324	13,911,904	4,227,580
2	ADN Telecom Ltd.	700,000	10,500,000	45,010,000	34,510,000
3	AFTABAUTO	694,400	50,390,408	18,540,480	(31,849,928)
4	BRAC Bank Ltd.	135,987	8,418,949	6,024,224	(2,394,725)
5	BSRMLTD	20,086	2,033,736	1,209,177	(824,559)
6	BSRMSTEEL	95,023	8,343,847	4,038,478	(4,305,370)
7	DELTASPINN	253,673	2,096,480	1,674,242	(422,238)
8	Esquire Knit Composite	20,890	940,050	549,407	(390,643)
9	First Security Islami Bank Ltd.	66,550	816,304	598,950	(217,354)
10	Grameen Phone	132,768	55,163,244	46,083,773	(9,079,472)
11	Heidelberg Cement Ltd.	58,360	27,783,136	8,730,656	(19,052,480)
12	IDLC	270,896	18,055,789	17,174,806	(880,982)
13	KEYACOSMET	98,687	1,166,509	592,122	(574,387)
14	LANKABAFIN	2,428,181	59,996,263	76,244,883	16,248,620
15	LAFARGE HOLCIM BD LTD	335,157	21,002,076	16,020,500	(4,981,577)
16	METROSPIN	76,576	1,934,376	704,499	(1,229,876)
17	NBL	2,477,311	21,711,011	17,341,177	(4,369,834)
18	Olympic Industries	183,375	47,449,941	35,042,963	(12,406,979)
19	PLFSL	181,498	6,838,382	544,494	(6,293,888)
20	RAK Ceramics BD Ltd	13,533	654,995	353,211	(301,784)
21	Robi Axiata Ltd.	258,134	2,581,340	7,692,393	5,111,053
22	Runner Automobiles Ltd.	7,566	540,450	385,109	(155,341)
23	Shahjalal Islami Bank Ltd.	2,310,000	49,280,000	52,899,000	3,619,000
24	SQUAR PHARMA	119,294	27,796,192	26,185,033	(1,611,159)
25	SUMITPOWER	440,000	18,578,018	17,116,000	(1,462,018)
26	Titas Gas Transmission & Distribution Ltd.	16,200	762,478	498,960	(263,518)
27	UNIONCAP	62,804	1,465,354	527,554	(937,800)
<b>Investment in unquoted shares:</b>					
28	CDBL	571,181	2,569,450	2,569,450	-
29	Energypac Power Generation Ltd.	1,192,800	49,984,000	49,984,000	-
<b>Total</b>			<b>508,537,103</b>	<b>468,247,445</b>	<b>(40,289,658)</b>

\*Investment in quoted shares  
\*Investment in unquoted shares  
Total:

<b>Cost Price</b>
455,983,653
52,553,450
<b>508,537,103</b>

**GSP FINANCE COMPANY (BANGLADESH) LIMITED**

**SCHEDULE OF FIXED ASSETS (CONSOLIDATED)**

AS AT 31 DECEMBER 2020

**ANNEXURE - B**

Sl No.	Particulars	COST					Rate %	DEPRECIATION				Written Down Value as on 31.12.20
		Opening Balance on 01.01.20	Addition during the year	Revaluation during the year	Adjustment during the year	Closing Balance as on 31.12.20		Opening Balance on 01.01.20	Charged during the year	Adjustment During the year	Closing Balance as on 31.12.20	
1	Land & Land Development	953,437,500	-	-	-	953,437,500	-	-	-	-	-	953,437,500
2	Office Building	20,535,534	-	-	-	20,535,534	10	18,922,967	385,842	-	19,308,809	1,226,724
3	Office Equipment	30,961,233	191,699	-	-	31,152,932	20	20,714,671	3,099,004	-	23,813,674	7,339,257
4	Furniture & Fixtures	8,734,967	-	-	-	8,734,967	10	7,818,220	207,225	-	8,025,445	709,522
5	Software	1,340,000	-	-	-	1,340,000	20	1,166,739	34,652	-	1,201,391	138,609
6	Office Decoration	695,534	-	-	-	695,534	10	501,300	19,424	-	520,724	174,810
7	Telephone Systems	1,196,991	-	-	-	1,196,991	20	1,189,629	2,740	-	1,192,369	4,622
8	Motor Vehicle	9,932,725	-	-	-	9,932,725	20	3,840,298	1,267,524	-	5,107,822	4,824,902
9	Electrical Goods & Installation	4,095,278	-	-	-	4,095,278	20	4,095,277	-	-	4,095,277	2
10	Generator & Installation	1,128,896	-	-	-	1,128,896	20	1,128,896	-	-	1,128,896	-
11	House Property	20,950,712	-	-	-	20,950,712	10	20,950,711	-	-	20,950,711	1
	AS AT 31 DECEMBER 2020	1,053,009,368	191,699	-	-	1,053,201,068		80,328,706	5,016,411	-	85,345,116	967,855,945
	AS AT 31 DECEMBER 2019	1,049,817,172	10,678,042	-	7,485,846	1,053,009,368		83,445,315	4,369,237	7,485,845	80,328,706	972,680,657

## GSP FINANCE COMPANY (BANGLADESH) LIMITED

## SCHEDULE OF FIXED ASSETS

AS AT 31 DECEMBER 2020

## ANNEXURE - C

Sl No.	Particulars	COST					Rate %	DEPRECIATION				Written Down Value as on 31.12.20
		Opening Balance on 01.01.20	Addition during the year	Revaluation during the year	Adjustment during the year	Closing Balance as on 31.12.20		Charged during the year	Adjustment During the year	Closing Balance as on 31.12.20		
1	Land & Land Development	953,437,500	-	-	-	953,437,500	-	-	-	-	-	953,437,500
2	Office Building	20,535,533	-	-	-	20,535,533	10	385,842	-	19,308,809	-	1,226,724
3	Office Equipment	29,999,509	142,249	-	-	30,141,758	20	3,050,260	-	23,028,116	-	7,113,640
4	Furniture & Fixtures	8,653,382	-	-	-	8,653,382	10	203,763	-	7,975,017	-	678,364
5	Telephone Systems	1,196,991	-	-	-	1,196,991	20	2,740	-	1,192,369	-	4,622
6	Motor Vehicle	3,690,000	-	-	-	3,690,000	20	452,000	-	2,127,195	-	1,562,805
7	Electrical Goods & Installation	4,095,278	-	-	-	4,095,278	20	-	-	4,095,276	-	2
8	Generator & Installation	1,128,896	-	-	-	1,128,896	20	-	-	1,128,896	-	-
9	House Property	20,950,712	-	-	-	20,950,712	10	-	-	20,950,711	-	1
	AS AT 31 DECEMBER 2020	1,043,687,797	142,249	-	-	1,043,830,047		4,094,605	-	79,806,390	-	964,023,658
	AS AT 31 DECEMBER 2019	1,040,521,501	10,652,142	-	7,485,846	1,043,687,797		3,228,198	7,485,845	75,711,783		967,976,014









PROXY FORM

I/We... of... being a shareholder of GSP Finance Company (Bangladesh) Limited do hereby appoint Mr./Mrs... of... (or failing his/her) Mr./Mrs... of... as my/our Proxy to attend and vote on my/our behalf at the 26th Annual General Meeting of the Company to be held on Tuesday, September 28, 2021 at 10:00 a.m. by using Digital Platform (pursuance to BSEC Order no. SEC/SRMIC/94-231/25, dated July 08, 2020) through the following link https://gspfinance.bdvirtualagm.com or at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this... day of September, 2021

Signature of the proxy Signature of the shareholder(s) BO ID No. No of shares being held. Revenue Stamp of Tk. 20/=

Notes:

- I). This Form of Proxy, duly completed must be deposited at least 48 hours before the meeting of the Company's Registered Office. Proxy is invalid if not signed and stamped as indicated above. II). Signature of the Shareholder should agree with the specimen signature registered with the Company.



ATTENDANCE SLIP

I/We hereby record my/our attendance at the 26th Annual General Meeting of the Company to be held on Tuesday, September 28, 2021 at 10:00 a.m. by using Digital Platform (pursuance to BSEC Order no. SEC/SRMIC/94-231/25, dated July 08, 2020) through the following link https://gspfinance.bdvirtualagm.com

Name of the shareholder(s) / Proxy (in Block Letters) BO ID No. No of shares being held. Date: Signature of the shareholder(s)/proxy

A Member may appoint a proxy to attend and vote in his/her place by filling proxy form at this virtual AGM. The "Proxy Form" duly filled, signed and stamped at BDT 20/-, must be deposited at the registered office or send through e-mail to secretariat@gspfinance.com not later than 48 hours before the time scheduled for holding the AGM.

Members may please note that no gift or benefits in cash or kind shall be given at the AGM.



**GSP FINANCE COMPANY (BANGLADESH) LIMITED**

1, Paribagh, Mymensingh Road, Dhaka-1000.

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