2017
Annual Report

GSP FINANCE
creating opportunities

GSP FINANCE COMPANY (BANGLADESH) LIMITED

AMAR STOCK

2017
Annual Report

GSP FINANCE COMPANY (BANGLADESH) LIMITED

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Letter of Transmittal

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

Subject: Annual Report for the year ended December 31, 2017

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, 2017 together with the audited Financial Statements including consolidated and separate Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Equity for the year ended December 31, 2017 and along with notes thereon for your kind perusal and record.

Thanking you,

Sincerely yours,

Md. Mizanur Rahman
Deputy Managing Director
&
Company Secretary

Date: February 01, 2018

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Notice of the 23rd Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting of the shareholders of GSP Finance Company (Bangladesh) Limited will be held on Wednesday, March 14, 2018 at 11.30 a.m. at the **Institution of Diploma Engineers, Bangladesh,** IDEB Bhaban, 160/A, Kakrail, Dhaka-1000 to transact the following business:

01. To receive and adopt the Directors' Report to the Shareholders, Auditors' Report and Audited Financial Statements for the year ended December 31, 2017.
02. To declare Dividend for the year ended December 31, 2017.
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 2018 until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board

Md. Mizanur Rahman
Deputy Managing Director
&
Company Secretary

Dated: February 01, 2018

Notes:

01. The Record Date is February 25, 2018.
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 23rd Annual General Meeting and qualify for the dividend to be declared at the AGM.
03. A shareholder eligible to attend and vote at the 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 Annual General Meeting.
04. Members are requested to update their respective BO Accounts with 12 digit Electronic Tax Identification Number (E-TIN), Bank Account, mailing address and contact number through their respective Depository Participant (DP) before the Record Date.
05. Shareholders' attendance counter will open at 7.00 a.m. and to be continued till 11.30 a.m.

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

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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

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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
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
Securities Trading Services

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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)
Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI)

Principal Bankers

BASIC Bank Ltd.
Commercial Bank of Ceylon PLC
Dutch- Bangla Bank Ltd.
Mutual Trust Bank Ltd.
Shahjalal Islami Bank Ltd.
Southeast 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

Abu Zafar Hedaytul Islam

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 of the Board &
Vice Chairman of the Board

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

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

Mr. Wajid Ali Khan Panni
Independent Director of the Board

Mr. Wolf-Peter Berthold
Director of the Board

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

Ms. Silwat A. Haider
Director of the Board

Abu Zafar Hedaytul Islam
Managing Director & CEO

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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 2016. He was the 28th President of Inter-Parliamentary Union (IPU) having been elected to the position on 16th October 2014 for a term of 3 years. He was the first Bangladeshi to have been elected to this highest office of global parliamentary leadership. At present Mr. Saber Hossain Chowdhury is the Honorary President of Inter-Parliamentary Union (IPU).



Dr. ATM Shamsul Huda

Independent Director of the Board &
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. Mr. ATM. Shamsul Huda has been elected as Vice Chairman of the Board of GSP Finance Company (Bangladesh) Limited in 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 in 2012. Mr. Moin U. Haider has been elected as Chairman of the Executive Committee of the Board of GSP Finance Company (Bangladesh) Limited in 2016.



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

Independent Director of the Board &
Chairman, Audit Committee

Col. M. Nurul Islam Psc. (Retd.) joined GSP Finance Company (Bangladesh) Limited in February 2000 as an Executive Director and 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. Wajid Ali Khan Panni

Independent Director of the Board

Mr. Wajid Ali Khan Panni has recently been appointed as an Independent Director of GSP Finance Company (Bangladesh) Limited. Mr. Panni was born in 1944. He studied in Darjeeling, India, then Aitchison College and F.C College in Lahore. Mr. Panni was a founder Trustee of Education, Science, Technology and Cultural Development Trust (ESTD) and a member of the Governing Council of Independent University Bangladesh (IUB). He was the first Vice president (Finance and Administration) Mutwali, Wajid Ali Khan Panni Waqf Estate, Karatia, Tangail. He was elected to 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.

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Mr. Wolf-Peter Berthold

Director of the Board

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



Mr. Mohamed Abdul Jalil

Director of the Board
Nominated by Tai Ping Asian Investment Limited

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



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.



Abu Zafar Hedaytul Islam

Managing Director & CEO

Mr. Abu Zafar Hedaytul Islam is the Managing Director & CEO of GSP Finance Company (Bangladesh) Limited. Prior to this assignment Mr. Islam was the Deputy Managing Director of Trust Bank Limited.

A post graduate in Economics from the University of Dhaka, started his Banking career in 1986 as a probationary officer with IFIC Bank Limited. During 31 years career he also served in Eastern Bank Limited. He attended a number of workshop & seminars at home and abroad. He is a widely travelled man and he visited countries like USA, Canada, Australia, Germany, Italy, UK, Holland, Austria, Malaysia, Singapore, UAE, Bahrain and India etc.

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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.)
Mr. Mohamed Abdul Jalil

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
Abu Zafar Hedaytul Islam

Members
Mr. Helal Uddin
Mr. Mizanur Rahman
Mr. Zillur Rahim Chowdhury
Mr. Syed Sharif Zamal
Mr. Shazzad Hossain

Asset-Liability Management Committee (ALCO)

Chairman
Abu Zafar Hedaytul Islam

Members
Mr. Helal Uddin
Mr. Mizanur Rahman
Mr. Zillur Rahim Chowdhury
Mr. Syed Sharif Zamal
Mr. Shazzad Hossain
Mr. Wahidul Islam

Anti Money Laundering Compliance Committee

Chairman
Abu Zafar Hedaytul Islam

Members
Mr. Mizanur Rahman
Mr. Syed Sharif Zamal
Mr. Shazzad Hossain
Mr. Wahidul Islam
Mr. Saiful Islam

Credit Committee

Chairman
Abu Zafar Hedaytul Islam

Members
Mr. Helal Uddin
Mr. Mizanur Rahman
Mr. Zillur Rahim Chowdhury
Mr. Syed Sharif Zamal
Mr. Wahidul Islam

BASEL Implementation Committee

Chairman
Abu Zafar Hedaytul Islam

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

Risk Management Forum

Chairman
Abu Zafar Hedaytul Islam

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

Integrity Committee

Chairman
Abu Zafar Hedaytul Islam

Members
Mr. Helal Uddin
Mr. Mizanur Rahman
Mr. Zillur Rahim Chowdhury
Mr. A.K.M. Mojibul Haque
Mr. Ramzan Hossain

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CAPITAL AND SHAREHOLDING STRUCTURE

	Amount in Taka	
Share Capital	2017	2016
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

Sponsors/Directors:	% of share holding 2017	Amount in Taka 2017	Amount in Taka 2016
A. Foreign			
Institutions:			
Tai Ping Asian Investment Limited	10.42%	108,979,210	108,979,210
Individuals:			
Mr. Wolf - Peter Berthold	3.59%	37,521,670	37,521,670
Sub Total	14.01%	146,500,880	146,500,880
B. Domestic			
Institutions:			
Karnaphuli Industries Limited	9.07%	94,913,860	94,913,860
Individuals:			
Mr. Feroz U. Haider	8.07%	84,406,110	84,406,110
Mr. Moin U. Haider	2.00%	20,926,550	20,926,550
Ms. Silwat A. Haider	2.00%	20,926,580	20,926,580
AVM (Retd.) Altaf Hossain Choudhury Ndu. Psc	0.36%	3,786,010	3,786,010
Col. M. Nurul Islam Psc. (Retd.)	0.07%	787,720	1 ,787,720
Sub Total	21.57%	225,746,830	226,746,830
C. General Shareholders	64.42%	674,079,240	673,079,240
Total (A+B+C)	**100.00%**	**1,046,326,950**	**1,046,326,950**

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Message from The Chairman

Bismillahir Rahmanir Rahim

Distinguished Shareholders:

Assalamu Alaikum,

It gives me immense pleasure to welcome you all at the 23rd 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 & high standard of 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.

As low interest on deposits was offered by Banks & FI's during the year, which resulted in shifting of deposits from Banks & FIs to saving instruments of Government. Despite that there were liquidity surplus in the money marker and country's credit grew @ 18.1% against targeted growth of @ 16.2% during the 1st half of the Fiscal year 2018 i.e. July-December period of 2017 and Bangladesh witnessed a 7.28 percent GDP growth in the year 2017.

The performance of the company during the year 2017 was satisfactory. In the year net profit after tax and provision stood at Tk 297 million as compared to Tk 267 million of previous year. Deposits and Advances of the company stood at Tk. 4,177.07 million & Tk. 8,070.56 million as at 31st December 2017 against Tk.3, 689.30 million & Tk.6,137.62 million

as at 31st December 2016 respectively. 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 2018 will be a hard year for FIs. The key challenging factor will be to compete with Banks in securing deposits and lending at comparative rates. As FI, depositors expect higher rate of interest on deposits 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 higher interest rates on deposits are being offered by Banks & FIs and interest rate is apprehended to go higher during the current year. Despite that we are to survive by rendering better & quick services to our customers, both depositors & borrowers, and by harnessing new sources of fund and managing it in a judicious manner.

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

Bismillahir Rahmanir Rahim

Dear Shareholders:

Assalamu Alaikum,

It is indeed a great pleasure for me to be here with you in the 23rd 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 a good financial results.

Our company has attained a significant growth in respect to loan disbursement, fund mobilization, and profitability during the year 2017. I am pleased to share the accomplishments and achievements of 2017 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, stability and we shall strive to perform well in various macroeconomic aspects with our all out efforts and dedications.

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 steering the company during the year 2017.

With thanks and best regards,



Abu Zafar Hedaytul Islam
Managing Director & CEO

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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, 2017 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 guidelines 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

2017 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.

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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 2017. The investment under lease finance registered a growth of 95.67% of the Company with exposure of Tk. 1,325.95 million at the end of 2017 as opposed to Tk. 677.46 million of the previous year.

Term Finance: Term finance continued to be a core product of GSP Finance Company (Bangladesh) Limited. Long-term finance is available for commercial, industrial, SME sectors for a period ranging from 12 to 60 months depending on the nature of business and need. To provide liquidity comfort to corporate houses in emergency situation, the short-term finance is made under the different categories i.e. direct finance for working capital, work order finance, 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 23.53% in 2017 which stood at TK. 6,744.97 million at the end of 2017 as against to Tk. 5,460.16 million of the previous year.

Fund Arrangement/Syndication: GSP Finance Company (Bangladesh) Limited actively participated as a co- financer in various large syndication loans in order to diversify its portfolio and reduce risks. The total commitments of the company in syndications and structured finance arrangements stood at Tk. 539.87 million as at December 31, 2017.

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 2017, the Company earned Tk 32.87 million in the form of capital gain and dividend.

MONEY MARKET OPERATION OF THE COMPANY

We experienced a highly liquid market in 2017. 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 impede our growth percentage, despite which we registered a modest growth in our business.

Banking Arrangement: In 2017 the Company obtained Tk 1,776.51 million from banks against different form of borrowings to finance our operations and repaid Tk 866.70 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. 4,177.07 million as on December 31, 2017

Money Market Operations: As a financial Institution GSP Finance Company (Bangladesh) Limited actively participates in the money market on a regular basis and has been dealing with both borrowing and lending activities with different banks/financial institutions to manage its treasury funding 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 is renewed confidence in the company to grow and 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, 2017 is shown on page 15 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, 2017 a total number of 10 (Ten)) Board Meetings were held and attendance of directors are presented on page 39 and their remuneration paid during the year are given in Notes- 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 28 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 2017 are summarized below with explanations in the enclosed audited Financial Statements:

Profit after tax	Tk. 307, 099,348
Retained earnings brought forward	Tk. 2,498,351
Transfer to Statutory Reserve (20% on profit after tax)	Tk. (61,419,870)
Profit available for declaration of Dividend for the year 2017	Tk. 248,177,829

DIVIDEND

The Board of Directors of the Company has recommended 23.50% Stock dividend (i.e. 23.50 bonus shares for every 100 shares) for the year ended December 31, 2017 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
- Securities Trading Services
- Margin Loan

DIRECTORS RETIREMENT AND REAPPOINTMENT

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

The Board of Directors of the Company in its 204th Meeting held on November 16, 2017 appointed Mr. Wajid Ali Khan Panni having address at Apt.# 201, Road # 30, House # 14, Gulshan-1, Dhaka-1212 as an Independent Director of the Company for the period of 03 (Three) years as per "Corporate Governance" notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 issued by Bangladesh Securities and Exchange Commission (BSEC).

APPOINTMENT OF AUDITORS

The Company's Auditors **Malek Siddique Wali**, Chartered Accountants will retire in the 23rd 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 the appointment of Malek Siddiqui Wali, Chartered Accountants as Auditors of the Company for the year 2018 with the same fee of Tk. 170,000 plus VAT.

FUTURE OUTLOOK

The major challenges for the year 2018 will be stiff competition from banks and other financial institutions as rate of interest has started rising on deposits and it is apprehended that during the year the market will not be as liquid as it was throughout the year 2017. 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 at comparative rates to match the demands of customers for Loans & advances to survive in the market.

I feel it is a great privilege to inform you that being satisfied with our performance Ministry of Finance has included us in the eligible list of 14 Non-Banking Financial Institutions (NBFIs) among 34 NBFIs operating in the market vide their letter no. 53.00.0000.331.99.001.17-281 dated 26th November, 2017 to receive along with private Banks up to 20% of Annual Development Program (ADP) funds from Autonomous & Semi-Autonomous bodies and 25% of their own funds from Government, Semi-Government, Autonomous and Semi- Autonomous bodies.

Due to this privilege our Company will have edge over the non-eligible NBFIs to mobilize substantial amounts of big volume deposits.

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:

SI	Name of members	Position in the committee	Position in the Board
1.	Col. M. Nurul Islam Psc.(Retd.)	Chairman	Independent Director
2.	Mr. Saber Hossain Chowdhury	Member	Director
3.	Dr. ATM Shamsul Huda	Member	Independent 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 2017. 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 2017

- 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 2017.

On behalf of the Audit Committee



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

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, 2017.

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, 2017.

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

Dated: February 01, 2018

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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 three (3) 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 23.50% stock dividend (i.e. 23.50 bonus shares for every 100 shares) for the year ended December 31, 2017
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.	✓		

Annexure – II

Compliance of Section 1.5(xx)

Meeting of the Board of Directors and its Sub- Committees 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	10	10	17	12		
Mr. Saber Hossain Chowdhury	10	6	17	8	4	2
Mr. Wolf-Peter Berthold	10	9				
Mr. Moin U. Haider	10	8	17	14	4	3
Ms. Silwat A. Haider	10	8				
Mr. Mohamed Abdul Jalil	10	5	17	8	4	3
Dr. ATM Shamsul Huda Independent Director	10	7			4	3
Col. M. Nurul Islam Psc. (Retd.) Independent Director	10	10	17	14	4	4
Mr. Wajid Ali Khan Panni Independent Director	10	10				

Compliance of Section 1.5 (xxi)

Annexure – III

The pattern of Shareholding

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	Sponsor Director & Chairman of the Board	8,440,611
Mr. Saber Hossain Chowdhury	Vice-Chairman of the Board (Nominated by Karnaphuli Industries Ltd.)	9,491,386
Mr. Wolf-Peter Berthold	Sponsor Director of the Board	3,752,167
Mr. Mohamed Abdul Jalil	Director of the Board (Nominated by Tai Ping Asian Investment Ltd.)	10,897,921
Mr. Moin U. Haider	Director of the Board	2,092,655
Ms. Silwat A. Haider	Director of the Board	2,092,658
Col. M. Nurul Islam psc. (Retd,)	Independent Director	78,772
Dr. ATM Shamsul Huda	Independent Director	None
Mr. Wajid Ali Khan Panni	Independent Director	None
Mr. Abu Zafar Hedaytul Islam	Managing Director & CEO	None
Mr. Mizanur Rahman	Deputy Managing Director & Company Secretary	None
Mr. Wahidul Islam	Chief Financial Officer (C.C.)	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
Deputy Managing Director	Mr. Zillur Rhahim Chowdhury	None
Sr. General Manager (Credit & Marketing)	Mr. Syed Sharif Zamal	None
Deputy General Manager (Sales)	Mr. Shazzad 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

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

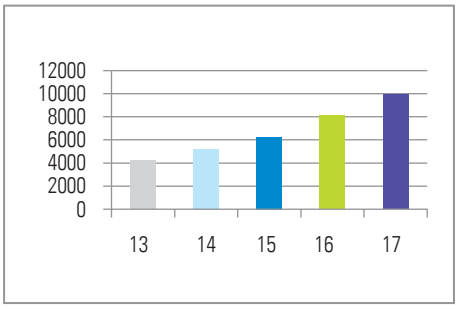
	(d) Management of loan/lease/investments:	
	(i) Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority 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

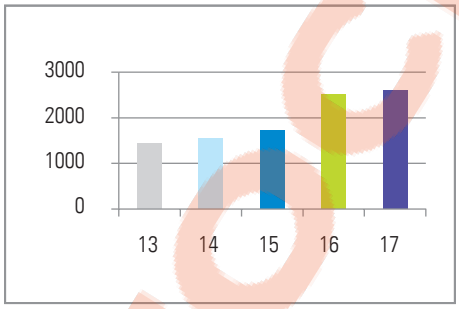
FINANCIAL HIGHLIGHTS

Operational Performance	2013	2014	2015	2016	2017
Operating revenue	559,934,056	629,990,628	744,674,276	922,101,313	1,038,570,606
Financial expenses	317,908,442	330,786,422	356,800,194	311,603,594	379,714,179
Operating expenses	53,877,976	62,795,400	64,854,010	63,698,887	65,560,469
Profit before taxation	156,203,668	187,324,191	315,285,976	480,310,705	513,340,910
Net Profit after tax	90,330,294	106,895,244	188,561,860	286,252,109	307,099,348
Financial performance					
Lease & term finance	2,212,831,562	3,323,380,472	3,650,715,603	4,791,656,232	6,627,994,210
Investor's portfolio loan	1,153,616,021	878,117,016	1,039,235,154	1,345,966,755	1,442,570,276
Investment	227,037,547	230,488,285	230,841,294	245,856,625	309,186,018
Other assets	118,194,773	332,743,739	345,895,783	341,886,709	364,812,748
Current assets	2,286,317,019	2,458,384,754	2,914,782,413	3,310,697,748	3,732,765,320
Total asset	4,223,448,549	5,211,282,504	6,244,266,308	8,134,124,311	9,961,488,185
Term deposits	1,823,862,827	2,204,593,155	2,954,368,170	3,689,298,401	4,177,070,229
Current liabilities	1,801,432,900	2,061,741,713	2,525,563,033	2,829,211,791	3,029,386,585
Long term liabilities	992,092,995	1,612,722,894	1,993,323,519	2,790,173,832	4,340,455,493
Total Liabilities	2,793,525,895	3,674,464,607	4,518,886,552	5,619,385,623	7,369,842,078
Financial ratios					
Current ratio (Times)	1.27	1.19	1.15	1.17	1.23
Financial expense coverage (Times)	1.49	1.57	1.88	2.54	2.35
Debt/Equity (Times)	1.60	1.99	2.19	1.84	2.32
Equity Multiplier	2.95	3.39	3.62	3.23	3.84
Net interest margin %	4.42	4.81	5.39	7.61	6.36
Net profit margin (%)	16.13	16.97	25.32	31.04	29.57
Return on equity (%)	6.52	7.21	11.56	13.50	12.03
Return on assets (%)	2.14	2.05	3.02	3.52	3.08
Rate of Dividend (%)	12.00	55.00	15.50	22.00	23.50
Price earnings ratio (Times)	21.02	20.90	8.32	8.37	10.46
Dividend (%)	12.00	55.00	15.50	22.00	23.50
Financial expense to total expenses (%)	85.51	84.05	84.62	83.03	85.28
Operating expense to operating revenue (%)	9.62	9.97	8.71	6.91	6.31
EPS (TK.)	1.50	1.58	1.80	2.74	2.94
Equity statistics					
Authorized capital	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Number of shares	60,272,291	67,504,965	104,632,695	104,632,695	104,632,695
Paid up Capital	602,722,910	675,049,650	1,046,326,950	1,046,326,950	1,046,326,950
Year end market price	31.50	33.10	15.00	22.90	30.70
Net asset value per share	23.72	22.77	16.49	24.03	24.77

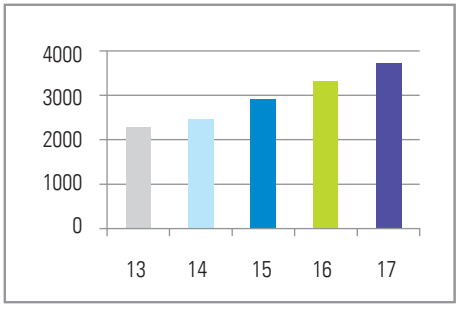
Total asset
BDT in million



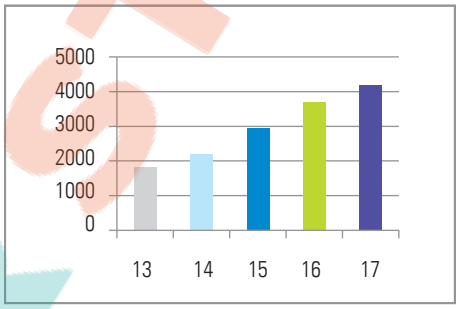
Shareholder's equity
BDT in million



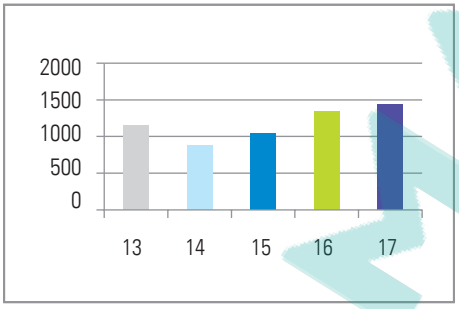
Current asset
BDT in million



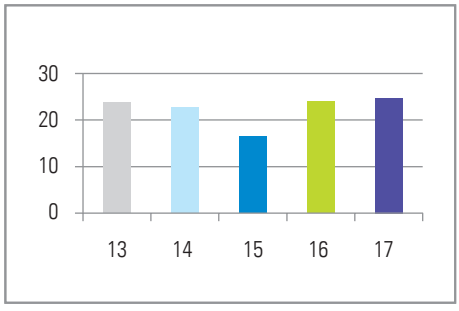
Term deposit
BDT in million



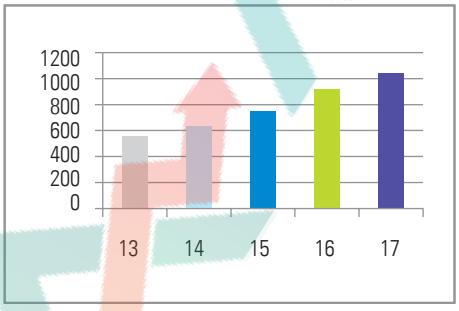
Investor's portfolio loan
BDT in million



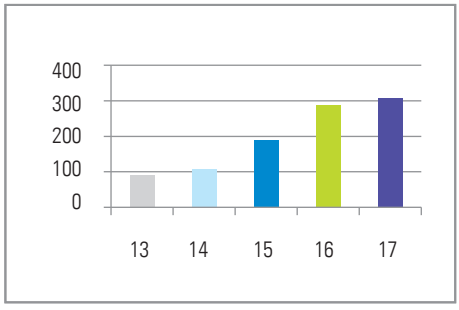
Net asset value per share
BDT per share



Operating revenue
BDT in million

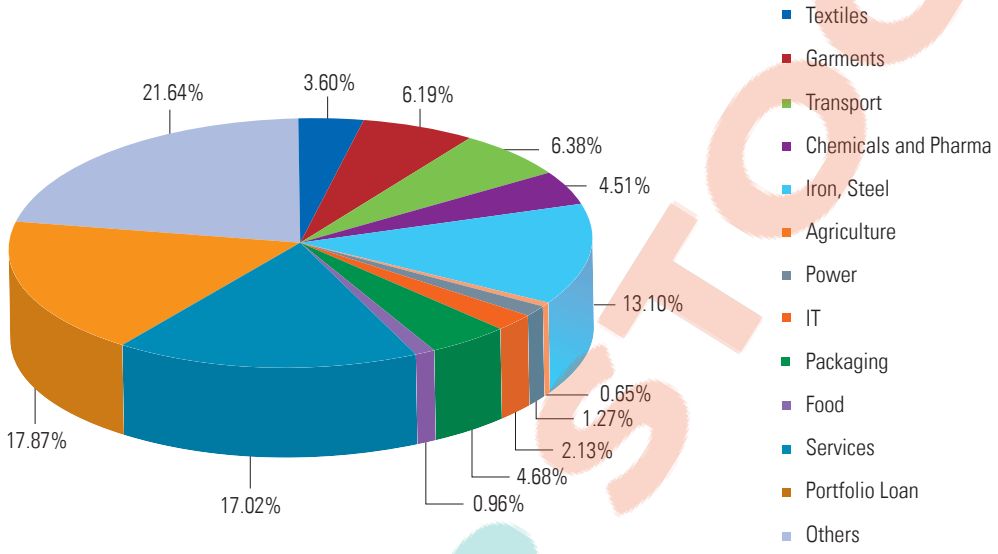


Net profit after tax
BDT in million

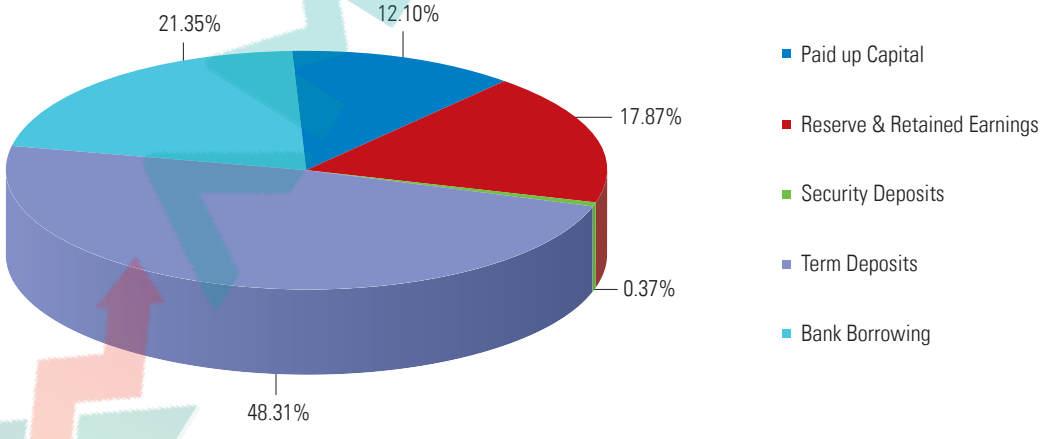


AMARSTOCK

Sectorwise Leases, Loans & Advances



Capitalization



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

Malek Siddiqui Wali
CHARTERED ACCOUNTANTS
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AUDITORS' REPORT TO THE SHAREHOLDERS
OF
GSP Finance Company (Bangladesh) Limited

We have audited the accompanying consolidated financial statements of GSP Finance Company (Bangladesh) Limited and its subsidiary (the "Group") as well as the separate financial statements of GSP Finance Company (Bangladesh) Limited ("the Company") which comprise the consolidated and the separate balance sheet as at 31 December 2017, the consolidated and the separate profit and loss account, statements of changes in equity, cash flow statements 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 of the consolidated financial statements of the Group and also the separate financial statements of the Company that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS), the Financial Institutions Act, 1993, the rules and regulations issued by Bangladesh Bank, the Securities and Exchange Rules, 1987, the Companies Act, 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of the Group and the separate financial statements of the Company give a trueand fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 31 December 2017, and of the consolidated and the separate financial performance and cash flows of the Group and the Company for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the applicable sections of the Financial Institutions Act, 1993, the rules and regulations issued by Bangladesh Bank, the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Associated firm of **Reddy Siddiqui & Kabani,** Park View, 183-189 The Vale, London, W3 7RW, UK
E-mail: mail@reddysiddiqui.com, Website: www.reddysiddiqui.com

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

Malek Siddiqui Wali
CHARTERED ACCOUNTANTS
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Web: www.msw-bd.com

We also report that:

(i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof and found satisfactory;

(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, 2017 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 record submitted by the parent company and the subsidiary company have been audited and consolidated properly in the financial statements;

(vii) the company has followed the instruction issued by the Bangladesh Bank in the matters of lease/advance classification, provision and suspension of interest;

(viii) statements sent to Bangladesh Bank has been checked on sample basis and no inaccuracy has come to our attention;

(ix) taxes and other duties collected and deposited to Government treasury by the Company as per Government instructions found satisfactory;

(x) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;

(xi) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions issued by Bangladesh Bank and other regulatory authorities have been complied properly;

(xii) the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible fraud, forgery and internal policies are being followed appropriately;

(xiii) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;

(xiv) the consolidated financial statements of the Group and the separate financial statements of the Company conform to the prescribed formats and standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting body of Bangladesh;

(xv) we have reviewed over 80% of the risk weighted assets of the Group and the Company during the course of our audit and we have spent over 1,130 person hours for the audit of books and accounts of the Group and the Company;

(xvi) all other issues which are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dated, Dhaka
February 01, 2018

Malek Siddiqui Wali
Chartered Accountants

Associated firm of **Reddy Siddiqui & Kabani,** Park View, 183-189 The Vale, London, W3 7RW, UK
E-mail: mail@reddysiddiqui.com, Website: www.reddysiddiqui.com

GSP FINANCE COMPANY (BANGLADESH) LIMITED

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2017

	Notes	Amount in Taka 2017	2016
PROPERTY AND ASSETS			
Cash		**50,331,928**	**217,362,441**
In hand (including foreign currencies)	3.1(a)	742,505	246,623
Balance with Bangladesh Bank and its agents bank(s) (including foreign currencies)	3.2(a)	49,589,423	217,115,818
Balance with other banks and financial institutions	4(a)	**204,202,446**	**222,528,462**
In Bangladesh		204,202,446	222,528,462
Outside Bangladesh		-	-
Money at call and short notice	5(a)	-	-
Investments	6(a)	**349,898,252**	**248,005,889**
Government		-	-
Others		349,898,252	248,005,889
		8,512,452,647	**6,528,545,381**
Leases ,loans and advances	7(a)	8,512,452,647	6,528,545,381
Bills Purchased and discounted	8(a)	-	-
Fixed assets including premises, furniture and fixtures	9(a)	**969,094,458**	**975,450,840**
Other assets	10(a)	**115,580,379**	**92,687,245**
Non-business assets	11	-	-
Total assets		**10,201,560,110**	**8,284,580,258**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks ,other financial institutions and agents:	12(a)	**1,845,721,551**	**935,906,591**
Deposits and other accounts	13(a)	**4,177,070,229**	**3,689,298,401**
Current deposits		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		4,177,070,229	3,689,298,401
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	14(a)	**1,537,985,875**	**1,110,553,892**
Total Liabilities		**7,560,777,655**	**5,735,758,884**
Capital / Shareholders' Equity			
Paid up capital	15.2	1,046,326,950	1,046,326,950
Statutory reserve	16	380,451,704	319,031,834
Other reserve	17	916,689,624	916,689,624
Retained earnings :			
Retained earnings balance	18(a)	297,314,132	266,772,943
Total equity attributable to equity holders of the company		**2,640,782,410**	**2,548,821,351**
Non-controlling interest		**45**	**23**
Total liabilities and Shareholders' equity		**10,201,560,110**	**8,284,580,258**

AMAR STOCK

		Amount in Taka	
		2017	2016
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 2016: Restated)		25.24	24.36

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

Company Secretary

Director

Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka
February 01, 2018

Malek Siddiqui Wali
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2017

	Notes	Amount in Taka	
		2017	2016
Interest income from leases,loans and advances	20(a)	1,030,187,982	921,899,971
Interest expenses on borrowings, deposits,etc	21(a)	(379,714,179)	(312,281,774)
Net interest income		**650,473,803**	**609,618,197**
Investment income	22(a)	43,031,721	20,127,962
Commission , exchange and brokerage	23(a)	10,686,372	10,146,167
Other operating income	24(a)	50,974,248	51,216,830
Total operating income		**755,166,144**	**691,109,156**
Salary and allowances	25(a)	44,380,127	39,658,679
Rent, taxes,insurance,electricity,etc.	26(a)	1,463,505	1,508,866
Legal expenses	27(a)	177,000	381,020
Postage,stamp,telecommunication,etc.	28(a)	523,136	442,468
Stationery,printing,advertisements,etc.	29(a)	1,849,427	1,889,197
Managing Director's salary and allowances	30(a)	5,648,055	4,836,177
Directors' fees	31(a)	1,167,000	791,000
Audit fees	32(a)	218,500	110,000
Charges on loan losses		-	-
Depreciation and repairs of company's assets	33(a)	6,998,117	8,742,150
Other operating expenses	34(a)	11,453,842	12,192,302
Total operating expenses		**73,878,708**	**70,551,858**
Profit before provision		**681,287,436**	**620,557,298**
Provision for leases,loans and advances & investments	35(a)	143,860,701	117,030,954
Other provision		-	-
Total provision		**143,860,701**	**117,030,954**
Total profit before income tax		**537,426,735**	**503,526,344**
Provision for income tax	36(a)	215,273,747	202,764,461
Net profit after income tax		**322,152,988**	**300,761,883**
Attributable to			
Shareholders of the company		**322,152,986**	**300,761,882**
Non-controlling interest		**2**	**1**
Retained earnings brought forward from previous year		266,772,943	185,442,160
		588,925,931	**486,204,043**
Appropriations:			
Statutory reserve	16	61,419,870	57,250,422
Cash dividend paid from Retained earnings for the year 2016		230,191,929	162,180,677
		291,611,799	**219,431,099**
Retained earnings carried to the balance sheet	18(a)	**297,314,132**	**266,772,943**
Earnings per share (year 2016: Restated)	38(a)	**3.08**	**2.87**

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

Malek Siddiqui Wali
Chartered Accountants

Dated, Dhaka
February 01, 2018

GSP FINANCE COMPANY (BANGLADESH) LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2017

	Amount in Taka	
	2017	2016
Cash flows from operating activities:		
Interest receipt in cash	1,011,010,888	910,521,437
Interest payment	(365,762,304)	(299,524,253)
Dividend receipts	7,657,236	12,346,411
Commission, Exchange and brokerage	10,686,372	10,146,167
Recoveries of loan previously written-off	-	-
Income taxes paid	(8,279,919)	(10,768,595)
Receipts from other operating activities	80,169,021	58,998,381
Payments for other operating activities	(66,662,091)	(62,072,063)
Cash generated from operating activities before changes in operating assets and liabilities	**668,819,203**	**619,647,485**
Increase / decrease in operating assets and liabilities		
Statutory deposit	-	-
Trading securities	-	-
Leases, loans and advances	(1,983,907,266)	(1,540,373,973)
Other assets	10,743,611	25,551,671
Deposit and other accounts	487,771,828	734,930,231
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	54,127,163	(23,758,045)
	(1,431,264,664)	(803,650,116)
Net cash used by operating activities	(762,445,461)	(184,002,631)
Cash flows from investing activities:		
Proceeds from sale of securities	86,886,800	40,337,318
Payments for purchases of securities	(188,779,163)	(37,616,283)
Purchase of fixed assets	(641,736)	(5,063,158)
Proceeds from sale of fixed assets	-	-
Payment against lease obligation	-	-
Net cash used by investing activities	(102,534,099)	(2,342,123)
Cash flows from financing activities:		
Receipts of borrowings from banks, other financial institutions and agents	1,776,511,329	569,321,150
Repayment of borrowings from banks, other financial institutions and agents	(866,696,369)	(451,931,906)
Receipts against issue of share capital	-	-
Dividend paid in cash	(230,191,929)	(162,180,677.00)
Net cash flow / used by financing activities	**679,623,031**	**(44,791,433)**
Net increase / (decrease) in cash and cash equivalents	(185,356,529)	(231,136,187)
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	439,890,903	671,027,090
Cash and cash equivalents at the end of the year	**254,534,374**	**439,890,903**

	Amount in Taka	
	2017	2016
Cash and cash equivalents at the end of the year		
cash in hand (including foreign currencies)	742,505	246,623
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	49,589,423	217,115,818
Balance with banks and other financial institutions	204,202,446	222,528,462
Money at call and short notice	-	-
	254,534,374	439,890,903
Net Operating Cash Flow per share (year 2016: Restated)	(7.29)	(1.76)

Company Secretary

Director

Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka
February 01, 2018

Malek Siddiqui Wali
Chartered Accountants

AMAR STOCK

GSP FINANCE COMPANY (BANGLADESH) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Attributable to equity holders of the company					Non-controlling interest (Tk.)	Total equity (Tk.)
	Paid up capital (Tk.)	Capital Reserve (Tk.)	Statutory Reserve (Tk.)	Retained Earnings (Tk.)	Total (Tk.)		
Balance as at January 01, 2016	**1,046,326,950**	**251,402,124**	**261,781,412**	**185,442,160**	**1,744,952,645**	**22**	**1,744,952,667**
Issue of share Capital						-	-
Net profit after tax for the year 2016				300,761,882	300,761,882	1	300,761,883
Transferred to statutory reserve	-	-	57,250,422	(57,250,422)	-	-	-
Transferred to provision for Tax				-	-	-	-
Cash dividend paid (2015)		-	-	(162,180,677)	(162,180,677)	-	(162,180,677)
Revaluation of properties		665,287,500		-	665,287,500.00	-	665,287,500
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**
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	1,046,326,950	916,689,624	319,031,834	266,772,943	2,548,821,351	23	2,548,821,374
Surplus/deficit on account of revaluation of properties		-	-	-	-	-	-
Surplus/deficit on account of revaluation of investment	-	-	-	-	-	-	-
Issue of share Capital	-	-	-	-	-	20	20
Cash dividend paid (2016)	-	-	-	(230,191,929)	(230,191,929)	-	(230,191,929)
Net profit after tax for the year	-	-		322,152,988	322,152,988	2	322,152,990
Transferred to statutory reserve	-	-	61,419,870	(61,419,870)	-	-	-
							-
Balance as at 31st December 2017	**1,046,326,950**	**916,689,624**	**380,451,704**	**297,314,132**	**2,640,782,410**	**45**	**2,640,782,455**

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
February 01, 2018

Malek Siddiqui Wali
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

BALANCE SHEET

AS AT DECEMBER 31, 2017

	Notes	Amount in Taka	
		2017	2016
PROPERTY AND ASSETS			
Cash	3	**50,329,086**	**217,317,635**
In hand (including foreign currencies)		739,663	201,817
Balance with Bangladesh Bank and its agents bank(s) (including foreign currencies)		49,589,423	217,115,818
Balance with other banks and financial institutions	4	**201,309,479**	**220,689,484**
In Bangladesh		201,309,479	220,689,484
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6	**309,186,018**	**245,856,625**
Government		-	-
Others		309,186,018	245,856,625
		8,070,564,486	**6,137,622,987**
Leases , loans and advances	7.1	8,070,564,486	6,137,622,987
Bills Purchased and discounted	8	-	-
Fixed assets including premises, furniture and fixtures	9	**965,286,368**	**970,750,871**
Other assets	10	**364,812,748**	**341,886,709**
Non-business assets	11	-	-
Total assets		**9,961,488,185**	**8,134,124,311**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks ,other financial institutions and agents:	12	**1,845,721,551**	**935,906,591**
Deposits and other accounts	13	**4,177,070,229**	**3,689,298,401**
Current deposits		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		4,177,070,229	3,689,298,401
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	14	**1,347,050,298**	**994,180,631**
Total Liabilities		**7,369,842,078**	**5,619,385,623**
Capital / Shareholders' Equity		**2,591,646,107**	**2,514,738,688**
Paid up capital	15.2	1,046,326,950	1,046,326,950
Statutory reserve	16	380,451,704	319,031,834
Other reserve	17	916,689,624	916,689,624
Retained earnings:			
Retained earnings balance	18	248,177,829	232,690,280
Total liabilities and Shareholders' equity		**9,961,488,185**	**8,134,124,311**

AMAR STOCK

		Amount in Taka	
		2017	2016
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 (2016 restated)		24.77	24.03

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
February 01, 2018

Malek Siddiqui Wali
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31,2017

	Notes	Amount in Taka 2017	2016
Interest income from leases,loans and advances	20	954,809,808	858,468,093
Interest expenses on borrowings, deposits,etc	21	(379,714,179)	(311,603,594)
Net interest income		**575,095,629**	**546,864,499**
Investment income	22	32,871,196	12,499,651
Commission , exchange and brokerage	23	-	-
Other operating income	24	50,889,602	51,133,569
Total operating income		**658,856,427**	**610,497,719**
Salary and allowances	25	38,325,934	34,475,667
Rent, taxes,insurance,electricity,etc.	26	1,463,505	1,508,866
Legal expenses	27	177,000	381,020
Postage,stamp,telecommunication,etc.	28	521,640	439,236
Stationery,printing,advertisements,etc.	29	1,773,994	1,827,566
Managing Director's salary and allowances	30	5,648,055	4,836,177
Directors' fees	31	984,000	776,000
Audit fees	32	195,500	90,000
Charges on loan losses		-	-
Depreciation and repairs of company's assets	33	6,086,998	8,146,398
Other operating expenses	34	10,383,844	11,217,958
Total operating expenses		**65,560,469**	**63,698,887**
Profit before provision		**593,295,959**	**546,798,832**
Provision for leases,loans and advances & investments	35	79,955,049	66,488,127
Other provision		-	-
Total provision		**79,955,049**	**66,488,127**
Total profit before income tax		**513,340,910**	**480,310,705**
Provision for income tax	36	206,241,562	194,058,596
Net profit after income tax		**307,099,348**	**286,252,109**
Retained earnings brought forward from previous year		232,690,280	165,869,270
Appropriations:		**539,789,628**	**452,121,379**
Statutory reserve	16	61,419,870	57,250,422
Cash dividend paid from Retained earnings for the year 2016		230,191,929	162,180,677
		291,611,799	**219,431,099**
Retained earnings carried to the balance sheet	18	**248,177,829**	**232,690,280**
Earning per share (EPS) (2016 restated)	38	**2.94**	**2.74**

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
February 01, 2018

Malek Siddiqui Wali
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31,2017

	Amount in Taka	
	2017	2016
Cash flows from operating activities:		
Interest receipt in cash	948,159,521	847,089,561
Interest payment	(365,762,304)	(298,846,073)
Dividend receipts	7,394,064	10,158,670
Recoveries of loan previously written-off	-	-
Income taxes paid	(8,189,351)	(10,514,947)
Receipts from other operating activities	70,708,429	53,474,550
Payments for other operating activities	(59,277,971)	(55,614,844)
Cash generated from operating activities before changes in operating assets and liabilities	**593,032,388**	**545,746,917**
Increase / decrease in operating assets and liabilities		
Statutory deposit	-	-
Trading securities	-	-
Leases, loans and advances	(1,932,941,499)	(1,447,672,230)
Other assets	(2,428,095)	25,902,555
Deposit and other accounts	487,771,828	734,930,231
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	52,525,682	(25,214,650)
	(1,395,072,084)	(712,054,094)
Net cash used by operating activities	(802,039,696)	(166,307,177)
Cash flows from investing activities:		
Proceeds from sale of securities	47,512,312	22,600,952
Payments for purchases of securities	(110,841,705)	(37,616,283)
Purchase of fixed assets	(622,496)	(2,013,533)
Proceeds from sale of fixed assets	-	-
Payment against lease obligation	-	-
Net cash used by investing activities	(63,951,889)	(17,028,864)
Cash flows from financing activities:		
Receipts of borrowings from banks, other financial institutions and agents	1,776,511,329	569,321,150
Repayment of borrowings from banks, other financial institutions and agents	(866,696,369)	(451,931,906)
Dividend paid in cash	(230,191,929)	(162,180,677.00)
Net cash flow / used by financing activities	**679,623,031**	**(44,791,433)**
Net increase / (decrease) in cash and cash equivalents	(186,368,554)	(228,127,474)
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	438,007,119	666,134,593
Cash and cash equivalents at the end of the year	**251,638,565**	**438,007,119**

	Amount in Taka	
	2017	2016
Cash and cash equivalents at the end of the year		
cash in hand (including foreign currencies)	739,663	201,817
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	49,589,423	217,115,818
Balance with banks and other financial institutions	201,309,479	220,689,484
Money at call and short notice	-	-
	251,638,565	438,007,119
Net Operating Cash Flow per share (2016 restated)	(7.67)	(1.59)

Company Secretary

Director

Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka
February 01, 2018

Malek Siddiqui Wali
Chartered Accountants

AMAR STOCK

GSP FINANCE COMPANY (BANGLADESH) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Paid up capital (Tk.)	Capital Reserve(Tk.)	Statutory Reserve(Tk.)	Retained Earnings (Tk.)	Total (Tk.)
Balance as at January 01, 2016	**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
Profit for the year				480,310,705	480,310,705
Transferred to statutory reserve	-	-	57,250,422	(57,250,422)	-
Transferred to provision for Tax				(194,058,596)	(194,058,596)
Cash dividend paid (2015)	-	-	-	(162,180,677)	(162,180,677)
Revaluation of properties		-		-	-
Balance as at 31st December 2016	**1,046,326,950**	**916,689,624**	**319,031,834**	**232,690,280**	**2,514,738,688**
Changes in accounting policy	-	-	-	-	-
Restated balance	1,046,326,950	916,689,624	319,031,834	232,690,280	2,514,738,688
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investment	-	-	-	-	-
Issue of share Capital (including premium)	-	-	-	-	-
Cash dividend paid (2016)	-	-	-	(230,191,929)	(230,191,929)
Net profit after tax for the year	-	-		307,099,348	307,099,348
Transferred to statutory reserve	-	-	61,419,870	(61,419,870)	-
Balance as at 31st December 2017	**1,046,326,950**	**916,689,624**	**380,451,704**	**248,177,829**	**2,591,646,107**

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
February 01, 2018

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, 2017

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	739,663	-	-	-	-	739,663
Balance with Bangladesh Bank and its agents	49,589,423	-	-	-	-	49,589,423
Balance with banks and other financial institutions	81,309,479	54,000,000	66,000,000	-	-	201,309,479
Money at call and short notice	-	-	-	-	-	-
Investments	186,134,168	-	120,482,400	-	2,569,450	309,186,018
Leases,loans and advances	633,764,311	1,373,178,017	1,088,944,148	4,974,678,010	-	8,070,564,486
Fixed assets including premises, furniture and fixtures	-	-	8,637,807	5,701,426	950,947,135	965,286,368
Other assets	-	-	69,986,004	44,826,764	249,999,980	364,812,748
Non-business assets	-	-	-	-	-	-
Total assets (A)	951,537,044	1,427,178,017	1,354,050,359	5,025,206,200	1,203,516,565	9,961,488,185
Liabilities :						
Borrowings from banks, other financial institutions and agents	220,877,521	76,575,597	150,000,000	1,398,268,433	-	1,845,721,551
Deposits and other accounts	468,249,573	1,178,351,512	935,332,382	1,394,810,107	200,326,656	4,177,070,229
Provision and other liabilities	-	-	-	1,347,050,298	-	1,347,050,298
Total liabilities (B)	689,127,094	1,254,927,109	1,085,332,382	4,140,128,838	200,326,656	7,369,842,078
Net liquidity gap (A - B)	262,409,950	172,250,909	268,717,977	885,077,362	1,003,189,909	2,591,646,107

Company Secretary

Director

Managing Director & CEO

Signed as per our annexed report of even date

Dated, Dhaka
February 01, 2018

Malek Siddiqui Wali
Chartered Accountants

1.0 CORPORATE INFORMATION:

1.1 Legal Status

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

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

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

The principal activities of GSP Investments Limited are:

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

1.3 Nature of Business

The Company carries out the following types of business

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

2.00 SIGNIFICANT ACCOUNTING POLICIES :

2.1 Basis of Accounting

These Financial Statements have been prepared under historical cost convention following accrual basis of accounting and in compliance with the requirements of Companies Act 1994, 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.

2.1.2 Statement of compliance

The consolidated financial statements and separate financial statements of the Company have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement and investment in marketable securities which are stated at market value in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh

as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), except the circumstances where local regulations differ, and the Companies Act, 1994, the Financial Institutions Act, 1993, Securities and Exchange Rules 1987, the Listing Regulations of Dhaka & Chittagong Stock Exchanges and other applicable laws and regulations. The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been kept blank in the financial statements.

2.2 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 2016 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	
		2017	2016
3.00	**CASH**		
3.1	Cash in hand		
	In local currency	739,663	201,817
	In foreign currency	-	-
		739,663	**201,817**
3.1(a)	**Cash in hand (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	739,663	201,817
	GSP Investments Limited	2,842	44,806
		742,505	**246,623**
3.2	Balance with Bangladesh Bank and its agents Bank(s)		
	In local currency	49,589,423	217,115,818
	In foreign currency	-	-
		49,589,423	**217,115,818**
3.2(a)	**Balance with Bangladesh Bank and its agents Bank(s) (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	49,589,423	217,115,818
	GSP Investments Limited	-	-
		49,589,423	**217,115,818**
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)	43,889,474	44,981,961
	Actual Reserve maintained (note- 3.2)	49,589,423	217,115,818
	Surplus / (deficit)	5,699,949	172,133,857
	b) Statutory Liquidity Reserve		
	Required Reserve	128,646,053	118,298,910
	Actual Reserve maintained (note-3.1, 3.2 and 4)	251,638,565	438,007,119
	Surplus / (deficit)	122,992,512	319,708,209

		Amount in Taka	
		2017	2016
4	**Balance with banks and other financial institutions**		
	In Bangladesh		
	Current accounts (note-4.1)	-	-
	Short term deposit accounts (note-4.2)	81,309,479	144,895,022
	Savings accounts (note-4.3)	-	-
	Fixed deposit accounts (note-4.4)	120,000,000	75,794,462
		201,309,479	**220,689,484**
	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	201,309,479	220,689,484
	GSP Investments Limited	2,892,967	1,838,978
		204,202,446	**222,528,462**
4.1	Current account		
		-	-
		-	-
4.2	Short term deposit account		
	BASIC Bank Ltd.	57,060,638	101,425,221
	Commercial Bank of Ceylon Plc	693,443	687,846
	Dutch Bangla Bank Ltd.	47,812	1,545,051
	Mutual Trust Bank Ltd.	22,965,231	40,023,226
	NCC Bank	12,858	15,820
	Prime Bank Ltd.	199,012	10,001
	Shahjalal Islami Bank Ltd	142,191	85,938
	Southeast Bank Ltd.	98,588	-
	Standard Bank Ltd.	25,794	26,348
	The City Bank Ltd.	31,840	1,037,589
	Uttara Bank Ltd	30,399	30,732
	Woori Bank	1,675	7,250
		81,309,479	144,895,022
4.3	Savings accounts		
	The company does not maintain any savings account		
4.4	Fixed deposit accounts		
	BASIC Bank Ltd.	-	6,000,000
	Mutual Trust Bank Ltd.	4,000,000	4,000,000
	Premier leasing & Finance Ltd.	-	50,000,000
	Shahjalal Islami Bank Ltd	-	1,171,212
	Standard Bank Ltd.	-	9,623,250
	The Farmers Bank Limited	10,000,000	5,000,000
	The Farmers Bank Limited	100,000,000	-
	Farest Finance & Investment Ltd.	6,000,000	-
		120,000,000	75,794,462
4.5	Maturity grouping of balance with banks and other financial institutions		
	On demand	81,309,479	144,895,022
	Up to 1 month	4,000,000	4,000,000
	Over 1 month but not more than 3 months	50,000,000	50,000,000
	Over 3 months but not more than 1 year	66,000,000	21,794,462
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		201,309,479	220,689,484

		Amount in Taka	
		2017	2016
5	**Money at call and short notice:**	-	-
		-	-
5(a)	**Money at call and short notice (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	-	-
	GSP Investments Limited	-	-
		-	**-**
6	**Investments**		
	Investment classified as per nature:		
	Government (note -6.1)	-	-
	Others (note-6.2)	309,186,018	245,856,625
		309,186,018	245,856,625
6(a)	**Investments (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	309,186,018	245,856,625
	GSP Investments Limited	40,712,234	2,149,264
		349,898,252	**248,005,889**
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)	309,186,018	245,856,625
	Debenture and bonds	-	-
	Other investment	-	-
	Gold etc.	-	-
		309,186,018	245,856,625
6.3	Maturity grouping of investments:		
	On demand	186,134,168	142,804,775
	Up to 1 month	-	-
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 year	120,482,400	100,482,400
	Over 1 year but not more than 5 years	-	-
	Over 5 years	2,569,450	2,569,450
		309,186,018	245,856,625
6.4	Other investments:		
	Investment in quoted Shares	241,419,128	182,803,175
	Investment in unquoted Shares	67,766,890	63,053,450
		309,186,018	245,856,625

AMAR STOCK

		Amount in Taka	
		2017	2016
7	**Leases, Loans and advances :**		
7.1	a) Inside Bangladesh		
	Leases (note -7.2)	1,325,592,683	677,464,545
	Loans	6,744,971,803	5,460,158,442
	Cash credits	-	-
	Overdrafts	-	-
		8,070,564,486	6,137,622,987
	b) outside Bangladesh	-	-
		8,070,564,486	6,137,622,987
7.1.1	**Lease Finance**		
	(As per paragraph 47 of BAS 17)		
	Principal Outstanding	1,000,244,692	382,439,589
	Account receivable	324,815,979	295,024,956
	Total	1,325,060,671	677,464,545
	Principal Outstanding		
	Gross lease rental receivable	1,222,451,564	496,767,232
	Unearned lease income	222,206,872	114,327,643
	Total	1,000,244,692	382,439,589
7.2	Leases	1,325,060,671	676,932,533
	Advances for leases (note -7.2.1)	532,012	532,012
		1,325,592,683	677,464,545
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	465,558,440	312,348,919
	Private sector	7,605,006,046	5,825,274,068
		8,070,564,486	6,137,622,987
7.4	Residual maturity grouping of leases,loans and advances		
	On demand	-	-
	Up to 1 month	633,764,311	445,591,429
	Over 1 month but not more than 3 months	1,373,178,017	1,179,037,376
	Over 3 months but not more than 1 year	1,088,944,148	926,781,071
	Over 1 year but not more than 5 years	4,974,678,010	3,586,213,111
	Over 5 years	-	-
		8,070,564,486	**6,137,622,987**

		Amount in Taka	
		2017	2016
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)	25,907,275	31,724,725
	b) Leases, loans and advances to Chief Executive Officer and other senior executives	2,293,096	-
		-	-
	c) Leases, loans and advances to customers groups:	-	-
		-	-
	i) Leases	1,300,811,023	648,608,033
	ii) Loans	6,741,553,092	5,457,290,229
		8,070,564,486	6,137,622,987
	d) Leases, loans and advances on sector basis:		
	i) Textiles	290,212,434	91,623,005
	ii) Garments and Accessories	499,167,922	207,812,463
	iii) Transport (including Marin Transport)	515,220,811	235,302,299
	iv) Chemicals and pharmaceuticals	364,177,546	223,769,003
	v) Iron, Steel and Engineering	1,056,978,331	731,541,740
	vi) Agricultural Equipments and Agro Industries	52,452,327	7,764,927
	vii) Power and Energy	102,188,798	343,740,009
	viii) Electronics and Electrical	-	-
	ix) Information technology (IT)	172,168,010	186,899,362
	x) Paper printing and Packaging	377,849,307	189,907,614
	xi) Plastic	-	-
	xii) Real Estate and Housing	-	-
	xiii) Food and Beverage	77,415,548	399,413,563
	xiv) Glass and Ceramics	-	-
	xv) Services	1,373,520,209	749,585,000
	xvi) Others	3,189,213,243	2,770,264,001
		8,070,564,486	**6,137,622,987**
7.6	Leases, loans and advances on geographical basis:		
	Inside Bangladesh:		
	Urban :		
	Dhaka Division	7,900,439,738	5,984,558,580
	Chittagong Division	170,124,748	153,064,407
	Khulna Division	-	-
	Rajshahi Division	-	-
	Barisal Division	-	-
	Sylhet Division	-	-
		8,070,564,486	6,137,622,987
	Rural :		
	Dhaka Division	-	-
	Chittagong Division	-	-
	Khulna Division	-	-
	Rajshahi Division	-	-
	Barisal Division	-	-
	Sylhet Division	-	-
		-	-
	Outside Bangladesh:	-	-
	Total	**8,070,564,486**	**6,137,622,987**

		Amount in Taka	
		2017	2016
7.7	Classification of Leases, loans and advances :		
	Unclassified :		
	Standard	6,412,185,886	5,491,691,521
	Special mention account	969,396,219	198,359,804
		7,381,582,105	5,690,051,325
	Classified :		
	Sub-standard	197,282,783	113,781,001
	Doubtful	112,863,943	28,593,134
	Bad/Loss	378,835,655	305,197,527
		688,982,381	447,571,662
	Total	8,070,564,486	6,137,622,987
7.8	Net Leases ,loans and advances :		
	Total Leases , loans and advances (note- 7.1)	8,070,564,486	6,137,622,987
	Less :		
	Non-performing leases, loans and advances (note-7.7)	688,982,381	447,571,662
	Interest suspenses (note-14.5)	143,810,981	70,798,251
	Provision for leases, loans and advances	334,211,640	254,256,591
		1,167,005,002	772,626,504
		6,903,559,484	5,364,996,483
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	4,375,053,008	3,388,581,651
	b) Lease , loans and advances considered good against which the financial institution holds no security other than the debtors personal guarantee	- - 2,350,955,435	- - 1,854,175,904
	c) Lease , loans and advances considered good secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors	- - 1,344,556,043	- - 894,865,432
	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	688,982,381	447,571,662
	ii) Provision on classified leases , loans and advances	222,207,650	147,961,540
	iii) Provision kept against leases, loans and advances classified as bad debts	146,530,924	136,143,263
	iv) Interest credited to interest suspense account (note-14.5)	143,810,981	70,798,251

		Amount in Taka	
		2017	2016
	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 2017 , GSP Finance Company (Bangladesh) Limited filed 15 suits against 10 clients under Artha Rin Adalat Ain -2003, Total suit amount was Tk. 47,78,92,608/-		
7(a)	**Leases ,Loans and advances (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	8,070,564,486	6,137,622,987
	GSP Investments Limited	1,884,458,437	1,736,889,149
		9,955,022,923	7,874,512,136
	Less: Inter company transaction	1,442,570,276	1,345,966,755
		8,512,452,647	6,528,545,381
8	**Bills purchased and discounted**		
	Payable in Bangladesh	-	-
	Payable outside Bangladesh	-	-
		-	-
8(a)	**Bills purchased and discounted (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	-	-
	GSP Investments Limited	-	-
		-	-
9	**Fixed assets including premises, furniture and fixtures:**		
	Cost:		
	Opening Balance	1,041,252,495	373,951,462
	Addition during the year	622,496	2,013,533
	Revaluation surplus during the year	-	665,287,500
		1,041,874,991	1,041,252,495
	Adjustment during the year	-	-
	Closing Balance (A)	1,041,874,991	1,041,252,495
	Less : Accumulated Depreciation :		
	Opening Balance	70,501,625	62,507,582
	Charged during the year:	6,086,998	7,994,043
		76,588,623	70,501,625
	Adjustment during the year	-	-
	Closing Balance (B)	76,588,623	70,501,625
	Written Down Value (A-B) (Annexure -C)	**965,286,368**	**970,750,871**

		Amount in Taka	
		2017	2016
9(a)	**Fixed assets including premises, furniture and fixtures (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	965,286,368	970,750,871
	GSP Investments Limited	3,808,090	4,699,969
	Written Down Value (Annexure -B)	**969,094,458**	**975,450,840**
10	**Other assets**		
	Corporate Tax paid in advance and Tax at source	47,844,922	39,655,571
	Advance, Deposits and Prepayments	28,450	28,450
	Sundry Debtors	66,939,415	52,202,708
	Investment in Subsidiary : GSP Investments Limited	249,999,960	249,999,980
		364,812,748	**341,886,709**
10(a)	**Other assets (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	364,812,748	341,886,709
	GSP Investments Limited	767,591	800,516
		365,580,339	**342,687,225**
	Less: Inter company transaction	249,999,960	249,999,980
		115,580,379	**92,687,245**
11	**Non-business assets**	-	-
		-	-
	As at 31 December 2017, GSP Finance Company (Bangladesh) Limited does not have any non-business assets.		
12	**Borrowings from banks ,other financial institutions and agents:**		
	In Bangladesh (note-12.1)	1,845,721,551	935,906,591
	Outside Bangladesh (note-12.2)	-	-
		1,845,721,551	**935,906,591**
12.1	In Bangladesh		
	Call loan		
	Sonali Bank Ltd.	80,000,000	-
	Janata Bank Ltd.	90,000,000	-
		170,000,000	-
	Term loan		
	AB Bank Ltd.	-	50,000,000
	Mutual Trust Bank Ltd	50,830,071	-
	NCC Bank	359,577,158	47,958,233
	Prime Bank Ltd.	-	228,903,849
	Southeast Bank Ltd.	277,846,546	122,051,584
	Basic Bank Ltd.	279,558,832	-
	Modhumoti Bank Ltd	138,766,018	-
	Uttara Bank Ltd.	100,150,000	-
	Woori Bank	150,000,000	150,000,000
	Bangladesh Bank (IPFF fund)	318,992,926	336,992,925
		1,675,721,551	**935,906,591**
12.2	Outside Bangladesh	-	-
		-	-
	As at December 31, 2017 the Company does not have any borrowing from outside of Bangladesh.		

		Amount in Taka	
		2017	2016
12.3	Analysis by Security against borrowing from banks, other financial institutions and agents.		
	Secured	1,356,728,625	598,913,666
	Unsecured	488,992,926	336,992,925
		1,845,721,551	935,906,591
	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	170,000,000	-
	Up to 1 month	50,877,521	50,000,000
	Over 1 month but not more than 3 months	76,575,597	58,743,164
	Over 3 months but not more than 1 year	150,000,000	150,000,000
	Over 1 year but not more than 5 years	1,398,268,433	677,163,427
	Over 5 years	-	-
		1,845,721,551	935,906,591
12(a)	**Borrowings from banks ,other financial institutions and agents (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	1,845,721,551	935,906,591
	GSP Investments Limited	1,442,570,276	1,345,966,755
		3,288,291,827	2,281,873,346
	Less: Inter company transaction	1,442,570,276	1,345,966,755
		1,845,721,551	935,906,591
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)	4,177,070,229	3,689,298,401
	Bearer certificate of deposit (note-13.5)	-	-
	Other deposits (note-13.6)	-	-
		4,177,070,229	3,689,298,401
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 2017 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.		

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		Amount in Taka	
		2017	2016
13.4	Term deposits		
	Deposits from banks and other financial institutions (note-13.4.1)	2,520,000,000	1,790,000,000
	Deposits from customers (note-13.4.2)	1,657,070,229	1,899,298,401
		4,177,070,229	3,689,298,401
13.4.1	Deposits from banks and other financial institutions		
	Agrani Bank Limited	200,000,000	200,000,000
	AB Bank Ltd.	-	50,000,000
	Bangladesh Commerce Bank Ltd	400,000,000	200,000,000
	Bangladesh Development Bank Ltd.	150,000,000	150,000,000
	Eastern Bank Ltd	270,000,000	220,000,000
	Janata Bank Ltd.	200,000,000	-
	Mutual Trust Bank Ltd.	-	100,000,000
	Modhumoti Bank Limited	200,000,000	-
	NRB Commercial Bank Ltd.	-	270,000,000
	NRB Bank Ltd.	170,000,000	-
	National Housing Finance and Investments Ltd.	150,000,000	100,000,000
	NCC Bank Limited.	80,000,000	-
	Pubali Bank Ltd.	200,000,000	-
	Sonali Bank Ltd	200,000,000	200,000,000
	Social Islami Bank Ltd.	-	200,000,000
	Shahjalal Islami Islami Bank Ltd.	200,000,000	-
	Standard Bank Ltd.	100,000,000	-
	Trust Bank Ltd.	-	100,000,000
		2,520,000,000	1,790,000,000
13.4.2	Deposits from customers		
	Deposits from general public	893,431,496	850,575,546
	Deposits from companies	763,638,733	1,048,722,855
		1,657,070,229	1,899,298,401
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 2017 , 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	468,249,573	770,191,074
	Over 1 month but not more than 6 months	1,178,351,512	1,128,241,829
	Over 6 months but not more than 1 year	935,332,382	672,035,724
	Over 1 year but not more than 5 years	1,394,810,107	937,640,613
	Over 5 years but not more than 10 years	200,326,656	181,189,161
	Over 10 years	-	-
		4,177,070,229	3,689,298,401

		Amount in Taka	
		2017	2016
13(a)	**Deposits and other accounts (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	4,177,070,229	3,689,298,401
	GSP Investments Limited	-	-
		4,177,070,229	**3,689,298,401**
14	**Other liabilities**		
	Expenditure and other payable (note-14.1)	14,637,375	17,971,556
	Provision for leases,loans and advances (note-14.2)	334,211,640	254,256,591
	Provision for investment in share (note-14.3)	-	-
	Provision for income tax (note-14.4)	822,821,627	616,580,065
	Interest suspense account (note-14.5)	143,810,981	70,798,251
	Advance rental / installment against leases, loans and advances	31,268,675	29,666,668
	Provision for gratuity	300,000	4,907,500
		1,347,050,298	**994,180,631**
14.1	Expenditure and other payable		
	Sundry Creditors	-	4,434,527
	Accrued interest on deposits	13,951,875	12,757,521
	Audit Fee	195,500	90,000
	VAT & Tax deducted at source	90,000	2,000
	Security Deposit (Tenancy -BCDL)	400,000	400,000
	Security Deposit (Tenancy- CBCL)	-	287,508
		14,637,375	**17,971,556**
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 2017. Total provision is made up as follows:		
	Movements in provision on classified leases,loans and advances (A)		
	Balance on 01 January	147,961,540	109,003,696
	Provision made during the year	74,246,110	38,957,844
	Balance at 31 December	222,207,650	147,961,540
	Movements in provision on unclassified leases,loans and advances (B)		
	Balance at 01 January	106,295,051	56,339,631
	Provision made during the year	5,708,939	49,955,420
	Balance at 31 December	112,003,990	106,295,051
	Total (A+B)	**334,211,640**	**254,256,591**
14.3	Provision for investment in shares		
	Balance at 01 January	-	22,425,137
	Provision made / (adjustment) during the year	-	(22,425,137)
	Balance at 31 December (Annexure -A for detail)	-	-
14.4	Provision for income tax:		
	Balance at 01 January	616,580,065	452,715,085
	Provision made during the year	206,241,562	194,058,596
		822,821,627	646,773,681
	Adjustment for the year	-	30,193,616
	Balance at 31 December	**822,821,627**	**616,580,065**
	This is arrived as at under:		

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

The company's tax assessment has been completed upto Assessment Year 2016-2017. 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	
	2017	2016
Balance at 01 January	70,798,251	62,271,667
Add: Amount transferred to interest suspense account during the year	81,888,813	51,793,643
Less: Amount recovered from interest suspense account during the year	(8,876,083)	(43,267,059)
Balance at 31 December	**143,810,981**	**70,798,251**
14.5.1 Details of interest suspense account		
Interest suspense for unclassified leases , loans and advances (A)		
Standard	-	13,159,626
Special mention account	26,743,885	8,724,317
	26,743,885	21,883,943
Interest suspense for classified leases , loans and advances (B)		
Sub - standard	19,016,822	13,956,791
Doubtful	14,125,366	4,292,638
Bad/Loss	83,924,908	30,664,879
	117,067,096	48,914,308
Total (A + B)	**143,810,981**	**70,798,251**

14(a) Other liabilities (consolidated)

GSP Finance Company (Bangladesh) Limited	1,347,050,298	994,180,631
GSP Investments Limited	190,935,577	116,373,261
	1,537,985,875	**1,110,553,892**
Less: Inter company transaction	-	-
	1,537,985,875	**1,110,553,892**

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 2017		
Domestic Shareholding Position	75.61%	791,151,620	819,793,280
Foreign Shareholding Position	24.39%	255,175,330	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 2017 classified by number of shares as follows:

Range of share Quantity	Number of Shares	Number of Holders	Holding Position in %	Amount Tk.
Less than 500 shares	314,825	2164	0.30%	3,148,250
501 to 5000 shares	5,685,297	3725	5.44%	56,852,970
5001 to 10000 shares	3,026,981	390	2.89%	30,269,810
10001 to 20000 shares	3,835,192	259	3.67%	38,351,920
20001 to 30000 shares	2,002,092	80	1.91%	20,020,920
30001 to 40000 shares	1,295,249	36	1.24%	12,952,490
40001 to 50000 shares	1,400,585	30	1.34%	14,005,850
50001 to 100000 shares	3,581,286	49	3.42%	35,812,860
100001 to1000000 shares	10,173,836	39	9.72%	101,738,360
Above 1000000 shares	73,317,352	14	70.07%	733,173,520
Total	**104,632,695**	**6786**	**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	
	2017	2016
A. Eligible Capital :		
1.Tier-1 Capital	1,674,956,483	1,598,049,065
2.Tier-2 Capital	576,348,802	564,639,863
3.Total Eligible Capital (1+2)	2,251,305,285	1,675,669,535
B. Total Risk Weighted Assets (RWA)	13,322,272,677	10,496,835,432
C. Capital Adequacy Ratio (CAR) (A3/B)*100	16.90	20.60
D. Core Capital to RWA (A1/B)*100	12.57	15.22
E. Supplementary Capital to RWA (A2/B)*100	4.33	5.38
F. Minimum Capital Requirement Based on Risk Weighted Assets (10% of B)	1,332,227,268	1,049,683,543
Surplus/(Deficit) (A3-F)	919,078,018	1,113,005,384
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	380,451,704	319,031,834
Share Premium	-	-
Non-Controlling interest	-	-
Retained Earnings	248,177,829	232,690,280
	1,674,956,483	1,598,049,065

	Amount in Taka	
	2017	2016
Tier-2 (Supplementary Capital):		
General Provision (Unclassified loans upto specified limit+SMA+off Balance Sheet Exposure)	118,003,990	106,295,051
Assets Revaluation Reserve upto 50%	458,344,812	458,344,812
	576,348,802	564,639,863
Risk Weighted Assets (RWA)		
A. Credit Risk		
On-Balance Sheet	11,388,592,379	8,926,389,014
Off-Balance Sheet	-	-
B. Market Risk	550,133,798	388,110,112
C. Operational Risk	1,383,546,500	1,182,336,306
	13,322,272,677	10,496,835,432

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	1,724,092,831	1,632,131,750
2.Tier-2 Capital	604,629,528	538,109,557
3.Total Eligible Capital (1+2)	2,328,722,359	2,170,241,307
B. Total Risk Weighted Assets (RWA)	13,792,612,333	8,071,162,557
C. Capital Adequacy Ratio (CAR) (A3/B)*100	16.88	26.89
D. Core Capital to RWA (A1/B)*100	12.50	20.22
E. Supplementary Capital to RWA (A2/B)*100	4.38	6.67
F. Minimum Capital Requirement Based on Risk Weighted Assets (10% of B)	1,379,261,233	807,116,256
Surplus/(Deficit) (A3-F)	949,461,125	1,363,125,051
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	380,451,704	319,031,834
Share Premium	-	-
Non-Controlling interest	45	23
Retained Earnings	297,314,132	266,772,943
	1,724,092,831	1,632,131,750
Tier-2 (Supplementary Capital)		
General Provision (Unclassified loans upto specified limit+SMA+off Balance Sheet Exposure)	146,284,716	79,764,745
Assets Revaluation Reserve upto 50%	458,344,812	458,344,812
	604,629,528	538,109,557
Risk Weighted Assets (RWA)		
A. Credit Risk		
On-Balance Sheet	11,702,780,887	6,643,127,447
Off-Balance Sheet	-	-
B. Market Risk	617,451,784	420,608,104
C. Operational Risk	1,472,379,662	1,007,427,006
	13,792,612,333	8,071,162,557

		Amount in Taka	
		2017	2016
16	**Statutory reserve**		
	Balance at 01 January	319,031,834	261,781,412
	Add: Transferred during the year	61,419,870	57,250,422
	Balance at 31 December	**380,451,704**	**319,031,834**
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	665,287,500
	Balance at 31 December	**916,689,624**	**916,689,624**
18	**Retained earnings**		
	Balance at 01 January	232,690,280	165,869,270
	Less: Cash dividend paid for the year 2016	(230,191,929)	(162,180,677)
	Add: Net profit for the year 2017	307,099,348	286,252,109
		309,597,699	289,940,702
	Less: Transfer to statutory reserve	(61,419,870)	(57,250,422)
	Balance at 31 December	**248,177,829**	**232,690,280**
	Apportionment:		
	Retained earnings balance	248,177,829	232,690,280
		248,177,829	232,690,280
18(a)	**Retained earnings (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	248,177,829	232,690,280
	GSP Investments Limited (Note 18aa)	49,136,303	34,082,663
		297,314,132	**266,772,943**
18(aa)	**Retained earnings of subsidiary**		
	Balance at 01 January	34,082,663	19,572,890
	Add: Net profit for the year	15,053,640	14,509,773
		49,136,303	**34,082,663**
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 2017, the Company does not have any liabilities , which was not shown in the accounts.

		Amount in Taka	
		2017	2016
19	**Income statement**		
	Income :		
	Interest, discount and similar income (note-19.1)	987,681,004	870,967,744
	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)	50,889,602	51,133,569
	Profit less losses on interest rate changes	-	-
		1,038,570,606	922,101,313
	Expenses:		
	Interest expenses on deposits,borrowings,etc. (note-21)	379,714,179	311,603,594
	Charges on losses regarding leases, loans and advances	-	-
	Administrative expenses (note-19.2)	49,089,628	44,334,532
	Other operating expenses (note-34)	10,383,844	11,217,958
	Depreciation and repair of company's fixed assets (note-33)	6,086,998	8,146,398
		445,274,649	375,302,482
	Surplus of income over expenditure	**593,295,958**	**546,798,832**
19(a)	**Income statement (Consolidated)**		
	Income :		
	Interest, discount and similar income	1,073,219,703	942,027,933
	Dividend income	-	-
	Commission, exchange and brokerage	10,686,372	10,146,167
	Gains less losses arising from dealing in securities	-	-
	Gains less losses arising from dealing in foreign currencies	-	-
	Other operating income	50,974,248	51,216,830
	Profit less losses on interest rate changes	-	-
		1,134,880,323	1,003,390,930
	Expenses:		
	Interest expenses on deposits,borrowings,etc.	379,714,179	312,281,774
	Charges on losses regarding leases, loans and advances	-	-
	Administrative expenses	55,426,750	49,617,406
	Other operating expenses	11,453,842	12,192,302
	Depreciation and repair of company's fixed assets	6,998,117	8,742,150
		453,592,887	382,833,632
	Surplus of income over expenditure	**681,287,436**	**620,557,298**
19.1	Interest, discount and similar income		
	Interest income on leases,loans and advances (note-20)	954,809,808	858,468,093
	Investment income (note-22)	32,871,196	12,499,651
		987,681,004	870,967,744
19.2	Administrative expenses		
	Salary and allowances (note-25)	38,325,934	34,475,667
	Rent, taxes, insurance, electricity, etc. (note-26)	1,463,505	1,508,866
	Legal expenses (note-27)	177,000	381,020
	Postage,stamp,telecommunication etc. (note-28)	521,640	439,236
	Stationery,printing,advertisement etc. (note-29)	1,773,994	1,827,566
	Managing Director's salary and allowances (note-30)	5,648,055	4,836,177
	Directors' fees (note-31)	984,000	776,000
	Audit fees (note-32)	195,500	90,000
		49,089,628	44,334,532
20	**Interest income on leases,loans and advances:**		
	Lease income	143,376,619	122,449,490
	Interest on loans	811,217,937	735,503,472
	Interest during grace period	-	-
	Total interest income on leases,loans and advances	954,594,556	857,952,962
	Interest on balance with banks and other financial institutions	215,252	515,131
		954,809,808	**858,468,093**

		Amount in Taka	
		2017	2016
20(a)	**Interest income on leases,loans and advances (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	954,809,808	858,468,093
	GSP Investments Limited	282,450,083	246,566,606
		1,237,259,891	1,105,034,699
	Less: Inter company transaction	207,071,909	183,134,728
		1,030,187,982	921,899,971
21	**Interest expenses on deposits,borrowings,etc.:**		
	a) **Interest expenses on borrowings :**		
	Interest on term loans	80,200,889	80,065,188
	Interest on call loans	11,344,792	8,867,542
	Interest on Bank over draft	1,240,889	907,860
	Bank charges	671,914	419,977
		93,458,483	90,260,567
	b) **Interest expenses on deposits :**	286,255,695	221,343,027
	Total	379,714,179	311,603,594
21(a)	**Interest expenses on deposits,borrowings,etc. (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	379,714,179	311,603,594
	GSP Investments Limited	207,071,909	183,812,908
		586,786,088	495,416,502
	Less: Inter company transaction	207,071,909	183,134,728
		379,714,179	312,281,774
22	**Investment income:**		
	Dividend on Share	7,394,064	10,158,670
	Profit on Share Trading	25,477,132	2,340,981
		32,871,196	12,499,651
22(a)	**Investment income (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	32,871,196	12,499,651
	GSP Investments Limited	10,160,525	7,628,311
		43,031,721	20,127,962
23	**Commission , exchange and brokerage**		
	Commission , exchange and brokerage	-	-
		-	-
23(a)	**Commission , exchange and brokerage (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	-	-
	GSP Investments Limited	10,686,372	10,146,167
		10,686,372	10,146,167
24	**Other operating income:**		
	Income from FDR	6,293,991	3,279,266
	Documentation charge	2,313,896	1,871,529
	Late payment income	35,388,537	39,971,606
	Service charge	5,347,528	2,871,778
	Transfer price on lease finance	5,000	677,000
	Processing fees	949,750	109,000
	Income from house property	552,000	2,032,000
	Interest on call loan	37,500	142,014
	Miscellaneous earnings	1,400	179,376
		50,889,602	51,133,569

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		Amount in Taka	
		2017	2016
24(a)	**Other operating income (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	50,889,602	51,133,569
	GSP Investments Limited	84,646	83,261
		50,974,248	**51,216,830**
25	**Salary and allowances:**		
	Basic pay and allowances	33,562,202	30,098,595
	Bonus (note-25.1)	3,009,183	2,267,258
	Company's contribution to provident fund	1,034,549	909,814
	Retirement benefit and gratuity	720,000	1,200,000
		38,325,934	34,475,667
25.1	Bonus		
	Festival	3,009,183	2,267,258
	Performance	-	-
		3,009,183	2,267,258
25(a)	**Salary and allowances(consolidated)**		
	GSP Finance Company (Bangladesh) Limited	38,325,934	34,475,667
	GSP Investments Limited	6,054,193	5,183,012
		44,380,127	**39,658,679**
26	**Rent, taxes, insurance, electricity, etc.:**		
	Rent, rate and taxes	23,652	23,652
	Insurance	422,503	459,157
	Power and electricity	1,017,350	1,026,057
		1,463,505	**1,508,866**
26(a)	**Rent, taxes, insurance, electricity, etc.(consolidated)**		
	GSP Finance Company (Bangladesh) Limited	1,463,505	1,508,866
	GSP Investments Limited	-	-
		1,463,505	1,508,866
27	**Legal expenses :**		
	Legal expenses	177,000	381,020
		177,000	381,020
27(a)	**Legal expenses (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	177,000	381,020
	GSP Investments Limited	-	-
		177,000	**381,020**
28	**Postage,stamp,telecommunication etc.:**		
	Postage and courier	67,177	84,830
	Telephone, fax, internet and mobile	318,025	244,962
	Stamp and court fee	136,438	109,444
		521,640	439,236
28(a)	**Postage,stamp,telecommunication etc.(consolidated)**		
	GSP Finance Company (Bangladesh) Limited	521,640	439,236
	GSP Investments Limited	1,496	3,232
		523,136	**442,468**

		Amount in Taka	
		2017	2016
29	**Stationery, printing, advertisement, etc.:**		
	Printing and stationery	591,908	548,908
	Advertisement and publicity	1,182,086	1,278,658
		1,773,994	1,827,566
29(a)	**Stationery, printing, advertisement, etc.(consolidated)**		
	GSP Finance Company (Bangladesh) Limited	1,773,994	1,827,566
	GSP Investments Limited	75,433	61,631
		1,849,427	**1,889,197**
30	**Managing Director's salary and allowances :**		
	Remuneration	5,076,000	4,800,834
	Other benefits	572,055	35,343
		5,648,055	4,836,177
30(a)	**Managing Director's salary and allowances (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	5,648,055	4,836,177
	GSP Investments Limited	-	-
		5,648,055	**4,836,177**
31	**Directors' fees :**		
	Directors fees	984,000	776,000
		984,000	776,000
	Other benefits	-	-
		984,000	776,000
31(a)	**Directors' fees (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	984,000	776,000
	GSP Investments Limited	183,000	15,000
		1,167,000	**791,000**
32	**Audit fees:**	195,500	90,000
		195,500	90,000
32(a)	**Audit fees (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	195,500	90,000
	GSP Investments Limited	23,000	20,000
		218,500	**110,000**
33	**Depreciation and repairs of company's assets:**		
	Depreciation on company's fixed assets (Annexure-C)	6,086,998	7,994,043
	Repairs of companies fixed assets	-	152,355
		6,086,998	8,146,398
33(a)	**Depreciation and repairs of company's assets (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	6,086,998	8,146,398
	GSP Investments Limited	911,119	595,752
		6,998,117	**8,742,150**

		Amount in Taka	
		2017	2016
34	**Other operating expenses:**		
	Office maintenance expenses	2,693,232	2,858,641
	Travelling and conveyances	699,091	550,850
	Motor vehicle running expenses	1,017,130	1,107,648
	Fees and subscriptions	1,642,160	1,735,975
	Staff welfare expenses	295,929	327,276
	Newspaper,books and periodicals	50,910	64,586
	Staff training and education expenses	87,000	108,898
	Entertainment expenses	719,051	658,061
	Business promotion expenses	658,570	775,000
	Commission on TDR	1,113,421	1,636,967
	Annual General Meeting Expenses (34.1)	1,289,350	1,249,056
	CSR Expenses (34.2)	118,000	145,000
		10,383,844	**11,217,958**
34.1	Annual General Meeting Expenses		
	Rent for venue and Decoration	316,000	267,500
	Printing of Annual Reports and data base	795,500	875,100
	Publication of Notice	79,350	47,610
	Others	98,500	58,846
		1,289,350	1,249,056
34.2	CSR Expenses		
	Dhaka Metropolition Police	68,000	50,000
	Bangladesh Coast Guard	-	50,000
	Razarbagh Police Head Quarters	-	45,000
	Society for Education of The Intellectually Disabled, Bangladesh	50,000	-
		118,000	145,000
34(a)	**Other operating expenses(consolidated)**		
	GSP Finance Company (Bangladesh) Limited	10,383,844	11,217,958
	GSP Investments Limited	1,069,998	974,344
		11,453,842	**12,192,302**
35	**Provision for leases, loans and advances & investments:**		
	Provision for classified leases, loans and advances	74,246,110	38,957,844
	Provision for unclassified leases, loans and advances	5,708,939	49,955,420
	Provision for Investment in Share	-	(22,425,137)
		79,955,049	**66,488,127**
35(a)	**Provision for leases, loans and advances & investments (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	79,955,049	66,488,127
	GSP Investments Limited	63,905,652	50,542,827
		143,860,701	**117,030,954**

		Amount in Taka	
		2017	2016
36	**Provision for income tax:**		
	Current tax (36.1)	205,336,364	192,124,282
	Deferred tax (36.2)	905,198	1,934,314
		206,241,562	194,058,596

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	965,286,368	940,032,278	(25,254,090)
Liabilities:			
Employee gratuity	300,000	-	300,000
Total	965,586,368	940,032,278	(24,954,090)
Applicable tax rate			40.00%
Deferred tax asset/(liabilities) as on December 31, 2017			(9,981,636)
Deferred tax asset/(liabilities) as on December 31, 2016			(9,076,438)
Deferred tax income/(expenses) accounted for during the year			(905,198)

36(a)	**Provision for income tax (consolidated)**		
	GSP Finance Company (Bangladesh) Limited	206,241,562	194,058,596
	GSP Investments Limited	9,032,185	8,705,865
		215,273,747	202,764,461

37 **Dividend :**

Dividend in the form of bonus share @ 23.50% for the year 2017 has been proposed by the Board of Directors in its 206th meeting held on 01 February, 2018.

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	307,099,348	286,252,109
Number of ordinary shares outstanding	104,632,695	104,632,695
Earning per share	2.94	2.74
Restated earning per share	2.94	2.74

		Amount in Taka	
		2017	2016
38(a)	**Earning per share (Consolidated) :**		
	Net profit after tax	322,152,988	300,761,883
	Number of ordinary shares outstanding	104,632,695	104,632,695
	Earning per share	3.08	2.87
	Restated earning per share	3.08	2.87

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	2017	2016
Container & Terminal service Ltd	Common Directors	Loan/Lease	24,781,660	28,856,512
Mr. Saber Hossain Chowdhury	Director	Loan/Lease	1,125,615	2,868,213
			25,907,275	31,724,725

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 49. 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 10 (Ten) Board of directors meetings were held during the year and directors remuneration for attending the board meeting was paid as per Company Law and Bangladesh Bank guidelines. No director has been paid any remuneration for any special service rendered.

43 Receivable from directors :

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

44 Disclosure regarding branch :

As at December 31, 2017, 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 17 (Seventeen) times during the year 2017.

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 2017 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 2017	Amount in Taka 2016
1	Paid up capital	1,046,326,950	1,046,326,950
2	Total eligible capital (note - 15.5.A)	2,251,305,285	2,162,688,928
3	Capital surplus / (deficit)	46,326,950	46,326,950
4	Total assets	9,961,488,185	8,134,124,311
5	Total deposits	4,177,070,229	3,689,298,401
6	Total leases, loans and advances	8,070,564,486	6,137,622,987
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	1.93	1.66
9	Percentage of classified leases,loans and advances against total leases,loans and advances	8.54	7.29
10	Profit after provisions and income tax	307,099,348	286,252,109
11	Leases,loans and advances classified for the year ended	688,982,381	447,571,662
12	Provision kept against classified leases,loans and advances	222,207,650	147,961,540
13	Provision surplus / (deficit)	4,135,898	2,867,960
14	Base Rate	11.37	11.67
15	Cost of fund	9.46	9.80
16	Interest earning assets	8,581,059,983	6,604,169,096
17	Non-interest earning assets	1,380,428,202	1,529,955,215
18	Return on assets (ROA) %	3.08	3.52
19	Return on investment (ROI) %	19.81	19.10
20	Income from investment	32,871,196	12,499,651
21	Earnings per share	2.94	2.74
22	Net Income per share	2.94	2.74
23	Price earnings ratio (times)	10.46	8.37

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, 2017 together with the Auditor's Report and other matters in compliance with The Companies Act 1994.

GSP Investments Limited was incorporated with the Registrar 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 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, by maintaining strict compliance with regulations of BSEC, DSE, CSE and other authorized government agencies.

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 BSEC and our internal policies. Besides facilitating trading on shares (executed at clients direction), GSPI 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:** GSPI'S experienced team of fund managers manage 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 Determination under Book-Building Method;

Performance Highlights

Despite all the market vulnerabilities the Company earned profit before tax of TK. 24.09 million during January 01, 2017 to December 31, 2017. 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 2017

The Company made a profit after provision and tax of TK. 15.05 million for the year 2017. The Board proposed not to pay any dividend to the shareholders for the year 2017.

Appointment of Auditors

As per Companies Act of 1994 the Company shall at each Annual General Meeting, appoint 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 2017 and being eligible for re-appointment 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 2018 at the same remuneration of Tk. 20,000/- plus VAT.

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.
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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 2017, 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, 2017 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
January 31, 2018

Malek Siddiqui Wali
Chartered Accountants

Associated firm of **Reddy Siddiqui & Kabani,** Park View, 183-189 The Vale, London, W3 7RW, UK
E-mail: mail@reddysiddiqui.com, Website: www.reddysiddiqui.com

GSP INVESTMENTS LIMITED

BALANCE SHEET

AS AT DECEMBER 31, 2017

	Amount in Taka	
	Dec. 31, 2017	Dec. 31, 2016
ASSETS		
Non Current Assets:	**3,808,090**	**4,699,969**
Property, plant and equipments	3,808,090	4,699,969
Investment in Share	40,712,234	2,149,264
Current assets:	**1,888,121,835**	**1,739,573,449**
Margin loan to portfolio clients	1,884,458,437	1,736,889,149
Accounts Receivable	227,389	350,884
Advance Income Tax	540,200	449,632
Cash & cash equivalents	2,895,809	1,883,784
Total	**1,932,642,159**	**1,746,422,682**
EQUITY AND LIABILITIES		
Shareholders equity:	**299,136,306**	**284,082,665**
Share Capital	250,000,000	250,000,000
Retained Earnings	49,136,306	34,082,665
Current Liabilities:	**1,633,505,853**	**1,462,340,017**
Borrowing from Banks & Financial Institutions	1,442,570,276	1,345,966,755
Portfolio investors' fund	5,306,664	3,280,654
Accounts payable	403,881	965,145
Provision for diminution in value of investments	2,217,931	-
Provision for Margin Loan	153,100,944	91,413,223
Provision for Income Tax	29,481,787	20,449,602
Other Liabilities	424,370	264,638
Total	**1,932,642,159**	**1,746,422,682**

Company Secretary

Director

CEO/Managing Director (C.C.)

Signed as per our annexed report of even date

Dated, Dhaka
January 31, 2018

Malek Siddiqui Wali
Chartered Accountants

GSP INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2017

	Amount in Taka	
	2017	2016
OPERATING INCOME		
Interest Income	282,450,083	246,566,606
Less: Interest expenses	207,071,909	183,812,908
Net Interest Income	**75,378,174**	**62,753,698**
Investment Income	10,160,525	7,628,311
Commission, exchange and brokerages	10,686,372	10,146,167
Other operating income	84,646	83,261
	20,931,543	**17,857,739**
Total operating income (a)	**96,309,717**	**80,611,438**
OPERATING EXPENSES		
Salary and allowances	6,054,193	5,183,012
Postage & stamps	1,496	3,232
Printing & Stationary	75,433	61,631
Directors' fees	183,000	15,000
Depreciation on property, plant and equipments	911,119	595,752
Other Operating expenses	1,092,998	994,344
Total operating expenses (b)	**8,318,239**	**6,852,971**
Profit before provision (c=a-b)	**87,991,478**	**73,758,467**
Provision for diminution in value of investments	2,217,931	-
Provision for Margin Loan	61,687,721	50,542,827
Total profit before tax	24,085,826	23,215,640
Provision for income tax	9,032,185	8,705,865
Net profit after tax	**15,053,641**	**14,509,774**
Other comprehensive income	-	-
	15,053,641	14,509,774
Earning per share (EPS)	**0.60**	**0.58**

Company Secretary

Director

CEO/Managing Director (C.C.)

Signed as per our annexed report of even date

Dated, Dhaka
January 31, 2018

Malek Siddiqui Wali
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

INVESTMENT IN SHARES

AS AT 31 DECEMBER 2017

ANNEXURE - A

Sl. No.	Name of the issuer company	No. of Shares	Cost price as at 31 Dec. 2017 (Tk)	Market Price as at 31 Dec. 2017 (Tk.)	Provision required as at 31 Dec. 2017 (Tk.)
Investment in quoted shares:					
1	Aamra Net Work	33,973	1,324,947	3,319,162	1,994,215
2	ACME Laboratories Ltd.	769,200	39,998,398	87,688,800	47,690,402
3	AFTABAUTO	694,400	50,390,408	44,580,480	(5,809,928)
4	BSRMLTD	17,600	2,008,208	1,738,880	(269,328)
5	BSRMSTEEL	86,385	8,343,813	6,781,223	(1,562,591)
6	DELTALIFE	28,475	3,207,898	3,063,910	(143,988)
7	DELTASPINN	253,673	2,096,480	2,384,526	288,046
8	Exim Bank Ltd.	50,000	911,456	860,000	(51,456)
9	First Security Islami Bank Ltd.	50,000	816,304	765,000	(51,304)
10	Grameen Phone	12,946	6,027,102	6,094,977	67,875
11	Glaxo Smith Cline	7,195	10,891,584	11,158,006	266,422
12	Heidelberg Cement Ltd.	58,360	27,783,136	24,797,164	(2,985,972)
13	KEYACOSMET	89,716	1,166,509	1,103,507	(63,002)
14	LAFARGE SURMA CEMENT	340,157	21,400,008	23,776,974	2,376,966
15	LANKABAFIN	27,838	1,340,852	1,330,656	(10,195)
16	METROSPIN	75,075	1,934,376	863,363	(1,071,013)
17	Nahee Aluminum Composite Panel Ltd	5,706	57,060	418,820	361,760
18	Oimex Electrode Ltd.	7,129	64,810	464,811	400,001
19	Olympic Industries	64,276	17,615,305	18,530,771	915,466
20	PLFSL	181,498	6,838,382	2,486,523	(4,351,860)
21	RAK Ceramics BD Ltd	11,185	654,995	669,982	14,986
22	SQUAR PHARMA	27,807	8,338,807	8,392,153	53,346
23	SUMITPOWER	611,035	25,980,458	21,936,157	(4,044,301)
24	Titas Gas Transmission & Distribution Ltd.	16,200	762,478	716,040	(46,438)
25	UNIONCAP	56,966	1,465,354	1,145,017	(320,337)
Investment in unquoted shares:					
26	ADN Telecom Ltd.	700,000	10,500,000	10,500,000	-
27	CDBL	571,181	2,569,450	2,569,450	-
28	Energypac Power Generation Ltd.	1,192,800	49,984,000	49,984,000	-
29	Aman Cotton Febrious	31,384	1,255,360	1,255,360	-
30	Bashundhara Papers Mills Ltd.	43,226	3,458,080	3,458,080	-
Total			**309,186,018**	**342,833,789**	-

	Cost Price
Investment in quoted shares	241,419,128
Investment in unquoted shares	67,766,890
Total:	**309,186,018**

GSP FINANCE COMPANY (BANGLADESH) LIMITED

SCHEDULE OF FIXED ASSETS (CONSOLIDATED)

AS AT 31 DECEMBER 2017

ANNEXURE - B

SL No.	Particulars	COST						DEPRECIAT ION				Written Down Value as on 31.12.17
		Opening Balance on 01.01.17	Addition during the year	Revaluation during the year	Adjustment during the year	Closing Balance as on 31.12.17	Rate %	Opening Balance on 01.01.17	Charged during the year	Adjustment During the year	Closing Balance as on 31.12.17	
1	Land & Land Development	953,437,500	-	-	-	953,437,500	-	-	-	-	-	953,437,500
2	Office Building	20,535,533	-	-	-	20,535,533	10	16,533,282	1,056,957	-	17,590,239	2,945,293
3	Office Equipment	21,779,732	629,568	-	-	22,409,300	20	15,039,208	1,994,283	-	17,033,490	5,375,808
4	Furniture & Fixtures	8,697,989	9,068	-	-	8,707,057	10	6,896,226	316,319	-	7,212,545	1,494,511
5	Software	1,340,000	-	-	-	1,340,000	20	1,001,600	67,680	-	1,069,280	270,720
6	Office Decoration	695,534	-	-	-	695,534	10	429,094	26,644	-	455,738	239,796
7	Telephone Systems	1,189,391	3,100	-	-	1,192,491	20	1,048,925	58,069	-	1,106,994	85,497
8	Motor Vehicle	14,608,604	-	-	-	14,608,604	20	7,972,303	2,120,025	-	10,092,328	4,516,275
9	Electrical Goods & Installation	4,095,278	-	-	-	4,095,278	20	2,995,591	546,340	-	3,541,931	553,347
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	19,963,201	811,800	-	20,775,001	175,711
AS AT 31 DECEMBER 2017		**1,048,459,168**	**641,736**	**-**	**-**	**1,049,100,904**		**73,008,327**	**6,998,117**	**-**	**80,006,443**	**969,094,458**
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**

GSP FINANCE COMPANY (BANGLADESH) LIMITED

SCHEDULE OF FIXED ASSETS

AS AT 31 DECEMBER 2017

ANNEXURE - C

SL No.	Particulars	COST						DEPRECIAT ION				Written Down Value as on 31.12.17
		Opening Balance on 01.01.17	Addition during the year	Revaluation during the year	Adjustment during the year	Closing Balance as on 31.12.17	Rate %	Opening Balance on 01.01.17	Charged during the year	Adjustment During the year	Closing Balance as on 31.12.17	
1	Land & Land Development	953,437,500	-	-	-	953,437,500	-	-	-	-	-	953,437,500
2	Office Building	20,535,533	-	-	-	20,535,533	10	16,533,282	1,056,957	-	17,590,239	2,945,294
3	Office Equipment	20,912,089	612,378	-	-	21,524,467	20	14,472,772	1,931,828	-	16,404,600	5,119,867
4	Furniture & Fixtures	8,618,454	7,018	-	-	8,625,472	10	6,861,999	311,702	-	7,173,701	1,451,771
5	Telephone Systems	1,189,391	3,100	-	-	1,192,491	20	1,048,925	58,069	-	1,106,994	85,497
6	Motor Vehicle	10,384,646	-	-	-	10,384,646	20	7,496,960	1,370,302	-	8,867,262	1,517,384
7	Electrical Goods & Installation	4,095,278	-	-	-	4,095,278	20	2,995,591	546,340	-	3,541,931	553,347
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	19,963,201	811,800	-	20,775,001	175,711
	AS AT 31 DECEMBER 2017	**1,041,252,496**	**622,496**		-	**1,041,874,991**		**70,501,625**	**6,086,998**	-	**76,588,625**	**965,286,368**
	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**

ANNUAL REPORT

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 23rd Annual General Meeting of the Company to be held on Wednesday, March 14, 2018 at 11:30 a.m. at the **Institution of Diploma Engineers, Bangladesh,** IDEB Bhaban,160/A, Kakrail, Dhaka-1000 or at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this.....day of March, 2018

.....
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 23rd Annual General Meeting of the Company to be held on Wednesday, March 14, 2018 at 11:30 a.m. at the **Institution of Diploma Engineers, Bangladesh,** IDEB Bhaban, 160/A, Kakrail, Dhaka-1000.

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

BO ID No..... No of shares being held.....

..... Date: .....
Signature of the shareholder(s)/proxy

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 AGM.

AMARSTOCK

AMAR STOCK

GSP FINANCE
creating opportunities

GSP FINANCE COMPANY (BANGLADESH) LIMITED
1, Paribagh, Mymensingh Road, Dhaka-1000.
PABX : (880-2) 9674306, 9674425, FAX : (880-2) 9674194
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