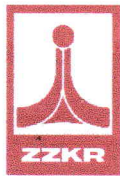


**GSP FINANCE COMPANY (BANGLADESH) LIMITED
INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



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/প্রডিৱে/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.

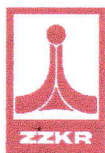


Key Audit Matters

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.

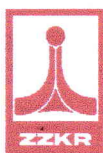
We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks 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.

Risk	Our Response to Risk
Measurement of Provision for Leases, Loans & Advances	
<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> <p>Completeness and timing of recognition of loss events in accordance with criteria set out in FID circular no 08, dated 03</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <p>Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process;</p> <p>Identification of loss events, including early warning and default warning indicators;</p> <p>Reviewed quarterly Classification of Loans (CL);</p> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <p>Reviewed the adequacy of the companies general and specific provisions in line with Bangladesh Bank guidelines;</p> <p>Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and</p> <p>Finally compared the amount of loan provision and lone classification disclosed in the financial statements with the quick summary report prepared by Bangladesh Bank.</p> <p>Considering the unprecedented adverse impact on</p>



<p>August 2002, FID circular no 03, dated 03 May 2006 and FID circular no 03 dated 29 April 2013;</p> <p>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;</p> <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates;</p>	<p>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> <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	
Measurement of Deferred Tax Liabilities (DTL)	
<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> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTLs.</p>

A member of



	Finally assessed the appropriateness and presentation of disclosures against "IAS-12" Income Tax.
See note no 36.2 to the financial statements	
Revenue	
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>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> <p>Carried out cut-off testing to ensure the income was recognized in correct period.</p> <p>Reviewed the carrying balance of the total figure.</p> <p>Our audit approach was a combination of test of internal control and substantive procedures.</p> <p>We also tested journal entries recognized to revenue focusing on unusual or irregular transactions.</p> <p>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.</p> <p>Evaluate the Group's work to implement "IFRS-15" and assessed whether accounting principles comply with the new accounting standard.</p>
See note no 20, 22, 23 & 24 to the financial statements	
IT systems and controls	
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>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>

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	We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.
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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.

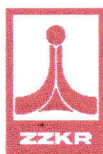
In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit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

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 statement.

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 Groups 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.
- 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.



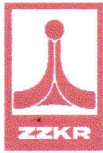
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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. statement 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;
- 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

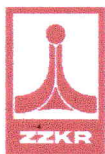
Md. Iqbal Hossain FCA
Partner, Enrolment No.: 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2108260596AS461234



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

	Notes	Amount in Taka	
		2020	2019
PROPERTY AND ASSETS			
Cash		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
Balance with other banks and financial institutions	4(a)	373,733,266	342,850,149
In Bangladesh		373,733,266	342,850,149
Outside Bangladesh		-	-
Money at call and short notice	5(a)	-	-
Investments	6(a)	547,066,369	544,420,369
Government		-	-
Others		547,066,369	544,420,369
Leases, loans and advances	7(a)	7,724,035,465	7,853,714,909
Bills purchased and discounted	8(a)	-	-
Fixed assets including premises, furniture and fixtures	9(a)	967,855,945	972,680,657
Other Assets	10(a)	93,344,478	105,754,915
Non-business assets	11	-	-
Total Assets		9,723,721,457	9,856,502,004
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks, other financial institutions and agents:	12(a)	1,839,288,500	1,844,314,930
Deposits and other accounts	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		-	-
Other liabilities	14(a)	2,487,528,414	2,295,379,722
Total Liabilities		6,596,275,585	6,949,685,919
Capital / Shareholders' Equity			
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
Total equity attributable to equity holders of the company		3,127,445,820	2,906,816,036
Non-controlling interest		52	49
Total liabilities and Shareholders' equity		9,723,721,457	9,856,502,004





OFF-BALANCE SHEET ITEMS :

Contingent liabilities

Acceptances and endorsements
Letter of guarantee
Irrevocable letter of credit
Bills for collection
Other contingent liabilities

18.1

Amount in Taka	
2020	2019

-	-
-	-
-	-
-	-
-	-

Other commitments

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

18.2

-	-
-	-
-	-
-	-
-	-

Total off-balance sheet items including contingent liabilities

Net Assets Value (NAV) per share (2019 restated)

-	-
21.90	20.36

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 PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2020

		Amounts in Taka	
		2020	2019
	Notes		
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)
Net interest income		374,467,442	521,591,177
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
Total operating income		427,924,909	700,796,154
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
Total operating expenses		66,103,518	82,285,158
Profit before provision		361,821,392	618,510,996
Provision for leases, loans and advances & investments	35(a)	5,264,100	315,533,105
Other provision		-	-
Total provision		5,264,100	315,533,105
Total profit before income tax		356,557,292	302,977,891
Provision for income tax			
Current Tax		133,708,983	113,616,709
Deferred tax		2,218,521	1,228,721
Total Provision for income tax	36(a)	135,927,504	114,845,430
Net profit after income tax		220,629,787	188,132,461
Attributable to			
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
		443,760,817	491,323,656
Appropriations:			
Statutory reserve	16	40,624,229	35,594,144
Dividend paid from Retained earnings for the year 2019		135,682,450	232,598,480
		176,306,679	268,192,624
Retained earnings carried to the balance sheet	18(a)	267,454,135	223,131,030
Earnings per share (2019 restated)	38(a)	1.55	1.32

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

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
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

	Amount in Taka	
	2020	2019
Cash flows from operating activities:		
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)
Cash generated from operating activities before changes in operating assets and liabilities	346,918,565	597,820,824
Increase / decrease in operating assets and liabilities		
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)
Net cash flow from operating activities	19,352,175	490,576,921
Cash flows from investing activities:		
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	-	-
Net cash used by investing activities	(2,837,699)	(5,051,638)
Cash flows from financing activities:		
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)
Net cash flow/used by financing activities	(5,026,430)	(511,356,387)
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
Cash and cash equivalents at the end of the year	391,419,200	379,931,154

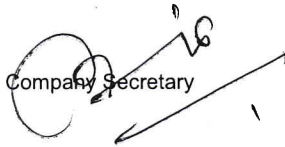




Cash and cash equivalents at the end of the year
cash in hand (including foreign currencies)
Balance with Bangladesh Bank and its agent bank(s)
(including foreign currencies)
Balance with banks and other financial institutions
Money at call and short notice

Net Operating Cash Flow per share (2019 restated)

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


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
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	-	-	-	-	-	-	-
Restated balance	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)	-	-	-
Balance as at 31st December 2020	1,427,896,230	916,689,624	515,405,831	267,454,135	3,127,445,820	52	3,127,445,872

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
PROPERTY AND ASSETS			
Cash	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		-	-
Money at call and short notice	5	-	-
Investments	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	-	-
Fixed assets including premises, furniture and fixtures	9	964,023,658	967,976,014
Other Assets	10	342,955,105	354,225,009
Non-business assets	11	-	-
Total Assets		9,215,527,719	9,455,555,493
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks ,other financial institutions and agents:	12	1,839,288,500	1,844,314,930
Deposits and other accounts	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		-	-
Other liabilities	14	2,072,962,286	1,970,552,178
Total Liabilities		6,181,709,457	6,624,858,375
Capital / Shareholders' Equity		3,033,818,262	2,830,697,118
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
Total liabilities and Shareholders' equity		9,215,527,719	9,455,555,493





OFF-BALANCE SHEET ITEMS :

Contingent liabilities

Acceptances and endorsements
Letter of guarantee
Irrevocable letter of credit
Bills for collection
Other contingent liabilities

18.1

Amount in Taka	
2020	2019

-	-
-	-
-	-
-	-
-	-
-	-

Other commitments

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

18.2

-	-
-	-
-	-
-	-
-	-
-	-

Total off-balance sheet items including contingent liabilities

-	-
21.25	19.82

Net assets value (NAV) per share (2019 restated)

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
	Notes		
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)
Net interest income		267,822,423	440,591,908
Investment income	22	13,621,154	41,426,126
Commission, exchange and brokerage	23	-	-
Other operating income	24	34,126,124	127,972,907
Total operating income		315,569,701	609,990,941
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
Total operating expenses		59,685,833	72,692,877
Profit before provision		255,883,868	537,298,064
Provision for leases, loans and advances & investments	35	(72,659,594)	250,578,960
Other provision		-	-
Total provision		(72,659,594)	250,578,960
Total profit before income tax		328,543,463	286,719,104
Provision for income tax			
Current Tax	36	123,203,798	107,519,664
Deferred tax	36	2,218,521	1,228,721
Total Provision for income tax		125,422,319	108,748,385
Net profit after income tax		203,121,144	177,970,719
Retained earnings brought forward from previous year		147,012,112	237,234,017
		350,133,256	415,204,736
Appropriations:			
Statutory reserve	16	40,624,229	35,594,144
Dividend paid from Retained earnings for the year 2019		135,682,450	232,598,480
		176,306,679	268,192,624
Retained earnings carried to the balance sheet	18	173,826,577	147,012,112
Earning per share (EPS) (2019 restated)	38	1.42	1.25

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

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
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash flows from operating activities:

Interest receipt in cash
Interest payment
Dividend receipts
Recoveries of loan previously written-off
Income taxes paid
Receipts from other operating activities
Payments for other operating activities
Cash generated from operating activities before changes in operating assets and liabilities

Increase / decrease in operating assets and liabilities

Statutory deposit
Trading securities
Leases, loans and advances
Other assets
Deposit and other accounts
Other liabilities on account of customers
Trading liabilities
Other liabilities

Net cash flow from operating activities

Cash flows from investing activities:

Proceeds from sale of securities
Payments for purchases of securities
Purchase of fixed assets
Proceeds from sale of fixed assets
Payment against lease obligation

Net cash used by investing activities

Cash flows from financing activities:

Receipts of borrowings from banks, other financial institutions and agents
Repayment of borrowings from banks, other financial institutions and agents
Dividend paid in cash

Net cash flow/used by financing activities

Net increase / (decrease) in cash and cash equivalents
Effects of exchange rate changes on cash and cash equivalents
Cash and cash equivalents at beginning of the year
Cash and cash equivalents at the end of the year

Amount in Taka	
2020	2019
741,982,497	883,595,196
(489,277,580)	(455,644,725)
13,344,580	19,236,754
-	-
(4,357,060)	(12,965,646)
34,402,698	129,950,872
(55,361,228)	(69,234,679)
240,733,907	494,937,772
-	-
-	-
235,217,399	104,382,005
37,744,471	61,675,461
(540,532,596)	(303,847,508)
-	-
-	-
42,417,382	135,757,700
(225,153,344)	(2,032,342)
15,580,563	492,905,430
293,235	137,430,123
(2,754,505)	(136,465,932)
(142,249)	(10,652,142)
-	1,600,000
-	-
(2,603,519)	(8,087,951)
96,070,420	547,431,635
(101,096,850)	(826,189,542)
-	(232,598,480)
(5,026,430)	(511,356,387)
7,950,614	(26,538,908)
-	-
377,655,268	404,194,176
385,605,883	377,655,268





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

Net Operating Cash Flow per share (2019 restated)

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


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

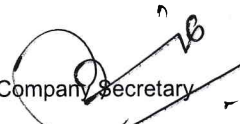




**GSP FINANCE COMPANY (BANGLADESH) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020**

Particulars	Paid up capital (Tk.)	Capital Reserve(Tk.)	Statutory Reserve(Tk.)	Retained Earnings (Tk.)	Total (Tk.)
Balance as at January 01, 2019	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				-	-
Balance as at 31st December 2019	1,292,213,780	916,689,624	474,781,602	147,012,112	2,830,697,118
Changes in accounting policy	-	-	-	-	-
Restated balance	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)	-
Balance as at 31st December 2020	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

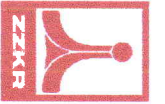

Managing Director & CEO

Signed as per our annexed report of even date


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

Particulars	Up to 1 month Taka	1-3 months Taka	3-12 months Taka	1-5 years Taka	Above 5 years Taka	Total Taka
Assets :						
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	456,983,653	-	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	-	-	-	-	-	-
Total assets (A)	962,628,938	911,027,563	1,180,860,909	4,953,787,569	1,207,222,740	9,215,527,719
Liabilities :						
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	121,200,311	2,269,458,671
Provision and other liabilities	-	-	-	2,072,962,286	-	2,072,962,286
Total liabilities (B)	665,454,406	749,984,232	1,046,736,295	3,598,334,214	121,200,311	6,181,709,457
Net liquidity gap (A - B)	297,174,532	161,043,331	134,124,615	1,355,453,355	1,086,022,429	3,033,818,262

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

A member of



Independent legal & accounting firms



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





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:

	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%

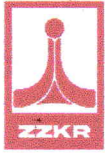
2.14 Employees Benefits Scheme

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
3.00 CASH			
3.1 Cash in hand			
In local currency		112,640	121,439
In foreign currency		-	-
		112,640	121,439
3.1(a) Cash in hand (consolidated)			
GSP Finance Company (Bangladesh) Limited		112,640	121,439
GSP Investments Limited		21,571	16,998
		134,211	138,437
3.2 Balance with Bangladesh Bank and its agents Bank(s)			
In local currency		17,551,723	36,942,568
In foreign currency		-	-
		17,551,723	36,942,568
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		-	-
		17,551,723	36,942,568
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)		4,622,343	13,688,168
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)		239,089,003	230,215,173
4 Balance with banks and other financial institutions			
In Bangladesh (note -4.1)		367,941,520	340,591,261
Outside Bangladesh		-	-
		367,941,520	340,591,261
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
		373,733,266	342,850,149
4.1 Current deposits			
Nationalised Commercial Bank		-	-
Private Commercial Bank		-	-
Foreign Commercial Bank		-	-
		-	-
Short-term deposits			
Nationalised Commercial Bank		-	-
Private Commercial Bank		77,198,509	54,954,503
Foreign Commercial Bank		261,250	4,958
		77,459,759	54,959,461





		Amount in Taka	
		2020	2019
	Fixed deposits (FDR)		
	Nationalised Commercial Bank	-	-
	Private Commercial Bank	176,911,514	172,798,547
	Foreign Commercial Bank	-	-
	Financial Institutions	113,570,247	112,833,253
		290,481,762	285,631,800
		367,941,520	340,591,261
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	-	-
		367,941,520	340,591,261
5	Money at call and short notice:	-	-
5(a)	Money at call and short notice (consolidated)	-	-
	GSP Finance Company (Bangladesh) Limited	-	-
	GSP Investments Limited	-	-
6	Investments		
	Investment classified as per nature:		
	Government (note -6.1)	-	-
	Others (note-6.2)	508,537,103	506,075,833
		508,537,103	506,075,833
6(a)	Investments (consolidated)		
	GSP Finance Company (Bangladesh) Limited	508,537,103	506,075,833
	GSP Investments Limited	38,529,266	38,344,536
		547,066,369	544,420,369
6.1	Government Securities:		
	Treasury bills	-	-
	National investment bonds	-	-
	Bangladesh Bank bills	-	-
	Government notes / bonds	-	-
	Prize bonds	-	-
	Others	-	-
6.2	Other investments:		
	Investment in shares (Annexure-A)	508,537,103	506,075,833
	Debenture and bonds	-	-
	Other investment	-	-
	Gold etc.	-	-
		508,537,103	506,075,833
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
		508,537,103	506,075,833





6.4 Other investments:
Investment in quoted Shares
Investment in unquoted Shares

Amount in Taka	
2020	2019
455,983,653	443,022,383
52,553,450	63,053,450
<u>508,537,103</u>	<u>506,075,833</u>

7 Leases , Loans and advances :

7.1 a) Inside Bangladesh
Leases (note -7.2)
Loans and advances
Cash credits
Overdrafts

1,384,993,701	1,500,741,168
5,629,412,269	5,748,882,201
-	-
-	-
<u>7,014,405,970</u>	<u>7,249,623,369</u>

b) outside Bangladesh

-	-
<u>7,014,405,970</u>	<u>7,249,623,369</u>

7.1.1 Lease Finance

Principal Outstanding
Account receivable
Total

1,146,935,888	1,218,848,856
238,057,813	281,892,312
<u>1,384,993,701</u>	<u>1,500,741,168</u>

Principal Outstanding

Gross lease rental receivable
Unearned lease income
Total

1,484,743,523	1,563,192,684
337,807,635	344,343,828
<u>1,146,935,888</u>	<u>1,218,848,856</u>

7.2 Leases
Advances for leases (note -7.2.1)

1,384,993,701	1,500,741,168
-	-
<u>1,384,993,701</u>	<u>1,500,741,168</u>

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 finance.

-	-
-	-

7.3 Sector wise leases, loans and advances

Public sector
Co-operative sector
Private sector

-	-
360,732,265	378,899,580
6,653,673,705	6,870,723,789
<u>7,014,405,970</u>	<u>7,249,623,369</u>

7.4 Residual maturity grouping of leases, loans and advances

On demand
Up to 1 month
Over 1 month but not more than 3 months
Over 3 months but not more than 1 year
Over 1 year but not more than 5 years
Over 5 years

-	-
433,789,694	515,448,222
907,027,563	1,089,573,590
758,711,075	807,301,359
4,914,877,638	4,837,300,198
-	-
<u>7,014,405,970</u>	<u>7,249,623,369</u>





7.5 Leases, loans and advances on the basis of significant concentration

	Amount in Taka	
	2020	2019
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
	<u>7,014,405,970</u>	<u>7,249,623,369</u>

d) Leases, loans and advances on sector basis:

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
	<u>7,014,405,970</u>	<u>7,249,623,369</u>

7.6 Leases, loans and advances on geographical basis:

Inside Bangladesh:

Urban :

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	-	-
	<u>7,014,405,970</u>	<u>7,249,623,369</u>

Rural :

Dhaka Division	-	-
Chittagong Division	-	-
Khulna Division	-	-
Rajshahi Division	-	-
Barisal Division	-	-
Sylhet Division	-	-
	<u>-</u>	<u>-</u>

Outside Bangladesh:

	-	-
Total	<u>7,014,405,970</u>	<u>7,249,623,369</u>





7.7 Classification of Leases, loans and advances :

Unclassified :

Standard
Special mention account

Classified :

Sub-standard
Doubtful
Bad/Loss

Total

7.8 Net Leases ,loans and advances :
Total Leases , loans and advances (note- 7.1)

Less :

Non-performing leases, loans and advances (note-7.7)
Interest suspenses (note-14.5)
Provision for leases, loans and advances

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
b) Lease , loans and advances considered good against which the financial institution holds no security other than the debtors personal guarantee
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

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

ii) Provision on classified leases , loans and advances

iii) Provision kept against leases, loans and advances classified as bad debts

iv) Interest credited to interest suspense account (note-14.5)

Amount in Taka	
2020	2019
5,003,660,125	5,023,537,120
793,117,022	854,922,771
5,796,777,146	5,878,459,891
-	-
-	-
1,217,628,781	1,371,163,478
1,217,628,781	1,371,163,478
7,014,405,927	7,249,623,369
7,014,405,970	7,249,623,369
1,217,628,781	1,371,163,478
292,688,568	225,734,391
558,520,747	525,394,754
2,068,838,096	2,122,292,623
4,945,567,874	5,127,330,746
3,734,592,397	3,987,292,853
-	-
2,221,234,896	2,182,861,596
-	-
1,058,578,677	1,079,468,920
-	-
-	-
-	-
-	-
-	-
-	-
1,217,628,781	1,371,163,478
474,932,475	428,793,978
474,932,475	428,793,978
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

GSP Investments Limited

Less: Inter company transaction (Loan to GSPI)

7,014,405,970	7,249,623,369
2,915,705,953	2,488,865,102
9,930,111,923	9,738,488,471
2,206,076,458	1,884,773,562
7,724,035,465	7,853,714,909

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

Addition during the year

Revaluation surplus during the year

Adjustment during the year

Closing Balance (A)

1,043,687,797	1,040,521,501
142,249	10,652,142
-	-
1,043,830,046	1,051,173,643
-	7,485,846
1,043,830,046	1,043,687,797

Less : Accumulated Depreciation :

Opening Balance

Charged during the year:

Adjustment during the year

Closing Balance (B)

Written Down Value (A-B) (Annexure -C)

75,711,783	79,969,430
4,094,605	3,228,198
79,806,388	83,197,628
-	7,485,845
79,806,388	75,711,783
964,023,658	967,976,014





		Amount in Taka	
		2020	2019
9(a) Fixed assets including premises, furniture and fixtures (consolidated)			
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)	<u>967,855,945</u>	<u>972,680,657</u>	
10 Other assets			
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	
	<u>342,955,105</u>	<u>354,225,009</u>	
10(a) Other assets (consolidated)			
GSP Finance Company (Bangladesh) Limited	342,955,105	354,225,009	
GSP Investments Limited	1,451,840	1,529,866	
	<u>344,406,945</u>	<u>355,754,875</u>	
Less: Inter company transaction	251,062,467	249,999,960	
	<u>93,344,478</u>	<u>105,754,915</u>	
11 Non-business assets	-	-	
	-	-	
As at 31 December 2020, GSP Finance Company (Bangladesh) Limited does not have any non-business assets.			
12 Borrowings from banks ,other financial institutions and agents:			
In Bangladesh (note-12.1)	1,839,288,500	1,844,314,930	
Outside Bangladesh (note-12.2)	-	-	
	<u>1,839,288,500</u>	<u>1,844,314,930</u>	
12.1 In Bangladesh			
Call borrowing			
Nationalised Commercial Bank	75,000,000	83,800,000	
Private Commercial Bank	110,500,000	92,000,000	
	<u>185,500,000</u>	<u>175,800,000</u>	
Term loan			
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	
	<u>1,653,788,500</u>	<u>1,668,514,930</u>	
	<u>1,839,288,500</u>	<u>1,844,314,930</u>	
12.2 Outside Bangladesh	-	-	
	-	-	
As at December 31, 2020 the Company does not have any borrowing from outside of Bangladesh.			
12.3 Analysis by Security against borrowing from banks, other financial institutions and agents.			
Secured	1,317,725,774	1,330,417,662	
Unsecured	521,562,726	513,897,268	
	<u>1,839,288,500</u>	<u>1,844,314,930</u>	

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	-	-
		1,839,288,500	1,844,314,930
12(a)	Borrowings from banks, other financial institutions and agents (consolidated)		
	GSP Finance Company (Bangladesh) Limited	1,839,288,500	1,844,314,930
	GSP Investments Limited	2,206,076,458	1,884,773,562
		4,045,364,958	3,729,088,492
	Less: Inter company transaction (Loan to GSPI)	2,206,076,458	1,884,773,562
		1,839,288,500	1,844,314,930
13	Deposits and other accounts:		
	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)	-	-
		2,269,458,671	2,809,991,267
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
		2,269,458,671	2,809,991,267
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
		1,407,500,000	1,907,500,000
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
		861,958,671	902,491,267
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	-	-
		2,269,458,671	2,809,991,267
13(a)	Deposits and other accounts (consolidated)		
	GSP Finance Company (Bangladesh) Limited	2,269,458,671	2,809,991,267
	GSP Investments Limited	-	-
		2,269,458,671	2,809,991,267
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
		2,072,962,286	1,970,552,178
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
		7,900,000	23,390,806
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:		
	Movements in provision on classified leases, loans and advances (A)		
	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	474,932,475	428,793,978
	Movements in provision on unclassified leases, loans and advances (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
	Total (A+B)	558,520,747	525,394,754
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)	40,289,658	146,075,245





14.4 Provision for income tax:
Balance at 01 January
Provision made during the year

Adjustment for the year
Balance at 31 December
This is arrived as at under:

Amount in Taka	
2020	2019
1,026,464,433	917,716,048
125,422,319	108,748,385
<u>1,151,886,753</u>	<u>1,026,464,433</u>
-	-
<u>1,151,886,753</u>	<u>1,026,464,433</u>

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
Add: Amount transferred to interest suspense account during the year	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	<u>292,688,568</u>	<u>225,734,391</u>

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
	<u>161,207,025</u>	<u>128,141,349</u>

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

Sub - standard	-	-
Doubtful	-	-
Bad/Loss	131,481,543	97,593,042
	<u>131,481,543</u>	<u>97,593,042</u>
Total (A+B)	<u>292,688,568</u>	<u>225,734,391</u>

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
	<u>2,488,590,924</u>	<u>2,295,379,722</u>
Less: Inter company transaction	<u>1,062,510</u>	<u>-</u>
	<u>2,487,528,414</u>	<u>2,295,379,722</u>





15 Share Capital:

15.1 Authorized capital
200,000,000 Ordinary shares of Tk. 10 each

15.2 Issued, Subscribed & Paid up Capital :
142,789,623 Ordinary shares of Tk.10 each

Amount in Taka	
2020	2019

2,000,000,000 **2,000,000,000**

1,427,896,230 **1,292,213,780**

% of share
holding 2020

Domestic Shareholding Position

85.99%

1,227,847,968

1,075,674,560

Foreign Shareholding Position

14.01%

200,048,262

216,539,220

100.00%

1,427,896,230

1,292,213,780

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
Total	142,789,623	8215	100%	1,427,896,230





		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+SMA+off 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
Tier-2 (Supplementary Capital)			
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>
Risk Weighted Assets (RWA)			
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>
16 Statutory reserve			
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>
17 Other Reserve:			
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>
18 Retained earnings			
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)
Balance at 31 December		<u>173,826,577</u>	<u>147,012,112</u>
Apportionment:			
Retained earnings balance		173,826,577	147,012,112
Note: Retained earnings balance includes WPPF @ 5% for 2020 Tk. 8,124,846/-		173,826,577	147,012,112
for 2019 Tk. 7,350,606/-			
Total		<u>15,475,452/-</u>	
18(a) Retained earnings (consolidated)			
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>
18(aa) Retained earnings of subsidiary			
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>
18.1 Contingent liabilities			
Acceptances and endorsements		-	-
Letter of guarantee (18.1.1)		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		<u>-</u>	<u>-</u>
18.1.1 Letter of guarantee			
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>





- 18.2 Other commitments
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 Income statement

Income :

- Interest, discount and similar income (note-19.1)
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)
Profit less losses on interest rate changes

Expenses:

- Interest expenses on deposits, borrowings, etc. (note-21)
Charges on losses regarding leases, loans and advances
Administrative expenses (note-19.2)
Other operating expenses (note-34)
Depreciation and repair of company's fixed assets (note-33)

Surplus of income over expenditure

19(a) Income statement (Consolidated)

Income :

- Interest, discount and similar income
Dividend income
Commission, exchange and brokerage
Gains less losses arising from dealing in securities
Gains less losses arising from dealing in foreign currencies
Other operating income
Profit less losses on interest rate changes

Expenses:

- Interest expenses on deposits, borrowings, etc.
Charges on losses regarding leases, loans and advances
Administrative expenses
Other operating expenses
Depreciation and repair of company's fixed assets

Surplus of income over expenditure

- 19.1 Interest, discount and similar income
Interest income on leases, loans and advances (note-20)
Investment income (note-22)
- 19.2 Administrative expenses
Salary and allowances (note-25)
Rent, taxes, insurance, electricity, etc. (note-26)
Legal expenses (note-27)
Postage, stamp, telecommunication etc. (note-28)
Stationery, printing, advertisement etc. (note-29)
Managing Director's salary and allowances (note-30)
Directors' fees (note-31)
Audit fees (note-32)

Amount in Taka	
2020	2019
-	-
-	-
-	-
-	-
-	-
-	-
777,721,158	943,793,843
-	-
-	-
-	-
34,126,124	127,972,907
-	-
811,847,282	1,071,766,750
496,277,580	461,775,809
-	-
47,706,923	59,750,322
7,866,506	9,714,357
4,112,405	3,228,198
555,963,413	534,468,686
255,883,870	537,298,065
884,941,224	1,027,935,674
-	-
5,070,434	6,590,832
-	-
-	-
34,190,831	128,045,457
-	-
924,202,489	1,162,571,963
496,277,580	461,775,809
-	-
52,464,036	66,998,539
8,605,271	10,917,382
5,034,211	4,369,237
562,381,097	544,060,967
361,821,392	618,510,996
764,100,004	902,367,717
13,621,154	41,426,126
777,721,158	943,793,843
40,886,688	48,914,351
1,432,149	1,355,719
220,000	140,000
433,172	435,514
1,409,079	1,589,238
2,738,335	6,600,000
392,000	520,000
195,500	195,500
47,706,923	59,750,322





		Amount in Taka	
		2020	2019
20	Interest income on leases, loans and advances:		
	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
		764,100,004	902,367,717
20(a)	Interest income on leases, loans and advances (consolidated)		
	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
		870,745,022	983,366,986
21	Interest expenses on deposits, borrowings, etc. :		
	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 :	305,523,252	263,628,046
	Total	496,277,580	461,775,809
21(a)	Interest expenses on deposits, borrowings, etc. (consolidated)		
	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
		496,277,580	461,775,809
22	Investment income:		
	Dividend on Share	13,344,580	19,236,754
	Profit on Share Trading	276,574	22,189,372
		13,621,154	41,426,126
22(a)	Investment income (consolidated)		
	GSP Finance Company (Bangladesh) Limited	13,621,154	41,426,126
	GSP Investments Limited	575,048	3,142,562
		14,196,202	44,568,688
23	Commission , exchange and brokerage		
	Commission , exchange and brokerage	-	-
		-	-
23(a)	Commission , exchange and brokerage (consolidated)		
	GSP Finance Company (Bangladesh) Limited	-	-
	GSP Investments Limited	5,070,434	6,590,832
		5,070,434	6,590,832
24	Other operating income:		
	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
		34,126,124	127,972,907





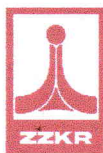
		Amount in Taka	
		2020	2019
24(a) Other operating income (consolidated)			
GSP Finance Company (Bangladesh) Limited		34,126,124	127,972,907
GSP Investments Limited		64,707	72,550
		34,190,831	128,045,457
25 Salary and allowances:			
Basic pay and allowances		35,113,425	42,635,721
Bonus (note-25.1)		2,715,019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





		Amount in Taka	
		2020	2019
29(a) Stationery, printing, advertisement, etc.(consolidated)			
GSP Finance Company (Bangladesh) Limited	1,409,079	1,589,238	
GSP Investments Limited	13,215	28,548	
	1,422,294	1,617,786	
30 Managing Director's salary and allowances :			
Remuneration	2,538,335	6,200,000	
Other benefits	200,000	400,000	
	2,738,335	6,600,000	
30(a) Managing Director's salary and allowances (consolidated)			
GSP Finance Company (Bangladesh) Limited	2,738,335	6,600,000	
GSP Investments Limited	1,746,700	2,247,742	
	4,485,035	8,847,742	
31 Directors' fees :			
Directors fees	392,000	520,000	
	392,000	520,000	
Other benefits	-	-	
	392,000	520,000	
31(a) Directors' fees (consolidated)			
GSP Finance Company (Bangladesh) Limited	392,000	520,000	
GSP Investments Limited	192,000	248,000	
	584,000	768,000	
32 Audit fees:	195,500	195,500	
	195,500	195,500	
32(a) Audit fees (consolidated)			
GSP Finance Company (Bangladesh) Limited	195,500	195,500	
GSP Investments Limited	23,000	23,000	
	218,500	218,500	
33 Depreciation and repairs of company's assets:			
Depreciation on company's fixed assets (Annexure-C)	4,094,605	3,228,198	
Repairs of companies fixed assets	17,800	-	
	4,112,405	3,228,198	
33(a) Depreciation and repairs of company's assets (consolidated)			
GSP Finance Company (Bangladesh) Limited	4,112,405	3,228,198	
GSP Investments Limited	921,806	1,141,039	
	5,034,211	4,369,237	
34 Other operating expenses:			
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	
	7,866,506	9,714,357	





		Amount in Taka	
		2020	2019
34.1	Annual General Meeting Expenses		
	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
		<u>609,711</u>	<u>1,126,613</u>
34.2	CSR Expenses		
	Dhaka Metropolitan Police	-	30,000
	COVID-19 fund BLFCA	500,000	-
	COVID-19 fund (Cholo Corona joy kori)	50,000	-
		<u>550,000</u>	<u>30,000</u>
34(a)	Other operating expenses(consolidated)		
	GSP Finance Company (Bangladesh) Limited	7,866,506	9,714,357
	GSP Investments Limited	738,765	1,203,025
		<u>8,605,271</u>	<u>10,917,382</u>
35	Provision for leases, loans and advances & investments:		
	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
		<u>(72,659,594)</u>	<u>250,578,960</u>
35(a)	Provision for leases, loans and advances & investments (consolidated)		
	GSP Finance Company (Bangladesh) Limited	(72,659,594)	250,578,960
	GSP Investments Limited	77,923,694	64,954,145
		<u>5,264,100</u>	<u>315,533,105</u>
36	Provision for income tax:		
	Current tax (36.1)	123,203,798	107,519,664
	Deferred tax (36.2)	2,218,521	1,228,721
		<u>125,422,319</u>	<u>108,748,385</u>

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	<u>968,023,658</u>	<u>921,939,394</u>	<u>(38,084,264)</u>
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			<u>(2,218,521)</u>





36(a) Provision for income tax (consolidated)

GSP Finance Company (Bangladesh) Limited
GSP Investments Limited

Amount in Taka	
2020	2019
125,422,319	108,748,385
10,505,185	6,097,045
135,927,504	114,845,430

37 Dividend :

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 Earning per share :

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
Earning per share (2019 restated)	1.42	1.25

Reason for changes in Earning per share:

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) Earning per share (Consolidated) :

Net profit after tax	220,629,787	188,132,461
Number of ordinary shares outstanding	142,789,623	142,789,623
Earning per share (2019 restated)	1.55	1.32

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.

Reason for changes in Earning per share:

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 Net Asset Value per share (NAV):

Total Shareholders' equity	3,033,818,262	2,830,697,118
Number of shares outstanding	142,789,623	142,789,623
NAV per share (2019 restated)	21.25	19.82

39(a) Net Asset Value per share (NAV) (Consolidated):

Total Shareholders' equity	3,127,445,872	2,906,816,085
Number of shares outstanding	142,789,623	142,789,623
NAV per share (2019 restated)	21.90	20.36

40 Net Operating Cash Flow per share:

Net cash flow from operating activities	15,580,563	492,905,430
Number of shares outstanding	142,789,623	142,789,623
NOCFPS (2019 restated)	0.11	3.45

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.





40(a) Net Operating Cash Flow per share (Consolidated):

	Amount in Taka	
	2020	2019
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 Composition of Shareholders' Equity :

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
Total:	3,033,818,262	2,830,697,118

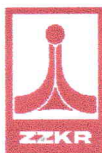
41(a) Composition of Shareholders' Equity (Consolidated):

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
	3,127,445,872	2,906,816,085

***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
Total		129,221,378		1,427,896,230





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
Cash flows from operating activities	15,580,563	492,905,430

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
Cash flows from operating activities	19,352,175	490,576,921

43 Related party disclosures :

a. Particulars of Directors and their interest in different entities

Sl 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 Chair		
04	Mr. Wolf-Peter Berthold	Director		
05	Ms. Silwat A. Haider	Director		
06	Mr. Moin U. Haider	Director & Chairman	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
			2,214,840,810	1,899,539,935





- 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 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:

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





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.)
Investment in quoted shares:					
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)
Investment in unquoted shares:					
28	CDBL	571,181	2,569,450	2,569,450	-
29	Energypac Power Generation Ltd.	1,192,800	49,984,000	49,984,000	-
Total			508,537,103	468,247,445	(40,289,658)

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

Cost Price
455,983,653
52,553,450
508,537,103





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		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	20,535,533	-	-	-	20,535,533	10	18,922,967	385,842	-	19,308,809	1,226,724
3	Office Equipment	29,999,509	142,249	-	-	30,141,758	20	19,977,856	3,050,260	-	23,028,116	7,113,640
4	Furniture & Fixtures	8,653,382	-	-	-	8,653,382	10	7,771,254	203,763	-	7,975,017	678,364
5	Telephone Systems	1,196,991	-	-	-	1,196,991	20	1,189,629	2,740	-	1,192,369	4,622
6	Motor Vehicle	3,690,000	-	-	-	3,690,000	20	1,675,195	452,000	-	2,127,195	1,562,805
7	Electrical Goods & Installation	4,095,278	-	-	-	4,095,278	20	4,095,276	-	-	4,095,276	2
8	Generator & Installation	1,128,896	-	-	-	1,128,896	20	1,128,896	-	-	1,128,896	-
9	House Property	20,950,712	-	-	-	20,950,712	10	20,950,711	-	-	20,950,711	1
AS AT 31 DECEMBER 2020		1,043,687,797	142,249	-	-	1,043,830,047		75,711,783	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		79,969,430	3,228,198	7,485,845	75,711,783	967,976,014

