



GSP FINANCE COMPANY (BANGLADESH) LIMITED



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GSP FINANCE COMPANY (BANGLADESH) LIMITED

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Letter of Transmittal

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

Subject: Annual Report for the year ended December 31, 2021

Dear Sir (s):

On behalf of the Board of Directors of GSP Finance Company (Bangladesh) Limited, the undersigned is pleased to present a copy of the Annual Report for the year ended December 31, 2021 together with the audited Financial Statements including consolidated and separate Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Equity for the year ended December 31, 2021 and along with notes thereon for your kind perusal and record.

Thanking you,

Sincerely yours,



Md. Mizanur Rahman
Deputy Managing Director
&
Company Secretary

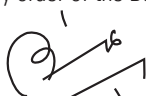
Date: August 08, 2022

Notice of the 27th Annual General Meeting (Through Online Digital Platform)

Notice is hereby given that the 27th Annual General Meeting of the shareholders of GSP Finance Company (Bangladesh) Limited will be held on Tuesday, September 27, 2022 at 10:00 a.m. by using Digital Platform (pursuance to BSEC Order no. SEC/SRMIC/94-231/25, dated July 08, 2020) through the following link: <https://gspfinance.bdvirtualagm.com> to transact the following business:

01. To receive and adopt the Directors' Report to the Shareholders, Auditors' Report and Audited Financial Statements for the year ended December 31, 2021.
02. To declare Dividend for the year ended December 31, 2021.
03. To elect Directors in place of those who shall retire by rotation in accordance with the provision of Articles of Association of the Company and the Companies Act. 1994.
04. To appoint the Statutory Auditors of the Company for the year 2022 until the conclusion of the next Annual General Meeting and to fix their remuneration.
05. To appoint the Corporate Governance Compliance Auditors of the Company for the year 2022 and to fix their remuneration.

By order of the Board



Md. Mizanur Rahman
Deputy Managing Director
&
Company Secretary
Dated: August 08, 2022

Notes:

01. The Members whose name appeared in the Register of Members of the Company and/or in the Depository Register on the "Record date" i.e. September 04, 2022 are eligible to attend the 27th Annual General Meeting and be entitled to the dividend as approved in the AGM.
02. The shareholders will join the virtual AGM through the link: <https://gspfinance.bdvirtualagm.com>. The shareholders will be able to submit their questions/comments electronically 24 (Twenty-four) hours before holding the AGM through this link and also during the Annual General Meeting. In order to login for the virtual AGM, the shareholders need to click on the link and provide their 16 digit Beneficiary Owners (BO) Account number or Folio number, name of respective shareholder, number of shares and mobile number or e-mail address.
03. Shareholders may login to the system prior to starting of the meeting at 10:00 a.m. on Tuesday September 27, 2022. The Link will activate at 10:01 a.m. (Bangladesh Time) on September 26, 2022. For any IT related guidance and help regarding the login process, the respected members may contact at +8802 223360506 or 01817 085761 or visit GSPB website at: www.gspfinance.com
04. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) notification No. BSEC/ CMRRCD/ 2006-158/ 208/ Admin/81 dated June 20, 2018 the soft copy of the Annual Report for the year 2021 along with the Notice, Proxy Form and Attendance Slip have been forwarded to all the Members at their respective e-mail address available with us as per CDBL record. The Members may also collect the Proxy Form from the Registered Office of the Company. These are also available in the website of the Company at: www.gspfinance.com
05. A Member may appoint a proxy to attend and vote in his/her place by filling proxy form at this virtual AGM. The "Proxy Form" duly filled, signed and stamped at BDT 20/-, must be deposited at the registered office or send through e-mail to secretariat@gspfinance.com not later than 48 hours before the time scheduled for holding the AGM.

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

VISION

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

MISSION

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

STRATEGIC OBJECTIVES

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

CORE VALUES

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

THE COMPANY AT A GLANCE

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

GSP INVESTMENTS LIMITED

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

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

PRODUCTS AND SERVICES

Financial segments

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

Deposit schemes

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

GSP Investments Limited

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

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

CORPORATE INFORMATION

Registered Name of the Company

GSP Finance Company (Bangladesh) Limited

Legal Form

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

Company Registration No.

C-29591 (879) / 95

Bangladesh Bank License No.

আব্বাঃ(অ-ব্যাংকিং)বিভাগ/ঢাকা/১০/৯৬

GSP Investments Limited - License No.

(A Subsidiary of GSPB)

MB- 88/2014

Registered Office

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

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

Fax: +880-2-9674194

Website

www.gspfinance.com

Legal Advisor

Chowdhury & Hyders

Barristers, Advocates and Consultants

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

33, Topkhana Road, Dhaka-1000.

Tax Adviser

Adil & Associates

Advocates & Tax Consultants

50, Purana Paltan Line (2nd floor)

Dhaka-1000.

Auditors

Zoha Zaman Kabir Rashid & Co.

Chartered Accountants

Rupayan Karim Tower, Level # 7

Suite # 7A, 80, Kakrail

Dhaka – 1000, Bangladesh

Membership

Bangladesh Leasing & Finance Companies Association (BLFCA)

Bangladesh Association of Publicly Listed Companies (BAPLC)

Bangladesh Merchant Bankers Association (BMBA)

Foreign Investors Chamber of Commerce & Industry (FICCI)

Bangladesh – Malaysia Chamber of Commerce and Industry (BMCCI)

Principal Bankers

BASIC Bank Ltd.

Commercial Bank of Ceylon PLC

Dutch- Bangla Bank Ltd.

Mutual Trust Bank Ltd.

Modhumoti Bank Ltd.

NCC Bank Ltd.

Shahjalal Islami Bank Ltd.

Southeast Bank Ltd.

The City Bank Ltd.

Union Bank Ltd.

Woori Bank

Stock Brokers

Multi Securities & Services Limited

Haji Ahmed Brothers & Securities Ltd.

United Financial Trading Company Limited

Chairman

Mr. Feroz U. Haider

Managing Director & CEO

Mr. Mohammad Imdadul Islam

Company Secretary

Mr. Mizanur Rahman

BOARD OF DIRECTORS

Mr. Feroz U. Haider

Chairman of the Board

Mr. Saber Hossain Chowdhury

Vice Chairman of the Board

Nominated by Karnaphuli Industries Limited

Dr. ATM Shamsul Huda

Vice Chairman of the Board

Nominated by Tai Ping Asian Investment Limited

Mr. Moin U. Haider

Director of the Board &

Chairman, Executive Committee

Mr. Wolf- Peter Berthold

Director of the Board

Mr. Mohamed Abdul Jalil

Director of the Board

Nominated by Tai Ping Asian Investment Limited

Mr. Wajid Ali Khan Panni

Independent Director of the Board &

Chairman, Audit Committee

Ambassador F. A. Shamim Ahmed (Retd.)

Independent Director of the Board

Ms. Silwat A. Haider

Director of the Board

Mr. Mohammad Imdadul Islam

Managing Director & CEO

BRIEF PROFILE OF THE DIRECTORS



Mr. Feroz U. Haider

Chairman of the Board

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



Mr. Saber Hossain Chowdhury

Vice Chairman of the Board

Nominated by Karnaphuli Industries Limited

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



Dr. ATM Shamsul Huda

Vice Chairman of the Board

Nominated by Tai Ping Asian Investment Limited

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

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

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



Mr. Moin U. Haider

Director of the Board &
Chairman, Executive Committee

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



Mr. Wolf-Peter Berthold

Director of the Board

Mr. Berthold, a native German, is a resident of Hong Kong since 1977. He established an investment and private banking family office, Eyremount Limited (formerly Deutsche Asiatische Beteiligungsgesellschaft (DBA) Limited) in Hong Kong in 1996. Mr. Berthold is the sole shareholder. The firm invests in financial global markets and real estate projects. Prior to establishing his family office, Mr. Berthold worked for the Deutsche Bank Group. He established the private banking and portfolio management division (1984). As division head he covered Greater China, Taiwan, Korea, Thailand and the Philippines with over US\$1 billion of AUM. He served as the Vice President of the Asia Pacific Regional Head Office in Deutsche Bank AG. His responsibilities included high net worth customer relationships, asset management, private equity investments, and venture capital sourcing. He started his banking career as the head of corporate research/SEA+Japan of Dresdner Bank AG in Frankfurt/M. Established the private banking and investment department for Dresdner Bank in Hong Kong and was its head until 1984. Mr. Berthold is a founding shareholder and non-executive director of GSP. Mr. Berthold holds the German degree of Business Administration and Economics (Diploma Kaufmann) from Mannheim University, Germany.



Mr. Mohamed Abdul Jalil

Director of the Board
Nominated by Tai Ping Asian Investment Limited

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



Mr. Wajid Ali Khan Panni

Independent Director of the Board &
Chairman, Audit Committee

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



Ambassador F. A. Shamim Ahmed (Retd.)

Independent Director of the Board

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

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

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

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



Ms. Silwat A. Haider

Director of the Board

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



Mr. Mohammad Imdadul Islam

Managing Director & CEO

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

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

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

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

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

COMMITTEES OF THE BOARD & MANAGEMENT

Executive Committee

Chairman

Mr. Moin U. Haider

Members

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

Audit Committee

Chairman

Mr. Wajid Ali Khan Panni

Members

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

Management Committee (MANCOM)

Chairman

Mr. Mohammad Imdadul Islam

Members

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

Asset-Liability Management Committee (ALCO)

Chairman

Mr. Mohammad Imdadul Islam

Members

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

Anti Money Laundering Compliance Committee

Chairman

Mr. Mohammad Imdadul Islam

Members

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

Credit Committee

Chairman

Mr. Mohammad Imdadul Islam

Members

Mr. Mizanur Rahman
Mr. Asif Rahman
Ms. Zeenat Alam

BASEL Implementation Committee

Chairman

Mr. Mohammad Imdadul Islam

Members

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

Risk Management Forum

Chairman

Mr. Mohammad Imdadul Islam

Members

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

Integrity Committee

Chairman

Mr. Mohammad Imdadul Islam

Members

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

CAPITAL AND SHAREHOLDING STRUCTURE

Share Capital

Authorized share capital

200,000,000 ordinary shares of Tk. 10 each

Issued, Subscribed and Paid up Capital

157,068,585 ordinary shares of Tk. 10 each

Amount in Taka	
2021	2020

2,000,000,000 2,000,000,000

1,570,685,850 1,427,896,230

Sponsors/Directors:

% of share
holding
2021

Amount in Taka	
2021	2020

A. Foreign

Institution:

Tai Ping Asian Investment Limited

10.42%

163,593,300

148,721,190

Individual:

Mr. Wolf - Peter Berthold

3.59%

56,325,360

51,204,880

Sub Total

14.01%

219,918,660

199,926,070

B. Domestic

Institution:

Karnaphuli Industries Limited

9.07%

142,479,210

129,526,560

Individuals:

Mr. Feroz U. Haider

8.07%

126,705,590

115,186,900

Mr. Moin U. Haider

2.00%

31,413,710

28,557,930

Ms. Silwat A. Haider

2.00%

31,413,760

28,557,970

AVM (Retd.) Altaf Hossain Choudhury Ndu. Psc

0.36%

5,683,330

5,166,670

Sub Total

21.50%

337,695,600

506,922,100

C. General Shareholders

64.49%

1,013,071,590

920,974,130

Total (A + B + C)

100.00%

1,570,685,850

1,427,896,230



Message from The Chairman

Bismillahir Rahmanir Rahim

Distinguished Shareholders:

Assalamu Alaikum,

It is my pleasure to welcome you all at 27th Annual General Meeting of GSP Finance Company (Bangladesh) Limited. I would like to express my sincere thanks to the respected shareholders for their support and co-operation during the Year 2021. I also extend my thanks and felicitations to the Honorable Members of the Board of Directors of the company for their presence and active support for the growth of the company amid COVID and post COVID period.

Giving a throwback to year 2021, I firmly state that Bangladesh withstood the pandemic situation better than most other South Asian countries that reflects through its macro-economic indicators i.e. GDP growth, inward remittance flow, exports-imports and so on. Capital market also experienced a better position than that of the previous year in terms of trade-volume, market liquidity, new IPOs/QIOs etc.

Our 2021 financial results reflect our discipline with respect to cost control, risk management and adaptation to our business. Despite a challenging business environment, the company continued to deliver sustainable growth and returns. GSP Finance Company (Bangladesh) Limited maintains fair, transparent and sound management system. It has well designed management structure having professional experience and relevant training with clearly defined roles for different departments and delegation of authority at different levels.

The year 2021 was unprecedentedly challenging. However, facing all the vicious business circumstances, the company had been able to do a satisfactory performance that reflects in its financial results. In the year, consolidated net profit after tax and provision stood at Tk. 226 million with earnings per share BDT 1.44. Deposits and Advances of the company stood at Tk. 1,925 million & Tk. 7,816 million as at 31st December 2021 respectively. I firmly believe that we shall be able to meet all the present & future challenges.

Every new-year brings new challenges to the business world that creates new opportunities vis-à-vis new threats or challenges as well. Year 2022 will be no different from that. We appreciate the challenges like impact of reduced interest rate, liquidity issues, cash flow, quality investment and last but not the least managing nonperforming loans. It is my firm belief that the Company is capable enough to tackle all these challenges and shall create a sustainable business environment by adopting prudent, dynamic business strategy. In order to achieve our goal, GSP Finance Company (Bangladesh) Limited is committed to adopt necessary human resource policies where reward will be commensurate with performance.

Finally, I express my sincere thanks to Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, National Board of Revenue and all other regulatory bodies for their continuous guidance, co-operation and support.

I also express my cordial thanks to the Board of Directors, members of different committees, employees, shareholders and all other stakeholders for their commitment, cooperation and support. Together we shall achieve our goal of 2022, Insha Allah.

Stay safe, stay blessed.



Feroz U. Haider
Chairman



Message

from The Managing Director & CEO

Bismillahir Rahmanir Rahim

Dear Shareholders:

Assalamu Alaikum,

Over the past two years – 2020 & 2021 – COVID-19 pandemic continued to inflict mayhem on the lives & livelihood and disrupted the global financial stability. Year 2021 started with new uncertainties as pandemic resurfaced in some parts of the world with outbreak of the Delta, Omicron and other new variants which eventually hampered the pace of global economic recovery. However, global economy has gained impetus at a moderate pace, partly attributable to incremental coverage of vaccination and efficient management of the pandemic.

While some form of restrictions and containment measures still persists in many parts of the world, disruption of international supply chain, increase of energy and fuel price, rising inflation and geopolitical tension in Europe and the USA due to Russia-Ukraine War appeared as significant threats for the global economy. All these have put pressure on early recovery of economic activities to the full scale. Soaring commodity prices, sweeping financial sanctions and the potential for a ban on energy imports from Russia – all these are threatening to disrupt the global economy, weakened by the COVID-19 pandemic, still struggling to gain momentum.

Bangladesh economy has showed its resilience in 2021. With timely implementation of stimulus packages, continued fiscal and monetary policy supports, hefty remittance inflows, declining COVID-19 infection rate, and increasing coverage of vaccination helped country's economy to walk in the path of recovery from the COVID-19 fallout. As a result, country's economic growth recovered faster attaining 6.94% GDP growth in FY 2021 from 3.45% in FY 2020 largely driven by activities in the agriculture and industrial sectors.

To boost the production and generate employment, Government and Bangladesh Bank continued to provide policy support, including sector specific stimulus packages and various refinance schemes, which resulted in higher growth performance. Service sector activities started rebounding in FY 2021 and continued gaining momentum in FY 2022.

The economy performed better than many other similar economies as the government provided continued support and our private sector exhibited commendable resilience. These factors played a pivotal role to make a rapid recovery from the vulnerable situation. The financial sector of the country has been struggling in the recent years to cope with pressure of higher percentage of non-performing loans. To add to despairs, the financial sector of Bangladesh is now facing the wrath of the pandemic.

Considering the COVID-19 consequence, Bangladesh Bank declared policy relaxation on loan repayment to make early recovery from business disruption. Although the economic activities are picking up, the health crisis is still there and uncertainties are running deep and the support may be extended in 2022.

Capital market of Bangladesh went through a bullish ride in 2021. Strong participation of investors, low interest rate on term deposits, commendable regulatory steps by BSEC were the key reasons behind the decent year for the Bangladesh capital market.

Bangladesh Securities and Exchange Commission (BSEC) and the Government of Bangladesh took a number of initiatives to boost investors' confidence in the capital market. Moreover, the central bank undertook several policy measures under the stimulus package which helped in amplifying liquidity in the market, building investors' confidence and stabilizing the capital market.

Against the backdrop of the challenging conditions, GSP Finance Company (Bangladesh) Limited has been able to achieve a good financial result which illustrates the strength of our disciplined approach to controlling costs and managing associated risks. During the year 2021, net profit after tax and provision stood at Tk. 226 million and earnings per share BDT 1.44.

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

I would like to express my appreciation to all the Honourable Members of the Board of Directors of GSP Finance Company (Bangladesh) Limited who have always extended their valuable guidance and strategic advices for the growth of a company.

On behalf of the Management of the Company, I also express my gratitude to all of our honorable Shareholders and valued Customers who continue to put their trust in GSP Finance Company (Bangladesh) Limited. I would like to assure that our resilience and endurance will be able to overcome the challenging economic condition of the Year 2021 and create value for all our stakeholders.

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

Sincere thanks & best regards.



Mohammad Imdadul Islam
Managing Director & CEO

Directors' Report

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alaikum,

On behalf of the Board of Directors of GSP Finance Company (Bangladesh) Limited, I welcome you all to 27th Annual General Meeting of the Company and pleased to present the Annual Report for the year ended December 31, 2021. Report includes Audited Financial Statements, Consolidated Financial Statements of the Company for the year ended December 31, 2021 and the Auditors' Report thereon for consideration and approval of our honorable shareholders. This report has been prepared in compliance with Section 184 of the Companies Act 1994, BSEC's Notification dated June 03, 2018, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and the guidelines issued by Bangladesh Bank and other regulatory authorities. The Financial Statements were reviewed and approved by the Board of Directors of the Company on August 08, 2022.

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

PRINCIPAL ACTIVITIES OF THE COMPANY

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

OPERATIONAL PERFORMANCE OF THE COMPANY

The year 2021 was an unprecedentedly challenging year and an altered world. 2021 showed us the vulnerability of the socio-economic order. The outbreak of Covid -19 with its swift, unstoppable spread throughout the World brought the fictions and movies into reality. It created havoc across the countries rich or poor, developed or developing. Mankind is still vulnerable to such sudden pandemic outbreak despite all its knowledge and technological advancement.

This pandemic has spread so fast that the countries practically locked themselves in and slowed down activities for much of 2021. The lockdown along with huge death toll, fear and panic among people, has resulted economic disruption across the globe that led the global GDP to shrink by 5.4% in 2021, according to IMF data.

Our country has shown resilience during the pandemic and has managed to show positive achievements. Experts opine that the impact on the emerging markets would be lower than on advanced economies - proved to be true for us. Bangladesh has a positive GDP growth rate projection of 7.4% for FY 2020-2021, according to Bangladesh Bank Monetary Policy Statement FY 2020-2021.

The global economic recession, owing to the pandemic also affected the financial industry of the country. GSP Finance Company (Bangladesh) Limited is also not out of it. The already high liquidity crunch prevailing in the NBFI sector has increased by several folds in the beginning of 2021.

As the entire financial sector especially NBFIs are facing prolonged severe liquidity crisis, non-renewal of existing credit facilities and non-approval of new credit facilities by the banks, huge FDR encashment pressure from depositors and non-payment of installments by borrowers on time etc. have created tremendous pressure on our fund management.

Our Company met the challenges through focused plan, diversified products and services, taking steps towards adopting a fully automated and modern system, improving the asset quality by strengthening the recovery of non-performing assets, emphasize on human resources development program to upgrade the skills and knowledge of our personnel.

FINANCING AND INVESTMENT OPERATION OF THE COMPANY

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

Lease Finance: Lease financing is one of the major fund-based activities of GSP Finance Company (Bangladesh) Limited. The Company offers fully payout financial lease for procuring capital machinery, equipment, vehicles & riverine transport. GSP Finance Company (Bangladesh) Limited provides services to customers of different segments. Through a prudent business model, the company has diversified its business in other business segments in the year 2021.

The investment under lease finance registered a negative growth of (3.22) % of the Company with exposure of Tk. 1,340.42 million at the end of 2020 as opposed to Tk. 1,384.99 million for the previous year.

Term Finance: Term finance continued to be a core product of GSP Finance Company (Bangladesh) Limited. Long-term finance is available for commercial, industrial, SME sectors for a period ranging from 12 to 60 months depending on the nature of business and need. To provide liquidity comfort to corporate houses in emergency situation, the short-term finance is made under the different categories i.e. direct finance for working capital, work order finance, bridge finance, finance against term deposits etc. As pointed out by the Bangladesh Bank, term finance by FIs is the alternate source of capital financing for the industrial growth in the country. The Company's investment under term finance registered a negative growth of (0.40)% in 2021 which stood at Tk. 5,607.14 million at the end of 2021 as opposed to Tk.5,629.41 million of the previous year due to recovery and pre-payment of loans by customers who got low interest-bearing loans from Banks as they reduced interest rates on investment as per Govt. policy for lending at single digit.

Fund Arrangement/Syndication: GSP Finance Company (Bangladesh) Limited actively participated as a co-financer in various large syndication loans in order to diversify its portfolio and reduce risks. The total commitments of the company in syndications and structured finance arrangements stood at Tk. 577.04 million as at December 31, 2021.

CAPITAL MARKET OPERATION OF THE COMPANY

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

Investment in Share and Securities: GSP Finance Company (Bangladesh) Limited maintains its own portfolio for investment in listed companies' shares and securities as well as pre-IPO & IPO placement. The risk of investment is minimized through diversification and investing mostly in fundamentally strong securities. In 2021, the Company earned Tk. 95.47 million in the form of capital gain and dividend.

Banking Arrangement: In 2021, the Company secured Tk. 91.30 million from banks against different forms of borrowings to finance our operations and repaid Tk. 250.24 million as per terms and conditions of contracts. During the year, the cost of borrowing decreased slightly.

Deposit Mobilization: GSP Finance Company (Bangladesh) Limited mobilizes term deposits from corporate and individuals through its wide range of deposit schemes with different maturity options, monthly/quarterly/half-yearly/yearly income options, double money options, monthly saving options etc. The deposit base of the Company registered a negative growth and stood at Tk. 1,925.20 million as on December 31, 2021 as opposed to Tk. 2,269.46 million of December 31, 2020 due to withdrawal of corporate deposits as they were offered higher rates by some financial institutions those were in dire need of funds and also to meet their expenses during business disruption due to Corona Pandemic.

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

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

MANAGEMENT'S DISCUSSION & ANALYSIS

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

RISK MANAGEMENT

Risk and uncertainties are essential elements of the financing business. To mitigate and manage these risks, GSP Finance Company (Bangladesh) Limited has different committees namely, Credit Committee (CC), Asset and Liability Committee (ALCO), Risk Management Committee, Management Committee and Audit Committee. The Committees regularly meet to review the market, credit and liquidity risk related factors and recommend and implement suitable measures to counter these risks. Appropriate and effective internal control systems are also in place to address operational risks. Credit Risk Department of GSP Finance Company (Bangladesh) Limited also assists the management in building a quality credit portfolio. The Company has also taken steps to further strengthen its Internal Control and Compliance function.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

ENVIRONMENTAL ISSUES

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

HUMAN RESOURCES OF THE COMPANY

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

CORPORATE AND FINANCIAL REPORTING FRAME WORK

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

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

CEO AND CFO'S DECLARATION CERTIFICATE

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

THE PATTERN OF SHAREHOLDINGS

The Authorized Capital of GSP Finance Company (Bangladesh) Limited is Tk. 2,000,000,000 divided into 200,000,000 ordinary shares of Tk. 10 each. The present paid-up Capital of the Company is Tk. 1,570,685,850 divided into 157,068,585 ordinary shares of Tk. 10 each. The shareholding pattern of the Company as at December 31, 2021 is shown on page 15 in this Annual Report as per clause no. 1(5) (xxiii) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

BOARD MEETING ATTENDANCE AND REMUNERATION OF DIRECTORS

During the year ended on December 31, 2021 a total number of 07 Board Meetings were held and attendance of directors are presented on page 43 and their remuneration paid during the year are given in Notes-31 in this Annual Report as per clause no.1(5)(xxii) & 1(5)(x) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

RELATED PARTY TRANSACTIONS

In the ordinary course of business a number of transactions with other entities that fall within the definition of related party contained in BAS 24: Related party disclosures; The Company extends leases/loans to related parties including its Directors and related Companies. A statement of related party transactions along with their basis has been presented on page 109 in this Annual Report as per clause no.1(5)(vi) of the BSEC Notification No. BSEC/CMRRCD/ 2006-158/207/Admin/ 80 dated June 03, 2018.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE

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

We also enclose a statement of compliance on the good governance guidelines issued by the Bangladesh Bank as Annexure III on page no 45 in this Annual Report.

FINANCIAL RESULT AND PROPOSED APPROPRIATION

The financial results of the Company and the proposed appropriation of profit for the year 2021 are summarized below with explanations in the enclosed audited Financial Statements:

Profit after tax	Tk. 197,060,861
Transfer to Statutory Reserve (20% on profit after tax)	Tk. (39,412,172)
Retained earnings brought forward	Tk. 15,561,505
Transfer to WPPF @ 5%	Tk. (7,882,434)
Profit available for declaration of Dividend for the year 2021	Tk. 165,327,760

DIVIDEND

Considering the overall environment of financial market, current financial strength of the Company the Board of Directors recommended 10 % dividend (2.50% cash dividend i.e. Tk 0.25 per share and 7.50% stock dividend i.e. 7.50 bonus shares for every 100 shares) for the year ended December 31, 2021 subject to approval of Bangladesh Bank and its shareholders in this Annual General Meeting.

INTERIM DIVIDEND

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

DIRECTORS RESUME AND LINE OF EXPERTISE

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

FORMATION OF SUBSIDIARY FOR MERCHANT BANKING ACTIVITIES

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

The Principal Activities of GSP Investments Limited are:

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

DIRECTORS RETIREMENT AND REAPPOINTMENT

In accordance with the section no. 91 (2) of the Companies Act 194 and Article no.116 of the Article of Association of the Company one third (1/3) directors are to retire from the Board of Directors and accordingly (1) Mr. Feroz U. Haider, Chairman (2) Mr. Saber Hossain Chowdhury, Vice Chairman and (3) Dr. ATM Shamsul Huda, Vice Chairman of the Company will retire and being eligible, all of them offered themselves for re-election.

APPOINTMENT OF AUDITORS

The Company's Auditors Zoha Zaman Kabir Rashid & Co. Chartered Accountants, having address at Rupayan Karim Tower, Level- 7, Suite # 7A, 80, Kakrail, Dhaka- 1000, Bangladesh worked as Statutory Auditors for a consecutive period of three years and will retire in the 27th Annual General Meeting (AGM) of the Company and not being eligible for re-appointment due to Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018 of Bangladesh Securities and Exchange Commission (BSEC) and as per Regulations No. 15 of Dhaka & Chittagong Stock Exchanges (Listing) Regulations – 2015.

In this respect Malek Siddique Wali, Chartered Accountants, having address at 9-G, Motijheel C/A, Dhaka-1000 has shown their willingness to act as Auditor of the Company for the year 2022 vide their letter No. MSW-2010/2021-2022/SP/Appoint/1012 dated July 31, 2022 at a fee of Tk 170,000/-plus VAT subject to approval of Bangladesh Bank before holding the 27th Annual General Meeting (AGM).

It may be mentioned here that Malek Siddique Wali, Chartered Accountants, are listed as "A" category auditors of Bangladesh Bank list and also the panel auditors of Bangladesh Securities and Exchange Commission (BSEC).

In order to comply with the condition No. 9 of "Corporate Governance Code" - Malek Siddique Wali" Chartered Accountants having address at 9-G, Motijheel C/A, Dhaka-1000 worked as Compliance Auditors on BSEC Corporate Governance Code of the Company for the year 2020 with a fee of Tk. 30,000 plus VAT @ 15% only and they will retire in the 27th Annual General Meeting of the Shareholders of the Company.

In this respect The Company's immediate past Auditors Zoha Zaman Kabir Rashid & Co. Chartered Accountants, having address at Rupayan Karim Tower, Level- 7, Suite # 7A, 80, Kakrail, Dhaka- 1000, Bangladesh has shown their willingness to act as Compliance Auditor of the Company for the year 2022 vide their letter dated August 03, 2022 at a fee of Tk. 35,000/-plus VAT which will be approved by the shareholders in the 27th Annual General Meeting of the Company.

ECONOMIC AND INDUSTRY OUTLOOK

GDP of Bangladesh is estimated to grow at 6.4 percent in the Fiscal Year 2022, according to the World Bank's latest Global Economic Prospects report. The growth rate will go up to 6.7 percent for the Fiscal 2023 boosted by increase in investment and remittance income for the country.

Bangladesh has made a strong economic recovery from the COVID-19 pandemic, but growth faces new headwinds as global commodity prices increase amid the uncertainty created by the war in Ukraine.

In Bangladesh, a rebound of manufacturing and service sector activities led strong growth in FY21 and in the first half of FY22. In the medium term, GDP growth is expected to remain strong. Inflation rose to 6.2 percent in February 2022, driven by a rise in both food and non-food prices. The war in Ukraine and associated sanctions may lead to a higher current account deficit and rising inflation as global commodity prices surge.

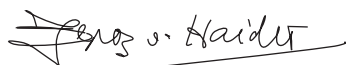
Although global trade has turned around in 2021 after the effects of COVID-19 pandemic, the Russia-Ukraine conflict has been showing significant negative impact on world trade. As a result, food & energy supply chains have been disrupted and Western sanctions on Russia have led to global trade instability. At the same time, the prices of petroleum along with commodity prices are rising, which is also creating inflationary pressures on the economies. However, Bangladesh's export growth is on a positive trend. During July-April of FY 2021-22, total export earnings increased by 35.14 percent. The key challenges for the Company in 2022 will be to continue to support demand for financings shrinking interest rate margins and increasing non-performing loans due to various uncontrollable external factors. It is my belief that the Company will be able to deliver on its commitment to grow sustainably and generate reasonable returns by pursuing a prudent and dynamic business strategy in the upcoming year.

ACKNOWLEDGEMENT

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

May Allah be with us throughout our journey.

On behalf of the Board of Directors



Feroz U. Haider
Chairman

REPORT OF THE AUDIT COMMITTEE

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

Composition of the Committee

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

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

Scope of work of the Audit Committee

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

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

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

Meetings of the Audit Committee

The Committee held on four meetings during the year 2021. The Managing Director, Chief Financial Officer and Head of Internal Control & Compliance attend the committee meetings by invitation. The Company Secretary as the Secretary of the committee. The proceedings of the Audit Committee meetings are regularly reported to the Board of Directors.

Activities of the Audit Committee

The Audit Committee carried out the following activities during the year 2021

- The Audit Committee reviewed the annual financial statements for the year 2021 and placed its recommendations to the Board of Directors.
- Reviewed with the external auditors and management prior to finalization of financial statements for the year ended December 31, 2021 as per clause no.2 (kha -2) of circular number 13, dated October 26, 2011 issued by Department of Financial Institutions and Markets (DFIM), Bangladesh Bank.

- Reviewed the financial statements of GSP Finance Company (Bangladesh) Limited for the year ended December 31, 2021 as per clause no. 5.5 (f) of Corporate Governance Code (CGC) issued by Bangladesh Securities and Exchange Commission dated June 03, 2018.
- Recommended to the Board for appointment of external auditors for the year 2022.
- Reviewed the effectiveness and independence for the external auditors.
- Reviewed report of the audit committee for 2021 prior to its publication in the annual report 2021.
- Reviewed Internal Control & Compliance report of 2021.
- Reviewed and approved annual audit plan for the year 2021.
- Reviewed the quarterly and half yearly un-audited financial statements of GSP Finance Company (Bangladesh) Limited and its subsidiaries as per clause no. 5.5 (g) of Corporate Governance Code (CGC) issued by Bangladesh Securities and Exchange Commission, dated June 03, 2018.
- Reviewed the scope of work and terms of reference (ToR) for appointment of external audit firm for carrying out Information Systems Audit and Vulnerability Assessment of GSP Finance Company (Bangladesh) Limited.
- Reviewed the compliance status of management report issued by Zoha Zaman Kabir Rashid & Co. Chartered Accountants, external auditors of the company, based on their annual audit of financial statements of GSP Finance Company (Bangladesh) Limited for the year ended December 31, 2021.

Acknowledgement

The Board Audit Committee would like to express their thanks to the Members of the Board Audit Committee, management, auditors and all employees for their dedication and efforts during the year 2021.

On behalf of the Audit Committee



Wajid Ali Khan Panni
Chairman, Audit Committee

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

Date: August 08, 2022

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

Subject: Declaration on Financial Statements for the year ended on December 31, 2021

Dear Sirs,

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


- (1) The Financial Statements of GSP Finance Company (Bangladesh) Limited for the year ended on December 31, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on December 31, 2021 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,


Mohammad Imdadul Islam
Managing Director & CEO


Md. Wahidul Islam
Chief Financial Officer



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

Malek Siddiqui Wali

CHARTERED ACCOUNTANTS

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

Extension Office: Property Heights, 1st Floor

12, RK Mission Road, Dhaka - 1000.

PHONE: 9513471, 9569867

PABX: 9576118-9, 9576128

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Email: wali@satcombd.com

Web: www.msw-bd.com

Annexure-B

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

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

We have examined the compliance status to the Corporate Governance Code by GSP Finance Company (Bangladesh) Limited for the year ended on December 31, 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Place: Dhaka
Dated: August 07, 2022


Md. Waliullah, FCA
Malek Siddiqui Wali
Chartered Accountants

COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE BY BSEC

Status of Compliance with the Corporate Governance Code (CGC) as on December 31, 2021

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

(Report under Condition No. 9)

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

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

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

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		Not applicable, as the company declared 10% dividend (2.50% cash dividend i.e. Tk. 0.25 per share and 7.5% stock dividend i.e. 7.50 bonus shares for every 100 shares) for the year ended December 31,2021
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1(5)(xxiii)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details);	√		
1(5)(xxiii)(c)	Executives;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5)(xxiv)	In case of the appointment / re-appointment of a director the company shall disclose the following information to the shareholders:-			
1(5)(xxiv)(a)	A brief resume of the director;	√		Information regarding the Directors' are disclosed in brief profile of the Directors' on page no. 10 of this Annual Report
1(5)(xxiv)(b)	Nature of his / her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5)(xxv)	Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements			
1(5)(xxv) (a)	Accounting policies and estimation for preparation of financial statements	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly page no. 70-82 of this Annual Report describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes as cash flows in absolute figure for such changes	√		Refer to the Financial Capital: Analysis with the Management Committee on page no. 56 of this Annual Report

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

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

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

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

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

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

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

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
	Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7(3)	representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange;	√		
8(2)	The company shall keep the website functional from the date of listing;	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s);	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in this Annual Report .	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		The agenda will be placed in the 27th Annual General Meeting. Refer to the notice of the AGM, on page no. 04 of this Annual Report
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

Compliance of Section 1(5)(xxii)

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

Name of Directors	Board of Directors Meeting		Executive Committee Meeting		Audit Committee Meeting	
	Meeting held	Attended	Meeting held	Attended	Meeting held	Attended
Mr. Feroz U. Haider	7	7	-	-	-	-
Mr. Saber Hossain Chowdhury	7	-	-	-	4	-
Dr. ATM Shamsul Huda	7	7	-	-	4	3
Mr. Moin U. Haider	7	7	-	-	4	3
Mr. Wolf-Peter Berthold	7	1	-	-	-	-
Mr. Mohamed Abdul Jalil	7	7	-	-	4	4
Mr. Wajid Ali Khan Panni	7	4	-	-	4	3
Ambassador F. A. Shamim Ahmed (Retd.)	7	7	-	-	-	-
Ms. Silwat A. Haider	7	5	-	-	-	-

Notes:

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

Compliance of Section 1(5)(xxiii)

THE PATTERN OF SHAREHOLDING:

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

Name	Relation	Shares held
Nil		Nil

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

Name	Relation	Shares held (nos.)
Mr. Feroz U. Haider	Chairman & Director	12,670,559
Mr. Saber Hossain Chowdhury	Vice Chairman & Director Representing : Karnaphuli Industries Limited	14,247,921
Dr. ATM Shamsul Huda	Vice Chairman & Director Representing : Tai Ping Asian Investment Limited	16,359,330
Mr. Mohamed Abdul Jalil	Director Representing: Tai Ping Asian Investment Limited	
Mr. Wolf-Peter Berthold	Director	5,632,536
Mr. Moin U. Haider	Director	3,141,371
Ms. Silwat A. Haider	Director	3,141,376
Mr. Wajid Ali Khan Panni	Independent Director	None
Ambassador F.A. Shamim Ahmed (Retd.)	Independent Director	None
Mr. Mohammad Imdadul Islam	Managing Director & CEO	None
Mr. Mizanur Rahman	DMD & Company Secretary	None
Mr. Wahidul Islam	Chief Financial Officer	None
Mr. Saifur Rahman Bhuiyan	Head of Internal Audit and Compliance (C.C.)	None

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

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

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

Name of Shareholder	Percentage	Shares held (nos.)
Tai Ping Asian Investment Limited	10.42%	16,359,330

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

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

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

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

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

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

Dividend Distribution Policy

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

DISCLOSURES UNDER PILLAR III- MARKET DISCIPLINE

A) Scope of application

Qualitative Disclosures:

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

Quantitative Disclosures:

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

B) Capital structure

Qualitative Disclosures

- a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.

➤ Tier 2 capital includes:

- i) General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk;
- ii) Revaluation reserves:
 - 50% Revaluation reserve for fixed assets;
 - 45% Revaluation reserve for securities;
- iii) All other preference shares.

Conditions for maintaining regulatory capital:

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

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

Quantitative Disclosures:

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

Particulars	Amount in BDT
Paid up capital	1,570,685,850
Non-repayable share premium account	-
Statutory reserve	554,818,003
General reserve	-
Retained earnings	188,685,646
Minority interest in subsidiaries	-
Non-cumulative irredeemable preference shares	-
Dividend equalization account	-
Total Tier 1 capital	2,314,189,499
(c) The total amount of Tier 2 capital	579,473,528
(d) Other deductions from capital	-
(e) Total eligible capital	2,893,663,027

C) Capital Adequacy

Qualitative Disclosures

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

Operational level:

Immediate measures:

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

Continuous measures:

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

Strategic level:

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

	Quantitative Disclosures	Amount in BDT
(b)	Capital requirement for Credit Risk On-Balance Sheet Off-Balance Sheet	9,690,297,303
(c)	Capital requirement for Market Risk	815,630,550
(d)	Capital requirement for Operational Risk	1,490,502,611

Particular	Consolidated	Stand Alone
CAR on Total capital basis (%)	21.88	24.12
CAR on Tier 1 capital basis (%)	17.60	19.29

D) Credit Risk

Qualitative Disclosures

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

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

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

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

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

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

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

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

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

➤ **Special Assets Management and Collection Team**

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

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

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

➤ **Credit Evaluation**

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

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

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

➤ **Credit Approval Process**

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

➤ **Credit Quality and Portfolio Diversification**

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

➤ **Early Warning System**

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

➤ **NPL Management**

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

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

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

➤ **Counter-party Credit Rating**

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

Methods used to measure Credit Risk

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

Quantitative Disclosures

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

Particulars	Amount in BDT
Leasing	1,340,418,204
Term finance	3,113,518,400
Margin loan to portfolio investors	2,493,621,398
Total	6,947,558,002

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

Area	Amount in BDT
Dhaka	6,548,845,866
Chittagong	398,712,136
Total	6,947,558,002

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

Sector	Amount in BDT
Agriculture	41,020,445
Electronics and Electrical Products	-
Food Production and Processing Ind.	79,204,755
Garments and Knitwear	568,471,487
Glass, Glassware and Ceramic Industries	-
Housing	-
Iron, Steel and Engineering	171,752,531
Paper, Printing and Packaging	172,231,842
Pharmaceuticals and Chemicals	509,065,916
Plastic Industry	-
Power & Energy	117,100,209
Telecommunication and IT	112,389,783
Textile	288,119,159
Transport and Aviation	526,426,560
Service	984,200,466
Others	3,377,574,849
Total	6,947,558,002

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

Particulars	Amount in BDT
Repayable on demand	-
Up to 1 month	502,308,444
Over 1 month but not more than 3 months	914,298,633
Over 3 months but not more than 1 year	858,023,413
Over 1 year but not more than 5 years	4,672,927,512
Over 1 year but not more than 5 years	-
TOTAL	6,947,558,002

(a) Gross Non Performing Assets (NPAs)

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

Particulars	Amount in BDT
Sub-standard	-
Doubtful	-
Bad/Loss	1,114,587,829
Total	1,114,587,829

Movement of specific provisions for NPAs

Particulars	Amount in BDT
Opening balance	474,932,475
Provisions made during the period	(35,295,172)
Write-off	-
Write-back of excess provisions	-
Closing balance	439,637,303

E) Equities: Banking book positions**Qualitative Disclosures**

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

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

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

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

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

Quantitative Disclosures

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

Particulars	Cost Price	Market Price
Quoted shares	472,825,591	405,656,670
Unquoted shares	3,434,710	3,434,710

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

➤ **Capital Gain on sale of Share BDT 79,940,839**

(C)

Particulars	Amount in BDT
Total unrealized gains (losses)	(64,599,471)
Total latent revaluation gains (losses)	-
Any amounts of the above included in Tier 2 capital.	-

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

- Specific Risk Market value of investment in equities is BDT 40.57 crore. Capital Requirement is 10% of the said value which stand to BDT 4.06 crore.
- General Risk Market value of investment in equities is BDT 40.57 crore. Capital Requirement is 10% of the said value which stand to BDT 4.06 crore.

All requirements are 10% of the said value, which stand to BDT 8.12 crore.

F) Interest rate in the banking book**Qualitative Disclosures**

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

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

Quantitative Disclosures

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

Maturity wise Distribution of Assets-Liabilities

Particulars	1 to 30/31 day (One month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year
1	2	3	4	5	6
A. Total Rate Sensitive Liabilities (A)	33.88	35.92	47.38	53.37	77.48
B. Total Rate Sensitive Assets (B)	15.62	16.54	34.39	42.83	52.95
C. Mismatch	-18.26	-19.39	-12.99	-10.53	-24.54
D. Cumulative Mismatch	-18.26	-37.64	-50.63	-61.16	-85.70
E. Mismatch (%)	-53.89%	-53.97%	-27.41%	-19.74%	-31.67%

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

Magnitude of Shock	Minor	Moderate	Major
	2%	4%	6%
Change in the Value of Bond Portfolio	0.00	0.00	0.00
Net Interest Income	-1.71	-3.43	-5.14
Revised Regulatory Capital	295.44	293.72	292.01
Risk Weighted Assets	1175.21	1175.21	1175.21
Revised CAR (%)	25.14%	24.99%	24.85%

G) Market risk

Qualitative Disclosures (a)

Views of BOD on trading/investment activities

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

Methods used to measure Market risk

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

Market Risk Management system

Policies and processes for mitigating market risk

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

Interest Risk Management

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

Market analysis

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

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

Continuous Monitoring

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

Equity Risk Management

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

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

Quantitative Disclosures (b)

The capital requirements for Market Risk:

Particular	Amount in crore BDT
Interest rate risk	-
Equity position risk	8.12
Foreign Exchange Position and Commodity risk (if any).	-

H) Operational Risk:

Qualitative disclosure (a)

Views of Board on system to reduce Operational Risk:

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

Performance gap of executives and staffs

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

Potential external events

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

Policies and procedures for mitigating operational risk:

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

Approach for calculating capital charge for operational risk:

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

Quantitative Disclosures (b)

Capital requirement for operational risk:

Particular	Amount in crore BDT
Capital requirement for operational risk:	14.91

MANAGEMENT DISCUSSION AND ANALYSIS

Capital

Despite a challenging year, GSP Finance Company (Bangladesh) Limited remains well capitalized, as capital adequacy ratio remains well above the Basel II minimum regulatory capital requirements and GSP Finance Company (Bangladesh) Limited (GSPB)'s CAR reached to 24.12% in 2021 from 22.39% in 2020. At GSPB, Capital Management policy sets out the principles and guidelines for effective and prudent capital planning, usage and management.

Tier I Core Capital of GSPB as at 31 December 2021 was BDT 2,314 million. On solo basis, GSPB's core capital increased by 9.31% in 2021 compared to that of 2020 because paid up capital increase of BDT 142 million through stock dividend and by financial performance, means of Net Profit after tax of BDT 197 million.

Tier II Supplementary capital of the company comprises of General Provision for leases and loans and assets revaluation reserve as a part of Tier II capital. Supplementary capital of the GSPB decreased by 0.13% in 2021 to BDT 579 million from BDT 580 million of 2020.

GSPB's total eligible capital increased by 7.28% to BDT 2,893 million in 2021 compared to BDT 2,697 million of 2020. Compared to 2020, on solo basis. GSPB's risk weighted assets decrease by 0.41% in 2020 and so does our capital requirement. We didn't only maintained the required level of capital, we had a good surplus in 2021. The surplus eligible capital of the company at the close of business on 31 December 2021 were BDT 1694 million.

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

Funding and Liquidity

The year 2021 was very tight from liquidity perspective; GSPB has shown decrease its deposit portfolio and at the same time also decreased bank borrowing. Due to high attrition rate of Corporate and Institutional deposits and Bank Borrowings, Portfolio of Retails TDR, Corporate TDR, Bank & FIs TDR is decreased by BDT 344 million in 2021 and borrowings from banks and other financial institutions decreased by total BDT 159 million in 2021 and lease, loan portfolio also decreased by BDT 67 million compared to 2020.

Despite the liquidity shortage in 2021, we have been able to maintain our liquidity position well in excess of prudential liquidity requirements.

Profitability Position:

GSP Finance Company (Bangladesh) Limited went through a challenging phase during 2021 due to post covid-19. Performances of the Company slightly decrease in profitability in 2021 compared to 2020. Increase in provision for investment of shares and increase provision for leases, loans and advances which are affected the Company's profitability. The profit before provision was BDT 431 million in 2021 compared to BDT 255 million in 2020 and net profit after tax was BDT 197 million in 2021 and compared to BDT 203 million in 2020.

Interest Income

Interest income is the core component of revenue of the Company. Lease, loan and advances portfolio of the Company decreased by 0.95% in 2021, interest income decreased by 2.52% to BDT 744 million in 2021, which was BDT 764 million for the year 2020. Interest income decrease due to decrease of lease/loan portfolio in 2021 compared to 2020.

Interest Expenses

In the year 2021 GSPB interest expenses decreased by 20.27% to BDT 395 million from BDT 496 million of 2020. Total deposit and borrowings decreased of 12.25%, decreased of interest expenses is higher than last year. Liquidity crunch and its effect in money market escalated the cost of fund in 2021 compared to 2020.

Investment Income

It was a difficult year for the capital market due to post Covid-19 pandemic and bearish capital market condition. On the other hand, liquidity shortage of money market also affected the capital market. Deposit in this situation, GSPB's investment income increased by BDT 81.85 million compared to 2020. Moreover, provision for diminution in the value of investment has increased by BDT 24.31 million for 2021.

Operating Expenses

Efficient control over operating expenses has kept the negative growth to (18.06%) in 2021 from 2020. GSPB'S negative growth in salary and allowance around (27.96%) reflect the well control in human resource of GSPB.

Operating Expense	2019	2018	Amount in BDT	
			Y-O-Y Growth	
			Amount	%
Salary & Allowance	29,455,588	40,886,688	(11,431,100)	-27.96%
Rent, taxes, insurance, electricity, etc	1,518,145	1,432,149	85,996	6.00%
Legal expenses	150,000	220,000	(70,000)	-31.82%
Postage, stamp, telecommunication, etc	634,473	433,172	201,301	46.47%
Stationery, printing, advertisement	1,362,141	1,409,079	(46,938)	-3.33%
Managing Director's salary & allowances	4,825,000	2,738,335	2,086,665	76.20%
Director's Fees	440,000	392,000	48,000	12.24%
Audit Fees	195,500	195,500	0	0
Depreciation and respire of company's assets	3,670,462	4,112,405	(441,943)	-10.77%
Other Operating expenses	6,655,760	7,866,506	(1,210,746)	-15.39%
Total Operating Expense	48,907,069	59,685,834	(10,778,765)	-18.06%

Revenue

Revenue for 2021 has been BDT 876 million which shows a growth rate of 7.92% from the previous year, of which 85.02% was from interest earning products, 10.90% from investment income and rest 4.08% from other operating income sources.

Profitability

As the capital market was bearish and financial industry suffered liquidity crisis and increased provision for leases, loans and advances & Investments GSPB's experienced 2.98% negative growth of profitability. Pre-tax profit was recorded at BDT 319 million for the year 2021, which was BDT 328 million in the previous year.

Portfolio

Lease, Loans & Advances Portfolio of GSPB shows a negative growth of 0.95% from BDT 7,014.41 million in 2020 to BDT 6,947.56 million in 2021.

Credit Quality and NPL

GSP Finance Company (Bangladesh) Limited NPL Ratio has decreased to 16.04% in 2021.

Liquidity and Capital Adequacy Ratio

Capital Adequacy Ratio (CAR) at the end of 2021 stood at 24.12% against the Bangladesh Bank's stipulation of 10% which was 22.39% in 2020. This shows the strength of Capital and the level of compliance of GSPB with the regulatory requirements and to ensure a sustainable growth.

Share Performance

Market price of our share had shown fluctuation throughout the year in between BDT 28.20 and BDT 13.60 and finally settled at BDT 27.00 at the end of 2021.

ROA

For the year 2021, our Return on Assets (ROA) was 2.15% compared to 2.20% of 2020.

ROE

GSPB's Return on Equity (ROE) was 6.10% in 2021. and its five-years cumulative average growth rate was 0.13%.

EPS

Earnings per Share (EPS) for 2021 stood at BDT 1.25 compared to BDT 1.29 in 2020. Liquidity crunch in banking sector and continued bearish capital market throughout 2021, our bottom line result has been greatly affected. As profitability decreased and number of shares increased with Stock Dividend declared EPS stood significantly low.

Total Asset

In terms of Asset negative Growth, GSPB's total assets reduce from 2020 to 2021. From the year 2020 to 2021 asset decreased by 0.58%. GSPB's total assets BDT 9,162.34 million in 2021 where 2020 was BDT 9,215.53 million.

Total Deposit

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

Outlook for 2022

The year 2022 will be a hard year for NBFIs and the key challenges for the company in 2022 will be to continue to support demand for financing shrinking interest rate margins and increasing non-performing loans.

As we know, in the year 2021 the entire financial sector especially NBFIs has suffered a lot due to COVID-19 pandemic and passed a difficult time with severe liquidity crunch, non-renewal of existing and new credit facilities by the banks, huge FDR encashment pressure from depositors and non-payment of installments by the borrowers on time etc, which adversely impacted the overall profitability of the industry.

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

FINANCIAL HIGHLIGHTS

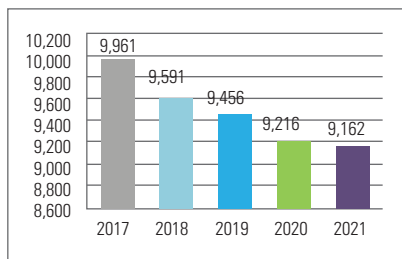
Operational Performance	2017	2018	2019	2020	2021
Operating revenue	1,038,570,606	1,047,456,390	1,071,766,750	811,847,282	876,125,073
Financial expenses	379,714,179	422,564,307	461,775,809	496,277,580	395,689,480
Operating expenses	65,560,469	66,962,296	72,692,877	59,685,833	48,907,068
Profit before taxation	513,340,910	471,250,389	286,719,104	328,543,463	319,382,990
Net Profit after tax	307,099,348	293,678,772	177,970,719	203,121,144	197,060,861

Financial performance	2017	2018	2019	2020	2021
Lease & term finance	6,627,994,210	5,734,165,448	5,364,849,807	4,808,329,512	4,453,936,604
Investor's portfolio loan (Loan to GSPI)	1,442,570,276	1,619,839,926	1,884,773,562	2,206,076,458	2,493,621,398
Investment in Share	309,186,018	507,040,024	506,075,833	508,537,103	476,260,301
Other assets	364,812,748	365,550,895	354,225,009	342,955,105	367,371,186
Current assets	3,732,765,320	3,302,774,377	3,366,821,587	3,054,517,410	3,236,192,738
Total asset	9,961,488,185	9,591,342,540	9,455,555,493	9,215,527,719	9,162,344,756
Term deposits	4,177,070,229	3,113,838,775	2,809,991,267	2,269,458,671	1,929,199,905
Current liabilities	3,029,386,585	2,782,619,965	2,485,509,434	2,462,174,932	2,100,624,589
Long term liabilities	4,340,455,493	3,923,397,696	4,134,773,415	3,719,534,525	3,830,841,045
Total Liabilities	7,369,842,078	6,706,017,661	6,620,282,849	6,181,709,457	5,931,465,634

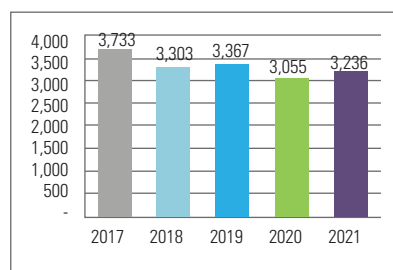
Financial ratios	2017	2018	2019	2020	2021
Current ratio (Times)	1.23	1.19	1.35	1.24	1.54
Financial expense coverage (Times)	2.35	2.12	1.62	1.51	1.24
Debt/Equity (Times)	2.32	2.02	1.64	1.35	1.12
Equity Multiplier	3.84	3.70	3.34	3.04	2.84
Net interest margin %	6.36	5.44	4.54	2.87	3.80
Net profit margin (%)	29.57	28.04	16.61	25.02	22.49
Return on equity (%)	12.03	11.50	6.29	6.70	6.10
Return on assets (%)	3.08	3.06	1.88	2.20	2.15
Rate of Dividend (%)	23.50	18.00	10.50	11.00	10.00
Price earnings ratio (Times)	10.46	8.98	11.01	14.06	21.60
Dividend (%)	23.50	18.00	10.50	10.00	10.00
Financial expense to total expenses (%)	85.28	86.32	86.40	89.26	89.00
Operating expense to operating revenue (%)	6.31	6.39	6.78	7.35	5.58
EPS (TK.)	2.94	2.27	1.25	1.42	1.25

Equity statistics	2017	2018	2019	2020	2021
Authorized capital	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Number of shares	104,632,695	129,221,378	129,221,378	142,789,623	157,068,585
Paid up Capital	1,046,326,950	1,292,213,780	1,292,213,780	1,427,896,230	1,570,685,850
Year end market price	30.70	20.40	15.20	20.00	27.00
Net asset value per share	24.77	22.33	19.82	21.25	20.57

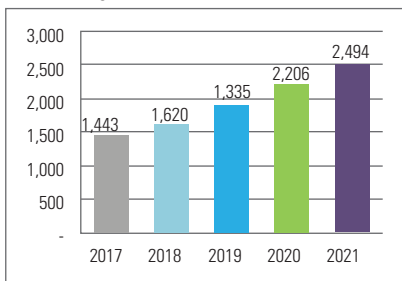
Total asset
BDT in million



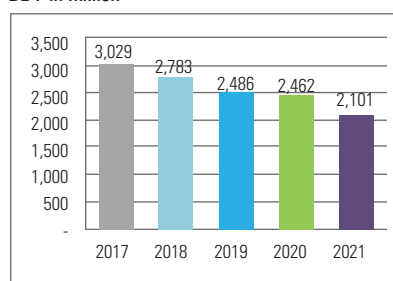
Current Assets
BDT in million



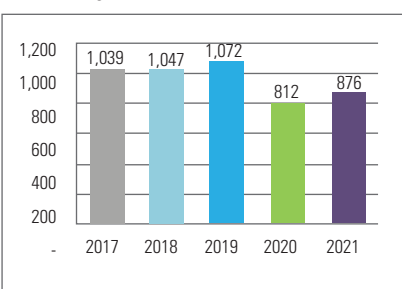
Investor's Portfolio Loan
BDT in million



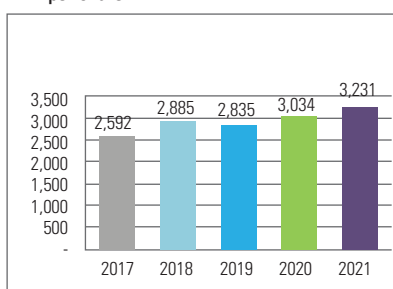
Current Liabilities
BDT in million



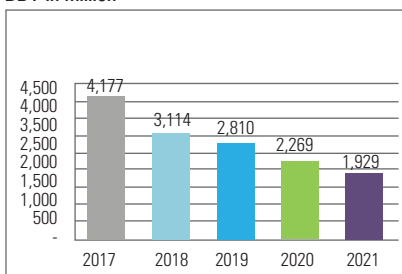
Operating Revenue
BDT in million



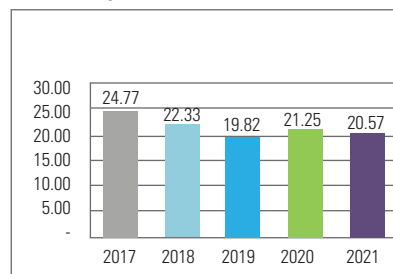
Shareholder's Equity
BDT per share



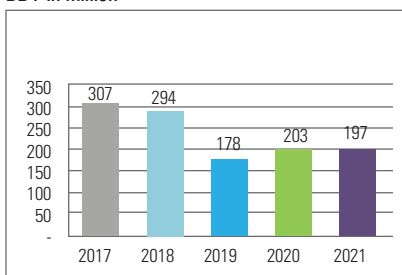
Term Deposits
BDT in million



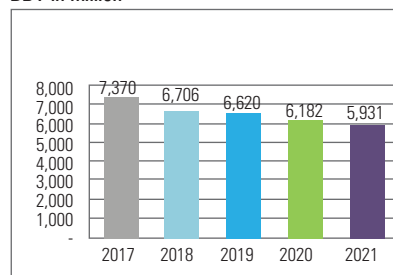
Net Assets Value Per Share
BDT in million



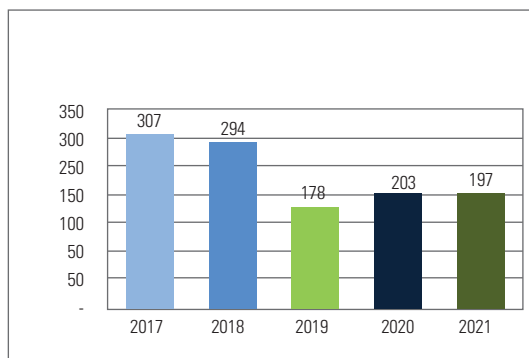
Net Profit After Tax
BDT in million



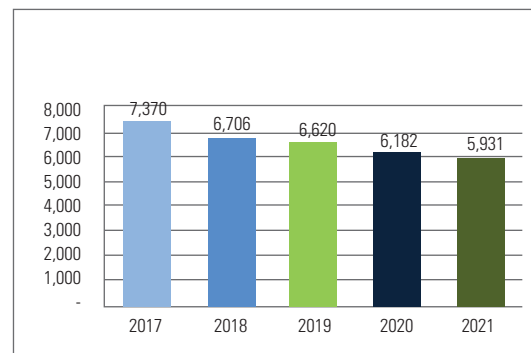
Total Liabilities
BDT in million



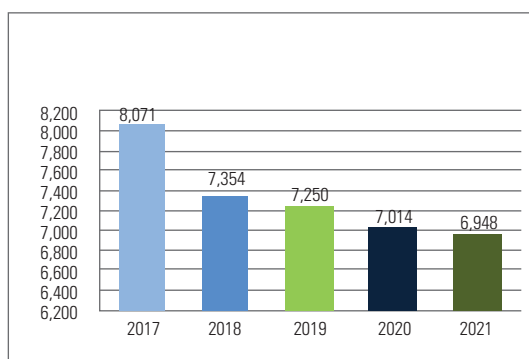
Net Profit After Tax



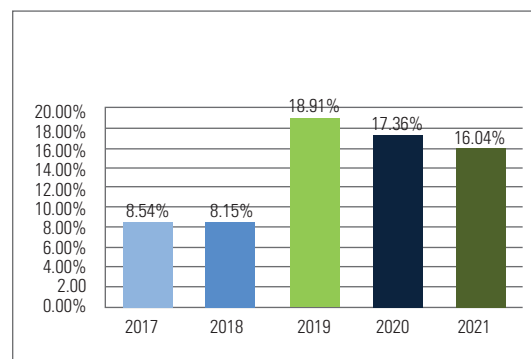
Total Liabilities



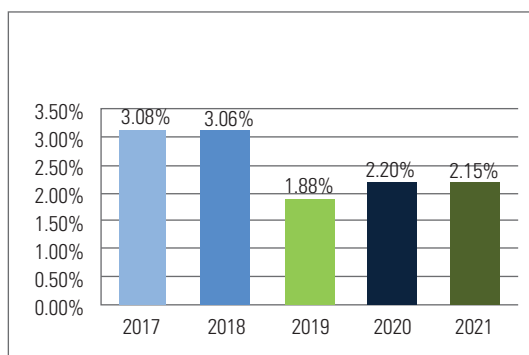
Total Lease/Loan Portfolio



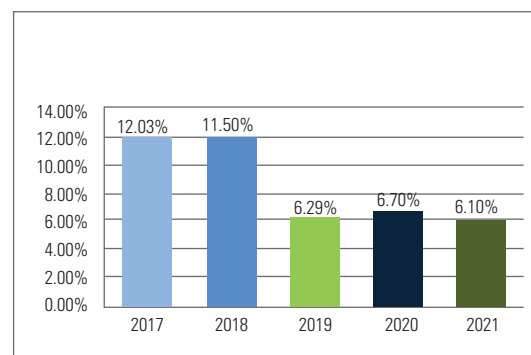
Non Performing Lease/Loan (%)



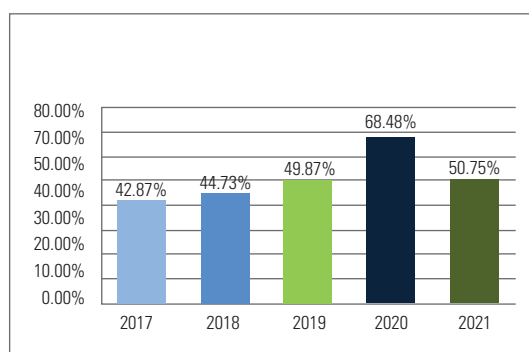
Return on Assets (%)



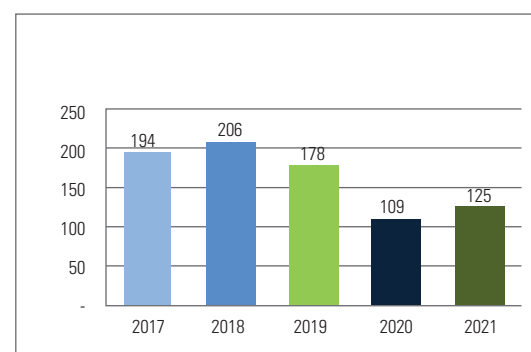
Return on Equity (%)



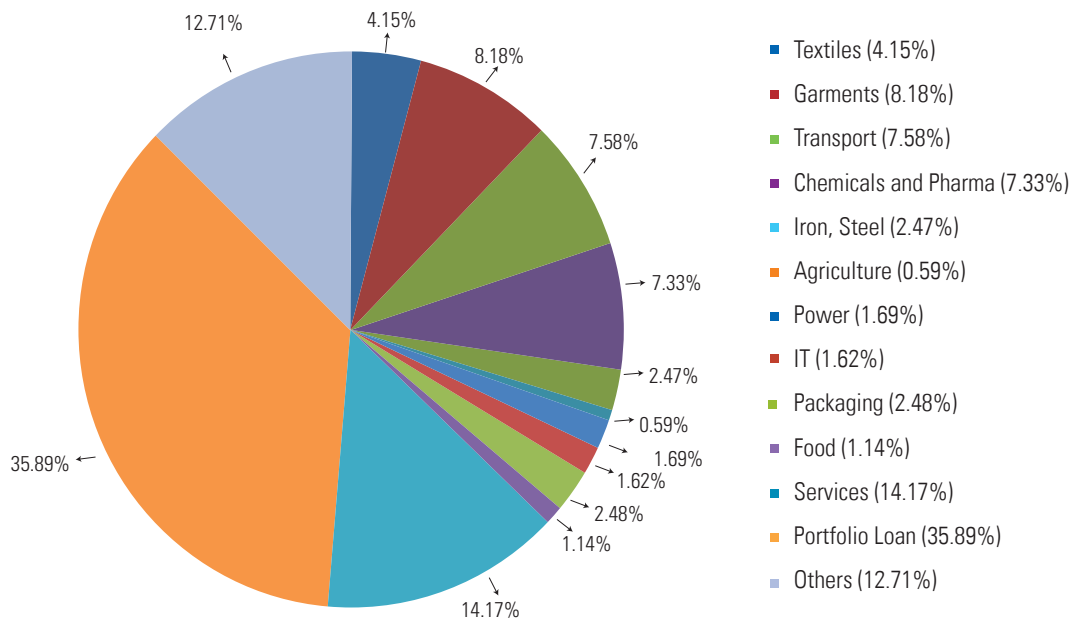
Cost to Income Ratio



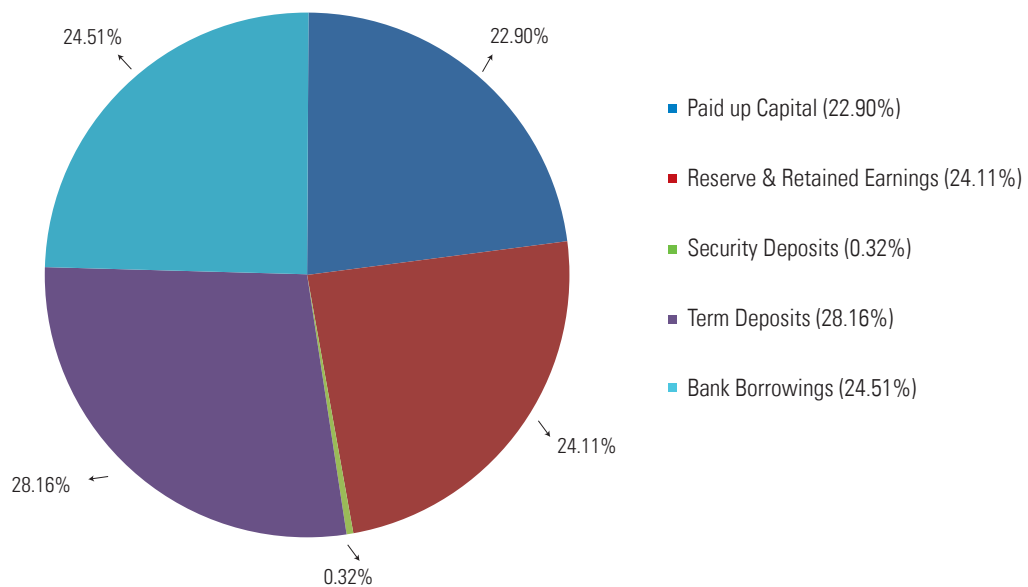
Provision for Income Tax



Sectorwise Leases, Loans & Advances



Capitalization





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

Independent Auditor's Report

To the shareholders of GSP Finance Company (Bangladesh) Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated financial statements of GSP Finance Company (Bangladesh) Limited and its subsidiary (the 'Group') as well as the separate financial statements of GSP Finance Company (Bangladesh) Limited (the 'Company'), which comprise the consolidated and separate balance sheet as at 31 December 2021, 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, except for effect of the matter described in the Basis for Qualified Opinion section of our report, 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 these separate balance sheets of the Company as at 31 December 2021, 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 Qualified Opinion

- The company has significant investments in Term Deposit Receipts (TDR) of BDT 138,700,000 and BDT 13,570,247 in Premier Leasing & Finance Ltd and FAS Finance & Investment Ltd. respectively. This investments represents 1.55% of the consolidated total assets and is therefore material to the financial statements. The company has not received any interest on these investments in the current financial year. This exposes the company to considerable financial risk as both the investments are non-performing investments.
- The company has maintained an Employees Gratuity Fund in line with Bangladesh Labour Act 2006, against which a provision of BDT 64,00,000 has been recognized as "Other Liabilities" in the Statement of Financial Position as at 31st December 2021. This provision remains unadjusted and is being carried forward on and year on year basis, as the company is not transferring balance to the gratuity fund.
- The company has a subsidiary GSP Investments Limited that is audited by us has been furnished and our opinion is as so far as it related to the amounts included based on the report. Therefore, we draw attention to the GSP Investments Limited auditors report on following matters.
 - The company has margin loan of BDT 3,362,810,672 against which a provision of BDT 441,098,096 was recognized in the financial statements. The provision reflects the loss arising on the difference between cost and the market value of the securities.
 - The income tax provision amounting to BDT 73,982,396 is presented in the financial statements, and the entity has advance income tax of BDT. 1,444,588 (refer to note 6). This is resulting in the provision for income tax balance to increase every year due to the non-payment or non-adjustment to the related advance income tax.

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 qualified opinion.

Zoha Zaman Kabir Rashid & Co., partnership firm registered in Bangladesh and member firm of MSI Global Alliance, a leading international association of independent legal and accounting firms.

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

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 the current period (2021). 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements.

Risk	Our response to the risk
Measurement of provision for leases, loans and 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>As at 31 December 2021 the Group reported total gross leases, loans and advances of BDT 7,816,747,276 (2020: BDT 7,724,035,465) and it represents 79.67% of total assets. Provision for leases, loans and advances was of BDT 646,356,509 (2020: BDT 558,520,547).</p> <p>We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> Completeness and timing of recognition of loss events in accordance with criteria set out in FID circular no 08, dated 03 August 2002, FID circular no 03, dated 03 May 2006 and FID circular no 03 dated 29 April 2013; 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; Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates; 	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; Identification of loss events, including early warning and default warning indicators; Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> Reviewed the adequacy of the companies general and specific provisions in line with Bangladesh Bank guidelines; Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and 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>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>

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	<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 past 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.</p>
See note no 07 (a) & 14.2 to the financial statements	
Provision for diminution in value of investment in share	
<p>At the year-end of 2021 group investments comprise of marketable ordinary shares of BDT 498,323,874 (2020: BDT 547,066,369) and it represents 5.07% of total assets. Provision for diminution in value of investment of BDT 64,599,471 (2020: BDT 40,289,658).</p> <p>This was an area for our audit and significant audit effort was directed.</p> <p>Invested in quoted shares and unquoted shares are valued at cost. However, the company made provision for diminution in value of investment as per FID circular no 08, dated 03 August 2002.</p> <p>We focused on this area because of the significance of the investments in the financial statements, and departure from the recognition and presentation criteria of IFRS 9, IFRS 7 & IAS 32 to comply the above circular of Bangladesh Bank for determining the valuation methodology and presentation to be applied by the management of the company.</p>	<p>Our audit approach was a combination of test of internal control and substantive procedures.</p> <ul style="list-style-type: none"> We obtained sufficient audit evidence to conclude that the inputs and methodologies used for the valuation of the investments are within a reasonable range and that valuation policies were consistently applied by the management of the company. We assessed the design and operating effectiveness of the Group's key controls supporting the identification, measurement and oversight of valuation risk of financial assets. We tested the calculations of provision for diminution in value of investment and checked the presentation and disclosure of investment in compliance with FID circular no. 8 dated 3 August 2002.
See note no.6 & 14.3 to the financial statements	
Term Deposit	
<p>Term Deposit of the group BDT 1,925,199,905 which is decreased by 15.16% from the last year.</p> <p>Significant judgment is required for Term Deposit, which has a vice-versa relation with interest income on interest expense on deposits.</p>	<p>We have tested operating effectiveness of key controls on the following:</p> <ul style="list-style-type: none"> Tested the deposit attraction policy and procedure. Identification of reinvestment rate of with the combination of deposit receiving rate. Tested the investment maturities ladder compile with deposit tenure.

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	<ul style="list-style-type: none"> Conducted analysis for understanding industry practice on deposit interest rate compare to inflation rate. Tested penalty practice on early settlement of deposit. Finally assess the reinvest appropriateness in against of the receiving deposit.
See note no. 13(a) to the financial statement	
Measurement of Deferred Tax Liabilities (DTL)	
<p>The Company reports net Deferred Tax Liabilities (DTL) amounted to BDT 16,835,106 as at 31 December 2021. (2020: BDT 14,281,599). Deferred tax expense accounted for during the year 2021 BDT 2,553,507 (Deferred tax expense in 2020: BDT 2,218,521)</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>See note no 36.2 to the financial statements</p>	<p>We obtained an understanding, evaluated the design and have tested the operational effectiveness of the Group's key controls over the recognition and measurement of DTLs and the assumptions used in estimating the Group's future taxable income.</p> <ul style="list-style-type: none"> We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTLs. Finally assessed the appropriateness and presentation of disclosures against "IAS-12" Income Tax.
Revenue	
<p>Revenue of BDT 626,059,088 is recognized in the Statement of Profit or Loss and Other Comprehensive Income of the Group. Revenue has increased by 46.30% since last year. This was an area of focus for our audit and significant audit effort was directed. Against this background, the proper application of the accounting standards is considered to be complex and to a certain extent based on estimates and assumptions made by management.</p>	<p>Our audit procedures included obtaining our understanding of the process of interest income, investment income, brokerage commission, profit on investment ascertaining the balance and the interest charged over the financial year.</p> <p>Additionally,</p> <ul style="list-style-type: none"> Carried out cut-off testing to ensure the income was recognized in correct period. Reviewed the carrying balance of the total figure.

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	<ul style="list-style-type: none"> Our audit approach was a combination of test of internal control and substantive procedures. We also tested journal entries recognized to revenue focusing on unusual or irregular transactions. 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. Evaluate the Group's work to implement "IFRS-15" and assessed whether accounting principles comply with the new accounting standard.
See note no 20(a), 22(a), 23(a)& 24(a) 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> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

Other Information

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

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

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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 consolidated and separate 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 consolidated and separate financial statements and internal controls

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 consolidated and separate 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 Group and 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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.

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- 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 consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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;

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Chartered Accountants

- 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
08 August, 2022

Md. Iqbal Hossain FCA
Partner, Enrolment No. : 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC : 2209010596AS647513

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GSP FINANCE COMPANY (BANGLADESH) LIMITED

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2021

	Notes	Amount in Taka	
		2021	2020
PROPERTY AND ASSETS			
Cash	3	16,522,253	17,664,363
In hand (including foreign currencies)		116,274	112,640
Balance with Bangladesh Bank and its agents bank(s)		16,405,979	17,551,723
(including foreign currencies)			
Balance with other banks and financial institutions	4	383,746,215	367,941,520
In Bangladesh		383,746,215	367,941,520
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6	476,260,301	508,537,103
Government		-	-
Others		476,260,301	508,537,103
		6,947,558,002	7,014,405,970
Leases , loans and advances	7.1	6,947,558,002	7,014,405,970
Bills purchased and discounted	8	-	-
Fixed assets including premises, furniture and fixtures	9	970,886,799	964,023,658
Other Assets	10	367,371,186	342,955,105
Non-business assets	11	-	-
Total Assets		9,162,344,756	9,215,527,719
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks ,other financial institutions and agents:	12	1,680,347,117	1,839,288,500
Deposits and other accounts	13	1,925,199,905	2,269,458,671
Current deposits		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		1,925,199,905	2,269,458,671
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	14	2,325,918,612	2,072,962,286
Total Liabilities		5,931,465,634	6,181,709,457
Capital / Shareholders' Equity		3,230,879,123	3,033,818,262
Paid up capital	15.2	1,570,685,850	1,427,896,230
Statutory reserve	16	554,818,003	515,405,831
Other reserve	17	916,689,624	916,689,624
Retained earnings:			
Retained earnings balance	18	188,685,646	173,826,577
Total liabilities and Shareholders' equity		9,162,344,756	9,215,527,719

Contingent liabilities

Letter of guarantee

Bills for collection

Other contingent liabilities are not expected to be paid.

Other commitments

Forward assets purchased and forward deposits placed

Undrawn note issuance and revolving underwriting facilities

Undrawn formal standby facilities, credit lines and other commitments

Others

Total off-balance sheet items including contingent liabilities

Net assets value (NAV) per share (2020 restated)

Amount in Taka	
2021	2020
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
20.57	19.32

Company Secretary


Director


Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka
August 08, 2022

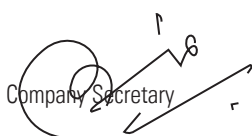
Richard J. Bunker

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, 2021

		Amounts in Taka	
		2021	2020
	Notes		
Interest income from leases, loans and advances	20(a)	878,223,677	870,745,022
Interest expenses on borrowings, deposits, etc	21(a)	(395,689,480)	(496,277,580)
Net interest income		482,534,197	374,467,442
Investment income	22(a)	100,652,195	14,196,202
Commission, exchange and brokerage	23(a)	7,014,716	5,070,434
Other operating income	24(a)	35,857,980	34,190,831
Total operating income		626,059,088	427,924,909
Salary and allowances	25(a)	31,646,962	43,664,122
Rent, taxes, insurance, electricity, etc.	26(a)	1,596,560	1,432,149
Legal expenses	27(a)	170,000	220,000
Postage, stamp, telecommunication, etc.	28(a)	635,042	437,937
Stationery, printing, advertisements, etc.	29(a)	1,397,376	1,422,294
Managing Director's salary and allowances	30(a)	5,128,333	4,485,035
Directors' fees	31(a)	704,000	584,000
Audit fees	32(a)	218,500	218,500
Charges on loan losses		-	-
Depreciation and repairs of company's assets	33(a)	4,418,793	5,034,211
Other operating expenses	34(a)	7,308,393	8,605,271
Total operating expenses		53,223,959	66,103,518
Profit before provision		572,835,130	361,821,392
Provision for leases, loans and advances & investments	35(a)	205,969,866	5,264,100
Other provision		-	-
Total provision		205,969,866	5,264,100
Total profit before income tax		366,865,264	356,557,292
Provision for income tax			
Current Tax		137,574,473	133,708,983
Deferred tax		2,553,507	2,218,521
Total Provision for income tax	36(a)	140,127,980	135,927,504
Net profit after income tax		226,737,284	220,629,787
Attributable to			
Shareholders of the company		226,737,279	220,629,784
Non-controlling interest		5	3
Retained earnings brought forward from previous year		267,454,135	223,131,030
		494,191,419	443,760,817
Appropriations:			
Statutory reserve	16	39,412,172	40,624,229
Dividend paid from Retained earnings for the year 2020		142,789,620	135,682,450
		182,201,792	176,306,679
Retained earnings carried to the balance sheet	18(a)	311,989,621	267,454,135
Earnings per share (2020 restated)	38(a)	1.44	1.40


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 08, 2022

GSP FINANCE COMPANY (BANGLADESH) LIMITED

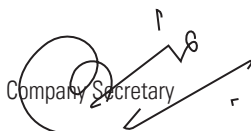
CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021

	Amount in Taka	
	2021	2020
Cash flows from operating activities:		
Interest receipt in cash	875,773,663	848,627,521
Interest payment	(385,923,737)	(489,277,580)
Dividend receipts	15,869,329	13,731,276
Commission, Exchange and brokerage	7,014,716	5,070,434
Recoveries of loan previously written-off	-	-
Income taxes paid	(4,671,310)	(4,548,736)
Receipts from other operating activities	120,640,846	34,655,757
Payments for other operating activities	(48,990,714)	(61,340,107)
Cash generated from operating activities before changes in operating assets and liabilities	579,712,793	346,918,565
Increase / decrease in operating assets and liabilities		
Statutory deposit	-	-
Trading securities	-	-
Leases, loans and advances	(92,711,811)	129,679,444
Other assets	(18,550,013)	39,076,675
Deposit and other accounts	(344,258,766)	(540,532,596)
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	7,038,400	44,210,087
	(448,482,190)	(327,566,390)
Net cash flow from operating activities	131,230,603	19,352,175
Cash flows from investing activities:		
Proceeds from sale of securities	139,402,575	414,685
Payments for purchases of securities	(90,660,080)	(3,060,685)
Purchase of fixed assets	(10,126,035)	(191,699)
Proceeds from sale of fixed assets	-	-
Payment against lease obligation	-	-
Net cash used by investing activities	38,616,460	(2,837,699)
Cash flows from financing activities:		
Receipts of borrowings from banks, other financial institutions and agents	91,296,159	96,070,420
Repayment of borrowings from banks, other financial institutions and agents	(250,237,542)	(101,096,850)
Receipts against issue of share capital	-	-
Dividend paid in cash	-	-
Net cash flow/used by financing activities	(158,941,383)	(5,026,430)
Net increase / (decrease) in cash and cash equivalents	10,905,680	11,488,046
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	391,419,200	379,931,154
Cash and cash equivalents at the end of the year	402,324,880	391,419,200

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 (2020 restated)



Company Secretary

Dated, Dhaka
 August 08, 2022




Director

Amount in Taka	
2021	2020
150,226	134,211
16,405,979	17,551,723
385,768,675	373,733,266
-	-
402,324,880	391,419,200
0.84	0.12



Managing Director & CEO

Signed as per our annexed report of even date

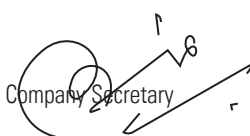


Md. Iqbal Hossain FCA
 Partner, Enrolment No. : 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
 Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2020	1,292,213,780	916,689,624	474,781,602	223,131,030	2,906,816,036	49	2,906,816,085
Issue of share Capital	-	-	-	-	-	-	-
Net profit after tax for the year 2020	-	-	-	220,629,784	220,629,784	3	220,629,787
Transferred to statutory reserve	-	-	40,624,229	(40,624,229)	-	-	-
Issue of share Capital	-	-	-	-	-	-	-
Transferred to provision for Tax	-	-	-	-	-	-	-
Dividend paid (2019)	135,682,450	-	-	(135,682,450)	-	-	-
Revaluation of properties	-	-	-	-	-	-	-
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
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	1,427,896,230	916,689,624	515,405,831	267,454,135	3,127,445,820	52	3,127,445,872
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investment	-	-	-	-	-	-	-
Issue of share Capital	-	-	-	-	-	-	-
Dividend paid (2020)	142,789,620	-	-	(142,789,620)	-	-	-
Net profit after tax for the year	-	-	-	226,737,279	226,737,279	5	226,737,284
Transferred to statutory reserve	-	-	39,412,172	(39,412,172)	-	-	-
Balance as at 31st December 2021	1,570,685,850	916,689,624	554,818,003	311,989,621	3,354,183,098	57	3,354,183,156

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 08, 2022


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, 2021

	Notes	Amount in Taka	
		2021	2020
PROPERTY AND ASSETS			
Cash	3	16,522,253	17,664,363
In hand (including foreign currencies)		116,274	112,640
Balance with Bangladesh Bank and its agents bank(s) (including foreign currencies)		16,405,979	17,551,723
Balance with other banks and financial institutions	4	383,746,215	367,941,520
In Bangladesh		383,746,215	367,941,520
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6	476,260,301	508,537,103
Government		-	-
Others		476,260,301	508,537,103
		6,947,558,002	7,014,405,970
Leases , loans and advances	7.1	6,947,558,002	7,014,405,970
Bills purchased and discounted	8	-	-
Fixed assets including premises, furniture and fixtures	9	970,886,799	964,023,658
Other Assets	10	367,371,186	342,955,105
Non-business assets	11	-	-
Total Assets		9,162,344,756	9,215,527,719
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks ,other financial institutions and agents:	12	1,680,347,117	1,839,288,500
Deposits and other accounts	13	1,925,199,905	2,269,458,671
Current deposits		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		1,925,199,905	2,269,458,671
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	14	2,325,918,612	2,072,962,286
Total Liabilities		5,931,465,634	6,181,709,457
Capital / Shareholders' Equity		3,230,879,123	3,033,818,262
Paid up capital	15.2	1,570,685,850	1,427,896,230
Statutory reserve	16	554,818,003	515,405,831
Other reserve	17	916,689,624	916,689,624
Retained earnings:			
Retained earnings balance	18	188,685,646	173,826,577
Total liabilities and Shareholders' equity		9,162,344,756	9,215,527,719

OFF-BALANCE SHEET ITEMS :

Contingent liabilities

Acceptances and endorsements

Letter of guarantee

Irrevocable letter of credit

Bills for collection

Other contingent liabilities

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

Total off-balance sheet items including contingent liabilities

Net assets value (NAV) per share (2020 restated)

Amount in Taka	
2021	2020
18.1	-
-	-
-	-
-	-
-	-
-	-
-	-
18.2	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
20.57	19.32

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

Dated, Dhaka
August 08, 2022

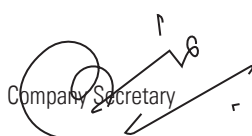
Md. Iqbal Hossain FCA
Partner, Enrolment No. : 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2021

		Amounts in Taka	
		2021	2020
	Notes		
Interest income from leases, loans and advances	20	744,867,783	764,100,004
Interest expenses on borrowings, deposits, etc	21	(395,689,480)	(496,277,580)
Net interest income		349,178,303	267,822,423
Investment income	22	95,472,982	13,621,154
Commission, exchange and brokerage	23	-	-
Other operating income	24	35,784,348	34,126,124
Total operating income		480,435,633	315,569,701
Salary and allowances	25	29,455,588	40,886,688
Rent, taxes, insurance, electricity, etc.	26	1,518,145	1,432,149
Legal expenses	27	150,000	220,000
Postage, stamp, telecommunication, etc.	28	634,473	433,172
Stationery, printing, advertisements, etc.	29	1,362,141	1,409,079
Managing Director's salary and allowances	30	4,825,000	2,738,335
Directors' fees	31	440,000	392,000
Audit fees	32	195,500	195,500
Charges on loan losses		-	-
Depreciation and repairs of company's assets	33	3,670,462	4,112,405
Other operating expenses	34	6,655,760	7,866,506
Total operating expenses		48,907,068	59,685,833
Profit before provision		431,528,565	255,883,868
Provision for leases, loans and advances & investments	35	112,145,575	(72,659,594)
Other provision		-	-
Total provision		112,145,575	(72,659,594)
Total profit before income tax		319,382,990	328,543,463
Provision for income tax			
Current Tax	36	119,768,621	123,203,798
Deferred tax	36	2,553,507	2,218,521
Total Provision for income tax		122,322,128	125,422,319
Net profit after income tax		197,060,861	203,121,144
Retained earnings brought forward from previous year		173,826,577	147,012,112
		370,887,439	350,133,256
Appropriations:			
Statutory reserve	16	39,412,172	40,624,229
Dividend paid from Retained earnings for the year 2020		142,789,620	135,682,450
		182,201,792	176,306,679
Retained earnings carried to the balance sheet	18	188,685,646	173,826,577
Earning per share (EPS) (2020 restated)	38	1.25	1.29

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 08, 2021

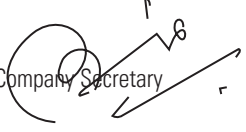
GSP FINANCE COMPANY (BANGLADESH) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021

	Amount in Taka	
	2021	2020
Cash flows from operating activities:		
Interest receipt in cash	742,417,769	741,982,497
Interest payment	(385,923,737)	(489,277,580)
Dividend receipts	15,532,143	13,344,580
Recoveries of loan previously written-off	-	-
Income taxes paid	(4,478,562)	(4,357,060)
Receipts from other operating activities	115,725,187	34,402,698
Payments for other operating activities	(45,445,154)	(55,361,228)
Cash generated from operating activities before changes in operating assets and liabilities	437,827,646	240,733,907
Increase / decrease in operating assets and liabilities		
Statutory deposit	-	-
Trading securities	-	-
Leases, loans and advances	66,847,968	235,217,399
Other assets	(17,487,506)	37,744,471
Deposit and other accounts	(344,258,766)	(540,532,596)
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	8,492,879	42,417,382
	(286,405,425)	(225,153,344)
Net cash flow from operating activities	151,422,221	15,580,563
Cash flows from investing activities:		
Proceeds from sale of securities	120,409,602	293,235
Payments for purchases of securities	(88,132,800)	(2,754,505)
Purchase of fixed assets	(10,095,055)	(142,249)
Proceeds from sale of fixed assets	-	-
Payment against lease obligation	-	-
Net cash used by investing activities	22,181,747	(2,603,519)
Cash flows from financing activities:		
Receipts of borrowings from banks, other financial institutions and agents	91,296,159	96,070,420
Repayment of borrowings from banks, other financial institutions and agents	(250,237,542)	(101,096,850)
Dividend paid in cash	-	-
Net cash flow/used by financing activities	(158,941,383)	(5,026,430)
Net increase / (decrease) in cash and cash equivalents	14,662,585	7,950,614
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	385,605,883	377,655,268
Cash and cash equivalents at the end of the year	400,268,468	385,605,883

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 (2020 restated)

Amount in Taka	
2021	2020
116,274	112,640
16,405,979	17,551,723
383,746,215	367,941,520
-	-
400,268,468	385,605,883
0.96	0.10



 Company Secretary


 Director


 Managing Director & CEO

Signed as per our annexed report of even date

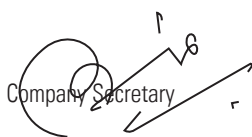
Dated, Dhaka
 August 08, 2022


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

GSP FINANCE COMPANY (BANGLADESH) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

Particulars	Paid up capital (Tk.)	Capital Reserve(Tk.)	Statutory Reserve(Tk.)	Retained Earnings (Tk.)	Total (Tk.)
Balance as at January 01, 2020	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					-
Profit for the year				328,543,463	328,543,463
Transferred to statutory reserve	-	-	40,624,229	(40,624,229)	-
Transferred to provision for Tax				(125,422,319)	(125,422,319)
Dividend paid (2019)	135,682,450	-	-	(135,682,450)	-
Revaluation of properties		-		-	-
Balance as at 31st December 2020	1,427,896,230	916,689,624	515,405,831	173,826,577	3,033,818,262
Changes in accounting policy	-	-	-	-	-
Restated balance	1,427,896,230	916,689,624	515,405,831	173,826,577	3,033,818,262
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investment	-	-	-	-	-
Issue of share Capital (including premium)	-	-	-	-	-
Dividend paid (2020)	142,789,620	-	-	(142,789,620)	-
Net profit after tax for the year	-	-	-	197,060,861	197,060,861
Transferred to statutory reserve	-	-	39,412,172	(39,412,172)	-
Balance as at 31st December 2021	1,570,685,850	916,689,624	554,818,003	188,685,646	3,230,879,123

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 08, 2021



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

GSP FINANCE COMPANY (BANGLADESH) LIMITED

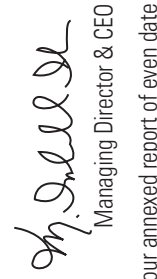
LIQUIDITY STATEMENT

(Analysis of maturity of assets and liabilities)
FOR THE YEAR ENDED DECEMBER 31, 2021

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets :						
Cash in hand	116,274	-	-	-	-	116,274
Balance with Bangladesh Bank and its agents	16,405,979	-	-	-	-	16,405,979
Balance with banks and other financial institutions	63,318,125	4,575,721	315,852,369	-	-	383,746,215
Money at call and short notice	-	-	-	-	-	-
Investments	466,852,469	-	6,838,382	-	2,569,450	476,260,301
Leases, loans and advances	502,308,444	914,298,633	858,023,413	4,672,927,512	-	6,947,558,002
Fixed assets including premises, furniture and fixtures	-	-	12,027,521	4,227,507	954,631,771	970,886,799
Other assets	-	-	75,575,408	41,795,818	249,999,960	367,371,186
Non-business assets	-	-	-	-	-	-
Total assets (A)	1,049,001,291	918,874,354	1,268,317,093	4,718,950,837	1,207,201,181	9,162,344,756
Liabilities :						
Borrowings from banks, other financial institutions and agents	153,447,586	97,124,063	420,144,819	1,009,630,649	-	1,680,347,117
Deposits and other accounts	332,096,984	551,184,733	526,954,141	403,136,860	111,827,187	1,925,199,905
Provision and other liabilities	19,672,264	-	-	2,306,246,348	-	2,325,918,612
Total liabilities (B)	505,216,833	648,308,796	947,098,960	3,719,013,858	111,827,187	5,931,465,634
Net liquidity gap (A - B)	543,784,457	270,565,558	321,218,133	999,936,979	1,095,373,994	3,230,879,123


Company Secretary


Director


Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka
August 08, 2021


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

GSP FINANCE COMPANY (BANGLADESH) LIMITED

NOTES TO THE CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

1.0 CORPORATE INFORMATION:

1.1 Legal Status

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

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

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

The principal activities of GSP Investments Limited are:

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

1.3 Nature of Business

The Company carries out the following types of business:

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

2.00 SIGNIFICANT ACCOUNTING POLICIES :

2.1 Basis of Accounting

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

2.1.1 Basis of consolidation of operation of subsidiary

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

2.1.2 Statement of compliance

The consolidated financial statements and separate financial statements of the Company have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement and investment in marketable securities which are stated at market value in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) , except the circumstances where local regulations differ, and the Companies Act, 1994, the Financial Institutions Act, 1993, Securities and Exchange Rules 1987, the Listing Regulations of Dhaka & Chittagong Stock Exchanges and other applicable laws and regulations. The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been kept blank in the financial statements.

2.2 Components of the financial statements

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

- a) Consolidated and Separate Balance Sheet as at 31 December 2021;
- b) Consolidated and Separate Profit and Loss Account for the year ended 31 December 2021;
- c) Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2021;
- d) Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2021;
- e) Liquidity Statement of the Company for the year ended 31 December 2021 and
- f) Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021.

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 matter under IFRS 16.
As a lessor
GSPB is not required to make any adjustments on transitions to IFRS 16 for leases in which it acts as a lessor.
- 2.10 Accounting for Direct Finance**
Direct finance consisting of short term & long term finance are maintained based on the accrual method of accounting. Outstanding amount of long term loans has been shown in the balance sheet as assets under the head of Direct finance. Interest earnings are recognized as operational revenue.
- 2.11 Property and equipment**
i) Recognition and measurement Items of fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per Bangladesh Accounting Standard (IAS) 16: "Property, Plant and Equipment".
ii) Subsequent expenditure on fixed assets Subsequent expenditure is capitalized only when it increases the future economic benefit from the assets and that cost can be measured reliably. All other expenditures are recognized as an expense as and when they are incurred.
- 2.12 Depreciation**
Fixed Assets for Company's own use are depreciated at different ranges from 10% to 20% applying straight line method throughout the estimated span of useful life ranging from five to ten years. Rate of depreciation is as follows:

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

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

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

2.14 Employees Benefits Scheme

2.14.1 Defined Contribution Plan

2.14.1.1 Provident fund

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

2.14.1.2 Other long term benefits

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

2.14.2 Defined benefit Plan

2.14.2.1 Gratuity

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

2.15 Corporate Tax

2.15.1 Current Tax

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

2.15.2 Deferred Tax

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

2.16 Trade Receivables

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

2.17 Payable and Accruals

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

2.18 Provisions

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

2.19 Statutory reserves

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

2.20 General

Comparative Information

Comparative information has been disclosed in respect of the year 2020 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	
		2021	2020
3.00	CASH		
3.1	Cash in hand		
	In local currency	116,274	112,640
	In foreign currency	-	-
		116,274	112,640
3.1(a)	Cash in hand (consolidated)		
	GSP Finance Company (Bangladesh) Limited	116,274	112,640
	GSP Investments Limited	33,952	21,571
		150,226	134,211
3.2	Balance with Bangladesh Bank and its agents Bank(s)		
	In local currency	16,405,979	17,551,723
	In foreign currency	-	-
		16,405,979	17,551,723
3.2(a)	Balance with Bangladesh Bank and its agents Bank(s) (consolidated)		
	GSP Finance Company (Bangladesh) Limited	16,405,979	17,551,723
	GSP Investments Limited	-	-
		16,405,979	17,551,723
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	11,020,499	12,929,380
	Actual Reserve maintained (note- 3.2)	16,405,979	17,551,723
	Surplus / (deficit)	5,385,480	4,622,343
	b) Statutory Liquidity Reserve		
	Required Reserve	147,134,656	146,516,880
	Actual Reserve maintained (note-3.1, 3.2 and 4)	400,268,468	385,605,883
	Surplus / (deficit)	253,133,812	239,089,003
4	Balance with banks and other financial institutions		
	In Bangladesh (note -4.1)	383,746,215	367,941,520
	Outside Bangladesh	-	-
		383,746,215	367,941,520
	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	383,746,215	367,941,520
	GSP Investments Limited	2,022,460	5,791,746
		385,768,675	373,733,266
4.1	Current deposits		
	Nationalised Commercial Bank	-	-
	Private Commercial Bank	-	-
	Foreign Commercial Bank	-	-
		-	-
	Short-term deposits		
	Nationalised Commercial Bank	-	-
	Private Commercial Bank	90,203,087	77,198,509
	Foreign Commercial Bank	329,362	261,250
		90,532,449	77,459,759

		Amount in Taka	
		2021	2020
	Fixed deposits (FDR)		
	Nationalised Commercial Bank	-	-
	Private Commercial Bank	140,943,519	176,911,514
	Foreign Commercial Bank	-	-
	Financial Institutions	152,270,247	113,570,247
		293,213,766	290,481,762
		383,746,215	367,941,520
4.2	Maturity grouping of balance with banks and other financial institutions		
	On demand	63,318,125	55,191,228
	Up to 1 month	4,575,721	4,000,000
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 year	315,852,369	308,750,292
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		383,746,215	367,941,520
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)	476,260,301	508,537,103
		476,260,301	508,537,103
6(a)	Investments (consolidated)		
	GSP Finance Company (Bangladesh) Limited	476,260,301	508,537,103
	GSP Investments Limited	22,063,573	38,529,266
		498,323,874	547,066,369
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)	476,260,301	508,537,103
	Debenture and bonds	-	-
	Other investment	-	-
	Gold etc.	-	-
		476,260,301	508,537,103
6.3	Maturity grouping of investments:		
	On demand	466,852,469	455,983,653
	Up to 1 month	-	-
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 year	6,838,382	49,984,000
	Over 1 year but not more than 5 years	-	-
	Over 5 years	2,569,450	2,569,450
		476,260,301	508,537,103

		Amount in Taka	
		2021	2020
6.4	Other investments:		
	Investment in quoted Shares	473,690,851	455,983,653
	Investment in unquoted Shares	2,569,450	52,553,450
		476,260,301	508,537,103
7	Leases , Loans and advances :		
7.1	a) Inside Bangladesh		
	Leases (note -7.2)	1,340,418,204	1,384,993,701
	Loans and advances	5,607,139,798	5,629,412,269
	Cash credits	-	-
	Overdrafts	-	-
		6,947,558,002	7,014,405,970
	b) outside Bangladesh	-	-
		6,947,558,002	7,014,405,970
7.1.1	Lease Finance		
	Principal Outstanding	1,090,294,744	1,146,935,888
	Account receivable	250,123,460	238,057,813
	Total	1,340,418,204	1,384,993,701
	Principal Outstanding		
	Gross lease rental receivable	1,354,298,752	1,484,743,523
	Unearned lease income	264,004,008	337,807,635
	Total	1,090,294,744	1,146,935,888
7.2	Leases	1,340,418,204	1,384,993,701
	Advances for leases (note -7.2.1)	-	-
		1,340,418,204	1,384,993,701
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	349,739,364	360,732,265
	Private sector	6,597,818,638	6,653,673,705
		6,947,558,002	7,014,405,970
7.4	Residual maturity grouping of leases,loans and advances		
	On demand	-	-
	Up to 1 month	502,308,444	433,789,694
	Over 1 month but not more than 3 months	914,298,633	907,027,563
	Over 3 months but not more than 1 year	858,023,413	758,711,075
	Over 1 year but not more than 5 years	4,672,927,512	4,914,877,638
	Over 5 years	-	-
		6,947,558,002	7,014,405,970

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

- a) Leases, loans and advances to Directors and organizations related to Directors (fully secured)
- b) Leases, loans and advances to Chief Executive Officer and other senior executives
- c) Leases, loans and advances to customers groups:
- i) Leases
- ii) Loans

Amount in Taka	
2021	2020

-	8,764,352
-	-
-	-
-	-
1,340,418,204	1,376,229,349
5,607,139,798	5,629,412,269
6,947,558,002	7,014,405,970

d) Leases, loans and advances on sector basis:

- i) Textiles
- ii) Garments and Accessories
- iii) Transport
- iv) Chemicals and pharmaceuticals
- v) Iron, Steel and Engineering
- vi) Agricultural Equipments and Agro Industries
- vii) Power and Energy
- viii) Electronics and Electrical
- ix) Information technology (IT)
- x) Paper printing and Packaging
- xi) Plastic
- xii) Real Estate and Housing
- xiii) Food and Beverage
- xiv) Glass and Ceramics
- xv) Services
- xvi) Others

288,119,159	322,400,085
568,471,487	583,416,087
526,426,560	530,437,847
509,065,916	439,946,456
171,752,531	180,142,417
41,020,445	43,313,297
117,100,209	117,100,209
-	-
112,389,783	122,248,793
172,231,842	173,907,859
-	-
-	-
79,204,755	135,505,698
-	-
984,200,466	1,065,072,028
3,377,574,849	3,300,915,194
6,947,558,002	7,014,405,970

7.6 Leases, loans and advances on geographical basis:

Inside Bangladesh:

Urban :

- Dhaka Division
- Chittagong Division
- Khulna Division
- Rajshahi Division
- Barisal Division
- Sylhet Division

6,548,845,866	6,623,664,580
398,712,136	390,741,390
-	-
-	-
-	-
-	-
6,947,558,002	7,014,405,970

Rural :

- Dhaka Division
- Chittagong Division
- Khulna Division
- Rajshahi Division
- Barisal Division
- Sylhet Division

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

Outside Bangladesh:

-	-
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Total

6,947,558,002	7,014,405,970
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		Amount in Taka	
		2021	2020
7.7	Classification of Leases, loans and advances :		
	Unclassified :		
	Standard	5,409,977,153	5,003,660,168
	Special mention account	422,993,020	793,117,022
		5,832,970,173	5,796,777,190
	Classified :		
	Sub-standard	-	-
	Doubtful	-	-
	Bad/Loss	1,114,587,829	1,217,628,781
		1,114,587,829	1,217,628,781
	Total	6,947,558,002	7,014,405,970
7.8	Net Leases ,loans and advances :	6,947,558,002	7,014,405,970
	Total Leases , loans and advances (note- 7.1)		
	Less :		
	Non-performing leases, loans and advances (note-7.7)	1,114,587,829	1,217,628,781
	Interest suspenses (note-14.5)	298,158,367	292,688,568
	Provision for leases, loans and advances	533,048,017	558,520,747
		1,945,794,213	2,068,838,096
		5,001,763,789	4,945,567,874
7.9	Particulars of Leases, loans and advances:		
	a) Lease, loans and advances considered good and in respect of which the financial institution is fully secured	3,916,526,966	3,734,592,397
	b) Lease , loans and advances considered good against which the financial institution holds no security other than the debtors personal guarantee	-	-
		1,987,409,637	2,221,234,896
	c) Lease , loans and advances considered good secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors	-	-
		1,043,621,399	1,058,578,677
	d) Lease , loans and advances adversely classified : provision not maintained there	-	-
	e) Lease , loans and advances due by directors or officers of the financial institution or any of them either separately or jointly with any other person	-	-
	f) Lease , loans and advances due from companies or firms in which the directors of the financial institution have interest as directors, partners,managing agents or in case of the private companies , as members	-	-
	g) Maximum total amount of leases , loans and advances including temporary advances made in any time during the year to the directors or managing directors or officers of the financial institution or any of them either separately or jointly with any other person	-	-
	h) Maximum total amount of leases, loans and advances including temporary advances granted during the year to companies or firms in which the directors of the financial institution have interest as directors, partners, managing agents or in case of the private companies, as members	-	-
	i) Due from banks and other financial institutions	-	-
	j) Classified leases , loans and advances:		
	i) Classified leases, loans and advances on which no interest has been charged	1,114,587,829	1,217,628,781
	ii) Provision on classified leases , loans and advances	434,637,303	474,932,475
	iii) Provision kept against leases, loans and advances classified as bad debts	434,637,303	474,932,475
	iv) Interest credited to interest suspense account (note-14.5)	298,158,367	292,688,568

	Amount in Taka	
	2021	2020
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 2021 , GSP Finance Company (Bangladesh) Limited filed 23 suits against 23 clients under Artha Rin Adalat Ain -2003, Total suit amount was Tk. 1,738,839,776/-

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

GSP Finance Company (Bangladesh) Limited	6,947,558,002	7,014,405,970
GSP Investments Limited	3,362,810,672	2,915,705,953
	10,310,368,674	9,930,111,923
Less: Inter company transaction (Loan to GSPI)	2,493,621,398	2,206,076,458
	7,816,747,276	7,724,035,465

8 Bills purchased and discounted

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

8(a) Bills purchased and discounted (consolidated)

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

9 Fixed assets including premises, furniture and fixtures:

Cost:

Opening Balance	1,043,830,046	1,043,687,797
Addition during the year	10,095,055	142,249
Revaluation surplus during the year	-	-
	1,053,925,101	1,043,830,046
Adjustment during the year	-	-
Closing Balance (A)	1,053,925,101	1,043,830,046

Less : Accumulated Depreciation :

Opening Balance	79,806,388	75,711,783
Charged during the year:	3,231,914	4,094,605
	83,038,302	79,806,388
Adjustment during the year	-	-
Closing Balance (B)	83,038,302	79,806,388
Written Down Value (A-B) (Annexure -C)	970,886,799	964,023,658

		Amount in Taka	
		2021	2020
9(a) Fixed assets including premises, furniture and fixtures (consolidated)			
GSP Finance Company (Bangladesh) Limited		970,886,799	964,023,658
GSP Investments Limited		3,114,935	3,832,287
Written Down Value (Annexure -B)		974,001,734	967,855,945
10 Other assets			
Corporate Tax paid in advance and Tax at source		95,042,909	90,564,347
Advance, Deposits and Prepayments		28,450	28,450
Sundry Debtors		22,299,867	2,362,348
Investment in Subsidiary : GSP Investments Limited		249,999,960	249,999,960
		367,371,186	342,955,105
10(a) Other assets (consolidated)			
GSP Finance Company (Bangladesh) Limited		367,371,186	342,955,105
GSP Investments Limited		1,644,588	1,451,840
		369,015,774	344,406,945
Less: Inter company transaction		249,999,960	251,062,467
		119,015,814	93,344,478
11 Non-business assets		-	-
		-	-
As at 31 December 2021, 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)		1,680,347,117	1,839,288,500
Outside Bangladesh (note-12.2)		-	-
		1,680,347,117	1,839,288,500
12.1 In Bangladesh			
Call borrowing			
Nationalised Commercial Bank		69,000,000	75,000,000
Private Commercial Bank		9,000,000	110,500,000
		78,000,000	185,500,000
Term loan			
Nationalised Commercial Bank		-	-
Private Commercial Bank		1,079,991,778	1,070,969,567
Foreign Commercial Bank		209,746,526	246,756,207
Bangladesh Bank (Refinance)		312,608,813	336,062,726
		1,602,347,117	1,653,788,500
		1,680,347,117	1,839,288,500
12.2 Outside Bangladesh		-	-
		-	-
As at December 31, 2021 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		1,289,738,304	1,317,725,774
Unsecured		390,608,813	521,562,726
		1,680,347,117	1,839,288,500

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	
		2021	2020
12.4	Maturity grouping of borrowings from banks, other financial institutions and agents.		
	Repayable on demand	78,000,000	185,500,000
	Up to 1 month	75,447,586	81,664,409
	Over 1 month but not more than 3 months	97,124,063	107,046,591
	Over 3 months but not more than 1 year	420,144,819	430,589,484
	Over 1 year but not more than 5 years	1,009,630,649	1,034,488,017
	Over 5 years	-	-
		1,680,347,117	1,839,288,500
12(a)	Borrowings from banks, other financial institutions and agents (consolidated)		
	GSP Finance Company (Bangladesh) Limited	1,680,347,117	1,839,288,500
	GSP Investments Limited	2,493,621,398	2,206,076,458
		4,173,968,515	4,045,364,958
	Less: Inter company transaction (Loan to GSPI)	2,493,621,398	2,206,076,458
		1,680,347,117	1,839,288,500
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)	1,925,199,905	2,269,458,671
	Bearer certificate of deposit (note-13.5)	-	-
	Other deposits (note-13.6)	-	-
		1,925,199,905	2,269,458,671
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 2021 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	1,190,500,000	1,407,500,000
	Deposits from other than banks and financial institutions	734,699,905	861,958,671
		1,925,199,905	2,269,458,671
13.4.1	Deposits from banks and other financial institutions		
	Nationalised Commercial Bank	800,000,000	800,000,000
	Private Commercial Bank	350,000,000	557,500,000
	Financial Institutions	40,500,000	50,000,000
		1,190,500,000	1,407,500,000
13.4.2	Deposits from other than banks and financial institutions		
	Deposits from general public	432,268,871	564,581,782
	Deposits from companies	302,431,034	297,376,889
		734,699,905	861,958,671
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	
		2021	2020
13.6	Other deposits	-	-
	As at 31 December 2021, 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	332,096,984	398,289,997
	Over 1 month but not more than 6 months	551,184,733	642,937,641
	Over 6 months but not more than 1 year	526,954,141	616,146,811
	Over 1 year but not more than 5 years	403,136,860	490,883,911
	Over 5 years but not more than 10 years	111,827,187	121,200,311
	Over 10 years	-	-
		1,925,199,905	2,269,458,671
13(a)	Deposits and other accounts (consolidated)		
	GSP Finance Company (Bangladesh) Limited	1,925,199,905	2,269,458,671
	GSP Investments Limited	-	-
		1,925,199,905	2,269,458,671
14	Other liabilities		
	Expenditure and other payable (note-14.1)	20,342,264	7,900,000
	Provision for leases, loans and advances (note-14.2)	533,048,017	558,520,747
	Special provision 2% (15% payment for deferral clients)	113,308,492	-
	Provision for investment in share (note-14.3)	64,599,471	40,289,658
	Provision for income tax (note-14.4)	1,274,208,881	1,151,886,753
	Interest suspense account (note-14.5)	298,158,367	292,688,568
	Advance rental / installment against leases, loans and advances	11,236,216	13,093,195
	Provision for gratuity	6,400,000	4,000,000
	Unclaimed Dividend	4,616,903	4,583,366
		2,325,918,612	2,072,962,286
14.1	Expenditure and other payable		
	Sundry Creditors	34,500	34,500
	Accrued interest on deposits	16,765,743	7,000,000
	TDS Payable	2,676,521	-
	Audit Fee	195,500	195,500
	Security Deposit (Tenancy -BCDL)	500,000	500,000
	Security Deposit (Tenancy- GH)	170,000	170,000
		20,342,264	7,900,000
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 2021. Total provision is made up as follows:		
	Movements in provision on classified leases, loans and advances (A)		
	Balance on 01 January	474,932,475	428,793,978
	Provision made during the year	(35,295,172)	46,138,497
	Balance at 31 December	439,637,303	474,932,475
	Movements in provision on unclassified leases, loans and advances (B)		
	Balance at 01 January	83,588,272	96,600,776
	Provision made during the year	9,822,442	(13,012,504)
	Balance at 31 December	93,410,714	83,588,272
	Total (A + B)	533,048,017	558,520,747
14.3	Provision for investment in shares		
	Balance at 01 January	40,289,658	146,075,245
	Provision made / (adjustment) during the year	24,309,813	(105,785,587)
	Balance at 31 December (Annexure -A for detail)	64,599,471	40,289,658

		Amount in Taka	
		2021	2020
14.4	Provision for income tax:		
	Balance at 01 January	1,151,886,753	1,026,464,433
	Provision made during the year	122,322,128	125,422,319
		1,274,208,881	1,151,886,753
	Adjustment for the year	-	-
	Balance at 31 December	1,274,208,881	1,151,886,753
	This is arrived as at under:		

Year	Opening balance	Current tax provision	Adjusted as per assessment/reversal	Closing balance
Year ended 2001	-	32,578,393	28,338,015	4,240,378
Year ended 2002	4,240,378	42,882,847	10,506,502	36,616,723
Year ended 2003	36,616,723	-	793,103	35,823,620
Year ended 2004	35,823,620	-	-	35,823,620
Year ended 2005	35,823,620	-	-	35,823,620
Year ended 2006	35,823,620	23,049,759	30,526,868	28,346,511
Year ended 2007	28,346,511	13,860,932	5,906,787	36,300,656
Year ended 2008	36,300,656	12,810,773	-	49,111,429
Year ended 2009	49,111,429	19,936,977	2,490,200	66,558,206
Year ended 2010	66,558,206	55,954,412	2,010,128	120,502,490
Year ended 2011	120,502,490	30,011,498	-	150,513,988
Year ended 2012	150,513,988	73,814,410	21,356,557	202,971,841
Year ended 2013	202,971,841	65,873,374	8,197,378	260,647,837
Year ended 2014	260,647,837	80,428,947	4,599,991	336,476,792
Year ended 2015	336,476,792	126,724,116	10,485,823	452,715,085
Year ended 2016	452,715,085	194,058,596	30,193,616	616,580,065
Year ended 2017	616,580,065	206,241,562	-	822,821,627
Year ended 2018	822,821,627	177,571,617	82,677,196	917,716,048
Year ended 2019	917,716,048	108,748,385	-	1,026,464,433
Year ended 2020	1,026,464,433	125,422,319	-	1,151,886,752
Year ended 2021	1,151,886,752	122,322,128	-	1,274,208,881

The company's tax assessment has been completed upto Assessment Year 2020-2021. 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	292,688,568	225,734,391
Add: Amount transferred to interest suspense account during the year	40,804,622	75,129,833
Less: Amount recovered from interest suspense account during the year	(35,334,823)	(8,175,656)
Balance at 31 December	298,158,367	292,688,568

14.5.1 Details of interest suspense account

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

Standard

Special mention account

111,405,158	70,600,536
62,413,272	90,606,489
173,818,430	161,207,025

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

Sub - standard

Doubtful

Bad/Loss

-	-
-	-
124,339,937	131,481,543
124,339,937	131,481,543

Total (A + B)

298,158,367	292,688,568
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14(a) Other liabilities (consolidated)

GSP Finance Company (Bangladesh) Limited

GSP Investments Limited

Less: Inter company transaction

2,325,918,612	2,072,962,286
524,764,789	415,628,638
2,850,683,401	2,488,590,924
-	1,062,510
2,850,683,401	2,487,528,414

		Amount in Taka	
		2021	2020
15	Share Capital:		
15.1	Authorized capital 200,000,000 Ordinary shares of Tk. 10 each	2,000,000,000	2,000,000,000
15.2	Issued, Subscribed & Paid up Capital : 157,068,585 Ordinary shares of Tk.10 each	1,570,685,850	1,427,896,230
	Domestic Shareholding Position	1,350,632,762	1,227,847,968
	Foreign Shareholding Position	220,053,088	200,048,262
		1,570,685,850	1,427,896,230

- 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
2020	Bonus	14,278,962	142,789,620	1,570,685,850

- 15.4 Holding of shares as on 31 December 2021 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	468,978	2,988	0.30%	4,689,780
501 to 5000 shares	9,082,040	4,926	5.78%	90,820,400
5001 to 10000 shares	5,732,390	746	3.65%	57,323,900
10001 to 20000 shares	7,787,120	527	4.96%	77,871,200
20001 to 30000 shares	5,897,123	229	3.75%	58,971,230
30001 to 40000 shares	4,116,360	116	2.62%	41,163,600
40001 to 50000 shares	4,628,139	98	2.95%	46,281,390
50001 to 100000 shares	14,898,377	202	9.49%	148,983,770
100001 to 1000000 shares	41,846,728	169	26.64%	418,467,280
Above 1000000 shares	62,611,330	10	39.86%	626,113,300
Total	157,068,585	10,011	100%	1,570,685,850

		Amount in Taka	
		2021	2020
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	2,314,189,499	2,117,128,638
	2.Tier-2 Capital	579,473,528	580,236,774
	3.Total Eligible Capital (1+2)	2,893,663,027	2,697,365,412
	B. Total Risk Weighted Assets (RWA)	11,996,430,464	12,045,729,232
	C. Capital Adequacy Ratio (CAR) (A3/B)*100	24.12	22.39
	D. Core Capital to RWA (A1/B)*100	19.29	17.58
	E. Supplementary Capital to RWA (A2/B)*100	4.83	4.82
	F. Minimum Capital Requirement Based on Risk Weighted Assets (10% of B)	1,199,643,046	1,204,572,923
	Surplus/(Deficit) (A3-F)	1,694,019,981	1,492,792,488
	Surplus/(Deficit) (as per DFIM Circular No.-5 dated 24 July 2011 and Circular No.-9 dated 04 November 2009)	570,685,850	427,896,230
	Tier-1 (Core Capital):		
	Paid up Capital	1,570,685,850	1,427,896,230
	Statutory Reserve	554,818,003	515,405,831
	Share Premium	-	-
	Non-Controlling interest	-	-
	Retained Earnings	188,685,646	173,826,577
		2,314,189,499	2,117,128,638
	Tier-2 (Supplementary Capital):		
	General Provision (Unclassified loans upto specified limit+SMA+off Balance Sheet Exposure)	121,128,716	121,891,962
	Assets Revaluation Reserve upto 50%	458,344,812	458,344,812
		579,473,528	580,236,774
	Risk Weighted Assets (RWA)		
	A. Credit Risk		
	On-Balance Sheet	9,690,297,303	9,751,356,941
	Off-Balance Sheet	-	-
	B. Market Risk	815,630,550	831,493,100
	C. Operational Risk	1,490,502,611	1,462,879,191
		11,996,430,464	12,045,729,232
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	2,437,493,531	2,210,756,248
	2.Tier-2 Capital	593,139,810	588,274,035
	3.Total Eligible Capital (1+2)	3,030,633,341	2,799,030,282
	B. Total Risk Weighted Assets (RWA)	13,848,967,191	12,762,236,466
	C. Capital Adequacy Ratio (CAR) (A3/B)*100	21.88	21.93
	D. Core Capital to RWA (A1/B)*100	17.60	17.32
	E. Supplementary Capital to RWA (A2/B)*100	4.28	4.61
	F. Minimum Capital Requirement Based on Risk Weighted Assets (10% of B)	1,384,896,719	1,276,223,647
	Surplus/(Deficit) (A3-F)	1,645,736,622	1,522,806,636
	Surplus/(Deficit) (as per DFIM Circular No.-5 dated 24 July 2011 and Circular No.-9 dated 04 November 2009)	570,685,850	427,896,230
	Tier-1 (Core Capital)		
	Paid up Capital	1,570,685,850	1,427,896,230
	Statutory Reserve	554,818,003	515,405,831
	Share Premium	-	-
	Non-Controlling interest	57	52
	Retained Earnings	311,989,621	267,454,135
		2,437,493,531	2,210,756,248

		Amount in Taka	
		2021	2020
Tier-2 (Supplementary Capital)			
General Provision (Unclassified loans upto specified limit+SMA+off			
Balance Sheet Exposure)		134,794,998	129,929,223
Assets Revaluation Reserve upto 50%		458,344,812	458,344,812
		593,139,810	588,274,035
Risk Weighted Assets (RWA)			
A. Credit Risk			
On-Balance Sheet		10,783,599,831	10,394,337,816
Off-Balance Sheet		-	-
B. Market Risk		844,630,550	759,693,100
C. Operational Risk		2,220,736,810	1,608,205,550
		13,848,967,191	12,762,236,466
16	Statutory reserve		
Balance at 01 January		515,405,831	474,781,602
Add: Transferred during the year		39,412,172	40,624,229
Balance at 31 December		554,818,003	515,405,831
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		916,689,624	916,689,624
18	Retained earnings		
Balance at 01 January		173,826,577	147,012,112
Less: Dividend paid for the year 2020		(142,789,620)	(135,682,450)
Add: Net profit for the year 2021		197,060,861	203,121,144
		228,097,818	214,450,806
Less: Transfer to statutory reserve		(39,412,172)	(40,624,229)
Balance at 31 December		188,685,646	173,826,577
Apportionment:			
Retained earnings balance		188,685,646	173,826,577
Note: Retained earnings balance includes WPPF @ 5% for 2021 Tk. 7,882,434/-		188,685,646	173,826,577
for 2020 Tk. 8,124,846/-			
for 2019 Tk. 7,350,606/-			
Total 23,357,886/-			
18(a)	Retained earnings (consolidated)		
GSP Finance Company (Bangladesh) Limited		188,685,646	173,826,577
GSP Investments Limited (Note 18aa)		123,303,975	93,627,558
		311,989,621	267,454,135
18(aa)	Retained earnings of subsidiary		
Balance at 01 January		93,627,558	76,118,918
Add: Net profit for the year		29,676,417	17,508,640
		123,303,975	93,627,558
18.1	Contingent liabilities		
Acceptances and endorsements		-	-
Letter of guarantee (18.1.1)		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		-	-
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		-	-
		-	-

		Amount in Taka	
		2021	2020
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 2021, 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)	840,340,765	
	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)	35,784,348	
	Profit less losses on interest rate changes	-	
		876,125,113	
	Expenses:		
	Interest expenses on deposits, borrowings, etc. (note-21)	395,689,480	
	Charges on losses regarding leases, loans and advances	-	
	Administrative expenses (note-19.2)	38,580,847	
	Other operating expenses (note-34)	6,655,760	
	Depreciation and repair of company's fixed assets (note-33)	3,670,462	
		444,596,549	
	Surplus of income over expenditure	431,528,565	
19(a)	Income statement (Consolidated)		
	Income :		
	Interest, discount and similar income	978,875,872	
	Dividend income	-	
	Commission, exchange and brokerage	7,014,716	
	Gains less losses arising from dealing in securities	-	
	Gains less losses arising from dealing in foreign currencies	-	
	Other operating income	35,857,980	
	Profit less losses on interest rate changes	-	
		1,021,748,568	
	Expenses:		
	Interest expenses on deposits, borrowings, etc.	395,689,480	
	Charges on losses regarding leases, loans and advances	-	
	Administrative expenses	41,496,773	
	Other operating expenses	7,308,393	
	Depreciation and repair of company's fixed assets	4,418,793	
		448,913,439	
	Surplus of income over expenditure	572,835,130	
19.1	Interest, discount and similar income		
	Interest income on leases, loans and advances (note-20)	744,867,783	
	Investment income (note-22)	95,472,982	
		840,340,765	
19.2	Administrative expenses		
	Salary and allowances (note-25)	29,455,588	
	Rent, taxes, insurance, electricity, etc. (note-26)	1,518,145	
	Legal expenses (note-27)	150,000	
	Postage, stamp, telecommunication etc. (note-28)	634,473	
	Stationery, printing, advertisement etc. (note-29)	1,362,141	
	Managing Director's salary and allowances (note-30)	4,825,000	
	Directors' fees (note-31)	440,000	
	Audit fees (note-32)	195,500	
		38,580,847	

		Amount in Taka	
		2021	2020
20	Interest income on leases, loans and advances:		
	Lease income	89,188,419	109,361,283
	Interest on loans and advances	274,557,345	319,139,532
	Interest on loan to GSP investments Ltd	380,444,942	334,593,063
	Interest during grace period	-	-
	Total interest income on leases, loans and advances	744,190,706	763,093,878
	Interest on balance with banks and other financial institutions	677,077	1,006,126
		744,867,783	764,100,004
20(a)	Interest income on leases, loans and advances (consolidated)		
	GSP Finance Company (Bangladesh) Limited	744,867,783	764,100,004
	GSP Investments Limited	513,800,836	441,238,081
		1,258,668,619	1,205,338,085
	Less: Inter company transaction	380,444,942	334,593,063
		878,223,677	870,745,022
21	Interest expenses on deposits, borrowings, etc. :		
	a) Interest expenses on borrowings :		
	Interest on term loans	136,893,825	170,024,293
	Interest on call loans	5,265,508	6,510,454
	Interest on Bank over draft	7,550,588	13,596,664
	Bank charges	830,105	622,916
		150,540,026	190,754,328
	b) Interest expenses on deposits :	245,149,454	305,523,252
	Total	395,689,480	496,277,580
21(a)	Interest expenses on deposits, borrowings, etc. (consolidated)		
	GSP Finance Company (Bangladesh) Limited	395,689,480	496,277,580
	GSP Investments Limited	380,444,942	334,593,063
		776,134,422	830,870,643
	Less: Inter company transaction	380,444,942	334,593,063
		395,689,480	496,277,580
22	Investment income:		
	Dividend on Share	15,532,143	13,344,580
	Profit on Share Trading	79,940,839	276,574
		95,472,982	13,621,154
22(a)	Investment income (consolidated)		
	GSP Finance Company (Bangladesh) Limited	95,472,982	13,621,154
	GSP Investments Limited	5,179,213	575,048
		100,652,195	14,196,202
23	Commission , exchange and brokerage		
	Commission , exchange and brokerage	-	-
		-	-
23(a)	Commission , exchange and brokerage (consolidated)		
	GSP Finance Company (Bangladesh) Limited	-	-
	GSP Investments Limited	7,014,716	5,070,434
		7,014,716	5,070,434
24	Other operating income:		
	Income from FDR	8,838,967	14,584,579
	Documentation charge	28,380	137,510
	Delinquent interest	23,648,102	16,654,375
	Service charge	504,000	560,000
	Transfer price on lease finance	585,818	215,198
	Processing fees	100,000	50,000
	Income from house property	2,079,000	1,717,000
	Profit on sale of fixed assets	-	-
	Miscellaneous earnings	81	207,462
		35,784,348	34,126,124

		Amount in Taka	
		2021	2020
24(a)	Other operating income (consolidated)		
	GSP Finance Company (Bangladesh) Limited	35,784,348	34,126,124
	GSP Investments Limited	73,632	64,707
		35,857,980	34,190,831
25	Salary and allowances:		
	Basic pay and allowances	24,176,307	35,113,425
	Bonus (note-25.1)	1,807,880	2,715,019
	Company's contribution to provident fund	1,071,401	1,558,244
	Retirement benefit and gratuity	2,400,000	1,500,000
		29,455,588	40,886,688
25.1	Bonus		
	Festival	1,807,880	2,715,019
	Performance	-	-
		1,807,880	2,715,019
25(a)	Salary and allowances(consolidated)		
	GSP Finance Company (Bangladesh) Limited	29,455,588	40,886,688
	GSP Investments Limited	2,191,374	2,777,434
		31,646,962	43,664,122
26	Rent, taxes, insurance, electricity, etc.:		
	Rent, rate and taxes	77,135	77,235
	Insurance	251,551	244,900
	Power and electricity	1,189,459	1,110,014
		1,518,145	1,432,149
26(a)	Rent, taxes, insurance, electricity, etc.(consolidated)		
	GSP Finance Company (Bangladesh) Limited	1,518,145	1,432,149
	GSP Investments Limited	78,415	-
		1,596,560	1,432,149
27	Legal expenses :		
	Legal expenses	150,000	220,000
		150,000	220,000
27(a)	Legal expenses (consolidated)		
	GSP Finance Company (Bangladesh) Limited	150,000	220,000
	GSP Investments Limited	20,000	-
		170,000	220,000
28	Postage,stamp,telecommunication etc.:		
	Postage and courier	10,972	5,454
	Telephone, fax, internet and mobile	602,661	403,019
	Stamp and court fee	20,840	24,699
		634,473	433,172
28(a)	Postage,stamp,telecommunication etc.(consolidated)		
	GSP Finance Company (Bangladesh) Limited	634,473	433,172
	GSP Investments Limited	569	4,765
		635,042	437,937
29	Stationery, printing, advertisement, etc.:		
	Printing and stationery	354,921	320,204
	Advertisement and publicity	1,007,220	1,088,875
		1,362,141	1,409,079

		Amount in Taka	
		2021	2020
29(a)	Stationery, printing, advertisement, etc.(consolidated)		
	GSP Finance Company (Bangladesh) Limited	1,362,141	1,409,079
	GSP Investments Limited	35,235	13,215
		1,397,376	1,422,294
30	Managing Director's salary and allowances :		
	Remuneration	4,500,000	2,538,335
	Other benefits	325,000	200,000
		4,825,000	2,738,335
30(a)	Managing Director's salary and allowances (consolidated)		
	GSP Finance Company (Bangladesh) Limited	4,825,000	2,738,335
	GSP Investments Limited	303,333	1,746,700
		5,128,333	4,485,035
31	Directors' fees :		
	Directors fees	440,000	392,000
		440,000	392,000
	Other benefits	-	-
		440,000	392,000
31(a)	Directors' fees (consolidated)		
	GSP Finance Company (Bangladesh) Limited	440,000	392,000
	GSP Investments Limited	264,000	192,000
		704,000	584,000
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)	3,231,914	4,094,605
	Repairs of companies fixed assets	438,548	17,800
		3,670,462	4,112,405
33(a)	Depreciation and repairs of company's assets (consolidated)		
	GSP Finance Company (Bangladesh) Limited	3,670,462	4,112,405
	GSP Investments Limited	748,331	921,806
		4,418,793	5,034,211
34	Other operating expenses:		
	Office maintenance	1,828,195	1,833,659
	Travelling and conveyances	313,012	372,893
	Motor vehicle running expenses	285,245	334,509
	Fees and subscriptions	2,588,976	2,259,970
	Staff welfare expenses	132,458	169,728
	Newspaper, books and periodicals	-	5,317
	Entertainment expenses	442,500	495,021
	Business promotion	315,500	847,197
	Commission on TDR	15,230	388,500
	Annual General Meeting Expenses (34.1)	734,644	609,711
	CSR Expenses (34.2)	-	550,000
		6,655,760	7,866,506

		Amount in Taka	
		2021	2020
34.1	Annual General Meeting Expenses		
	Printing of Annual Reports and data base	544,750	489,345
	Publication of Notice	136,813	99,366
	Others	53,081	21,000
		734,644	609,711
34.2	CSR Expenses		
	COVID-19 fund BLFCA	-	500,000
	COVID-19 fund (Cholo Corona joy kori)	-	50,000
		-	550,000
34(a)	Other operating expenses(consolidated)		
	GSP Finance Company (Bangladesh) Limited	6,655,760	7,866,506
	GSP Investments Limited	652,633	738,765
		7,308,393	8,605,271
35	Provision for leases, loans and advances & investments:		
	Provision for classified leases, loans and advances	(35,295,172)	46,138,497
	Provision for unclassified leases, loans and advances	9,822,442	(13,012,504)
	Special provision 2% (15% payment for deferral clients)	113,308,492	-
	Provision for Investment in Share	24,309,813	(105,785,587)
		112,145,575	(72,659,594)
35(a)	Provision for leases, loans and advances & investments (consolidated)		
	GSP Finance Company (Bangladesh) Limited	112,145,575	(72,659,594)
	GSP Investments Limited	93,824,291	77,923,694
		205,969,866	5,264,100
36	Provision for income tax:		
	Current tax (36.1)	119,768,621	123,203,798
	Deferred tax (36.2)	2,553,507	2,218,521
		122,322,128	125,422,319
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	970,886,799	919,593,184	(51,293,615)
Liabilities:			
Employee gratuity	6,400,000	-	6,400,000
Total	977,286,799	919,593,184	(44,893,615)
Applicable tax rate			37.50%
Deferred tax asset/(liabilities) as on December 31, 2021			(16,835,106)
Deferred tax asset/(liabilities) as on December 31, 2020			(14,281,599)
Deferred tax income/(expenses) accounted for during the year			(2,553,507)

		Amount in Taka	
		2021	2020
36(a)	Provision for income tax (consolidated)		
	GSP Finance Company (Bangladesh) Limited	122,322,128	125,422,319
	GSP Investments Limited	17,805,852	10,505,185
		140,127,980	135,927,504
37	Dividend : 2.50% Cash Dividend and 7.50 % Stock Dividend for the year 2021 has been proposed by the Board of Directors in its 237th meeting held on August 08, 2022 (Subject to approval of Bangladesh Bank).		
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	197,060,861	203,121,144
	Number of ordinary shares outstanding	157,068,585	157,068,585
	Earning per share (2020 restated)	1.25	1.29
38(a)	Earning per share (Consolidated) :		
	Net profit after tax	226,737,284	220,629,787
	Number of ordinary shares outstanding	157,068,585	157,068,585
	Earning per share (2020 restated)	1.44	1.40
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.			
39	Net Asset Value per share (NAV):		
	Total Shareholders' equity	3,230,879,123	3,033,818,262
	Number of shares outstanding	157,068,585	157,068,585
	NAV per share (2020 restated)	20.57	19.32
39(a)	Net Asset Value per share (NAV) (Consolidated):		
	Total Shareholders' equity	3,354,183,155	3,127,445,872
	Number of shares outstanding	157,068,585	157,068,585
	NAV per share (2020 restated)	21.35	19.91
40	Net Operating Cash Flow per share:		
	Net cash flow from operating activities	151,422,221	15,580,563
	Number of shares outstanding	157,068,585	157,068,585
	NOCFPS (2020 restated)	0.96	0.10

		Amount in Taka	
		2021	2020
40(a)	Net Operating Cash Flow per share (Consolidated):		
	Net cash flow from operating activities	131,230,603	19,352,175
	Number of shares outstanding	157,068,585	157,068,585
	NOCFPS (2020 restated)	0.84	0.12
41	Composition of Shareholders' Equity :		
	Paid up capital	1,570,685,850	1,427,896,230
	Statutory reserve	554,818,003	515,405,831
	Other reserve	916,689,624	916,689,624
	Retained earnings (Note: Retained earnings balance includes WPPF @ 5% ie Tk.23,357,886/=)	188,685,646	173,826,577
	Total:	3,230,879,123	3,033,818,262
41(a)	Composition of Shareholders' Equity (Consolidated):		
	Paid up capital*	1,570,685,850	1,427,896,230
	Statutory reserve	554,818,003	515,405,831
	Other reserve	916,689,624	916,689,624
	Retained earnings	311,989,621	267,454,135
	Non-controlling interest	57	52
		3,354,183,155	3,127,445,872

*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
30-09-2021	Bonus @ 10.00%	14,278,962	10	142,789,620
	Total	157,068,585		1,570,685,850

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

Amount in Taka		
	2021	2020
Net Profit After Tax	197,060,861	203,121,144
Depreciation	3,231,914	4,094,605
Provision for lease and loans	112,145,575	(72,659,594)
Provision for taxation	122,322,128	125,422,319
Decrease in lease and loans	66,847,968	235,217,399
Income tax paid	(4,478,562)	(4,357,060)
Decrease in deposit and other accounts	(344,258,766)	(540,532,596)
Increase in other liabilities	16,038,609	27,529,875
Decrease in other assets	(17,487,506)	37,744,471
Cash flows from operating activities	151,422,221	15,580,563

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

Net Profit After Tax	226,737,284	220,629,787
Depreciation	3,980,245	5,016,411
Provision for lease and loans	205,969,866	5,264,100
Provision for taxation	140,127,980	135,927,504
Decrease in lease and loans	(92,711,811)	129,679,444
Income tax paid	(4,671,310)	(4,548,736)
Decrease in deposit and other accounts	(344,258,766)	(540,532,596)
Increase in other liabilities	14,607,129	28,839,585
Decrease in other assets	(18,550,013)	39,076,675
Cash flows from operating activities	131,230,603	19,352,175

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 Chairman		
04	Mr. Wolf-Peter Berthold	Director		
05	Ms. Silwat A. Haider	Director		
06	Mr. Moin U. Haider	Director & Chairman EC	GSP Investments Ltd.	Director
07	Mr. Mohamed Abdul Jalil	Director		
08	Mr. Wajid Ali Khan Panni	Independent Director		
09	Mr. F. A. Shamim Ahmed	Independent Director	GSP Investments Ltd.	Director

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

c. Related party transactions

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

Name of the related party	Relationship	Nature of Transaction	Closing Balance 2021	Closing Balance 2020
Container & Terminal service Ltd	Common Directors	Loan and Advances	-	8,764,352
GSP Investments Limited	Subsidiary Company	Loan and Advances	2,493,621,398	2,206,076,458
			2,493,621,398	2,214,840,810

- 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 31.

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

47 Receivable from directors :

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

48 Disclosure regarding branch :

As at December 31, 2021, 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:

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.

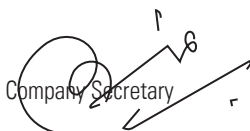
In the year 2021 the Audit Committee carried out the following activities:

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

- 50.3 Effective internal control and security documentation of the Company:
Having assessed the internal financial controls, information system and reporting models, the committee is of the opinion that:
- a) 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.
 - b) Company's assets are reasonably safeguarded and the financial position of the company is on sound footing.
 - c) 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	
		2021	2020
1	Paid up capital	1,570,685,850	1,427,896,230
2	Total eligible capital (note - 15.5.A)	2,893,663,027	2,697,365,412
3	Capital surplus / (deficit)	570,685,850	427,896,230
4	Total assets	9,162,344,756	9,215,527,719
5	Total deposits	1,925,199,905	2,269,458,671
6	Total leases, loans and advances	6,947,558,002	7,014,405,970
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	3.61	3.09
9	Percentage of classified leases, loans and advances against total leases, loans and advances	16.04	17.36
10	Profit after provisions and income tax	197,060,861	203,121,144
11	Leases, loans and advances classified for the year ended	1,114,587,829	1,217,628,781
12	Provision kept against classified leases, loans and advances	439,637,303	474,932,475
13	Provision surplus / (deficit)	4,986,000	4,000,000
14	Cost of fund	10.15	10.21
15	Interest earning assets	7,807,564,518	7,890,884,593
16	Non-interest earning assets	1,354,780,238	1,324,643,126
17	Return on assets (ROA) %	2.15	2.20
18	Return on investment (ROI) %	9.89	10.83
19	Income from investment	95,472,982	13,621,154
20	Earnings per share	1.25	1.42
21	Net Income per share	1.25	1.42
22	Price earnings ratio (times)	21.60	14.06


Company Secretary


Director


Managing Director & CEO

Signed as per our annexed report of even date



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চার্টার্ড একাউন্টেন্টস
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Independent Auditors' Report

To the shareholders of GSP investments Limited
Report on the audit of the financial statements

Opinion

We have audited the financial statements of GSP investments Limited, which comprise the Statement of Financial Position as at December 31, 2021, Statement of Profit or Loss, and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, except for effect of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statement of the company give a true and fair view of the financial position of the company as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

- The company has margin loan of BDT 3,362,810,672 against which a provision of BDT 441,098,096 was recognized in the financial statements. The provision reflects the loss arising on the difference between cost and the market value of the securities.
- The income tax provision amounting to BDT 73,982,396 is presented in the financial statements, and the entity has advance income tax of BDT. 1,444,588 (refer to note 6). This is resulting in the provision for income tax balance to increase every year due to the non-payment or non-adjustment to the related advance income tax.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We summarize below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Provision for margin loan & diminution value of Investment: Margin loan BDT 3,362,810,672 represents 99.13% of total assets, provisions for margin loan of BDT 441,098,096 and reports investment in share BDT 22,063,573 provision for diminution in value of investments of BDT 7,593,845.	We tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none"> The accuracy of data input into the system used for credit grading and the approval of credit facilities

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Risk	Our response to the risk
	<ul style="list-style-type: none"> The ongoing monitoring and identification of loans displaying indicators of provision and whether they are migrating, on a timely basis including generation of days past due reports. Our substantive procedures in relation to the provision for Margin loans and Investment comprised the following: Reviewed the adequacy of the company's general and specific provisions; Assessed the methodologies on which the provision amounts based, recalculated the Provisions and tested the completeness and accuracy of the underlying information
See note no. 12 & 13 to the financial statements	

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

Report on other Legal and Regulatory Requirements

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

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

Dated, Dhaka
04 August, 2022

Md. Iqbal Hossain FCA
Partner, Enrolment No. : 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC : 2209010596AS405382

Zoha Zaman Kabir Rashid & Co., partnership firm registered in Bangladesh and member firm of MSI Global Alliance, a leading international association of independent legal and accounting firms.

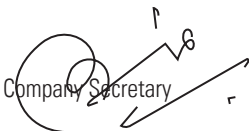
Rupayan Karim Tower, Level # 7, Suite # 7A, 80 Kakrail, Dhaka-1000, Bangladesh
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A member of



GSP INVESTMENTS LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2021


		Amount in Taka	
		Dec. 31, 2021	Dec. 31, 2020
ASSETS			
Non Current Assets:		3,114,935	3,832,287
Property, plant and equipments	2	3,114,935	3,832,287
Investment in Share	3	22,063,573	38,529,266
Current assets:		3,366,511,672	2,922,971,111
Margin loan to portfolio clients	4	3,362,810,672	2,915,705,953
Accounts Receivable	5	200,000	200,000
Advance Income Tax	6	1,444,588	1,251,840
Cash & cash equivalents	7	2,056,412	5,813,317
Total		3,391,690,180	2,965,332,663
EQUITY AND LIABILITIES			
Shareholders equity:		373,303,990	343,627,568
Share Capital	8	250,000,000	250,000,000
Retained Earnings	9	123,303,990	93,627,568
Current Liabilities:		3,018,386,190	2,621,705,095
Borrowing from Banks & Financial Institutions	10	2,493,621,398	2,206,076,458
Portfolio investors' fund		2,067,455	3,225,723
Accounts payable	11	-	273,209
Provision for investment in shares	12	7,593,845	17,478,698
Provision for Margin Loan	13	441,098,096	337,388,953
Provision for Income Tax	14	73,982,396	56,176,544
Other Liabilities	15	23,000	1,085,510
Total		3,391,690,180	2,965,332,663
Net assets value (NAV) per share		14.93	13.75


Company Secretary


Director


CEO/Managing Director

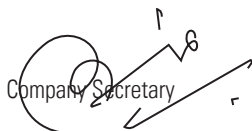
Signed as per our annexed report of even date


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

Dated, Dhaka
August 04, 2022

GSP INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2021


		Amount in Taka	
	Notes	2021	2020
OPERATING INCOME			
Interest Income	16	513,800,836	441,238,081
Less: Interest expenses	17	380,444,942	334,593,063
Net Interest Income		133,355,894	106,645,018
Investment Income	18	5,179,213	575,048
Commission, exchange and brokerages	19	7,014,716	5,070,434
Other operating income	20	73,632	64,707
		12,267,561	5,710,189
Total operating income(a)		145,623,455	112,355,207
OPERATING EXPENSES			
Salary and allowances	21	2,191,374	2,777,434
Postage & stamps	22	569	4,765
Printing & Stationary	23	21,060	13,215
Directors' fees		264,000	192,000
MD's Salary & allowances		303,333	1,746,700
Depreciation on property, plant and equipments	24	748,331	921,806
Other Operating expenses	25	788,223	761,765
Total operating expenses(b)		4,316,890	6,417,685
Profit before provision (c = a-b)		141,306,565	105,937,522
Provision for investment in shares	12	(9,884,852)	(4,148,649)
Provision for Margin Loan	13	103,709,143	82,072,343
Total profit before tax		47,482,274	28,013,828
Provision for income tax	14	17,805,852	10,505,185
Net profit after tax		29,676,422	17,508,642
Other comprehensive income		-	-
		29,676,422	17,508,642
Earning per share (EPS)	26	1.19	0.70


 Company Secretary


 Director


 CEO/Managing Director

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 04, 2022

GSP INVESTMENTS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021

A. Cash flows from operating activities:

Interest receipts
Interest payments
Commission, exchange and brokerage
Receipts from other operating income & Investment income
Payment for operating activities
Advance income tax

Net cash flows from operating activities

B. Cash flows from investing activities:

Payment for acquisition of fixed assets
Sale of Fixed Assets
Investment in Share

Net cash flows/used from investing activities

C. Cash flows from financing activities:

Proceeds from issue of ordinary share
Portfolio investors' fund Increased
Margin loan to customers Increased
Borrowing/Repayment of loan from Banks & Financial Institutions Increased

Net cash used by financing activities

Net increase/(decrease) in cash and cash equivalents (A+B+C)

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

Net Operating Cash Flow per share

Amount in Taka	
2021	2020
513,800,836	441,238,081
(380,444,942)	(334,593,063)
7,014,716	5,070,434
5,252,845	909,456
(4,904,278)	(4,465,356)
(192,748)	(191,676)
140,526,429	107,967,876
(30,980)	(49,450)
-	-
16,465,693	(184,730)
16,434,713	(234,180)
-	-
(1,158,268)	1,341,690
(447,104,719)	(426,840,851)
287,544,940	321,302,896
(160,718,047)	(104,196,265)
(3,756,905)	3,537,431
5,813,317	2,275,886
2,056,413	5,813,317
5.62	4.32


Company Secretary


Director


CEO/Managing Director

Signed as per our annexed report of even date

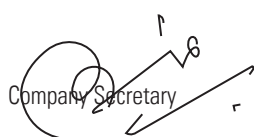


Md. Iqbal Hossain FCA
Partner, Enrolment No. : 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Dated, Dhaka
August 04, 2022

GSP INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

Particulars	Paid up capital (Tk.)	Retained Earnings (Tk.)	Total (Tk.)
Balance as at January 01, 2020	250,000,000	76,118,926	326,118,926
Profit after tax for the year 2020	-	17,508,642	17,508,642
Balance as at December 31, 2020	250,000,000	93,627,568	343,627,568
Changes in accounting policy	-	-	-
Restated balance	250,000,000	93,627,568	343,627,568
Issue of Share capital	-	-	-
Net profit after tax for the year 2021	-	29,676,422	29,676,422
Balance as at 31 December, 2021	250,000,000	123,303,990	373,303,990



Company Secretary


Director


CEO/Managing Director

Signed as per our annexed report of even date

Dated, Dhaka
August 04, 2022


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

GSP INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1.0 Significant Accounting Policies and Other Material Information:

1.1 Legal Form of Enterprise:

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

1.2 Nature of Business:

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

1.3 Basis of Presentation of Financial Statements:

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

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

1.4 Depreciation Policy:

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

1.5 Statement of Cash Flow:

Statement of Cash Flows has been prepared as per IAS-07.

1.6 Taxation:

Provision for Income Tax:

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

1.7 Investment:

Investment is carried in Financial Statements at cost.

1.8 General Comparative Information:

Comparative information has been disclosed in respect of the year 2020 for all numerical information in the Financial Statements and also the narrative and descriptive information where it is relevant for understanding of the current year's Financial Statements.

1.9 Rounding off:

Figures have been rounded to nearest taka.

		Amount in Taka	
		31-12-2021	31-12-2020
2	Property, plant and equipments:		
	Cost:		
	Opening Balance	9,371,017	9,321,567
	Addition during the year	30,980	49,450
		9,401,997	9,371,017
	Adjustment during the year	-	-
	Closing Balance (A)	9,401,997	9,371,017
	Less : Accumulated Depreciation :		
	Opening Balance	5,538,730	4,616,924
	Charged during the year:	748,331	921,806
		6,287,062	5,538,730
	Adjustment during the year	-	-
	Closing Balance (B)	6,287,062	5,538,730
	Written Down Value (A-B) (Annexure -A)	3,114,935	3,832,287
3	Investment in Share (Own portfolio):		
	Opening balance	38,529,266	38,344,536
	Add: Addition/(Adjustment) during the year	(16,465,693)	184,730
	Balance (Annexure B)	22,063,573	38,529,266
4	Margin loan to portfolio clients:		
	Margin loan	3,362,810,672	2,915,705,953
	Closing Balance at the end of the year	3,362,810,672	2,915,705,953
5	Accounts Receivable		
	Security Deposit-CDBL	200,000	200,000
		200,000	200,000
6	Advance Income Tax :		
	Opening balance	1,251,840	1,060,165
	Add: Addition during the year	192,748	191,676
	Less: Adjustment during the year	-	-
		1,444,588	1,251,840
7	Cash & cash equivalents:		
	Cash in hand	33,952	21,571
	Basic Bank Ltd. (SND A/C. No. 0000-21-6010000962)	344,438	446,201
	Bank Asia Ltd. (SND A/C. No. 08536000006)	1,678,022	5,345,545
		2,056,412	5,813,317
8	Share Capital:		
8.1	Authorized Capital		
	50,000,000 Ordinary Shares of Tk.10 each	500,000,000	500,000,000
8.2	Issued, Subscribed and Paid up Capital		
	25,000,000 Ordinary Shares of Tk.10 each	250,000,000	250,000,000
9	Retained Earnings:		
	Opening balance	93,627,568	76,118,926
	Net Profit after tax	29,676,422	17,508,642
		123,303,990	93,627,568
10	Borrowing from Banks & Financial Institutions:		
	Opening Balance at the beginning of the year	2,206,076,458	1,884,773,562
	Add: Fresh Loan Received during the year	-	-
	Add: Interest Charged during the year	380,444,942	334,593,063
		2,586,521,400	2,219,366,625
	Less: Loan re-paid during the year	92,900,002	13,290,167
	Closing Balance at the end of the year	2,493,621,398	2,206,076,458

	Amount in Taka	
	31-12-2021	31-12-2020
11 Accounts Payable:		
CDBL Charge payable	-	150,150
Multi Securities & Services Ltd.	-	123,059
	-	273,209
12 Provision for investment in shares:		
Opening balance	17,478,698	21,627,347
Add: Addition/(Adjustment) for the year	(9,884,853)	(4,148,649)
	7,593,845	17,478,698
Less: Adjustment for the year	-	-
	7,593,845	17,478,698
13 Provision for Margin Loan:		
Opening balance	337,388,953	255,316,610
Add: Addition for the year	103,709,143	82,072,343
	441,098,096	337,388,953
Less: Adjustment for the year	-	-
	441,098,096	337,388,953
14 Provision for Income Tax:		
Opening balance	56,176,544	45,671,359
Add: Addition for the year (@ 37.50%)	17,805,852	10,505,185
	73,982,396	56,176,544
Less: Adjustment for the year	-	-
	73,982,396	56,176,544
15 Other Liabilities:		
Audit fee payable including VAT	23,000	23,000
GSP Finance Company (Bangladesh) Ltd.	-	1,062,510
	23,000	1,085,510
16 Interest Income:		
Interest on Margin Loan	513,654,256	441,094,716
Interest on Bank balance	146,580	143,365
	513,800,836	441,238,081
17 Interest expenses:		
Interest Expense on term loan	380,444,942	334,593,063
	380,444,942	334,593,063
18 Investment Income:		
Dividend income	337,186	386,696
Income from Share Trading	4,842,027	188,353
	5,179,213	575,048
19 Commission, Exchange and Brokerage:		
Underwriting commission	140,000	250,000
Portfolio management income	5,572,825	4,433,282
Transaction settlement income	1,301,891	387,152
	7,014,716	5,070,434

		Amount in Taka	
		31-12-2021	31-12-2020
20	Other Operating Income:		
	Documentation income	2,000	-
	Account Closing income	9,067	4,016
	Clients Accounts Maintenance income	60,900	60,550
	Other income	1,665	141
		73,632	64,707
21	Salary & allowances:		
	Salary & allowances	2,043,874	2,589,809
	Bonus to Staff	147,500	187,625
		2,191,374	2,777,434
22	Postage & Stamps		
	Revenue Stamp	569	4,765
23	Printing & Stationery:		
		21,060	13,215
		21,060	13,215
24	Depreciation on property, plant and equipments:		
	Depreciation on Fixed Asset as per Annexure-A	748,331	921,806
25	Other Operating Expenses:		
	Advertisement	14,175	1,500
	Audit Fees	23,000	23,000
	Bank Charges & Commission	45,408	24,212
	CDBL Charges	68,290	21,965
	Entertainment Expenses	44,872	50,263
	Fees & Subscription	205,145	170,770
	Motor Vehicle Running Expenses	12,754	182,360
	Office Maintenance	183,730	112,200
	Repair & Maintenance	35,595	-
	Investors awareness program	2,505	-
	Legal Fees	20,000	-
	Insurance Premium	78,415	131,520
	Travelling & Conveyances	42,735	27,385
	Uniform & Liveries	11,599	16,590
		788,223	761,765
26	Earning Per Share (EPS):		
	Net Profit after tax	29,676,422	17,508,642
	Number of Ordinary Share	25,000,000	25,000,000
	Basic Earning Per Share (EPS)	1.19	0.70

GSPINVESTMENTS LIMITED
FIXED ASSETS SCHEDULE
AS AT 31 DECEMBER 2021

Annexure-A

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value as on 31.12.2021
	Balance as on 01.01.2021	Addition during the year	Adjustment During the year	Balance as on 31.12.2021		Balance as on 01.01.2021	Addition during the year	Adjustment During the year	Balance as on 31.12.2021	
Office equipment	1,011,173	15,200	-	1,026,373	20%	785,563	46,214	-	831,777	194,596
Furniture & Fixture	81,585	15,780	-	97,365	10%	50,427	4,495	-	54,922	42,443
Software	1,340,000	-	-	1,340,000	20%	1,201,391	27,722	-	1,229,113	110,887
Office Decoration	695,534	-	-	695,534	10%	520,723	17,481	-	538,204	157,330
Motor Vehicle	6,242,725	-	-	6,242,725	20%	2,980,627	652,420	-	3,633,047	2,609,679
As at 31 December, 2021	9,371,017	30,980	-	9,401,997		5,538,731	748,331	-	6,287,062	3,114,936
As at 31 December, 2020	9,321,567	49,450	-	9,371,017		4,616,925	921,806	-	5,538,731	3,832,287

GSPINVESTMENTS LIMITED

INVESTMENT IN SHARES AS AT 31 DECEMBER 2021

ANNEXURE - B

Sl.	Name of the issuer company	No. of Shares	Cost price Per share	Cost price as at 31 Dec. 2021 (Tk)	Market Price Per share	Market Price as at 31 Dec. 2021 (Tk)	Provision required as at 31 Dec. 2021 (Tk)
Investment in shares:							
1	ESQUIRENIT	20,890	45.00	940,050	35.00	731,150	(208,900)
2	HEIDELBCEM	45,834	430.20	19,717,813	272.40	12,485,182	(7,232,631)
3	KRISHIBIDF	86,526	10.00	865,260	10.00	865,260	-
4	RUNNERAUTO	7,566	71.43	540,450	51.30	388,136	(152,314)
Total				22,063,573		14,469,728	(7,593,845)

GSP FINANCE COMPANY (BANGLADESH) LIMITED

INVESTMENT IN SHARES AS AT DECEMBER 31, 2021

ANNEXURE - A

Sl. No.	Name of the issuer company	No. of Shares	Cost price as at Dec. 31, 2021 (Tk)	Market Price as at Dec. 31, 2021 (Tk.)	Provision required as at Dec. 31, 2021 (Tk.)
Investment in quoted shares:					
1	ADN Telecom Ltd.	350,000	5,250,000	18,340,000	13,090,000
2	Aftab Automobiles Ltd.	729,120	50,390,408	19,904,976	(30,485,432)
3	British American Tobacco Bangladesh Co. Ltd	32,500	18,489,905	20,657,000	2,167,095
4	BRAC Bank Ltd.	142,786	8,418,949	7,896,066	(522,883)
5	BSRM Steels Limited	95,023	8,343,847	6,756,135	(1,587,712)
6	Energypac Power Generation Ltd.	1,192,800	49,984,000	47,234,880	(2,749,120)
7	Esquire Knit Composite Ltd.	20,890	940,050	731,150	(208,900)
8	Grameenphone Ltd.	169,909	69,105,428	59,383,196	(9,722,232)
9	Heidelberg Cement Bangladesh Ltd.	58,360	27,783,136	15,897,264	(11,885,872)
10	IDLC Finance Ltd.	42,440	2,694,030	2,559,132	(134,898)
11	Keya Cosmetics Ltd.	98,687	1,166,509	680,940	(485,569)
12	Krishibid Feed Industries Ltd.	86,526	865,260	865,260	-
13	LankaBangla Finance Ltd.	840,181	20,759,458	31,338,751	10,579,294
14	National Bank Ltd.	3,430,676	28,122,253	25,730,070	(2,392,183)
15	Olympic Industries Ltd.	183,375	47,449,941	29,450,025	(17,999,916)
16	Peoples Leasing and Financial Services Ltd.	181,498	6,838,382	not traded	(6,838,382)
17	RAK Ceramics BD Ltd	13,533	654,995	600,865	(54,130)
18	Robi Axiata Ltd.	580,000	23,984,814	20,068,000	(3,916,814)
19	Runner Automobiles Ltd.	7,566	540,450	388,136	(152,314)
20	Shahjalal Islami Bank Ltd.	2,425,500	49,280,000	52,875,900	3,595,900
21	Square Pharmaceuticals Ltd.	216,880	50,354,773	46,477,384	(3,877,389)
22	Titas Gas Transmission & Distribution Ltd.	16,200	762,478	588,060	(174,418)
23	Union Capital Limited	62,804	1,465,354	621,760	(843,594)
24	Union Insurance Company Limited	4,643	46,430	46,430	-
Investment in unquoted shares:					
1	CDBL	571,181	2,569,450	2,569,450	-
Total			476,260,301	409,091,380	(64,599,471)

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

Cost Price
473,690,851
2,569,450
476,260,301

GSP FINANCE COMPANY (BANGLADESH) LIMITED

SCHEDULE OF FIXED ASSETS (CONSOLIDATED)

AS AT 31 DECEMBER 2021

ANNEXURE - B

Sl No.	Particulars	COST					Rate %	DEPRECIATION				Written Down Value as on 31.12.21
		Opening Balance on 01.01.21	Addition during the year	Revaluation during the year	Adjustment during the year	Closing Balance as on 31.12.21		Opening Balance on 01.01.21	Charged during the year	Adjustment During the year	Closing Balance as on 31.12.21	
1	Land & Land Development	953,437,500	-	-	-	953,437,500	-	-	-	-	-	953,437,500
2	Office Building	20,535,534	-	-	-	20,535,534	10	19,308,809	385,842	-	19,694,651	840,882
3	Office Equipment	31,152,932	110,255	-	-	31,263,187	20	23,813,674	1,951,032	-	25,764,705	5,498,481
4	Furniture & Fixtures	8,734,967	15,780	-	-	8,750,747	10	8,025,445	206,432	-	8,231,877	518,870
5	Software	1,340,000	-	-	-	1,340,000	20	1,201,391	27,722	-	1,229,113	110,887
6	Office Decoration	695,534	-	-	-	695,534	10	520,724	17,481	-	538,205	157,329
7	Telephone Systems	1,196,991	-	-	-	1,196,991	20	1,192,369	2,387	-	1,194,756	2,235
8	Motor Vehicle	9,932,725	10,000,000	-	-	19,932,725	20	5,107,822	1,389,352	-	6,497,174	13,435,550
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 2021		1,053,201,068	10,126,035	-	-	1,063,327,103		85,345,116	3,980,245	-	89,325,363	974,001,734
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

GSP FINANCE COMPANY (BANGLADESH) LIMITED
SCHEDULE OF FIXED ASSETS
AS AT 31 DECEMBER 2021

ANNEXURE - C

SL No.	Particulars	COST				Rate %	DEPRECIATION				Written Down Value as on 31.12.21
		Opening Balance on 01.01.21	Addition during the year	Revaluation during the year	Adjustment during the year	Closing Balance as on 31.12.21	Opening Balance on 01.01.21	Charged during the year	Adjustment During the year	Closing Balance as on 31.12.21	
1	Land & Land Development	953,437,500	-	-	-	953,437,500	-	-	-	-	953,437,500
2	Office Building	20,535,533	-	-	-	20,535,534	19,308,809	385,840	-	19,694,649	840,885
3	Office Equipment	30,141,758	95,055	-	-	30,236,814	23,028,116	1,904,818	-	24,932,934	5,303,877
4	Furniture & Fixtures	8,653,382	-	-	-	8,653,382	7,975,017	201,937	-	8,176,954	476,427
5	Telephone Systems	1,196,991	-	-	-	1,196,991	1,192,369	2,387	-	1,194,756	2,235
6	Motor Vehicle	3,690,000	10,000,000	-	-	13,690,000	2,127,195	736,932	-	2,864,127	10,825,873
7	Electrical Goods & Installation	4,095,278	-	-	-	4,095,278	4,095,276	-	-	4,095,276	2
8	Generator & Installation	1,128,896	-	-	-	1,128,896	1,128,896	-	-	1,128,896	-
9	House Property	20,950,712	-	-	-	20,950,712	20,950,711	-	-	20,950,711	1
AS AT 31 DECEMBER 2021		1,043,830,046	10,095,055	-	-	1,053,925,101	79,806,388	3,231,914	-	83,038,302	970,886,799
AS AT 31 DECEMBER 2020		1,043,687,797	142,249	-	-	1,043,830,046	75,711,783	4,094,605	-	79,806,388	964,023,658



GSP Finance Company (Bangladesh) Limited

1, Paribagh, Mymensingh Road,
Dhaka-1000.

PROXY FORM

I/We.....

of.....being a shareholder

of GSP Finance Company (Bangladesh) Limited do hereby appoint

Mr./Mrs.....

of.....

(or failing his/her)

Mr./Mrs.....

of.....as my/our Proxy

to attend and vote on my/our behalf at the 27th Annual General Meeting of the Company to be held on Tuesday, September 27, 2022 at 10:00 a.m. by using Digital Platform (pursuance to BSEC Order no. SEC/SRMIC/94-231/25, dated July 08, 2020) through the following link <https://gspfinance.bdvirtualagm.com> or at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this.....day of September, 2022

Signature of the proxy

BO ID No.....

No of shares being held.....

Revenue
Stamp of
Tk. 20/=

Signature of the shareholder(s)

Notes:

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



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1, Paribagh, Mymensingh Road,
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ATTENDANCE SLIP

I/We hereby record my/our attendance at the 27th Annual General Meeting of the Company to be held on Tuesday, September 27, 2022 at 10:00 a.m. by using Digital Platform (pursuance to BSEC Order no. SEC/SRMIC/94-231/25, dated July 08, 2020) through the following link <https://gspfinance.bdvirtualagm.com>

Name of the shareholder(s) / Proxy (in Block Letters).....

BO ID No.....

No of shares being held.....

Signature of the shareholder(s)/proxy

Date:

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

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



GSP FINANCE COMPANY (BANGLADESH) LIMITED

1, Paribagh, Mymensingh Road, Dhaka-1000

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