

ANNUAL REPORT 2022



GSP
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GSP FINANCE COMPANY (BANGLADESH) LIMITED

ANNUAL
REPORT
2022



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, 2022

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, 2022 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, 2022 and along with notes thereon for your kind perusal and record.

Thanking you,

Sincerely yours,



Md. Mizanur Rahman
Deputy Managing Director
&
Company Secretary

Date: November 12, 2023

Notice of the 10th Extra Ordinary General Meeting (EGM) and 28th Annual General Meeting (AGM) (Through Online Digital Platform)

Notice is hereby given that the 10th Extra Ordinary General Meeting (EGM) and 28th Annual General Meeting of the shareholders of GSP Finance Company (Bangladesh) Limited will be held on Tuesday, December 26, 2023 at 11:30 a.m. and 12:00 p.m. respectively 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:

Special Resolution:

01. To consider the amendment of name clause (clause no. 01) of the Memorandum of Association (MOA) of the Company.

Proposed Special Resolution:

"RESOLVED that the name clause no. 01 of the Memorandum of Association (MOA) of the Company be and is here by amended as proposed below:

Existing	Proposed
Clause No. 01: The name of the Company is " GSP FINANCE COMPANY (BANGLADESH) LIMITED"	Clause No. 01: The name of the Company is " GSP FINANCE COMPANY (BANGLADESH) PLC"

Ordinary Resolution:

01. To receive and adopt the Directors' Report to the Shareholders, Auditors' Report and Audited Financial Statements for the year ended December 31, 2022.
02. To declare Dividend for the year ended December 31, 2022.
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 2023 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 2023 and to fix their remuneration.

By order of the Board



Md. Mizanur Rahman
Deputy Managing Director
&

Company Secretary

Dated: November 12, 2023

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. November 30, 2023 are eligible to attend the 10th Extra Ordinary General Meeting (EGM) and 28th Annual General Meeting (AGM) and qualify for the dividend to be declared at the AGM.
02. The shareholders will join the virtual EGM and 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 EGM and AGM through this link and also during the meetings. In order to login for the virtual EGM and 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 11:00 a.m. on Tuesday December 26, 2023. The Link will activate at 11:01 a.m. (Bangladesh Time) on December 25, 2023. For any IT related guidance and help regarding the login process, the respected members may contact at +(880-2) 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 2022 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 EGM and 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 EGM and AGM.

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

VISION

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

MISSION

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

STRATEGIC OBJECTIVES

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

CORE VALUES

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

THE COMPANY AT A GLANCE

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

GSP INVESTMENTS LIMITED

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

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

PRODUCTS AND SERVICES

Financial segments

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

Deposit schemes

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

GSP Investments Limited

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

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

CORPORATE INFORMATION

Registered Name of the Company

GSP Finance Company (Bangladesh) Limited

Legal Form

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

Company Registration No.

C-29591 (879) / 95

Bangladesh Bank License No.

আঃপ্রঃ(অ-ব্যাংকিং)বিভাগ/ঢাকা/১০/৯৬

GSP Investments Limited - License No.

(A Subsidiary of GSPB)

MB- 88/2014

Registered Office

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

Tel: +88 02 223360506 (Auto Hunting)

Fax: +88 02 223360194

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

Malek Siddique Wali

Chartered Accountants

9-G, Motijheel C/A,

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.

Southeast 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 (C.C)

Mr. Zillur Rahim Chowdhury

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

Ambassador Anwarul Bar Chowdhury (Retd.)

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. Zillur Rahim Chowdhury

Managing Director & CEO (C.C)

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.



Ambassador Anwarul Bar Chowdhury (Retd.)

Independent Director of the Board &
Chairman, Audit Committee

Ambassador Anwarul Bar Chowdhury (Retd.) was appointed as an Independent Director of GSP Finance Company (Bangladesh) Limited in its 240th BOD Meeting held on October 29, 2022. Mr. Chowdhury was born in 1946. He completed his Masters in Economics from the University of Dhaka and also earned a Master degree from University of California at Berkely, USA. A former career diplomat, Ambassador Anwarul Bar Chowdhury (Retd.) has served in the Bangladesh Ministries of Defense, Commerce and Foreign Affairs in different capacities.

He was the honorable counselor of the Bangladesh Embassy of Warsaw from 1989 to 1993. Before his retirement, Mr. Chowdhury was the Ambassador of Bangladesh to Italy with concurrent accreditation to Greece, Albania, Serbia, and Permanent Representative to UN Agencies in Rome.

He was also the Member of Rajdhani Unnayan Kartripakkha (RAJUK) and vice chairman of Export Promotion Bureau of Bangladesh, the secretary of Ministry of Establishment and the Ministry of Planning and a Member of Planning Commission of Bangladesh. Mr. Chowdhury has also a career of teaching in many reputed Colleges and Universities of Bangladesh. After his retirement, Ambassador Chowdhury worked as a senior consultant of Bangladesh Enterprise Institute for Private Sector Development Project of IFC/World Bank.



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. Zillur Rahim Chowdhury

Managing Director & CEO (C.C)

Mr. Zillur Rahim Chowdhury had started his career in the AB Bank as Probationary Officer since 1992. He served there till 2004 and then join in the Trust Bank Limited .He worked there as Sr.Executive Vice President (SEVP) till Joining GSP Finance Company (Bangladesh) Limited. He was the director of the Trust Bank Investments Limited from 2014 to March 2017. Mr. Chowdhury is holding Master Degree in Management under the University of Dhaka. He participated various types of works, seminars and workshops in India Malaysia, Singapore and USA. At Present he is working as Managing Director & CEO (CC) in GSP Finance Company (Bangladesh) Limited.

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

Ambassador Anwarul Bar Chowdhury (Retd.)

Members

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

Management Committee (MANCOM)

Chairman

Mr. Zillur Rahim Chowdhury

Members

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

Asset-Liability Management Committee (ALCO)

Chairman

Mr. Zillur Rahim Chowdhury

Members

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

Anti Money Laundering Compliance Committee

Chairman

Mr. Zillur Rahim Chowdhury

Members

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

Credit Committee

Chairman

Mr. Zillur Rahim Chowdhury

Members

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

BASEL Implementation Committee

Chairman

Mr. Zillur Rahim Chowdhury

Members

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

Risk Management Forum

Chairman

Mr. Zillur Rahim Chowdhury

Members

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

Integrity Committee

Chairman

Mr. Zillur Rahim Chowdhury

Members

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

CAPITAL AND SHAREHOLDING STRUCTURE

Share Capital

	Amount in Taka	
	2022	2021
Authorized share capital		
200,000,000 ordinary shares of Tk. 10 each	2,000,000,000	2,000,000,000
Issued, Subscribed and Paid up Capital		
157,068,585 ordinary shares of Tk. 10 each	1,570,685,850	1,570,685,850

Sponsors/Directors:

% of share
holding
2022

Amount in Taka	
2022	2021

A. Foreign

Institution:

Tai Ping Asian Investment Limited

10.42%

163,593,300

163,593,300

Individual:

Mr. Wolf - Peter Berthold

3.59%

56,325,360

56,325,360

Sub Total

14.01%

219,918,660

219,918,660

B. Domestic

Institution:

Karnaphuli Industries Limited

9.07%

142,479,210

142,479,210

Individuals:

Mr. Feroz U. Haider

8.07%

126,705,590

126,705,590

Mr. Moin U. Haider

2.00%

31,413,710

31,413,710

Ms. Silwat A. Haider

2.00%

31,413,760

31,413,760

AVM (Retd.) Altaf Hossain Choudhury Ndu. Psc

0.36%

5,683,330

5,683,330

Sub Total

21.50%

337,695,600

337,695,600

C. General Shareholders

64.49%

1,013,071,590

1,013,071,590

Total (A + B + C)

100.00%

1,570,685,850

1,570,685,850

Note:

It may be mentioned here that the Board of Directors of GSP Finance Company (Bangladesh) Limited in its 237th meeting held on August 08, 2022 had recommended dividend @10% of which 2.5% cash dividend and 7.5% stock dividend for the year ended December 31, 2021 subject to approval of Bangladesh Bank and subsequently applied to Bangladesh Bank for their approval. The Shareholders of the Company approved the same subject to approval of Bangladesh Bank in its 27th Annual General Meeting (AGM) held on September 27, 2022. Bangladesh Bank has finally declined the declaration of dividend for the year ended December 31, 2021 vide their letter no. DFIM(C) 1054/28/2023-3873 dated November 09, 2023.



Message from The Chairman

Bismillahir Rahmanir Rahim

Distinguished Shareholders:

Assalamu Alaikum,

It gives me immense pleasure to welcome you all at the 28th Annual General Meeting of GSP Finance Company (Bangladesh) Limited. On behalf of the Board of Directors I would like to express my sincere thanks to the respected shareholders for their support and co-operation towards the Company during the year and I also extend my thanks and felicitations to the Honorable Members of the Board of Directors of the Company for their presence, active support and co-operation for the growth of the Company during the COVID period and after effects of the COVID-19 pandemic.

GSP Finance Company (Bangladesh) Limited has a long successful history of professionalism & business ethics which is based on a well developed culture of accountability, transparency, fairness and good governance. Our company has been able to build resilient power to overcome any kind of stress emanating from internal & external factors.

The last few years has been exceptionally challenging for the country, with battling through the pandemic, to the opening of business to normalcy in a stretched economic condition. Thus, when the world appeared to be moving forward post- pandemic, many of us dared to hope that 2022 would be a turning point for the world economy. It rather turned out to be the tipping point as the world economies straddled with uncertainty due to war in Europe. It further set the other economies ablaze as the world witnessed global shortages and supply crises for essentials and energy, thus leading to inflation going through roof. With global interdependence, a crises of this magnitude involving a country like Russia, was bound to have subsequent influences on other economies, Bangladesh included.

In the context of global economic crises, Russia-Ukraine war, depleting FOREX reserve, internal capacity of the banking systems to facilitate import and export through opening LCs, timely payment of L/C settlement, remittance etc., challenges continue to persist as we enter 2023.

Despite the challenges, Bangladesh's economy has shown resilience, with growth projected to remain satisfactory in the medium term. The government's focus on infrastructure development, including construction of new power plants, highways, and bridges, is expected to drive economic growth in the coming years. Bangladesh's proactive measures and focus on infrastructure development provide for continued growth in the future.

As of December 2022, the general inflation declined to 8.71% as food inflation eased. Food inflation stood at 7.91% and Non-food inflation stood at 9.96% in Dec' 22. Twelve-month average general inflation stood at 7.67% up by 22 bps on a monthly basis. The main reasons for the increasing inflation rate in Bangladesh are the increase in food prices and prices of imported daily consumption, supply chains disruptions in domestic and global market, rising fuel prices, currency depreciation, and imperfections and anomalies in the local markets. The middle-income and fixed-income people are struggling as the burden of rising prices is increasing. Many families have had to withdraw their savings to cope with the higher consumer prices. Due to a surge in prices of commodities in the global market and the fast depletion of the foreign currency reserves, sale of savings certificates has increased and remained at an elevated level for the last few months.

Our 2022 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 its best effort towards achievements of sustainable growth. 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.


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, TDR encashment pressure from depositors and non-payment of installments by borrowers on time etc. have created tremendous pressure on our fund management.

The key challenges for the Company in 2023 will be to continue to support demand for financing, shrinking interest rate margins and increasing non-performing loans due to various uncontrollable internal & 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.

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 2023, Insha Allah.

Stay safe, stay blessed.



Feroz U. Haider
Chairman



Message

from The Managing Director & CEO

Bismillahir Rahmanir Rahim
Dear Shareholders:

Assalamu Alaikum,

As we conclude the year 2022, we find ourselves reflecting on a year marked by both challenges and opportunities. The global landscape was significantly impacted by a series of unprecedented events that had a profound impact on our industry and the broader economy.

The year 2022 commenced with the outbreak of the Russian-Ukrainian conflict, which triggered a wave of economic sanctions and heightened geopolitical tensions. This disruption to the global supply chain and the ensuing energy crisis had far-reaching consequences, impacting inflation rates, interest rates, and consumer behavior.

Amidst this backdrop of global uncertainty, we navigated the complexities of the NBFI sector, striving to maintain financial stability and deliver value to our stakeholders. While we experienced financial losses in 2022, we remain focused on addressing the underlying factors and emerging stronger from this period of turbulence.

In addition to the global challenges mentioned earlier, we also faced the adversity of soaring commodity prices, which had a significant impact on our operating costs and profitability. We closely monitored the situation and took steps to mitigate the impact of these price increases.

Further, we were also impacted by the sluggish performance of the capital market in 2022. The decline in stock prices had a negative impact on our investment portfolio and overall profitability. We are closely monitoring the situation and taking steps to manage the risks associated with the market volatility.

The NBFI sector, as a whole, faced challenges, particularly in areas related to credit risk management and operational efficiency. We are thoroughly reviewing our internal processes and risk assessment models, identifying areas for improvement and implementing corrective measures to enhance our resilience.

We understand that our financial performance in 2022 has fallen short of expectations. We acknowledge the concerns of our shareholders and assure you that we are committed to regaining your trust and confidence. We are implementing a comprehensive strategy to address the challenges we face and emerge from this period stronger and more resilient.

Our strategic priorities include:

- **Reassessing our risk management strategies:** We are reviewing our credit underwriting processes and risk assessment models to ensure informed and prudent lending decisions.
- **Enhancing operational efficiency:** We are implementing measures to streamline processes, reduce costs, and leverage technology to improve our overall efficiency.
- **Strengthening customer focus:** We are committed to provide our customers with exceptional products, services, and experiences. We plan to invest in customer relationship management systems and enhancing our staff training and development programs.

In addition to the global challenges mentioned earlier, we also faced the adversity of soaring commodity prices, which had a significant impact on our operating costs and profitability. We closely monitored the situation and took steps to mitigate the impact of these price increases.

The Bangladesh Government and Bangladesh Bank have also taken steps to support the economic recovery. The government has implemented an expansionary fiscal policy, providing tax incentives, investing in skills development, and expanding access to microfinance. Bangladesh Bank has also played its part by reducing interest rates, increasing liquidity, and providing refinancing facilities to banks.

While there are still challenges, such as the ongoing Global Recession, geopolitical tensions, and high inflation, the government and Bangladesh Bank remain committed to supporting the economic recovery. They are continuing to monitor the situation and will take further action as needed.

We are committed to navigating these challenges and seizing the opportunities that lie ahead. We are confident that with your continued support, we can emerge stronger from this period of adversity and build a more resilient and prosperous future for our company and our shareholders.

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 true transparency for everyone.

GSP Finance Company (Bangladesh) Limited will continue to maintain higher ethical standard, corporate governance, statutory compliance etc. in order to honor 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. *** 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 Honorable 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 the 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 2022 and create value for all our stakeholders.

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

Despite all the challenges, we remain steadfastly optimistic about the future of our company. We believe that our economy is poised for a robust recovery, and we are well-positioned to capitalize on the opportunities that lie ahead. We are committed to adapt to the changing economic landscape and strengthening our relationships with our customers and stakeholders.

With your unwavering support, we are confident that we can emerge from this period of adversity stronger than ever before and build a more resilient and prosperous future for our company and our shareholders. As we embark on this New Dawn, we pledge to remain steadfast in our commitment to delivering exceptional value to our stakeholders and fostering a legacy of excellence that will endure for generations to come.

Thanks & Best Regards,



Md. Zillur Rahim Chowdhury
Managing Director & CEO (C.C)

Directors' Report

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alaikum,

On behalf of the Board of Directors of GSP Finance Company (Bangladesh) Limited, I am very happy to welcome you all in 28th Annual General Meeting of the Company.

The Board of Directors of GSP Finance Company (Bangladesh) Limited have pleasure in presenting their Annual Report for the year ended December 31, 2022 which includes Audited Financial Statements, Consolidated Financial Statements of the Company for the year ended December 31, 2022 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 November 12, 2023.

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

PRINCIPAL ACTIVITIES OF THE COMPANY

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

OPERATIONAL PERFORMANCE OF THE COMPANY

2022 was a year of unprecedentedly challenging for the financial sector of the country. The money market and stock market have passed a tumultuous time, which mostly was a subsequent effect of the war between Russia and Ukraine.

The national economy of Bangladesh has been severely impacted by the overall global economic downturn in 2022. As estimated by the World Bank, The GDP growth rate for the FY 2022 declined and stood at 7.2%. A large contributor to this was the reduced inflow of remittances from migrant workers. Additionally, the import value has risen manifold during this time which has caused the foreign exchange reserve to dwindle to USD 33.74 bn last year compared to USD 41.82 bn in the previous year.

The COVID-19 pandemic has also affected Bangladesh's economy, resulting in a decline in export orders, remittances, and foreign investment, which are critical to the country's economic growth.

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 2022.

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 TDR encashment pressure from depositors and non-payment of installments by borrowers on time etc. have created tremendous pressure on our fund management.

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

FINANCING AND INVESTMENT OPERATION OF THE COMPANY

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

Lease Finance: Lease financing is one of the major fund-based activities of GSP Finance Company (Bangladesh) Limited. The Company offers fully payout financial lease for procuring capital machinery, equipment, vehicles & riverine transport. GSP Finance Company (Bangladesh) Limited provides services to customers of different segments. Through a prudent business model, the company has diversified its business in other business segments in the year 2022.

The investment under lease finance registered a positive growth of 8.70% of the Company with exposure of Tk. 1,457.05 million at the end of 2022 as opposed to Tk. 1 340.42 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 positive growth of 3.65% in 2022 which stood at Tk. 5,811.83 million at the end of 2022 as opposed to Tk.5, 607.14 million of the previous year.

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. 541.44 million as at December 31, 2022.

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 2022, the Company earned Tk. 36.63 million in the form of capital gain and dividend.

Banking Arrangement: In 2022, the Company rolled over Tk. 232.12 million availed from different banks and FIs in different forms of borrowings and repaid Tk. 267.36 million. 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 positive growth and stood at Tk. 2,002.94 million as on December 31, 2022 as opposed to Tk. 1,925.20 million of December 31, 2021.

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, 2022 is shown on page 44 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, 2022 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 2022 are summarized below with explanations in the enclosed audited Financial Statements:

Profit / (Loss) after tax	Tk. (606,168,535)
Transfer to Statutory Reserve (20% on profit after tax)	Tk. Nil
Retained earnings brought forward	Tk. 188,685,646
Transfer to WPPF @ 5%	Tk. Nil
Profit /(Loss) available for declaration of Dividend for the year 2022	Tk. (417,482,889)

DIVIDEND

Considering the overall environment of financial market, current financial strength of the Company the Board of Directors did not recommend any dividend for the year ended December 31, 2022.

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. Moin U. Haider and (2) Mr. Mohamed Abdul Jalil Director of the Company will retire and being eligible, all of them offered themselves for re-appointment.

APPOINTMENT OF AUDITORS

The Company's Auditors Malek Siddique Wali, Chartered Accountants, having address at 9-G, Motijheel C/A, Dhaka-1000 worked as Statutory Auditors for the 1st year with a fee of Tk. 170,000/- plus VAT @ 15% only and will retire in the 28th Annual General Meeting (AGM) of the Company and being eligible for re-appointment according 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 2023 vide their letter dated November 08, 2023 and they have requested to increase their professional fee by considering the current inflation from the last year audit fee of Tk. 170,000/- plus VAT subject to approval of Bangladesh Bank before holding the 28th 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"- The Company's immediate past Compliance Auditors Zoha Zaman Kabir Rashid & Co. Chartered Accountants, having address at the Savil, Level- 7, & 8, Plot # 6 B, Road# 32, Gulshan -1, Dhaka- 1212, Bangladesh has shown their willingness to act as Compliance Auditor of the Company for the year 2023 vide their letter dated November 02, 2023 at a fee of Tk. 60,000/- plus VAT which will be approved by the shareholders in the 28th Annual General Meeting of the Company.

INDUSTRY OUTLOOK FOR 2023

Global prices of goods and commodities tended to surge in almost all the countries in the aftermath of COVID pandemic. Although varied by different reasons in different countries, the main causes of the inflation were the surge in food and energy prices. After the pandemic, when the entire world was recovering from the economic wreckage, the Russian invasion of Ukraine hit the world economy again; the ripple effect of which is still visible. In order to commensurate with the situation, interest rates have also been increased globally. It is now apprehended that the world economy shall have to bear this consequence for a prolonged period.

The overall inflation accompanied by the pandemic and Russia-Ukraine war hampered the import of raw materials and capital machinery. During the period, Government's initiatives to implement mega infrastructure projects in Bangladesh were quite remarkable, however, private investments/entrepreneurs were more reluctant to set up new /expand their existing businesses which hindered new employment generation.

From the local perspective, the ongoing Russia-Ukraine war, coupled with the global COVID-19 pandemic, has raised concerns about the economic outlook for Bangladesh. The prolonged escalation of the conflict is likely to aggravate the country's growth prospects even more. In the midst of the ongoing shocks, the country faces difficult choices on balancing economic growth and social welfare policies. Policymakers need to adopt measures to mitigate the impact of external shocks and strengthen domestic economic resilience.

The Company is fully aware of its overcharging responsibility, not only towards its shareholders but also to wider society during this period of painful economic transaction and is completely investing in generating opportunities for value creating. In striving to achieve this objective, GSP finance Company (Bangladesh) Limited intends to adopt the highest standards of governance, stringent internal controls and effective risk management practices in order to facilitate stable and sustainable growth in 2023.

The key challenges for the Company in 2023 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 Malek Siddique Wali, 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	Ambassador Anwarul Bar Chowdhury (Retd.)	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 2022. 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 2022

- The Audit Committee reviewed the annual financial statements for the year 2022 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, 2022 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, 2022 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 2022 prior to its publication in the annual report 2022.
- Reviewed Internal Control & Compliance report of 2022.
- Reviewed and approved annual audit plan for the year 2022.
- 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 Malek Siddique Wali, 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, 2022.

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 2022.

On behalf of the Audit Committee



Ambassador Anwarul Bar Chowdhury (Retd.)
Chairman, Audit Committee

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

Date: November 12, 2023

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, 2022

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, 2022 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, 2022 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,


Md. Zillur Rahim Chowdhury
Managing Director & CEO (C.C)


Md. Wahidul Islam
Chief Financial Officer



Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

জোহা জামান কবির রশীদ এ্যান্ড কোং
চার্টার্ড একাউন্টেন্টস

Annexure-B

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

**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, 2022. 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.
- As per section 184 of the Companies Act, 1994, no statement or disclosure has been found in the Director's Report regarding the emphasis of matter in the Audit Report issued by the Statutory Auditor.

Place: Dhaka
Dated: November 12, 2023

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

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Zoha Zaman Kabir Rashid & Co., a partnership firm registered in Bangladesh and a member firm of MSI Global Alliance, a leading international association of independent legal and accounting firms.
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COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE BY BSEC

Status of Compliance with the Corporate Governance Code (CGC) as on December 31, 2022

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/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);	√		No such deviation occurred
1(3)(d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			
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;	√		Considering the overall environment of financial market, current financial strength of the Company, the Board of Directors did not recommend any dividend for the year ended December 31, 2022
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)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in this Annual Report along with the comments of the Audit Committee.			Not applicable

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
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 28th Annual General Meeting. Refer to the notice of the AGM, on page no 05 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	8	8	-	-	-	-
Mr. Saber Hossain Chowdhury	8	-	-	-	4	-
Dr. ATM Shamsul Huda	8	7	-	-	4	4
Mr. Moin U. Haider	8	7	-	-	4	3
Mr. Wolf-Peter Berthold	8	1	-	-	-	-
Mr. Mohamed Abdul Jalil	8	5	-	-	4	3
Ambassador Anwarul Bar Chowdhury (Retd.)	8	2	-	-	4	2
Ambassador F. A. Shamim Ahmed (Retd.)	8	7	-	-	-	-
Ms. Silwat A. Haider	8	6	-	-	-	-

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
Ambassador Anwarul Bar Chowdhury (Retd.)	Independent Director	None
Ambassador F.A. Shamim Ahmed (Retd.)	Independent Director	None
Mr. Zillur Rahim Chowdhury	Managing Director & CEO (C.C)	None
Mr. Mizanur Rahman	DMD & Company Secretary	None
Mr. Wahidul Islam	DGM & Chief Financial Officer	None
Mr. Sanul Karim	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
Manager -Accounts	Mr. Saifur Rahman Bhuiyan	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 AS ON DECEMBER 31, 2022.

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	(417,482,889)
Minority interest in subsidiaries	-
Non-cumulative irredeemable preference shares	-
Dividend equalization account	-
Total Tier 1 capital	1,708,020,964

(c)	The total amount of Tier 2 capital	1,176,531,106
(d)	Other deductions from capital	-
(e)	Total eligible capital	2,884,552,070

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	10,282,438,789
(c)	Capital requirement for Market Risk	643,800,000
(d)	Capital requirement for Operational Risk	460,200,000

(e) Total and Tier 1 capital ratio:

- For the consolidated group; and
- For stand alone

Particular	Consolidated	Stand Alone
CAR on Total capital basis (%)	24.91	24.33
CAR on Tier 1 capital basis (%)	16.37	15.00

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 Compliance Department (ICC)**

Appropriate internal control measures are in place at GSPB. GSPB has also established Internal Control and Compliance Department (ICC) to ensure, 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
Lease	1,457,045,181
Term finance	3,318,211,572
Margin loan to portfolio investors (Loan to Subsidiary)	2,493,621,398
Total	7,268,878,151

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

Area	Amount in BDT
Dhaka	6,901,569,975
Chittagong	367,308,176
Total	7,268,878,151

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

Sector	Amount in BDT
Agriculture	46,355,356
Electronics and Electrical Products	120,225,998
Food Production and Processing Ind.	82,368,185
Garments and Knitwear	657,468,416
Glass, Glassware and Ceramic Industries	-
Housing	-
Iron, Steel and Engineering	329,755,583
Paper, Printing and Packaging	158,985,256
Pharmaceuticals and Chemicals	484,266,313
Plastic Industry	-
Power & Energy	-
Telecommunication and IT	90,966,912
Textile	286,756,310
Transport and Aviation	600,888,116
Service	934,466,207
Others	3,476,375,499
Total	7,268,878,151

(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	525,539,890
Over 1 month but not more than 3 months	956,584,365
Over 3 months but not more than 1 year	897,706,452
Over 1 year but not more than 5 years	4,889,047,444
Over 1 year but not more than 5 years	-
TOTAL	7,268,878,151

(f) 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	3,353,698
Doubtful	1,353,031,320
Bad/Loss	4,466,311,969
Total	5,822,696,987

Movement of specific provisions for NPAs

Particulars	Amount in BDT
Opening balance	439,637,303
Provisions made during the period	559,290,521
Write-off	-
Write-back of excess provisions	-
Closing balance	998,927,824

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 (BDT)	Market Price (BDT)
Quoted shares	452,306,750	324,482,940
Unquoted shares	2,569,450	2,569,450

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

➤ **Capital Gain on sale of Share BDT 21,920,882**

Particulars	Amount in BDT
Total unrealized gains (losses)	(130,759,454)
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 32.45 crore. Capital Requirement is 10% of the said value which stand to BDT 3.25 crore.
- General Risk Market value of investment in equities is BDT 32.45 crore. Capital Requirement is 10% of the said value which stand to BDT 3.25 crore.

All requirements are 10% of the said value, which stand to BDT 6.50 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. GSPBmeasure 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 Amount in crore BDT

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)	30.25	32.52	36.25	51.66	66.14
B. Total Rate Sensitive Assets (B)	25.10	26.08	26.21	34.14	33.37
C. Mismatch	-5.15	-6.44	-10.05	-17.52	-32.77
D. Cumulative Mismatch	-5.15	-11.59	-21.64	-39.16	-71.93
E. Mismatch (%)	-17.02%	-19.81%	-27.71%	-33.92%	-49.55%

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	-1.44	-2.88	-4.32
Revised Regulatory Capital	363.40	361.96	360.52
Risk Weighted Assets	1376.94	1376.94	1376.94
Revised CAR (%)	26.39%	26.29%	26.18%

G) Market risk

Qualitative Disclosures (a)

Views of BOD on trading/investment activities

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

Methods used to measure Market risk

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

Market Risk Management system

Policies and processes for mitigating market risk

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

Interest Risk Management

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

Market analysis

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

GAP analysis

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

Continuous Monitoring

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

Equity Risk Management

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

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

Quantitative Disclosures (b)

The capital requirements for Market Risk:

Particular	Amount in crore BDT
Interest rate risk	-
Equity position risk	6.50
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:	46.02

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 24.33% in 2022 from 24.12% in 2021. 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 2022 was BDT 1,708 million. On solo basis, GSPB's core capital decreased by 4.29% in 2022 compared to that of 2021 due to net loss after tax during the year, Net Loss after tax during the year amount of BDT 606 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 increased by 51% in 2022 to BDT 1,177 million from BDT 579 million of 2021 due to revaluation of land and building during the year 2022.

GSPB's total eligible capital decreased by 0.32% to BDT 2,885 million in 2022 compared to BDT 2,894 million of 2021. Compared to 2021, on solo basis, GSPB's risk weighted assets decreased by 5.36% in 2022 and so does our capital requirement. We didn't only maintained the required level of capital, we had a good surplus in 2022. The surplus eligible capital of the company at the close of business on 31 December 2022 were BDT 1,746 million.

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

Funding and Liquidity

The year 2022 was very tight from liquidity perspective; GSPB has shown increase 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 Retail TDR, Corporate TDR, Bank & FIs TDR is increased by BDT 78 million in 2022 and borrowings from banks and other financial institutions decreased by total BDT 35 million in 2022 and lease, loan portfolio also increased by BDT 321 million compared to 2021.

Despite the liquidity shortage in 2022, 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 2022 due to Russia and Ukraine war. Performances of the Company slightly decrease in profitability in 2022 compared to 2021. Increase in provision for investment of shares and increase provision for leases, loans and advances which are affected the Company's profitability. The loss before provision was BDT 65 million in 2022 compared to profit of BDT 431 million in 2021 and net loss after tax was BDT 606 million in 2022 and compared to profit of BDT 197 million in 2021.

Interest Income

Interest income is the core component of revenue of the Company. Lease, loan and advances portfolio of the Company increased by 4.62% in 2022, interest income decreased by 64.05% to BDT 268 million in 2022, which was BDT 744 million for the year 2021. Interest income decreased due to no interest income charged from loan to GSP Investment limited in 2022 compared to 2021.

Interest Expenses

In the year 2022 GSPB interest expenses decreased by 11.04% to BDT 352 million from BDT 395 million of 2021. Total deposit and borrowings increase of 1.18%, decreased of interest expenses is higher than last year. Liquidity crunch and its effect in money market escalated the cost of fund in 2022 compared to 2021.

Investment Income

It was a difficult year for the capital market due to Russia and Ukraine war 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 decreased by BDT 59 million compared to 2021. Moreover, provision for diminution in the value of investment has increased by BDT 66 million for 2022.

Operating Expenses

Total operating expenses has increased by 13.32% in 2022. details are as follows:

Operating Expense	2022	2021	Amount in BDT	
			Y-O-Y Growth	
			Amount	%
Salary & Allowance	35,882,092	29,455,588	6,426,504	21.82
Rent, taxes, insurance, electricity, etc	1,427,214	1,518,145	(90,931)	-5.99
Legal expenses	494,752	150,000	344,752	229.83
Postage, stamp, telecommunication, etc	630,138	634,473	(4,335)	-0.68
Stationery, printing, advertisement	1,413,631	1,362,141	51,490	3.78
Managing Director's salary & allowances	4,450,000	4,825,000	(375,000)	-7.77
Director's Fees	440,000	440,000	-	0.00
Audit Fees	195,500	195,500	-	0.00
Depreciation and respire of company's assets	4,967,106	3,670,462	1,296,644	35.33
Other Operating expenses	5,521,881	6,655,760	(1,133,879)	-17.04
Total Operating Expense	55,422,314	48,907,069	6,515,245	13.32

Revenue

Revenue for 2022 has been BDT 342.43 million which shows a decrease rate of 60.92% from the previous year, of which 78.20% was from interest earning products, 10.70% from investment income and rest 11.10% 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 287.63% negative growth of profitability. Pre-tax loss was recorded at BDT (599.26) million for the year 2022, which was profit of BDT 319.38 million in the previous year.

Portfolio

Lease, Loans & Advances Portfolio of GSPB shows a positive growth of 4.42% from BDT 6,947.56 million in 2021 to BDT 7,268.88 million in 2022.

Liquidity and Capital Adequacy Ratio

Capital Adequacy Ratio (CAR) at the end of 2022 stood at 25.33% against the Bangladesh Bank's stipulation of 10% which was 24.12% in 2021. 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 34.10 and BDT 24.20 and finally settled at BDT 30.30 at the end of 2022.

ROA

For the year 2022, our Return on Assets (ROA) was -5.75% compared to 2.15% of 2021.

ROE

GSPB's Return on Equity (ROE) was -15.93% in 2022. and its five-years cumulative average growth rate was 2.93%.

EPS

Earnings per Share (EPS) for 2022 stood at BDT (3.86) compared to BDT 1.25 in 2021. Liquidity crunch in banking sector and continued bearish capital market throughout 2022, our bottom line result has been greatly affected. Our interest income down as most of the loan accounts have been classified and the EPS has come down significantly since last year due to Increasing provision for lease, loan & advances and investment in shares.

Total Asset

In terms of Asset positive Growth, GSPB's total assets increased by 14.20% from 2021 to 2022. GSPB's total assets BDT 10,545.51 million in 2022 where as 2021 was BDT 9,234.34 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 2023

The year 2023 will be a hard year for NBFIs and the key challenges for the company in 2023 will be to continue to support demand for financing shrinking interest rate margins and increasing non-performing loans.

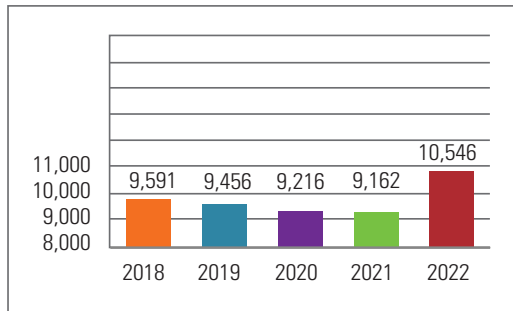
As we know, in the year 2022 the entire financial sector especially NBFIs has suffered a lot due to Russia and Ukraine war and passed a difficult time with severe liquidity crunch, non-renewal of existing and new credit facilities by the banks, huge FDR encashment pressure from depositors and non-payment 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.

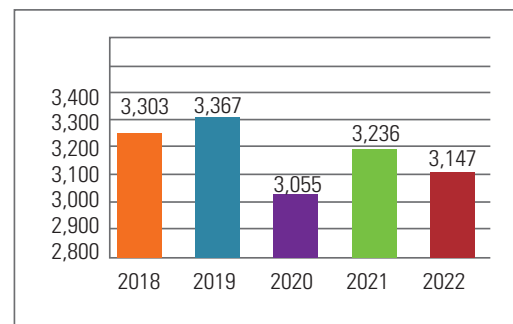
FINANCIAL HIGHLIGHTS

	2018	2019	2020	2021	2022
Operational Performance					
Operating revenue	1,047,456,390	1,071,766,750	811,847,282	876,125,073	342,425,434
Financial expenses	422,564,307	461,775,809	496,277,580	395,689,480	351,992,807
Operating expenses	66,962,296	72,692,877	59,685,833	48,907,068	55,422,313
Profit before taxation	471,250,389	286,719,104	328,543,463	319,382,990	(599,259,016)
Net Profit after tax	293,678,772	177,970,719	203,121,144	197,060,861	(606,168,535)
Financial performance					
Lease & term finance	5,734,165,448	5,364,849,807	4,808,329,512	4,453,936,604	4,775,256,753
Investor's portfolio loan (Loan to GSPI)	1,619,839,926	1,884,773,562	2,206,076,458	2,493,621,398	2,493,621,398
Investment in Share	507,040,024	506,075,833	508,537,103	476,260,301	454,876,200
Other assets	365,550,895	354,225,009	342,955,105	367,371,186	449,014,396
Current assets	3,302,774,377	3,366,821,587	3,054,517,410	3,236,192,738	3,146,616,049
Total asset	9,591,342,540	9,455,555,493	9,215,527,719	9,162,344,756	10,545,514,782
Term deposits	3,113,838,775	2,809,991,267	2,269,458,671	1,929,199,905	2,002,944,839
Current liabilities	2,782,619,965	2,485,509,434	2,462,174,932	2,100,624,589	2,176,750,336
Long term liabilities	3,923,397,696	4,134,773,415	3,719,534,525	3,830,841,045	4,564,742,241
Total Liabilities	6,706,017,661	6,620,282,849	6,181,709,457	5,931,465,634	6,741,492,576
Financial ratios					
Current ratio (Times)	1.19	1.35	1.24	1.54	1.45
Financial expense coverage (Times)	2.12	1.62	1.51	1.24	(0.59)
Debt/Equity (Times)	2.02	1.64	1.35	1.12	0.96
Equity Multiplier	3.70	3.34	3.04	2.84	2.77
Net interest margin %	5.44	4.54	2.87	3.80	(0.80)
Net profit margin (%)	28.04	16.61	25.02	22.49	(177.02)
Return on equity (%)	11.50	6.29	6.70	6.10	(15.93)
Return on assets (%)	3.06	1.88	2.20	2.15	(5.75)
Rate of Dividend (%)	18.00	10.50	11.00	-	-
Price earnings ratio (Times)	8.98	11.01	14.06	21.60	(7.85)
Dividend (%)	18.00	10.50	10.00	-	-
Financial expense to total expenses (%)	86.32	86.40	89.26	89.00	86.40
Operating expense to operating revenue (%)	6.39	6.78	7.35	5.58	16.19
EPS (TK.)	2.27	1.25	1.42	1.25	(3.86)
Equity statistics					
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	129,221,378	129,221,378	142,789,623	157,068,585	157,068,585
Paid up Capital	1,292,213,780	1,292,213,780	1,427,896,230	1,570,685,850	1,570,685,850
Year end market price	20.40	15.20	20.00	27.00	30.30
Net asset value per share	22.33	19.82	21.25	20.57	24.22

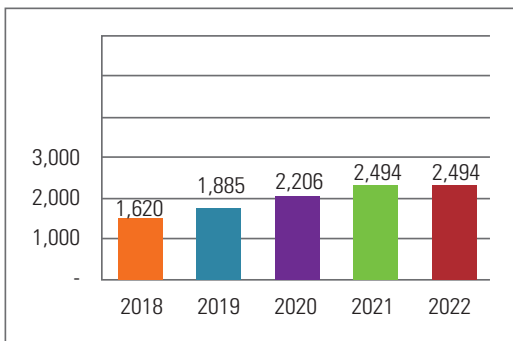
Total asset
BDT in million



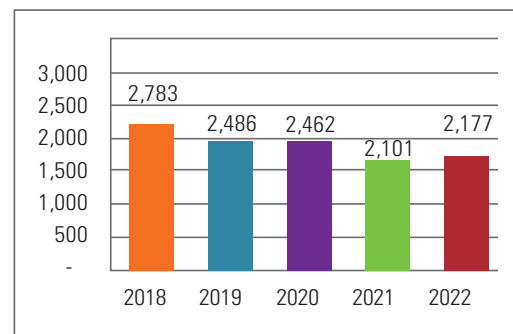
Current Assets
BDT in million



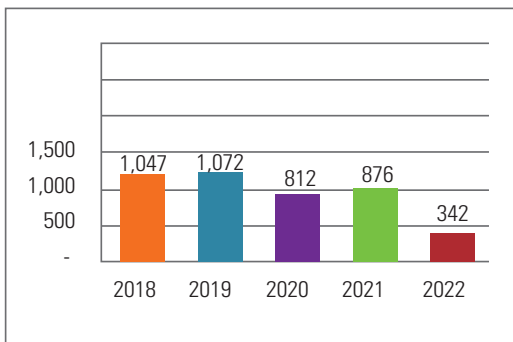
Investor's Portfolio Loan
BDT in million



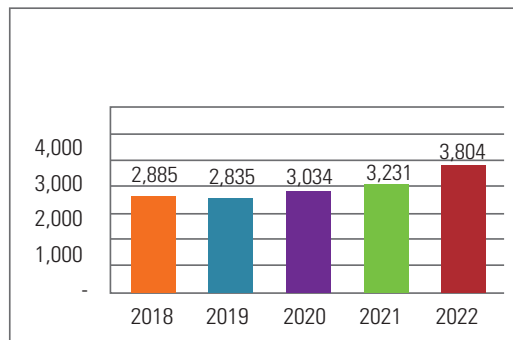
Current Liabilities
BDT in million



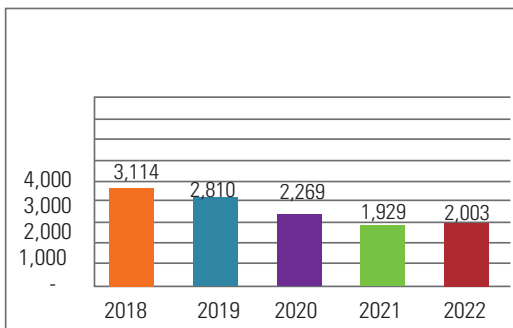
Operating Revenue
BDT in million



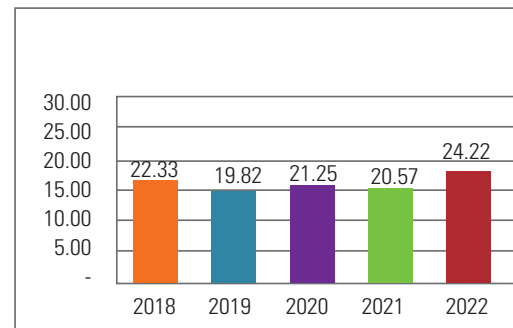
Shareholder's Equity
BDT per share



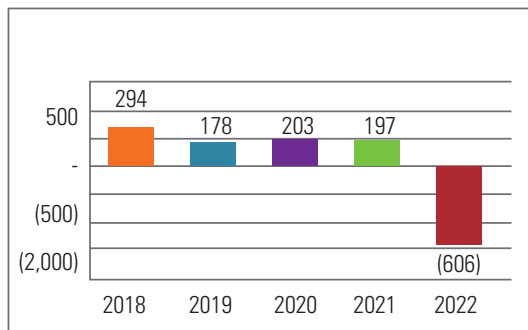
Term Deposits
BDT in million



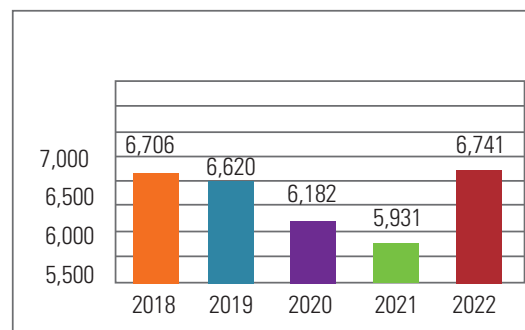
Net Assets Value Per Share
BDT in million



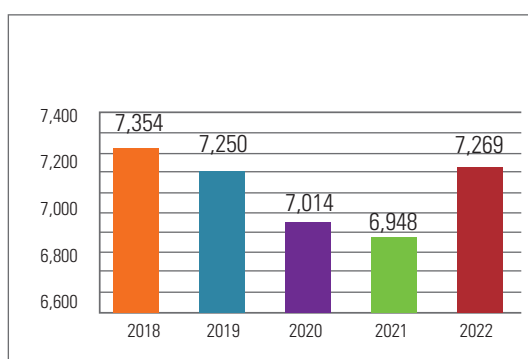
Net Profit After Tax
BDT in million



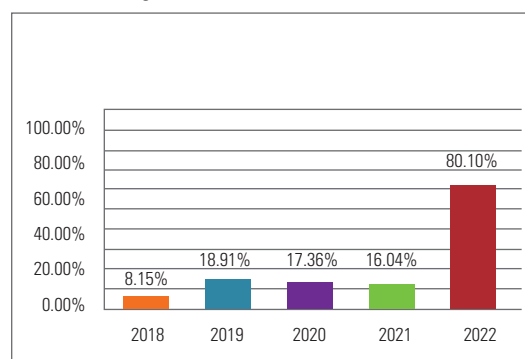
Total Liabilities
BDT in million



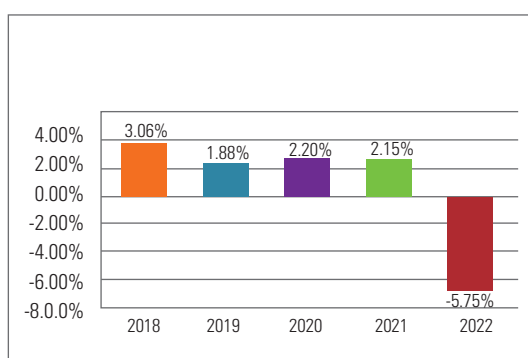
Total Lease/Loan Portfolio



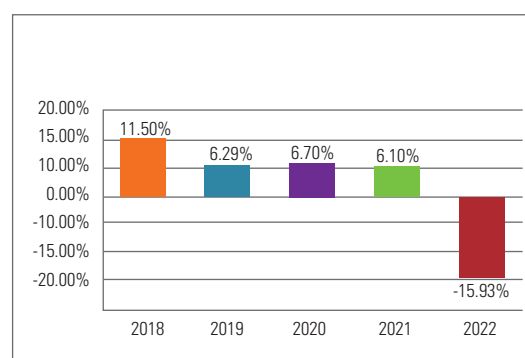
Non Performing Lease/Loan (%)



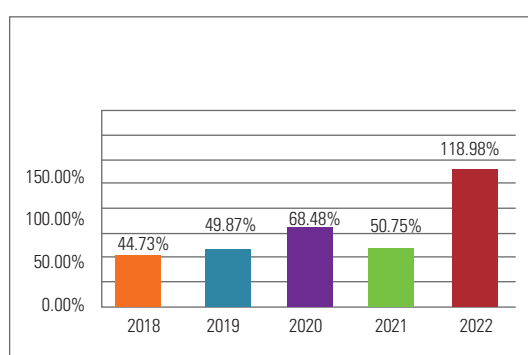
Return on Assets (%)



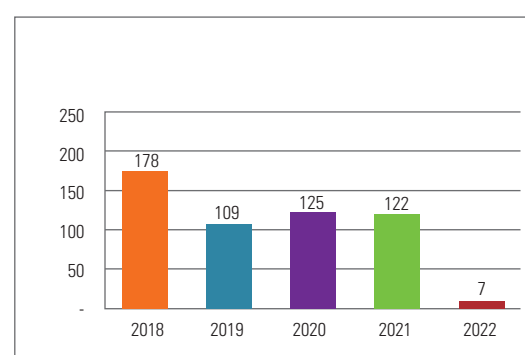
Return on Equity (%)



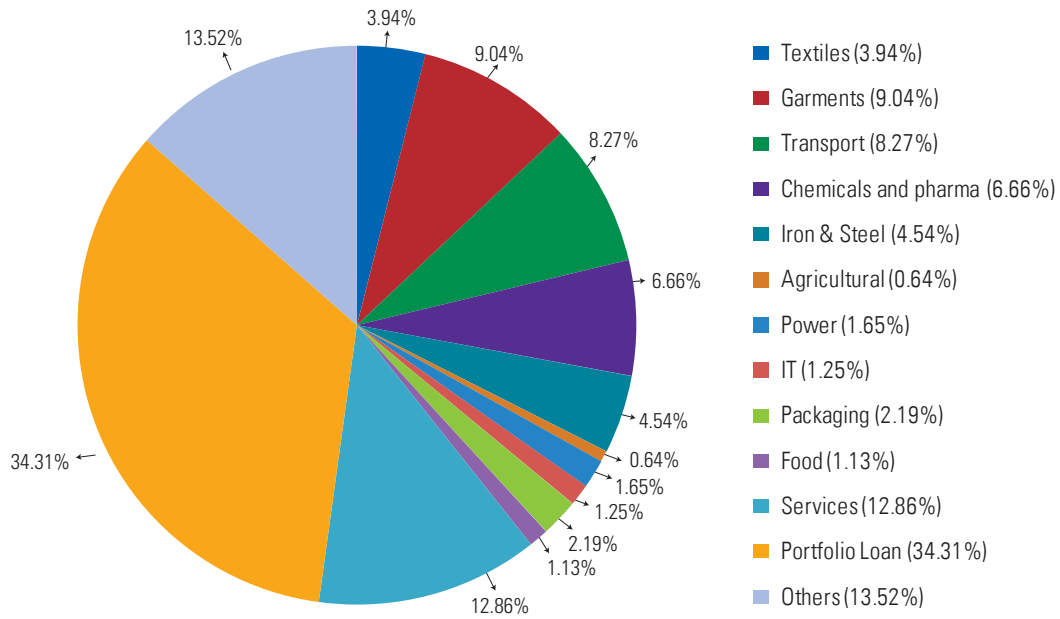
Cost to Income Ratio



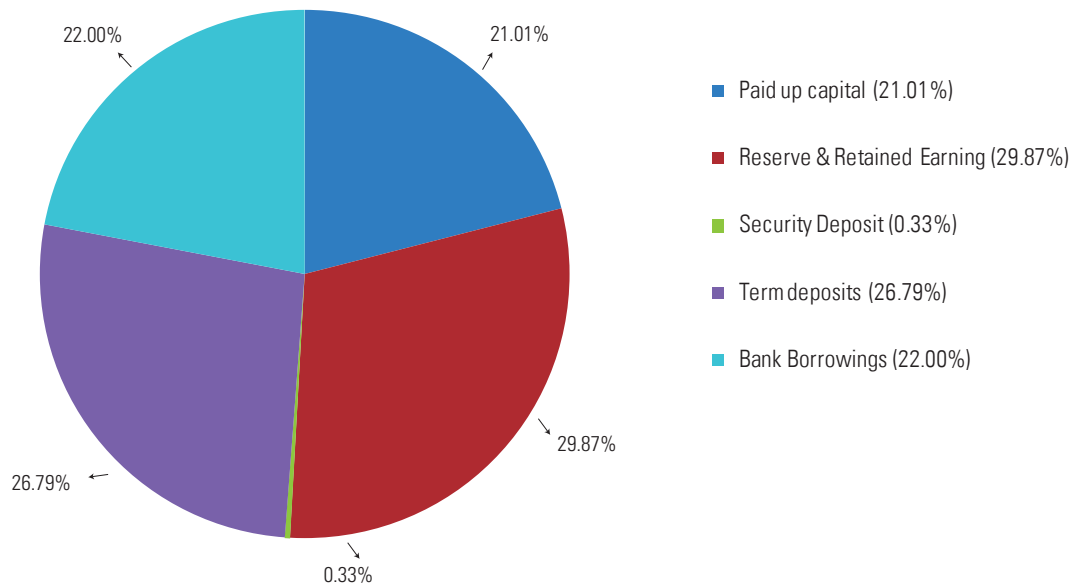
Provision for Income Tax



Sectorwise Leases, Loans & Advances



Capitalization



Malek Siddiqui Wali

Chartered Accountants

Since 1965

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Independent Auditor's Report To the shareholders of GSP Finance Company (Bangladesh) Ltd. Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated financial statements of GSP Finance Company (Bangladesh) Ltd. as well as the separate financial statements of GSP Finance Company (Bangladesh) Ltd. (the "Company") which comprise the Consolidated and separate balance sheet as at December 31, 2022, the Consolidated and separate the profit and loss account, 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 and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Company give a true and fair view of the balance sheet of the Group and the separate balance sheet of the Company as at 31 December 2022, and of its profit and loss accounts and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Financial Institutions Act, 1993, the Rules and Regulations issued by the Bangladesh Bank, the Companies Act, 1994 and other applicable Laws and Regulations.

Basis for Opinion

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

Emphasis of Matter Paragraph

1. The company has significant investment in the TDR in Premier Leasing & Finance Ltd and FAS Finance Limited of Tk. 138,700,000 and Tk. 13,570,247 respectively, According to honorable High Court order the company is receiving money from Premier Leasing & Finance Ltd on monthly basis.
2. At the year ended, the company's non-performing (classified) loan stood at TK. 582.27 crore which requires to make the loan provision of TK. 375.37 crore. Out of which, TK 115.34 crore has been accounted for as loan provision. The shortfall of loan loss provision of TK. 260.03 crore for classified loan of the company is under deferral scheme of Bangladesh Bank vide letter number DFIM (C) 1054/28/2023-2697 dated: August 07, 2023. (Please see the note number: 14.2 for details.)

Our opinion is not qualified in respect to these matters.

Other Matter:

1. The company has maintained provision for Employees Gratuity Fund of Tk. 8,800,000 at the year-end by making provision for eligible employees. IAS 19 required to carry out actuarial valuation of the gratuity fund (Defined benefit plan) and distribute the service cost year by year basis. No such study and accounting treatment was taken place as per IAS 19.
2. We observed during our audit that, the company did not make WPPF provision during the year.

Our opinion is not qualified in respect to these matters.

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Key audit matters

Risk	Our response to the risk
<p>Measurement of provision for loans and advances</p> <p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end of 2022 for loans and advances of BDT 1,084,708,073.</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; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note 14.2 of financial statements	
<p>Measurement of deferred tax</p> <p>In 2022, the Company reports net deferred tax liabilities (DTL) amounted to BDT 17,215,991</p> <p>Significant judgment is required in relation to deferred tax assets/liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the recognition and measurement of DTLs and the assumptions used in estimating the Group's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTL's.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
See note 14.5 to the financial statements	

Other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements 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.

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

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

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 financial statements that are free from material misstatement, whether due to fraud or error. The Financial Institutions Act, 1993 and the Bangladesh Bank guidelines require the management to ensure effective internal audit, internal control and risk management functions of the Company. The management is also required to make a self assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

Report on other legal and regulatory requirements


In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 1987, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) The consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditures incurred and payments made were for the purpose of the Company's business for the year;
- (v) The financial statements of the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- (vi) adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's 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 920 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.
- (xix) The company have revalued the land and building during the year and nothing was appeared to us unreasonable.

Malek Siddiqui Wali, Chartered Accountants

Dated, Dhaka
December 6, 2023
Data Verification Code (DVC) No: 2312070247AS307940


Md. Waliullah, FCA
Enrolment No: 0247

GSP FINANCE COMPANY (BANGLADESH) LIMITED
CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2022

		Amount in Taka	
	Notes	2022	2021
PROPERTY AND ASSETS			
Cash		18,651,362	16,556,205
In hand (including foreign currencies)	3.1(a)	100,812	150,226
Balance with Bangladesh Bank and its agents bank(s) (including foreign currencies)	3.2(a)	18,550,550	16,405,979
Balance with other banks and financial institutions	4(a)	210,578,538	385,768,675
In Bangladesh		210,578,538	385,768,675
Outside Bangladesh		-	-
Money at call and short notice	5(a)	-	-
Investments	6(a)	476,074,513	498,323,874
Government		-	-
Others		476,074,513	498,323,874
		8,740,221,891	7,816,747,276
Leases ,loans and advances	7(a)	8,740,221,891	7,816,747,276
Bills purchased and discounted	8(a)	-	-
Fixed assets including premises, furniture and fixtures	9(a)	2,148,406,068	974,001,734
Other Assets	10(a)	200,804,637	191,014,684
Non-business assets	11	-	-
Total Assets		11,794,737,009	9,882,412,448
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks ,other financial institutions and agents:	12(a)	1,645,107,314	1,680,347,117
Deposits and other accounts	13(a)	2,002,944,839	1,925,199,905
Current deposits		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		2,002,944,839	1,925,199,905
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	14(a)	3,783,476,565	2,922,682,271
Total Liabilities		7,431,528,718	6,528,229,293
Capital / Shareholders' Equity			
Paid up capital	15.2	1,570,685,850	1,570,685,850
Statutory reserve	16	554,818,003	554,818,003
Other reserve	17	2,096,001,242	916,689,624
Retained earnings			
Retained earnings balance	18(a)	141,703,143	311,989,621
Total equity attributable to equity holders of the company		4,363,208,238	3,354,183,098
Non-controlling interest		53	57
Total liabilities and Shareholders' equity		11,794,737,009	9,882,412,448

Amount in Taka	
2022	2021

Contingent liabilities	18.1	-	-
Acceptances and endorsements		-	-
Letter of guarantee		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Other commitments	18.2	-	-
Documentary credits and short term trade and related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Others		-	-
Total off-balance sheet items including contingent liabilities		-	-
Net Assets Value (NAV) per share		27.78	21.35

Company Secretary


Director

Managing Director & CEO (C.C.)

Signed as per our annexed report of even date

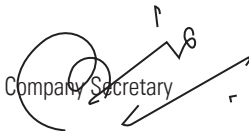
Dated, Dhaka
December 06, 2023
Data Verification Code (DVC) No: 2312070247AS307940


Malek Siddiqui Wali, Chartered Accountants
Md. Waliullah, FCA
Enrolment No. 0247

GSP FINANCE COMPANY (BANGLADESH) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2022

		Amounts in Taka	
		2022	2021
	Notes		
Interest income from leases, loans and advances	20(a)	867,897,912	878,223,677
Interest expenses on borrowings, deposits, etc	21(a)	(352,001,911)	(395,689,480)
Net interest income		515,896,001	482,534,197
Investment income	22(a)	36,831,689	100,652,195
Commission, exchange and brokerage	23(a)	5,022,419	7,014,716
Other operating income	24(a)	38,085,966	35,857,980
Total operating income		595,836,075	626,059,088
Salary and allowances	25(a)	38,805,292	31,646,962
Rent, taxes, insurance, electricity, etc.	26(a)	1,524,257	1,596,560
Legal expenses	27(a)	550,752	170,000
Postage, stamp, telecommunication, etc.	28(a)	631,438	635,042
Stationery, printing, advertisements, etc.	29(a)	1,428,461	1,397,376
Managing Director's salary and allowances	30(a)	5,718,493	5,128,333
Directors' fees	31(a)	616,000	704,000
Audit fees	32(a)	253,000	218,500
Charges on loan losses		-	-
Depreciation and repairs of company's assets	33(a)	5,605,347	4,418,793
Other operating expenses	34(a)	6,399,672	7,308,393
Total operating expenses		61,532,712	53,223,959
Profit before provision		534,303,364	572,835,130
Provision for leases, loans and advances & investments	35(a)	697,551,635	205,969,866
Other provision		-	-
Total provision		697,551,635	205,969,866
Total profit before income tax		(163,248,271)	366,865,264
Provision for income tax			
Current Tax		5,311,415	137,574,473
Deferred tax		1,726,796	2,553,507
Total Provision for income tax	36(a)	7,038,211	140,127,980
Net profit after income tax		(170,286,482)	226,737,284
Attributable to			
Shareholders of the company		(170,286,478)	226,737,279
Non-controlling interest		(4)	5
Retained earnings brought forward from previous year		311,989,621	267,454,135
		141,703,139	494,191,419
Appropriations:			
Statutory reserve	16	-	39,412,172
Dividend paid from Retained earnings for the year 2021		-	142,789,620
		-	182,201,792
Retained earnings carried to the balance sheet	18(a)	141,703,143	311,989,621
Earnings per share	38(a)	(1.08)	1.44

The accompanying notes form an integral part of these financial statements


Company Secretary


Director


Managing Director & CEO (C.C)

Signed as per our annexed report of even date

Dated, Dhaka
December 06, 2023
Data Verification Code (DVC) No: 2312070247AS307940


Malek Siddiqui Wali, Chartered Accountants
Md. Waliullah, FCA
Enrolment No. 0247

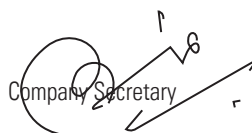
GSP FINANCE COMPANY (BANGLADESH) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022

	Amount in Taka	
	2022	2021
Cash flows from operating activities:		
Interest receipt in cash	867,897,912	875,773,663
Interest payment	(352,001,911)	(385,923,737)
Dividend receipts	14,975,024	15,869,329
Commission, Exchange and brokerage	5,022,419	7,014,716
Recoveries of loan previously written-off	-	-
Income taxes paid	(5,328,336)	(4,671,310)
Receipts from other operating activities	54,920,212	120,640,846
Payments for other operating activities	(54,502,563)	(48,990,714)
Cash generated from operating activities before changes in operating assets and liabilities	530,982,757	579,712,793
Increase / decrease in operating assets and liabilities		
Statutory deposit	-	-
Trading securities	-	-
Leases, loans and advances	(923,474,615)	(92,711,811)
Other assets	(9,789,954)	(18,550,013)
Deposit and other accounts	77,744,934	(344,258,766)
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	143,143,747	7,038,400
	(712,375,888)	(448,482,190)
Net cash flow from operating activities	(181,393,130)	131,230,603
Cash flows from investing activities:		
Proceeds from sale of securities	25,909,782	139,402,575
Payments for purchases of securities	(3,660,420)	(90,660,080)
Purchase of fixed assets	(61,550)	(10,126,035)
Proceeds from sale of fixed assets	21,012,200	-
Payment against lease obligation	-	-
Net cash used by investing activities	43,200,012	38,616,460
Cash flows from financing activities:		
Receipts of borrowings from banks, other financial institutions and agents	232,459,567	91,296,159
Repayment of borrowings from banks, other financial institutions and agents	(267,361,430)	(250,237,542)
Receipts against issue of share capital	-	-
Dividend paid in cash	-	-
Net cash flow/used by financing activities	(34,901,863)	(158,941,383)
Net increase / (decrease) in cash and cash equivalents	(173,094,981)	10,905,680
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	402,324,880	391,419,200
Cash and cash equivalents at the end of the year	229,229,900	402,324,880

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

Amount in Taka	
2022	2021
100,812	150,226
18,550,550	16,405,979
210,578,538	385,768,675
-	-
229,229,900	402,324,880
(1.15)	0.84


Company Secretary


Director


Managing Director & CEO (C.C)

Signed as per our annexed report of even date

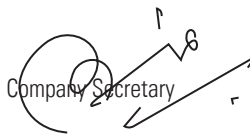


Malek Siddiqui Wali, Chartered Accountants
Md. Waliullah, FCA
Enrolment No. 0247

GSP FINANCE COMPANY (BANGLADESH) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2021	1,427,896,230	916,689,624	515,405,831	267,454,135	3,127,445,820	52	3,127,445,872
Issue of share Capital	-	-	-	-	-	-	-
Net profit after tax for the year 2021	-	-	-	226,737,279	226,737,279	5	226,737,284
Transferred to statutory reserve	-	-	39,412,172	(39,412,172)	-	-	-
Issue of share Capital	-	-	-	-	-	-	-
Transferred to provision for Tax	-	-	-	-	-	-	-
Dividend paid (2020)	142,789,620	-	-	(142,789,620)	-	-	-
Revaluation of properties	-	-	-	-	-	-	-
Balance as at 31st December 2021	1,570,685,850	916,689,624	554,818,003	311,989,621	3,354,183,099	57	3,354,183,156
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	1,570,685,850	916,689,624	554,818,003	311,989,621	3,354,183,099	57	3,354,183,156
Surplus/deficit on account of revaluation of properties	-	1,179,311,618	-	-	1,179,311,618	-	1,179,311,618
Surplus/deficit on account of revaluation of investment	-	-	-	-	-	-	-
Issue of share Capital	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-
Net profit after tax for the year	-	-	-	(170,286,478)	(170,286,478)	(4)	(170,286,482)
Transferred to statutory reserve	-	-	-	-	-	-	-
Balance as at 31st December 2022	1,570,685,850	2,096,001,242	554,818,003	141,703,143	4,363,208,239	53	4,363,208,291

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


Company Secretary


Director


Managing Director & CEO (C.C)

Signed as per our annexed report of even date

Dated, Dhaka
December 06, 2023
Data Verification Code (DVC) No: 2312070247AS307940


Malek Siddiqui Wali, Chartered Accountants
Md. Waliullah, FCA
Enrolment No. 0247

GSP FINANCE COMPANY (BANGLADESH) LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2022

	Notes	Amount in Taka	
		2022	2021
PROPERTY AND ASSETS			
Cash	3	18,632,378	16,522,253
In hand (including foreign currencies)		81,828	116,274
Balance with Bangladesh Bank and its agents bank(s) (including foreign currencies)		18,550,550	16,405,979
Balance with other banks and financial institutions	4	208,243,286	383,746,215
In Bangladesh		208,243,286	383,746,215
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6	454,876,200	476,260,301
Government		-	-
Others		454,876,200	476,260,301
		7,268,878,151	6,947,558,002
Leases , loans and advances	7.1	7,268,878,151	6,947,558,002
Bills purchased and discounted	8	-	-
Fixed assets including premises, furniture and fixtures	9	2,145,870,371	970,886,799
Other Assets	10	449,014,396	439,370,056
Non-business assets	11	-	-
Total Assets		10,545,514,782	9,234,343,626
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks ,other financial institutions and agents:	12	1,645,107,314	1,680,347,117
Deposits and other accounts	13	2,002,944,839	1,925,199,905
Current deposits		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		2,002,944,839	1,925,199,905
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	14	3,093,440,423	2,397,917,481
Total Liabilities		6,741,492,577	6,003,464,503
Capital / Shareholders' Equity		3,804,022,206	3,230,879,123
Paid up capital	15.2	1,570,685,850	1,570,685,850
Statutory reserve	16	554,818,003	554,818,003
Other reserve	17	2,096,001,242	916,689,624
Retained earnings			
Retained earnings balance	18	(417,482,889)	188,685,646
Total liabilities and Shareholders' equity		10,545,514,782	9,234,343,626

		Amount in Taka	
		2022	2021
OFF-BALANCE SHEET ITEMS :			
Contingent liabilities	18.1	-	-
Acceptances and endorsements		-	-
Letter of guarantee		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Other commitments	18.2	-	-
Documentary credits and short term trade and related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Others		-	-
Total off-balance sheet items including contingent liabilities		-	-
Net assets value (NAV) per share		24.22	20.57

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

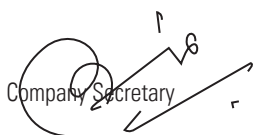

Director

Dated, Dhaka
December 06, 2023
Data Verification Code (DVC) No: 2312070247AS307940

GSP FINANCE COMPANY (BANGLADESH) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2022

		Amounts in Taka	
		2022	2021
	Notes		
Interest income from leases, loans and advances	20	267,777,384	744,867,783
Interest expenses on borrowings, deposits, etc	21	(351,992,807)	(395,689,480)
Net interest income		(84,215,423)	349,178,303
Investment income	22	36,626,301	95,472,982
Commission, exchange and brokerage	23	-	-
Other operating income	24	38,021,749	35,784,348
Total operating income		(9,567,373)	480,435,633
Salary and allowances	25	35,882,092	29,455,588
Rent, taxes, insurance, electricity, etc.	26	1,427,214	1,518,145
Legal expenses	27	494,752	150,000
Postage, stamp, telecommunication, etc.	28	630,138	634,473
Stationery, printing, advertisements, etc.	29	1,413,631	1,362,141
Managing Director's salary and allowances	30	4,450,000	4,825,000
Directors' fees	31	440,000	440,000
Audit fees	32	195,500	195,500
Charges on loan losses		-	-
Depreciation and repairs of company's assets	33	4,967,106	3,670,462
Other operating expenses	34	5,521,881	6,655,760
Total operating expenses		55,422,313	48,907,068
Profit before provision		(64,989,686)	431,528,565
Provision for leases, loans and advances & investments	35	534,269,330	112,145,575
Other provision		-	-
Total provision		534,269,330	112,145,575
Total profit before income tax		(599,259,016)	319,382,990
Provision for income tax			
Current Tax	36	5,182,723	119,768,621
Deferred tax	36	1,726,796	2,553,507
Total Provision for income tax		6,909,519	122,322,128
Net profit after income tax		(606,168,535)	197,060,861
Retained earnings brought forward from previous year		188,685,646	173,826,577
		(417,482,889)	370,887,439
Appropriations:			
Statutory reserve	16	-	39,412,172
Dividend paid from Retained earnings		-	142,789,620
		-	182,201,792
Retained earnings carried to the balance sheet	18	(417,482,889)	188,685,646
Earning per share (EPS)	38	(3.86)	1.25

The accompanying notes form an integral part of these financial statements


Company Secretary


Director


Managing Director & CEO (C.C)

Signed as per our annexed report of even date

Dated, Dhaka
December 06, 2023
Data Verification Code (DVC) No: 2312070247AS307940


Malek Siddiqui Wali, Chartered Accountants
Md. Waliullah, FCA
Enrolment No. 0247

GSP FINANCE COMPANY (BANGLADESH) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022

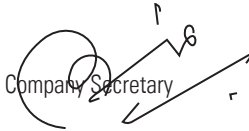
	Amount in Taka	
	2022	2021
Cash flows from operating activities:		
Interest receipt in cash	267,777,384	742,417,769
Interest payment	(326,152,684)	(385,923,737)
Dividend receipts	14,705,419	15,532,143
Recoveries of loan previously written-off	-	-
Income taxes paid	(5,182,723)	(4,478,562)
Receipts from other operating activities	17,739,274	115,725,187
Payments for other operating activities	(50,512,412)	(45,445,154)
Cash generated from operating activities before changes in operating assets and liabilities	(81,625,741)	437,827,646
Increase / decrease in operating assets and liabilities		
Statutory deposit	-	-
Trading securities	-	-
Leases, loans and advances	(321,320,149)	66,847,968
Other assets	(9,644,341)	(17,487,506)
Deposit and other accounts	77,744,934	(344,258,766)
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	154,329,844	8,492,879
	(98,889,712)	(286,405,425)
Net cash flow from operating activities	(180,515,453)	151,422,221
Cash flows from investing activities:		
Proceeds from sale of securities	25,044,522	120,409,602
Payments for purchases of securities	(3,660,420)	(88,132,800)
Purchase of fixed assets	(33,850)	(10,095,055)
Proceeds from sale of fixed assets	21,012,200	-
Payment against lease obligation	-	-
Net cash used by investing activities	42,362,452	22,181,747
Cash flows from financing activities:		
Receipts of borrowings from banks, other financial institutions and agents	232,121,627	91,296,159
Repayment of borrowings from banks, other financial institutions and agents	(267,361,430)	(250,237,542)
Dividend paid in cash	-	-
Net cash flow/used by financing activities	(35,239,803)	(158,941,383)
Net increase / (decrease) in cash and cash equivalents	(173,392,805)	14,662,585
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	400,268,468	385,605,883
Cash and cash equivalents at the end of the year	226,875,664	400,268,468

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

Amount in Taka	
2022	2021

81,828	116,274
18,550,550	16,405,979
208,243,286	383,746,215
-	-
226,875,664	400,268,468
(1.15)	0.96


Company Secretary


Director


Managing Director & CEO (C.C)

Signed as per our annexed report of even date

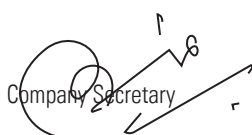


Malek Siddiqui Wali, Chartered Accountants
Md. Waliullah, FCA
Enrolment No. 0247

GSP FINANCE COMPANY (BANGLADESH) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

Particulars	Paid up capital (Tk.)	Capital Reserve(Tk.)	Statutory Reserve(Tk.)	Retained Earnings (Tk.)	Total (Tk.)
Balance as at January 01, 2021	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					-
Profit for the year				319,382,990	319,382,990
Transferred to statutory reserve	-	-	39,412,172	(39,412,172)	-
Transferred to provision for Tax				(122,322,128)	(122,322,128)
Dividend paid (2020)	142,789,620	-	-	(142,789,620)	-
Revaluation of properties		-		-	-
Balance as at 31st December 2021	1,570,685,850	916,689,624	554,818,003	188,685,646	3,230,879,123
Changes in accounting policy	-	-	-	-	-
Restated balance	1,570,685,850	916,689,624	554,818,003	188,685,646	3,230,879,123
Surplus/deficit on account of revaluation of properties	-	1,179,311,618	-	-	1,179,311,618
Surplus/deficit on account of revaluation of investment	-	-	-	-	-
Issue of share Capital (including premium)	-	-	-	-	-
Dividend paid	-	-	-	-	-
Net profit after tax for the year	-	-		(606,168,535)	(606,168,535)
Transferred to statutory reserve	-	-	-	-	-
Balance as at 31st December 2022	1,570,685,850	2,096,001,242	554,818,003	(417,482,889)	3,804,022,206

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


Company Secretary


Director


Managing Director & CEO (C.C)

Signed as per our annexed report of even date

Dated, Dhaka
December 06, 2023
Data Verification Code (DVC) No: 2312070247AS307940


Malek Siddiqui Wali, Chartered Accountants
Md. Waliullah, FCA
Enrolment No. 0247

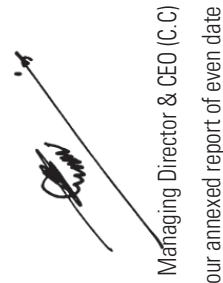
GSP FINANCE COMPANY (BANGLADESH) LIMITED
LIQUIDITY STATEMENT

(Analysis of maturity of assets and liabilities)
FOR THE YEAR ENDED DECEMBER 31, 2022

Particulars	Up to 1 month Taka	1-3 months Taka	3-12 months Taka	1-5 years Taka	Above 5 years Taka	Total Taka
Assets :						
Cash in hand	81,828	-	-	-	-	81,828
Balance with Bangladesh Bank and its agents	18,550,550	-	-	-	-	18,550,550
Balance with banks and other financial institutions	34,360,142	8,329,731	165,553,412	-	-	208,243,286
Money at call and short notice	-	-	-	-	-	-
Investments	451,766,300	-	540,450	-	2,569,450	454,876,200
Leases, loans and advances	525,539,890	956,584,365	897,706,452	4,889,047,444	-	7,268,878,151
Fixed assets including premises, furniture and fixtures	-	-	12,027,521	4,227,507	2,129,615,343	2,145,870,371
Other assets	-	-	75,575,408	123,439,028	249,999,960	449,014,396
Non-business assets	-	-	-	-	-	-
Total assets (A)	1,030,298,710	964,914,096	1,151,403,243	5,016,713,980	2,382,184,753	10,545,514,782
Liabilities :						
Borrowings from banks, other financial institutions and agents	167,465,318	95,087,203	417,625,173	964,929,620	-	1,645,107,314
Deposits and other accounts	345,507,985	573,443,107	542,176,599	419,416,649	122,400,498	2,002,944,839
Provision and other liabilities	35,444,951	-	-	3,057,995,473	-	3,093,440,423
Total liabilities (B)	548,418,254	668,530,310	959,801,772	4,442,341,743	122,400,498	6,741,492,577
Net liquidity gap (A - B)	481,880,456	296,383,786	191,601,470	574,372,236	2,259,784,255	3,804,022,206


Company Secretary


Director


Managing Director & CEO (C.C)

Signed as per our annexed report of even date



Malek Siddiqui Wali, Chartered Accountants
Md. Waliullah, FCA
Enrolment No. 0247

Dated, Dhaka
December 06, 2023
Data Verification Code (DVC) No: 2312070247AS307940

GSP FINANCE COMPANY (BANGLADESH) LIMITED
NOTES TO THE CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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 2022;
- b) Consolidated and Separate Profit and Loss Account for the year ended 31 December 2022;
- c) Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2022;
- d) Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2022;
- e) Liquidity Statement of the Company for the year ended 31 December 2022 and
- f) Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2022.

2.3 Management responsibility:

The management of the Company is responsible for the preparation and presentation of financial statements true and fair view of the Company's affairs in compliance with International Financial Reporting Standards (IFRS) and existing accounting standards and applicable laws.

2.4 Directors' responsibility statement

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

2.5 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.

2.6 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.

2.7 Investment in securities

Investment in marketable ordinary shares has been shown at cost on an aggregate portfolio basis. Investment in non-marketable shares has been valued at cost. 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.

2.8 Borrowing Costs

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

2.9 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.

2.9.1 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.

2.9.2 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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%

2.14 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%

2.15 Employees Benefits Scheme

2.15.1 Defined Contribution Plan

2.15.1.1 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.

2.15.1.2 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.

2.15.2 Defined benefit Plan

2.15.2.1 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.

2.16 Corporate Tax

2.16.1 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.

2.16.2 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.

2.17 Trade Receivables

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

2.18 Payable and Accruals

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

2.19 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.

2.20 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.

2.21 General

Comparative Information

Comparative information has been disclosed in respect of the year 2021 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.

- 2.22 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.
- 2.23 Rounding off
Monetary figures in the financial statements have been rounded off to the nearest Taka.
- 2.24 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.	Applied
Presentation of Financial Statements	1	N/A
Inventories	2	Applied
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	N/A
Accounting for Government Grants and Disclosure of Government Assistance	20	Applied
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	N/A
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Separate Financial Statements	27	N/A
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Interests in Joint Ventures	31	Applied
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	N/A
Investment Property	40	N/A
Agriculture	41	
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

2.25 Disclosure of Deviations

Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance of Bangladesh Bank's requirements. Bangladesh Bank (the local Central Bank) is the prime regulatory body for Non-Banking Financial Institutions (NBFI) in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of IAS and IFRS. As such the Company has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of Bangladesh Bank.

As per FID circular No. 08 dated 03 August 2002 investments in listed shares and unlisted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment. As such the Company measures and recognizes investment in quoted and unquoted shares at cost if the year-end market value (for quoted shares) and book value (for unquoted shares) are higher than the cost. At the year-end the Company's market value and book value of quoted and unquoted shares was lower than the cost price by BDT. 130,393,260 (unrealized loss) but considering capital market investment portfolio and regulation for subsidiaries, provision for diminution in investments has been kept BDT.

130,393,260 for the year 2022. In order to comply with the requirement specified in DFIM Circular No. 11, the company has charged the entire amount of difference in market value and cost price of marketable securities to the profit and loss account. However as per requirements of IAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively.

As per FID circular no. 08 dated 03 August 2002, FID circular no. 03 dated 03 May 2006, FID circular no. 06 dated 20 August 2006, DFIM circular no. 03 dated 29 April 2013 and DFIM circular no. 04 dated 26 July 2021 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained. However such general provision cannot satisfy the conditions of provision as per IAS 39. At the year end the Company has recognized an accumulated general provision of BDT 365.25 million (out of accumulated provision of BDT 2,956.07 million) under liabilities.

As per Bangladesh Bank guidelines financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 9. As such some disclosures and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts. Bangladesh Bank has issued templates for financial statements which shall strictly be followed by all Banks and FIs. The templates of Financial Statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to be included in the Single Comprehensive Income (SCI) Statement. As such the Company does not prepare the other comprehensive Income Statement. However the company does not have any elements of OCI to be presented. Departure from IFRS-16 : Changes of IAS-17 to IFRS-16 do not have any material impact, that is why we do not adopt/adjust IFRS - 16 in this accounting year.

2.26 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.

2.27 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	
		2022	2021
3.00	CASH		
3.1	Cash in hand		
	In local currency	81,828	116,274
	In foreign currency	-	-
		81,828	116,274
3.1(a)	Cash in hand (consolidated)		
	GSP Finance Company (Bangladesh) Limited	81,828	116,274
	GSP Investments Limited	18,984	33,952
		100,812	150,226
3.2	Balance with Bangladesh Bank and its agents Bank(s)		
	In local currency	18,550,550	16,405,979
	In foreign currency	-	-
		18,550,550	16,405,979
3.2(a)	Balance with Bangladesh Bank and its agents Bank(s) (consolidated)		
	GSP Finance Company (Bangladesh) Limited	18,550,550	16,405,979
	GSP Investments Limited	-	-
		18,550,550	16,405,979
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	10,766,173	11,020,499
	Actual Reserve maintained (note- 3.2)	18,550,550	16,405,979
	Surplus / (deficit)	7,784,377	5,385,480
	b) Statutory Liquidity Reserve		
	Required Reserve	64,465,710	147,134,656
	Actual Reserve maintained (note-3.1, 3.2 and 4)	226,875,664	400,268,468
	Surplus / (deficit)	162,409,954	253,133,812
4	Balance with banks and other financial institutions		
	In Bangladesh (note -4.1)	208,243,286	383,746,215
	Outside Bangladesh	-	-
		208,243,286	383,746,215
	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	208,243,286	383,746,215
	GSP Investments Limited	2,335,252	2,022,460
		210,578,538	385,768,675
4.1	Current deposits		
	Nationalised Commercial Bank	-	-
	Private Commercial Bank	-	-
	Foreign Commercial Bank	-	-
		-	-
	Short-term deposits		
	Nationalised Commercial Bank	-	-
	Private Commercial Bank	12,507,920	90,203,087
	Foreign Commercial Bank	465,118	329,362
		12,973,039	90,532,449

		Amount in Taka	
		2022	2021
	Fixed deposits (FDR)		
	Nationalised Commercial Bank	-	-
	Private Commercial Bank	43,000,000	140,943,519
	Foreign Commercial Bank	-	-
	Financial Institutions	152,270,247	152,270,247
		195,270,247	293,213,766
		208,243,286	383,746,215
4.2	Maturity grouping of balance with banks and other financial institutions		
	On demand	34,360,142	63,318,125
	Up to 1 month	8,329,731	4,575,721
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 year	165,553,412	315,852,369
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		208,243,286	383,746,215
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)	454,876,200	476,260,301
		454,876,200	476,260,301
6(a)	Investments (consolidated)		
	GSP Finance Company (Bangladesh) Limited	454,876,200	476,260,301
	GSP Investments Limited	21,198,313	22,063,573
		476,074,513	498,323,874
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)	454,876,200	476,260,301
	Debenture and bonds	-	-
	Other investment	-	-
	Gold etc.	-	-
		454,876,200	476,260,301
6.3	Maturity grouping of investments:		
	On demand	451,766,300	466,852,469
	Up to 1 month	-	-
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 year	540,450	6,838,382
	Over 1 year but not more than 5 years	-	-
	Over 5 years	2,569,450	2,569,450
		454,876,200	476,260,301

		Amount in Taka	
		2022	2021
6.4	Other investments:		
	Investment in quoted Shares	452,306,750	473,690,851
	Investment in unquoted Shares	2,569,450	2,569,450
		454,876,200	476,260,301
7	Leases , Loans and advances :		
7.1	a) Inside Bangladesh		
	Leases (note -7.2)	1,457,045,181	1,340,418,204
	Loans and advances	5,811,832,970	5,607,139,798
	Cash credits	-	-
	Overdrafts	-	-
		7,268,878,151	6,947,558,002
	b) outside Bangladesh	-	-
		7,268,878,151	6,947,558,002
7.1.1	Lease Finance		
	Principal Outstanding	892,767,947	1,090,294,744
	Account receivable	564,277,234	250,123,460
	Total	1,457,045,181	1,340,418,204
	Principal Outstanding		
	Gross lease rental receivable	1,423,598,632	1,354,298,752
	Unearned lease income	530,830,685	264,004,008
	Total	892,767,947	1,090,294,744
7.2	Leases	1,457,045,181	1,340,418,204
	Advances for leases (note -7.2.1)	-	-
		1,457,045,181	1,340,418,204
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	366,236,510	349,739,364
	Private sector	6,902,641,641	6,597,818,638
		7,268,878,151	6,947,558,002
7.4	Residual maturity grouping of leases,loans and advances		
	On demand	-	-
	Up to 1 month	525,539,890	502,308,444
	Over 1 month but not more than 3 months	956,584,365	914,298,633
	Over 3 months but not more than 1 year	897,706,452	858,023,413
	Over 1 year but not more than 5 years	4,889,047,444	4,672,927,512
	Over 5 years	-	-
		7,268,878,151	6,947,558,002

		Amount in Taka	
		2022	2021
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	1,457,045,181	1,340,418,204
	ii) Loans	5,811,832,970	5,607,139,798
		7,268,878,151	6,947,558,002
	d) Leases, loans and advances on sector basis:		
	i) Textiles	286,756,310	288,119,159
	ii) Garments and Accessories	657,468,416	568,471,487
	iii) Transport	600,888,116	526,426,560
	iv) Chemicals and pharmaceuticals	484,266,313	509,065,916
	v) Iron, Steel and Engineering	329,755,583	311,752,531
	vi) Agricultural Equipments and Agro Industries	46,355,356	41,020,445
	vii) Power and Energy	-	-
	viii) Electronics and Electrical	120,225,998	117,100,209
	ix) Information technology (IT)	90,966,912	112,389,783
	x) Paper printing and Packaging	158,985,256	172,231,842
	xi) Plastic	-	-
	xii) Real Estate and Housing	-	-
	xiii) Food and Beverage	82,368,185	79,204,755
	xiv) Glass and Ceramics	-	-
	xv) Services	934,466,207	984,200,466
	xvi) Others	3,476,375,499	3,237,574,849
		7,268,878,151	6,947,558,002
7.6	Leases, loans and advances on geographical basis:		
	Inside Bangladesh:		
	Urban :		
	Dhaka Division	6,901,569,975	6,548,845,866
	Chittagong Division	367,308,176	398,712,136
	Khulna Division	-	-
	Rajshahi Division	-	-
	Barisal Division	-	-
	Sylhet Division	-	-
		7,268,878,151	6,947,558,002
	Rural :		
	Dhaka Division	-	-
	Chittagong Division	-	-
	Khulna Division	-	-
	Rajshahi Division	-	-
	Barisal Division	-	-
	Sylhet Division	-	-
		-	-
	Outside Bangladesh:	-	-
	Total	7,268,878,151	6,947,558,002
7.7	Classification of Leases, loans and advances :		
	Unclassified :		
	Standard	1,366,604,212	5,409,977,153
	Special mention account	79,576,952	422,993,020
		1,446,181,164	5,832,970,173
	Classified :		
	Sub-standard	3,353,698	-
	Doubtful	1,353,031,320	-
	Bad/Loss	4,466,311,969	1,114,587,829
		5,822,696,987	1,114,587,829
	Total	7,268,878,151	6,947,558,002

		Amount in Taka	
		2022	2021
7(a) Leases ,Loans and advances (consolidated)			
GSP Finance Company (Bangladesh) Limited		7,268,878,151	6,947,558,002
GSP Investments Limited		3,964,965,138	3,362,810,672
		11,233,843,289	10,310,368,674
Less: Inter company transaction (Loan to GSPI)		2,493,621,398	2,493,621,398
		8,740,221,891	7,816,747,276
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	1,053,925,101	1,043,830,046	
Addition during the year	333,850	10,095,055	
Revaluation surplus during the year	1,165,312,500	-	
	2,219,571,451	1,053,925,101	
Adjustment during the year	8,313,359	-	
Closing Balance (A)	2,211,258,092	1,053,925,101	
Less : Accumulated Depreciation :			
Opening Balance	83,038,302	79,806,388	
Charged during the year:	4,661,901	3,231,914	
	87,700,203	83,038,302	
Adjustment during the year	22,312,482	-	
Closing Balance (B)	65,387,721	83,038,302	
Written Down Value (A-B) (Annexure -C)	2,145,870,371	970,886,799	

9.1 Revaluation surplus:

In order to increase the Net Asset Value (NAV) and Tire-2 Capital of the Company for the year ending December 31, 2022, the Company have revalued the land in accordance with the BSEC Notification no. SEC/CMRRCD/2009-193/150/Admin/dated August 18, 2013 and as per applicable provisions of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standard (BFRS). In this respect the Company had appointed G.K. Adjusters Ltd, Gov't approved surveyor, having address at Chand Mansion (5th Floor), 66, Dilkusha C/A, Dhaka-1000 as valuer of the land of the office premises as per decision of the Board of Directors in their 242nd Board meeting held on December 29, 2022. Accordingly G.K. Adjusters Ltd has submitted their valuation report as per which the present valuation has been assessed as under:

Size of Land and Office Building	Location of Land & Office Building	Value of Land & Office Building before revaluation (BDT)	Value of Land & Office Building after revaluation 2022 (BDT)
Land-21.1875 Katha	1, Paribagh, Mymensingh Road, Dhaka-1000	953,437,500	2,118,750,000
Office Building			
Ground floor-3,900 sft	1, Paribagh, Mymensingh Road, Dhaka-1000	840,882	14,840,000
1st Floor-2,500 sft			
2nd Floor-2,500 sft			

*Valuation report is shown in annexure-D

9(a) Fixed assets including premises, furniture and fixtures (consolidated)

GSP Finance Company (Bangladesh) Limited	2,145,870,371	970,886,799
GSP Investments Limited	2,535,697	3,114,935
Written Down Value (Annexure -B)	2,148,406,068	974,001,734

		Amount in Taka	
		2022	2021
10 Other assets			
Corporate Tax paid in advance and Tax at source		52,225,632	47,042,909
Advance, Deposits and Prepayments		48,028,450	48,028,450
Sundry Debtors		175,574	22,299,867
Interest Receivable on FDR		98,584,781	71,998,870
Investment in Subsidiary : GSP Investments Limited		249,999,960	249,999,960
		449,014,396	439,370,056
10(a) Other assets (consolidated)			
GSP Finance Company (Bangladesh) Limited		449,014,396	439,370,056
GSP Investments Limited		1,790,201	1,644,588
		450,804,597	441,014,644
Less: Inter company transaction		249,999,960	249,999,960
		200,804,637	191,014,684
11 Non-business assets		-	-
		-	-
As at 31 December 2022, 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)		1,645,107,314	1,680,347,117
Outside Bangladesh (note-12.2)		-	-
		1,645,107,314	1,680,347,117
12.1 In Bangladesh			
Call borrowing			
Nationalised Commercial Bank		63,900,000	69,000,000
Private Commercial Bank		29,700,000	9,000,000
		93,600,000	78,000,000
Term loan			
Nationalised Commercial Bank		-	-
Private Commercial Bank		1,153,685,268	1,079,991,778
Foreign Commercial Bank		111,033,332	209,746,526
Bangladesh Bank (Refinance)		286,788,714	312,608,813
		1,551,507,314	1,602,347,117
		1,645,107,314	1,680,347,117
12.2 Outside Bangladesh		-	-
		-	-
As at December 31, 2022 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		1,264,718,600	1,289,738,304
Unsecured		380,388,714	390,608,813
		1,645,107,314	1,680,347,117
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.			
12.4 Maturity grouping of borrowings from banks,other financial institutions and agents.			
Repayable on demand		93,600,000	78,000,000
Up to 1 month		73,865,318	75,447,586
Over 1 month but not more than 3 months		95,087,203	97,124,063
Over 3 months but not more than 1 year		417,625,173	420,144,819
Over 1 year but not more than 5 years		964,929,620	1,009,630,649
Over 5 years		-	-
		1,645,107,314	1,680,347,117

		Amount in Taka	
		2022	2021
12(a) Borrowings from banks ,other financial institutions and agents (consolidated)			
GSP Finance Company (Bangladesh) Limited		1,645,107,314	1,680,347,117
GSP Investments Limited		2,933,072,271	2,493,621,398
		4,578,179,585	4,173,968,515
Less: Inter company transaction (Loan to GSPI)		2,933,072,271	2,493,621,398
		1,645,107,314	1,680,347,117
13 Deposits and other accounts:			
Current deposits (note-13.1)		-	-
Bills payable (note-13.2)		-	-
Savings deposits (note-13.3)		-	-
Term deposits (note-13.4)		2,002,944,839	1,925,199,905
Bearer certificate of deposit (note-13.5)		-	-
Other deposits (note-13.6)		-	-
		2,002,944,839	1,925,199,905
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 2022 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		1,285,200,000	1,190,500,000
Deposits from other than banks and financial institutions		717,744,839	734,699,905
		2,002,944,839	1,925,199,905
13.4.1 Deposits from banks and other financial institutions			
Nationalised Commercial Bank		800,000,000	800,000,000
Private Commercial Bank		446,000,000	350,000,000
Financial Institutions		39,200,000	40,500,000
		1,285,200,000	1,190,500,000
13.4.2 Deposits from other than banks and financial institutions			
Deposits from general public		407,845,469	432,268,871
Deposits from companies		309,899,370	302,431,034
		717,744,839	734,699,905
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.			
13.6 Other deposits		-	-
As at 31 December 2022, 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		345,507,985	332,096,984
Over 1 month but not more than 6 months		573,443,107	551,184,733
Over 6 months but not more than 1 year		542,176,599	526,954,141
Over 1 year but not more than 5 years		419,416,649	403,136,860
Over 5 years but not more than 10 years		122,400,498	111,827,187
Over 10 years		-	-
		2,002,944,839	1,925,199,905

13(a) Deposits and other accounts (consolidated)

GSP Finance Company (Bangladesh) Limited
GSP Investments Limited

Amount in Taka	
2022	2021

2,002,944,839	1,925,199,905
-	-
2,002,944,839	1,925,199,905

14 Other liabilities

Expenditure and other payable (note-14.1)
Provision for leases, loans and advances (note-14.2)
Special provision 2% (15% payment for deferral clients)
Provision for investment in share (note-14.3)
Provision for income tax (note-14.4)
Provision for Deferred tax (note-14.5)
Interest suspense account (note-14.6)
Provision for Other Assets
Advance rental / installment against leases, loans and advances
Provision for gratuity
Unclaimed Dividend

38,617,988	20,342,264
1,084,708,073	533,033,767
30,109,777	113,308,492
130,393,260	64,599,471
1,263,902,408	1,258,719,685
17,215,991	15,489,195
503,773,186	370,157,237
28,450	14,250
11,236,216	11,236,216
8,800,000	6,400,000
4,655,073	4,616,903
3,093,440,423	2,397,917,481

14.1 Expenditure and other payable

Sundry Creditors
Accrued interest on deposits
Interest Payable on Term Loan
TDS Payable
Audit Fee
Security Deposit (Tenancy -BCDL)
Security Deposit (Tenancy- GH)

52,500	34,500
22,837,086	16,765,743
3,003,037	-
12,359,864	2,676,521
195,500	195,500
-	500,000
170,000	170,000
38,617,988	20,342,264

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 2022. Total provision is made up as follows:

Movements in provision on classified leases, loans and advances (A)

Balance on 01 January
Provision made during the year
Balance at 31 December

439,637,303	474,932,475
559,290,521	(35,295,172)
998,927,824	439,637,303

Movements in provision on unclassified leases, loans and advances (B)

Balance at 01 January
Provision made during the year
Balance at 31 December

93,410,714	83,588,272
(7,630,465)	9,822,442
85,780,249	93,410,714

Total (A + B)

1,084,708,073	533,048,017
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Particulars	31-12-2022		31-12-2021	
	Required	Maintained	Required	Maintained
On classified lease, loans and advances	3,667,964,421	998,927,824	439,637,303	439,637,303
On un-classified lease, loans and advances	85,780,249	85,780,249	88,424,714	93,410,714
Total	3,753,744,670	1,084,708,073	528,062,017	533,048,017

As per our request, Bangladesh Bank has given approval for maintaining shortfall provision amount of Tk 305.03 crore only for 8 (eight) years of time from 2022 to 2029 for maintaining of required provision for lease, loans and advances as shown above, as per Bangladesh Bank letter no. DFIM(C)/1054/28/2023-2697 dated 07th August 2023.

		Amount in Taka	
		2022	2021
14.3 Provision for investment in shares			
Balance at 01 January		64,599,471	40,289,658
Provision made / (adjustment) during the year		65,793,789	24,309,813
Balance at 31 December (Annexure -A for detail)		130,393,260	64,599,471
14.4 Provision for income tax:			
Balance at 01 January		1,258,719,685	1,138,951,064
Provision made during the year		5,182,723	119,768,621
		1,263,902,408	1,258,719,685
Adjustment for the year		-	-
Balance at 31 December		1,263,902,408	1,258,719,685
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
Year ended 2022	1,274,208,881	6,909,519	-	1,281,118,400

The company's tax assessment has been completed upto Assessment Year 2021-2022. Sufficient provision for taxation has been made for the year.

14.5 Provision for Deferred tax:			
Balance at 01 January		15,489,195	12,935,688
Provision made during the year		1,726,796	2,553,507
		17,215,991	15,489,195
Adjustment for the year		-	-
Balance at 31 December		17,215,991	15,489,195

		Amount in Taka	
		2022	2021
14.6	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	370,157,237	292,688,568
	Add: Amount transferred to interest suspense account from Interest Income on Loan & Advances during the year	118,572,406	40,804,622
	Add: Amount transferred to interest suspense account from Interest Income on FDR & STL during the year	26,585,911	71,998,870
	Less: Amount recovered from interest suspense account during the year	(11,542,368)	(35,334,823)
	Balance at 31 December	503,773,186	370,157,237
14.6.1	Details of interest suspense account		
	Interest suspense for unclassified leases , loans and advances (A)		
	Standard	49,044,671	111,405,158
	Special mention account	2,884,294	62,413,272
		51,928,965	173,818,430
	Interest suspense for classified leases , loans and advances (B)		
	Sub - standard	-	-
	Doubtful	142,189,273	-
	Bad/Loss	223,598,880	124,339,937
		365,788,153	124,339,937
	Total (A+B)	417,717,118	298,158,367
14(a)	Other liabilities (consolidated)		
	GSP Finance Company (Bangladesh) Limited	3,093,440,423	2,397,917,481
	GSP Investments Limited	690,036,141	524,764,790
		3,783,476,565	2,922,682,271
	Less: Inter company transaction	-	-
		3,783,476,565	2,922,682,271
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	1,570,685,850
		% of share holding 2022	
	Domestic Shareholding Position	85.99%	1,350,632,762
	Foreign Shareholding Position	14.01%	220,053,088
		100.00%	1,570,685,850

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 2022 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	531,965	2,968	0.34%	5,319,650
501 to 5000 shares	5,006,246	3,458	3.19%	50,062,460
5001 to 10000 shares	3,217,090	409	2.05%	32,170,900
10001 to 20000 shares	4,039,464	265	2.57%	40,394,640
20001 to 30000 shares	2,844,299	113	1.81%	28,442,990
30001 to 40000 shares	2,069,701	60	1.32%	20,697,010
40001 to 50000 shares	2,605,617	54	1.66%	26,056,170
50001 to 100000 shares	7,422,214	99	4.73%	74,222,140
100001 to 1000000 shares	48,743,716	148	31.03%	487,437,160
Above 1000000 shares	80,588,273	18	51.31%	805,882,730
Total	157,068,585	7,592	100%	1,570,685,850

		Amount in Taka	
		2022	2021
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	1,708,020,964	2,314,189,499
	2.Tier-2 Capital	1,176,531,106	579,473,528
	3.Total Eligible Capital (1+2)	2,884,552,070	2,893,663,027
	B. Total Risk Weighted Assets (RWA)	11,386,438,789	11,996,430,464
	C. Capital Adequacy Ratio (CAR) (A3/B)*100	25.33	24.12
	D. Core Capital to RWA (A1/B)*100	15.00	19.29
	E. Supplementary Capital to RWA (A2/B)*100	10.33	4.83
	F. Minimum Capital Requirement Based on Risk Weighted Assets (10% of B)	1,138,643,879	1,199,643,046
	Surplus/(Deficit) (A3-F)	1,745,908,191	1,694,019,981
	Surplus/(Deficit) (as per DFIM Circular No.-5 dated 24 July 2011 and Circular No.-9 dated 04 November 2009)	570,685,850	570,685,850
	Tier-1 (Core Capital):		
	Paid up Capital	1,570,685,850	1,570,685,850
	Statutory Reserve	554,818,003	554,818,003
	Share Premium	-	-
	Non-Controlling interest	-	-
	Retained Earnings	(417,482,889)	188,685,646
		1,708,020,964	2,314,189,499
	Tier-2 (Supplementary Capital):		
	General Provision (Unclassified loans upto specified limit+SMA+off Balance Sheet Exposure)	128,530,485	121,128,716
	Assets Revaluation Reserve upto 50%	1,048,000,621	458,344,812
		1,176,531,106	579,473,528
	Risk Weighted Assets (RWA)		
	A. Credit Risk		
	On-Balance Sheet	10,282,438,789	9,690,297,303
	Off-Balance Sheet	-	-
	B. Market Risk	643,800,000	815,630,550
	C. Operational Risk	460,200,000	1,490,502,611
		11,386,438,789	11,996,430,464
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	2,267,207,049	2,437,493,531
	2.Tier-2 Capital	1,182,795,619	593,139,810
	3.Total Eligible Capital (1+2)	3,450,002,668	3,030,633,341
	B. Total Risk Weighted Assets (RWA)	13,848,967,191	13,848,967,191
	C. Capital Adequacy Ratio (CAR) (A3/B)*100	24.91	21.88
	D. Core Capital to RWA (A1/B)*100	16.37	17.60
	E. Supplementary Capital to RWA (A2/B)*100	8.54	4.28
	F. Minimum Capital Requirement Based on Risk Weighted Assets (10% of B)	1,384,896,719	1,384,896,719
	Surplus/(Deficit) (A3-F)	2,065,105,949	1,645,736,622
	Surplus/(Deficit) (as per DFIM Circular No.-5 dated 24 July 2011 and Circular No.-9 dated 04 November 2009)	570,685,850	570,685,850
	Tier-1 (Core Capital)		
	Paid up Capital	1,570,685,850	1,570,685,850
	Statutory Reserve	554,818,003	554,818,003
	Share Premium	-	-
	Non-Controlling interest	53	57
	Retained Earnings	141,703,143	311,989,621
		2,267,207,049	2,437,493,531

		Amount in Taka	
		2022	2021
Tier-2 (Supplementary Capital)			
General Provision (Unclassified loans upto specified limit+SMA+off Balance Sheet Exposure)		134,794,998	134,794,998
Assets Revaluation Reserve upto 50%		1,048,000,621	458,344,812
		1,182,795,619	593,139,810
Risk Weighted Assets (RWA)			
A. Credit Risk			
On-Balance Sheet		10,783,599,831	10,783,599,831
Off-Balance Sheet		-	-
B. Market Risk		844,630,550	844,630,550
C. Operational Risk		2,220,736,810	2,220,736,810
		13,848,967,191	13,848,967,191
16	Statutory reserve		
Balance at 01 January		554,818,003	515,405,831
Add: Transferred during the year		-	39,412,172
Balance at 31 December		554,818,003	554,818,003
17	Other Reserve:		
Capital Reserve/ Revaluation Reserve :			
Balance at 01 January		916,689,624	916,689,624
Add: Addition during the year		1,179,311,618	-
Balance at 31 December		2,096,001,242	916,689,624
18	Retained earnings		
Balance at 01 January		188,685,646	173,826,577
Less: Dividend paid		-	(142,789,620)
Add: Net profit/(Loss) for the year		(606,168,535)	197,060,861
		(417,482,889)	228,097,818
Less: Transfer to statutory reserve		-	(39,412,172)
Balance at 31 December		(417,482,889)	188,685,646
Apportionment:			
Retained earnings balance		(417,482,889)	188,685,646
		(417,482,889)	188,685,646
18(a)	Retained earnings (consolidated)		
Balance at 01 January		311,989,621	267,454,135
Less: Dividend paid		-	(142,789,620)
Add: Net profit/(Loss) for the year		(170,286,482)	226,737,284
		141,703,139	351,401,799
Less: Transfer to statutory reserve		-	39,412,172
Balance at 31 December		141,703,139	311,989,626
Less: Non-controlling interest		(4)	5
		141,703,143	311,989,621
18(aa)	Retained earnings of subsidiary		
Balance at 01 January		123,303,990	93,627,568
Add: Net profit for the year		(3,568,810)	29,676,422
		119,735,180	123,303,990
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	
		2022	2021
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 2022, the Company does not have any liability which was not shown in the accounts.		
19	Income statement		
	Income :		
	Interest, discount and similar income (note-19.1)	304,403,685	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)	38,021,749	35,784,348
	Profit less losses on interest rate changes	-	-
		342,425,434	876,125,113
	Expenses:		
	Interest expenses on deposits, borrowings, etc. (note-21)	351,992,807	395,689,480
	Charges on losses regarding leases, loans and advances	-	-
	Administrative expenses (note-19.2)	44,933,327	38,580,847
	Other operating expenses (note-34)	5,521,881	6,655,760
	Depreciation and repair of company's fixed assets (note-33)	4,967,106	3,670,462
		407,415,121	444,596,549
	Surplus of income over expenditure	(64,989,686)	431,528,565
19(a)	Income statement (Consolidated)		
	Income :		
	Interest, discount and similar income	904,729,601	978,875,872
	Dividend income	-	-
	Commission, exchange and brokerage	5,022,419	7,014,716
	Gains less losses arising from dealing in securities	-	-
	Gains less losses arising from dealing in foreign currencies	-	-
	Other operating income	38,085,966	35,857,980
	Profit less losses on interest rate changes	-	-
		947,837,986	1,021,748,568
	Expenses:		
	Interest expenses on deposits, borrowings, etc.	352,001,911	395,689,480
	Charges on losses regarding leases, loans and advances	-	-
	Administrative expenses	49,527,693	41,496,773
	Other operating expenses	6,399,672	7,308,393
	Depreciation and repair of company's fixed assets	5,605,347	4,418,793
		413,534,622	448,913,439
	Surplus of income over expenditure	534,303,364	572,835,130

		Amount in Taka	
		2022	2021
19.1	Interest, discount and similar income		
	Interest income on leases, loans and advances (note-20)	267,777,384	744,867,783
	Investment income (note-22)	36,626,301	95,472,982
		304,403,685	840,340,765
19.2	Administrative expenses		
	Salary and allowances (note-25)	35,882,092	29,455,588
	Rent, taxes, insurance, electricity, etc. (note-26)	1,427,214	1,518,145
	Legal expenses (note-27)	494,752	150,000
	Postage, stamp, telecommunication etc. (note-28)	630,138	634,473
	Stationery, printing, advertisement etc. (note-29)	1,413,631	1,362,141
	Managing Director's salary and allowances (note-30)	4,450,000	4,825,000
	Directors' fees (note-31)	440,000	440,000
	Audit fees (note-32)	195,500	195,500
		44,933,327	38,580,847
20	Interest income on leases, loans and advances:		
	Lease income	75,079,194	89,188,419
	Interest on loans and advances	186,916,565	274,557,345
	Interest on loan to GSP investments Ltd	5,500,000	380,444,942
	Interest during grace period	-	-
	Total interest income on leases, loans and advances	267,495,759	744,190,706
	Interest on balance with banks and other financial institutions	281,625	677,077
		267,777,384	744,867,783
20(a)	Interest income on leases, loans and advances (consolidated)		
	GSP Finance Company (Bangladesh) Limited	267,777,384	744,867,783
	GSP Investments Limited	605,620,528	513,800,836
		873,397,912	1,258,668,619
	Less: Inter company transaction	5,500,000	380,444,942
		867,897,912	878,223,677
21	Interest expenses on deposits, borrowings, etc. :		
	a) Interest expenses on borrowings :		
	Interest on term loans	128,541,781	136,893,825
	Interest on call loans	4,411,810	5,265,508
	Interest on Bank over draft	9,317,305	7,550,588
	Bank charges	1,032,899	830,105
		143,303,795	150,540,026
	b) Interest expenses on deposits :	208,689,012	245,149,454
	Total	351,992,807	395,689,480

		Amount in Taka	
		2022	2021
21(a)	Interest expenses on deposits, borrowings, etc. (consolidated)		
	GSP Finance Company (Bangladesh) Limited	351,992,807	395,689,480
	GSP Investments Limited	444,959,967	380,444,942
		796,952,774	776,134,422
	Less: Inter company transaction	444,950,863	380,444,942
		352,001,911	395,689,480
22	Investment income:		
	Dividend on Share	14,705,419	15,532,143
	Profit on Share Trading	21,920,882	79,940,839
		36,626,301	95,472,982
22(a)	Investment income (consolidated)		
	GSP Finance Company (Bangladesh) Limited	36,626,301	95,472,982
	GSP Investments Limited	205,388	5,179,213
		36,831,689	100,652,195
23	Commission , exchange and brokerage		
	Commission , exchange and brokerage	-	-
		-	-
23(a)	Commission , exchange and brokerage (consolidated)		
	GSP Finance Company (Bangladesh) Limited	-	-
	GSP Investments Limited	5,022,419	7,014,716
		5,022,419	7,014,716
24	Other operating income:		
	Income from FDR	10,519,262	8,838,967
	Documentation charge	173,000	28,380
	Delinquent interest	3,413,540	23,648,102
	Service charge	25,000	504,000
	Transfer price on lease finance	18,400	585,818
	Processing fees	-	100,000
	Early Settlement Fee	472,690	-
	Income from house property	2,254,000	2,079,000
	Profit on sale of fixed assets	21,012,176	-
	Miscellaneous earnings	133,681	81
		38,021,749	35,784,348
24(a)	Other operating income (consolidated)		
	GSP Finance Company (Bangladesh) Limited	38,021,749	35,784,348
	GSP Investments Limited	64,217	73,632
		38,085,966	35,857,980
25	Salary and allowances:		
	Basic pay and allowances	30,503,623	24,176,307
	Bonus (note-25.1)	2,038,195	1,807,880
	Company's contribution to provident fund	940,274	1,071,401
	Retirement benefit and gratuity	2,400,000	2,400,000
		35,882,092	29,455,588
25.1	Bonus		
	Festival	2,038,195	1,807,880
	Performance	-	-
		2,038,195	1,807,880
25(a)	Salary and allowances(consolidated)		
	GSP Finance Company (Bangladesh) Limited	35,882,092	29,455,588
	GSP Investments Limited	2,923,200	2,191,374
		38,805,292	31,646,962

		Amount in Taka	
		2022	2021
26	Rent, taxes, insurance, electricity, etc.:		
	Rent, rate and taxes	10,585	77,135
	Insurance	282,216	251,551
	Power and electricity	1,134,413	1,189,459
		1,427,214	1,518,145
26(a)	Rent, taxes, insurance, electricity, etc.(consolidated)		
	GSP Finance Company (Bangladesh) Limited	1,427,214	1,518,145
	GSP Investments Limited	97,043	78,415
		1,524,257	1,596,560
27	Legal expenses :		
	Legal expenses	494,752	150,000
		494,752	150,000
27(a)	Legal expenses (consolidated)		
	GSP Finance Company (Bangladesh) Limited	494,752	150,000
	GSP Investments Limited	56,000	20,000
		550,752	170,000
28	Postage,stamp,telecommunication etc.:		
	Postage and courier	7,767	10,972
	Telephone, fax, internet and mobile	612,381	602,661
	Stamp and court fee	9,990	20,840
		630,138	634,473
28(a)	Postage,stamp,telecommunication etc.(consolidated)		
	GSP Finance Company (Bangladesh) Limited	630,138	634,473
	GSP Investments Limited	1,300	569
		631,438	635,042
29	Stationery, printing, advertisement, etc.:		
	Printing and stationery	408,571	354,921
	Advertisement and publicity	1,005,060	1,007,220
		1,413,631	1,362,141
29(a)	Stationery, printing, advertisement, etc.(consolidated)		
	GSP Finance Company (Bangladesh) Limited	1,413,631	1,362,141
	GSP Investments Limited	14,830	35,235
		1,428,461	1,397,376
30	Managing Director's salary and allowances :		
	Remuneration	4,125,000	4,500,000
	Other benefits	325,000	325,000
		4,450,000	4,825,000
30(a)	Managing Director's salary and allowances (consolidated)		
	GSP Finance Company (Bangladesh) Limited	4,450,000	4,825,000
	GSP Investments Limited	1,268,493	303,333
		5,718,493	5,128,333
31	Directors' fees :		
	Directors fees	440,000	440,000
		440,000	440,000
	Other benefits		
		-	-
		440,000	440,000

		Amount in Taka	
		2022	2021
31(a)	Directors' fees (consolidated)		
	GSP Finance Company (Bangladesh) Limited	440,000	440,000
	GSP Investments Limited	176,000	264,000
		616,000	704,000
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	57,500	23,000
		253,000	218,500
33	Depreciation and repairs of company's assets:		
	Depreciation on company's fixed assets (Annexure-C)	4,661,901	3,231,914
	Repairs of companies fixed assets	305,205	438,548
		4,967,106	3,670,462
33(a)	Depreciation and repairs of company's assets (consolidated)		
	GSP Finance Company (Bangladesh) Limited	4,967,106	3,670,462
	GSP Investments Limited	638,241	748,331
		5,605,347	4,418,793
34	Other operating expenses:		
	Office maintenance	1,853,892	1,828,195
	Travelling and conveyances	340,914	313,012
	Motor vehicle running expenses	444,282	285,245
	Fees and subscriptions	1,648,270	2,588,976
	Staff welfare expenses	121,877	132,458
	Newspaper, books and periodicals	-	-
	Staff training and education	43,498	-
	Entertainment expenses	427,523	442,500
	Business promotion	30,000	315,500
	Commission on TDR	-	15,230
	Annual General Meeting Expenses (34.1)	441,625	734,644
	CSR Expenses (34.2)	170,000	-
		5,521,881	6,655,760
34.1	Annual General Meeting Expenses		
	Printing of Annual Reports and data base	257,015	544,750
	Publication of Notice	125,610	136,813
	Others	59,000	53,081
		441,625	734,644

		Amount in Taka	
		2022	2021
34.2	CSR Expenses		
	Gulshan Society	120,000	-
	Prime Minister Education Fund	50,000	-
		170,000	-
34(a)	Other operating expenses(consolidated)		
	GSP Finance Company (Bangladesh) Limited	5,521,881	6,655,760
	GSP Investments Limited	877,791	652,633
		6,399,672	7,308,393
35	Provision for leases, loans and advances & investments:		
	Provision for classified leases, loans and advances	559,290,521	(35,295,172)
	Provision for unclassified leases, loans and advances	(7,630,465)	9,822,442
	Special provision 2% (15% payment for deferral clients)	(83,198,715)	113,308,492
	Provision for Other Assets	14,200	24,309,813
	Provision for Investment in Share	65,793,789	24,309,813
		534,269,330	112,145,575
35(a)	Provision for leases, loans and advances & investments (consolidated)		
	GSP Finance Company (Bangladesh) Limited	534,269,330	112,145,575
	GSP Investments Limited	163,282,305	93,824,291
		697,551,635	205,969,866

Reason for changes in Provision:

Separate: Provision for leases, loans and advances & investments of GSP Finance Company (Bangladesh) Limited made during the year ended December 31, 2022 is BDT 534.27 million, which was BDT 121.15 million in the same period of the previous year. The main reason behind this variance Provision for leases, loans and advances & investments increase for newly classified lease, loan & advances during the year ended December 31, 2022. As such, Provision for leases, loans and advances & investments has increased by BDT 421.22 million during the period ended on December 31, 2022.

Consolidated: Provision for leases, loans and advances & investments of GSP Finance Company (Bangladesh) Limited made during the year ended December 31, 2022 is BDT 697.55 million, which was BDT 205.97 million in the same period of the previous year. The main reason behind this variance Provision for leases, loans and advances & investments increase for newly classified lease, loan & advances during the year ended December 31, 2022. As such, Provision for leases, loans and advances & investments has increased by BDT 491.58 million during the period ended on December 31, 2022.

36	Provision for income tax:		
	Current tax (36.1)	5,182,723	119,768,621
	Deferred tax (36.2)	1,726,796	2,553,507
		6,909,519	122,322,128

36.1 Provisions for current tax has been made as per under section 82cc of Income Tax Ordinance, 1984.

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	2,145,870,371	2,087,571,966	(58,298,405)
Liabilities:			
Employee gratuity	8,800,000	-	8,800,000
Total	2,154,670,371	2,087,571,966	(49,498,405)
Applicable tax rate			37.50%
Deferred tax asset/(liabilities) as on December 31, 2022			(18,561,902)
Deferred tax asset/(liabilities) as on December 31, 2021			(16,835,106)
Deferred tax income/(expenses) accounted for during the year			(1,726,796)

		Amount in Taka	
		2022	2021
36(a)	Provision for income tax (consolidated)		
	GSP Finance Company (Bangladesh) Limited	6,909,519	122,322,128
	GSP Investments Limited	128,692	17,805,852
		7,038,211	140,127,980

37 Dividend :

For the year ended December 31, 2022

The Board of Directors has recommended No dividend for the year ended December 31, 2022 in its 249th Board of Directors meeting held on November 12, 2023.

For the year ended December 31, 2021

The Board of Directors of the Company had recommended dividend @10% of which 2.5% cash dividend and 7.5% stock dividend for the year ended December 31, 2021 subject to approval of Bangladesh Bank and subsequently applied to Bangladesh Bank for their approval. The shareholders of the Company approved the same subject to approval of Bangladesh Bank in its Annual General Meeting held on September 27, 2022. Bangladesh Bank has finally declined the declaration of dividend @10% of which 2.5% cash dividend and 7.5% stock dividend of the company for the year ended December 31, 2021 vide their letter no. DFIM(C) 1054/28/2023-3873 dated November 09, 2023.

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	(606,168,535)	197,060,861
Number of ordinary shares outstanding	157,068,585	157,068,585
Earning per share	(3.86)	1.25

38(a) Earning per share (Consolidated) :

Net profit after tax	(170,286,482)	226,737,284
Number of ordinary shares outstanding	157,068,585	157,068,585
Earning per share	(1.08)	1.44

No diluted EPS is required to be calculated for the year since there was no scope of dilution of share during the year under review.

Reason for changing Earning Per Share (EPS):

Separate: EPS of GSP Finance Company (Bangladesh) Limited for the year ended December 31, 2022 is BDT (3.86), which was BDT 1.25 in the same period of the previous year. The main reason behind this changes we could not sufficient recovered from our clients so our interest income decrease from previous year and classified Lease, Loan & advances are increase. Required provision for lease, loans & advances are increased from previous year. As such, Earning Per Share (EPS) has decreased by BDT 5.11 during the period ended on December 31, 2022.

Consolidated: In consolidated financial statement, EPS of GSP Finance Company (Bangladesh) Limited for the year ended December 31, 2022 is BDT (1.08), which was BDT 1.44 in the same period of the previous year. The main reason behind this changes we could not sufficient recovered from our clients so our interest income decrease from previous year and classified Lease, Loan & advances are increase. Required provision for lease, loans & advances are increased from previous year. As such, Earning Per Share (EPS) has decreased by BDT 1.08 during the period ended on December 31, 2022.

39 Net Asset Value per share (NAV):

Total Shareholders' equity	3,804,022,206	3,230,879,123
Number of shares outstanding	157,068,585	157,068,585
NAV per share	24.22	20.57

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

Total Shareholders' equity	4,363,208,291	3,354,183,155
Number of shares outstanding	157,068,585	157,068,585
NAV per share	27.78	21.35

Reason for changes in Net Asset Value per share (NAV):

Separate: NAV of GSP Finance Company (Bangladesh) Limited (GSPB) for the year ended December 31, 2022 is BDT 24.22, which was BDT 20.57 in the same period of the previous year. The main reason behind the changes GSPB revalued the land & building by BDT 2,133.59 million and decrease Retained Earning by BDT 600.17 million. As such, Net Asset Value per share (NAV) has increased by BDT 3.65 during the period ended on December 31, 2022.

Consolidated: In consolidated financial statement, NAV for the period ended December 31, 2022 is BDT 27.78, which was BDT 21.35 in the same period of the previous year. The main reason be BDT 163.25 million. As such, Net Asset Value per share (NAV) has increased by BDT 6.43 during the period ended on December 31, 2022.

40 Net Operating Cash Flow per share:

Net cash flow from operating activities	(180,515,453)	151,422,221
Number of shares outstanding	157,068,585	157,068,585
NOCFPS	(1.15)	0.96

Amount in Taka	
2022	2021

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

Net cash flow from operating activities	(181,393,130)	131,230,603
Number of shares outstanding	157,068,585	157,068,585
NOCFPS	(1.15)	0.84

Reason for changes in Net Operating Cash Flows Per Share (NOCFPS):

Separate: NOCFS of GSP Finance Company (Bangladesh) Limited for the year ended December 31, 2022 is BDT (1.15), which was BDT 0.96 in the same period of the previous year. The main reason behind this variance is the interest income from loans and advances has decrease by BDT 474.64 million and decrease other operating income by BDT 98.72 million. As such aggregately cash outflow from operating activities has decreased by BDT 331.94 million during the period ended on December 31, 2022 from the same period of the previous year.

Consolidated: In consolidated financial statement, NOCFPS for the period ended December 31, 2022 is BDT (1.15), which was BDT 0.84 in the same period of the previous year. The main reason behind this variance is the interest income from loans and advances has decrease by BDT 600.45 million and decrease other operating income by BDT 103.63 million. As such aggregately cash outflow from operating activities has decreased by BDT 312.62 million during the period ended on December 31, 2022 from the same period of the previous year.

41 **Composition of Shareholders' Equity :**

Paid up capital	1,570,685,850	1,570,685,850
Statutory reserve	554,818,003	554,818,003
Other reserve	2,096,001,242	916,689,624
Retained earnings	(417,482,889)	188,685,646
Total:	3,804,022,206	3,230,879,123

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

Paid up capital	1,570,685,850	1,570,685,850
Statutory reserve	554,818,003	554,818,003
Other reserve	2,096,001,242	916,689,624
Retained earnings	141,703,143	311,989,621
Non-controlling interest	53	57
	4,363,208,291	3,354,183,155

*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:**

Net Profit After Tax	(606,168,535)	197,060,861
Depreciation	4,661,901	3,231,914
Provision for lease and loans	534,269,330	112,145,575
Provision for taxation	6,909,519	122,322,128
Increase in lease and loans	(321,320,149)	66,847,968
Income tax paid	(5,182,723)	(4,478,562)
Increase in deposit and other accounts	77,744,934	(344,258,766)
Increase in other liabilities	138,214,611	16,038,609
Decrease in other assets	(9,644,341)	(17,487,506)
Cash flows from operating activities	(180,515,453)	151,422,221

Amount in Taka	
2022	2021

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

Net Profit After Tax	(170,286,482)	226,737,284
Depreciation	5,268,839	3,980,245
Provision for lease and loans	697,551,635	205,969,866
Provision for taxation	7,038,211	140,127,980
Increase in lease and loans	(923,474,615)	(92,711,811)
Income tax paid	(5,328,336)	(4,671,310)
Increase in deposit and other accounts	77,744,934	(344,258,766)
Increase in other liabilities	41,422,637	14,607,129
Decrease in other assets	(9,789,954)	(18,550,013)
Cash flows from operating activities	(181,393,130)	131,230,603

Reason for changes in Net Operating Cash Flows Per Share (NOCFPS):

Separate: NOCFPS of GSP Finance Company (Bangladesh) Limited for the year ended December 31, 2022 is BDT (1.15), which was BDT 0.96 in the same period of the previous year. The main reason behind this variance is the interest income from loans and advances has decrease by BDT 474.64 million and decrease other operating income by BDT 98.72 million. As such aggregately cash outflow from operating activities has decreased by BDT 331.94 million during the period ended on December 31, 2022 from the same period of the previous year.

Consolidated: In consolidated financial statement, NOCFPS for the period ended December 31, 2022 is BDT (1.15), which was BDT 0.84 in the same period of the previous year. The main reason behind this variance is the interest income from loans and advances has decrease by BDT 600.45 million and decrease other operating income by BDT 103.63 million. As such aggregately cash outflow from operating activities has decreased by BDT 312.62 million during the period ended on December 31, 2022 from the same period of the previous year.

43 Related party disclosures :

a. Particulars of Directors and their interest in different entities

SI no	Name of the Director	Status in GSPB	Entities where they have interest	Status in interested entity
01	Mr. Feroz U. Haider	Chairman	1. GSP Investments Limited 2. Republic Insurance Company Ltd. 3. S.F. Haider Foundation Ltd.	1. Chairman 2. Director 3. Chairman
02	Mr. Saber Hossain Chowdhury	Director & Vice Chairman	1. GSP Investments Limited 2. Karnaphuli Group of Companies. 3. Republic Insurance Company Ltd.	1. Director 2. Managing Director 3. Director
03	Dr. ATM Shamsul Huda	Director & Vice Chairman		
04	Mr. Wolf-Peter Berthold	Director		
05	Ms. Silwat A. Haider	Director		
06	Mr. Moin U. Haider	Director & Chairman EC	GSP Investments Ltd.	Director
07	Mr. Mohamed Abdul Jalil	Director		
08	Ambassador F. A. Shamim Ahmed (Retd.)	Independent Director	GSP Investments Ltd.	Director
09	Ambassador Anwarul Bar Chowdhury (Retd.)	Independent Director		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 2022	Closing Balance 2021
GSP Investments Limited	Subsidiary Company	Loan and Advances	2,493,621,398	2,493,621,398
Employees Provident Fund of GSP Finance Company (Bangladesh) Limited	Employees Provident Fund	Borrowings	10,000,000	-
			2,503,621,398	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

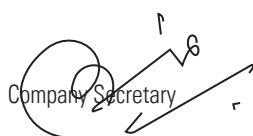
- 44 Unacknowledged debt :**
The Company had no claim against it, which has not been acknowledged as debt at the balance sheet date.
- 45 Number of employees :**
The total number of full time employees of the Company and their remuneration above Tk.48,000/- per annum were 31. There were no employees earning less than Tk. 48,000/- per year.
- 46 Number of Board meeting and remuneration for attending thereof :**
Total number of 8 (eight) 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, 2022, 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:

Sl	Name of the Members	Position in the Committee	Position in the Board
1	Ambassador Anwarul Bar Chowdhury (Retd.)	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

- 50.2 **Activities of the audit committee during the year.**
In the year 2022 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 :**
The Board of Directors of the company approved the financial statements on November 12, 2023 and recommended no dividend for the financial year ended December 31, 2022. The dividend proposal is subject to shareholders' approval at the forthcoming AGM. Except the fact as stated above, no circumstances have arisen since the statement of financial position date which would require adjustments, or disclosure in the financial statements.

52 Highlights on the overall activities :

		Amount in Taka	
		2022	2021
SI no.	Particulars		
1	Paid up capital	1,570,685,850	1,570,685,850
2	Total eligible capital (note - 15.5.A)	2,884,552,070	2,893,663,027
3	Capital surplus / (deficit)	570,685,850	570,685,850
4	Total assets	10,545,514,782	9,162,344,756
5	Total deposits	2,002,944,839	1,925,199,905
6	Total leases, loans and advances	7,268,878,151	6,947,558,002
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	3.63	3.61
9	Percentage of classified leases, loans and advances against total leases, loans and advances	80.10	16.04
10	Profit after provisions and income tax	(606,168,535)	197,060,861
11	Leases, loans and advances classified for the year ended	5,822,696,987	1,114,587,829
12	Provision kept against classified leases, loans and advances	998,927,824	439,637,303
13	Provision surplus / (deficit)	-	4,986,000
14	Cost of fund	9.67	10.15
15	Interest earning assets	7,931,997,637	7,807,564,518
16	Non-interest earning assets	2,613,517,146	1,354,780,238
17	Return on assets (ROA) %	(5.75)	2.15
18	Return on investment (ROI) %	(15.75)	9.89
19	Income from investment	36,626,301	95,472,982
20	Earnings per share	(3.86)	1.25
21	Net Income per share	(3.86)	1.25
22	Price earnings ratio (times)	(7.00)	21.60


Company Secretary


Director


Managing Director & CEO (C.C)
Signed as per our annexed report of even date

Malek Siddiqui Wali

Chartered Accountants

Since 1965

9-G, Motijheel C/A (L-2), Dhaka-1000, Bangladesh.

Phone : +88-02-9513471

Email : info@msw-bd.com

Website : www.msw-bd.com



Independent Auditor's Report

To the shareholders of GSP Investments Limited

Report on the Audit of the Financial Statements

Opinion:

We have audited the financial statements of GSP Investments Limited which comprise the Statement of Financial Position as at December 31, 2022, the 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with international Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable law and regulations.

Basis for Opinion:

We conducted our audit in accordance with international Standards on Auditing (ISAs). Our responsibilities under those standards are further described, in the Auditors' responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the international Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis matter:

With reference to note 14.01, the financial statement is under provisioned by Tk. 2,400,286,806 as per BSEC Directive No. BSEC/CMRRCD/2009-193/196 dated December 28, 2016 and Letter No. BS EC/S R I/N EI 2020 1606 dated December 28, 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and internal Controls:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with international Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

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 skepticism throughout the audit. We also:

International Affiliation :
Reddy Siddiqui LLP, UK, Chartered Accountants
Website: www.reddysiddiqui.com

Branch Office :
Rupayan Shopping Square (9th Floor)
Plot # C-2, Block # G, Bashundhara, Dhaka-1229, Bangladesh

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

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


Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position and Statement of profit or loss and other comprehensive income, of the Company dealt with by the report are in agreement with the books of account and returns; and.
- d) The expenditures incurred and payments made were for the purpose of the company's business.

Malek Siddiqui Wali, Chartered Accountants

Dated, Dhaka
December 04, 2023
DVC: 2312070247AS858836



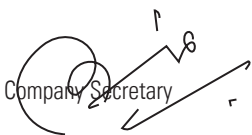
Md. Waliullah, FCA
Enrollment No. 0247

GSP INVESTMENTS LIMITED

BALANCE SHEET

AS AT DECEMBER 31, 2022

		Amount in Taka	
		Dec. 31, 2022	Dec. 31, 2021
ASSETS			
Non Current Assets:		2,535,697	3,114,935
Property, plant and equipments	2	2,535,697	3,114,935
Investment in Shares		21,198,313	22,063,573
Current assets:		3,969,109,575	3,366,511,672
Margin loan to portfolio clients	4	3,964,965,138	3,362,810,672
Advance, Deposit & Prepayment	5	200,000	200,000
Accounts Receivable	6	-	-
Advance Income Tax	7	1,590,201	1,444,588
Cash & cash equivalents	8	2,354,236	2,056,412
Total		3,992,843,585	3,391,690,180
EQUITY AND LIABILITIES			
Shareholders equity:		369,735,180	373,303,990
Share Capital	9	250,000,000	250,000,000
Retained Earnings	10	119,735,180	123,303,990
Current Liabilities:		3,623,108,404	3,018,386,190
Borrowing from Banks & Financial Institutions	11	2,933,072,271	2,493,621,398
Portfolio investors' fund		2,405,397	2,067,455
Accounts payable	12	-	-
Provision for investment in shares	13	11,902,544	7,593,845
Provision for Margin Loan	14	600,071,702	441,098,096
Provision for Income Tax	15	73,932,873	73,856,325
Provision for Deferred Tax		178,214	126,071
Other Liabilities	16	1,545,404	23,000
Total liabilities and shareholders ' equity		3,992,843,585	3,391,690,180
Net Assets Value (NAV) per share		14.79	14.93


Company Secretary


Director


CEO/Managing Director

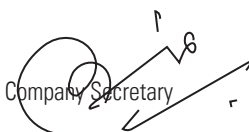
Signed as per our annexed report of even date

Dated, Dhaka
December 04, 2023
DVC : 2312070247AS858836


Md. Waliullah, FCA
Malek Siddiqui Wali,
Chartered Accountants
Enrolment No. 0247

GSP INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED DECEMBER 31, 2022

		Amount in Taka	
		2022	2021
OPERATING INCOME			
Interest Income	17	605,620,528	513,800,836
Less: Interest expenses	18	444,950,872	380,444,942
Net Interest Income		160,669,656	133,355,894
Investment Income	19	205,388	5,179,213
Commission, exchange and brokerages	20	5,022,419	7,014,716
Other operating income	21	64,217	73,632
		5,292,024	12,267,561
Total operating income(a)		165,961,680	145,623,455
OPERATING EXPENSES			
Salary and allowances	22	2,923,200	2,191,374
Postage & stamps	23	100	569
Printing & Stationary	24	14,830	21,060
Directors' fees		176,000	264,000
MD's Salary & allowances		1,268,493	303,333
Depreciation on property, plant and equipments	25	606,938	748,331
Other Operating expenses	26	1,129,931	788,223
Total operating expenses(b)		6,119,493	4,316,890
Profit before provision (c=a-b)		159,842,187	141,306,565
Provision for investment in shares	13	4,308,699	(9,884,852)
Provision for Margin Loan	14	158,973,606	103,709,143
Total profit before tax		(3,440,118)	47,482,274
Provision for income tax	27	128,692	17,805,852
Net profit after tax		(3,568,810)	29,676,422
Other comprehensive income		-	-
		(3,568,810)	29,676,422
Earning per share (EPS)	28	(0.14)	1.19


 Company Secretary


 Director

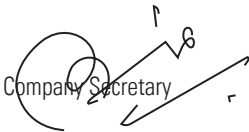

 CEO/Managing Director
 Signed as per our annexed report of even date

Dated, Dhaka
 December 04, 2023
 DVC : 2312070247AS858836


Md. Waliullah, FCA
 Malek Siddiqui Wali,
 Chartered Accountants
 Enrolment No. 0247

GSP INVESTMENTS LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2022

	Amount in Taka	
	2022	2021
A. Cash flows from operating activities:		
Interest Income	7,543,673	67,905,207
Interest Expenses	(5,500,000)	(92,900,002)
Commission, exchange and brokerage	944,807	5,805,627
Receipts from other operating income & Investment income	269,605	5,252,845
Payment for operating activities	(3,990,151)	(4,904,278)
Advance income tax	(145,613)	(192,748)
Net cash flows from operating activities	(877,678)	(19,033,350)
B. Cash flows from investing activities:		
Payment for acquisition of fixed assets	(27,700)	(30,980)
Sale of Fixed Assets	-	-
Investment in Share	865,260	16,465,693
Net cash flows/used from investing activities	837,560	16,434,713
C. Cash flows from financing activities:		
Proceeds from issue of ordinary share	-	-
Portfolio investors' fund	337,942	(1,158,268)
Margin loan paid to customers	-	-
Loan received from Banks & Financial Institutions	-	-
Net cash used by financing activities	337,942	(1,158,269)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	297,824	(3,756,905)
Cash and cash equivalents at the beginning of the Period	2,056,412	5,813,317
Cash and cash equivalents at the end of the period	2,354,236	2,056,412
Net Operating Cash Flow per share	(0.04)	(0.76)


Company Secretary


Director


Atikel Islam
CEO/Managing Director

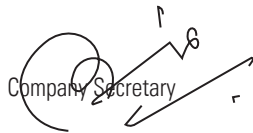
Signed as per our annexed report of even date

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December 04, 2023
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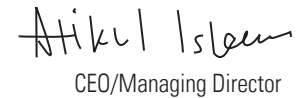

Md. Waliullah, FCA
Malek Siddiqui Wali,
Chartered Accountants
Enrolment No. 0247

GSP INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2022

Particulars	Paid up capital (Tk.)	Retained Earnings (Tk.)	Total (Tk.)
Balance as at January 01, 2021	250,000,000	93,627,568	343,627,568
Profit after tax for the period Dec. 31, 2021	-	29,676,422	29,676,422
Balance as at Dec. 31, 2021	250,000,000	123,303,990	373,303,990
Changes in accounting policy	-	-	-
Restated balance	250,000,000	123,303,990	373,303,990
Issue of Share capital	-	-	-
Profit after tax for the period Dec. 31, 2022	-	(3,568,810)	(3,568,810)
Balance as at Dec. 31, 2022	250,000,000	119,735,180	369,735,180


 Company Secretary


 Director


 CEO/Managing Director

Signed as per our annexed report of even date

Dated, Dhaka
 December 04, 2023
 DVC : 2312070247AS858836


Md. Waliullah, FCA
 Malek Siddiqui Wali,
 Chartered Accountants
 Enrolment No. 0247

GSP INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1.0 Significant Accounting Policies and Other Material Information:

1.1 Legal Form of Enterprise:

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

1.2 Nature of Business:

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

1.3 Basis of Presentation of Financial Statements:

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

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

1.4 Depreciation Policy:

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

1.5 Statement of Cash Flow:

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

1.6 Taxation:

Provision for Income Tax:

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

1.7 Investment:

Investment is carried in Financial Statements at cost.

1.8 General Comparative Information:

Comparative information has been disclosed in respect of the period 2021 for all numerical information in the Financial Statements and also the narrative and descriptive information where it is relevant for understanding of the current period's Financial Statements.

1.9 Rounding off:

Figures have been rounded to nearest taka.

		Amount in Taka	
		31-12-2022	31-12-2021
2	<u>Property, plant and equipments:</u>		
	Cost:		
	Opening Balance	9,401,997	9,371,017
	Addition during the period	27,700	30,980
		9,429,697	9,401,997
	Adjustment during the period	-	-
	Closing Balance (A)	9,429,697	9,401,997
	Less : Accumulated Depreciation :		
	Opening Balance	6,287,062	5,538,730
	Charged during the period:	606,938	748,331
		6,894,000	6,287,062
	Adjustment during the period	-	-
	Closing Balance (B)	6,894,000	6,287,062
	Written Down Value (A-B) (Annexure - A)	2,535,697	3,114,935
3	<u>Investment in Share (Own portfolio):</u>		
	Opening balance	22,063,573	38,529,266
	Add: Addition/(Adjustment) during the period	(865,260)	(16,465,693)
	Balance (Annexure B)	21,198,313	22,063,573
4	<u>Margin loan to portfolio clients:</u>		
	Opening balance	3,362,810,672	2,915,705,953
	Add: Fresh Loan Disburse During the period	-	-
	Add: Other Charge During the period	4,077,611	1,209,090
	Add: Interest Charge During the period	605,542,917	513,654,256
		3,972,431,200	3,430,569,299
	Less: Loan Realise During the period	7,466,062	67,758,627
	Closing Balance at the end of the period	3,964,965,138	3,362,810,672
5	<u>Advance, Deposit & Prepayment</u>		
	Security Deposit- CDBL	200,000	200,000
		200,000	200,000
6	<u>Accounts Receivable</u>		
		-	-
		-	-
7	<u>Advance Income Tax :</u>		
	Opening balance	1,444,588	1,251,840
	Add: Addition during the period	145,613	192,748
	Less: Adjustment during the period	-	-
		1,590,201	1,444,588
8	<u>Cash & cash equivalents:</u>		
	Cash in hand	18,984	33,952
	Basic Bank Ltd. (SND Accounts)	127,888	344,438
	Bank Asia Ltd. (SND Accounts)	2,207,364	1,678,022
		2,354,236	2,056,412
9	<u>Share Capital:</u>		
9.1	<u>Authorized Capital</u>		
	50,000,000 Ordinary Shares of Tk.10 each	500,000,000	500,000,000
9.2	<u>Issued, Subscribed and Paid up Capital</u>		
	25,000,000 Ordinary Shares of Tk.10 each	250,000,000	250,000,000
10	<u>Retained Earnings:</u>		
	Opening balance	123,303,990	93,627,568
	Net Profit after tax during the period	(3,568,810)	29,676,422
		119,735,180	123,303,990

		Amount in Taka	
		31-12-2022	31-12-2021
11	<u>Borrowing from Banks & Financial Institutions:</u>		
	Opening balance	2,493,621,398	2,206,076,458
	Add: Fresh Loan Received During the period	-	-
	Add: Interest Charge During the period	444,950,872	380,444,942
		2,938,572,270	2,586,521,400
	Less: Loan re-paid During the period	5,500,000	92,900,002
	Closing Balance at the end of the period	2,933,072,271	2,493,621,398
12	<u>Accounts Payable:</u>		
		-	-
13	<u>Provision for investment in shares:</u>		
	Opening balance	7,593,845	17,478,698
	Add: Addition for the period	4,308,699	(9,884,853)
		11,902,544	7,593,845
	Less: Adjustment for the period	-	-
		11,902,544	7,593,845
14	<u>Provision for Margin Loan:</u>		
	Opening balance	441,098,096	337,388,953
	Add: Addition for the period (Note-14.1)	158,973,606	103,709,143
		600,071,702	441,098,096
	Less: Adjustment for the period	-	-
		600,071,702	441,098,096
14.1	<u>Provision for Margin Loan Calculation</u>		
	Balance of negative equity of margin loan	3,465,903,215	2,634,236,589
	Value of portfolio/Equity Value	465,544,707	428,746,108
	Required Provision	3,000,358,508	2,205,490,481
	At a rate of 20% of Required Provision	600,071,702	441,098,096
Provision made as BSEC directive no. BSEC/CMRRCD/2009-193/196 dated December 28, 2016 and Letter No. BSEC/SRI/NE/2020/606 Dated December 28, 2022.			
The BSEC Directive No. BSEC/CMRRCD/2009-193/196 dated December 28, 2016 and Letter No. BSEC/SRI/NE/2020/606 Dated December 28, 2022. The merchant banks are allowed to make provision in the Financial Statement of 20% required provision and rest 80% would be charged in next 4 (Four) equal quarterly installments.			
15	<u>Provision for Income Tax:</u>		
	Opening balance	73,856,325	56,114,323
	Add: Addition for the period (Note-27)	76,549	17,742,002
		73,932,873	73,856,325
	Less: Adjustment for the period	-	-
		73,932,873	73,856,325
15.1	<u>Provision for Income Tax:</u>		
	Opening balance	126,071	62,221
	Add: Addition for the period (Note-27)	52,143	63,850
		178,214	126,071
	Less: Adjustment for the period	-	-
		178,214	126,071

		Amount in Taka	
		31-12-2022	31-12-2021
16	<u>Other Liabilities:</u>		
	Audit fee payable including VAT	57,500	23,000
	Tax deduction at source	3,700	-
	VAT deduction at source	1,500	-
	Others payable	1,482,704	-
		1,545,404	23,000
17	<u>Interest Income:</u>		
	Interest on Margin Loan	605,542,917	513,654,256
	Interest on Bank balance	77,611	146,580
		605,620,528	513,800,836
18	<u>Interest expenses:</u>		
	Interest on term loan (GSPB)	444,950,872	380,444,942
		444,950,872	380,444,942
19	<u>Investment Income:</u>		
	Dividend income	158,069	337,186
	Income from Share Trading	47,319	4,842,027
	Interest on Bond	-	-
		205,388	5,179,213
20	<u>Commission, Exchange and Brokerage:</u>		
	Underwriting commission	-	140,000
	Portfolio management income	4,884,246	5,572,825
	Transaction settlement income	138,173	1,301,891
		5,022,419	7,014,716
21	<u>Other Operating Income:</u>		
	Documentation income	1,500	2,000
	Account Closing income	3,617	9,067
	Clients Accounts Maintainance Income	59,100	60,900
	Other income (IPO & CQ dishonor)	-	1,665
		64,217	73,632
22	<u>Salary & allowances:</u>		
	Salary & allowances	2,741,188	2,043,874
	Bonus to Staff	182,012	147,500
		2,923,200	2,191,374
23	<u>Postage & Stamps</u>		
	Revenue Stamp	100	569
		100	569
24	<u>Printing & Stationery:</u>		
	Printing	7,320	21,060
	Stationery	7,510	-
		14,830	21,060
25	<u>Depreciation on property, plant and equipments:</u>		
	Depreciation on Fixed Asset as per Annexure-A	606,938	748,331

		Amount in Taka	
		31-12-2022	31-12-2021
26 Other Operating Expenses:			
Advertisement	-	14,175	
Audit Fees	57,500	23,000	
Bank Charges & Commission	9,095	45,408	
CDBL Charges	10,907	68,290	
Entertainment Expenses	20,782	44,872	
Fees & Subscription	467,820	205,145	
Motor Vehicle Running Expenses	106,124	12,754	
Office Maintenance	166,340	183,730	
Repairs & Maintenance	31,303	35,595	
Investors Awareness Programme	-	2,505	
Legal Fees	56,000	20,000	
Insurance Premium	97,043	78,415	
Travelling & Conveyances	53,329	42,735	
Uniform & Liveries	11,500	11,599	
Staff Welfare Expenses	25,989	-	
Vat on Office Rent	15,000	-	
Telephone, fax, and mobile Bill	1,200	-	
	1,129,931	788,223	
27 Provision for income tax:			
Current tax (27.1)	76,549	17,742,002	
Deferred tax (27.2)	52,143	63,850	
	128,692	17,805,852	

27.1 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 or 0.60% of Gross receipts.

27.2 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	2,535,697	2,060,459	(475,238)
Liabilities:			
Employee gratuity	-	-	-
Total	2,535,697	2,060,459	(475,238)
Applicable tax rate			37.5%
Deferred tax asset/(liabilities) as on December 31, 2022			(178,214)
Deferred tax asset/(liabilities) as on December 31, 2021			(126,071)
Deferred tax income/(expenses) accounted for during the year			(52,143)
28 Earning Per Share (EPS):			
Net Profit after tax		(3,568,810)	29,676,422
Number of Ordinary Share		25,000,000	25,000,000
Basic Earning Per Share (EPS)		(0.14)	1.19
29 Net Assets Value per share (NAV):			
Total Shareholders' equity		369,735,180	373,303,990
Number of Ordinary Share		25,000,000	25,000,000
Net Assets Value per share (NAV):		14.79	14.93

GSPINVESTMENTS LIMITED
FIXED ASSETS SCHEDULE
AS AT 31 DECEMBER 2022

Annexure-A

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value as on 31.12.2022
	Balance as on 01.01.2022	Addition during the year	Adjustment During the year	Balance as on 31.12.2022		Balance as on 01.01.2022	Addition during the year	Adjustment During the year	Balance as on 31.12.2022	
Office equipment	1,026,373	27,700	-	1,054,073	20%	831,777	42,848	-	874,625	179,448
Furniture & Fixture	97,365		-	97,365	10%	54,922	4,244	-	59,166	38,199
Software	1,340,000	-		1,340,000	20%	1,229,113	22,177		1,251,290	88,710
Office Decoration	695,534	-		695,534	10%	538,204	15,733		553,937	141,597
Motor Vehicle	6,242,725			6,242,725	20%	3,633,047	521,936	-	4,154,983	2,087,743
As at December 31, 2022	9,401,997	27,700	-	9,429,697		6,287,063	606,938	-	6,894,001	2,535,697
As at December 31, 2021	9,371,017	30,980	-	9,401,997		5,538,731	748,331	-	6,287,062	3,114,935

GSPINVESTMENTS LIMITED

INVESTMENT IN SHARES
AS AT 31 DECEMBER 2022

ANNEXURE - B

Sl.	Name of the issuer company	No. of Shares	Cost Price Per share	Cost price as at December 31, 2022 (Tk)	Market Price Per share	Market Price as at December 31, 2022 (Tk)	Provision required
Investment in quoted shares:							
1	ESQUIRENIT	20,890	45.00	940,050	34.50	720,705	(219,345)
2	HEIDELBCEM	45,834	430.20	19,717,813	179.10	8,208,869	(11,508,944)
3	RUNNERAUTO	7,566	71.43	540,450	48.40	366,194	(174,256)
Total				21,198,313		9,295,769	(11,902,544)

*Investment in quoted shares

*Investment in unquoted shares

Total:

Cost Price

21,198,313

-

21,198,313

GSP FINANCE COMPANY (BANGLADESH) LIMITED

INVESTMENT IN SHARES

AS AT DECEMBER 31, 2022

ANNEXURE - A

Sl. No.	Name of the issuer company	No. of Shares	Cost price as at Dec. 31, 2022 (Tk.)	Market Price as at Dec. 31, 2022 (Tk.)	Provision required as at Dec. 31, 2022 (Tk.)
Investment in quoted shares:					
1	Aftab Automobiles Ltd.	729,120	50,390,408	17,863,440	(32,526,968)
2	British American Tobacco Bangladesh Co. Ltd	32,500	18,489,905	16,857,750	(1,632,155)
3	BRAC Bank Ltd.	153,494	8,418,949	5,909,519	(2,509,430)
4	BSRM Steels Limited	95,023	8,343,847	6,071,970	(2,271,877)
5	Energypac Power Generation Ltd.	1,192,800	49,984,000	41,151,600	(8,832,400)
6	Esquire Knit Composite Ltd.	20,890	940,050	720,705	(219,345)
7	Grameenphone Ltd.	169,909	69,105,428	48,695,919	(20,409,508)
8	Heidelberg Cement Bangladesh Ltd.	58,360	27,783,136	10,452,276	(17,330,860)
9	IDLC Finance Ltd.	44,562	2,694,030	2,072,133	(621,897)
10	Keya Cosmetics Ltd.	98,687	1,166,509	631,597	(534,912)
11	LankaBangla Finance Ltd.	798,842	19,738,041	20,769,892	1,031,851
12	National Bank Ltd.	3,280,676	26,892,659	27,229,611	336,952
13	Olympic Industries Ltd.	183,375	47,449,941	23,104,694	(24,345,247)
14	Peoples Leasing and Financial Services Ltd.	181,498	6,838,382	544,494	(6,293,888)
15	Robi Axiata Ltd.	618,000	25,507,205	18,540,000	(6,967,205)
16	Runner Automobiles Ltd.	7,566	540,450	366,194	(540,450)
17	Shahjalal Islami Bank Ltd.	1,870,995	36,203,683	35,174,706	(1,028,977)
18	Square Pharmaceuticals Ltd.	216,880	50,354,773	45,501,424	(4,853,349)
19	Union Capital Limited	62,804	1,465,354	621,760	(843,594)
Investment in unquoted shares:					
1	CDBL	571,181	2,569,450	2,569,450	-
Total			454,876,200	324,482,940	(130,393,260)

* Investment in quoted shares

* Investment in unquoted shares

Total:

Cost Price

452,306,750

2,569,450

454,876,200

GSP FINANCE COMPANY (BANGLADESH) LIMITED
SCHEDULE OF FIXED ASSETS (CONSOLIDATED)

AS AT 31 DECEMBER 2022

ANNEXURE - B

Sl. No.	Particulars	COST			Rate %	DEPRECIATION			Written Down Value as on 31.12.22
		Opening Balance on 01.01.22	Addition during the year	Revaluation during the year		Adjustment during the year	Closing Balance as on 31.12.22	Charged during the year	
1	Land & Land Development	953,437,500	-	1,165,312,500	-	-	-	-	2,118,750,000
2	Office Building	20,535,534	-	-	10	-	20,535,534	180,818	14,659,182
3	Office Equipment	31,263,187	357,750	-	20	156,400	31,464,537	1,902,918	3,953,313
4	Furniture & Fixtures	8,750,747	-	-	10	38,959	8,711,788	171,329	347,541
5	Software	1,340,000	-	-	20	-	1,340,000	22,177	88,710
6	Office Decoration	695,534	-	-	10	-	695,534	15,733	141,596
7	Telephone Systems	1,196,991	3,800	-	20	-	1,200,791	1,928	4,107
8	Motor Vehicle	19,932,725	-	-	20	-	19,932,725	2,973,936	10,461,614
9	Electrical Goods & Installation	4,095,278	-	-	20	-	4,095,278	-	2
10	Generator & Installation	1,128,896	-	-	20	-	1,128,896	-	1
11	House Property	20,950,712	-	-	10	8,118,000	12,832,712	-	1
AS AT 31 DECEMBER 2022		1,063,327,103	361,550	1,165,312,500		8,313,359	2,220,687,794	5,268,839	2,148,406,067

GSP FINANCE COMPANY (BANGLADESH) LIMITED
SCHEDULE OF FIXED ASSETS (CONSOLIDATED)

AS AT 31 DECEMBER 2021

ANNEXURE - B

No.	Particulars	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	Rate %	Opening Balance on 01.01.21	Charged during the year	Adjustment during the year	Closing Balance as on 31.12.21	Down Value 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

GSP FINANCE COMPANY (BANGLADESH) LIMITED
SCHEDULE OF FIXED ASSETS
AS AT 31 DECEMBER 2022

ANNEXURE - C

SL No.	Particulars	COST				Rate %	DEPRECIATION				Written Down Value as on 31.12.22
		Opening Balance on 01.01.22	Addition during the year	Revaluation during the year	Adjustment during the year		Closing Balance as on 31.12.22	Charged during the year	Adjustment during the year	Closing Balance as on 31.12.22	
1	Land & Land Development	953,437,500	-	-	-	-	953,437,500	-	-	-	953,437,500
2	Office Building	20,535,534	-	-	-	10	20,535,534	180,818	-	19,875,467	660,067
3	Office Equipment	30,236,808	330,050	-	156,400	20	30,410,458	1,860,070	156,400	26,636,504	3,773,854
4	Furniture & Fixtures	8,653,382	-	-	38,959	20	8,614,423	167,085	38,954	8,305,075	309,347
5	Telephone Systems	1,196,991	3,800	-	-	20	1,200,791	1,928	-	1,196,584	4,107
6	Motor Vehicle	13,690,000	-	-	-	20	13,690,000	2,452,000	-	5,316,127	8,373,873
7	Electrical Goods & Installation	4,095,278	-	-	-	20	4,095,278	-	-	4,095,275	3
8	Generator & Installation	1,128,896	-	-	-	20	1,128,896	-	-	1,128,896	1
9	House Property	20,950,712	-	-	-	10	20,950,712	-	8,118,000	12,832,712	1
AS AT 31 DECEMBER 2022		1,053,925,101	333,850	-	8,313,359		1,045,945,592	4,661,901	8,313,364	79,386,839	966,558,753

** As per management decision in the 237th board meeting dated 08/08/2023 this asset is held for sale.

Revalued Assets:

SL No.	Particulars	COST				Rate %	DEPRECIATION				Written Down Value as on 31.12.22
		Opening Balance on 01.01.22	Addition during the year	Revaluation during the year	Adjustment during the year		Closing Balance as on 31.12.22	Charged during the year	Adjustment during the year	Closing Balance as on 31.12.22	
1	Land & Land Development	-	-	1,165,312,500	-	-	1,165,312,500	-	-	-	1,165,312,500
2	Office Building	-	-	-	-	10	-	-	13,999,118	-	13,999,118
Total		-	-	1,165,312,500	-		1,165,312,500	-	13,999,118	-	1,179,311,618
GRAND TOTAL AS AT 31 DECEMBER 2022		1,053,925,101	333,850	1,165,312,500	8,313,359		2,211,258,092	4,661,901	22,312,482	79,386,839	2,145,870,371

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	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	-	-	-	10	20,535,534	385,840	-	19,694,649	840,885
3	Office Equipment	30,141,758	95,055	-	-	20	30,236,814	1,904,818	-	24,932,934	5,303,877
4	Furniture & Fixtures	8,653,382	-	-	-	10	8,653,382	201,937	-	8,176,954	476,427
5	Telephone Systems	1,196,991	-	-	-	20	1,196,991	2,387	-	1,194,756	2,235
6	Motor Vehicle	3,690,000	10,000,000	-	-	20	13,690,000	736,932	-	2,864,127	10,825,873
7	Electrical Goods & Installation	4,095,278	-	-	-	20	4,095,278	-	-	4,095,276	2
8	Generator & Installation	1,128,896	-	-	-	20	1,128,896	-	-	1,128,896	-
9	House Property	20,950,712	-	-	-	10	20,950,712	-	-	20,950,711	1
	AS AT 31 DECEMBER 2021	1,043,830,046	10,095,055	-	-		1,053,925,101	3,231,914	-	83,038,302	970,886,799



জি. কে. এডজাস্টার্স লিঃ
G.K. ADJUSTERS LTD.

[Licenced Certified Surveyor Government of Bangladesh]

VALUATION REPORT ANNEXURE-D

CHAND MANSION [5th Floor]
66, Dilkusha C/A, Dhaka-1000.
Phone # + 88-02-223351620
02-223382343, 02-47122819
E-mail : gkalbd@yahoo.com
Website: www.gkal-bd.com

Valuation Report # GKAL:VL:08:1999:2008:22 dt:08.11.22

of

GSP Finance Company (Bangladesh) Limited

1, Paribagh,

Mymensingh Road,

Ramna, Dhaka.



CHITTAGONG OFFICE :139/31, COMMERCE COLLEGE ROAD, PHONE # 031-711202 , KHULNA OFFICE :# 01715404008.



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INTRODUCTION

*As a part of the assigned service, the team of **G.K. ADJUSTERS LTD.** has performed a physical verification of Assets (Land & Land developments) listed in the company's financial statement as on December 31, 2022. Information from available sources has been assembled, and inquiries on the planning permission & location of the properties carried out. Our procedure also includes verifying the ownership of assets, and reliability and accuracy of other information provided by the management.*

*Please note that for the purposes of this assignment a Government Licensed Survey Firm **G.K. ADJUSTERS LTD** has been appointed in order to present an independent assessment of the valuation of the said assets.*

The subsequent part of the report elaborates on the assignment including methodology applied, the process used, and methods of valuation, detailed particulars of land and land development.

THE ENGAGEMENT TEAM

*As independent valuer of **G.K. ADJUSTERS LTD**, we have employed sufficient number of skilled and experienced peoples to perform the assignment diligently. For the purposes of this assignment, Survey firm **G.K. ADJUSTERS LTD** has been appointed by GSP Finance Company (Bangladesh) Limited in order to present an independent assessment of the valuation of the said assets. The persons involved in valuation process as follow:*

SL#	Name	Role	Qualification	Experience
1	Ms. Sathi Yasmin	Managing Director & Chief Surveyor	C.I.M.A [UK] Licensed Surveyor of IDRA .	20 years
2	Mr. Md. Oliul Islam Khan	Senior Surveyor	Graduate. Professionally trained in survey.	24 years
3	Mr. Md. Motaleb Hossain	Senior Surveyor	MBS (Accounting).	14 years

FAIRNESS OF OPINION

The valuation has been undertaken in accordance with the International Valuation Standard (IVS) as well as complying with the requirement of BSEC Directive no. SEC/CMRRCD/2009 - 193/150/ Admin; dated August 18, 2013. Thus the fundamental principles of Ethical Conduct namely integrity, objectivity, competence, confidentiality and professional behavior have been maintained throughout the valuation and have taken all possible steps to avoid or mitigate possible threats to compliance of these principles. As the scope of work was a valuation based on market value of land only, the relevant IVS were: IVS Framework, IVS 103: Reporting and IVS 400: Real property Interest.





OBJECTIVE OF THE ASSIGNMENT

The main objective of the assignment is to determine the present/current value of land and building of GSP Finance Company (Bangladesh) Limited by applying recognized, accepted and realistic procedure of valuation methods on agreed date. The basic reasons for revaluation are to present a true and fair value of Lands and Development of the company in the Balance Sheet of the company.

CUT-OFF DATE

The cut off the valuation is November 06, 2022.

METHODS USED

The team will adopt current market price method for land and building.

BASIS OF VALUATION OF LAND

To determine the basis of valuation of land in Dhaka city is rather a difficult and tricky proposition as there is no uniformity in price of land. It has been observed on many occasion that plot lying side by side and having equal facilities may fetch different price without any apparent and convincing reason. We have as such valued the land on the basis of plot being purchased and sold in the locality during the last six month. We have also enquired from the local people and inhabitants of the area at a random basis to arrive at an average consensus value as to the present price of the land in the locality.

Again, value of the land in the present market condition is a relative term as the seller and the buyer look at it from different point. Moreover, it differs from a willing seller and an unwilling seller and similarly a willing buyer will have different value then that of an unwilling buyer.

BASIS OF VALUATION OF BUILDING

The building has been valued taking into consideration the present cost of construction materials, labour cost and workmanship etc. as well as we have taken into consideration the materials used for the construction of the building and the quality of its finishing work, fixture and fittings etc. to arrive at a fair and reasonable value of the same.

FOR VALUATION OF LAND THE FOLLOWING FACTORS WERE CONSIDERED

For land valuation in various occasions we found that the plot(s) located side by side with the same facilities and importance, fetch different prices, without obvious reason whatsoever. During the course of valuation, we have inquired local people with a view to arrive at an average consensus rate as to the market price of the land in locally, also considering location, size of the land and the infrastructure in and around and future prospects of the locality. We also consider plot being purchased and sold in that particular area.





For the purpose of this assignment a Survey firm G.K. ADJUSTERS LTD has been appointed in order to provide an independent assessment of the valuation.

The property is located at 1, Paribagh, P.S. Ramna, Dist: Dhaka, under Dhaka municipal corporation, Mouza: Ramna, J.L. # 04, Sheet # 21, Ward# 22, Touzi # 5237BI, C.S. Khatian # 16837 and S.A. Khatian#14, part of C.S. Dag # 08 and S.A. Dag # 9/75. The total area of land measuring 01 bigha, 01 katha, 03 chatak equivalent to 21.1875 katha.

METHODOLOGY

Our investigation included review and analysis of those information as well as discussions with Company management concerning the history and nature of business, its economic status and prospects and personal inspection of the Company property, which also included a review and analysis of pertinent proprietary information. For the purpose of valuation, we have carried out the following works:

A PHYSICAL VERIFICATION OF THE LAND AND LAND DEVELOPMENT IN QUESTION HAS BEEN UNDER TAKEN

All the land sites under evaluation were visited and measured in accordance with the deeds held by GSP Finance Company (Bangladesh) Limited. By measuring and physically verifying reconciliation of the actual property and plant was carried out. The plot of land measuring more or less 01 bigha 01 katha 03 chatak equivalent to 21.1875 katha as per papers as submitted to us.

It is a commercial plot and bounded by Paribagh main road on the north, three storied and five storied 1st class structure building of other owners on the south, land of P.G. Hospital on the east, pucca road on the west, The plot is located opposite of SPL Diganta Tower and about 50 yards off towards west from Kazi Nazrul Islam Avenue. The plot is encircled by average 7 ft. high burnt bricks boundary wall on all sides with an iron gate. Facilities like gas, water and electricity etc. are available within the plot.

THE CONDITION OF THE BUILDING

Present occupancy and physical condition of all the land sites were checked to get reasonable assurance on the condition of the land and building. A three storied 1st class structure [2nd floor 2nd class structure] commercial building has been constructed over the plot. It is an old building and the details description of the building has been shown in the valuation portion of the report.

RE-ASSESSED THE REPLACEMENT COST AND/OR RE-SALE VALUE OF ASSETS

The team worked on re-assessing the replacement cost or resale value of land and land development. As the revaluation date cost value of the assets are as follows:

<i>Particulars of Assets</i>	<i>Amount in Tk.</i>
<i>Land and land development</i>	<i>Tk: 95,34,37,500.00</i>
<i>Buildings</i>	<i>Tk: 8,40,885.00</i>





INFORMATION WAS EXTRACTED AND VERIFIED WITH VARIOUS SOURCES OF THE CONCERNED REGION

Information from local brokers as well as from the officers at the revenue office was gathered. This process allowed the Valuers to obtain territory rates currently applicable for the concerned area in question. Dissemination of information with regards to City corporation rates was provided and the assessment of the Valuers is based in totality on this information.

FACTORS CONSIDERED FOR EVALUATION OF LANDS

We have taken in to account the following elements:

- Location of the land;
- Commercial importance of the area;
- Means of communication;
- Long-term possession right on the lease hold land;
- Demand/scarcity of land in the area;
- Size of the land;
- Recent sale prices of land adjacent to the relevant areas;
- Rate procured from the respective/ concerned authorities;
- Land actually in possession of the Company.

OTHER FACTORS WHICH WERE TAKEN INTO CONSIDERATION ARE THE FOLLOWING

- Whether the land has planning permission
- Location, Accessibility and availability of resources surcharges & electricity
- Size of land and future potential development & Information from local residents.

VALUATION REPORT

As per our scope of services and appointment instructions, GSP Finance Company (Bangladesh) Limited was appointed to provide an opinion on the current value of assets under the scope of work. With the help of qualified Survey firm (independent reviewers), the following valuation for each of the assets have been derived upon.

Please see the following and remaining pages for details of land and its valuation.

PRESENT VALUE OF THE LAND

From our local enquiry and cross check we are of the considered view that the present price of the land in the area under is around **Tk:10,00,00,000.00 per katha** on an average taking into consideration as to the location, size of the plot and the facilities in and around.

Therefore, on the basis of our above calculated estimate, the value of 21.1875 katha land comes to **Tk:211,87,50,000.00**



**PRESENT VALUATION OF THE BUILDING**

*Three storied 1st class structure [2nd floor 2nd class structure]
commercial building*

Ground floor

*Built of burnt bricks wall with paint, tiles/
mosaic floor, RCC beam/column /roof,
wooden/thai door, steel/ thai aluminum
glass with grill windows, well decorated
office room etc. measuring*

3,900 sft. @ Tk:2,000.00 Tk: 7,800,000.00

1st floor

*Construction same as that of ground floor
etc. measuring*

2,500 sft. @ Tk:2,000.00 Tk: 5,000,000.00

2nd floor

*Built of burnt bricks wall with paint,
tiles/mosaic floor, C.I sheet roof over M.S
angle with false ceiling, wooden/ thai
door, steel/thai aluminum glass with grill
windows, well decorated office room*

2,500 sft. @ Tk:1,500.00 Tk: 3,750,000.00

Other cost

*Electricity, gas & water, iron gate,
boundary wall etc.*

>> Lump sum Tk: 2,000,000.00
Tk:18,550,000.00
Less: 20% depreciation [-] Tk: 3,710,000.00
Tk:14,840,000.00

*On the basis of our above calculated estimate, the present value of the land and building has been
summerised as under:*

SUMMARY OF VALUATION

Land : 2,11,875 decimal @ Tk:10,00,00,000.00 Tk:211,87,50,000.00
Building: Tk: 1,48,40,000.00
Tk:213,35,90,000.00

A set of photograph of the land & building and its projection is enclosed herewith.





RESTRICTION, RELIANCE ON INFORMATION AND DISCLAIMER

We G.K. ADJUSTERS LTD state that we do not have any direct or financial interest in the Properties described herein. The valuer's inspection and report does not constitute a structural survey and is not intended as such. This report is also provided on the basis that we will not be liable for losses resulting from natural reason and Government policy.

This report is relevant as at the date of preparation and to circumstances prevailing at that time. However, within a rapidly changing for pandemic/epidemic economic environment experiencing fluctuations in interest rates, rents and building expenditure, returns on property and values as a consequence can change over a relatively short time scale. We therefore strongly recommend that before any action is taken involving acquisitions, disposal, shareholding restructure or other transaction, that you consult the valuer.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period, (Including as a result of general market movements or factors specific to the particular Properties). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any of the valuation, or such earlier date if you become aware of any factors that have any effect of the valuation.

In preparing our valuation assessment, we have relied upon and assumed the accuracy and completeness of all information that is available from public sources and all information that was furnished to us by GSP Finance Company (Bangladesh) Limited. We have evaluated that information through analysis, inquiry and examination for the purpose of forming our indicative valuation assessment.

Our report has been prepared with utmost care and diligence and the statements and conclusions in our report are given in good faith and belief, on reasonable grounds, that such statements and conclusions are not false or misleading. We have made certain forecast and we believe these are realistically assumed. The purpose of placing the valuation was to give a realistic valuation of fixed assets. Such valuation may be relied upon for any other purpose but we do not assume any responsibility if the user differs with the conclusions arrived at this report for any purpose other than those mentioned in this report.

This report is issued without prejudice.

Thanking you,

*Sincerely yours,
For G.K. Adjusters Ltd,*

*Sathi Yasmin
Director*





GSP Finance Company (Bangladesh) Limited

1, Paribagh, Mymensingh Road,
Dhaka-1000.

PROXY FORM

I/We
ofbeing a shareholder

of GSP Finance Company (Bangladesh) Limited do hereby appoint

Mr./Mrs.
of

(or failing his/her)

Mr./Mrs.
ofas my/our Proxy

to attend and vote on my/our behalf at the 10th Extra Ordinary General Meeting and 28th Annual General Meeting of the Company to be held on Tuesday, December 26, 2023 at 11:30 a.m. and 12:00 p.m. respectively 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 thisday of December, 2023

.....
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.



GSP Finance Company (Bangladesh) Limited

1, Paribagh, Mymensingh Road,
Dhaka-1000.

ATTENDANCE SLIP

I/We hereby record my/our attendance at the 10th Extra Ordinary General Meeting and 28th Annual General Meeting of the Company to be held on Tuesday, December 26, 2023 at 11:30 a.m. and 12:00 p.m. respectively 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 EGM and 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 EGM and AGM.

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



GSP FINANCE COMPANY (BANGLADESH) LIMITED

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

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