ANNUAL REPORT 2016

GSP FINANCE
creating opportunities

GSP FINANCE COMPANY (BANGLADESH) LIMITED

AMAR STOCK

ANNUAL
REPORT 2016

GSP FINANCE COMPANY (BANGLADESH) LIMITED

AMARSTOCK

Contents

Letter of Transmittal 04

Notice of the 9th Extra Ordinary General Meeting & 22nd Annual General Meeting 05

Vision, Mission, Strategic Objectives and Core values 07

The Company at a Glance 08

Products and Services 08

Corporate Information 09

Board of Directors 10

Brief Profile of the Directors 11

Committees of the Board & Management 15

Capital and Shareholding Structure 16

Message from the Chairman 17

Message from the Managing Director 19

Directors' Report 21

Report of the Audit Committee 28

Certificate on Compliance of Corporate Governance Guidelines 29

Compliance Report on BSEC's Notification 30

Compliance Report on the Good Governance 42

Financial Highlights 45

Auditors' Report to the Shareholders 48

Financial Statements 49

Notes 62

Proxy Form and Attendance slip 101

AMAR STOCK

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, 2016

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, 2016 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 2016 and along with notes thereon for your kind perusal and record.

Thanking you,

Sincerely yours,

Md. Mizanur Rahman
Company Secretary

Date: April 09, 2017

AMAR STOCK

Notice of the 9th Extra Ordinary General Meeting & 22nd Annual General Meeting

Notice is hereby given that the 9th Extra Ordinary General Meeting and 22nd Annual General Meeting of the shareholders of GSP Finance Company (Bangladesh) Limited will be held on Tuesday, May 23, 2017 at 11.00 a.m. and 11.30 a.m. respectively at 'Raowa Convention Hall' (Helmet Hall - 1), VIP Road, Mohakhali, Dhaka-1206 to transact the following business:

Special Resolution:

01. To consider amendment of Article no. 83, Article no.134 and Article no.135 of the Articles of Association of the Company.

Proposed Special Resolutions:

"RESOLVED that the Article No.83 of the Articles of Association of the Company be and is hereby amended as proposed below:

Existing	Proposed
The quorum for a General Meeting for all purposes shall consist of not less than five persons, holding or representing by proxy or attending as the representative in accordance with Article 81 hereof shares carrying not less than 51% of the total issued voting power of the company upon which all calls or other sums then due have been paid.	The quorum for a General Meeting for all purposes shall consist of not less than five persons, holding or representing by proxy or attending as the representative in accordance with Article 81 hereof shares carrying not less than 21% of the total issued voting power of the company upon which all calls or other sums then due have been paid.

"RESOLVED that the Article No.134 of the Articles of Association of the Company be and is hereby amended as proposed below:

Existing	Proposed
The Director may meet together for the dispatch of the business, adjourn and otherwise regulate their meetings as they think fit. A Director may, and the Secretary on the requisition of a Director shall, at any time, summon a meeting of Directors. Until otherwise determined by the Directors, at least 14 days notice shall be given in the case of a meeting of the Board of Directors with a statement of notices as are required to be given in the case of General Meeting and such notice shall be given to all Directors who are away from Bangladesh by cable or telex. In case of emergencies, the Board meeting can be held with shorter notice with the consent of all the Directors.	The Director may meet together for the dispatch of the business, adjourn and otherwise regulate their meetings as they think fit. A Director may, and the Secretary on the requisition of a Director shall, at any time, summon a meeting of Directors. Until otherwise determined by the Directors, at least 7 days notice shall be given in the case of a meeting of the Board of Directors with a statement of notices as are required to be given in the case of General Meeting and such notice shall be given to all Directors who are away from Bangladesh by cable or telex. In case of emergencies, the Board meeting can be held with shorter notice with the consent of all the Directors.

"RESOLVED FURTHER that the Article No.135 of the Articles of Association of the Company be and is hereby amended as proposed below:

Existing	Proposed
Subject to Section 91B of the Act, the quorum necessary for the transaction of the business of the Directors shall be five, representing not less than 40% of the total issued voting powers in the Company upon which all calls or other sums and dues have been paid.	Subject to Section 91B of the Act, the quorum necessary for the transaction of the business of the Directors shall be five or more personally present.

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, 2016.
02. To declare Dividend for the year ended December 31, 2016.
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.
04. To appoint Auditors of the Company for the year 2017 until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board



Md. Mizanur Rahman
Company Secretary
Dated: April 09, 2017

Notes:

01. The Record Date is April 30, 2017

02. The Shareholders whose name will appear in the Share Register of the Company and in the Depository Register on the date will be eligible to attend the 9th Extra Ordinary General Meeting & 22nd Annual General Meeting and qualify for the dividend to be declared at the AGM.

03. A shareholder eligible to attend and vote at the Extra Ordinary General Meeting (EGM) & Annual General Meeting (AGM) may appoint a proxy to attend and vote in his/her place by filling proxy Form. The proxy Form must be affixed with a revenue stamp of Tk.20/- and submitted to the Registered Office of the Company not later than 48 hours before the day of the Extra Ordinary General Meeting & Annual General Meeting.

04. Members are requested to update their respective BO Accounts with 12 digit Tax Payer's Identification Number (TIN), Bank Account, mailing address and contact number through their respective Depository Participant (DP) before the Record Date; Advance Income Tax (AIT) @ 15% (instead of 10%) will be deducted from eligible cash dividend, if anyone fails to update his/her BO Account with the 12 digit TIN before the Record Date.

05. Shareholders' attendance counter will open at 7.00 a.m. and to be continued till 11.00 a.m.

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

AMAR STOCK

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

AMAR STOCK

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

Deposit schemes

Monthly income deposit
Quarterly income deposit
Half yearly income deposit
Double income deposit

GSP Investments Limited

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

Issue Management
Underwriting
Portfolio Management
Margin Loan
Advisory Services on securities
Private placement

CORPORATE INFORMATION

Registered Name of the Company

GSP Finance Company (Bangladesh) Limited

Legal Form

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

Company Registration No.

C-29591 (879) / 95

Bangladesh Bank License No.

আঃপ্রঃ(অ-ব্যাংকিং)বিভাগ/ঢাকা/১০/৯৬

GSP Investments Limited - License No.

(A Subsidiary of GSPB)
MB- 88/2014

Registered Office

1, Paribagh, Mymensingh Road,
Dhaka-1000, Bangladesh.
Tel: +880-2-9674306, 9674425 (Auto Hunting)
Fax: +880-2-9674194

Website

www.gspfinance.com

Legal Advisor

Chowdhurys & 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 Siddiqui Wali
Chartered Accountants
9-G, Mitijheel C/A, 2nd Floor,
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)

Principal Bankers

BASIC Bank Ltd.
Commercial Bank of Ceylon PLC
Dutch- Bangla Bank Ltd.
Mutual Trust Bank Ltd.
Shahjalal Islami Bank Ltd.
Standard Bank Ltd.
The City Bank Ltd

Stock Brokers

Multi Securities & Services Limited
Haji Ahmed Brothers & Securities Ltd.

Chairman

Mr. Feroz U. Haider

Managing Director & CEO

Mamoon Mahmood Shah

Company Secretary

Mr. Md. 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
Independent Director &
Vice Chairman of the Board

Mr. Moin U. Haider
Director of the Board &
Chairman, Executive Committee

Col. M. Nurul Islam Psc. (Retd.)
Independent Director &
Chairman, Audit Committee

Mr. Wolf -Peter Berthold
Director of the Board

Mr. Wajid Ali Khan Panni
Director of the Board
Nominated by Amber Hill Global Resources Limited

Mr. Mohamed Abdul Jalil
Director of the Board
Nominated by Tai Ping Asian Investment Limited

Ms. Silwat A. Haider
Director of the Board

Mamoon Mahmood Shah
Managing Director & CEO

AMAR STOCK

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. From 1976 to 1978 he was the General Manager of Gulf Finance Company Limited, Hong Kong. In 1979 and 1980 he was the Manager, Operations Bangladesh of American Express Bank Limited. From 1981, he was the Managing Director of GSP Finance Company Limited, Hong Kong and GSP International Limited, Vanuatu. From 1989 to 1996 he was the Chairman of GSP International 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 and at present he is serving as Chairman.



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) and again he elected as Member of 9th 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 Westminister 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 is 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 is the first Bangladeshi to have been elected to this highest office of global parliamentary leadership.



Dr. ATM Shamsul Huda
Independent Director &
Vice Chairman of the Board

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. Dr. ATM. Shamsul Huda has been elected as Vice Chairman of the Board of GSP Finance Company (Bangladesh) Limited in its 195th meeting held on December 07, 2016.



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. Mr. Moin U. Haider has been elected as Chairman of the Executive Committee of the Board of GSP Finance Company (Bangladesh) Limited in its 195th meeting held on December 07, 2016



Col. M. Nurul Islam Psc. (Retd.)

Independent Director &
Chairman, Audit Committee

Col. M. Nurul Islam Psc. (Retd.) joined GSP Finance Company (Bangladesh) Limited in February 2000 as an Executive Director and recently he is appointed as an Independent Director of the Company Prior to joining GSP Finance Company (Bangladesh) Limited, he ran his own business in export, import and trading. He started his Army career as a commissioned officer in 1969 in the Pakistan Army and retired as a Colonel in 1996. Col. Islam has received extensive training in the armed forces, including attending different military courses in Australia (1978), USA (1988) and China (1989). Col. Islam graduated from the Staff College in 1982.



Mr. Wolf-Peter Berthold

Director of the Board

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



Mr. Wajid Ali Khan Panni

Director of the Board
Nominated by Amber Hill Global Resources Limited

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



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.



Ms. Silwat A. Haider

Director of the Board

Ms. Silwat A. Haider Director of GSP Finance Company (Bangladesh) Limited served as a Management Consultant with AEA Consulting London, UK from 2001 to 2003. Between 2003 to 2005 she served with Arts Council England, London, UK as a Capital Projects Officer. Ms. Haider also served as Grants Manager for Capital Projects with Big Lottery Fund London, UK; European Social Fund (ESF) Programme Coordinator with Learning and Skills Council (LSC) London, UK and Project Manager with Mouchel, Management Consultancy, London, UK. At present she is working as a Project Director of Natural History Museum, London, UK. During her long tenure, she has worked in various areas of Arts, Culture & Economics. 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. She is also a qualified PRINCE 2 Practitioner and MSP Practitioner.



Mr. Mamoon Mahmood Shah

Managing Director & CEO

Mr. Mamoon Mahmood Shah has joined GSP Finance Company (Bangladesh) Limited as Managing Director & CEO on August 01, 2016. Prior to his joining he was the Managing Director of National Finance Ltd. He was also served as Managing Director of ICB Islamic Bank limited. Before that he was the Deputy Managing Director in Eastern Bank Ltd. Beside he also worked in HSBC, Standard Charted & ANZ Grindlays Banks in various senior positions.

He started his banking career with IFIC Bank as 3rd Batch Probationary Officer in 1987. Mr. Mamoon obtained Masters in Accounting from University of Dhaka. He attend a number of workshop & seminars at home and abroad.

AMARSTOCK

COMMITTEES OF THE BOARD & MANAGEMENT

Executive Committee

Chairman
Mr. Moin U. Haider

Members
Mr. Feroz U. Haider
Mr. Saber Hossain Chowdhury
Col. M. Nurul Islam Psc. (Retd.)

Audit Committee

Chairman
Col. M. Nurul Islam Psc. (Retd.)

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

Management Committee (MANCOM)

Chairman
Mr. Mamoon Mahmood Shah

Members
Mr. Helal Uddin
Mr. Mizanur Rahman
Mr. Syed Sharif Zamal
Ms. Zeenat Alam
Mr. Sazzad Hossain

Asset-Liability Management Committee (ALCO)

Chairman
Mr. Mamoon Mahmood Shah

Members
Mr. Helal Uddin
Mr. Mizanur Rahman
Mr. Syed Sharif Zamal
Ms. Zeenat Alam
Mr. Sazzad Hossain

Anti Money Laundering Compliance Committee

Chairman
Mr. Mamoon Mahmood Shah

Members
Mr. Mizanur Rahman
Ms. Zeenat Alam
Mr. Sazzad Hossain
Mr. Wahidul Islam
Mr. Saifur Rahman Bhuiyan

Credit Committee

Chairman
Mr. Mamoon Mahmood Shah

Members
Mr. Helal Uddin
Mr. Mizanur Rahman
Mr. Syed Sharif Zamal
Ms.Zeenat Alam
Mr. Wahidul Islam

BASEL Implementation Committee

Chairman
Mr. Mamoon Mahmood Shah

Members
Mr. Mizanur Rahman
Ms.Zeenat Alam
Mr. Wahidul Islam
Mr. Mahabubul Alam

Risk Management Forum

Chairman
Mr. Mamoon Mahmood Shah

Members
Mr. Helal Uddin
Mr. Mizanur Rahman
Mr. Syed Sharif Zamal
Mr. Wahidul Islam
Mr. Fatehul Sharif

Integrity Committee

Chairman
Mr. Mamoon Mahmood Shah

Members
Mr. Helal Uddin
Mr. Mizanur Rahman
Mr. Syed Sharif Zamal
Mr.A.K.M. Mojibul Haque
Mr. Ramzan Hossain

AMARSTOCK

CAPITAL AND SHAREHOLDING STRUCTURE

		Amount in Taka	
Share Capital		2016	2015
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			
104,632,695 ordinary shares of Tk. 10 each		1,046,326,950	1,046,326,950
Shareholders:	% of share holding 2016	Amount in Taka 2016	2015
A. Foreign Shareholders			
Institutions:			
Tai Ping Asian Investment Limited	10.42%	108,979,210	108,979,210
Amber Hill Global Resources Ltd.	7.65%	80,032,790	80,032,790
Individuals:			
Mr. Wolf - Peter Berthold	3.59%	37,521,670	37,521,670
Sub Total	21.66%	226,533,670	226,533,670
B. Domestic Shareholders			
Institutions:			
Karnaphuli Industries Limited	9.07%	94,913,860	94,913,860
SF Haider Foundation Limited	0.80%	8,321,150	8,321,150
Individuals:			
Mr. Feroz U. Haider	8.07%	84,406,110	84,406,110
Mr. Aziz Al Kaiser	5.80%	60,711,870	60,711,870
Mrs. Tabassum Kaiser	5.80%	60,711,870	60,711,870
Mr. Moin U. Haider	2.00%	20,926,550	20,926,550
Ms. Silwat A. Haider	2.00%	20,926,580	20,926,580
Mr. Siraj U. Haider	0.95%	10,000,000	10,000,000
Ms. Ishmam Raidah Rahman	0.62%	6,507,280	6,507,280
Mrs. Shahin Haider	0.62%	6,493,240	6,493,240
AVM (Retd.) Altaf Hossain Choudhury Ndu. Psc	0.36%	3,786,010	3,786,010
Col. M. Nurul Islam Psc. (Retd.)	0.17%	1,787,720	1,787,720
Sub Total	36.26%	379,492,240	379,492,240
C. General Shareholders	42.08%	440,301,040	440,301,040
Total (A+B+C)	100.00%	1,046,326,950	1,046,326,950



Message from The Chairman

Bismillahir Rahmanir Rahim
Distinguished Shareholders:

Assalamu Alaikum,

It gives me immense pleasure to welcome you all at the 22nd 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 to the honorable members of the Board of Directors for their presence, active support and co-operation for the growth of the company.

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 resilience power to overcome any kind of stress emanating from external & internal factors.

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

The country went through a number of major challenges in 2016 which include bearish capital market, the falling gap between deposit and lending rates etc which has affected the depositors to keep money with Banks & FIs and consequently they are diverting their funds to saving instruments of Govt. Despite this due to activities in export market, good harvests and inward foreign remittances though declined compared to 2015, Bangladesh witnessed a 7.05 percent GDP growth in 2016 which resulted in hefty foreign exchange reserve of about US $ 31 billion.

The year 2016 of course has been a truly challenging one for the country as well as the financial sector and the over all economy, but I am happy to say that the performance of the Company in 2016 is better despite the obstacles of last year.

In the year net profit after tax and provision was reported at Tk 267 million as compared to previous year's Tk 188 million. I firmly believe that we shall be able to meet all the present & future challenges, more courageously and manage the situation in a better way than even before.

We understand that the year 2017 will be a hard year for FIs. The key challenging factor will be to compete with Banks in securing deposits and lending at low rates. As FI, depositors expect more rate of interest on deposit but while borrowing from FIs customers demand parallel rate with Banks which is a difficult phenomenon for FIs to provide due to high cost of fund of most of the FIs. Already war on cutting interest rate is going on and in the race FIs have to lag behind for higher cost of fund than Banks. Despite that we are to survive by rendering better & quick service to our customers - both depositors & borrowers.

GSP Finance Company (Bangladesh) Limited continuously reviews its human resource policies and implements effective management policies and practices to enhance the productivity of the employee by promoting the sense of belongingness. We believe that our human resources are our great assets 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. Congenial atmosphere in office is maintained and staff welfare measures are taken adequately in order to augment corporate social responsibility.

I would like to express my sincere thanks to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Registrar of Joint Stock Companies and Firms, National Board of Revenue (NBR) and all other regulatory authorities for their continued guidelines, co-operation and positive outlook towards running the company steadfastly.

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

May the Almighty Allah bless us all.



Feroz U. Haider
Chairman



Message
form The Managing Director

Bismillahir Rahmanir Rahim
Dear Shareholders:

Assalamu Alaikum,

It is indeed a great pleasure for me to be here with you in the 22nd Annual General Meeting of GSP Finance Company (Bangladesh) Limited and to address our honorable shareholders in this annual event as Managing Director & CEO of your esteemed financial institution.

We are pleased to disclose that despite various challenges faced by us in the overall business environment, economic scenario and industry competition, GSP Finance Company (Bangladesh) Limited has been able to achieve the financial results.

In the year 2016, financial institutions faced number of challenges likes depressed capital market, decreasing lending rates, pre-mature adjustment of lease/ loan, severe market competition etc. Despite all the adversities, the company has attained a significant growth in respect to loan disbursement, fund mobilization, and profitability. I am pleased to share the accomplishments and achievements of 2016 with you all.

The skilled human resources are greatest assets of the company and considering this factor we recruit well qualified officers & give them adequate training for delivery of right kind of result at right kind of time. Confidence building is also another kind of approach to train them up to meet any sort of situation or crisis just like a leader of the profession.

At GSP Finance Company (Bangladesh) Limited, we are committed to offer the highest level of service to our clients while generating sustainable revenue and benefits for our shareholders. The Management team is pledged to maintain high level ethical standard and professionalism. We firmly believe that our annual report appropriately reflects fair view and transparency for our shareholders in particular and for public in general.

GSP Finance Company (Bangladesh) Limited will continue its journey towards higher ethical standard of corporate governance, statutory compliance and stability and will strive to perform well under various macro economic, political and regulatory stresses.

I wish to express my profound gratefulness to all the members of the Board of Directors of GSP Finance Company (Bangladesh) Limited who have extended their all out support and advices to enable me to render my services without any let & hindrance which is a pre-condition for the growth of a company.

Finally, on behalf of the management of the Company, I also express my thanks and heartiest gratitude to all of our honorable shareholders, directors, regulatory authorities including Bangladesh Bank, BSEC, NBR, DSE, CSE, RJSC, our auditors, valued customers and members of staff of the company for their continued support, guidance, advice/co-operation for the successful operation of the Company during the year 2016.

With thanks and best regards,

Mamoon Mahmood Shah
Managing Director & CEO

AMAR STOCK

Directors' Report

Bismillahir Rahmanir Rahim
Dear Shareholders,

Assalamu Alaikum,

On behalf of the Board of Directors of GSP Finance Company (Bangladesh) Limited, I am pleased to present the Annual Report and the Audited Financial Statements of the Company for the year ended December 31, 2016 together with the Auditors' Report thereon, for consideration and approval of our honorable shareholders. This report has been prepared in compliance with the section 184 of the Companies Act 1994, BSEC's Notification of 2012, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and the guidance issued by Bangladesh Bank and other regulatory authorities.

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

PRINCIPAL ACTIVITIES OF THE COMPANY

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

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

OPERATIONAL PERFORMANCE OF THE COMPANY

2016 was a year of challenge for the financial sector of the country as well as for GSP Finance Company (Bangladesh) Limited. Excess liquidity, reduced demand for investment in the private sector and slow progress in recovery activities posed great problem for us. 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 assets quality by strengthening the recovery of non-performing assets, emphasis on human resources development program to upgrade the skill 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 2016. The investment under lease finance of the Company stands at Tk. 677.46 million at the end of 2016.

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, finance against term deposits etc. As pointed out by the Bangladesh Bank, term finance by FIs are the alternate source of capital financing for the industrial growth in the country. The Company's investment under term finance registered a growth of 33.90% in 2016 which stood at TK. 5,460.16 million at the end of 2016.

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. 337.34 million as at December 31, 2016.

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. The risk of investment is minimized through diversification and investing mostly in fundamentally strong securities. In 2016, the Company earned Tk.12.50 million in the form of capital gain and dividend.

MONEY MARKET OPERATION OF THE COMPANY

We experienced a highly liquid market in 2016. Managing excess liquidity and balance sheet gap were the key challenges for the whole financial sector. Due to excess liquidity in the market inter Bank loan transfers were on the rise throughout the year. Early settlement of loan facilities by customers with access to cheaper funding from banks posed a serious threat to curtail our core activities, despite which we registered modest growth in our business.

Banking Arrangement: In 2016 the Company obtained Tk 569.32 million from banks against different form of borrowings to finance its operations and repaid Tk 451.93 million as per terms and conditions of contracts. During the year, the cost of borrowing decreased significantly.

Deposit Mobilization: GSP Finance Company (Bangladesh) Limited mobilizes term deposits from corporate and individuals though 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 deposits base of the Company continued to register a steady growth and stood at Tk. 3,689.30 million as on December 31, 2016

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 liquidity position in a prudent way to augment its earnings. GSP Finance Company (Bangladesh) Limited also maintains a very high standard commitment in money market operations and has built up a strong reputation for itself in the money market.

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 in the matter of 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 in accordance with BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 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 polices have been consistently applied except for the changes disclosed in the financial statements in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS) / Bangladesh Financial Reporting Standards (BFRS) as applicable in Bangladesh, have been consistently applied in preparation of the financial statements and any change or deviation has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company's ability to continue as a going concern.

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. 104, 63, 26,950 divided into 104,632,695 ordinary shares of Tk. 10 each. The shareholding pattern of the Company as at December 31, 2016 is shown on page 40 in this Annual Report as per clause 1.5 (xxi) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

BOARD MEETING ATTENDANCE AND REMUNERATION OF DIRECTORS

During the year ended on December 31, 2016 a total number of 09 (Nine) Board Meetings were held and attendance of directors are presented on page 40 and their remuneration paid during the year are given in Note-31 in this Annual Report as per clause1.5(xx) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

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 86 in this Annual Report as per clause1.5 (vi) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012, along with a certificate from a practicing Chartered Accountant have been presented on page 29 in this Annual Report as Compliance with BSEC's Notification.

FINANCIAL RESULT AND PROPOSED APPROPRIATION

The financial results of the Company and the proposed appropriation of profit of the year 2016 are summarized below with explanations in the enclosed audited Financial Statements:

Profit after tax	TK.286, 252,109
Retained earnings brought forward	TK. 3,688,593
Transfer to Statutory Reserve (20% on profit after tax)	TK. (57,250,422)
Profit available for declaration of Dividend for the year 2016	TK. 232,690,280

DIVIDEND

The Board of Directors of the Company has recommended 22% cash dividend (i.e. Tk 2.20 per share) for the year ended December 31, 2016 to its shareholders for approval in this AGM.

FORMATION OF SEPARATE 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. GSP Investments Limited is duly incorporated with the RJSC as a private limited company with an authorized capital of Tk. 500 million.

The Principal Activities of GSP Investments Limited are:

- Issue Management
- Underwriting
- Portfolio Management
- Corporate Advisory Services
- Private placement
- 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. Saber Hossain Chowdhury, Director representing Karnaphuli Industries Limited (2) Mr. Mohamed Abdul Jalil, Director representing Tai Ping Asian Investment Limited and (3) Mr. Moin U. Haider, Director of the Company will retire and being eligible, all of them offered themselves for re-election.

- Mr. Saber Hossain Chowdhury Director representing Karnaphuli Industries Limited appointed as Vice Chairman of the Board of the Company in its 195th Board of Directors Meeting held on December 07, 2016.

- Dr. ATM Shamsul Huda, Independent Director of the Company appointed as Vice Chairman of the Board of the Company in its 195th Board of Directors Meeting held on December 07, 2016.

- Mr. Moin U.Haider, Director of the Company appointed as Chairman of the Executive Committee of the Board of the Company in its 195th Board of Directors Meeting held on December 07, 2016.

APPOINTMENT OF AUDITORS

The Company's Auditors Malek Siddiqui Wali, Chartered Accountants will retire in the 22nd Annual General Meeting (AGM) of the Company and being eligible for re-appointment as per section 212 of the Companies Act 1994 and DFIM Circular no. 04 dated April 30, 2015 of Bangladesh Bank, the Board of Directors of the Company recommended for approval of re-appointment of Malek Siddiqui Wali, Chartered Accountants as Auditors of the Company for the year 2017 with fee of Tk.1,70,000/- plus VAT.

FUTURE OUTLOOK

The major challenges for the year 2017 will be stiff competition from banks and other financial institutions as a war on rate cut is going on since last year due to fall in the rate of interest on deposits and huge liquidity surplus in the Banks. Even the existing customers are resorting to premature adjustment of their Loans/ Lease by availing loans at low cost from other Banks & FIs. Despite the challenges, GSP Finance Company (Bangladesh) Limited will continue to look into its potentialities and development options with its business strategy. Development of an appropriate market niche, expansion in unexplored markets and quality asset growth with enhanced customer service shall be our priority. GSPB is also on its look out for deposits and loans at lower cost from the market in order to meet low cost demand for Loans & advances to compete and survive in the market.

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 Siddiqui Wali Chartered Accountants for their efforts in timely completion of the 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 members	Position in the committee	Position in the Board
1.	Col. M. Nurul Islam Psc.(Retd.)	Chairman	Independent Director
2.	Dr. ATM Shamsul Huda	Member	Independent Director
3.	Mr. Saber Hossain Chowdhury	Member	Director
4.	Mr. Mohamed Abdul Jalil	Member	Director
5.	Mr. Moin U. Haider	Member	Director

Meetings of the Audit Committee

The Committee held four meetings during the year 2016. The Senior General Manager (Finance) & Company Secretary, the Head of Internal Control & Compliance and other non-members attended the meeting by invitation of the Chairman.

Activities of the Audit Committee

The Audit Committee carried out the following activities during the year 2016

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

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 2016.

On behalf of the Audit Committee



Col. M. Nurul Islam psc.(Retd.)
Chairman

KAZI ZAHIR KHAN & CO.
CHARTERED ACCOUNTANTS
কাজী জহির খান এন্ড কোং
চার্টার্ড একাউন্ট্যান্টস।

Certificate on

Compliance of Corporate Governance guidelines to The shareholders of GSP Finance Company (Bangladesh) Limited.

We have examined the compliance of corporate governance guidelines of the Bangladesh Securities and Exchange Commission ("BSEC") by GSP Finance Company (Bangladesh) Limited (the "Company") as stipulated in clause 7(i) of the BSEC notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 for the year ended 31 December, 2016.

The compliance of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the Company's management. Our examination for the purpose of issuing this certification was limited to the checking of procedures and implementations thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

To the best of our information and according to the explanations given to us, we certify that, except as reported on the attached status of compliance statement, the Company has complied with the conditions of corporate governance stipulated in the above mentioned BSEC notification dated August 07, 2012 for the year ended 31 December, 2016.

N.H. Khan, FCA
Kazi Zahir Khan & Co.
Chartered Accountants

Dated: April 09, 2017

AMARSTOCK

STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE GUIDELINES (CGG)

Status of compliance with the conditions imposed by the Notification No SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 of Bangladesh Securities and Exchange Commission (BSEC) issued under section 2CC of the Securities and Exchange Ordinance 1969. Detailed in Annexure I, II & III below:

Annexure I

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.1	**Board's Size:** The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty)	✓		The number of Board members of the Company is nine (9) including two(2) Independent Directors as prescribed by the Bangladesh Bank.
1.2	**Independent Directors**			
1.2(i)	At least one fifth (1/5) of the total number of directors in the Company's Board shall be Independent Directors	✓		
1.2(ii)(a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid up shares of the company	✓		
1.2(ii)(b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship.	✓		
1.2(ii)(c)	Who does not have any other relationship, weather pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1.2(ii)(d)	Who is not a member, director or officer of any stock exchanges;	✓		
1.2(ii)(e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2(ii)(f)	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;	✓		

1.2(ii)(g)	Who shall not be an independent director in more than 3 (three) listed companies;	✓		
1.2(ii)(h)	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);	✓		
1.2(ii)(i)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1.2(iii)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the Shareholders in the Annual General Meeting (AGM)	✓		
1.2(iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;;	✓		
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	✓		
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	✓		
1.3	**Qualification of Independent Director (ID)**			
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1.3(ii)	The person should be a Business Leader/ Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The Independent Director must have at least 12 (twelve) years of corporate management/professional experiences.	✓		

1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			Not applicable
1.4	**Chairman of the Board and Chief Executive Officer:** The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	✓		
1.5	**The Directors' Report to Shareholders**			
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	✓		
1.5(iv)	A Discussion on cost of goods sold, gross profit margin and net profit margin	✓		
1.5(v)	Discussion on continuity of any extra-ordinary gain or loss			Not applicable
1.5(vi)	Statement of all related party transactions	✓		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others 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)	Remuneration to directors including independent directors	✓		
1.5(xi)	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)	Proper books of account of the issuer company have been maintained	✓		
1.5(xiii)	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)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS) / Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	✓		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	✓		
1.5(xvi)	There are no significant doubts 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 thereof should be disclosed.	✓		
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	✓		
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		

1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given			Not applicable, as the company declared cash dividend @ 22% for the year 2016.
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed	✓		
1.5(xxi)	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(xxi)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details):	✓		
1.5(xxi)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details):	✓		
1.5(xxi)(c)	Executives;	✓		
1.5(xxi)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1.5(xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:	✓		
1.5(xxi)(a)	A brief resume of the director;	✓		
1.5(xxi)(b)	Nature of his/her expertise in specific functional areas;	✓		
1.5(xxi)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		
2.0	**Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)**			
2.1	**Appointment:** The Company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		

2.2	**Requirement to attend the Board Meetings:** The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		
3.0	**Audit Committee:**			
3.0(i)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors	✓		
3.0(ii)	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.	✓		
3.0(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1	**Constitution of the Audit Committee:**			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) Independent Director	✓		
3.1(iii)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	✓		
3.1(iv)	Filling of casual vacancy in the Audit Committee	✓		

3.1(v)	The Company Secretary shall act as the secretary of the Committee;	✓		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without Independent Director ;	✓		
3.2	**Chairman of the Audit Committee**			
3.2(i)	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 ;	✓		
3.2(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM)	✓		
3.3	**Role of Audit Committee**			
3.3(i)	Oversee the financial reporting process	✓		
3.3(ii)	Monitor choice of accounting policies and principles	✓		
3.3(iii)	Monitor Internal Control Risk management process	✓		
3.3(iv)	Oversee hiring and performance of external auditors	✓		
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval	✓		
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	✓		
3.3(vii)	Review adequacy of Internal Audit function	✓		
3.3(viii)	Review statement of significant related party transactions submitted by the management	✓		
3.3(ix)	Review management letters/letter of internal control weakness issued by statutory auditors	✓		
3.3(x)	Declaration of Audit Committee by the company regarding utilization of IPO/PRO, Right Issue money	✓		

3.4	**Reporting of the audit committee:**			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors	✓		
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:	✓		
3.4.1(ii)(a)	Report on conflicts of interests;			No such event found
3.4.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			No such event found
3.4.1(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations;			No such event found
3.4.1(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately			No such event found
3.4.2	**Reporting to the authorities-** Reported to the Board of Directors about anything which has material impact on the financial condition and results of operation			No such event found
3.5	**Reporting to the Shareholders and General Investors:** Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1(ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Issuer Company.			No such event found
4.0	**External/Statutory Auditors:** The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:	✓		
4.0(i)	Appraisal or valuation services or fairness opinions	✓		

4.0(ii)	Financial information systems design and implementation	✓		
4.0(iii)	Book-keeping or other services related to the accounting records or financial statements	✓		
4.0(iv)	Broker-dealer services	✓		
4.0(v)	Actuarial services	✓		
4.0(vi)	Internal audit service	✓		
4.0(vii)	Any other services that the Audit Committee determines	✓		
4.0(viii)	No partner on 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	✓		
5.0	**Subsidiary Company:**			
5.0(i)	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	✓		
5.0(ii)	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	✓		
5.0(iii)	The minutes of the Board Meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	✓		
5.0(iv)	The minutes of the respective Board Meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	✓		
5.0(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	✓		

6.0	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):** The CEO and CFO shall certify to the Board that:			
6.0(i)	They have received financial statements for the year and that to the best of their knowledge and belief:	✓		
6.1(i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
6.1(i)(b)	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.	✓		
6.1(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 violation of the company's code of conduct.	✓		
7.0	**Reporting and Compliance of Corporate Governance:**			
7.0(i)	The Company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7.0(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the Director's Report whether the company has complied with these conditions.	✓		

Compliance of Section 1.5(xx) Annexure – II

Meeting of the Board of Directors and Audit Committee held during the year and attendance by each Director:-

Composition	Board of Directors Meeting		Executive Committee Meeting		Audit Committee Meeting	
	Meeting held	Attended	Meeting held	Attended	Meeting held	Attended
Mr. Feroz U. Haider	9	9	5	4		
Mr. Saber Hossain Chowdhury	9	9	5	2	4	2
Mr. Wolf-Peter Berthold	9	8				
Mr. Wajid Ali Khan Panni	9	9				
Mr. Moin U. Haider	9	9	5	4	4	4
Ms. Silwat A. Haider	9	7				
Mr. Mohamed Abdul Jalil	9	9			4	4
Dr. ATM Shamsul Huda Independent Director	9	5			4	2
Col. M. Nurul Islam Psc. (Retd.) Independent Director	9	9	5	5	4	4

Compliance of Section 1.5 (xxi)

The pattern of Shareholding

Annexure – III

a) Parent/Subsidiary/Associated companies and other related party:

Name	Relation	Shares Held
Nil		Nil

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

Name		Shares Held (nos.)
Mr. Feroz U. Haider		8,440,611
Mr. Saber Hossain Chowdhury	Nominee of Karnaphuli Industries Limited	9,491,386
Mr. Wolf-Peter Berthold		3,752,167
Mr. Mohamed Abdul Jalil	Nominee of Tai Ping Asian Investment Limited	10,897,921
Mr. Wajid Ali Khan Panni	Nominee of Amber Hill Global Resources Ltd.	8,003,279
Mr. Moin U. Haider		2,092,655
Ms. Silwat A. Haider		2,092,658
Col. M. Nurul Islam psc. (Retd.)	Independent Director	178,772
Dr. ATM Shamsul Huda	Independent Director	None
Mr. Mamoon Mahmood Shah	Managing Director & CEO	None
Mr. Mizanur Rahman	Sr. GM (Finance) & Company Secretary	None
Mr. Masud Rana	Head of Internal Audit (C.C.)	None

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

Designation	Name	Shares Held
Sr. General Manager (Credit & Marketing)	Mr. Syed Sharif Zamal	None
Deputy General Manager (Credit & Marketing)	Ms. Zeenat Alam	None
Assistant General Manager (Sales)	Mr. Sazzad Hossain	None
Head of HR & Admin (C.C.)	A.K.M. Mojibul Haque	None
Head of Recovery (C.C.)	Mr. Raihanul Islam	None

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

Name of Shareholder	Percentage	Shares Held (nos.)
Tai Ping Asian Investment Limited	10.42 %	10,897,921

AMAR STOCK

Annexure - IV

Compliance Report on the good governance guideline issued by the Bangladesh Bank

By the DFIM Circular No.7 dated 25 September 2007, Bangladesh Bank issued a policy on responsibility & accountability of Board of Directors, Chairman & Chief Executive of the financial institution. The Board of Directors of the Company has taken appropriate steps to comply with the guidelines and implemented the same.

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 incompliance 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 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 MD.	Complied

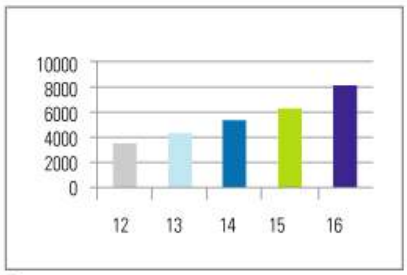
AMARSTOCK

FINANCIAL HIGHLIGHTS

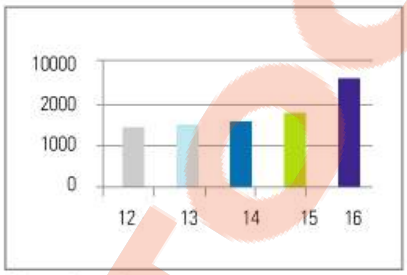
Operational Performance	2012	2013	2014	2015	2016
Operating revenue	433,132,146	559,934,056	629,990,628	744,674,276	922,101,313
Financial expenses	238,217,055	317,908,442	330,786,422	356,800,194	311,603,594
Operating expenses	40,853,370	53,877,976	62,795,400	64,854,010	63,698,887
Profit before taxation	172,487,946	156,203,668	187,324,191	315,285,976	480,310,705
Net Profit after tax	98,673,536	90,330,294	106,895,244	188,561,860	286,252,109
Financial performance					
Lease & term finance	1,714,249,980	2,212,831,562	3,323,380,472	3,650,715,603	4,791,656,232
Investor's portfolio loan	999,454,650	1,153,616,021	878,117,016	1,039,235,154	1,345,966,755
Investment	128,607,415	227,037,547	230,488,285	230,841,294	245,856,625
Other assets	114,300,154	118,194,773	332,743,739	345,895,783	341,886,709
Current assets	994,405,293	2,286,317,019	2,458,384,754	2,914,782,413	3,310,697,748
Total asset	3,317,704,063	4,223,448,549	5,211,282,504	6,244,266,308	8,134,124,311
Term deposits	628,801,600	1,823,862,827	2,204,593,155	2,954,368,170	3,689,298,401
Current liabilities	810,380,230	1,801,432,900	2,061,741,713	2,525,563,033	2,829,211,791
Long term liabilities	1,167,731,472	992,092,995	1,612,722,894	1,993,323,519	2,790,173,832
Total Liabilities	1,978,111,702	2,793,525,895	3,674,464,607	4,518,886,552	5,619,385,623
Financial ratios					
Current ratio (Times)	1.23	1.27	1.19	1.15	1.17
Financial expense coverage (Times)	1.72	1.49	1.57	1.88	2.54
Debt/Equity (Times)	1.18	1.60	1.99	2.19	1.84
Equity Multiplier	2.48	2.95	3.39	3.62	3.23
Net interest margin %	4.18	4.42	4.81	5.39	7.61
Net profit margin (%)	22.78	16.13	16.97	25.32	31.04
Return on equity (%)	9.49	6.52	7.21	11.56	13.50
Return on assets (%)	2.97	2.14	2.05	3.02	3.52
Rate of Dividend (%)	15.00	12.00	55.00	15.50	22.00
Price earnings ratio (Times)	17.77	21.02	20.90	8.32	8.37
Dividend (%)	15.00	12.00	55.00	15.50	22.00
Financial expense to total expenses (%)	85.36	85.51	84.05	84.62	83.03
Operating expense to operating revenue (%)	9.43	9.62	9.97	8.71	6.91
EPS (TK.)	1.88	1.50	1.58	1.80	2.74
Equity statistics					
Authorized capital	1,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Number of shares	52,410,688	60,272,291	67,504,965	104,632,695	104,632,695
Paid up Capital	524,106,880	602,722,910	675,049,650	1,046,326,950	1,046,326,950
Year end market price	33.40	31.50	33.10	15.00	22.90
Net asset value per share	25.56	23.72	22.77	16.49	24.03

* Prior years' value of shares have been adjusted to Tk. 10 per share from tk. 100/-

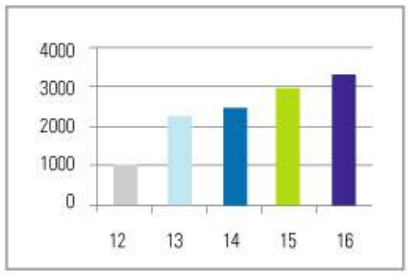
Total asset
BDT in million



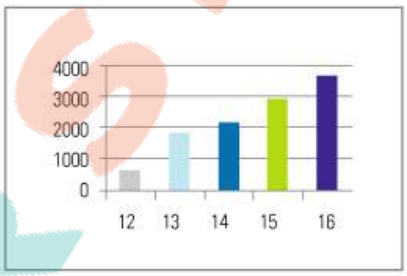
Shareholder's equity
BDT in million



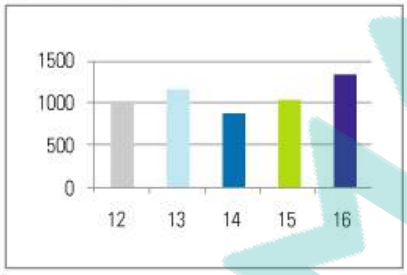
Current asset
BDT in million



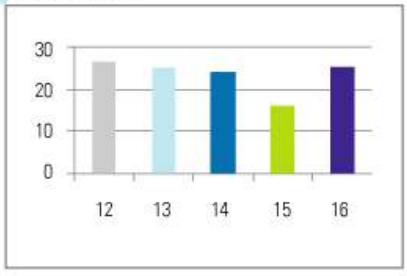
Term deposit
BDT in million



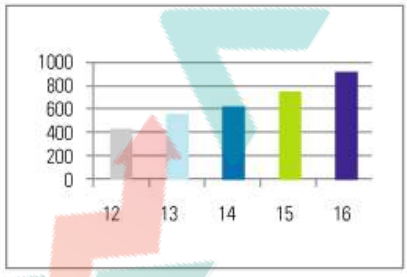
Investor's portfolio loan
BDT in million



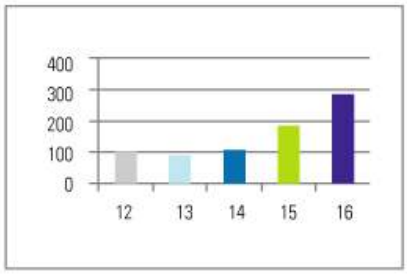
Net asset value per share
BDT per share



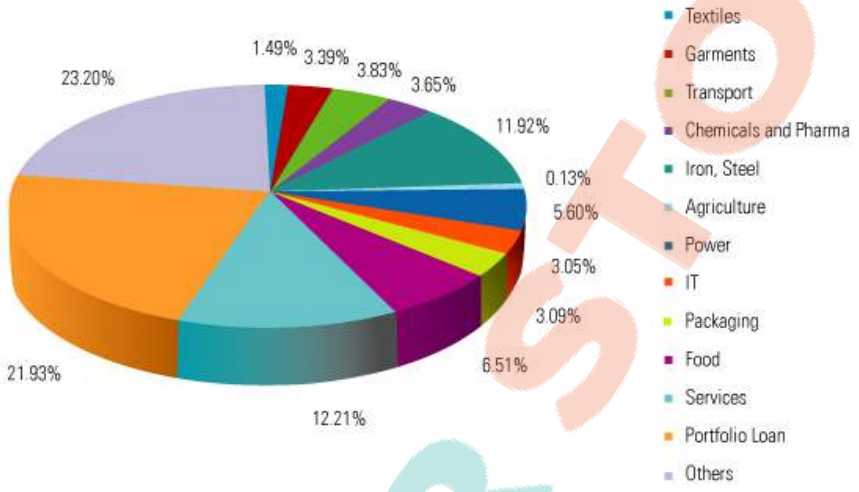
Operating revenue
BDT in million



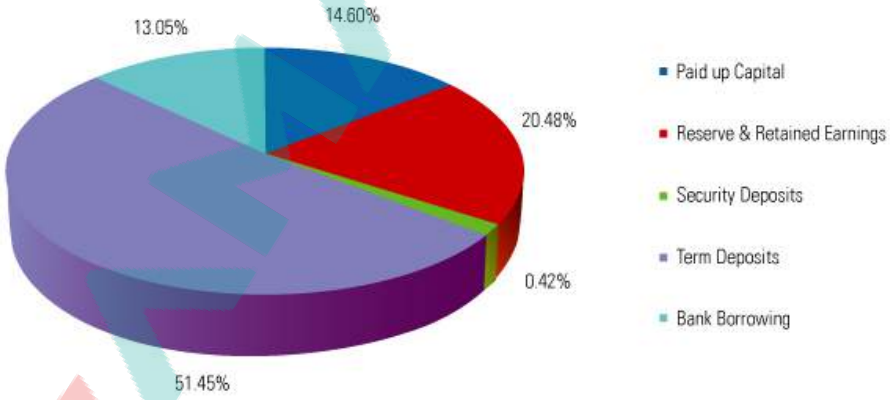
Net profit after tax
BDT in million



Sectorwise Leases, Loans & Advances



Capitalization



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউনটেন্টস
৯-জি, মতিঝিল বানিজ্যিক এলাকা, ঢাকা-১০০০

Malek Siddiqui Wali
CHARTERED ACCOUNTANTS
9-G, Motijheel C/A, 2nd Floor, Dhaka-1000, Bangladesh.
Extension Office: Property Heights, 1st Floor
12, RK Mission Road, Dhaka - 1000.

PHONE: 9513471, 9569867
PABX: 9576118-9, 9576128
FAX: +88029516236
Email: wali@satcombd.com
Web: www.msw-bd.com

AUDITORS' REPORT TO THE SHAREHOLDERS
OF
GSP Finance Company (Bangladesh) Limited and its subsidiary

We have audited the accompanying consolidated financial statements of GSP Finance Company (Bangladesh) Limited ("the Company") and its subsidiary, which comprise of the Balance Sheet as at December 31, 2016 and the related Profit & Loss Account, Cash Flow Statement and Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, Financial Institutions Act 1993, Circulars issued by Bangladesh Bank and other applicable laws and regulations as well as practice followed by Financial Institutions and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements of the Company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements of the Company The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements of the Company, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements of the Company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements of the Company

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the consolidated financial statements and separate financial statements of the company and its subsidiary along with notes thereon, prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the state of the Company's affairs as at December 31, 2016 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act. 1994, Financial Institutions Act. 1993, the Securities and Exchange Rules 1987 and other applicable laws and regulations as well as practice followed by Financial Institutions.

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 purposes of our audit and made due verification thereof;

(ii) in our opinion, proper books of accounts as required by law have been kept by the Company and its subsidiary so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit;

(iii) the consolidated balance sheet and consolidated profit and loss account of the company and the separate balance sheet and profit and loss account of the company and its subsidiary dealt with by the report are in agreement with the books of account and returns;

(iv) the expenditure incurred was for the purpose of the Company's and its subsidiary's operations;

(v) the consolidated and separate financial position of the Company as at December 31, 2016 and the consolidated and separate income for the year then ended have been properly reflected in the consolidated and separate financial statements and the consolidated financial statements have been prepared in accordance with the generally accepted accounting principles;

(vi) the financial statements have been drawn up in conformity with the rules and regulations issued by Bangladesh Bank to the extent applicable to the Company;

(vii) adequate provisions have been made for advances, which are, in our opinion, doubtful of recovery;

(viii) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;

(ix) the relevant documents regarding valuation report of the land of office premises has been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRSs) and other applicable laws, rules, regulations and guidelines, and we also certify that proper accounting treatments, including provisions, tax and other liabilities, have been made in the financial statements to consider the valuation of the land during the year;

(x) the information and explanations required by us have been received and found satisfactory.

Dated, Dhaka
April 09, 2017

Malek Siddiqui Wali
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2016

	Notes	Amount in Taka 2016	2015
PROPERTY AND ASSETS			
Cash		**217,362,441**	49,162,429
In hand (including foreign currencies)	3.1(a)	246,623	965,284
Balance with Bangladesh Bank and its agents bank(s) (including foreign currencies)	3.2(a)	217,115,818	48,197,145
Balance with other banks and financial institutions	4(a)	**222,528,462**	**621,864,661**
In Bangladesh		222,528,462	621,864,661
Outside Bangladesh		-	-
Money at call and short notice	5(a)	-	-
Investments	6(a)	**248,005,889**	250,726,924
Government		-	-
Others		248,005,889	250,726,924
		6,528,545,381	**4,988,171,408**
Leases ,loans and advances	7(a)	6,528,545,381	4,988,171,408
Bills Purchased and discounted	8(a)	-	-
Fixed assets including premises, furniture and fixtures	9(a)	**975,450,840**	**313,689,977**
Other assets	10(a)	**92,687,245**	**96,091,787**
Non-business assets	11	-	-
Total assets		**8,284,580,258**	**6,319,707,186**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks ,other financial institutions and agents:	12(a)	**935,906,591**	**818,517,347**
Deposits and other accounts	13(a)	**3,689,298,401**	**2,954,368,170**
Current deposits		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		3,689,298,401	2,954,368,170
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	14(a)	**1,110,553,892**	**801,869,001**
Total Liabilities		**5,735,758,884**	**4,574,754,518**
Capital / Shareholders' Equity			
Paid up capital	15.2	1,046,326,950	1,046,326,950
Statutory reserve	16	319,031,834	261,781,412
Other reserve	17	916,689,624	251,402,124
Retained earnings :			
Retained earnings balance	18(a)	266,772,943	185,442,160
Total equity attributable to equity holders of the company		**2,548,821,351**	**1,744,952,646**
Non-controlling interest		**23**	22
Total liabilities and Shareholders' equity		**8,284,580,258**	**6,319,707,186**

	Notes	Amount in Taka	
		2016	2015
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 (year 2015: Restated)		24.36	16.68

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

Company Secretary

Director

Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka
April 09, 2017

Malek Siddiqui Wali
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2016

	Notes	Amount in Taka	
		2016	2015
Interest income from leases,loans and advances	20(a)	921,899,971	715,886,465
Interest expenses on borrowings, deposits,etc	21(a)	(312,281,774)	(358,508,667)
Net interest income		**609,618,197**	**357,377,798**
Investment income	22(a)	20,127,962	23,585,649
Commission , exchange and brokerage	23(a)	10,146,167	11,322,645
Other operating income	24(a)	51,216,830	55,698,364
Total operating income		**691,109,156**	**447,984,456**
Salary and allowances	25(a)	39,658,679	38,978,938
Rent, taxes,insurance,electricity,etc.	26(a)	1,508,866	1,750,375
Legal expenses	27(a)	381,020	274,630
Postage,stamp,telecommunication,etc.	28(a)	442,468	424,125
Stationery,printing,advertisements,etc.	29(a)	1,889,197	1,832,186
Managing Director's salary and allowances	30(a)	4,836,177	2,851,920
Directors' fees	31(a)	791,000	490,000
Audit fees	32(a)	110,000	100,000
Charges on loan losses		-	-
Depreciation and repairs of company's assets	33(a)	8,742,150	8,697,629
Other operating expenses	34(a)	12,192,302	13,209,489
Total operating expenses		**70,551,858**	**68,609,292**
Profit before provision		**620,557,298**	**379,375,164**
Provision for leases,loans and advances & investments	35(a)	117,030,954	47,116,303
Other provision		-	-
Total provision		**117,030,954**	**47,116,303**
Total profit before income tax		**503,526,344**	**332,258,861**
Provision for income tax	36(a)	202,764,461	133,088,949
Net profit after income tax		**300,761,883**	199,169,912
Attributable to			
Shareholders of the company		**300,761,882**	199,169,911
Non-controlling interest		**1**	**1**
Retained earnings brought forward from previous year		185,442,160	95,261,920
		486,204,043	**294,431,832**
Appropriations:			
Statutory reserve	16	57,250,422	37,712,372
Cash dividend paid from Retained earnings for the year 2015		162,180,677	71,277,300
		219,431,099	**108,989,672**
Retained earnings carried to the balance sheet	18(a)	**266,772,943**	**185,442,160**
Earnings per share (year 2015: Restated)	38(a)	**2.87**	**1.90**

The accompanying notes form an integral part of these financial statements

Company Secretary

Director

Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka
April 09, 2017

Malek Siddiqui Wali
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2016

	Amount in Taka	
	2016	2015
Cash flows from operating activities:		
Interest receipt in cash	910,521,437	697,850,663
Interest payment	(299,524,253)	(360,539,482)
Dividend receipts	12,346,411	5,200,798
Commission, Exchange and brokerage	10,146,167	11,322,645
Recoveries of loan previously written-off	-	-
Income taxes paid	(10,768,595)	(12,196,745)
Receipts from other operating activities	58,998,381	73,808,215
Payments for other operating activities	(62,072,063)	(60,003,083)
Cash generated from operating activities before changes in operating assets and liabilities	**619,647,485**	**355,443,011**
Increase / decrease in operating assets and liabilities		
Statutory deposit	-	-
Trading securities	-	-
Leases, loans and advances	(1,540,373,973)	(520,874,571)
Other assets	25,551,671	17,592,594
Deposit and other accounts	734,930,231	749,775,015
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	(23,758,045)	(3,827,607)
	(803,650,116)	242,665,431
Net cash flow from operating activities	(184,002,631)	598,108,442
Cash flows from investing activities:		
Proceeds from sale of securities	40,337,318	21,150,064
Payments for purchases of securities	(37,616,283)	(41,388,704)
Purchase of fixed assets	(5,063,158)	(7,619,774)
Proceeds from sale of fixed assets	-	1,506,233
Payment against lease obligation	-	-
Net cash used by investing activities	(2,342,123)	(26,352,181)
Cash flows from financing activities:		
Receipts of borrowings from banks, other financial institutions and agents	569,321,150	458,738,445
Repayment of borrowings from banks, other financial institutions and agents	(451,931,906)	(494,159,293)
Receipts against issue of share capital	-	-
Dividend paid in cash	(162,180,677)	-
Net cash used by financing activities	**(44,791,433)**	**(35,420,848)**
Net increase / (decrease) in cash and cash equivalents	(231,136,187)	536,335,413
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	671,027,090	134,691,677
Cash and cash equivalents at the end of the year	**439,890,903**	**671,027,090**

	Amount in Taka	
	2016	2015
Cash and cash equivalents at the end of the year		
cash in hand (including foreign currencies)	246,623	965,284
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	217,115,818	48,197,145
Balance with banks and other financial institutions	222,528,462	621,864,661
Money at call and short notice	-	-
	439,890,903	671,027,090
Net Operating Cash Flow per share (year 2015: Restated)	(1.76)	5.72

Company Secretary

Director

Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka
April 09, 2017

Malek Siddiqui Wali
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2016

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.)	Share Premium (Tk.)	Retained Earnings (Tk.)	Total (Tk.)		
Balance as at January 01, 2015	675,049,650	251,402,124	224,069,041	300,000,000	95,261,920	1,545,782,735	21	1,545,782,756
Issue of share Capital							-	-
Net profit after tax for the year 2015					199,169,912	199,169,912	1	199,169,913
Transferred to statutory reserve	-	-	37,712,372	-	(37,712,372)	-	-	-
Transferred to provision for Tax					-	-	-	-
Bonus share issued (2014)	371,277,300	-	-	(300,000,000)	(71,277,300)	-	-	-
Revaluation of properties		-			-	-	-	-
Balance as at 31st December 2015	1,046,326,950	251,402,124	261,781,412	-	185,442,160	1,744,952,646	22	1,744,952,668
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	1,046,326,950	251,402,124	261,781,412	-	185,442,160	1,744,952,645	22	1,744,952,667
Surplus/deficit on account of revaluation of properties		665,287,500	-	-	-	665,287,500	-	665,287,500
Surplus/deficit on account of revaluation of investment	-	-	-	-	-	-	-	-
Issue of share Capital	-	-	-	-	-	-	-	-
Cash dividend paid (2015)	-	-	-	-	(162,180,677)	(162,180,677)	-	(162,180,677)
Net profit after tax for the year	-	-			300,761,883	300,761,883	1	300,761,884
Transferred to statutory reserve	-	-	57,250,422	-	(57,250,422)	-	-	-
Balance as at 31st December 2016	1,046,326,950	916,689,624	319,031,834	-	266,772,943	2,548,821,351	23	2,548,821,374

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

Company Secretary

Director

Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka
April 09, 2017

Malek Siddiqui Wali
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

BALANCE SHEET

AS AT DECEMBER 31, 2016

	Notes	Amount in Taka 2016	2015
PROPERTY AND ASSETS			
Cash	3	**217,317,635**	**49,139,617**
In hand (including foreign currencies)		201,817	942,472
Balance with Bangladesh Bank and its agents bank(s) (including foreign currencies)		217,115,818	48,197,145
Balance with other banks and financial institutions	4	**220,689,484**	**616,994,976**
In Bangladesh		220,689,484	616,994,976
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6	**245,856,625**	**230,841,294**
Government		-	-
Others		245,856,625	230,841,294
		6,137,622,987	**4,689,950,757**
Leases , loans and advances	7.1	6,137,622,987	4,689,950,757
Bills Purchased and discounted	8	-	-
Fixed assets including premises, furniture and fixtures	9	**970,750,871**	**311,443,881**
Other assets	10	**341,886,709**	**345,895,783**
Non-business assets	11	-	-
Total assets		**8,134,124,311**	**6,244,266,308**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks ,other financial institutions and agents:	12	**935,906,591**	**818,517,347**
Deposits and other accounts	13	**3,689,298,401**	**2,954,368,170**
Current deposits		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		3,689,298,401	2,954,368,170
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	14	**994,180,631**	**746,001,035**
Total Liabilities		**5,619,385,623**	**4,518,886,552**
Capital / Shareholders' Equity		**2,514,738,688**	**1,725,379,756**
Paid up capital	15.2	1,046,326,950	1,046,326,950
Statutory reserve	16	319,031,834	261,781,412
Other reserve	17	916,689,624	251,402,124
Retained earnings :			
Retained earnings balance	18	232,690,280	165,869,270
Total liabilities and Shareholders' equity		**8,134,124,311**	**6,244,266,308**

		Amount in Taka	
		2016	2015
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 (year 2015: Restated)		24.03	16.49

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

Company Secretary

Director

Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka
April 09, 2017

Malek Siddiqui Wali
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31,2016

	Notes	Amount in Taka 2016	2015
Interest income from leases,loans and advances	20	858,468,093	665,450,088
Interest expenses on borrowings, deposits,etc	21	(311,603,594)	(356,800,194)
Net interest income		**546,864,499**	**308,649,894**
Investment income	22	12,499,651	23,585,649
Commission , exchange and brokerage	23	-	-
Other operating income	24	51,133,569	55,638,539
Total operating income		**610,497,719**	**387,874,082**
Salary and allowances	25	34,475,667	36,530,731
Rent, taxes,insurance,electricity,etc.	26	1,508,866	1,750,375
Legal expenses	27	381,020	274,630
Postage,stamp,telecommunication,etc.	28	439,236	423,525
Stationery,printing,advertisements,etc.	29	1,827,566	1,810,502
Managing Director's salary and allowances	30	4,836,177	2,851,920
Directors' fees	31	776,000	480,000
Audit fees	32	90,000	80,000
Charges on loan losses		-	-
Depreciation and repairs of company's assets	33	8,146,398	8,134,944
Other operating expenses	34	11,217,958	12,517,383
Total operating expenses		**63,698,887**	**64,854,010**
Profit before provision		**546,798,832**	**323,020,072**
Provision for leases,loans and advances & investments	35	66,488,127	7,734,096
Other provision		-	-
Total provision		**66,488,127**	**7,734,096**
Total profit before income tax		**480,310,705**	**315,285,976**
Provision for income tax	36	194,058,596	126,724,116
Net profit after income tax		**286,252,109**	**188,561,860**
Retained earnings brought forward from previous year		165,869,270	86,297,082
		452,121,379	**274,858,942**
Appropriations:			
Statutory reserve	16	57,250,422	37,712,372
Cash dividend paid from Retained earnings for the year 2015		162,180,677	71,277,300
		219,431,099	**108,989,672**
Retained earnings carried to the balance sheet	18	**232,690,280**	**165,869,270**
Earning per share (EPS) (2015 restated)	38	**2.74**	**1.80**

The accompanying notes form an integral part of these financial statements

Company Secretary

Director

Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka
April 09, 2017

Malek Siddiqui Wali
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31,2016

	Amount in Taka	
	2016	2015
Cash flows from operating activities:		
Interest receipt in cash	847,089,561	647,414,285
Interest payment	(298,846,073)	(358,831,009)
Dividend receipts	10,158,670	5,200,798
Recoveries of loan previously written-off	-	-
Income taxes paid	(10,514,947)	(12,068,782)
Receipts from other operating activities	53,474,550	73,748,390
Payments for other operating activities	(55,614,844)	(56,810,486)
Cash generated from operating activities before changes in operating assets and liabilities	**545,746,917**	**298,653,196**
Increase / decrease in operating assets and liabilities		
Statutory deposit	-	-
Trading securities	-	-
Leases, loans and advances	(1,447,672,230)	(488,453,269)
Other assets	25,902,555	16,952,540
Deposit and other accounts	734,930,231	749,775,015
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	(25,214,650)	(2,359,619)
	(712,054,094)	275,914,667
Net cash flow from operating activities	(166,307,177)	574,567,863
Cash flows from investing activities:		
Proceeds from sale of securities	22,600,952	21,150,064
Payments for purchases of securities	(37,616,283)	(21,503,073)
Purchase of fixed assets	(2,013,533)	(6,259,814)
Proceeds from sale of fixed assets	-	1,506,233
Payment against lease obligation	-	-
Net cash used by investing activities	(17,028,864)	(5,106,590)
Cash flows from financing activities:		
Receipts of borrowings from banks, other financial institutions and agents	569,321,150	458,738,445
Repayment of borrowings from banks, other financial institutions and agents	(451,931,906)	(494,159,293)
Dividend paid in cash	(162,180,677)	-
Net cash used by financing activities	**(44,791,433)**	**(35,420,848)**
Net increase / (decrease) in cash and cash equivalents	(228,127,474)	534,040,425
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	666,134,593	132,094,168
Cash and cash equivalents at the end of the year	**438,007,119**	**666,134,593**

AMARSTOCK

	Amount in Taka	
	2016	2015
Cash and cash equivalents at the end of the year		
cash in hand (including foreign currencies)	201,817	942,472
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	217,115,818	48,197,145
Balance with banks and other financial institutions	220,689,484	616,994,976
Money at call and short notice	-	-
	438,007,119	666,134,593
Net Operating Cash Flow per share (2015 restated)	(1.59)	5.49

Company Secretary

Director

Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka
April 09, 2017

Malek Siddiqui Wali
Chartered Accountants

AMAR STOCK

GSP FINANCE COMPANY (BANGLADESH) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2016

Particulars	Paid up capital (Tk.)	Capital Reserve(Tk.)	Statutory Reserve(Tk.)	Share Premium(Tk.)	Retained Earnings (Tk.)	Total (Tk.)
Balance as at January 01, 2015	**675,049,650**	**251,402,124**	**224,069,041**	**300,000,000**	**86,297,082**	**1,536,817,897**
Profit for the year					315,285,976	315,285,976
Transferred to statutory reserve	-	-	37,712,372	-	(37,712,372)	-
Transferred to provision for Tax					(126,724,116)	(126,724,116)
Bonus share issued (2014)	371,277,300	-	-	(300,000,000)	(71,277,300)	-
Revaluation of properties		-			-	-
Balance as at 31st December 2015	**1,046,326,950**	**251,402,124**	**261,781,412**	-	**165,869,270**	**1,725,379,756**
Changes in accounting policy	-	-	-	-	-	-
Restated balance	1,046,326,950	251,402,124	261,781,412	-	165,869,270	1,725,379,756
Surplus/deficit on account of revaluation of properties	-	665,287,500	-	-	-	665,287,500
Surplus/deficit on account of revaluation of investment	-	-	-	-	-	-
Issue of share Capital (including premium)	-	-	-	-	-	-
Cash dividend paid (2015)	-	-	-	-	(162,180,677)	(162,180,677)
Net profit after tax for the year	-	-			286,252,109	286,252,109
Transferred to statutory reserve	-	-	57,250,422	-	(57,250,422)	-
Balance as at 31st December 2016	**1,046,326,950**	**916,689,624**	**319,031,834**	-	**232,690,280**	**2,514,738,688**

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

Company Secretary

Director

Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka
April 09, 2017

Malek Siddiqui Wali
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

LIQUIDITY STATEMENT

(Analysis of maturity of assets and liabilities)
FOR THE YEAR ENDED DECEMBER 31, 2016

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	201,817	-	-	-	-	201,817
Balance with Bangladesh Bank and its agents	217,115,818	-	-	-	-	217,115,818
Balance with banks and other financial institutions	144,895,022	54,000,000	21,794,462	-	-	220,689,484
Money at call and short notice	-	-	-	-	-	-
Investments	142,804,775	-	100,482,400	-	2,569,450	245,856,625
Leases,loans and advances	445,591,429	1,179,037,376	926,781,071	3,586,213,111	-	6,137,622,987
Fixed assets including premises, furniture and fixtures	-	-	9,759,678	6,658,947	954,332,246	970,750,871
Other assets	-	-	68,233,900	23,652,829	249,999,980	341,886,709
Non-business assets	-	-	-	-	-	-
Total assets (A)	950,608,861	1,233,037,376	1,127,051,511	3,616,524,888	1,206,901,676	8,134,124,311
Liabilities :						
Borrowings from banks, other financial institutions and agents	50,000,000	58,743,164	150,000,000	677,163,427	-	935,906,591
Deposits and other accounts	770,191,074	1,160,429,350	639,848,203	937,640,613	181,189,161	3,689,298,401
Provision and other liabilities	-	-	-	994,180,631	-	994,180,631
Total liabilities (B)	820,191,074	1,219,172,514	789,848,203	2,608,984,671	181,189,161	5,619,385,623
Net liquidity gap (A - B)	130,417,787	13,864,862	337,203,308	1,007,540,217	1,025,712,515	2,514,738,688

Company Secretary

Director

Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka
April 09, 2017

Malek Siddiqui Wali
Chartered Accountants

AMARSTOCK

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
Private placement
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, Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs) 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 Bangladesh 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.

2.2 **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.

2.3 **Investment in securities**

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

2.4 **Borrowing Costs**

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

2.5 **Revenue Recognition**

As per BAS 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.

2.5.1 **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.

2.5.2 **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.

2.6 **Accounting for Leases**

Books of accounts for leasing operation has been prepared following the criteria of Bangladesh Accounting Standard 17 (BAS 17) under Financing Method since assets leased out to customers under lease agreements transfer substantially all the risks and rewards associated with the ownership of the assets, other than legal title, to customers and all leases are full payout leases.

In accordance with BAS 17 the aggregate lease receivables including the unguaranteed residual value throughout the primary lease term are recorded as gross receivable while the excess of gross receivable over acquisition cost including the interest during period of acquiring lease assets constitutes the unearned lease income.

The unearned income is recognized as revenue over the lease period generating a constant rate of return over lease period.

2.7 **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.

2.8 **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 (BAS) 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.

2.9 **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%

2.10 **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%

2.11 **Employees Benefits Scheme**

2.11.1 **Defined Contribution Plan**

2.11.1.1 **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.

2.11.1.2 **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.

2.11.2 **Defined benefit Plan**

2.11.2.1 **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.

2.12 **Corporate Tax**

2.12.1 **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.

2.12.2 **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 BAS-12.

2.13 **Trade Receivables**

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

2.14 **Payable and Accruals**

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

2.15 **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.

2.16 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.

2.17 General

Comparative Information

Comparative information has been disclosed in respect of the year 2015 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.

2.18 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.

2.19 Rounding off

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

		Amount in Taka	
		2016	2015
3.00	**CASH**		
3.1	Cash in hand		
	In local currency	201,817	942,472
	In foreign currency	-	-
		201,817	942,472
3.1(a)	**Cash in hand (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	201,817	942,472
	GSP Investments Limited	44,806	22,812
		246,623	965,284
3.2	Balance with Bangladesh Bank and its agents Bank(s)		
	In local currency	217,115,818	48,197,145
	In foreign currency	-	-
		217,115,818	48,197,145
3.2(a)	**Balance with Bangladesh Bank and its agents Bank(s) (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	217,115,818	48,197,145
	GSP Investments Limited	-	-
		217,115,818	48,197,145
3.3	Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)		
	Cash Reserve Requirement @ 2.5% and Statutory Liquidity Reserve @ 5% have been calculated and maintained in accordance with FID Circular # 02 and 06 dated 10 November 2004 and 31 May 2001 respectively.		
	a) Cash Reserve Requirement		
	Required Reserve (2.5% on term deposit)	44,981,961	31,584,302
	Actual Reserve maintained (note- 3.2)	217,115,818	48,197,145
	Surplus / (deficit)	172,133,857	16,612,843
	b) Statutory Liquidity Reserve		
	Required Reserve	118,298,910	86,144,577
	Actual Reserve maintained (note-3.1, 3.2 and 4)	438,007,119	216,134,593
	Surplus / (deficit)	319,708,209	129,990,016

		Amount in Taka	
		2016	2015
4	**Balance with banks and other financial institutions**		
	In Bangladesh		
	Current accounts (note-4.1)	-	-
	Short term deposit accounts (note-4.2)	144,895,022	96,994,976
	Savings accounts (note-4.3)	-	-
	Fixed deposit accounts (note-4.4)	75,794,462	520,000,000
		220,689,484	616,994,976
	Outside Bangladesh	-	-
		-	-
	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	220,689,484	616,994,976
	GSP Investments Limited	1,838,978	4,869,685
		222,528,462	621,864,661
4.1	Current account		
		-	-
		-	-
		-	-
4.2	Short term deposit account		
	BASIC Bank Ltd.	101,425,221	69,221,412
	Commercial Bank of Ceylon Plc	687,846	1,136,314
	Dutch Bangla Bank Ltd.	1,545,051	27,383
	Mutual Trust Bank Ltd.	40,023,226	23,691,290
	NCC Bank	15,820	-
	Prime Bank Ltd.	10,001	9,500
	Shahjalal Islami Bank Ltd	85,938	1,568,601
	Standard Bank Ltd.	26,348	925,072
	The City Bank Ltd.	1,037,589	287,589
	Uttara Bank Ltd	30,732	127,815
	Woori Bank Ltd.	7,250	-
		144,895,022	96,994,976
4.3	Savings accounts		
	The company does not maintain any savings account		
4.4	Fixed deposit accounts		
	BASIC Bank Ltd.	6,000,000	6,000,000
	Mutual Trust Bank Ltd.	4,000,000	4,000,000
	Premier leasing & Finance Ltd.	50,000,000	50,000,000
	Shahjalal Islami Bank Ltd	1,171,212	1,000,000
	Standard Bank Ltd.	9,623,250	9,000,000
	The Farmers Bank Limited	-	450,000,000
	Premier leasing & Finance Ltd.	5,000,000	-
		75,794,462	520,000,000
4.5	Maturity grouping of balance with banks and other financial institutions		
	On demand	144,895,022	96,994,976
	Up to 1 month	4,000,000	106,000,000
	Over 1 month but not more than 3 months	50,000,000	200,000,000
	Over 3 months but not more than 1 year	21,794,462	214,000,000
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		220,689,484	616,994,976

		Amount in Taka	
		2016	2015
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 Government (note -6.1)	-	-
	Others (note-6.2)	245,856,625	230,841,294
		245,856,625	230,841,294
6(a)	**Investments (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	245,856,625	230,841,294
	GSP Investments Limited	2,149,264	19,885,630
		248,005,889	**250,726,924**
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)	245,856,625	230,841,294
	Debenture and bonds	-	-
	Other investment	-	-
	Gold etc.	-	-
		245,856,625	230,841,294
6.3	Maturity grouping of investments:		
	On demand	142,804,775	127,789,444
	Up to 1 month	-	-
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 year	100,482,400	100,482,400
	Over 1 year but not more than 5 years	-	-
	Over 5 years	2,569,450	2,569,450
		245,856,625	230,841,294
6.4	Other investments:		
	Investment in quoted Shares	182,803,175	127,789,444
	Investment in unquoted Shares	63,053,450	103,051,850
		245,856,625	230,841,294

AMARSTOCK

		Amount in Taka	
		2016	2015
7	**Leases , Loans and advances :**		
7.1	a) Inside Bangladesh		
	Leases (note -7.2)	677,464,545	612,158,560
	Loans	5,460,158,442	4,077,792,197
	Cash credits	-	-
	Overdrafts	-	-
		6,137,622,987	4,689,950,757
	b) outside Bangladesh	-	-
		6,137,622,987	4,689,950,757
7.1.1	**Lease Finance**		
	(As per paragraph 47 of BAS 17)		
	Principal Outstanding	382,439,589	351,645,610
	Account receivable	295,024,956	260,512,950
	Total	677,464,545	612,158,560
	Principal Outstanding		
	Gross lease rental receivable	496,767,232	455,888,422
	Unearned lease income	114,327,643	104,242,812
	Total	382,439,589	351,645,610
7.2	Leases	676,932,533	611,626,548
	Advances for leases (note -7.2.1)	532,012	532,012
		677,464,545	612,158,560
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.	532,012	532,012
		532,012	532,012
7.3	Sector wise leases, loans and advances		
	Public sector	-	-
	Co-operative sector	312,348,919	250,763,836
	Private sector	5,825,274,068	4,439,186,921
		6,137,622,987	4,689,950,757
7.4	Residual maturity grouping of leases,loans and advances		
	On demand	-	-
	Up to 1 month	445,591,429	336,592,457
	Over 1 month but not more than 3 months	1,179,037,376	865,698,386
	Over 3 months but not more than 1 year	926,781,071	740,041,555
	Over 1 year but not more than 5 years	3,586,213,111	2,747,628,359
	Over 5 years	-	-
		6,137,622,987	4,689,950,757

		Amount in Taka	
		2016	2015
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)	31,724,725	46,699,453
	b) Leases, loans and advances to Chief Executive Officer and other senior executives	-	-
	c) Leases, loans and advances to customers groups:	-	-
	i) Leases	648,608,033	578,112,544
	ii) Loans	5,457,290,229	4,065,138,760
		6,137,622,987	4,689,950,757
	d) Leases, loans and advances on sector basis:		
	i) Textiles	91,623,005	189,974,387
	ii) Garments and Accessories	207,812,463	239,671,837
	iii) Transport (including Marin Transport)	235,302,299	212,731,109
	iv) Chemicals and pharmaceuticals	223,769,003	40,181,554
	v) Iron, Steel and Engineering	731,541,740	225,348,750
	vi) Agricultural Equipments and Agro Industries	7,764,927	48,976,633
	vii) Power and Energy	343,740,009	432,220,544
	viii) Electronics and Electrical	-	-
	ix) Information technology (IT)	186,899,362	179,059,435
	x) Paper printing and Packaging	189,907,614	200,715,460
	xi) Plastic	-	-
	xii) Real Estate and Housing	-	-
	xiii) Food and Beverage	399,413,563	61,915,548
	xiv) Glass and Ceramics	-	-
	xv) Services	749,585,000	731,003,307
	xvi) Others	2,770,264,001	2,128,152,193
		6,137,622,987	4,689,950,757
7.6	Leases, loans and advances on geographical basis:		
	Inside Bangladesh:		
	Urban :		
	Dhaka Division	5,984,558,580	4,565,390,073
	Chittagong Division	153,064,407	124,560,684
	Khulna Division	-	-
	Rajshahi Division	-	-
	Barisal Division	-	-
	Sylhet Division	-	-
		6,137,622,987	4,689,950,757
	Rural :		
	Dhaka Division	-	-
	Chittagong Division	-	-
	Khulna Division	-	-
	Rajshahi Division	-	-
	Barisal Division	-	-
	Sylhet Division	-	-
		-	-
	Outside Bangladesh:	-	-
	Total	-	-

		Amount in Taka	
		2016	2015
7.7	Classification of Leases, loans and advances :		
	Unclassified :		
	Standard	5,491,691,521	4,117,099,440
	Special mention account	198,359,804	269,001,664
		5,690,051,325	4,386,101,104
	Classified :		
	Sub-standard	113,781,001	58,846,048
	Doubtful	28,593,134	-
	Bad/Loss	305,197,527	245,003,605
		447,571,662	303,849,653
	Total	6,137,622,987	4,689,950,757
7.8	Net Leases ,loans and advances :		
	Total Leases , loans and advances (note- 7.1)	6,137,622,987	4,689,950,757
	Less :		
	Non-performing leases, loans and advances (note-7.7)	447,571,662	303,849,653
	Interest suspenses (note-14.5)	70,798,251	62,271,667
	Provision for leases, loans and advances	254,256,591	165,343,327
		772,626,504	531,464,647
		5,364,996,483	4,158,486,110
7.9	Particulars of Leases, loans and advances:		
	a) Lease, loans and advances considered good and in respect of which the financial institution is fully secured	3,388,581,651	2,578,503,663
	b) Lease , loans and advances considered good against which the financial institution holds no security other than the debtors personal guarantee	- - 1,854,175,904	- - 1,378,397,219
	c) Lease , loans and advances considered good secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors	- - 894,865,432	- - 733,049,875
	d) Lease , loans and advances adversely classified : provision not maintained there	-	-
	e) Lease, loans and advances due by directors or officers of the financial institution or any of them either separately or jointly with any other person	-	-
	f) Lease , loans and advances due from companies or firms in which the directors of the financial institution have interest as directors, partners,managing agents or in case of the private companies , as members	-	-
	g) Maximum total amount of leases , loans and advances including temporary advances made in any time during the year to the directors or managing directors or officers of the financial institution or any of them either separately or jointly with any other person	-	-
	h) Maximum total amount of leases, loans and advances including temporary advances granted during the year to companies or firms in which the directors of the financial institution have interest as directors, partners, managing agents or in case of the private companies, as members	-	-
	i) Due from banks and other financial institutions	-	-
	j) Classified leases , loans and advances:		
	i) Classified leases, loans and advances on which no interest has been charged	447,571,662	303,849,653
	ii) Provision on classified leases , loans and advances	147,961,540	109,003,696
	iii)Provision kept against leases, loans and advances classified as bad debts	136,143,263	43,533,354
	iv)Interest credited to interest suspense account (note-14.5)	70,798,251	62,271,667

		Amount in Taka	
		2016	2015
	k) Cumulative amount of written-off leases, loans and advances:		
	Opening balance	-	-
	Amount written -off during the year	-	-
	Amount realized against leases,loans and advances	-	-
	The amount of written-off / classified leases, loans and advances for which law suites has been filed	-	-
7.10	Suits filed by the Company :		
	As at 31 December 2016 , GSP Finance Company (Bangladesh) Limited filed 12 suits against 09 clients under Artha Rin Adalat Ain -2003, Total suit amount was Tk. 33,44,24,204/- only.		
7(a)	**Leases ,Loans and advances (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	6,137,622,987	4,689,950,757
	GSP Investments Limited	1,736,889,149	1,337,455,805
		7,874,512,136	6,027,406,562
	Less: Inter company transaction	1,345,966,755	1,039,235,154
		6,528,545,381	4,988,171,408
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	373,951,462	373,691,648
	Addition during the year	2,013,533	6,259,814
	Revaluation surplus during the year (note-9.1)	665,287,500	-
		1,041,252,495	379,951,462
	Adjustment during the year	-	6,000,000
	Closing Balance (A)	1,041,252,495	373,951,462
	Less : Accumulated Depreciation :		
	Opening Balance	62,507,582	59,232,824
	Charged during the year:	7,994,043	8,043,524
		70,501,625	67,276,348
	Adjustment during the year	-	4,768,766
	Closing Balance (B)	70,501,625	62,507,582
	Written Down Value (A-B) (Annexure -C)	**970,750,871**	**311,443,881**

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, 2016, the Company have revalued the land in accordance with the BSEC Notification no. SEC/CMRRCD/2009-193/150/Admin/ dated August 18, 2013 and asper applicable provisions of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standard (BFRS). In this respect the Compay 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 194th Board meeting held on October, 27, 2016. Accordingly G.K. Adjusters Ltd has submitted their valuation report as per which the present valuation has been assessed as under:

Size of Land	Location of Land	Value of Land before revaluation (BDT)	Value of Land after revaluation 2016 (BDT)
21.1875 Katha	1, Paribagh, Mymensingh Road, Dhaka-1000	28,81,50,000	95,34,37,500

*Valuation report is shown in Annexure-D

		Amount in Taka	
		2016	2015
9(a)	**Fixed assets including premises, furniture and fixtures (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	970,750,871	311,443,881
	GSP Investments Limited	4,699,969	2,246,096
	Written Down Value (Annexure -B)	975,450,840	313,689,977
10	**Other assets**		
	Corporate Tax paid in advance and Tax at source	39,655,571	29,140,624
	Advance, Deposits and Prepayments	28,450	163,189
	Sundry Debtors	52,202,708	66,591,990
	Investment in Subsidiary : GSP Investments Limited	249,999,980	249,999,980
		341,886,709	345,895,783
10(a)	**Other assets (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	341,886,709	345,895,783
	GSP Investments Limited	800,516	195,984
		342,687,225	346,091,767
	Less: Inter company transaction	249,999,980	249,999,980
		92,687,245	96,091,787
11	**Non-business assets**	-	-
		-	-
	As at 31 December 2016, 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)	935,906,591	818,517,347
	Outside Bangladesh (note-12.2)	-	-
		935,906,591	818,517,347
12.1	In Bangladesh		
	Call loan		
	The Farmers Bank Ltd.	-	60,000,000
	Mutual Trust Bank Ltd.	-	60,000,000
	Standard Bank Ltd.	-	40,000,000
		-	160,000,000

		Amount in Taka	
		2016	2015
	Term loan		
	AB Bank Ltd.	50,000,000	-
	Mutual Trust Bank Ltd	-	61,050,540
	NCC Bank	47,958,233	-
	Prime Bank Ltd.	228,903,849	100,000,000
	Southeast Bank Ltd.	122,051,584	183,145,031
	Uttara Bank Ltd.	-	145,833,331
	Woori Bank	150,000,000	-
	Bangladesh Bank (IPFF fund)	336,992,925	168,488,445
		935,906,591	658,517,347
12.2	Outside Bangladesh	-	-
		-	-
	As at December 31, 2016 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	598,913,666	490,028,902
	Unsecured	336,992,925	328,488,445
		935,906,591	818,517,347
	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	-	160,000,000
	Up to 1 month	50,000,000	29,894,586
	Over 1 month but not more than 3 months	58,743,164	56,575,597
	Over 3 months but not more than 1 year	150,000,000	186,608,592
	Over 1 year but not more than 5 years	677,163,427	385,438,572
	Over 5 years	-	-
		935,906,591	818,517,347
12(a)	**Borrowings from banks ,other financial institutions and agents (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	935,906,591	818,517,347
	GSP Investments Limited	1,345,966,755	1,039,235,154
		2,281,873,346	1,857,752,501
	Less: Inter company transaction	1,345,966,755	1,039,235,154
		935,906,591	818,517,347
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)	3,689,298,401	2,954,368,170
	Bearer certificate of deposit (note-13.5)	-	-
	Other deposits (note-13.6)	-	-
		3,689,298,401	2,954,368,170

		Amount in Taka	
		2016	2015
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 2016 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 (note-13.4.1)	1,790,000,000	1,600,000,000
	Deposits from customers (note-13.4.2)	1,899,298,401	1,354,368,170
		3,689,298,401	2,954,368,170
13.4.1	Deposits from banks and other financial institutions		
	Agrani Bank Limited	200,000,000	100,000,000
	AB Bank Ltd.	50,000,000	-
	Bangladesh Commerce Bank Ltd	200,000,000	200,000,000
	Bangladesh Development Bank Ltd.	150,000,000	-
	Brac Bank Ltd	-	250,000,000
	Eastern Bank Ltd	220,000,000	100,000,000
	The Farmers Bank Ltd.	-	50,000,000
	Meghna Bank Ltd.	-	100,000,000
	Modhumoti Bank Ltd.	-	50,000,000
	Mutual Trust Bank Ltd.	100,000,000	100,000,000
	NRB Commercial Bank Ltd.	270,000,000	150,000,000
	National Housing Finance and Investments Ltd.	100,000,000	-
	Sonali Bank Ltd	200,000,000	150,000,000
	Social Islami Bank Ltd.	200,000,000	-
	Southeast Bank Ltd.	-	200,000,000
	South Bangla Agriculture & Commerce Bank Ltd.	-	150,000,000
	Trust Bank Ltd.	100,000,000	-
		1,790,000,000	1,600,000,000
13.4.2	Deposits from customers		
	Deposits from general public	850,575,546	808,641,764
	Deposits from companies	1,048,722,855	545,726,406
		1,899,298,401	1,354,368,170
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 2016 , 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	770,191,074	401,127,605
	Over 1 month but not more than 6 months	1,128,241,829	1,392,843,708
	Over 6 months but not more than 1 year	672,035,724	398,512,945
	Over 1 year but not more than 5 years	937,640,613	687,640,613
	Over 5 years but not more than 10 years	181,189,161	74,243,299
	Over 10 years	-	-
		3,689,298,401	2,954,368,170

		Amount in Taka	
		2016	2015
13(a)	**Deposits and other accounts (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	3,689,298,401	2,954,368,170
	GSP Investments Limited	-	-
		3,689,298,401	**2,954,368,170**
14	**Other liabilities**		
	Expenditure and other payable (note-14.1)	17,971,556	15,186,841
	Provision for leases,loans and advances (note-14.2)	254,256,591	165,343,327
	Provision for investment in share (note-14.3)	-	22,425,137
	Provision for income tax (note-14.4)	616,580,065	452,715,085
	Interest suspense account (note-14.5)	70,798,251	62,271,667
	Advance rental / installment against leases, loans and advances	29,666,668	24,351,478
	Provision for gratuity	4,907,500	3,707,500
		994,180,631	**746,001,035**
14.1	Expenditure and other payable		
	Sundry Creditors	4,434,527	2,863,685
	Accrued interest on deposits	12,757,521	11,363,984
	Audit Fee	90,000	80,000
	VAT & Tax deducted at source	2,000	-
	Security Deposit (Tenancy -BCDL)	400,000	400,000
	Security Deposit (Tenancy- CBCL)	287,508	479,172
		17,971,556	**15,186,841**
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 2016. Total provision is made up as follows:		
	Movements in provision on classified leases,loans and advances (A)		
	Balance on 01 January	109,003,696	130,365,725
	Provision made during the year	38,957,844	(21,362,029)
	Balance at 31 December	147,961,540	109,003,696
	Movements in provision on unclassified leases,loans and advances (B)		
	Balance at 01 January	56,339,631	46,998,695
	Provision made during the year	49,955,420	9,340,936
	Balance at 31 December	106,295,051	56,339,631
	Total (A+B)	**254,256,591**	**165,343,327**
14.3	Provision for investment in shares		
	Balance at 01 January	22,425,137	2,669,948
	Provision made / (adjustment) during the year	(22,425,137)	19,755,189
	Balance at 31 December (Annexure -A for detail)	-	22,425,137
14.4	Provision for income tax:		
	Balance at 01 January	452,715,085	336,476,792
	Provision made during the year	194,058,596	126,724,116
		646,773,681	463,200,908
	Adjustment for the year	30,193,616	10,485,823
	Balance at 31 December	**616,580,065**	**452,715,085**
	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

The company's tax assessment has been completed upto Assessment Year 2015-2016. Sufficient provision for taxation has been made for the year.

14.5 Interest suspense account

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

	Amount in Taka	
	2016	2015
Balance at 01 January	62,271,667	56,879,734
Add: Amount transferred to interest suspense account during the year	51,793,643	38,154,194
Less: Amount recovered from interest suspense account during the year	(43,267,059)	(32,762,261)
Balance at 31 December	70,798,251	62,271,667

14.5.1 Details of interest suspense account

Interest suspense for unclassified leases , loans and advances (A)		
Standard	13,159,626	2,664,011
Special mention account	8,724,317	16,581,121
	21,883,943	19,245,132
Interest suspense for classified leases , loans and advances (B)		
Sub - standard	13,956,791	7,872,033
Doubtful	4,292,638	-
Bad/Loss	30,664,879	35,154,502
	48,914,308	43,026,535
Total (A+B)	70,798,251	62,271,667

14(a) Other liabilities (consolidated)

GSP Finance Company (Bangladesh) Limited	994,180,631	746,001,035
GSP Investments Limited	116,373,261	55,867,966
	1,110,553,892	801,869,001
Less: Inter company transaction	-	-
	1,110,553,892	801,869,001

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 :

104,632,695 Ordinary shares of Tk.10 each		1,046,326,950	1,046,326,950
	% of share holding 2016		
Domestic Shareholding Position	78.34%	819,793,280	819,793,280
Foreign Shareholding Position	21.66%	226,533,670	226,533,670
	100.00%	1,046,326,950	1,046,326,950

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

15.4 Holding of shares as on 31 December 2016 classified by number of shares as required by Regulation 37(3) of the Listing Regulations of Dhaka Stock Exchange Ltd.

Range of share Quantity	Number of Shares	Number of Holders	Holding Position in %	Amount Tk.
Less than 500 shares	482,142	2719	0.46%	4,821,420
501 to 5000 shares	6,236,725	4213	5.96%	62,367,250
5001 to 10000 shares	2,979,075	372	2.85%	29,790,750
10001 to 20000 shares	3,802,830	247	3.63%	38,028,300
20001 to 30000 shares	2,099,076	83	2.01%	20,990,760
30001 to 40000 shares	1,912,521	53	1.83%	19,125,210
40001 to 50000 shares	1,967,938	41	1.88%	19,679,380
50001 to 100000 shares	4,860,034	63	4.64%	48,600,340
100001 to1000000 shares	16,396,626	63	15.67%	163,966,260
Above 1000000 shares	63,895,728	13	61.07%	638,957,280
Total	**104,632,695**	**10244**	**100%**	**1,046,326,950**

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:

	Amount in Taka	
	2016	2015
A. Eligible Capital :		
1.Tier-1 Capital	1,598,049,065	1,473,977,632
2.Tier-2 Capital	564,639,863	201,691,903
3.Total Eligible Capital (1+2)	2,162,688,928	1,675,669,535
B. Total Risk Weighted Assets (RWA)	10,496,835,432	7,905,852,774
C. Capital Adequacy Ratio (CAR) (A3/B)*100	20.60	21.20
D.Core Capital to RWA (A1/B)*100	15.22	18.64
E. Supplementary Capital to RWA (A2/B)*100	5.38	2.55
F. Minimum Capital Requirement Based on Risk Weighted Assets (10% of B)	1,049,683,543	790,585,277
Surplus/(Deficit) (A3-F)	1,113,005,384	885,084,258
Surplus/(Deficit) las per DFIM Circular No.-5 dated 24 July 2011 and Circular No.-9 dated 04 November 2009)	46,326,950	46,326,950
Tier-1 (Core Capital):		
Paid up Capital	1,046,326,950	1,046,326,950
Statutory Reserve	319,031,834	261,781,412
Share Premium	-	-
Non-Controlling interest	-	-
Retained Earnings	232,690,280	165,869,270
	1,598,049,065	1,473,977,632

	Amount in Taka	
	2016	2015
Tier-2 (Supplementary Capital):		
General Provision (Unclassified loans upto specified limit+SMA+off		
Balance Sheet Exposure)	106,295,051	75,990,841
Assets Revaluation Reserve upto 50%	458,344,812	125,701,062
	564,639,863	201,691,903
Risk Weighted Assets (RWA)		
A. Credit Risk		
On-Balance Sheet	8,926,389,014	6,517,928,111
Off-Balance Sheet	-	-
B. Market Risk	388,110,112	420,608,104
C. Operational Risk	1,182,336,306	967,316,559
	10,496,835,432	7,905,852,774

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	1,632,131,727	1,493,550,522
2.Tier-2 Capital	538,109,580	205,465,830
3.Total Eligible Capital (1+2)	2,170,241,307	1,699,016,352
B. Total Risk Weighted Assets (RWA)	8,071,162,557	8,071,162,557
C. Capital Adequacy Ratio (CAR) (A3/B)*100	26.89	21.05
D. Core Capital to RWA (A1/B)*100	20.22	18.50
E. Supplementary Capital to RWA (A2/B)*100	6.67	2.55
F. Minimum Capital Requirement Based on Risk Weighted Assets (10% of B)	807,116,256	807,116,256
Surplus/(Deficit) (A3-F)	1,363,125,051	891,900,096
Surplus/(Deficit) (as per DFIM Circular No.-5 dated 24 July 2011 and Circular No.-9 dated 04 November 2009)	46,326,950	46,326,950
Tier-1 (Core Capital)		
Paid up Capital	1,046,326,950	1,046,326,950
Statutory Reserve	319,031,834	261,781,412
Share Premium	-	-
Non-Controlling interest	-	-
Retained Earnings	266,772,943	185,442,160
	1,632,131,727	1,493,550,522
Tier-2 (Supplementary Capital)		
General Provision (Unclassified loans upto specified limit+SMA+off		
Balance Sheet Exposure)	79,764,768	79,764,768
Assets Revaluation Reserve upto 50%	458,344,812	125,701,062
	538,109,580	205,465,830
Risk Weighted Assets (RWA)		
A. Credit Risk		
On-Balance Sheet	6,643,127,447	6,643,127,447
Off-Balance Sheet	-	-
B. Market Risk	420,608,104	420,608,104
C. Operational Risk	1,007,427,006	1,007,427,006
	8,071,162,557	8,071,162,557

		Amount in Taka	
		2016	2015
16	**Statutory reserve**		
	Balance at 01 January	261,781,412	224,069,041
	Add: Transferred during the year	57,250,422	37,712,372
	Balance at 31 December	**319,031,834**	**261,781,412**
17	**Other Reserve:**		
	Capital Reserve/ Revalution Reserve :		
	Balance at 01 January	251,402,124	251,402,124
	Add: Addition during the year	665,287,500	-
	Balance at 31 December	**916,689,624**	**251,402,124**
18	**Retained earnings**		
	Balance at 01 January	165,869,270	86,297,082
	Less: Cash dividend paid for the year 2015	(162,180,677)	(71,277,300)
	Add: Net profit for the year 2016	286,252,109	188,561,860
		289,940,702	203,581,642
	Less: Transfer to statutory reserve	(57,250,422)	(37,712,372)
	Balance at 31 December	**232,690,280**	**165,869,270**
	Apportionment:		
	Retained earnings balance	232,690,280	165,869,270
		232,690,280	165,869,270
18(a)	**Retained earnings (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	232,690,280	165,869,270
	GSP Investments Limited (Note 18aa)	34,082,663	19,572,890
		266,772,943	**185,442,160**
18(aa)	**Retained earnings of subsidiary**		
	Balance at 01 January	19,572,890	8,964,837
	Add: Net profit for the year	14,509,773	10,608,053
		34,082,663	**19,572,890**
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	-	-
		-	-
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 2016, the Company does not have any liabilities , which was not shown in the accounts.

		Amount in Taka	
		2016	2015
19	**Income statement**		
	Income :		
	Interest, discount and similar income (note-19.1)	870,967,744	689,035,737
	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)	51,133,569	55,638,539
	Profit less losses on interest rate changes	-	-
		922,101,313	744,674,276
	Expenses:		
	Interest expenses on deposits,borrowings,etc. (note-21)	311,603,594	356,800,194
	Charges on losses regarding leases, loans and advances	-	-
	Administrative expenses (note-19.2)	44,334,532	44,201,683
	Other operating expenses (note-34)	11,217,958	12,517,383
	Depreciation and repair of company's fixed assets (note-33)	8,146,398	8,134,944
		375,302,482	421,654,204
	Surplus of income over expenditure	**546,798,832**	**323,020,072**
19(a)	**Income statement (Consolidated)**		
	Income :		
	Interest, discount and similar income	942,027,933	739,472,114
	Dividend income	-	-
	Commission, exchange and brokerage	10,146,167	11,322,645
	Gains less losses arising from dealing in securities	-	-
	Gains less losses arising from dealing in foreign currencies	-	-
	Other operating income	51,216,830	55,698,364
	Profit less losses on interest rate changes	-	-
		1,003,390,930	806,493,123
	Expenses:		
	Interest expenses on deposits,borrowings,etc.	312,281,774	358,508,667
	Charges on losses regarding leases, loans and advances	-	-
	Administrative expenses	49,617,406	46,702,174
	Other operating expenses	12,192,302	13,209,489
	Depreciation and repair of company's fixed assets	8,742,150	8,697,629
		382,833,632	427,117,959
	Surplus of income over expenditure	620,557,298	379,375,164
19.1	Interest, discount and similar income		
	Interest income on leases,loans and advances (note-20)	858,468,093	665,450,088
	Investment income (note-22)	12,499,651	23,585,649
		870,967,744	689,035,737
19.2	Administrative expenses		
	Salary and allowances (note-25)	34,475,667	36,530,731
	Rent, taxes, insurance, electricity, etc. (note-26)	1,508,866	1,750,375
	Legal expenses (note-27)	381,020	274,630
	Postage,stamp,telecommunication etc. (note-28)	439,236	423,525
	Stationery,printing,advertisement etc. (note-29)	1,827,566	1,810,502
	Managing Director's salary and allowances (note-30)	4,836,177	2,851,920
	Directors' fees (note-31)	776,000	480,000
	Audit fees (note-32)	90,000	80,000
		44,334,532	44,201,683
20	**Interest income on leases,loans and advances:**		
	Lease income	122,449,490	117,549,061
	Interest on loans	735,503,472	547,331,728
	Interest during grace period	-	-
	Total interest income on leases,loans and advances	857,952,962	664,880,789
	Interest on balance with banks and other financial institutions	515,131	569,299
		858,468,093	**665,450,088**

		Amount in Taka	
		2016	2015
20(a)	**Interest income on leases,loans and advances (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	858,468,093	665,450,088
	GSP Investments Limited	246,566,606	211,479,026
		1,105,034,699	876,929,114
	Less: Inter company transaction	183,134,728	161,042,649
		921,899,971	**715,886,465**
21	**Interest expenses on deposits,borrowings,etc. :**		
a)	**Interest expenses on borrowings :**		
	Interest on term loans	80,065,188	108,837,875
	Interest on call loans	8,867,542	2,220,055
	Interest on Bank over draft	907,860	1,063,309
	Bank charges	419,977	376,325
		90,260,567	112,497,564
b)	**Interest expenses on deposits :**	221,343,027	244,302,630
	Total	**311,603,594**	**356,800,194**
21(a)	**Interest expenses on deposits,borrowings,etc. (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	311,603,594	356,800,194
	GSP Investments Limited	183,812,908	162,751,122
		495,416,502	519,551,316
	Less: Inter company transaction	183,134,728	161,042,649
		312,281,774	**358,508,667**
22	**Investment income:**		
	Dividend on Share	10,158,670	5,200,798
	Profit on Share Trading	2,340,981	18,384,851
		12,499,651	**23,585,649**
22(a)	**Investment income (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	12,499,651	23,585,649
	GSP Investments Limited	7,628,311	-
		20,127,962	**23,585,649**
23	**Commission , exchange and brokerage**		
	Commission , exchange and brokerage	-	-
		-	-
23(a)	**Commission , exchange and brokerage (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	-	-
	GSP Investments Limited	10,146,167	11,322,645
		10,146,167	**11,322,645**
24	**Other operating income:**		
	Income from FDR	3,279,266	2,750,229
	Documentation charge	1,871,529	1,778,117
	Late payment income	39,971,606	43,187,625
	Service charge	2,871,778	3,779,000
	Transfer price on lease finance	677,000	798,601
	Processing fees	109,000	44,000
	Income from house property	2,032,000	2,227,000
	Interest on call loan	142,014	699,650
	Profit on sale of fixed assets	-	274,999
	Miscellaneous earnings	179,376	99,318
		51,133,569	**55,638,539**

		Amount in Taka	
		2016	2015
24(a)	**Other operating income (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	51,133,569	55,638,539
	GSP Investments Limited	83,261	59,825
		51,216,830	55,698,364
25	Salary and allowances:		
	Basic pay and allowances	30,098,595	32,487,111
	Bonus (note-25.1)	2,267,258	2,381,717
	Company's contribution to provident fund	909,814	1,061,903
	Retirement benefit and gratuity	1,200,000	600,000
		34,475,667	36,530,731
25.1	Bonus		
	Festival	2,267,258	2,381,717
	Performance	-	-
		2,267,258	2,381,717
25(a)	**Salary and allowances(consolidated)**		
	GSP Finance Company (Bangladesh) Limited	34,475,667	36,530,731
	GSP Investments Limited	5,183,012	2,448,207
		39,658,679	38,978,938
26	Rent, taxes, insurance, electricity, etc.:		
	Rent, rate and taxes	23,652	89,612
	Insurance	459,157	742,344
	Power and electricity	1,026,057	918,419
		1,508,866	1,750,375
26(a)	**Rent, taxes, insurance, electricity, etc.(consolidated)**		
	GSP Finance Company (Bangladesh) Limited	1,508,866	1,750,375
	GSP Investments Limited	-	-
		1,508,866	1,750,375
27	Legal expenses :		
	Legal expenses	381,020	274,630
		381,020	274,630
27(a)	**Legal expenses (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	381,020	274,630
	GSP Investments Limited	-	-
		381,020	274,630
28	Postage,stamp,telecommunication etc.:		
	Postage and courier	84,830	100,075
	Telephone, fax, internet and mobile	244,962	199,915
	Stamp and court fee	109,444	123,535
		439,236	423,525
28(a)	**Postage,stamp,telecommunication etc.(consolidated)**		
	GSP Finance Company (Bangladesh) Limited	439,236	423,525
	GSP Investments Limited	3,232	600
		442,468	424,125

		Amount in Taka	
		2016	2015
29	**Stationery, printing, advertisement, etc.:**		
	Printing and stationery	548,908	560,163
	Advertisement and publicity	1,278,658	1,250,339
		1,827,566	1,810,502
29(a)	**Stationery, printing, advertisement, etc.(consolidated)**		
	GSP Finance Company (Bangladesh) Limited	1,827,566	1,810,502
	GSP Investments Limited	61,631	21,684
		1,889,197	1,832,186
30	**Managing Director's salary and allowances :**		
	Remuneration	4,800,834	2,792,742
	Other benefits	35,343	59,178
		4,836,177	2,851,920
30(a)	**Managing Director's salary and allowances (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	4,836,177	2,851,920
	GSP Investments Limited	-	-
		4,836,177	2,851,920
31	**Directors' fees :**		
	Directors fees	776,000	480,000
		776,000	480,000
	Other benefits	-	-
		776,000	480,000
31(a)	**Directors' fees (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	776,000	480,000
	GSP Investments Limited	15,000	10,000
		791,000	490,000
32	**Audit fees:**	90,000	80,000
		90,000	80,000
32(a)	**Audit fees (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	90,000	80,000
	GSP Investments Limited	20,000	20,000
		110,000	100,000
33	**Depreciation and repairs of company's assets:**		
	Depreciation on company's fixed assets (Annexure-C)	7,994,043	8,043,524
	Repairs of companies fixed assets	152,355	91,420
		8,146,398	8,134,944
33(a)	**Depreciation and repairs of company's assets (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	8,146,398	8,134,944
	GSP Investments Limited	595,752	562,685
		8,742,150	8,697,629

AMARSTOCK

		Amount in Taka	
		2016	2015
34	**Other operating expenses:**		
	Office maintenance	2,858,641	3,797,301
	Travelling and conveyances	550,850	827,756
	Motor vehicle running expenses	1,107,648	1,004,408
	Fees and subscriptions	1,735,975	2,140,957
	Staff welfare	327,276	465,057
	Newspaper,books and periodicals	64,586	45,739
	Staff training and education	108,898	60,000
	Entertainment expenses	658,061	764,565
	Business promotion	775,000	1,351,400
	Commission on TDR	1,636,967	597,370
	Annual General Meeting Expenses (34.1)	1,249,056	1,272,830
	CSR Expenses (34.2)	145,000	190,000
		11,217,958	**12,517,383**
34.1	Annual General Meeting Expenses		
	Rent for venue	267,500	43,370
	Printing of Annual Reports and data base	875,100	1,079,650
	Publication of Notice	47,610	85,920
	Others	58,846	63,890
		1,249,056	1,272,830
34.2	CSR Expenses		
	Dhaka Metropolition Police	50,000	-
	Bangladesh Coast Guard	50,000	45,000
	Razarbagh Police Head Quarters	45,000	75,000
	Others	-	70,000
		145,000	190,000
34(a)	**Other operating expenses(consolidated)**		
	GSP Finance Company (Bangladesh) Limited	11,217,958	12,517,383
	GSP Investments Limited	974,344	692,106
		12,192,302	**13,209,489**
35	**Provision for leases, loans and advances & investments:**		
	Provision for classified leases, loans and advances	38,957,844	(21,362,029)
	Provision for unclassified leases, loans and advances	49,955,420	9,340,936
	Provision for Investment in Share	(22,425,137)	19,755,189
		66,488,127	**7,734,096**
35(a)	**Provision for leases, loans and advances & investments (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	66,488,127	7,734,096
	GSP Investments Limited	50,542,827	39,382,207
		117,030,954	**47,116,303**

		Amount in Taka	
		2016	2015
36	**Provision for income tax:**		
	Current tax (36.1)	192,124,282	126,114,390
	Deferred tax (36.2)	1,934,314	609,726
		194,058,596	126,724,116

36.1 Provisions for current tax has been made on the basis of the profit for the year in accordance with the provisions of Income Tax Ordinance, 1984 and amendments made thereto. The current tax rate for the Company is 40% on taxable income.

36.2 Deferred tax asset/(liabilities)

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

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

	Carrying amount at balance sheet	Tax base	(Taxable)/deductible temporary difference
	Taka	Taka	Taka
Assets:			
Fixed assets net off depreciation	970,750,871	943,152,276	(27,598,595)
Liabilities:			
Employee gratuity	4,907,500	-	4,907,500
Total	975,658,371	943,152,276	(22,691,095)
Applicable tax rate			40.00%
Deferred tax asset/(liabilities) as on December 31, 2016			(9,076,438)
Deferred tax asset/(liabilities) as on December 31, 2015			(7,142,124)
Deferred tax income/(expenses) accounted for during the year			(1,934,314)

36(a)	**Provision for income tax (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	194,058,596	126,724,116
	GSP Investments Limited	8,705,865	6,364,833
		202,764,461	133,088,949

37 **Dividend :**

Dividend in the form of cash @ 22% for the year 2016 has been proposed by the Board of Directors in its meeting held on 09 April, 2017.

38 **Earning per share :**

Earning per share (EPS) is calculated in accordance with Bangladesh Accounting Standard No. 33. Earning per share has been calculated as follows:

Net profit after tax	286,252,109	188,561,860
Number of ordinary shares outstanding	104,632,695	104,632,695
Earning per share	2.74	1.80
Restated earning per share	2.74	1.80

		Amount in Taka	
		2016	2015
38(a)	**Earning per share (Consolidated) :**		
	Net profit after tax	300,761,883	199,169,912
	Number of ordinary shares outstanding	104,632,695	104,632,695
	Earning per share	2.87	1.90
	Restated earning per share	2.87	1.90

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

39 Related party disclosures :

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 BAS 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	2016	2015
Karnaphuli Ltd.	Common Directors	Loan/Lease	-	8,922,568
Container & Terminal service Ltd.	Common Directors	Loan/Lease	28,856,512	33,514,003
Mr. Saber Hossain Chowdhury	Director	Loan/Lease	2,868,213	4,262,882
			31,724,725	46,699,453

40 Unacknowledged debt :

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

41 Number of employees :

The total number of full time employees of the Company and their remuneration above Tk.48,000/- per annum were 50. There were no employees earning less than Tk. 48,000/- per year.

42 Number of Board meeting and remuneration for attending thereof :

Total number of 09 (nine) Board of directors meetings were held during the year and directors remuneration for attending was paid as per Company Law and Bangladesh Bank guidelines. No director has been paid any remuneration for any special service rendered.

43 Receivable from directors :

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

44 Disclosure regarding branch :

As at December 31, 2016, the company has no branch in or outside of Bangladesh.

45 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 and the committee met five times during the year 2016.

AMARSTOCK

46 Disclosure on Audit Committee:

46.1 Particulars of Audit Committee

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

Name	Status in the company	Status with the committee
Col. M. Nurul Islam Psc (Retd.)	Independent Director	Chairman
Mr. Saber Hossain Chowdhury	Director	Member
Dr. ATM Shamsul Huda	Independent Director	Member
Mr. Mohamed Abdul Jalil	Director	Member
Mr. Moin U. Haider	Director	Member

46.2 Activities of the audit committee during the year.

In the year 2016 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;

46.3 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.

47 Subsequent events :

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

48 Highlights on the overall activities :

Sl no.	Particulars	Amount in Taka 2016	2015
1	Paid up capital	1,046,326,950	1,046,326,950
2	Total eligible capital (note - 15.5.A)	2,162,688,928	1,675,669,535
3	Capital surplus / (deficit)	46,326,950	46,326,950
4	Total assets	8,134,124,311	6,244,266,308
5	Total deposits	3,689,298,401	2,954,368,170
6	Total leases, loans and advances	6,137,622,987	4,689,950,757
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	1.66	1.59
9	Percentage of classified leases,loans and advances		
10	against total leases,loans and advances	7.29	6.48
11	Profit after provisions and income tax	286,252,109	188,561,860
12	Leases,loans and advances classified		
13	for the year	447,571,662	303,849,653
14	Provision kept against classified		
15	leases,loans and advances	147,961,540	109,003,696
16	Provision surplus / (deficit)	2,867,960	886,019
17	Base Rate	11.67	12.67
18	Cost of fund	9.80	10.99
19	Interest earning assets	6,604,169,096	5,537,787,027
20	Non-interest earning assets	1,529,955,215	706,479,281
21	Return on assets (ROA) %	3.52	3.02
22	Return on investment (ROI) %	19.10	18.27
23	Income from investment	12,499,651	23,585,649
24	Earnings per share	2.74	1.80
25	Net Income per share	2.74	1.80
26	Price earnings ratio (times)	8.37	8.32

Company Secretary Director Managing Director & CEO

AMARSTOCK

GSP Investments Limited

(A wholly owned subsidiary of GSP Finance Company (Bangladesh) Limited)

Director's Report to the Shareholders

The Directors have the pleasure in presenting their Report with the audited financial statements of the company for the year ended December 31, 2016 together with the Auditor's Report and other matters in compliance with The Companies Act 1994.

GSP Investments Limited was incorporated with the Register of Joint Stock Companies & Firms (RJSC) as a Private Limited Company 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 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 principal activities of GSP Investments Limited are:

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

GSP Investments Limited provides a high standard of professional services to its local and NRB clients. It has proven track record of serving clients of their total needs, while maintaining strict compliance with regulations and its quality

Portfolio Management

GSP Investments Limited offers the following Portfolio Management Services:

- **Non-Discretionary Portfolio Management / Margin lending:** GSP Investments Limited offers margin loan to portfolio investors following internal policies. Besides facilitating trading (executed at clients direction), collects dividends, subscribe to rights offers and ensure that clients entitlements are well protected arising out of different corporate actions. GSPI's professional research team prepare list of marginable securities and updates it regularly for correct investment decisions.

- **Discretionary Portfolio Management:** GSP Investment's experience team of fund managers manages portfolios on behalf of the clients, both individuals and institutions following a disciplined investment process and structured approach to build the portfolio which is tailored to specific needs of the clients.

Equity Research

- Company Coverage -Research coverage on listed companies and newly listed companies;
- Industries Coverage-Research coverage on industries;
- Economic Coverage-
    - National Budget Review
    - Monetary policy statement Review
    - Economic Review etc
- Price Discovery under Book-Building Method;

Performance Highlights

Despite all the market vulnerabilities the Company earned profit before tax of TK. 23.22 million during January 01, 2016 to December 31, 2016. During the year, market capitalization as well as turnover witnessed slight gains impacting our management fees, transaction and settlement fees positively.

Human Resource Development

GSP Investments Limited continues to develop and implement proper human resource policies to motivate and improve the quality of employees and ensure their optimum contribution towards the achievement of the company goals. Adequate training facilities are arranged for the employees to improve their knowledge and efficiency.

Future Outlook

- Emergence of capital raising opportunities as a new revenue source of the Company
- Prospect of accumulation of strategic investments.
- Focus on sustaining our leadership position in investment banking.
- Positioning our research as top-notch and internationally benchmarked.
- Managing the downside risk of Margin Loan

Distribution of Profit for 2016

The Company made a profit after provision and tax of TK. 14.51 million for the year 2016. The Board proposed not to pay any dividend to the shareholders for the year 2016.

Appointment of Auditors

The Company shall at each Annual General Meeting, appointment an auditor to hold office until the next annual general meeting. The auditors of the company Malek Siddiqui Wali, Chartered Accountants has completed their audit for the year 2016 and the Board of Directors of the company recommended for re-appointment of Malek Siddiqui Wali, Chartered Accountants as Auditors of the company for the year 2017.



Feroz U. Haider
Chairman

মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউনটেন্টস
৯-জি, মতিঝিল বানিজ্যিক এলাকা, ঢাকা-১০০০

Malek Siddiqui Wali
CHARTERED ACCOUNTANTS
9-G, Motijheel C/A, 2nd Floor, Dhaka-1000, Bangladesh.
Extension Office: Property Heights, 1st Floor
12, RK Mission Road, Dhaka - 1000.

PHONE: 9513471, 9569867
PABX: 9576118-9, 9576128
FAX: +88029516236
Email: wali@satcombd.com
Web: www.msw-bd.com

AUDITORS' REPORT TO THE SHAREHOLDERS
OF
GSP Investments Limited.

We have audited the accompanying financial statements of GSP Investments Limited, which comprises of Balance Sheet as at 31 December 2016, related statement of Profit and Loss Account, Statement of Changes in Equity and Statement of Cash flow for the year ended, and a summary of significant accounting policies and other explanatory notes

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BASs) &Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:
In our opinion, the financial statement prepared in accordance with Bangladesh Accounting Standards (BASs) & Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of the company's affairs as at 31 December, 2016 and of the results of its operations for the period then ended and comply with the companies Act 1994 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state 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 accounts as required by law have been kept by the company, so far as it appeared from our examination of those books;

(iii) Company's Statement of financial position, statement of comprehensive Income, statement of cash flow and Statement of Changes in Equity dealt with by the report are in agreement with the books of account and returns.

(iv) the expenditure incurred was for the purpose of the company's business.

Dated, Dhaka
April 06, 2017

Malek Siddiqui Wali
Chartered Accountants

GSP INVESTMENTS LIMITED

BALANCE SHEET

AS AT DECEMBER 31, 2016

	Amount in Taka	
	Dec. 31, 2016	Dec. 31, 2015
ASSETS		
Non Current Assets:	**4,699,969**	**2,246,096**
Property, plant and equipments	4,699,969	2,246,096
Investment	**2,149,264**	**19,885,630**
Current assets:	**1,739,573,449**	**1,342,544,286**
Margin loan to portfolio clients	1,736,889,149	1,337,455,805
Accounts Receivable	350,884	-
Advance Income Tax	449,632	195,984
Cash & cash equivalents	1,883,784	4,892,497
Total	**1,746,422,682**	**1,364,676,012**
EQUITY AND LIABILITIES		
Shareholders equity:	**284,082,665**	**269,572,891**
Share Capital	250,000,000	250,000,000
Retained Earnings	34,082,665	19,572,891
Current Liabilities:	**1,462,340,017**	**1,095,103,121**
Borrowing from Banks & Financial Institutions	1,345,966,755	1,039,235,154
Portfolio investors' fund	3,280,654	2,472,042
Accounts payable	965,145	-
Provision for diminution in value of investments	-	636,343
Provision for Margin Loan	91,413,223	40,870,396
Provision for Income Tax	20,449,602	11,743,737
Other Liabilities	264,638	145,449
Total	**1,746,422,682**	**1,364,676,012**
Net Assets Value (NAV) per share	11.36	10.78

Company Secretary

Director

CEO/Managing Director (C.C.)

Signed as per our annexed report of even date

Dated, Dhaka
April 06, 2017

Malek Siddiqui Wali
Chartered Accountants

GSP INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2016

	Amount in Taka	
	2016	2015
OPERATING INCOME		
Interest Income	246,566,606	211,479,026
Less: Interest expenses	183,812,908	162,751,122
Net Interest Income	**62,753,698**	**48,727,904**
Investment Income	7,628,311	-
Commission, exchange and brokerages	10,146,167	11,322,645
Other operating income	83,261	59,825
	17,857,739	**11,382,470**
Total operating income(a)	**80,611,438**	**60,110,374**
OPERATING EXPENSES		
Salary and allowances	5,183,012	2,448,207
Postage & stamps	3,232	600
Printing & Stationary	61,631	21,684
Directors' fees	15,000	10,000
Depreciation on property, plant and equipments	595,752	562,685
Other Operating expenses	994,344	712,104
Total operating expenses(b)	**6,852,971**	**3,755,280**
Profit before provision (c = a-b)	**73,758,467**	**56,355,094**
Provision for diminution in value of investments	-	636,343
Provision for Margin Loan	50,542,827	38,745,864
Total profit before tax	23,215,640	16,972,887
Provision for tax	8,705,865	6,364,834
Net profit after tax	**14,509,774**	**10,608,053**
Other comprehensive income	-	-
	14,509,774	10,608,053
Earning per share (EPS)	**0.58**	**0.42**

Company Secretary

Director

CEO/Managing Director (C.C.)

Signed as per our annexed report of even date

Dated, Dhaka
April 06, 2017

Malek Siddiqui Wali
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

INVESTMENT IN SHARES

AS AT 31 DECEMBER 2016

ANNEXURE - A

Sl. No.	Name of the issuer company	No. of Shares	Cost price as at 31 Dec. 2016 (Tk)	Market Price as at 31 Dec. 2016 (Tk)	Provision required as at 31 Dec. 2016 (Tk.)
Investment in quoted shares:					
1	ACME Laboratories Ltd.	769,200	39,998,400	81,589,044	41,590,644
2	AFTABAUTO	694,400	50,390,408	35,907,424	(14,482,984)
3	BSRMLTD	16,000	2,008,208	2,466,880	458,672
4	BSRMSTEEL	45,000	4,599,459	4,339,350	(260,109)
5	DELTALIFE	28,475	3,207,898	2,774,035	(433,863)
6	DELTASPINN	230,616	2,096,480	1,916,419	(180,061)
7	EBL1STMF	183,753	1,410,038	951,841	(458,197)
8	GRAMEENPHONE LTD.	16,434	4,510,932	4,513,434	2,502
9	Glaxo Smith Cline	3,413	5,281,054	5,445,715	164,660
10	ICBIBANK	200,900	956,476	805,609	(150,867)
11	IDLC Bangladesh Ltd.	5,079	269,239	304,080	34,841
12	JAMUNAOIL	25,230	4,545,213	4,814,136	268,923
13	KEYACOSMET	74,764	1,166,509	822,404	(344,105)
14	LAFARGE SURMA CEMENT	10,000	778,243	767,100	(11,143)
15	LANKABAFIN	24,207	1,340,852	618,973	(721,879)
16	Meghna Petrolium	10,000	1,689,339	60,100	(1,629,239)
17	METROSPIN	75,075	1,934,376	572,072	(1,362,304)
18	NBL	408,725	3,614,145	3,837,928	223,783
19	NCCBANK	30,250	391,521	304,315	(87,206)
20	PLFSL	181,498	6,838,382	1,359,420	(5,478,962)
21	RAK Ceramics BD Ltd	9,700	601,809	570,942	(30,867)
22	REPUBLIC	22,600	529,367	349,396	(179,971)
23	SOUTHEASTB	86,500	1,634,876	1,451,470	(183,406)
24	Squarepharma	52,700	13,046,456	13,818,467	772,011
25	SQUARETEXT	18,639	1,240,032	1,273,044	33,012
26	SUMITPOWER	611,035	25,980,458	20,567,438	(5,413,020)
27	The City Bank Ltd.	5,000	124,198	120,800	(3,398)
28	Titas Gas Transmission & Distribution	16,200	762,478	779,220	16,742
29	UNIONCAP	51,788	1,465,354	670,137	(795,217)
30	UTTARABANK	12,100	390,975	283,866	(107,109)
Investment in unquoted shares:					
31	ADN Telecom Ltd.	700,000	10,500,000	10,500,000	-
32	CDBL	571,181	2,569,450	2,569,450	-
33	Energypac Power Generation Ltd.	1,192,800	49,984,000	49,984,000	-
	Total		**245,856,625**	**257,108,506**	-

	Cost Price
*Investment in quoted shares	182,803,175
*Investment in unquoted shares	63,053,450
Total:	**245,856,625**

GSP FINANCE COMPANY (BANGLADESH) LIMITED

SCHEDULE OF FIXED ASSETS (CONSOLIDATED)

AS AT 31 DECEMBER 2016

ANNEXURE - B

SL No.	Particulars	COST						DEPRECIAT ION				Written Down Value as on 31.12.16
		Opening Balance on 01.01.16	Addition during the year	Revaluation during the year	Adjustment during the year	Closing Balance as on 31.12.16	Rate %	Opening Balance on 01.01.16	Charged during the year	Adjustment During the year	Closing Balance as on 31.12.16	
1	Land & Land Development	288,150,000	-	665,287,500	-	953,437,500	-	-	-	-	-	953,437,500
2	Office Building	19,435,533	1,100,000	-	-	20,535,533	10	14,674,452	1,858,830	-	16,533,282	4,002,250
3	Office Equipment	21,165,232	614,500	-	-	21,779,732	20	12,949,895	2,089,314	-	15,039,208	6,740,524
4	Furniture & Fixtures	8,348,156	349,833	-	-	8,697,989	10	6,597,163	299,063	-	6,896,226	1,801,763
5	Software	1,340,000	-	-	-	1,340,000	20	917,000	84,600	-	1,001,600	338,400
6	Office Decoration	695,534	-	-	-	695,534	10	399,489	29,605	-	429,094	266,440
7	Telephone Systems	1,183,291	6,100	-	-	1,189,391	20	990,663	58,262	-	1,048,925	140,466
8	Motor Vehicle	11,615,879	2,992,725	-	-	14,608,604	20	5,916,981	2,055,322	-	7,972,303	6,636,301
9	Electrical Goods & Installation	4,095,278	-	-	-	4,095,278	20	2,343,476	652,115	-	2,995,591	1,099,687
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	18,500,516	1,462,685	-	19,963,201	987,511
AS AT 31 DECEMBER 2016		**378,108,509**	**5,063,158**	**665,287,500**	**-**	**1,048,459,168**		**64,418,532**	**8,589,795**	**-**	**73,008,327**	**975,450,840**
AS AT 31 DECEMBER 2015		**376,488,735**	**7,619,774**	**-**	**6,000,000**	**378,108,509**		**60,581,089**	**8,606,209**	**4,768,766**	**64,418,532**	**313,689,977**

GSP FINANCE COMPANY (BANGLADESH) LIMITED

SCHEDULE OF FIXED ASSETS

AS AT 31 DECEMBER 2016

ANNEXURE - C

SL No.	Particulars	COST					Rate %	DEPRECIAT ION				Written Down Value as on 31.12.16
		Opening Balance on 01.01.16	Addition during the year	Revaluation during the year	Adjustment during the year	Closing Balance as on 31.12.16		Opening Balance on 01.01.16	Charged during the year	Adjustment During the year	Closing Balance as on 31.12.16	
1	Land & Land Development	288,150,000	-	665,287,500	-	953,437,500	-	-	-	-	-	953,437,500
2	Office Building	19,435,533	1,100,000	-	-	20,535,533	10	14,674,452	1,858,830	-	16,533,282	4,002,250
3	Office Equipment	20,349,389	562,700	-	-	20,912,089	20	12,458,151	2,014,621	-	14,472,772	6,439,317
4	Furniture & Fixtures	8,273,721	344,733	-	-	8,618,454	10	6,567,638	294,361	-	6,861,999	1,756,455
5	Telephone Systems	1,183,291	6,100	-	-	1,189,391	20	990,663	58,262	-	1,048,925	140,466
6	Motor Vehicle	10,384,646	-	-	-	10,384,646	20	5,843,791	1,653,169	-	7,496,960	2,887,686
7	Electrical Goods & Installation	4,095,278	-	-	-	4,095,278	20	2,343,476	652,115	-	2,995,591	1,099,687
8	Generator & Installation	1,128,896	-	-	-	1,128,896	20	1,128,896	-	-	1,128,896	-
9	House Property	20,950,712	-	-	-	20,950,712	10	18,500,516	1,462,685	-	19,963,201	987,511
AS AT 31 DECEMBER 2016		**373,951,462**	**2,013,533**	**665,287,500**	**-**	**1,041,252,495**		**62,507,582**	**7,994,043**	**-**	**70,501,625**	**970,750,871**
AS AT 31 DECEMBER 2015		**373,691,648**	**6,259,814**	**-**	**6,000,000**	**373,951,462**		**59,232,824**	**8,043,524**	**4,768,766**	**62,507,582**	**311,443,881**

ANNEXURE - D

ORIGINAL

জি. কে. এডজ্যাস্টার্স লিঃ
G.K. ADJUSTERS LTD.
[Licenced Certified Surveyor Government of Bangladesh]

CHAND MANSION [5th Floor]
66,Dilkusha Commercial Area
Dhaka-1000, Fax # 88-02-9554332
Ph # 9551811, 9562343, 9554332
E-mail : gkalbd@yahoo.com
Web site : www.gkalbd.com

GKL:VL:08:2550:2562:16

20th November, 2016

GSP Finance Co [BD] Ltd,
1/C, Paribagh,
Mymensingh Road,
Ramna,
Dhaka.

Dear Sir,

Upto date valuation of your property, located at 1/C, Paribagh, P. S. R a m n a, D h a k a.

Acting on your request of 16th November, 2016, our surveyor inspected the captioned property to undertake the valuation of the same and we report as follows:

DATE OF SURVEY	***17.11.2016.***
OWNER OF THE PROPERTY	***MESSRS. GSP FINANCE CO [BD] LTD,*** *1/C, Paribagh, Mymensingh Road, Ramna, Dhaka.*

LOCATION OF THE PROPERTY

The property is located at 1/C, 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.

DESCRIPTION OF THE LAND

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 World Bank Bhaban and about 50 yards off towards west from Kazi Nazrul Islam Avenue. A two storied 1st class structure commercial building has been constructed over the plot, which is not taken into account for valuation purpose. 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.

G.K. ADJUSTERS LTD. DHAKA-1000 66, DILKUSHA C/A.

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.

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:4,50,00,000.00 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:95,34,37,500.00***

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

We certify that the valuation as detailed above is fair and reasonable as on date and our responsibility is restricted within the physical existence of the property at the time of our inspection and the value thereof.

This report is issued without prejudice.

Thanking you,

Sincerely yours,
For G. K. Adjusters Ltd,

G.K. ADJUSTERS LTD. DHAKA-1000 86 DILKUSHA C/A.

Sathi Yasmin
Director.

The physical inspection and survey was carried out by ***Mr. Md. Oliul Islam Khan.***

Shareholders' Note :

AMAR STOCK

Shareholders' Note :

AMAR STOCK

GSP Finance Company (Bangladesh) Limited | 1, Paribagh, Mymensingh Road, Dhaka-1000.

PROXY FORM

I/We.....

of.....being a shareholder

of GSP Finance Company (Bangladesh) Limited do hereby appoint

Mr./Mrs.....

of.....

(or failing his/her)

Mr./Mrs.....

of.....as my/our Proxy

to attend and vote on my/our behalf at the 9th Extra Ordinary General Meeting & 22nd Annual General Meeting of the Company to be held on May 23, 2017, Tuesday at 11 a.m. and 11.30 a.m. respectively at **'Raowa Convention Hall' (Helmet Hall-1), VIP Road, Mohakhali, Dhaka-1206** or at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this.....day of May, 2017

.....
Signature of the proxy

.....
Signature of the Shareholder(s)

BO ID No.....

No of shares being held.....

Revenue Stamp of Tk. 20/=

Notes:

I). This Form of Proxy, duly completed must be deposited at least 48 hours before the meeting of the Company's Registered Office. Proxy is invalid if not signed and stamped as indicated above.

II). Signature of the Shareholder should agree with the specimen signature registered with the Company.

GSP Finance Company (Bangladesh) Limited | 1, Paribagh, Mymensingh Road, Dhaka-1000.

ATTENDANCE SLIP

I/We hereby record my/our attendance at the 9th Extra Ordinary General Meeting & 22nd Annual General Meeting of the Company to be held on May 23, 2017, Tuesday at 11 a.m. and 11.30 a.m. respectively at **'Raowa Convention Hall' (Helmet Hall-1), VIP Road, Mohakhali, Dhaka-1206.**

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

BO ID No.....

No of shares being held.....

.....
Signature of the Shareholder(s)/Proxy

Date: .....

N.B.: Shareholders attending the meeting in person or by proxy are requested to complete Attendance Slip and deposit the same at the entrance of the meeting hall.

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

FINANCE STOCK

AMAR STOCK



GSP FINANCE COMPANY (BANGLADESH) LIMITED
1, Paribagh, Mymensingh Road, Dhaka-1000.
PABX : (880-2) 9674306, 9674425, FAX : (880-2) 9674194
E-mail : info@gspfinance.com, Web : www.gspfinance.com

AMAR STOCK