

“If you have any query about this document, you may consult issuer, issue manager and underwriter”



PROSPECTUS
of
GSP FINANCE COMPANY (BANGLADESH) LIMITED
For

Public Issue of 20,000,000 ordinary share of Tk.10.00 each at an issue price of Tk.25.00 per share including a premium of Tk. 15.00 per share totaling Tk. 500,000,000.00

Opening date for subscription	:	January 08, 2012
Closing date for subscription	:	January 12, 2012
Non-Resident Bangladeshi (NRB), subscription opens on	:	January 08, 2012
Non-Resident Bangladeshi (NRB), subscription closes on	:	January 21, 2012

Credit Rating Status

	Long Term	Short Term
Entity Rating	BBB ₃	ST-4
Date of Rating	06 March 2011	
Validity of Rating	30 June 2012	
RATING ASSIGNED BY: CREDIT RATING AGENCY OF BANGLADESH LTD.(CRAB)		

UNDERWRITERS

IDLC Investment Limited Eunoos Trade Center (Level 21) 52-53 Dilkusha C/A, Dhaka.	MTB Capital Limited 68 Dilkusha (6th Floor) C/A, Dhaka.	Lanka Bangla Finance Ltd. Safura Tower (Level 11), 20 Kemal Ataturk Avenue, Banani, Dhaka- 1213.
ICB Capital Management Limited 8, DIT Avenue, BDBL Bhaban (Level-16), Dhaka.	City Bank Capital Resources Limited Jibon Bima Tower, 1 st Floor 10, Dilkusha C/A, Dhaka.	Sonali Investment Limited Sara Tower, 11th Floor, 11/A, Toynbee Circular Road, Motijheel C/A, Dhaka.

Issue date of the Prospectus: November 29, 2011

The issue shall be placed in “N” category



MANAGER TO THE ISSUE
ICB CAPITAL MANAGEMENT LIMITED
(A SUBSIDIARY OF ICB)

BDBL Bhaban (Level-16), 8, DIT Avenue, Dhaka - 1000.

Phone: 7160326-7, Fax: 880-2-9555707, E-mail: ceocmcl@accesstel.net

Website: www.icbcmcl.com.bd

ISSUER

GSP FINANCE COMPANY (BANGLADESH) LIMITED

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

PABX: (880-2) 9674306, FAX : (880-2) 9674194

Website: www.gspfinanceco.com

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR".

AVAILABILITY OF PROSPECTUS

The Prospectus of GSP Finance Company (Bangladesh) Limited may be available at the following addresses:

Name & Address	Contact Person	Telephone No.
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Issuer Company

GSP Finance Company (Bangladesh) Limited 1, Paribagh, Mymensingh Road, Ramna, Dhaka- 1000.	A. H. Ekbal Hossain Managing Director	9674306
	& Md. Mizanur Rahman GM (Finance) & Company Secretary	9674306

Issue Manager

ICB Capital Management Ltd. 8, DIT Avenue, BDBL Bhaban (Level-16), Dhaka - 1000.	Nasir Uddin Ahmed Chief Executive Officer	+880-2-7160326-27
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Underwriters

ICB Capital Management Ltd. 8, DIT Avenue (14th Floor), Dhaka-1000.	Nasir Uddin Ahmed Chief Executive Officer	+880-2-7160326-27
Lanka Bangla Finance Ltd. Safura Tower (Level 11), 20 Kemal Ataturk Avenue, Banani, Dhaka-1213.	Quamrul Islam CFO	9883701-10
IDLC Investment Limited Eunoos Trade Center (Level 21), 52-53 Dilkusha C/A, Dhaka.	Md. Moniruzzaman Head of Merchant Banking	9571170
City Bank Capital Resources Limited Jibon Bima Tower, 1 st Floor 10, Dilkusha C/A, Dhaka.	Khondoker Ehetesham Haider Senior Executive Officer	880-2-8813483, 8814375, 8813156 Ext-1304
MTB Capital Limited 68 Dilkusha (6th Floor) C/A, Dhaka.	Khairul Bashar Abu Taher Mohammed Chief Executive Officer Ashadul Islam Board Secretary	01930 233 583 7170138-9 01818 416 284 717 0139-9
Sonali Investment Limited 11/A, Toyenbee Circular Road, Sara Tower (11 th floor), Motijheel C/A, Dhaka-1000.	Dr. Md. Waliar Rahman Chief Executive Officer	9568777, 9556940, 7170001 Ext t 101-126

Stock Exchanges

Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C/A, Dhaka-1000.	DSE Library	+880-2-9564601-7 +880-2-9666944-8
Chittagong Stock Exchange Limited (CSE) CSE Building, 1080, Sk. Mujib Road, Agrabad, Chittagong. Dhaka Liaison Office: Eunoos Trade Center (Level-15), 52-53 Dilkusha C/A, Dhaka-1000.	CSE Library	+880-31-714632-3 +880-31-720871 +8802-9513911-15

Prospectus would also be available on the web site of SEC (www.secbd.org), DSE (www.dsebd.org), CSE (www.cse.com.bd), GSP Finance Company (Bangladesh) Limited (www.gspfinanceco.com) and Issue Manager (www.icbcm.com.bd) and Public Reference Room of the Securities and Exchange Commission (SEC) for reading and studying.

<u>Name and address of the Auditor:</u> M/S Kazi Zahir Khan & Co. Chartered Accountants 67/4, Kakrail (G & 3 rd Floor), Dhaka-1000.	<u>Name and Address of the Lawyer:</u> Chowdurys & Hyders Barristers, Advocates and Consultants Room # 4/L, Meherba Plaza (4 th floor) 33 Topkhana Road, Dhaka.
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Definition and Elaboration of the abbreviated words and technical terms used in the prospectus

Allotment	Letter of Allotment of Shares
BAS	Bangladesh Accounting Standard
BB	Bangladesh Bank
BO	Beneficiary Owner
BSA	Bangladesh Standard on Auditing
CSE	Chittagong Stock Exchange
Certificate	Share Certificate
CDBL	Central Depository Bangladesh Limited
CIB	Credit Information Bureau
Commission	Securities and Exchange Commission
DSE	Dhaka Stock Exchange
FC Account	Foreign Currency Account
IAS	International Accounting Standard
ICML	ICB Capital Management Limited
Issue	Public Issue of Shares of GSP Finance Company(Bangladesh) Limited
IPO	Initial Public Offering
MP	Market Price
MICR	Magnetic Ink Character Recognition
NBFI	Non Banking Financial Institution
NBR	National Board of Revenue
NRB	Non-Resident Bangladeshi
NAV	Net Asset Value
Offering Price	Price of the Share of GSP Finance Company (Bangladesh) Limited being offered
RJSC	Registrar of Joint Stock Companies and Firms
Registered Office	Head Office of the Company
SEC	Securities and Exchange Commission
SC	Share Certificate

STD Account	Short Term Deposit Account
Securities	Share of GSP Finance Company (Bangladesh) Limited
Securities Market	The Share Market of Bangladesh
Stock Holders	Share Holders
Subscription	Application Money
Sponsors	The Sponsor Shareholders of GSP Finance Company (Bangladesh) Limited
The Company/Issuer	GSP Finance Company (Bangladesh) Limited

DISCLOSER IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

As per provisions of the Depository Act, 1999 and regulations made there under, share of the company will be issued in dematerialized form, only and, for this purpose, GSP Finance Company (Bangladesh)Limited has signed an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers/transmissions, splitting or conversions will take place in the CDBL system and any further issuance of shares (including rights/bonus) will also be issued in dematerialized form only.

CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

PART-A

1. The company shall go for Initial Public Offer (IPO) for 20,000,000 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 25.00 per share including a premium of Tk. 15.00 each worth Tk. 500,000,000.00 (Tk. Fifty Crore) following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within 3 (Three) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within 3 (Three) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the issue managers a diskette containing the text of the vetted prospectus in "MS -Word" format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue managers. The subscription application shall indicate in bold type that no sale of securities shall be

made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.

4. The company shall submit 40 (Forty) copies of the printed prospectus to the Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the issue managers shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within 5 (Five) working days of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the issue managers within 2 (Two) working days from the date of said dispatch of the prospectus and the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.
8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within 7 (Seven) working days from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchanges.
9. The following declaration shall be made by the company in the prospectus, namely: -

“Declaration about Listing of Shares with the stock exchange (s):

None of the stock exchange(s), if for any reason, grants listing within 75 (Seventy Five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (Seventy Five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 7

(Seven) days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money."

10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days**.
11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only". The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus 9 (Nine) days. Applications received by the company after the above time period will not be considered for allotment purpose.
12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, wherever applicable.
13. The Company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.
14. Upon completion of the period of subscription for securities, the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 5 (Five) working days, in respect of the following matters, namely: -
 - a. Total number of securities for which subscription has been received;
 - b. Amount received from the subscription; and
 - c. Amount of commission paid to the bankers to the issue.
15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2 (Two) CDs and final status of subscription to the Commission within **3 (Three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.
16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 5 (Five) weeks from the date of the subscription closure), if any of the following events occur:
 - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - (b) At least 50% of the IPO is not subscribed.
17. 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 80% shall be open for subscription by the general public. In case of under-subscription

under any of the 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the managers to the issue shall jointly conduct an open lottery of all the applicants added together.

18. All the applicants shall first be treated as applied for one minimum market lot of **500 shares worth Taka 12,500/-** (Twelve Thousand Five Hundred only). If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue managers shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.
19. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
20. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**
21. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeit whole or part of their application too.**
22. Lottery (if applicable) shall be held within **4 (Four) weeks** from closure of the subscription date.
23. The company shall issue share allotment letters to all successful applicants within **5 (Five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/ Account Payee Cheque/ refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition no. 20 above.

Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

A compliance report in this regard shall be submitted to the Commission within 7 (Seven) weeks from the date of closure of subscription.

24. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
25. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -16 above). The issuer must notify the underwriters to take up the underwritten shares within 10 (Ten) days of the closing of subscription on full payment of the share money within 15 (Fifteen) days of the issuer's notice. The underwriter

shall not share any underwriting fee with the issue managers, other underwriters, issuer or the sponsor group.

26. All issued shares (**including 28% bonus shares for the year 2010**) of the issuer at the time of according this consent shall be subject to a **lock-in period of 3 (Three) years** from the date of issuance of prospectus or commercial operation, whichever comes later.
Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent shall be subject to a lock-in period of 1 (One) year from the date of issuance of prospectus or commercial operation, whichever comes later.
27. In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with SEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and issue managers, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with SEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to SEC.
28. The company shall apply to the stock exchanges for listing within 7 (Seven) working days of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.
29. **The company shall deposit 3% tax to the Government Treasury on the share premium of the IPO and submit authenticated copy of 'Treasury Chalan' to the Commission, among others, to obtain consent for holding of lottery in line with the NBR's Order No. Rvrvtev/AvqKi evRU/2010/97 dated 30.06.2010 and Rvrvtev/Ki-4/AratqI/11(4)/2003(Ask)-1/225 dated 06.07.2010.**
30. **The company shall not declare any benefit/dividend based on the financial statements for the year ended on December 31, 2011 before listing of its capital with stock exchange (s).**

PART-B

1. The issuer and the Issue Manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Securities and Exchange Commission.
2. The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by SEC. If any discrepancy/inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with SEC.
3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published

prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.

4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. The company shall furnish report to the Commission and to the stock exchanges on utilization of Public Offering proceeds within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to SEC and stock exchanges.
8. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.
9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.
An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.
2. The company and the issue manager shall ensure due compliance of all the above conditions and the Securities and Exchange Commission (Public Issue) Rules, 2006.

General Information

- **ICB Capital Management Limited**, the Issue Manager, has prepared this Prospectus based on the information provided by **GSP Finance Company (Bangladesh) Limited** (the Company/the Issuer) and also upon several discussions with the Managing Director and concerned executives of the issuer company. The Directors, including Managing Director of GSP Finance Company (Bangladesh) Limited and ICB Capital Management Limited collectively and individually, having made all reasonable inquiries, confirms that to the best of their knowledge and belief, the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which would make any statement herein misleading.
- No person is authorized to give any information or to make any representation not contained in this prospectus, and if given or made, any such information or representation must not be relied upon as having been authorized by the Issuer or Issue Manager.
- The Issue, as contemplated in this document, is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.
- A copy of this Prospectus may be obtained from the Head Office of GSP Finance Company (Bangladesh) Limited, ICB Capital Management Limited, the Underwriters and the Stock Exchanges where the securities will be traded.

DECLARATIONS & DUE DELIGENCE CERTIFICATES

Declaration about the responsibility of the directors, including the CEO of the issuer company “GSP Finance Company (Bangladesh) Limited” in respect of the Prospectus

This Prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the Prospectus, Documents, Financial Statements, Exhibits, Annexes, Papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this Public Issue and Prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this Prospectus to enable the investors to make a well-informed decision for investment.

Sd/-
(Mr. Feroz U. Haider)
Chairman & Director

Sd/-
(Col. (Retd.) M. Nurul Islam)
Director

Sd/-
(Mr. Siraj U. Haider)
Director

Sd/-
(Ms. Silwat A. Haider)
Nominee Director of
S.F. Haider Foundation Ltd.

Sd/-
(Brig. Gen. Gyasuddin A.
Chowdhury BB. Psc (Retd.))
Alternate Director to act for
and on behalf of
Mr. Moin U. Haider, Director

Sd/-
(Mr. Moin U. Haider)
Director

Sd/-
(Mr. Manzur –ur- Rahman
(Ruskin))
Nominee Director of
Amber Hill Global Resources
Limited.

Sd/-
(Mr. Saber Hossain Chowdhury)
Representing:
Karnaphuli Industries Limited

Sd/-
(Mr. Aziz Al Kaiser)
Director

Sd/-
(Mrs. Tabassum Kaiser)

Sd/-
(Mr. Mohamed Abdul Jalil)

Sd/-
(Mr. Wolf -Peter Berthold)

Director

Nominee Director of
Tai Ping Asian Investment
Limited

Director

Sd/-

(Mr. Ehsanul Hoque Mirza)
Alternate Director to act for
and on behalf of Ms. Silwat A.
Haider, Nominee Director of
S.F. Haider Foundation Ltd.

Sd/-

(Mr. A.H. Ekbal Hossain)
Managing Director (Ex-officio)

Consent of Director (S) To Serve as Director (S)

We hereby agree that we have been serving as Director(s) of **GSP Finance Company (Bangladesh) Limited** and continue to act as a Director of the Company.

Sd/-

(Mr. Feroz U. Haider)
Chairman & Director

Sd/-

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

Sd/-

(Mr. Siraj U. Haider)
Director

Sd/-

(Ms. Silwat A. Haider)
Nominee Director of
S.F. Haider Foundation
Ltd.

Sd/-

(Brig. Gen. Gyasuddin A.
Chowdhury BB. Psc. (Retd.))
Alternate Director to act for
and on behalf of Mr. Moin
U. Haider, Director

Sd/-

(Mr. Moin U. Haider)
Director

Sd/-

(Mr. Manzur -ur- Rahman
(Ruskin))
Nominee Director of
Amber Hill Global Resources
Limited.

Sd/-

(Mr. Saber Hossain
Chowdhury)
Representing:
Karnaphuli Industries Limited

Sd/-

(Mr. Aziz Al Kaiser)
Director

Sd/-

(Mrs. Tabassum Kaiser)
Director

Sd/-

(Mr. Mohamed Abdul Jalil)
Nominee Director of
Tai Ping Asian Investment
Limited

Sd/-

(Mr. Wolf -Peter Berthold)
Director

Sd/-

(Mr. Ehsanul Hoque Mirza)
Alternate Director to act for
and on behalf of Ms. Silwat
A. Haider, Nominee
Director of S.F. Haider

Sd/-

(Mr. A.H. Ekbal Hossain)
Managing Director (Ex-
officio)

Foundation Ltd.

Declaration about filing of Prospectus with The Registrar of Joint Stock Companies and Firms

A dated and signed copy of this Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms, Bangladesh, as required under Section 138(1) of the Companies Act, 1994 before the date of publication of this prospectus in the newspaper.

Due Diligence Certificate of Manager to the Issue

Sub: Public Offer of 20,000,000 ordinary share of Tk.10.00 each at an issue price of Tk.25.00 per share including a premium of Tk. 15.00 per share totaling Tk. 500,000,000.00 of GSP Finance Company (Bangladesh) Limited.

We, the under-noted Manager to the Issue to the above-mentioned forthcoming issue, state as follows:

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussion with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a. The draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b. All the legal requirements connected with the said issue have been duly complied with; and
- c. The disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue.

For Manager to the Issue

Sd/-

(Nasir Uddin Ahmed)

Chief Executive Officer

ICB Capital Management

Limited

Due Diligence Certificate of the Underwriter (S)

Sub: Public Offer of 20,000,000 ordinary share of Tk.10.00 each at an issue price of Tk.25.00 per share including a premium of Tk. 15.00 per share totaling Tk. 500,000,000.00 of GSP Finance Company (Bangladesh) Limited.

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned Issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussion with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a. All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- b. We shall subscribe and take up the un-subscribed securities against the above mentioned public issue within 15(fifteen) days of calling up thereof by the issuer; and

c. This underwriting commitment is unequivocal and irrevocable.

For Underwriter(s)

Sd/-

(Chief Executive Officer/Managing
Director)

IDLC Investment Limited

MTB Capital Limited

Lanka Bangla Finance Ltd.

ICB Capital Management Limited

City Bank Capital Resources Limited

Sonali Investment Limited

RISK FACTORS & MANAGEMENT'S PERCEPTION ABOUT THE RISKS

Investors should be aware that there are risks associated with an investment in the Company. The investors should carefully consider the following risks in addition to the information contained in the Prospectus for evaluating the said offer, and taking decision whether to invest in shares of the company.

Interest rate risks:

The Company's leases are generally structured at fixed rates for specified terms. Increase in interest rates of borrowings could narrow or eliminate the spread, or result in a negative spread, and hence, may have a material adverse effect on the Company's business, financial condition and/or results of operations.

Management perception

Although the consequences of unusual and abrupt increase in borrowing rate cannot be avoided, the Company will definitely take all the appropriate measures to minimize the negative consequences, and increase the rates wherever possible.

Exchange rate risks:

Generally risk factor arises from exchange rate fluctuations when any institution holds foreign currency fund or raises loan in foreign currencies or deals in foreign exchange currencies.

Management Perception

Our company has not borrowed from foreign sources nor it deal in foreign exchange as we are not authorized by Bangladesh Bank to deal in foreign exchange and such foreign exchange fluctuations will not have any adverse impact on the company.

Industry risks:

The Company is operating in a highly competitive market. Some of the competitors have more resources than those of the Company, broader range of products, complementary lines of business etc. It is very difficult to predict in advance the move of the competitors in the coming years.

Management perception

GSP Finance Company (Bangladesh) Limited has a sound financial and technical base. We specialize in lease finance, money market operations, merchant banking and strive to provide products according to customers' needs with a personalized service. There are continuous efforts for mobilizing funds at competitive prices from Banks/Insurance Companies & individuals.

Market and technology- related risks:

In the global market of 21st century, developed technology obsoletes the old service/product strategy. So the existing technology may not be efficient enough to cope up with the future trend and needs.

Management Perception

GSP Finance Company (Bangladesh) Limited management always puts emphasis on development and implementation of appropriate technology and is committed to continue to invest in information technology to be at par with our peer group in the industry and also to raise the standard to internationally accepted modality.

Potential or existing government regulations

- Change in fiscal policy:

The Company's leasing activities generate significant depreciation allowances that provide the Company with substantial tax benefits on an ongoing basis. In addition, the Company's lessees currently enjoy favorable tax treatment due to entitlement of depreciation. Any change of current tax laws may make lease financing less attractive and would have a material impact on the Company's business, financial condition and/or results of operations.

Management perception

We have been putting our best efforts to manage our tax and accounting matters professionally. Unless a material change takes place in the fiscal policy, which would affect the leasing industry as a whole, we are prepared to address issues that may have any significant impact on the Company's business, financial condition and/or results of operations.

- Economic slowdown:

The overall demand for the Company's products is linked to macro parameters like GDP growth, demand for project finance, healthy capital markets and the overall growth of Bangladesh economy. A slowdown in economic growth will have an adverse impact on the demand for credit and on quality of borrowers.

Management perception

We always review changes in local as well as global economic factors, so that we can take necessary steps to address its impact on our company. Due to diversified products and services the Company expects to minimize the effect of aforesaid issues.

- Change in regulatory policies:

The company operates under the specific guidelines laid down by the Bangladesh Bank as well as the Securities and Exchange Commission (SEC). Any sudden change of the guidelines/ policies formulated by the Bangladesh Bank and / or the SEC may affect the business of the Company adversely.

Management perception

Unless the regulatory authorities take any adverse policies which may materially affect the leasing industry as a whole, the business of GSP Finance Company (Bangladesh) Limited will not be affected that much since we are always particular in complying with rules and regulations of the authorities.

Potential changes in global or national policies:

Changes in national policy as well as policy of foreign countries may adversely affect the business of the company.

Management perception

Our strategy is to maintain a diversified portfolio in major sectors of industries in line with the country's growth scenario as well as industrial policy. We always monitor the changes in the policies of the national and adjust our strategy accordingly. Change in national policy shall have effect on all the competitors, not only GSP Finance Company (Bangladesh) Limited.

Financial Lease:

Investment income of the Company strongly dominated by financial lease.

Management perception

GSP Finance Company (Bangladesh) Limited emphasizes strongly on diversifying its portfolio sector wise and indentifying the optimum strategies for the top end of corporate business houses and private entrepreneurs. The Company has a keen desire to expand the portfolio between small and medium business houses also.

History of non operation, if any

Is there any history for the Company to become non-operative from its commercial operation?

GSP Finance has no history of non operation till now. The Company has an independent body that is operated by its Memorandum & Articles of Association and other applicable laws Implemented by the Government. Besides, the Company's financial strength is satisfactory. It has very experienced Directors and Management team to make the Company more efficient and stronger in the financial sector. So, the chance of becoming non-operative for the Company is minimum.

Operational risks:

A lessee or borrower may default in performing its lease or loan obligations and the Company may be unable to enforce its remedies. The Company's inability to collect receivables due, or to repossess lease assets in the event of default by a lessee could have a material adverse effect on the Company's business, financial condition and/or results of operations.

Management perception

GSP Finance Company (Bangladesh) Limited follows a very methodical client selection and project appraisal process when taking investment decisions, which reduces the risk of default to a great extent. Moreover, we have a separate lease-monitoring department, which pursue the overdue clients in a very systematic way.

ISSUE SIZE AND PURPOSE OF THE PUBLIC OFFERING

FINANCIAL STRUCTURE OF THE COMPANY

- **The Financial Structure of the Company is as under:**

Particulars	No of Shares	Face Value (Taka)	Amount in Taka
Before IPO:			
Authorized Capital	<u>100,000,000</u>	10	<u>1,000,000,000</u>

Paid up capital as on 31 st December 2010	2,159,850	100	215,985,000
*After denomination the face value into Tk.10.00 the number of shares stand (a)	21,598,500	10	215,985,000
**Raising of paid-up capital (raising of capital by issuing 28% bonus share which has been approved by SEC vide their letter no. SEC/CFD/CPLC-29/2002/793 dated 3rd November, 2011) (b)	6,047,580	10	60,475,800
Total paid up capital before IPO (considering 28% bonus share for the year 2010) (a+b)	27,646,080	10	276,460,800
After IPO:			
To be issued as IPO	20,000,000	10	200,000,000
Paid up capital (Post IPO)	47,646,080		476,460,800

*Board of Directors had decided to denominate the share price from Tk.100.00 to Tk. 10.00 per share on 12th September 2011 which has been approved by the shareholders of the Company in their Extra Ordinary General Meeting dated 4th October 2011 and necessary amendments in the capital clause of the Memorandum and Articles of Association of the Company were made accordingly. The Memorandum and Articles of Association of the Company has duly been certified by the Registrar of Joint Stock Companies & Firms on 5th October 2011.

** The Company had declared 10% bonus share for the year 2009 and applied to SEC for approval which has declined by SEC vide letter no. SEC/CI/CPLC-29/2002-94 dated 14th February, 2011 (letter received on 20th February, 2011). For the year 2010 the Company further declared 28 % bonus share which has been approved in their 16th Annual General Meeting held on 15th February, 2011 and applied to SEC on 5th April, 2011 for approval. The SEC vide their letter no. SEC/CFD/CPLC-29/2002/793 dated 3rd November, 2011 approved their application for raising paid-up capital. Accordingly, the Return of Allotment (Form-XV) for this additional capital of the Company has duly been certified by the Registrar of Joint Stock Companies & Firms on 14th November 2011.

USE OF IPO PROCEEDS

The public issue is the compliance of statutory requirement of the Company. The proceeds will strengthen the capital base and liquidity of the Company. Besides, it will augment business expansion as such proceeds of the present issue of 20,000,000 ordinary share of Tk.10.00 each at an issue price of Tk.25.00 per share including a premium of Tk. 15.00 per share totaling Tk. 500,000,000.00 would be utilized in the normal business operations such as investment, industrial development, leasing, lending, refinancing etc and refund of high cost borrowings of the Company within 1 (one) year of receiving proceeds from IPO.

Sd/-
(A.H. Ekbal Hossain)
Managing Director

Sd/-
Md. Mizanur Rahman
GM (Finance) & Company secretary

There is no other contract on which the proceeds of IPO will be utilized.

DESCRIPTION OF BUSINESS

Corporate Status and Background:

GSP Finance Company (Bangladesh) Limited is a Non-Banking Financial Institution (NBFI) 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 and also allows term loans for industrial, housing and other purposes. The Company received its Certificate for Commencement of Business on January 14, 1996 and its license on March 4, 1996 as required under section 4 (1) of the Financial Institution Act, 1993. The Company also obtained Merchant Banking license from the Securities and Exchange Commission on August 24, 1999.

Particulars	Registration/License No./Reference No.	Date of obtaining
Certificate of Incorporation	C-29591 (879)/95	October 29, 1995
Certificate for Commencement of Business	11103	January 14, 1996
FI License	10/96	March 04, 1996
Merchant Banking License	MB-1.008/99-23	August 24, 1999
TIN Certificate	070-200-7020/Co-7	June 19, 1997

Nature of Business:

The Company carries out the following types of business:

- Lease Financing
- Term Finance
- Acceptance of Term Deposit
- Factoring
- Term Lending
- Money Market Operation
- Merchant Banking

Products and Services:

Lease Finance:

The principal focus of the Company is on the business of lease financing of capital goods for industries, such as plant and machinery, construction equipment, marine / road transport, medical equipment, office equipment, power generator, boilers, electrical equipment etc. GSP emphasizes strongly on diversifying its portfolio sector wise and identifying the optimum strategies for the top end of corporate business houses and private entrepreneurs. The Company has a keen desire to expand the portfolio between small and medium business houses also.

It aims at assessing clients to understand the dynamism and flexibility of lease finance and identify the characteristics of the market for exploiting unexplored opportunities.

Term Finance: Term Loan to medium and large corporate entities to meet their **short, medium & long term** fund requirements for development of production facilities on easy and flexible terms.

Acceptance of Term Deposit: Term deposit means deposit of fixed nature for 3 months, 6 months, 1 year, 2 years and so forth. In banks it is known as fixed deposit. In GSP Finance Company (Bangladesh) Limited it is known as TDR or Term Deposit Receipt. In fact there is no basic difference between FDR and TDR.

Factoring: Providing you with instant cash through the purchase of accounts receivable or debts outstanding which is a financing technique known as Factoring.

Factoring moves your cash flow forward creating immediate cash to improve your financial position and increase your purchasing power. Thereby, it provides you with the economic strength to expand production, increase sales and profits.

Term Lending: Term Lending is a kind of lending or advance for a fixed period of time like 6 months, 1 year, 2 years and so forth. Term Lending includes both loan and lease.

Merchant Banking: Under this unit, the Company's principal focus is the Capital Market such as bridge loans, underwriting, issue management, pre-IPO Placement, portfolio management and investments in shares, bonds and debentures.

Money Market Operations: The Company is also engaged in money market activities (placing and accepting of Term Deposits) primarily in connection with its lending/funding operations and also borrows from the call money and lends it call money.

Other Financial Market Operations: The Company plans to focus on diverse financial services like Hire Purchase and Venture Capital to finance medium sized companies with clean records and, good & sound management. Short and medium term lending to private ventures and the public sectors also fall within the Company's business strategy.

Relative contribution of Products/Services contributing more than 10% of the total revenue

Revenue income during the past years is as follows:

(as per Audited Accounts in Tk.)				
Description	31/12/10	%	31/12/09	%
Income from Leases	152,870,573	41.35	197,507,826	53.29
Income from Loan & Advances	94,183,505	25.48	124,754,451	33.67
Investment Income	106,540,772	28.82	21,601,834	05.83
Other operating Income	16,067,340	04.35	26,731,560	07.21
	369,662,190	100%	370,595,671	100%

Transaction between Holding/subsidiary/associate Company and the Issuer within the 5 years:

GSP Finance Company (Bangladesh) Limited has no subsidiary company at this moment; hence intra company transaction is not applicable.

Associates, subsidiary/related holding Company & their core areas of business

The Company does not have any associated/related company either as a subsidiary, parent or sister concern at this moment.

Distribution of products/Services:

The products/services of the Company are distributed or rendered through its head office network of its business associates and correspondents through the country.

Competitive conditions in the business:

The Leasing Sector comprises of a large number (29) of Non-Banking Financial Institutions (NBFI). They severely compete for lease finance/term finance and are in search of sound investment/lending targets. Despite of this stiff competition, the private sector banks are also earning significantly increasing profit, using the products of NBFIs, especially those having strongly professionally managed operations. Among the 28 financial institutions operating in Bangladesh, major competitors other than banks are:

- | | |
|--|--|
| 1. IDLC Finance Limited | 4. International Leasing & Finance Limited |
| 2. United Leasing Company Limited | 5. Phoenix Finance and Investments Limited |
| 3. Uttara Finance & investment Limited | 6. Prime Finance & Investments Limited |

Sources of Raw Materials:

The Company, being a service provider, operates on the basis of professional expertise relevant to leasing industry. Its' product is a service. The general Leasing industry has since developed and expanded fast in order to meet the growing need of the economy. The company has procured the services of experienced professional personnel from existing industry. The company has also set goals of training programs for training fresh graduates for development of its growing need of human resources.

Sources of and requirement for power, gas and water or any other utilities

The company does not require such utilities except for ordinary use in office work.

Name of the customers who purchase 10% or more of the Company's products/services:

The company does not have any client providing more than 10% of revenue till December 31, 2010.

Contract with principal suppliers or customers:

The Company has entered into contracts with the lease takers, which is a normal course of business and all the lease takers are the primary customers of the company.

Material patents, trademarks, license or royalty agreement:

The Company has not entered into any such Agreements.

Employees' position as on 31st December 2010: (or as per audit report)

The total number of full time employees of the Company and their remuneration above Tk.48, 000 per annum were 32. There were no employees earning less than Tk 48,000 per year.

DESCRIPTION OF PROPERTY

Location of principal plants and other property of the Company and their condition

GSP Finance Company (Bangladesh) Limited operates through its Head Office at 1, Paribagh, Mymensingh Road, Ramna, Dhaka-1000. The Company itself owns the land and building of the office at a space of 35 decimals. The property is located at Mouza Ramna, Police Station Shah Bagh, Ramna in the district of Dhaka. However, the company owns the following fixed assets at written down value as given below:

Current Rent Receipt: Current rent receipt of .35 Acre land is duly paid.

Value of the Properties

Written Down Value in Taka of Property Plant & Equipment as per Audited Accounts		
Particulars	As at 31/12/2010	As at 31/12/2009
Land & Land Development	288,150,000	288,150,000
Office Building	8,198,001	9,616,234
Office Equipment	1,985,868	2,251,784
Furniture & Fixture	1,603,048	1,893,831
Telephone Systems	48,785	72,151
Motor Vehicle	1,540,991	2,777,169
Electrical Goods & Installation	6,733	23,800
Generator & Installation	118,776	344,555
House Property	12,925,552	15,020,623
Total Taka	314,577,754	320,150,147

1. All the above specified fixed assets are situated at office premises of the company at 1, Paribagh, Mymensingh Road, Ramna, Dhaka 1000. The land of the company measuring around 0.35 Acres is located at 1/C, Paribagh, Mymensingh Road, Ramna, Dhaka.
2. All existing assets as listed above have been procured in brand new condition from the local vendors.
3. The above assets are in good condition.

4. The company has no asset under lease agreement.

5. Description of Land:

District : Dhaka
P.S. : Ramna
Mouza : Ramna
S. A. Khatian : 14
No.
S.A. Dag No. : 9/75
Area of Land : 0.35
Acres

PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION

Internal and external sources of cash (as per audited accounts)

Amount in BD TK.	As per Audited Accounts		
Internal Sources of Cash	31-12-2010	31-12-2009	31.12.2008
Paid up Capital	21,59,85,000.00	21,59,85,000.00	20,57,00,000.00
Statutory Reserve	15,83,04,253.00	14,31,63,647.00	13,77,68,935.00
Other Reserve	25,14,02,124.00	25,14,02,124.00	13,27,52,124.00
Retained Earnings		2,17,40,152.00	1,04,46,306.00
Proposed Bonus share for The Year 2010	6,04,75,800	-	-
Retained Earnings Balance	21,826,775	-	-
Sub Total:	70,79,93,952.00	63,22,90,923.00	48,66,67,365.00
External Sources of Cash			
Borrowing From Bank	120,61,89,666.00	119,99,27,655.00	123,14,37,942.00
Tern Deposit	61,98,90,700.00	67,88,86,996.00	34,43,21,606.00
Sub Total:	182,60,80,366.00	187,88,14,651.00	157,57,59,548.00
Grand Total:	253,40,74,318.00	251,11,05,574.00	20,62,42,6913.00

Material Commitment for Capital Expenditure:

The Company has no significant commitment for Capital Expenditure in the foreseeable future other than the ongoing construction of prefabricated floor on the rooftop of the existing office building.

Material Changes from period to period:

Amount in BD TK.	As per Audited Accounts		
Particulars	31.12. 2010	31.12.2009	31.12.2008
A. Operational Revenue	13,74,44,047.00	15,99,81,215.00	7,70,96,031.00

Net Interest Income from Lease Finance, Loan, Advance	148,35,935.00	11,16,47,821.00	505,97,132.00
Investment Income	10,65,40,772.00	2,16,01,834.00	(52,15,416.00)
Other Operational Income	1,60,67,340.00	2,67,31,560.00	317,14,315.00
B. Total Operating Expenses	2,91,36,173.00	3,51,58,022.00	4,07,39,175.00
C. Profit Before Provision (A-B)	10,83,07,874.00	12,48,23,193.00	3,63,56,856.00
d. Total Provision	(2,33,49,567.00)	7,79,12,658.00	78,88,471.00
e. Total profit Before Income Tax(c-d)	13,16,57,441.00	4,69,10,535.00	2,84,68,385.00
f. Provision For Income Tax	5,59,54,412.00	1,99,36,977.00	1,28,10,773.00
g. Net Profit After Income Tax (e-f)	7,57,03,029.00	2,69,73,558.00	1,56,57,612.00

The company's lease finance and other operational income as well as operating expenses and net profit have continued to change or increase due to business promotion efforts of the management.

Seasonal aspect of business:

In general there is no seasonal impact on the business of the Company.

Known Trends, Events or Uncertainties:

Political unrest, Hartal, Natural calamities, and entrance of new technology are the known events in our country.

Changes in the assets of the Company used to pay off any liabilities:

No asset of the Company has been used to pay off any liabilities.

Loans taken or given by the company either from or to its holding/parent or subsidiary company:

The Company has no subsidiary or associate concerns at the moment. Therefore, taking loan from such concerns does not arise.

Future Contractual Liabilities:

The company has no plan to enter into any contractual liabilities within next one year other than the normal course of business.

Future Capital Expenditure:

The company does not have any plan for capital expenditure in near future except ongoing construction of prefabricated floor on the rooftop of the existing office building.

VAT, Income Tax, Customs Duty or other Tax Liability:

VAT	Customs Duty	Income Tax
VAT is not applicable for the Company.	There are no dues outstanding on account of Custom Duty or Other tax liabilities.	GSP Finance Company (Bangladesh) Limited submitted their income tax return regularly as per Income Tax ordinance 1984 and the company had availed tax exemption benefits for five years from 17.04.1996 to 16.04.2001. The company has been made sufficient provision for taxation @42.50% on taxable income for the year 2010.

The present status of income tax is as follows:

Year	Assessment Year	Assessment Status
1996	1997-1998	Assessment completed. Tax paid in full.
1997	1998-1999	Assessment completed. Tax paid in full.
1998	1999-2000	Assessment completed. Tax imposed Tk. 57,73,415. It is disputable and pending with the High Court.
1999	2000-2001	Assessment completed. Tax paid in full.
2000	2001-2002	Assessment completed. Tax paid in full.
2001	2002-2003	Assessment completed and Tax refund of Tk. 31,15,048.
2002	2003-2004	Assessment completed and Tax refund of Tk. 3,16,88,456.
2003	2004-2005	Assessment completed. Tax demand Tk. 7,93,103 Demanded tax adjusted with Tax refund for the Assessment year 2002-2003
2004	2005-2006	Assessment completed. Tax demand Tk. 26,96,676. Demanded tax adjusted with Tax refund for the Assessment year 2003-2004
2005	2006-2007	Assessment completed. Tax demand Tk. 11,35,984. Demanded tax adjusted with Tax refund for the Assessment year 2002-2003
2006	2007-2008	Assessment completed. Tax demand Tk. 2,24,11,800. It is disputable and pending with the High Court
2007	2008-2009	Assessment completed. Tax demand Tk. 3,99,51,849. It is disputable and pending with the High Court
2008	2009-2010	Assessment completed. Tax demand Tk. 2,37,25,283. It is disputable and appeal filed with the Commissioner of Taxes (Appeal).
2009	2010-2011	It is under process of Assessment by DCT, LTU.
2010	2011-2012	Tax return will be submitted within 15 th July, 2011

Sd/
Kazi Zahir Khan & Co.
Chartered Accountants

Sources from which VAT & Taxes etc. are paid.

Vat & Taxes is being paid from ordinary business resources.

Operating lease agreement during last five years

GSP Finance Company (Bangladesh) Limited does not have any operating lease agreements. The Company has established its Head Office on its own property.

Financial and Lease Commitment

a) Financial Commitment (Long Term):

Name of the Bank	Limit of Loan	Rate of Interest (%)	Outstanding Balance as on 31 Dec-2010
Prime Bank Ltd.	400,000,000	13.00%	73,699,604
BASIC Bank Ltd.	100,000,000	13.00%	109,593,347
Shahjalal Islami Bank Ltd.	470,000,000	13.00%	160,238,089
Standard Bank Ltd.	350,000,000	13.00%	224,399,828
Mutual Trust Bank Ltd	100,000,000	13.00%	37,023,455
One Bank Ltd	100,000,000	13.00%	29,166,663
Mercantile Bank Ltd.	250,000,000	13.00%	34,999,334
Dutch Bangla Bank Ltd	200,000,000	11.75%	200,000,000
The Trust Bank Ltd.	200,000,000	13.00%	56,304,491
National Bank Ltd.	110,000,000	13.00%	42,767,205
Social Investment Bank Ltd	100,000,000	13.00%	23,441,964
Uttara Bank Ltd.	375,000,000	11.75%	176,255,293
Total			1,167,889,273

b) Financial Commitment (Short Term):

Name of the Bank	Limit of Loan	Rate of Interest (%)	Outstanding Balance as on 31 Dec-2010
Mutual Trust Bank Ltd	50,000,000	13.00%	25,745,207
United Commercial Bank Ltd	5,000,000	13.00%	4,977,413
Total			30,722,620

Personal related scheme:

GSP Finance Company (Bangladesh) Limited considers its human resources as the most valuable asset of the Company and it has been continuing to train and equip as well as groom fresh recruits for building a strong foundation. In order to enhance and advance the professional ability and knowledge of the employees, regular training are organized at different professional institutions. Besides, GSP Company (Bangladesh) Limited has a well-designed Compensation Plan for attracting highly capable professional staff with high degree of integrity. Employee performance is regularly evaluated and a good number of them have been given promotions as reward for their good contribution to the Company. The Company has recognized schemes on contributory provident fund, gratuity (non-

funded), and bonus, medical and accident insurance, for the betterment of all class of employees.

Provident fund

The Company operates a contributory provident fund for its permanent employees. Provident fund is administered by a Board of Trustees and is funded by contributions partly from the employees and partly from company at a predetermined rate. The contributions are invested separately from the Company's Assets by the Trustees.

Gratuity

The Company operates an unfunded gratuity scheme. Employees are entitled to gratuity benefit after completion of minimum ten years 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 already under consideration of NBR.

Bonus

Employees are entitled to two months basic pay as year-end bonus and there have no provision for festival bonus.

Other long term benefits/ Insurance

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

Breakdown of IPO Expenses:

The following table shows the amounts paid to the Issue Manager, Underwriters and other costs are estimated as follows:

Particulars	Rate	Amount in Tk.
Manager to the issue fees	Lump Sump	1,200,000.00
Vat on Issue Fees		54,000.00
Regulatory Expenses:		
Listing Related Expenses:		
Service Charge for DSE	Fixed	5,000.00
*Annual Fee for DSE & CSE		150,000.00
Listing Fees for Stock Exchanges (DSE & CSE)	@ 0.25% on up to Taka 10 crore of paid-up capital. & 0.15% on the balance amount (Max Tk. 20.00 lac) each	1,629,382.00
SEC Fees		
Application Fee	Fixed	10,000.00
Consent Fee	@ 0.15% on the public offering amount	750,000.00

IPO Commission:		
Underwriting Commission	0.50% on the underwritten amount	1,250,000.00

CDBL Fees and Expenses:		
**Security Deposit of Eligible Securities	Fixed	400,000.00
Documentation Fee	As actual	2,500.00
***Annual Fee	As actual	100,000.00
Issue Fee	0.00025 on the public offer	125,000.00
Connection Fee	As actual	6,000.00
IPO Commission:		
Bankers to the issue Commission	@ 0.1% on collected amount (Assuming 10 times over subscribed)	5,000,000.00
3% Tax on Premium		9,000,000.00
Printing, Publication and Others:		
Publication of Abridge Version of Prospectus	Estimated	600,000.00
Printing of Prospectus	Estimated	500,000.00
Printing of Application Forms	Estimated	200,000.00
Fee for Conduction of Lottery		400,000.00

Post Issue Expenses:		
Data Collection, Data Entry, Data Processing and other related job	Estimated	4,400,000.00
Printing of Allotment Letters and Refund Warrant		
Distribution of Allotment Letter and Refund Warrant (including courier)		
Publication of Notice	Estimated	200,000.00
Miscellaneous	Estimated	100,000.00
Total		26,081,882.00

NB: The cost of the above mentioned IPO expenses may vary on the Issue Size, Premium, Deposit of Application, Printing and others.

REVALUATION OF COMPANY'S ASSETS & SUMMARY THEREOF

1st Revaluation

The revaluation of company's assets was made on 14th March, 2007 by a survey company named G. K. Adjusters Ltd which is a enlisted valuation surveyor of reputed bank and insurance companies in Bangladesh. They have appropriate qualifications and experience in the valuation of properties in the relevant locations. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties. Such revaluation was in accordance with BAS 16. The summary of revaluation is shown below:

(As per audited
accounts)

Description	Book value as on 01.01.2007	Revaluation surplus as on 31.12.2007	Revalued value as on 31.12.2007
Land & Land Development	46,215,900	123,284,100	169,500,000
Office Building	1,771,976	9,468,024	11,240,000
Total		132,752,124	

Reasons for Valuation: The valuation has been made for reflection of actual value of its assets. The revalued amount was incorporated in the accounts as on 31.12.2007.

The revaluation surplus amount of Tk. 132,752,124.00 has been kept as revaluation reserve/other reserve account. The balance of revaluation reserve was Tk. 132,752,124.00 as on 31.12.2007.

2nd Revaluation

The revaluation of company's assets was again made on 3rd December, 2009 by a survey company named G. K. Adjusters Ltd which is an enlisted valuation surveyor of reputed bank and insurance companies in Bangladesh. They have appropriate qualifications and experience in the valuation of properties in the relevant locations. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties. The summary of revaluation is shown below:

(As per audited accounts)

Description	Book value as on 01.01.2009	Revaluation surplus as on 31.12.2009	Revalued value as on 31.12.2009
Land & Land Development	169,500,000	118,650,000	288,150,000
Total		118,650,000	

Reasons for Valuation: The valuation has been made for reflection of actual value of its assets. The revalued amount was incorporated in the accounts as on 31.12.2009.

The revaluation surplus amount of Tk. 118,650,000.00 has been kept as revaluation reserve/other reserve account.

Both the revaluation surplus/effects has been disclosed in the fixed assets schedule in the Balance Sheet. Thus total revaluation surplus of Tk.251,402,124 has been made as under:

Description	Asset value Before Revaluation (Tk.)	Revaluation Amount (Tk)	Revaluation surplus (Tk)
Land and Land Development	46,215,900	288,150,000	241,934,100
Office Building	1,771,976	11,240,000	9,468,024
Total	47,987,876	299,390,000	251,402,124

The Company has not made any revaluation during the year 2010.

Work done to date by the Valuer: The above survey company (G. K. Adjusters Limited) has rendered valuation services to dozens of clients among which the names of following companies are mentioned below:

- Messrs Standard Chartered Bank
 - Messrs Prime Bank Ltd.
 - Messrs Uttara Bank Ltd.
 - Messrs Sonali Bank Ltd.
 - Messrs City Bank Ltd.
 - Messrs Jamuna Bank Ltd.
 - Messrs Standard Bank Ltd.
 - Messrs IFIC Bank Ltd.
 - Messrs National Bank Ltd.
 - Messrs Eastern Bank Ltd.
 - Messrs ICB Islami Bank Ltd.
 - Messrs Basic Bank Ltd.
 - Messrs BRAC Bank Ltd.
 - Messrs IDLC of Bangladesh Ltd.
 - Messrs Dhaka Bank Ltd.
 - Messrs National Credit and Commerce Bank Ltd.
 - Messrs Al – Arafah Islami Bank Ltd.
 - Messrs Dutch Bangla bank Ltd.
 - Messrs American Express Bank Ltd.
 - Messrs Commercial Bank of Ceylon PLC
 - Messrs Faysal Islami Bank of Bahrain E.C (Shamil Bank)
 - Messrs Agrani Bank Ltd.
 - Messrs One Bank Ltd.
 - Messrs Mutual Trust Bank Ltd.
 - Messrs Exim bank Ltd.
 - Messrs Bank Asia Ltd.
 - Messrs Premier Bank Ltd.
 - Messrs Social Islami Bank Ltd.
 - Messrs Islamic Finance & Investment Ltd.
 - Messrs. Shahjalal Islami Bank Ltd.
 - Messrs Islami Bank Bangladesh Ltd.
 - Securities and Exchange Commission etc.
- The revaluation of company's assets was made on 14th March, 2007 & 3rd December, 2009 by a survey company named G. K. Adjusters Ltd which is a enlisted valuation surveyor of reputed bank and insurance companies in Bangladesh. This revaluation of the Company's asset by the surveyor was complied the SEC's law of that time. Though dated 29/12/2010 SEC notify another direction for revaluation that revaluation of the issuer's assets shall be conducted by an auditor from panel 'A' auditors of the Bangladesh Bank, this notification is beyond to comply by the company on 14-03-2007 & also on 3-12-2009. However, for any future revaluation of company's asset the company will comply SEC's notification dated 29/12/2010.
- The company revalued its Land and Land Development and Office Building by a registered survey firm named G.K. Adjusters Limited after 2 years of 1st revaluation as the value of land increased significantly during the years 2007 to 2009. Such revaluation was in accordance with BAS-16 under para 30 to 33.

Transaction between Holding/subsidiary/associate Company and the Issuer within the 5 years:

GSP Finance Company (Bangladesh) Limited has no subsidiary company at this moment; hence intra company transaction is not applicable.

Declaration for a Non-Banking Financial Institution

We hereby declare that requirements have been met as specified in the Financial Institution Act, 1993 (Act No. 27 of 1993) under the Financial Institutions Regulation 1994.

Sd/- (Mr. Feroz U. Haider) Chairman & Director	Sd/- (Col. (Retd.) M. Nurul Islam) Director	Sd/- (Mr. Siraj U. Haider) Director
Sd/- (Ms. Silwat A. Haider) Nominee Director of S.F. Haider Foundation Ltd.	Sd/- (Brig. Gen. Gyasuddin A. Chowdhury BB. Psc(Retd.)) Alternate Director to act for and on behalf of Mr. Moin U. Haider, Director	Sd/- (Mr. Moin U. Haider) Director
Sd/- (Mr. Manzur –ur- Rahman (Ruskin)) Nominee Director of Amber Hill Global Resources Limited.	Sd/- (Mr. Saber Hossain Chowdhury) Representing: Karnaphuli Industries Limited	Sd/- (Mr. Aziz Al Kaiser) Director
Sd/- (Mrs. Tabassum Kaiser) Director	Sd/- (Mr. Mohamed Abdul Jalil) Nominee Director of Tai Ping Asian Investment Limited	Sd/- (Mr. Wolf -Peter Berthold) Director
Sd/- (Mr. Ehsanul Hoque Mirza) Alternate Director to act for and on behalf of Ms. Silwat A. Haider, Nominee Director of S.F. Haider Foundation Ltd.	Sd/- (Mr. A.H. Ekbal Hossain) Managing Director (Ex- officio)	

A special report regarding any allotment of shares to the Directors and Subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than for cash

We certify that based on our examination of share register and its underlying document, the paid up capital of GSP Finance Company (Bangladesh) Limited as on 14th November 2011 stands at Tk. 276,460,800 consisting of 27,646,080 ordinary shares of Tk. 10 each follows:

Allotment	Date of allotment	Number of Shares issued		Amount of paid up capital(Taka)
		Consideration in Cash	Consideration other than Cash (Bonus Share)	
First	Time of Incorporation (October 29, 1995)	225,050		2,250,500
Second	November 29, 1995	250,000		4,750,500
Third	June 15, 1996	8,010,010		84,850,600
Fourth	October 07, 1996	6,281,760		147,668,200
Fifth	February 26, 1997	233,180		150,000,000
Sixth	March 02, 2000	1,000,000		160,000,000
Seventh	February 15, 2001	1,000,000		170,000,000
Eighth	April 23, 2006		1,700,000	187,000,000
Nineth	April 26, 2008		1,870,000	205,700,000
Tenth	November 26, 2009		1,028,500	215,985,000
Eleventh	November 14, 2011		6,047,580	276,460,800
Total		17,000,000	10,646,080	

Note: (i) The shareholders of GSP Finance Company (Bangladesh) Limited had approved 10% stock dividend for the year ended 2009 in its 15th Annual General Meeting held on 11th April, 2010 and accordingly they had applied to Securities and Exchange Commission for approval, but the SEC has declined vide their letter no. SEC/CI/CPLC-29/2002-94 dated 14th February, 2011 (letter received on 20th February, 2011).

(ii) The shareholders of GSP Finance Company (Bangladesh) Limited in its 16th Annual General Meeting held on 15th February, 2011 has approved 28% stock dividend for the year ended 2010 and accordingly they have applied to the SEC for approval vide their letter

dated 5th April, 2011. The SEC vide their letter no. SEC/CFD/CPLC-29/2002/793 dated 3rd November, 2011 approved their application for raising paid-up capital. We have examined the Share Register and other Books of Accounts of the Company and found them in order and the Company did not issue any shares otherwise than for cash and other than those mentioned above. The Board of Directors in its meeting held on 8th November, 2010 decided to raise Paid up Capital through issuing public issue of shares of GSP Finance Company (Bangladesh) Limited.

Dated, Dhaka
November 15, 2011

Sd/-
Kazi Zahir Khan
& Co.
Chartered Accountants

Material information which is likely to have an impact

There is no other material information which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

DIRECTORS AND OFFICERS

Description of the Directors:

The Board of Directors of GSP Finance Company (Bangladesh) Limited comprises of Eleven Directors. The name, age and position, date of becoming Director for the first time and expiry of current term of all Directors of the Company are as follows:-

Sl.	Name of Directors	Age	Educational Qualification	Position	Date of Becoming Director for the first time	Expiry of current term
01.	Mr. Feroz U. Haider	64	B.Sc. (DU)	Chairman	29/10/1995	21 st AGM (2016)
02.	Col. (Retd.) M. Nurul Islam,	61	Military PSC	Director	04/10/1999	17 th AGM (2012)
03.	Mr. Siraj U. Haider	59	B.Sc.	Director	15/06/1996	18 th AGM (2013)
04.	Ms. Silwat A. Haider	35	B.Sc. (Economics) Int. History from London School of Economics & Political Science, University of London and M. A, (Art History & Archaeology) from the School of Oriental and African Studies, University of	Nominee Director of SF Haider Foundation Ltd.	27/03/2005	18 ^h AGM (2013)

			London			
05.	Brig. Gen. Gyasuddin A. Chowdhury, BB, Psc (Retd)	67	Masters in Defense Studies	Alternate Director to act for and on behalf of Mr. Moin U. Haider, Director	14/07/2010	As per Companies act section- 101(2)
06.	Mr. Moin U. Haider	30	B.A (Business Economics), from Lewis &Clark College, Portland, Oregon,USA and Associate of Occupational Studies Degree in Automotive Technology from Universal Technical Institute (UTI),Phoenix Arizona, USA	Director	27/03/2005	18 th AGM (2013)
07.	Manzur ur Rahman (Ruskin)	60	B.Com, LLB	Nominee Director of Amber Hill Global Resources Limited	15/09/2010	19 th AGM (2014)
08.	Mr. Saber Hossain Chowdhury	49	B.A (Political Science) School of Oriental & African Studies, London B. A (Economics) London University, London and LLB from West Minister University.	Representin g: Karnaphuli Industries Limited	27/10/2010	19 th AGM (2014)
09.	Mr. Aziz Al Kaiser	45	BBA of US Int. University, Europe campus, the avenue, Bushey, Herefordshire, Watford, London, UK	Director	27/10/2010	19 th AGM (2014)
10.	Mrs. Tabassum Kaiser	37	MBA (NSU)	Director	27/10/2010	18 th AGM (2013)
11.	Mr. Mohamed Abdul Jalil	67	BA (Hons), M.A (Economics), LLB	Nominee Director of Tai Ping Asian	27/10/2010	17 th AGM (2012)

				Investment Limited		
12.	Mr. Wolf-Peter Berthold	64	MBA (Business & Economics)	Director	29/10/1995	17 th AGM (2012)
13.	Mr. Ehsanul Hoque Mirza	58	Bachelor of Science	Alternate Director to act for on behalf of Ms. Silwat A. Haider, Nominee Director of S.F. Haider Foundation Ltd.	15/02/2011	As per Companies act section- 101 (2)
14	Mr. A.H. Ekbal Hossian	62	M.com (DU), DAIBB	Managing Director (Ex-officio)	1 st June 2009	31 st May 2012

Directors Ownership in other Companies

Sl. No.	Name	Position in GSP Finance	Directorship/Sponsorship/ Ownership with other Companies	Position	Experience
01.	Mr. Feroz U. Haider	Chairman	SF Haider Foundation Limited	Chairman	43 years
02.	Col. (Retd.) M. Nurul Islam	Director	Nil	N/A	41 years
03.	Mr. Siraj U. Haider	Director	Usmania Glass Sheet Factory Limited, Chittagong SF Haider Foundation Limited	Director	33 years
04.	Ms. Silwat A. Haider	Nominee Director of SF Haider Foundation Ltd.	SF Haider Foundation Limited	Director	10 years
05.	Mr. Moin U. Haider	Director	SF Haider Foundation Limited	Director	6 years
06.	Mr. Manzur ur Rahman (Ruskin)	Nominee Director of Amber Hill Global Resources Limited	Usmania Glass Sheet Factory Limited, Chittagong	Director	35 years
07.	Mr. Saber Hossain Chowdhury	Representing: Karnaphuli Industries Limited	Regensea Lines Limited Karnaphuli Industries Limited Container & Terminal Services Ltd Karnaphuli Works Limited Karnaphuli National Associates Ltd Karnaphuli Engineering Co. Ltd Karnaphuli Farms Limited Karnaphuli Export & Import Ltd Reliable Automobiles Limited Karnaphuli Leasing Services Ltd Karnaphuli Links Limited Karnaphuli Foundries Limited HR Holdings Limited	Managing Director	25 years

			Karnaphuli Farming & Fishing Ltd Karnaphuli Texport Limited Karnaphuli Automobiles Limited Karnaphuli Holdings Limited Finvest Services Limited Travelscene Limited HR Securities Limited Mercantile Bank Limited Holy Cresent Hospital Limited Republic Insurance Co. Limited Motodrive Limited Multidrive Limited Medidrive Limited Hamrai Press Holdings Limited Mediascene Limited Desh Television Ltd	Director Shareholder Chairman	
08.	Mr. Aziz Al Kaiser	Director	The City Bank Limited Partex Star Group Star Particle Board Mills Ltd. Star Vegetable Oils Ltd. Partex PVC Industries Ltd. Partex Furniture Industries Ltd. Partex Laminates Ltd. Partex Limited Partex Real Estate Ltd. Corvee Maritime Co. Ltd. Partex Builders Ltd. Fairhope Housing Ltd. Danish Condensed Milk Bangladesh Ltd. Danish Milk Bangladesh Ltd. Danish Foods Ltd. Danish Distribution Network Ltd. Danish Dairy Farm Ltd. Rubel Steel Mills Ltd. Ferrotechnic Ltd. Fotoroma Limited Russel Steel Mills Ltd. Dhakacom Limited Janata Insurance Co. Ltd. Partex Housing Ltd.	Chairman Vice Chairman Managing Director Director	23 years
09.	Mrs. Tabassum Kaiser	Director	Partex Agro Limited The City Bank Limited Janata Insurance Company Ltd Fair Hope Housing Ltd	Managing Director Director	12 years
10.	Mr. Mohamed Abdul Jalil	Nominee Director of Tai Ping Asian Investment Limited	Nil	N/A	46 years
11	Mr. Wolf-Peter Berthold	Director	Nil	N/A	43 years

Family relationship among directors

Name of Directors	Position	Relationship
Mr. Feroz U. Haider,	Chairman	Brother of Mr. Siraj U. Haider, Director Father of Mr. Moin U. Haider, Director Father of Ms. Silwat A. Haider, Director representing SF Haider Foundation Limited
Mr. Siraj U. Haider,	Director	Brother of Mr. Feroz U. Haider, Chairman
Ms. Silwat A. Haider,	Nominee Director of S.F. Haider Foundation Ltd.	and Daughter of Mr. Feroz U. Haider, Chairman Sister of Mr. Moin U. Haider, Director
Mr. Moin U. Haider,	Director	Son of Mr. Feroz U. Haider, Chairman Brother of Ms. Silwat A. Haider, Nominee Director of S.F. Haider Foundation
Mr. Aziz Al Kaiser	Director	Husband of Mrs. Tabassum Kaiser
Mrs. Tabassum Kaiser	Director	Wife of Mr. Aziz Al Kaiser

Family Relationship among the Directors and Top Five Officers

There is no family relationship between the Directors and top five Officers.

Short Bio-data of Directors including Managing Director:

Mr. Feroz U. Haider, Chairman

Mr. Feroz U. Haider is a renowned international banker with experience in very senior positions in financial institutions in South East Asia. He started his banking career in 1967 with United Bank Limited (now Janata Bank) after his graduation and worked till 1975. 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, of American Express Bank Limited, Bangladesh. 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. Haider holds a Batchelor degree of Science from Dhaka University in 1965 and a Ph. D. in international Business Management from USA.

Col. (Retd.) M. Nurul Islam, Director

Colonel M. Nurul Islam Psc. (Retd.) joined GSP Finance Company (Bangladesh) Limited in February 2000 as the Executive Director. 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. Siraj U. Haider, Director

Mr. Siraj U. Haider is a Director of GSP Finance Company (Bangladesh) Limited. Mr. Haider holds a Bachelor of Science degree from the University of Dhaka. He is also a Director of Usmania Glass Factory Ltd. in Chittagong.

Ms. Silwat A. Haider, Nominee Director

Ms. Silwat A. Haider is a Director of GSP Finance Company (Bangladesh) Limited representing S.F. Haider Foundation Limited. Ms. Haider served as a Consulting Intern with Royal Ontario Museum, Toronto, Canada, which was followed by a Research Consultant position with AEA Consulting London, UK from 2001 to 2003. Between 2003 to 2005 she served with Arts Council England, London, UK as a Grants Manager for Capital Projects. At present she is working as a Project Manager, Mouchel Parkman Group, London, U.K. 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.

Brig. Gen. Gyasuddin A. Chowdhury BB, psc (Retd), Alternate Director

Brig. Gen. Gyasuddin A. Chowdhury is an Alternate Director to act for and on behalf of Mr. Moin U. Haider, Director of GSP Finance Company (Bangladesh) Limited. Brig. Gen. Gyasuddin A. Chowdhury took active part in Bangladesh War of Liberation in 1971 and received gallantry award of Bir Bikram (Equivalent to Military Cross). He served as an Ambassador of Bangladesh in Bahrain, from June 1996 to December 1998, Sweden from 1993 to 1996. He served as High Commissioner of Bangladesh in Singapore from 1989 to 1993 and also Consul General (Minister) of Bangladesh in Sydney, Australia from 1985 to 1989.

Mr. Moin U. Haider, Director

Mr. Moin U. Haider holds a degree in Business Economics and Automotive Technology. He is a shareholder of the company since July 06, 2000 and was elected a Director of GSP Finance Company (Bangladesh) Limited in March 2005. Mr. Haider did International Baccalaureate from United World College, Hong Kong in 1998 and B.A. in Business Economics from Lewis & Clark College, Portland, Oregon, USA in 2003. He also has an Associate of Occupational Studies Degree in Automotive Technology from Universal Technical Institute (UTI), Phoenix, Arizona, USA in 2004.

Mr. Manzur ur Rahman (Ruskin), Nominee Director

Mr. Manzur ur Rahman (Ruskin) is a Director of GSP Finance Company (Bangladesh) Limited representing Amber Hill Global Resources Limited. He is an Advocate in Supreme Court, Bangladesh. He is Managing Partner of M/S Rahim Rahman & Agha, Solicitor & Tax Consultant. Apart from his law profession he is involved in various business houses. He is Chief Executive Officer of Ayesha Trading International and Director of Usmania Glass Sheet Factory Limited. Mr. Rahman was former Vice President of The Chamber of Commerce & Industries. He is also member of Dhaka Bar Association, Dhaka Taxes Bar Association.

Mr. Saber Hossain Chowdhury, Nominee Director

Mr. Saber Hossain Chowdhury a Director 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 96 to March 98 and thereafter as Deputy Minister of Local Government & Rural Development (LGRD) till July 2001. He was also a Member of the Parliamentary Committee for the Ministry of Sports and Cultural Affairs for the term of 1996-2001. During his tenure as the Member of the Parliament and also as the Deputy Minister, he was widely acclaimed as having acted with honesty and integrity, thereby holding high image of his constitutional positions. He is also the Managing Director of Karnaphuli Group of Companies. Mr. Chowdhury holds Bachelor degree of Political Science and Economics from London University and LL.B in Westminster University, London.

Mr. Aziz Al Kaiser, Director

Mr. Aziz Al Kaiser is a widely renowned Industrial Entrepreneur in Bangladesh. He is Vice Chairman of Partex Group and simultaneously Chairman of The City Bank Limited. Mr. Kaiser holds a BBA from US International University, Europe Campus.

Mrs. Tabassum Kaiser, Director

Mrs. Tabassum Kaiser is a Director of GSP Finance Company (Bangladesh) Limited. At present she serves as Director in various companies like The City Bank, Janata Insurance Company

Limited. She is also Managing Director of Partex Agro Limited. Mrs. Kaiser is an MBA from North South University.

Mr. Mohamed Abdul Jalil, Nominee Director

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 represented Government of Bangladesh as Director in the Board of Directors of Jamuna Oil Company Limited. 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 a Bachelor of Arts and M. A (Economics) and LL.B.

Mr. Wolf-Peter Berthold, Director

Mr. Berthold is an investment specialist in Asia. He is a Director of GSP Finance Company (Bangladesh) Limited. He is also the Managing Director of Deutsche Asiatische Beteiligungsgesellschaft (DBA) Limited and Agusta Enterprises Holding Company Limited and a Director of Helicon Enterprise Company Limited in Hong Kong. Mr. Berthold was the Regional Vice President, Asia Pacific of Deutsche Bank, AG, based in Hong Kong. He holds a degree in Business Administration and Economics from the University of Mannheim in Germany. Mr. Berthold is a German national.

Mr. Ehsanul Hoque Mirza, Alternate Director

Mr. Ehsanul Hoque Mirza is an Alternate Director to act for and on behalf of Ms. Silwat A. Haider, Director representing S.F. Haider Foundation Limited. He holds Bachelor of Science degree. He is also chairman of Shamsuddin Mia & Associates Ltd.

Mr. A.H. Ekbal Hossain, Managing director (Ex-officio)

Mr. A.H. Ekbal Hossain joined GSPB as Managing Director in June 2009. He has worked in senior positions at various Banks over the long span of his career. Most notably he served as Managing Director of BASIC Bank Ltd, Rupali Bank Ltd and GM of Agrani Bank Ltd.

He started his career with United Bank as probationary officer in 1968. He obtained his Masters Degree in Management from Dhaka University and is an Associate of the Institute of Bankers. He obtained a PhD from Portland University, Oregon, USA and undertook training in macro and micro economics from Fisc University, Nashville, USA.

Credit Information Bureau (CIB) report

Neither the Company nor any of its Directors or shareholders who hold 5% or more shares in the paid up capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

Particulars of Top Executives & Departmental Heads of the Company

Sl. No.	Name	Position/Departmental Heads	Educational Qualification	Date of joining in the company	Last five years experience	Total Experience (Years)
1.	Mr. A. H. Ekbal Hossain	Managing Director	M.com (DU), DAIBB	01.06.2009	GM – Agrani Bank, DMD and MD(current charge) Rupali Bank, MD – Basic Bank Limited	42
2.	Mr. Md. Helal Uddin	Executive Director	M.A. I.B.B (Part 1)	22.07.2001	GM-Janata Bank, Agrani Bank & Bangladesh Krishi Bank. M.D- Houge Bldg. Finance Corp. & Trust Bank Ltd.	46
3.	Mr. Md. Mizanur Rahman	*GM (Finance) & Company Secretary	M. Com,LLM, ACS, ACCA	25.09.2001	Oripex Group, Nitol Group	13
4.	Mr. Toaha Mohammad	Chief Operating Officer (COO) (Merchant Banking]	MBA	01.08.2008	Equity Partners Limited (EPL)	8
5.	Mr. Asif Rahman	AGM- Credit & Marketing	MBA	11.11.2009	Prime Finance & Investment Limited	9
6.	Mr. Zeenat Alam	AGM-Credit & Marketing	MBA	29.07.2003	Nil	8
7.	Mr. Mahbub Alam	Sr. Manager (Accounts)	M.Com, (CA.CC)	01.08.2005	Nurani Group, AR Group	9
8.	Mr. Pronoy Kuman Biswash	Manager, ICD	MBA, ACA	28.06.2009	Acnabin, Chartered Accountants	6
9.	Mr. Zakir Hossain	Manager, HRD	MBA	01.04.2009	New Age Group	9
10.	Mr. Abu Baker Siddik Rajib	Manager	MBA	12.08.2010	BRAC EPL	4

* Md. Mizanur Rahman has been serving in the position of Head of Finance & Company Secretary of the Company.

Involvement of Officers and Directors in Certain Legal Proceedings

No Directors or Officer of the company was involved in any of the following types of legal proceedings in the past ten years:

- Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy;

- Any conviction of director, officer in criminal proceedings or any criminal proceedings pending against him;
- Any order, judgment or decree of any Court of competent jurisdiction against any director, officer permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.
- Any order of the Securities and Exchange Commission or other regulatory authority or foreign financial regulatory authority suspending or otherwise limiting the involvement of any director or officer in any type of business of securities or banking activities.

Certain Relationships and Related Transactions

The company does not have any transaction during the last two years, or any proposed transaction, between the issuer and any of the following persons:

- a. Any director or executive officer of the issuer.
- b. Any director or officer.
- c. Any person owning 5% or more of the outstanding shares of the issuer.
- d. Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons.
- e. Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of prospectus.
- f. Any loan either taken or given from or to any director or any person connected with the director, any loan taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan.
- g. Any director holding any position, apart from being a director in the issuer company, in any company, society, trust, organization, or proprietorship or partnership firm.

Interests and Facilities enjoyed by the Director

The Directors did not enjoy any interest or facilities, whether pecuniary or non-pecuniary excepting fee for attending in the meetings of the Board of Directors.

Executive Compensation

Remuneration paid to top five salaried officers

- The top five salaried officers in the last accounting year of the COMPANY are as follows:

(Amount in Taka)			
SL.	Name	Designation (Present)	Jan. to Dec 2010

1.	Mr. A H. Ekbal Hossain	Managing Director	2,400,000
2.	Md. Helal Uddin	Executive Director	1,380,000
3.	Md. Mizanur Rahman	*GM (Finance) & Company Secretary	1,068,000
4.	Mr. Toaha Mohammad	COO (Merchant Banking]	1,760,000
5.	Mr. Asif Rahman	AGM-Credit &Marketing	1,066,800

* Md. Mizanur Rahman has been serving in the position of Head of Finance & Company Secretary of the Company.

- Aggregate amount of remuneration paid to Directors & Employees. (As per Audited A/C)

(Amount in Taka)

Sl. No.	Particulars	Remuneration & Salary
		(the designated Accounts)
1	Directors	290,000
2	Officers & Staff	10,500,174

- Remuneration paid to any Director who was not an officer during the last fiscal year**

The Company did not pay any amount to any person who was not an Officer/ Director of the Company during the last accounting/financial year.

- Future compensation to Directors or Officers**

There is no contract with any Director/Officer for future compensation.

- Pay increase intention**

The Company does not have any plan to substantially increase remuneration to Officers/Directors except usual increase in salaries & allowances.

Options Granted to Directors, Officers and Employees

The Company has not offered any option for issue of shares to any of the officers, directors and employees or to any outsiders.

Transaction with the Directors and Subscribers to the Memorandum:

- (a) The Directors and Subscribers to the memorandum have not received any benefits directly or indirectly other than dividend and Directors' fees during the last five years. The

issuer also has not received any assets, services or other consideration from its Directors and Subscribers to the memorandum except fund against allotment of shares.

(b) No assets were acquired or are to be acquired from the Directors and Subscribers to the memorandum.

TANGIBLE ASSETS PER SHARE
(As per Audited A/C as at 31.12.2010)

Particulars	As on 31/12/10
	BD Taka
Assets:	
Cash	14,106,320
Balance with bank & other financial Institution	61,646,706
Money at Call & short notice	120,000,000
Investment	125,450,952
Leases loan & advances	1,629,115,736
Fixed Assets including premises, furniture , fixtures	314,577,754
Other Assets	
Total Assets (a)	654,343,825
	2,919,241,293
Liability	
Borrowings from bank, other financial Institution	
Deposits & other accounts	1,206,189,666
Other Liabilities	
Total Liabilities (b)	619,890,700
NET ASSET VALUE C = (a-b)	385,166,975
Total Number of Shares at face value of Tk.100.00 per share (D)	2,211,247,341
Net Asset Value per share at face value Tk.100.00 per share (C /D)	707,993,952
Total Number of Shares (E) on approval of 28% of bonus shares for the year 2010	2,159,850
	327.79
and denominated the face value into Tk. 10.00 & then the number of shares stand	27,646,080
Restated Net Asset Value per share C /E	25.61

- The paid-up capital of GSP finance Company (Bangladesh) Limited as at 31 December 2010 stands at Tk. 215,985,000 divided into 2,159,850 ordinary shares of Tk. 100 each. The Company declared 28 % bonus share for the year 2010 which has been approved in their 16th Annual General Meeting held on 15th February, 2011 accordingly applied to SEC on 5th April, 2011 for approval. The SEC vide their letter no. SEC/CFD/CPLC-29/2002/793 dated 3rd November, 2011 approved their application for raising paid-up capital.
- Board of Directors had decided to denominate the share price from Tk.100.00 to Tk. 10.00 per share on 12th September 2011 which has been approved by the shareholders of the Company in their Extra Ordinary General Meeting dated 4th October 2011 and necessary amendments in the capital clause of the Memorandum and Articles of Association of the Company were made accordingly. The Memorandum and Articles of Association of the Company has duly been certified by the Registrar of Joint Stock Companies & Firms on 5th October 2011.

Dated, Dhaka
November 21, 2011

Sd/-
Kazi Zahir Khan & Co.
Chartered Accountants

OWNERSHIP OF THE COMPANY'S SECURITIES

Present shareholding pattern of the Company is given below:

SL #	Name & Address of the Shareholders	Position	Shares	Holding (%)
01	MR. FERDZ U. HAIDER Concord Mayfair Apt. #404, Road # 83, Plot # 5, NEG, Gulshan, Dhaka.	Chairman	4,227,917	15.29%
02	COLONEL M. NURUL ISLAM, PSC (RETD.) House No. 107, Masjid Road, DOHS, Banani, Dhaka Cantt., Dhaka.	Director	81,408	0.29%
03	MR. MOIN U. HAIDER Concord Mayfair, Apt. #404, Road # 83 Plot # 5, NEG, Gulshan, Dhaka.	Director	650,496	2.35%
04	SF HAIDER FOUNDATION LIMITED 1, Paribagh, Mymensingh Road, Ramna, Dhaka-1000.	Director	378,918	1.37%
05	AIR VICE MARSHALL (RETD) ALTAF HOSSAIN CHOUDHURY House # 6, Road # 67 Gulshan - 2, Dhaka – 1212.	Shareholder	172,403	0.62%
06	MS. ISHMAM RAIDAH RAHMAN House No.11, Road No.7, Block- H, Banani, Dhaka.	Shareholder	296,320	1.07%
07	MS. SILWAT A. HAIDER Concord Mayfair, Apt. #404, Road # 83 Plot # 5, NEG, Gulshan, Dhaka.	Shareholder	325,248	1.18%
08	MRS. SHAHIN HAIDER Concord Mayfair, Apt. #404, Road # 83, Plot # 5, NEG, Gulshan, Dhaka.	Shareholder	325,248	1.18%
09	AMBER HLL GLOBAL RESOURCES LTD. Akara Bldg., 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands.	Director	3,644,416	13.18%

10	MR. SIRAJ U. HAIDER Flat No. 3B, House No. 12, Road No. 118, Gulshan- 02, Dhaka.	Director	782,822	2.83%
11	TAI PING ASIAN INVESTMENT LIMITED C/o Trident Trust Company (BVI) Limited, Trident Chambers, P.O. Box-145, Road Town, Tortola, British Virgin Islands.	Director	4,962,535	17.95%
12	MR. AZIZ AL KAISER PARTEX GROUP, Sena Kalyan Bhaban (16th floor), 195, Motijheel C/A, Dhaka, Bangladesh.	Director	2,764,608	10.00%
13	KARNAPHULI INDUSTRIES LIMITED HR Bhaban, 26/1 Kakrail, Dhaka-1000, Bangladesh.	Director	4,322,048	15.63%
14	MRS. TABASSUM KAISER BLOOMING DALE, 24, Dutabash Road, Baridhara R/A, Gulshan, Dhaka, Bangladesh.	Director	2,764,608	10.00%
15	MR. WOLF PETER BERTHOLD Flat B2, G/F Shousin Hill Road # 4, Hong Kong.	Director	1,708,608	6.18%
16	INTERFOX HOLDINGS LIMITED Sadelgatan 6 SE - 21377 Malmo, Sweden.	Shareholder	238,477	0.86%
TOTAL SHARES:			27,646,080	100.00%

5% or more of the Shareholding structure of the Company :

Sl.	Name of Sponsors	Status with the Company	No of Shares Subscribed	Percentage of ownership
1.	Mr. Feroz U. Haider Concord Mayfair Apt. #404, Road # 83, Plot # 5, NEG, Gulshan, Dhaka.	Chairman	4,227,917	15.29%
2.	Amber Hill Global Resources Ltd. Akara Bldg., 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands .	Director	3,644,416	13.18%
3.	Tai Ping Asian Investment Limited C/o Trident Trust Company (BVI) Limited, Trident Chambers, P.O. Box-145, Road Town, Tortola, British Virgin Islands.	Director	4,962,535	17.95%
4.	Mr. Aziz Al Kaiser PARTEX GROUP, Sena Kalyan Bhaban (16th floor), 195, Motijheel C/A, Dhaka, Bangladesh.	Director	2,764,608	10.00%
5.	Karnaphuli Industries Limited HR Bhaban, 26/1 Kakrail, Dhaka-1000.	Director	4,322,048	15.63%
6.	Mrs. Tabassum Kaiser BLOOMING DALE, 24, Dutabash Road, Baridhara R/A, Gulshan, Dhaka, Bangladesh.	Director	2,764,608	10.00%

7.	Mr. Wolf Peter Berthold Flat B2, G/F Shouson Hill Road #4, Hong Kong.	Director	1,708,608	6.18%
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Securities of the Company owned by each Director:

SL #	Name & Address of the Shareholders	Position	Shares	Holding (%)
01	MR. FEROUZ U. HAIDER Concord Mayfair Apt. #404, Road # 83, Plot # 5, NEG, Gulshan, Dhaka.	Chairman	4,227,917	15.29%
02	Col. M. NURUL ISLAM, Psc (Retd.) House No. 107, Masjid Road, DOHS, Banani, Dhaka Cantt., Dhaka.	Director	81,408	0.29%
03	MR. MOIN U. HAIDER Concord Mayfair, Apt. #404, Road # 83 Plot # 5, NEG, Gulshan, Dhaka.	Director	650,496	2.35%
04	SF HAIDER FOUNDATION LIMITED 1, Paribagh, Mymensingh Road, Ramna, Dhaka-1000	Director	378,918	1.37%
05	AMBER HLL GLOBAL RESOURCES LTD. Akara Bldg., 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands	Director	3,644,416	13.18%
06	MR. SIRAJ U. HAIDER Flat No. 3B, House No. 12, Road No. 118, Gulshan- 02, Dhaka.	Director	782,822	2.83%
07	TAI PING ASIAN INVESTMENT LIMITED C/o Trident Trust Company (BVI) Limited, Trident Chambers, P.O. Box-145, Road Town, Tortola, British Virgin Islands.	Director	4,962,535	17.95%
08	MR. AZIZ AL KAISER PARTEX GROUP, Sena Kalyan Bhaban (16th floor), 195, Motijheel C/A, Dhaka, Bangladesh.	Director	2,764,608	10.00%
09	KARNAPHULI INDUSTRIES LIMITED HR Bhaban, 26/1 Kakrail, Dhaka-1000, Bangladesh.	Director	4,322,048	15.63%
10	MRS. TABASSUM KAISER BLOOMING DALE, 24, Dutabash Road, Baridhara R/A, Gulshan, Dhaka, Bangladesh.	Director	2,764,608	10.00%
11	MR. WOLF PETER BERTHOLD Flat B2, G/F Shousin Hill Road # 4, Hong Kong.	Director	1,708,608	6.18%

*No officer held any shares of the company

DETERMINATION OF OFFERING PRICE
GSP Finance Company (Bangladesh) Ltd.

Particulars	Amount (in Tk.)
Method 1(a): Net Asset Value (NAV) per share	25.61
Method 1(b): Net Asset Value (NAV) per share without considering Asset Revaluation	16.52
Method 2: Historical Earnings based value per share	27.27

In consideration of the above, the management of GSP Finance Company (Bangladesh) Limited believes that the issue price of Tk. 25.00 is justified.

Calculations of Methodologies

Method 1–Price based on Net Asset Value (NAV) based price per share:

Particulars	Amount	Net Amount
Paid-up capital		215,985,000.00
Statutory reserve		158,304,253.00
Other reserve		251,402,124.00
Retained Earnings		82,302,575.00
Proposed bonus share for 2010	60,475,800.00	
Retained earnings balance	21,826,775.00	
Total Shareholders' Equity		707,993,952.00
Number of shares		2,159,850
Net Assets Value per share at BDT 100 per share, as per Audited Financial Statement		327.79
*Considering 28% stock dividend and **denominate the face value into Tk.10.00 then the Number of shares stand		27,646,080
Restated Net Assets Value per share		25.61
Net Assets Value per share at BDT 10.00 per share (without considering Asset Revaluation)		16.52

* The Board of Directors had declared 10% bonus share for the year 2009 and applied to SEC for approval which has declined by SEC vide letter no. SEC/CI/CPLC-29/2002-94 dated 14th February, 2011 (letter received on 20th February, 2011). For the year 2010 the Board of directors further declared 28 % bonus share in their 16th Annual General Meeting held on 15th February, 2011 accordingly applied to SEC on 5th April, 2011 for approval. The SEC vide their letter no. SEC/CFD/CPLC-29/2002/793 dated 3rd November, 2011 approved their application for raising paid-up capital.

* *Board of Directors had decided to denominate the share price from Tk.100.00 to Tk. 10.00 per share on 12th September 2011 which has been approved by the shareholders of the Company in their Extra Ordinary General Meeting dated 4th October 2011 and necessary amendments in the capital clause of the Memorandum and Articles of Association of the Company were made accordingly. The Memorandum and Articles of Association of the Company has duly been certified by the Registrar of Joint Stock Companies & Firms on 5th October 2011.

Method 2: Historical Earnings based value

Financial Year	Net Profit after Tax	Weight	Weighted Average Profit
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31-Dec-10	75,703,029	0.41	31,038,241.89
31-Dec-09	26,973,558	0.15	4,046,033.70
31-Dec-08	15,657,612	0.09	1,409,185.08
31-Dec-07	37,737,292	0.20	7,547,458.40
31-Dec-06	28,171,928	0.15	4,225,789.20
Total	184,243,419	1.00	48,266,708.27
No. of shares as on 31 Dec 2010			2,159,850
No. of shares considering 28% bonus share and denominate the face value into Tk.10.00			27,646,080
Weighted average EPS considering 28% bonus share and denomination change			1.75
DSE overall P/E as on 30 Sep 2011			15.58
Earning Based Value considering 28% bonus share and denomination change			27.27

Based on the above calculation, the weighted average net profit after tax stands at Tk. **48,266,708.27** and weighted average EPS considering 28% bonus share and denominate the face value into Tk.10.00 is Tk.**1.75**. If we consider the share price of the Company on the basis of price earnings multiple of 15.58 (Overall market P/E =15.58; Source; DSE Monthly Review as on 30-09-2011), the earning based value of shares of the Company stands at **Tk.27.27**.

MARKET FOR THE SECURITIES BEING OFFERED

The issuer shall apply to



Dhaka Stock Exchange Limited And
(DSE)
9/F, Motijheel C/A, Dhaka-1000.



Chittagong Stock Exchange Limited
(CSE)
CSE Building, 1080 Sheikh Mujib
Road, Chittagong.

Within 7 (seven) working days from the date of consent accorded by the Commission to issue prospectus.

Declaration about listing of shares with the Stock Exchange(s)

None of the Stock Exchange(s), if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75(seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.

Trading and settlement

Trading and Settlement Regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the company.

The issue shall be placed in “N” Category with DSE & CSE.

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

a) Dividend, Voting and Pre-emption Right

The share capital of the Company is divided into ordinary shares carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act,

1994 and the Articles of Association of the Company. Shareholders shall have the usual voting right in person or by proxy in connection with, among others, selection of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the SEC from time to time.

b) Conversion and Liquidation Right

If the company at any time issues convertible preference shares or Debenture with the consent of SEC, such holders of Securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company.

Subject to the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant Rules in force, the Shares, if any, of the Company are freely transferable, the Company shall not charge any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mental health.

c) Dividend Policy

a) The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the Shares held by them respectively.

b) No larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net Profit of the Company shall be conclusive.

c) No dividend shall be payable except out of profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.

d) The Directors may, from time to time, pay the members such interim dividend as in their judgment the financial position of the Company may justify.

e) A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of transfer.

f) There is no limitation on the payment of dividend.

d) Other Rights of Shareholders

The shareholders shall have the right to receive all periodical reports and statements, audited as well as un-audited, published by the company from time to time. The Directors shall present the financial statements as required under the Law and International Accounting standards as well as Internal Financial Reporting Standards (IFRS) as adopted in Bangladesh. Financial Statements will be prepared in accordance with International Accounting Standards as well as Internal Financial Reporting Standards (IFRS) as adopted in Bangladesh, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standards as well as Internal Financial Reporting Standards (IFRS) as adopted in Bangladesh to the shareholders regarding the Financial and operational position of the Company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders shall be entitled

to it in proportion to their shareholdings on the date of book closure for the purpose. The shareholders holding not less than 10% of the issued/fully paid up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the Company as provided under Section 84 of the Companies Act, 1994.

DEBT SECURITIES

The Company has not issued or is planning to issue any debt security within six months

LOCK- IN ON SPONSORS' SHARES

All issued shares of the issuer at the time of according consent to public offering shall be subject to a **lock - in period of three years** from the date of issuance of prospectus or commercial operation, whichever comes later:

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the Company within immediately preceding two years of according consent, shall be subject to a **lock – in period of one year** from the date of issuance of prospectus or commercial operation, whichever comes later.

SL #	Name	Position	Total number of Share	% of share held	Date of Acquisition	Lock-in-period from the date of Prospectus issuance
01	MR. FERAZ U. HAIDER	Chairman	4,227,917	15.29%	29.10.1995	3 years
02	Colonel M. NURUL ISLAM, Psc (Retd.)	Director	81,408	0.29%	18.04.1999	3 years

03	MR. MOIN U. HAIDER	Director	650,496	2.35%	06.07.2000	3 years
04	S. F. HAIDER FOUNDATION LIMITED	Director	378,918	1.37%	15.06.1996	3 years
05	Air Vice Marshall ALTAF H. CHOUDHURY (Retd). NDU.	Shareholder	172,403	0.62%	29.10.1995	3 years
06	MS. ISHMAM RAIDAH RAHMAN	Shareholder	296,320	1.07%	08.11.2010	1 year
07	MS. SILWAT A. HAIDER	Shareholder	325,248	1.18%	06.07.2000	3 years
08	MRS. SHAHIN HAIDER	Shareholder	325,248	1.18%	06.07.2000	3 years
09	AMBER HILL GLOBAL RESOURCES LTD	Director	3,644,416	13.18%	19.03.2008	3 years
10	MR. SIRAJ U. HAIDER	Director	782,822	2.83%	15.06.1996	3 years
11	TAI PING ASIAN INVESTMENT LIMITED	Director	4,962,535	17.95%	27.10.2010	3 years
12	MR. AZIZ AL KAISER	Director	2,764,608	10.00%	27.10.2010	3 years
13	KARNAPHULI INDUSTRIES LIMITED	Director	4,322,048	15.63%	27.10.2010	3 years
14	MRS. TABASSUM KAISER	Director	2,764,608	10.00%	27.10.2010	3 years
15	MR. WOLF PETER BERTHOLD	Director	1,708,608	6.18%	29.10.1995	3 years
16	INTERFOX HOLDINGS LIMITED	Shareholder	238,477	0.86%	06.06.2002	3 years
TOTAL SHARES:			<u>27,646,080</u>	100.00%		

REFUND OF SUBSCRIPTION MONEY

As per SEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form;-

(a) Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or

(b) Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription:

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHI (NRB)

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".

2. The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.

3. Refund against over subscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned below, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

AVAILABILITY OF SECURITIES

1. Shares

Sl. No.	Particulars	Number of Shares	Amount in Tk.
A	10% of IPO i.e. 2,000,000 Ordinary Shares shall be reserved for Non Resident Bangladeshis	2,000,000	50,000,000.00
B	10% of IPO i.e. 2,000,000 Ordinary Shares shall be reserved for Mutual funds And Collective investment schemes registered with the	2,000,000	50,000,000.00

	Commission		
C	The remaining 80% of IPO i.e. 16,000,000 Ordinary Shares shall be opened for subscription by the General Public	16,000,000	400,000,000.00
Total		20,000,000	500,000,000.00

2. All shares as stated in clause 1.A, 1.B and 1.C shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.
3. In case of over-subscription under any of the categories mentioned in 1.A, 1.B and 1.C the Issue Manager shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.
4. In case of under-subscription under any of the 10% categories mentioned in 1.A and 1.B, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over-subscription in the general public category, the issuer and the issue manager shall jointly conduct and open lottery of all the applicants added together.
5. In case of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s).
6. The lottery as stated in clause (3) and (4) shall be conducted in presence of representatives from the issuer, the stock exchanges, and the applicants, if there be any.

APPLICATION FOR SUBSCRIPTION

1. Application for shares may be made for a minimum lot of 500 units of shares to the value of Tk. 12,500 (Taka twelve thousand five hundred only) and should be made on the company's Printed Application Forms. Application Forms and Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, or from the Bankers to the issue. In case, adequate Forms are not available, applicants may use photocopied/ cyclostyled/ handwritten/typed copies of the Forms. Applications must not be for less than 50 units of share. Any application not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two (2) persons will not be accepted. In the case of joint application, each party must sign the application form.
3. Application must be in full name of individuals, or limited companies, or trusts or societies, and not in the name of minors or persons of unsound mind. Applications from of insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association of that company.

4. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.

5. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeit whole or part of their application too.

6. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found closed, the allotted security may be forfeited by SEC.

7. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and foreign nationals shall be entitled to apply for the share.

8. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/offices of the banks mentioned in the application forms in Cash/Cheque/Pay Order/Bank Draft. The Cheque/ Pay Order/ Bank Draft shall be made payable to the bank to which it is sent, be marked **“GSP Finance Company (Bangladesh) Limited”** shall bear the crossing **“A/C Payee Only”** and must be drawn on a bank in the same town of the bank to which application form is deposited.

9. All completed application forms together with remittances for the full amount, payable on application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.

10. A Non-Resident Bangladeshi (NRB) shall apply against the Public Offer either directly by enclosing a foreign demand draft, drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for.

The value of securities applied for may be paid in Taka, US Dollars, Great Britain Pounds or Euro Dollars at the spot buying (TT Clean) rate of exchange prevailing the date of opening of subscription. Refund against over subscription of shares shall be made in the currency, in which the value of shares, applied for, was paid by the applicant. Shares application form against the quota for NRB shall be sent by the applicant directly along with a bank draft or cheque to the company at its registered office. Copies of application form and prospectus shall be available with the Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia,

and South Korea and on the website of the SEC, Issuer Company, Issue Manager, DSE and CSE.

11. The IPO subscription money collected from investors (other than non-resident Bangladeshis) by the Bankers to the Issue will be remitted to the 'GSP Finance Company (Bangladesh) Limited (IPO) SND Account No. 0012-0320000991 of Mutual Trust Bank Limited, Dilkusha Branch for this purpose.

12. The subscription money collected from Non-Resident Bangladeshis in US Dollars or Great Britain Pounds or Euro Dollars shall be deposited to three FC accounts opened by the Company for IPO purpose as follows:

Sl.	Name of the FC Accounts	Currency	Account No.	Bank & Branch
1.	GSP Finance Company (Bangladesh) Limited	US Dollar	0012-0260001005	Mutual Trust Bank Limited
2.	GSP Finance Company (Bangladesh) Limited	Euro	0012-0260001014	Mutual Trust Bank Limited
3.	GSP Finance Company (Bangladesh) Limited	GBP	0012-0260001023	Mutual Trust Bank Limited

13. In the case of over-subscription of securities to the NRB applicants, refund shall be made by GSP Finance out of the "FC Account for IPO NRB Subscription". GSP Finance Company (Bangladesh) Limited has already opened the aforesaid FC Accounts and shall close these accounts after refund of oversubscription, if any.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICANT FORM ARE LIABLE TO BE REJECTED.

UNDERWRITERING OF SHARES

The Initial Public Offering (IPO) is for 20, 000,000 ordinary shares Tk. 25 each including a premium of Tk. 15.00 per share totaling to Tk. 500,000,000.00 of GSP Finance Company (Bangladesh) Limited. As per guideline of the Securities and Exchange Commission, 50% of the IPO amount i.e. 10,000,000 ordinary shares of Tk. 25.00 each amounting to Tk. 250,000,000.00 has been underwritten by the following underwriters:

Sl. No.	Name and Address of the underwriters	Number of Shares Underwritten	Amount in Tk.
01.	IDLC Investment Ltd.	1,000,000	25,000,000.00
02.	ICB Capital Management Ltd.	5,000,000	125,000,000.00
03.	Lanka Bangla Finance Ltd.	1,000,000	25,000,000.00
04.	MTB Capital Limited	1,000,000	25,000,000.00

05.	City Bank Capital Resources Limited	1,000,000	25,000,000.00
06	Sonali Investment Ltd.	1,000,000	25,000,000.00
Total		10,000,000	250,000,000.00

Principal Terms and Conditions of Underwriting Agreements

1. If and to the extend that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (Ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for the shares unsubscribed by the closing date and to pay for in cash in full for such unsubscribed shares within 15(Fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
2. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under the Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account has been credited.
3. In any case within 7 (Seven) days after the expiry of the aforesaid 15(Fifteen) days, the Company shall send proof of subscription and Deposit of Money by the underwriter to the Commission.
4. In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said Underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under the Agreement and also other penalties as may be determined by the Commission may be imposed on him.
5. In case of failure by any underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.
6. In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Securities and Exchange Commission under the law may be imposed on them.

Commission for the Underwriters

The company shall pay to the underwriter an underwriting commission at the rate of 0.50% of the IPO amount of the issue value of shares underwritten by them out of the Public Issue.

Right of Underwriters on Company's Board

Underwriters have not acquired any right to have their representatives in the Board of Directors of the Company.

Allotment

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 5(five) weeks from the closing of the subscription list. After allotment the company will have to transfer the shares to the allottees' Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 5(five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (five) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet as the case may be.

Where allotment is made, in whole or in part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form notwithstanding that the shares have been allotted to the joint applicants. Where joint applicant is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

Material Contracts

- a. Underwriting Agreements between the Company and the Underwriters.
- b. Issue Management Agreement between the Company and ICB Capital Management Limited.
- c. Contract between the company and the Central Depository Bangladesh Ltd. (CDBL).
- d. Credit Rating Agreement between the Company and Credit Rating Agency of Bangladesh Ltd. (CRAB)

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

Manager(s) to the Issue

ICB Capital Management Limited is the Manager to the Issue. The Issue Manager will get Tk. 12, 00,000.00 as issue management fee.

Commission to the Banker to the Issue

Commission at the rate of 0.1% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

Corporate Directory

Registered Office:	1, Paribagh, Mymensingh Road, Ramna, Dhaka-1000.
Auditors:	M/S Kazi Zahir Khan & Co. Chartered Accountants 67/4, Kakrail (G & 3 rd Floor) Dhaka-1000
Banker	AB Bank Ltd. Basic bank Ltd. Commercial Bank of Ceylon Plc Dutch Bangla Bank Limited Exim bank Limited Islami Bank Limited Mercantile Bank Limited Mutual Trust Bank Limited National Bank Limited Prime Bank Limited Pubali Bank Limited Shahjalal Islami Bank Limited Social Investment Bank Limited Southeast Bank Limited Standard Bank Limited Standard Chartered Bank Limited The City Bank Ltd. Uttara Bank limited Trust Bank Limited United Commercial Bank Ltd.
Manager to the Issue	ICB Capital Management Ltd. BDBL Bhaban (Level – 16), 8, DIT Avenue, Dhaka-1000.
Name and Address of the Lawyer:	Chowdurys & Hyders Barristers, Advocates and Consultants Room # 4/L, Meherba Plaza (4 th floor), 33 Topkhana Road, Dhaka- 1000

All investors are hereby informed by the Company that the Company Secretary would be designated as compliance officer who will monitor the compliance of the Acts, and rules, regulations, notification, guidelines, conditions, orders/directions etc. issued by the Commission and/or stock exchange(s) applicable to the conduct of the business activities of the Company so as to promote the interest of the investors in the security issued by the Company, and for redressal of investors' grievances.

BANKERS TO THE ISSUE

<u>Investment Corporation of Bangladesh (ICB)</u> NSC Tower, Purana Pallan, Dhaka. Chittagong Branch, Chittagong. Rajshahi Branch, Rajshahi. Khulna Branch, Khulna. Barisal Branch, Barisal. Sylhet Branch, Sylhet. Bogra Branch, Bogra. Local Office, Kashfia Plaza, Nayapaltan, Dhaka. <u>Islami Bank Bangladesh Limited</u> Local Office, Dhaka (Controlling Branch) Barisal Branch, Barisal. Cox's Bazar Branch, Cox's Bazar. Foreign Ex. Br., Dhaka. Khatungonj Branch, Chittagong. Motijheel Branch, Dhaka. Rajshahi Branch, Rajshahi. Sylhet Branch, Sylhet. Agrabad Branch, Chittagong. Bogra Branch, Bogra. Farmgate Branch, Dhaka. Gulshan Br., Gulshan, Dhaka. Khulna Branch, Khulna. Nawabpur Branch, Dhaka. Sadarghat Branch, Dhaka. Mymensingh Branch, Mymensingh. <u>Trust Bank Limited.</u> Principal Branch, Dhaka. Dilkusha Corporate Branch, Dhaka Kafri Branch, Dhaka Radisson Water Garden Branch, Dhaka Mirpur Branch, Dhaka Karwan Bazar Branch, Dhaka Uttara Corporate Branch, Dhaka Narayanganj Branch, Narayanganj Elephant Road Branch, Dhaka Dhanmondi Branch, Dhaka Narsingdi Branch, Narsingdi Tongi Branch, Gazipur Joydebpur Branch, Gazipur Ashulia Branch, Dhaka Mymensingh Cantt. Branch, Mymensingh. Savar Cantt. Branch, Dhaka. S.S. Cantt. Branch, Ghatail, Tangail Halishahar Branch, Chittagong Kadamtoli Branch, Chittagong Comilla Cantt. Branch, Comilla Feni Branch, Feni Chowmohani Branch, Noakhali Comilla Branch, Comilla Ashugonj Branch, B.Baria Khulna Branch, Khulna Jalalabad Cantt. Branch, Sylhet Rangpur Cantt. Branch, Rangpur Bogra Cantt. Branch, Bogra Khowda Yousuf Ali Medical College & Hospital Branch, Sirajgonj Jessore Cantt. Branch, Jessore Shahjalal Uposhahar Branch, Sylhet Rajshahi Branch, Rajshahi Barisal Branch, Barisal <u>Shahjalal Islami Bank Limited</u> Dhaka Main Br., Dilkusha, Dhaka. Milford Br., Milford Road, Dhaka. Dhanmondi Br., Dhaka. Gulshan South Avenue Br., Gulshan, Dhaka. Agrabad Branch, Chittagong. Sylhet Branch, Sylhet. Khatungonj Branch, Chittagong. Gulshan Br., Gulshan, Dhaka. Karwan Bazar Br., Dhaka. Banani Br., Banani, Dhaka. Motijheel Br., Motijheel, Dhaka. Bijoynagar Br., Kakrail, Dhaka. Uttara Br., Uttara, Dhaka. Foreign Ex. Br., Motijheel, Dhaka. <u>Dutch Bangla Bank Ltd.</u> Babur Hat Branch, Narsingdi. Narayanganj Branch, Narayanganj. B.B. Road Branch, Narayanganj. Patherhat Branch, Chittagong. Hathazari Branch, Chittagong. Dania Branch, Shyampur, Dhaka. Khulan Branch, Khulan. Sylhet Branch, Sylhet. Dhaka EPZ Branch, Savar, Dhaka. Board Bazar Branch, Gazipur. Netlagon Branch, Narayanganj. Bogra Branch, Raza Bazar, Bogra. Barisal Branch, Alekanda, Barisal. Simrail Branch, Narayanganj. CDA Avenue Branch, Chittagong. Joypara Branch, Dohar, Dhaka. Biswanath Branch, Sylhet.	Feni Branch, Feni. Comilla Branch, Comilla. Jubilee Road Branch, Chittagong. Kadamtoli Branch, Chittagong. Mirzapur Branch, Tangail. Coxs Bazar Branch, Cox's Bazar. Lohagara Branch, Chittagong. Manikgonj Branch, Manikgonj. Fatikchari Branch, Chittagong. Konabari Branch, Gazipur. Chowmuhani Branch, Noakhali. Sonagazi Branch, Sonagazi, Feni. Goala Bazar Branch, Sylhet. Khatungonj Branch, Chittagong. Mymensingh Branch, Mymensing. Shahjadpur Branch, Sirajgonj. Beani Bazar Branch, Beani Bazar, Sylhet. Chattak Branch, Chhatak, Sunamganj. Bandura Branch, Nawabganj, Dhaka. Saidpur Branch, Nilphamary, Rangpur Branch, Rangpur. Jessore Branch, Jessore. Halishahar Branch, Chittagong. Basurhat Branch, Noakhali. Sreemongal Branch, Moulivibazar. Kushia Branch, Kusthia. Pabna Branch, Pabna. Narsingdi Branch, Narsingdi Bazar, Narsingdi. Satmasjid Road Branch, Dhaka. Dinajpur Branch, Dinajpur. Bhairab Branch, Kishorgonj. Dagonbhuiyan Branch, Feni. Gobindaganj Branch, Gaibandha. Bhulta Branch, Narayanganj. BSCIC Branch, Narayanganj. Tongi Branch, Tongi, Gazipur. Satkhira Branch, Satkhira. Madaripur Branch, Madaripur. Munshiganj Branch, Munshiganj. Habiganj Branch, Habiganj. Chittagong EPZ Branch, Chittagong. Faridpur Branch, Chawk Bazar, Faridpur. Shahjalal Uposhohor Br., Sylhet. Tangail Branch, Tangail. <u>ONE Bank Limited</u> Principal Branch, Dhaka. Motijheel Branch, Dhaka. Karwan Bazar Branch, Dhaka. Gulshan Branch, Dhaka. Mirpur Branch, Dhaka. Uttara Branch, Dhaka. Dhanmondi Branch, Dhaka. Banani Branch, Dhaka. Kakrail Branch, Dhaka. Pragati Sarani Branch, Dhaka. Elephant Road Br., Dhaka. Jatrabari Branch, Dhaka. Nawabgonj Branch, Dhaka. Bangshal Branch, Dhaka. Ganakbari (EPZ) Branch, Dhaka. Imamganj Branch, Dhaka. Narayanganj Branch, Narayanganj. Joypara Branch, Dhaka. Agrabad Branch, Chittagong. Khatungonj Branch, Chittagong. CDA Avenue Branch, Chittagong. Nanupurbazar Branch, Chittagong. Cox's Bazar Br, Chittagong. Jubilee Road Br, Chittagong. Chowmuhani Branch, Noakhali. Chandragonj Branch, Lakshmipur. Feni Branch, Feni. Roipur Branch, Lakshmipur. Dagon Bhuiyan Branch, Feni. Sylhet Branch, Sylhet. Sherpur Branch, Moulvi Bazar. Islampur Branch, Sylhet. Jessore Branch, Jessore. Bogra Branch, Bogra. Serajgonj Branch, Serajgonj Sadar. Laksham Branch, Laksham. Ramgonj Branch, Lakshmipur. Majdee Court Branch, Noakhali. Banashri Branch, Dhaka. Rajshahi Branch, Dhaka. Shahjadpur Branch, Sirajgonj. Jagannathpur Branch, Nadda, Dhaka. Tongi Branch, Gazipur. Comilla Branch, Comilla. Basoba Branch, Sabujbag, Dhaka.	Islampur Branch, Dhaka. Kawran Bazar Branch, Dhaka Naya Pallan Branch, Dhaka. Uttara Branch, Dhaka. Malibagh Branch, Dhaka. Pallabi Branch, Dhaka. Lalmatia Branch, Dhaka. Narsingdi Branch, Narsingdi North Brook Hall Road Br., Dhaka. Narayanganj Branch, Narayanganj. Faridpur Branch, Faridpur. Mymensingh Branch, Mymensingh. Stock Exchange Br., Motijheel, Dhaka. Pragati Sarani Br., Uttar Badda, Dhaka. Mirpur Branch, Dhaka. Agrabad Branch, Chittagong. CDA Avenue Branch, Chittagong. Madam Bibi Hat Br., Shitakunda, Chittagong. Cox's Bazar Branch, Cox's Bazar Sk. Mujib Rd. Br., Chittagong Comilla Branch, Comilla B. baria Branch, Brahmanbaria. Choumuhani Br., Noakhali Feni Branch, Feni. Alanker More Branch, Chittagong Rajshahi Branch, Rajshahi Rangpur Branch, Rangpur Bogra Branch, Bogra Pabna Branch, Pabna Dinajpur Branch, Dinajpur Khulna Branch, Khulna. Boro Bazar Br., Kalibari, Khulna Jessore Branch, Jessore Kusthia Branch, Kusthia Barisal Branch, Barisal Sylhet Branch, Sylhet Moulvi Bazar Branch, Moulvi Bazar. Uposhohor Branch, Sylhet. Tulikar Branch, Sylhet. <u>Eastern Bank Limited</u> Principal Branch, Dilkusha, Dhaka. Motijheel Branch, Dhaka. Mirpur Branch, Dhaka. Bashundhara Branch, Dhaka. Shamoly Branch, Dhaka. Narayanganj Branch, Dhaka. Jessore Branch, Dhaka. Choumuhani Branch, Dhaka. Agrabad Branch, Chittagong. Khatungonj Branch, Chittagong. Bogra Branch, Bogra. Khulna Branch, Khulna. Rajshahi Branch, Rajshahi. Savar Branch, Savar. Moulvi bazar Branch, Sylhet. <u>National Bank Limited</u> Agrabad Branch, Chittagong. Anderkilla Branch, Chittagong. Bangshal Road Branch, Dhaka. Banani Branch, Dhaka. Babubazar Branch, Dhaka. Bogra Branch, Bogra Barisal Branch, Barisal Elephant Road Branch, Dhaka. Foreign Exchange Br, Dhaka. Gulshan Branch, Dhaka. Imamgonj Branch, Dhaka. Islampur Branch, Dhaka. Jatrabari Branch, Dhaka. Kawranbazar Branch, Dhaka. Khulna Branch, Khulna. Sylhet Branch, Sylhet Feni Branch, Feni. Sk. Mujib Rd. Br., Chittagong Z.H. Sikder M.C. Branch, Dhaka. Malibag Branch, Dhaka. Khatungonj Branch, Chittagong. Lake Circus Branch, Dhaka. Tongi Branch, Gazipur Riffes Square Branch, Dhaka. Pagla Bazar Branch, Narayanganj. CDA Avenue Branch, Chittagong. Muradpur Branch, Chittagong. Gazipur Branch, Gazipur. Sunamgonj Branch, Sunamgonj. Mirpur Branch, Dhaka. Mohakhali Branch, Dhaka. Mohammadpur Branch, Dhaka. Motijheel Branch, Dhaka. Dhanmondi Branch, Dhaka. Dilkusha Branch, Dhaka. New Eskaton Branch, Dhaka. North Brooke Hall Branch, Dhaka. Pragati Sarani Branch, Dhaka. Rokeya Sarani Branch, Dhaka. Savar Bazar Branch, Savar.	Halishahar Branch, Chittagong. Jubilee Road, Branch, Chittagong. Tangail Branch, Tangail. Comilla Branch, Comilla Rangpur Branch, Rangpur Rajshahi Branch, Rajshahi Narayanganj Branch, Narayanganj. Netaigonj Branch, Narayanganj. Narsingdi Branch, Narsingdi. Faridpur Branch, Faridpur. Moulvi Bazar Branch, Moulvi Bazar. Mymensingh Branch, Mymensingh. Bandura Branch, Dhaka. <u>Mercantile Bank Ltd.</u> Main Branch, Dilkusha, Dhaka. Dhanmondi Br, Dhaka Kawranbazar Br, Dhaka Agrabad Br, Ctg Banani Br, Dhaka Rajshahi Br, Rajshahi Naogaon Br, Naogaon Sylhet Br, Sylhet Board Bazar Br, Gazipur Nayabazar Br, Dhaka Mohakhali Br, Dhaka Mirpur Branch, Dhaka Uttara Branch, Dhaka Jubilee Rd Br, Ctg Elephant Rd Br, Dhaka Motijheel Br, Dhaka Madam Bibi Hat Br, Ctg Khulna Branch, Khulna Rangpur Br, Rangpur Satmasjid Br, Dhaka OR Nazim Rd Br, Ctg Bogra Branch, Bogra Gulshan Br, Dhaka Feni Branch, Feni Moulvibazar Br, M.Bazar Bijoynagar Br, Dhaka Moghbaz Br, Dhaka Beani Bazar Branch, Dhaka. Barisal Br, Barisal Comilla Br, Comilla Green Rd Br, Dhaka Sheikh Mujib Rd Br, Ctg Eng. Inst. Br, Dhaka Mazar Road Br, Dhaka Dinajpur Br, Dinajpur. Jessore Br, Jessore Pragati Sarani Br, Dhaka Chittagong EPZ Br, Ctg Narayanganj Br, Narayanganj. <u>NCC Bank Limited</u> Motijheel Branch, Dhaka. Dilkusha Branch, Dhaka Karwan Bazar Branch, Dhaka. Mirpur Branch, Dhaka. Dhanmondi Branch, Dhaka. Milford Br., Milford Road, Dhaka. Nawabpur Road Branch, Dhaka Kamal Bazar Branch, Chittagong. Malibagh Branch, Dhaka. Uttara Branch, Dhaka. Moghbaz Branch, Dhaka. Babubazar Branch, Dhaka. Bangshal Road Branch, Dhaka. Elephant Road Branch, Dhaka. Pragati Sarani Branch, Dhaka. Jatrabari Branch, Dhaka. Gulshan Branch, Dhaka. Shyamoli Branch, Mirpur Road, Dhaka. Banani Branch, Dhaka. Bijoynagar Br., Kakrail, Dhaka. Savar Branch, Savar. Islampur Branch, Dhaka. Joydevpur Branch, Gazipur. Madaripur Branch, Madaripur. Tangail Branch, Tangail. Agrabad Branch, Chittagong. Khatungonj Branch, Chittagong. O.R. Nizam Road Branch, Chittagong. Jubilee Road Br, Chittagong. Cox's Bazar Branch, Cox's Bazar. CEPZ Branch, Chittagong. Anderkilla Branch, Chittagong. Narayanganj Branch, Narayanganj. Madam Bibirhat Branch, Chittagong. Halishahar Branch, Chittagong	Rajshahi Branch, Rajshahi Bogra Branch, Bogra. Naogaon Branch, Naogaon. Khulan Branch, Khulan. Jessore Branch, Jessore. Madunaghat Branch, Chittagong. <u>Mutual Trust Bank Ltd.</u> Babu Bazar Branch, Dhaka. Banani Branch, Dhaka. Dhanmondi Branch, Dhaka. Dholaikhal Branch, Dhaka. Dilkusha Branch, Dhaka. Elephant Road Branch, Dhaka. Fulbaria Branch, Dhaka. Gulshan Branch, Dhaka. Mohammadpur Branch, Dhaka. MTB Corporate Center Branch, Dhaka. Pallabi Branch, Dhaka. Panthapath Branch, Dhaka. Principal Branch, Dhaka. Pragati Sarani Branch, Dhaka. Savar Branch, Dhaka. Shanir Akhra Branch, Dhaka. Tongi Branch, Dhaka. Uttara Model Town Branch, Dhaka. Narayanganj Branch, Narayanganj Sonargaon Branch, Narayanganj Agrabad Branch, Chittagong. Alanker Mour Branch, Chittagong. CDA Avenue Branch, Chittagong. Jubilee Road Branch, Chittagong. Khatungonj Branch, Chittagong. Feni Branch, Feni. Rajshahi Branch, Rajshahi. Rangpur Branch, Rangpur. Bogra Branch, Bogra. Pabna Branch, Pabna. Kusthia Branch, Kusthia. Sylhet Branch, Sylhet. Moulvi Bazar Branch, Sylhet. Gournadi Branch, Barisal. Jessore Branch, Jessore. HobiGonj Branch, HobiGonj. <u>The City Bank Ltd.</u> B.B. Avenue Branch, Dhaka. Dhaka Chamber Branch, Dhaka. Dhanmondi Branch, Dhaka. Shaymoli Branch, Dhaka. Imamaganj Branch, Dhaka. Johnson Road Branch, Dhaka. Kawranbazar Branch, Dhaka. New Market Branch, Dhaka. VIP Road Branch, Dhaka. Islampur Branch, Dhaka. Nawabgonj Branch, Dhaka Nawabpur Branch, Dhaka. Pragati Sarani Br., Dhaka. Tanbazar Branch, Narayanganj. Zinzira Br., Dhaka. Tongi Branch, Gazipur. Agrabad Branch, Chittagong. Jubilee Road Branch, Chittagong. Khatungonj Branch, Chittagong. Anderkilla Br., Chittagong. Cox's Bazar Br., Chittagong. Chawkbazar Br., Chittagong. Pahartoli Br., Chittagong. Comilla Branch, Comilla. Narsingdi Br., Narsingdi. Zinda Bazar Branch, Sylhet. Bandar Bazar Branch, Sylhet. Amborkhana Br., Sylhet. Moulvi Bazar Br., Sylhet. Rajshahi Branch, Rajshahi. Bogra Branch, Bogra. Rangpur Br., Rangpur. Sirajgonj Br., Sirajgonj. Khulna Branch, Khulna. Jessore Br., Jessore. Barisal Branch, Barisal. <u>Basic Bank Limited</u> Barisal Branch, Barisal Bogra Branch, Bogra Chowmuhana Branch, Moulvibazar Comilla Branch, Comilla Dewanhat Branch, Chittagong Dhanmonda Branch, Dhanmondi Gazipur Chowasta Branch, Gazipur Jessore Branch, Jessore Khatungonj Branch, Chittagong. Khulna Branch, Khulna. Mirpur Branch, Dhaka. Narsingdi Branch, Narsingdi. Rajshahi Branch, Rajshahi. Rangpur Branch, Rangpur. Saidpur Branch, Nilphamari. Savar Branch, Savar
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Moulvi Bazar Branch, Moulavi Bazar. Muradpur Branch, Chittagong. Golapgonj Branch, Pulbari, Sylhet. Rajshahi Branch, Rajshahi. Savar Bazar Branch, Savar, Dhaka. Gazipur Chowrasta Branch, Gazipur.	Satkhira Branch, Satkhira Madhabdi Branch, Narsindi Rangamati Branch, Rangamati Sitakunda Branch, Chittagong Moghbazar Branch, Dhaka IFIC Bank Limited Federation Branch, Dhaka. Dhanmondi Branch, Dhaka. Moakhali Branch, Dhaka. Banani Branch, Dhaka. Shantinagar Branch, Dhaka. Elephant Road Branch, Dhaka.	Uttara Branch, Dhaka. Chawkbazar Branch, Chittagong. Choumuhani Br., Noakhali. Pahartoli Branch, Chittagong	Kadamtali Branch, Chittagong Majhirghat Branch, Chittagong. Feni Branch, Feni. Laxmipur Branch, Laxmipur. Chowmahani Branch, Noakhali Comilla Branch, Comilla Laldighirpar Branch, Sylhet. Mymensingh Branch, Mymensingh. Cyagalnaiya Branch, Feni. Chowhatta Branch, Sylhet. Moulvi Bazar Branch, Moulvi Bazar. Rangpur Branch, Rangpur	Satinagar Branch, Dhaka Sirajgonj Branch, Sirajgonj Uttara Branch, Dhaka Zindabazar Branch, Sylhet
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REVISED AUDITORS' REPORT
TO THE SHAREHOLDERS
OF
GSP Finance Company (Bangladesh) Limited

We have audited the accompanying Balance Sheet of **GSP Finance Company (Bangladesh) Limited** as at December 31, 2010 and the related Income Statement and Cash Flow Statement for the year ended. The preparation of these financial statements is the responsibility of the company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

Scope:

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion:

In our opinion, the financial statements along with notes thereon, prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the Company's affairs as at December 31, 2010 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act. 1994, Financial Institutions Act. 1993, the Securities and Exchange Rules 1987 and other applicable laws and regulations as well as practice followed by Financial Institutions.

We also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (ii) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit;
- (iii) the Company's Balance Sheet and Income Statement 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 operations;

- (v) the financial position of the Company at December 31, 2010 and the income for the year then ended have been properly reflected in the financial statements and the financial statements have been prepared in accordance with the generally accepted accounting principles;
- (vi) the financial statements have been drawn up in conformity with the rules and regulations issued by Bangladesh Bank to the extent applicable to the Company;
- (vii) adequate provisions have been made for advances, which are, in our opinion, doubtful of recovery;
- (viii) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (ix) the information and explanations required by us have been received and found satisfactory .
- (x) This Balance Sheet of 2010 has been revised by transferring the amount of Bonus Share provision for the year ended 2009 for Tk. 2,15,98,500/- to the Retained Earnings Balance for the year ended 2010 in compliance with SEC's letter no. SEC/CI/IPO-38/2004/451 dated June 27,2011 and as per Board resolution of GSP Finance Company (Bangladesh) Limited dated June 27,2011 .

Sd/-

Dated, Dhaka
June 28, 2011

Kazi Zahir Khan & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
REVISED BALANCE SHEET
AS AT DECEMBER 31, 2010

		Amount in Taka	
		2010	2009
PROPERTY AND ASSETS			
Cash	4	14,106,320	9,038,602
In hand (including foreign currencies)		549,433	2,396,346
Balance with Bangladesh Bank and its agents bank(s) (including foreign currencies)		13,556,887	6,642,256
Balance with banks and others financial institutions	5	61,646,706	91,860,772
In Bangladesh		61,646,706	91,860,772
Outside Bangladesh		-	-
Money at call and short notice	6	120,000,000	-
Investments	7	125,450,952	46,924,617
Governments		-	-
Others		125,450,952	46,924,617
		1,629,115,736	1,883,036,937
Leases , loans and advances	8	1,629,115,736	1,883,036,937
Bills Purchased and discounted	9	-	-
Fixed assets including premises, furniture and fixtures	10	314,577,754	320,150,147
Other assets	11	654,343,825	478,697,663
Non-business assets	12	-	-
Total assets		2,919,241,293	2,829,708,738
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks ,other financial institutions and agents:	13	1,206,189,666	1,199,927,655
Deposits and other accounts	14	619,890,700	678,886,996
Current deposits		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		619,890,700	678,886,996
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	15	385,166,975	318,603,164
Total Liabilities		2,211,247,341	2,197,417,815
Capital / Shareholders' Equity		707,993,952	632,290,923
Paid up capital	16	215,985,000	215,985,000
Statutory reserve	17	158,304,253	143,163,647
Other reserve	18	251,402,124	251,402,124
Retained earnings:	19		
Proposed bonus share for the year 2010		60,475,800	-
Retained earnings balance		21,826,775	21,740,152
Total liabilities and Shareholders' equity		2,919,241,293	2,829,708,738

OFF-BALANCE SHEET ITEMS :

		Amount in Taka	
		2010	2009
Contingent liabilities	19.1	-	50,000,000
Acceptances and endorsements		-	-
Letter of guarantee		-	50,000,000
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
			50,000,000
Other commitments	19.2	-	-
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		-	50,000,000

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

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Signed as per our annexed report of even date

Dated, Dhaka
June 28, 2011

Sd/-
Kazi Zahir Khan & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
REVISED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31,2010

		Amounts in Taka	
		2010	2009
	<u>Notes</u>		
Interest income from leases,loans and advances	21	247,054,078	322,262,277
Interest expenses on borrowings, deposits,etc	22	(232,218,143)	(210,614,456)
Net interest income		14,835,935	111,647,821
Investment income	23	106,540,772	21,601,834
Commission , exchange and brokerage		-	-
Other operating income	24	16,067,340	26,731,560
Total operating income		137,444,047	159,981,215
Salary and allowances	25	7,776,593	9,443,440
Rent, taxes,insurance,electricity,etc.	26	588,183	822,205
Legal expenses	27	159,850	387,000
Postage,stamp,telecommunication,etc.	28	427,488	583,247
Stationery,printing,advertisements,etc.	29	923,345	1,114,718
Managing Director's salary and allowances	30	2,626,000	1,910,000
Dirctors' fees	31	290,000	240,000
Audit fees	32	75,000	75,000
Charges on loan losses		-	-
Depreciation and repairs of company's assets	33	6,410,448	7,857,827
Other operating expenses	34	9,859,266	12,724,586
Total operating expenses		29,136,173	35,158,022
Profit before provision		108,307,874	124,823,193
Provision for leases,loans and advances	35	(23,349,567)	77,912,658
Other provision		-	-
Total provision		(23,349,567)	77,912,658
Total profit before income tax		131,657,441	46,910,535
Provision for income tax	36	55,954,412	19,936,977
Net profit after income tax		75,703,029	26,973,558
Retained earnings brought forward from previous year		21,740,152	10,446,306
		97,443,181	37,419,864
Appropriations:			
Statutory reserve	17	15,140,606	5,394,712
Bonus share issued	37	-	10,285,000
		15,140,606	15,679,712
Retained earnings carried to the balance sheet	19	82,302,575	21,740,152
Earning per share (EPS)	38	35.05	12.49

The accompanying notes form an integral part of these financial statements

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Signed as per our annexed report of even date

Dated,Dhaka
June 28, 2011

Sd/-
Kazi Zahir Khan & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
REVISED PROFIT AND LOSS ACCOUNT
(Merchant Banking)
FOR THE YEAR ENDED DECEMBER 31,2010

		Amounts in Taka	
		2010	2009
	<u>Notes</u>		
Operational Revenue			
Profit on sale of share		40,312,927	9,760,157
Dividend income from share investment		4,773,120	843,760
Underwriting commission		75,000	150,000
Portfolio management income		66,862,755	13,200,483
Total		112,023,801	23,954,400
Operational Expenses			
General & administrative expenses	20.3	3,003,659	5,763,482
Provision for investment in share	15.3	2,479,371	(3,410,916)
		5,483,030	2,352,566
Profit transferred to profit and loss account	23	106,540,772	21,601,834

GSP Finance Company (Bangladesh) Limited has been issued with a separate Merchant Banking license on August 24,1999 by Securities and Exchange Commission to do all types of Merchant Banking Activities.

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

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Signed as per our annexed report of even date

Dated, Dhaka
June 28, 2011

Sd/-
Kazi Zahir Khan & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
REVISED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

	Amount in Taka	
	2010	2009
Cash flows from operating activities:		
Interest receipt in cash	242,358,741	301,292,945
Interest payment	(226,926,847)	(205,118,569)
Dividend receipts	-	-
Recoveries of loan previously written-off	-	-
Income taxes paid	(955,034)	(296,608)
Receipts from other operating activities	122,608,112	50,685,960
Payments for other operating activities	(23,199,873)	(28,739,582)
Cash generated from operating activities before changes in operating assets and liabilities	113,885,099	117,824,146
Increase / decrease in operating assets and liabilities		
Statutory deposit	-	-
Trading securities	-	-
Leases, loans and advances	253,921,201	(69,035,543)
Other assets	(175,646,162)	(364,239,831)
Deposit and other accounts	(58,996,296)	334,565,390
Other liabilities on account of customers	26,870,792	(22,228,195)
Trading liabilities	-	-
Other liabilities	66,563,812	55,059,094
	112,713,347	(65,879,085)
Net cash from operating activities	226,598,446	51,945,061
Cash flows from investing activities:		
Proceeds from sale of securities	286,264,796	86,099,424
Payments for purchases of securities	(364,791,130)	(74,206,270)
Purchase of fixed assets	(616,283)	(3,858,986)
Proceeds from sale of fixed assets	327,376	-
Payment against lease obligation	-	-
Net cash used in investing activities	(78,815,242)	8,034,168
Cash flows from financing activities:		
Receipts of borrowings from banks, other financial institutions and agents	700,000,000	470,000,000
Repayment of borrowings from banks, other financial institutions and agents	(724,460,609)	(501,510,286)
Receipts against issue of share capital	-	-
Dividend paid in cash	-	-
Net cash from financing activities	(24,460,609)	(31,510,286)
Net increase / (decrease) in cash and cash equivalents	123,322,595	28,468,943
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	72,430,431	72,430,431
Cash and cash equivalents at the end of the year	195,753,026	100,899,374

Amount in Taka	
2010	2009

Cash and cash equivalents at the end of the year

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

549,433	2,396,346
13,556,887	6,642,256
61,646,706	91,860,772
120,000,000	-
195,753,026	100,899,374

These financial statements should be read in conjunction with the annexed notes 1 to 48.

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Signed as per our annexed report of even date

Dated, Dhaka
June 28, 2011

Sd/-
Kazi Zahir Khan & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
REVISED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010

Particulars	Paid up capital (Tk.)	Capital Reserve(Tk.)	Statutory Reserve(Tk.)	General Reserve(Tk.)	Retained Earnings (Tk.)	Total (Tk.)
Balance as at January 01, 2009	205,700,000	132,752,124	137,768,935	-	10,446,306	486,667,365
Profit for the year					46,910,535	46,910,535
Transferred to statutory reserve	-	-	5,394,712	-	(5,394,712)	-
Transferred to provision for Tax					(19,936,977)	(19,936,977)
Bonus share issued (2008)	10,285,000	-	-	-	(10,285,000)	-
Revaluation of properties		118,650,000			-	118,650,000
Balance as at 31st December 2009	215,985,000	251,402,124	143,163,647	-	21,740,152	632,290,923
Changes in accounting policy	-	-	-	-	-	-
Restated balance	215,985,000	251,402,124	143,163,647	-	21,740,152	632,290,923
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investment	-	-	-	-	-	-
Currency transaction differences	-	-	-	-	-	-
Net gains and losses not recognized in the profit and loss account.	-	-	-	-	-	-
Net profit after tax for the year	-	-			75,703,029	75,703,029
Transferred to statutory reserve	-	-	15,140,606	-	(15,140,606)	-
Balance as at 31st December 2010	215,985,000	251,402,124	158,304,253	-	82,302,575	707,993,952

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

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Signed as per our annexed report of even date

Dated, Dhaka
June 28, 2011

Sd/-
Kazi Zahir Khan & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
REVISED LIQUIDITY STATEMENT
(Analysis of maturity of assets and liabilities)
FOR THE YEAR ENDED DECEMBER 31, 2010

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	549,433	-	-	-	-	549,433
Balance with Bangladesh Bank and its agents	13,556,887	-	-	-	-	13,556,887
Balance with banks and other financial institutions	48,646,706	-	13,000,000	-	-	61,646,706
Money at call and short notice	120,000,000	-	-	-	-	120,000,000
Investments	52,859,252	60,000,000	7,175,000	-	5,416,700	125,450,952
Leases, loans and advances	245,500,077	16,071,425	118,988,891	1,248,555,343	-	1,629,115,736
Fixed assets including premises, furniture and fixtures	-	-	3,318,333	14,911,420	296,348,001	314,577,754
Other assets	-	-	578,527,031	50,139,381	25,677,413	654,343,825
Non-business assets	-	-	-	-	-	-
Total assets (A)	481,112,355	76,071,425	721,009,255	1,313,606,144	327,442,114	2,919,241,293
Liabilities :						
Borrowings from banks, other financial institutions and agents	30,722,620	4,006,863	121,167,089	1,050,293,093	-	1,206,189,665
Deposits and other accounts	50,000,000	63,368,613	324,050,584	181,871,503	600,000	619,890,700
Provision and other liabilities	-	-	-	385,166,975	-	385,166,975
Total liabilities (B)	80,722,620	67,375,476	445,217,673	1,617,331,571	600,000	2,211,247,340
Net liquidity gap (A - B)	400,389,735	8,695,949	275,791,582	(303,725,427)	326,842,114	707,993,953

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Signed as per our annexed report of even date

Dated, Dhaka
June 28, 2011

Sd/-
Kazi Zahir Khan & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
REVISED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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.

- 1.2** The Company also got a separate license from Securities and Exchange Commission on August 24, 1999 for working as a Merchant Bank.

1.3 Nature of Business

The Company carries out the following types of business:

Lease Financing.
Term Finance
Acceptance of Term Deposit
Factoring
Term Lending
Money Market Operation
Merchant Banking.

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 (BAS) and Financial Institution Act 1993.

2.2 Separate books of Accounts

The company maintains separate office and books of accounts for the merchant banking operation as required under the regulations of Securities and Exchange commission.

2.3 Merchant Banking Operation

Revenues are recognized on accrual basis. Merchant Banking income are recognized from the trading of shares, dividend from the holding of shares, commission on share trading by customers and interest on loan. Dividend income from the holding of shares are recognized on declaration basis.

2.4 Profit or Loss on Sale of shares

Profit or loss arising from the sale of shares are accounted for on cash basis.

2.5 Borrowing Costs

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

2.6 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.

2.6.1 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.

2.6.2 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.

2.7 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.

2.8 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.

2.9 Fixed Assets

Freehold assets are recognized at cost of acquisition less accumulated depreciation with impairment losses, if any, in compliance with the benchmark treatment of BAS 16 "Property, Plant and Equipment".

2.10 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%

2.11 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	1%
3 to 5	SMA	5%
6 to 11	Sub-standard	20%
12 to 17	Doubtful	50%
18 and over	Bad or Loss	100%

2.12 Employees Benefits Scheme

2.12.1 Defined Contribution Plan

2.12.1. Provident fund

The Company operates a contributory provident fund for its permanent employees. Provident fund is administered by a Board of Trustees and is funded by contributions partly from the employees and partly from company at a predetermined rate. The contributions are invested separately from the Company's Assets by the Trustees.

2.12.1. Other long term benefits

The Company operates a group 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 spouse.

2.12.2 Defined benefit Plan

2.12.2. Gratuity

The Company operates an unfunded gratuity scheme. Employees are entitled to gratuity benefit after completion of minimum ten years 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 already under consideration of NBR.

2.13 Corporate Tax

2.13.1 Current Tax

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

2.13.2 Deferred Tax

The Company has conducted an exercise to find out deferred tax liability/asset based on temporary differences arising from the carrying amount of an asset or liability in the balance sheet and its tax base. Accordingly deductible temporary differences have been ascertained resulting in no deferred tax arising during this year.

2.14 Trade Receivables

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

2.15 Payable and Accruals

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

2.16 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.

2.17 General

Comparative Information

Comparative information has been disclosed in respect of the year 2009 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 Statement.

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.

3.00 SHARE CAPITAL :

Authorized Capital :

10,000,000 Ordinary shares of Tk. 100 each

Issued, Subscribed & Paid up Capital :

2,159,850 Ordinary shares of Tk.100 each

Amount in Taka			
		2010	2009
		1,000,000,000	1,000,000,000
		215,985,000	215,985,000
	% of share holding 2010		
Domestic Shareholding Position	61.82%	133,531,600	54,068,600
Foreign Shareholding Position	38.18%	82,453,400	161,916,400
	100.00%	215,985,000	215,985,000

Details of Share Holding Position as on 31.12.2010

Range of share Quantity		Number of Holders	Holding Position in %	Amount Tk.
Less than 500 shares		-	-	-
501 to 5000 shares		-	-	-
5001 to 10000 shares		1	0.29	636,000
10001 to 20000 shares		2	1.49	3,210,000
20001 to 30000 shares		4	4.80	10,357,300
30001 to 50000 shares		-	-	-
50001 to 100000 shares		2	5.18	11,197,800
100001 to 200000 shares		1	6.18	13,348,500
200001 to 300000 shares		3	33.18	71,669,000
Above 300000 shares		3	48.88	105,566,400
Total		16	100%	215,985,000

4.00 CASH

Amount in Taka	
2010	2009

4.1 Cash in hand

In local currency	549,433	2,396,346
In foreign currency	-	-
	549,433	2,396,346

4.2 Balance with Bangladesh Bank and its agents Bank(s)

In local currency	13,556,887	6,642,256
In foreign currency	-	-
	13,556,887	6,642,256

4.3 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)	6,197,000	6,313,000
Actual Reserve maintained (note -4.2)	13,556,887	6,642,256
Surplus / (deficit)	7,359,887	329,256

b) Statutory Liquidity Reserve

Required Reserve	24,102,000	22,377,000
Actual Reserve maintained (note -4.1,4.2 and 5)	75,753,026	100,899,374
Surplus / (deficit)	51,651,026	78,522,374

		Amount in Taka	
		2010	2009
5	Balance with banks and other financial institutions		
	In Bangladesh		
	Current accounts (note-5.1)	1,171,121	153,051
	Short term deposit accounts (note-5.2)	47,475,585	78,707,721
	Savings accounts (note-5.3)	-	-
	Fixed deposit accounts (note-5.4)	13,000,000	13,000,000
		61,646,706	91,860,772
	Outside Bangladesh	-	-
		-	-
	The company does not maintain any account outside of Bangladesh		
5.1	Current account		
	Commercial Bank of Ceylon Plc	-	50,000
	Dhaka Bank Ltd.	109,736	11,921
	Mutual Trust Bank Ltd.	42,985	44,305
	One Bank Ltd.	236,105	46,825
	Prime Bank	782,295	-
		1,171,121	153,051
5.2	Short term deposit account		
	AB Bank Ltd	88,653	89,228
	Basic Bank Ltd.	39,830,243	50,153,687
	Commercial Bank of Ceylon Plc (Money Market A/c)	763,204	167,102
	Dutch Bangla Bank Ltd.	138,321	
	Exim Bank Ltd.	62,030	61,660
	Islami Bank Ltd.	152,535	145,162
	Mercantile Bank Ltd.	134,836	2,517,838
	Mutual Trust Bank Ltd.	-	8,236,043
	National Bank Ltd.	53,356	6,538,399
	Prime Bank Ltd.	1,028,716	86,601
	Pubali Bank Ltd.	51,654	53,583
	Shahjalal Islami Bank Ltd	1,792,103	3,027,646
	Social Investment Bank Ltd.	12,964	12,385
	Southeast Bank Ltd.	19,692	20,842
	Standard Bank Ltd.	260,913	42,596
	Standard Chartered Bank Ltd.	2,192,905	5,571,483
	The City Bank Ltd.	116,163	1,767,035
	Trust Bank Ltd.	649,979	48,112
	United Commercial Bank	-	65,680
	Uttara Bank Ltd	127,318	102,639
		47,475,585	78,707,721
5.3	Savings accounts	-	-
	The company does not maintain any savings account	-	-

		Amount in Taka	
		2010	2009
5.4	Fixed deposit accounts		
	BASIC Bank Ltd.	6,000,000	-
	Shahjalal Islami Bank Ltd	1,000,000	13,000,000
	Standard Bank Ltd.	6,000,000	-
		<u>13,000,000</u>	<u>13,000,000</u>
5.5	Maturity grouping of balance with banks and other financial institutions		
	On demand	1,171,121	153,051
	Up to 1 month	47,475,585	78,707,721
	Over 1 month but not more than 3 months	-	10,000,000
	Over 3 months but not more than 1 year	13,000,000	3,000,000
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		<u>61,646,706</u>	<u>91,860,772</u>
6	Money at call and short notice:		
	Eastern Bank Ltd.	120,000,000	-
		<u>120,000,000</u>	<u>-</u>
7	Investments		
	Investment classified as per nature:		
	Government (note -7.1)	-	-
	Others (note-7.2)	125,450,952	46,924,617
		<u>125,450,952</u>	<u>46,924,617</u>
7.1	Government Securities:		
	Treasury bills	-	-
	National investment bonds	-	-
	Bangladesh Bank bills	-	-
	Government notes / bonds	-	-
	Prize bonds	-	-
	others	-	-
		<u>-</u>	<u>-</u>
7.2	Other investments:		
	Investment in shares (Annexure-A)	125,450,952	46,924,617
	Debenture and bonds	-	-
	Other investment	-	-
	Gold etc.	-	-
		<u>125,450,952</u>	<u>46,924,617</u>
7.3	Maturity grouping of investments:		
	On demand	52,859,252	45,924,617
	Up to 1 month	-	-
	Over 1 month but not more than 3 months	60,000,000	-
	Over 3 months but not more than 1 year	7,175,000	-
	Over 1 year but not more than 5 years	-	-
	Over 5 years	5,416,700	1,000,000
		<u>125,450,952</u>	<u>46,924,617</u>

		Amount in Taka	
		2010	2009
8	Leases , Loans and advances :		
8.1	a) Inside Bangladesh		
	Leases (note -8.2)	1,227,151,582	1,395,718,590
	Loans	401,964,154	487,318,347
	Cash credits	-	-
	Overdrafts	-	-
		<u>1,629,115,736</u>	<u>1,883,036,937</u>
	b) outside Bangladesh	-	-
		<u>1,629,115,736</u>	<u>1,883,036,937</u>
8.2	Leases	1,143,921,521	1,316,768,731
	Advances for leases (note -8.2.1)	83,230,061	78,949,859
		<u>1,227,151,582</u>	<u>1,395,718,590</u>
8.2.1	Advance for leases		
	These represent disbursements made to clients for procuring assets under lease and on execution advances are transferred to lease finance.		
8.3	Sector wise leases, loans and advances		
	Public sector	-	-
	Co-operative sector	123,892,266	156,958,108
	Private sector	1,505,223,470	1,726,078,829
		<u>1,629,115,736</u>	<u>1,883,036,937</u>
8.4	Residual maturity grouping of leases,loans and advances		
	On demand	235,421,232	226,686,599
	Up to 1 month	10,078,845	36,191,680
	Over 1 month but not more than 3 months	16,071,425	88,575,042
	Over 3 months but not more than 1 year	118,988,891	209,533,446
	Over 1 year but not more than 5 years	1,248,555,343	1,322,050,170
	Over 5 years	-	-
		<u>1,629,115,736</u>	<u>1,883,036,937</u>
8.5	Leases, loans and advances on the basis of significant concentration		
	a) Leases, loans and advances to Directors and organizations related to Directors (fully secured)	111,219,873	-
	b) Leases, loans and advances to Chief Executive Officer and other senior executives	-	-
	c) Leases, loans and advances to customers groups:		
	i) Leases	1,173,986,083	1,395,718,590
	ii) Loans	343,909,780	487,318,347
		<u>1,629,115,736</u>	<u>1,883,036,937</u>

Amount in Taka	
2010	2009

As at 31 December 2010, GSP Finance Company (Bangladesh) Limited have investment exceeding 30% of its equity for which approval obtained from Bangladesh Bank.

d) Leases, loans and advances on sector basis:

i) Textiles	174,971,583	229,600,344
ii) Garments and Accessories	111,220,380	98,599,375
iii) Transport (including Marin Transport)	445,947,793	469,699,486
iv) Chemicals and pharmaceuticals	73,599,805	166,499,864
v) Iron, Steel and Engineering	17,493,074	18,766,306
vi) Agricultural Equipments and Agro Industries	37,858,708	24,680,725
vii) Power and Energy	61,353,961	-
viii) Electronics and Electrical	3,943,328	26,365,488
ix) Information technology (IT)	-	-
x) Paper printing and Packaging	-	-
xi) Plastic	1,839,860	5,431,965
xii) Real Estate and Housing	19,530,407	39,399,943
xiii) Food and Beverage	105,909,402	101,199,843
xiv) Glass and Ceramics	-	-
xv) Services	170,010,880	397,760,459
xvi) Others	405,436,555	305,033,139
	1,629,115,736	1,883,036,937

8.6 Leases, loans and advances on geographical basis:

Inside Bangladesh:

Urban :

Dhaka Division	1,517,076,256	1,815,871,624
Chittagong Division	112,039,480	67,165,313
Khulna Division	-	-
Rajshahi Division	-	-
Barisal Division	-	-
Sylhet Division	-	-
	1,629,115,736	1,883,036,937

Rural :

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

Outside Bangladesh:

Total	-	-
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		Amount in Taka	
		2010	2009
8.7	Classiification of Leases, loans and advances :		
	Unclassified :		
	Standard	1,109,686,445	1,239,282,573
	Special mention account	197,407,467	228,814,965
		<u>1,307,093,912</u>	<u>1,468,097,538</u>
	Classified :		
	Sub-standard	18,311,347	133,567,858
	Doubtful	880,549	194,800,162
	Bad/Loss	302,829,928	86,571,379
		<u>322,021,824</u>	<u>414,939,399</u>
	Total	<u>1,629,115,736</u>	<u>1,883,036,937</u>
8.8	Net Leases ,loans and advances :		
	Total Leases , loans and advances (note- 8)	1,629,115,736	1,883,036,937
	Less :		
	Non-performing leases, loans and advances (note-8.7)	322,021,824	414,939,399
	Interest suspenses (note-15.5)	82,698,049	76,439,117
	Provision for leases, loans and advances	107,851,831	131,201,398
		<u>512,571,704</u>	<u>622,579,914</u>
		<u>1,116,544,033</u>	<u>1,260,457,023</u>
8.9	Particulars of Leases, loans and advances:		
	a) Lease, loans and advances considered good and in respect of which the financial institution is fully secured	509,483,635	603,448,787
	b) Lease , loans and advances considered good against which the financial institution holds no security other than the debtors personal guarantee	746,421,401	820,717,525
	c) Lease , loans and advances considered good secured by personal undertaking of on or more parties in addition to the personal guarantee of the debtors	<u>373,210,700</u>	<u>458,870,625</u>
		<u>1,629,115,736</u>	<u>1,883,036,937</u>
	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 seperately 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	-	-

	Amount in Taka	
	2010	2009
j) Classified leases , loans and advances		
i) Classified leases, loans and advances on which no interest has been charged	322,021,824	414,939,399
ii) Provision on classified leases , loans and advances	88,120,994	36,723,538
iii) Provision kept against leases, loans and advances classified as bad debts	86,351,062	38,749,089
iv) Interest credited to interest suspense account (note-15.5)	82,698,049	76,439,117
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	-	-

8.10 Suits filed by the company :

As at 31 December 2010 , GSP Finance Company (Bangladesh) Limited filed 08 suits against 05 clients under Artha Rin Adalat Ain -2003, Total suit amount was Tk. 36,09,48,722/- only.

9 Bills purchased and dicounted

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

As at 31 December 2010, GSP Finance Company (Bangladesh) Limited was not involved in any transactions relating to bills purchase and or discount.

10 Fixed assets including premises, furniture and fixures:

Cost:

Opening Balance	350,295,723	227,786,737
Addition during the year	616,283	122,508,986
	350,912,006	350,295,723
Adjustment during the year	3,523,490	-
Closing Balance (A)	347,388,516	350,295,723
Less : Accumulated Depreciation :		
Opening Balance	30,145,576	23,802,136
Charged during the year:	5,861,300	6,343,440
	36,006,876	30,145,576
Addition during the year	3,196,114	-
Closing Balance (B)	32,810,762	30,145,576
Written Down Value (A-B) (Annexure -B)	314,577,754	320,150,147

		Amount in Taka	
		2010	2009
11 Other assets			
Advance to Portfolio account (note-11.1)		571,590,211	374,113,882
Corporate Tax paid in advance		25,677,413	27,687,541
Tax deducted at source		1,955,954	1,000,920
Advance, Deposits and Prepayments		48,183,427	64,767,022
Sundry Debtors		6,936,819	11,128,298
		654,343,825	478,697,663
11.1 Advance to portfolio account :			
Loans given to portfolio account holders through merchant banking unit of the company as per license granted by Securities and Exchange Commission.			
12 Non-business assets		-	-
		-	-
As at 31 December 2010, GSP Finance Company (Bangladesh) Limited does not have any non-business assets.			
13 Borrowings from banks ,other financial institutions and agents:			
In Bangladesh (note-13.1)		1,206,189,666	1,199,927,655
Outside Bangladesh (note-13.2)		-	-
		1,206,189,666	1,199,927,655
13.1 In Bangladesh			
Bank overdraft			
Mutual Trust Bank Ltd.		25,745,207	-
Shahjalal Islami Bank Ltd.		-	-
United Commercial Bank		4,977,413	-
		30,722,620	-
Call borrowing			
Bangladesh Commerce Bank Ltd.		-	60,000,000
Dutch Bangla Bank Ltd		-	100,000,000
Trust Bank Ltd		-	60,000,000
		-	220,000,000
Longterm loan			
Basic Bank Ltd		109,593,347	33,048,410
Commercial Bank of Ceylon Ltd.		-	8,333,326
Dutch-Bangla Bank Ltd.		200,000,000	-
Debenture Loan (ICB)		-	40,000,000
Mercantile Bank Ltd.		34,999,334	44,999,334
Mutual Trust Bank Ltd		37,023,456	47,567,993
National Bank Ltd.		42,767,205	67,879,629
One Bank Ltd.		29,166,663	45,833,333
Prime Bank Ltd.		73,699,604	155,895,103
Shahjalal Bank Ltd		160,238,089	202,830,172
Social Islami Bank Ltd		23,441,964	58,927,016
Standard Bank Ltd.		224,399,828	109,073,884
The City Bank Ltd		-	9,547,078
Trust Bank Ltd.		56,304,491	95,161,088
Uttara Bank Ltd.		176,255,293	48,631,293
		1,167,889,273	967,727,658

		Amount in Taka	
		2010	2009
Bangladesh Bank refinancing			
Bangladesh Bank (IDA fund)		7,577,773	12,199,997
		7,577,773	12,199,997
13.2 Outside Bangladesh		-	-
		-	-
As at December 2010, the company does not have any borrowing from outside Bangladesh.			
13.3 Security against borrowing from banks, other financial institutions and agents.			
Secured		1,198,611,893	967,727,658
Unsecured		7,577,773	232,199,997
		1,206,189,666	1,199,927,655
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.			
13.4 Maturity grouping of borrowings from banks, other financial institutions and agents.			
Repayable on demand		-	220,000,000
Up to 1 month		30,722,620	20,322,656
Over 1 month but not more than 3 months		4,006,863	88,049,545
Over 3 months but not more than 1 year		121,167,089	299,519,358
Over 1 year but not more than 5 years		1,050,293,093	572,036,096
Over 5 years		-	-
		1,206,189,665	1,199,927,655
14 Deposits and other accounts:			
Current deposits (note-14.1)		-	-
Bills payable (note-14.2)		-	-
Savings deposits (note-14.3)		-	-
Term deposits (note-14.4)		619,890,700	678,886,996
Bearer certificate of deposit (note-14.5)		-	-
Other deposits (note-14.6)		-	-
		619,890,700	678,886,996
14.1 Current deposits		-	-
To confirm the Bangladesh Bank's guidelines regarding deposits, the company does not operate any current deposit account.			
14.2 Bills payable		-	-
As at 31 December 2010, the company does not have any bills payable			
14.3 Savings deposits		-	-
To conform with the Bangladesh Bank's guidelines regarding deposits, the company does not operate any savings deposit account.			
14.4 Term deposits			
Deposits from banks and other financial institutions (note-14.4.1)		393,117,033	440,117,033
Deposits from customers (note-14.4.2)		226,773,667	238,769,963
		619,890,700	678,886,996

Amount in Taka		
	2010	2009
14.4.1 Deposits from banks and other financial institutions		
Agrani Bank Ltd	50,000,000	50,000,000
Bangladesh Commerce Bank Limited	100,000,000	50,000,000
Dutch Bangla Bank Ltd	100,000,000	50,000,000
Eastern Bank Ltd	80,000,000	80,000,000
Mercantile Bank Ltd	50,000,000	50,000,000
Sonali Bank Ltd	-	50,000,000
Trust Bank Ltd	-	100,000,000
Continantal Insurance Company Ltd	500,000	500,000
Green Delta Insurance Company Ltd	3,117,033	4,117,033
Reliance Insurance Company Ltd	-	5,000,000
United Insurance Company Ltd	9,500,000	500,000
	393,117,033	440,117,033
14.4.2 Deposits from customers		
Deposits from general public	147,014,990	138,047,492
Deposits from companies	79,758,677	100,722,471
	226,773,667	238,769,963
14.5 Bearer certificate of deposit	-	-
To conform with the Bangladesh Bank's guidelines regarding deposits, the company does not have any bearer certificate of deposit.		
14.6 Other deposits	-	-
As at 31 December 2010 , the company does not have any other deposit account.		
14.7 Maturity grouping of deposits and other accounts:		
Repayable on demand	-	-
Up to 1 month	50,000,000	900,000
Over 1 month but not more than 6 months	381,568,613	433,278,529
Over 6 months but not more than 1 year	5,850,584	143,346,653
Over 1 year but not more than 5 years	181,871,503	87,601,814
Over 5 years but not more than 10 years	600,000	13,760,000
Over 10 years	-	-
	619,890,700	678,886,996
15 Other liabilities		
Expenditure and other payable (note-15.1)	8,169,510	13,191,641
Provision for leases,loans and advances (note-15.2)	107,851,831	131,201,398
Provision for investment in share (note-15.3)	7,403,423	4,924,052
Provision for income tax (note-15.4)	120,502,490	66,558,206
Interest suspense account (note-15.5)	82,698,049	76,439,117
Advance rental / installment against leases, loans and advances	56,874,173	24,981,250
Provision for gratuity	1,667,500	1,307,500
	385,166,975	318,603,164

		Amount in Taka	
		2010	2009
15.1	Expenditure and other payable		
	Sundry Creditors	2,751,201	5,474,072
	Tax deducted at source	-	-
	Accrued interest on deposits	4,834,562	7,419,314
	Audit Fee	75,000	75,000
	Value Added Tax deducted at source	-	23,255
	Security Deposit (Tenancy -BCDL)	200,000	200,000
	Security Deposit (Tenancy- New Wave Group)	308,747	-
		8,169,510	13,191,641

15.2 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 2010. Total provision is made up as follows:

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

Balance on 01 January	108,811,754	36,723,538
Provision made during the year	(20,690,760)	72,088,216
Balance at 31 December	88,120,994	108,811,754

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

Balance at 01 January	22,389,644	16,565,202
Provision made during the year	(2,658,807)	5,824,442
Balance at 31 December	19,730,837	22,389,644
Total (A+B)	107,851,831	131,201,398

15.3 Provision for investment in shares

Balance at 01 January	4,924,052	8,334,968
Provision made during the year	2,479,371	(3,410,916)
Balance at 31 December (Annexure -A for detail)	7,403,423	4,924,052

15.4 Provision for income tax:

Balance at 01 January	66,558,206	49,111,429
Provision made during the year	55,954,412	19,936,977
	122,512,618	69,048,406
Adjustment for the year for 2007	2,010,128	2,490,200
Balance at 31 December	120,502,490	66,558,206

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

The company's tax assessment has been completed upto Assessment Year 2009-2010. Sufficient provision for taxation has been made for the year.

Amount in Taka	
2010	2009

15.5 Interest suspense account

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

Balance at 01 January	76,439,117	21,197,363
Add: Amount transferred to interest suspense account during the year	21,200,837	56,439,370
Less: Amount recovered from interest suspense account during the year	(14,941,905)	(1,197,616)
Balance at 31 December	82,698,049	76,439,117

15.5.1 Details of interest suspense account

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

Standard	-	-
Special mention account	12,701,870	13,675,537
	12,701,870	13,675,537
Interest suspense for classified leases , loans and advances (B)		
Sub - standard	1,959,537	19,465,666
Doubtful	119,257	33,716,722
Bad/Loss	67,917,384	9,581,192
	69,996,178	62,763,580
Total (A+B)	82,698,048	76,439,117

16 Share Capital:

16.1	Authorized capital		
	10,000,000 Ordinary shares of Tk. 100 each	1,000,000,000	1,000,000,000
16.2	Issued, Subscribed & Paid up Capital :		
	2,159,850 Ordinary shares of Tk.100 each	215,985,000	215,985,000
	% of share holding 2010		
	Domestic Shareholding Position	61.82%	133,531,600
	Foreign Shareholding Position	38.18%	82,453,400
		100.00%	215,985,000

16.3 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

16.4 Holding of shares as on December 2010.

Range of share Quantity		Number of Holders	Holding Position in %	Amount Tk.
Less than 500 shares		-	-	-
501 to 5000 shares		-	-	-
5001 to 10000 shares		1	0.29	636,000
10001 to 20000 shares		2	1.49	3,210,000
20001 to 30000 shares		4	4.8	10,357,300
30001 to 50000 shares		-	-	-
50001 to 100000 shares		2	5.18	11,197,800
100001 to 200000 shares		1	6.18	13,348,500
200001 to 300000 shares		3	33.18	71,669,000
Above 300000 shares		3	48.88	105,566,400
Total		16	100%	215,985,000

16.5 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:

Total liabilities	6% of total liabilities	Required capital	Paid up capital, statutory reserve & retained earnings	Excess/(deficit) capital
Taka	Taka	Taka	Taka	Taka
2,211,247,341	132,674,840	500,000,000	456,591,828	(43,408,172)

According to the DFIM circular # 09 dated November 04,2009 paid up capital has to be raised toTk.500,000,000 with in 31 December 2010

17 Statutory Reserve

Amount in Taka	
2010	2009

According to the Rule 6 of The Financial Institutions Regulation 1994, the company transfers 20% of its net profits for the respective year to statutory reserve. Details movement of the reserve are as follows:

Balance at 01 January	143,163,647	137,768,935
Add: Transferred during the year	15,140,606	5,394,712
Balance at 31 December	158,304,253	143,163,647

18 Other Reserve:
Capital Reserve :

	251,402,124	132,752,124
Balance at 01 January	-	118,650,000
Add: Transferred during the year	251,402,124	251,402,124
Balance at 31 December		

		Amount in Taka	
		2010	2009
19 Retained earnings			
Balance at 01 January		21,740,152	10,446,306
Less: Issue of bonus shares for the year		-	(10,285,000)
Add: Net profit for the year		75,703,029	26,973,558
		97,443,181	27,134,864
Less: Transfer to statutory reserve		(15,140,606)	(5,394,712)
Balance at 31 December		82,302,575	21,740,152
Apportionment:			
Proposed bonus share for the year 2010		60,475,800	-
Retained earnings balance		21,826,775	21,740,152
		82,302,575	21,740,152
19.1 Contingent liabilities			
Acceptances and endorsements		-	-
Letter of guarantee (19.1.1)		-	50,000,000
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		-	50,000,000
19.1.1 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		-	50,000,000
		-	50,000,000
19.2 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 2009, the company does not have any liabilities , which was not shown in the accounts.			
20 Income statement			
Income :			
Interest, discount and similar income (note-20.1)		353,594,850	343,864,111
Dividend income		-	-
Commission, exchange and brokerage		-	-
Gains less losses arising from dealing in securities		-	-
Gains less losses arising from dealing in foreign currencies		-	-
Other operating income (note-24)		16,067,340	26,731,560
Profit less losses on interest rate changes		-	-
		369,662,189	370,595,671
Expenses:			
Interest expenses on deposits, borrowings, etc. (note-22)		232,218,143	210,614,456
Charges on losses regarding leases, loans and advances		-	-
Administrative expenses (note-20.2)		12,866,459	14,575,610
Other operating expenses (note-34)		9,859,266	12,724,586
Depreciation on company's fixed assets (note-33)		6,410,448	7,857,827
		261,354,315	245,772,478
		108,307,874	124,823,193

		Amount in Taka	
		2010	2009
20.1	Interest, discount and similar income		
	Interest income on leases, loans and advances (note-21)	247,054,078	322,262,277
	Investment income (note-23)	106,540,772	21,601,834
		<u>353,594,850</u>	<u>343,864,111</u>
20.2	Administrative expenses		
	Salary and allowances (note-25)	7,776,593	9,443,440
	Rent, taxes, insurance, electricity, etc. (note-26)	588,183	822,205
	Legal expenses (note-27)	159,850	387,000
	Postage, stamp, telecommunication etc. (note-28)	427,488	583,247
	Stationery, printing, advertisement etc. (note-29)	923,345	1,114,718
	Managing Director's salary and allowances (note-30)	2,626,000	1,910,000
	Directors' fee (note-31)	290,000	240,000
	Auditors' fee (note-32)	75,000	75,000
		<u>12,866,459</u>	<u>14,575,610</u>
20.3	Administrative expenses for merchant banking:		
	Salary & allowances	2,723,581	5,625,741
	Telephone, internet and mobile	37,341	39,597
	CDBL charge	242,737	46,727
	Loss on share trading	-	51,418
		<u>3,003,659</u>	<u>5,763,482</u>
21	Interest income on leases, loans and advances:		
	Lease income	152,870,573	197,507,826
	Interest on loans	89,591,390	111,092,698
	Interest during grace period	4,124,341	12,935,312
	Total interest income on leases, loans and advances	<u>246,586,304</u>	<u>321,535,836</u>
	Interest on balance with banks and other financial institutions	467,774	726,441
		<u>247,054,078</u>	<u>322,262,277</u>
22	Interest expenses on deposits, borrowings, etc. :		
	a) Interest expenses on borrowings :		
	Interest on term loans	141,073,361	140,736,598
	Interest on call loans	13,489,200	8,977,208
	Interest on debenture loan	2,700,000	5,400,000
	Interest on loan (IDA Fund)	552,723	783,334
	Interest on Bank over draft	2,993,784	1,483,158
	Bank charges	156,760	230,485
		<u>160,965,828</u>	<u>157,610,783</u>
	b) Interest expenses on deposits :		
	Total	<u>71,252,315</u>	<u>53,003,673</u>
		<u>232,218,143</u>	<u>210,614,456</u>
23	Investment income:		
	Profit on merchant banking	106,540,772	21,601,834
		<u>106,540,772</u>	<u>21,601,834</u>

		Amount in Taka	
		2010	2009
24	Other operating income:		
	Income from FDR	1,232,089	1,189,601
	Documentation charge on lease finance	1,070,968	1,395,325
	Late payment charge on lease finance	8,795,910	21,708,335
	Service charge income on lease finance	133,875	852,089
	Transfer fees on lease finance	759,417	611,105
	Processing fees on lease finance	37,840	78,520
	Income from house property	1,164,464	712,000
	Interest on call loan	2,377,778	-
	Profit on sale of fixed assets	494,999	-
	Miscellaneous earnings	-	184,585
		16,067,340	26,731,560
25	Salary and allowances:		
	Basic pay and allowances	5,962,333	7,764,050
	Bonus (note-25.1)	864,654	673,537
	Company's contribution to provident fund	589,606	645,853
	Retirement benefit and gratuity	360,000	360,000
	Annual leave encashment	-	-
		7,776,593	9,443,440
25.1	Bonus		
	Festival	864,654	673,537
	Performance	-	-
		864,654	673,537
26	Rent, taxes, insurance, electricity, etc.:		
	Rent, rate and taxes	-	-
	Insurance	331,031	393,209
	Power and electricity	257,152	428,996
		588,183	822,205
27	Legal expenses :		
	Legal expenses	159,850	387,000
		159,850	387,000
28	Postage, stamp, telecommunication etc.:		
	Postage and courier	56,972	40,698
	Telephone, fax, internet and mobile	325,142	480,078
	Stamp and court fee	45,374	62,471
		427,488	583,247
29	Stationery, printing, advertisement, etc.:		
	Printing and stationery	290,055	322,760
	Advertisement and publicity	633,290	791,958
		923,345	1,114,718
30	Managing Director's salary and allowances :		
	Remuneration	2,400,000	1,221,000
	Other benefits	226,000	689,000
		2,626,000	1,910,000
31	Directors' fees :		
	Fees		
	Directors fee	290,000	240,000
		290,000	240,000
	Other benefits		
		-	-
		290,000	240,000

Directors' fees include fees for attending the meeting by the non-executive directors. Each director was remunerated @ Tk. 5,000/- per meeting from which 15% value added tax on the attendance fee was deducted at source.

		Amount in Taka	
		2010	2009
32	Audit fee:	75,000	75,000
		<u>75,000</u>	<u>75,000</u>
33	Depreciation and repairs of company's assets:		
	Depreciation on company's fixed assets (Annexure-B)	5,861,300	6,343,440
	Repairs of companies fixed assets	549,148	1,514,387
		<u>6,410,448</u>	<u>7,857,827</u>
34	Other operating expenses:		
	Office maintenance	2,596,655	3,541,137
	Travelling and conveyances	1,485,296	1,655,525
	Motor vehicle running expenses	1,262,368	1,982,926
	Fees and subscriptions	579,717	269,108
	Staff welfare	899,986	991,732
	Newspaper, books and periodicals	34,501	31,180
	Staff training and education	8,000	22,500
	Entertainment expenses	1,652,743	2,571,478
	Business promotion	1,340,000	1,659,000
		<u>9,859,266</u>	<u>12,724,586</u>
35	Provision for leases, loans and advances:		
	Provision for classified leases, loans and advances	(20,690,760)	72,088,216
	Provision for unclassified leases, loans and advances	(2,658,807)	5,824,442
		<u>(23,349,567)</u>	<u>77,912,658</u>
36	Provision for income tax:		
	Current tax	55,954,412	19,936,977
	Deferred tax	-	-
		<u>55,954,412</u>	<u>19,936,977</u>

The Company has made sufficient provision for taxation. In addition to provision, there is refund (receivable) of Tk. 25,677,413/- and interest thereon @ 10% p.a. wef 2001 and 2002 as per section -72 of Income Tax Ordinance 1984. The Company has already received credit note from Income Tax Authority. As per section 32(2)(7) of Income Tax Ordinance 1984 there is no tax on capital gain.

- 37 Dividend :**
Dividend in the form of bonus share @ 28% for the year 2010 has been proposed by the Board of Directors in its meeting held on 1st February 2011.

- 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	75,703,029	26,973,558
Number of ordinary shares outstanding	2,159,850	2,159,850
Earning per share	35.05	12.49

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 :**
GSP Finance Company (Bangladesh) Limited does not have any related party disclosure.
- 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 32. There were no employees earning less than Tk. 48,000/- per year.
- 42 Number of Board meeting and remuneration for attending thereof :**
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 2010, 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 company comprising members from the Board and the committee met forty two times during the year 2010.
- 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 company. Details of the committee members are as follows:
- | Name | Status in the company | Status with committee |
|---------------------|--|-----------------------|
| Mr. Siraj U. Haider | Director | Chairman |
| Mr. Moin U. Haider | Director | Member |
| Mr. Helal Uddin | Executive Director | Member |
| Mr. Mizanur Rahman | General Manager
& Company Secretary | Secretary |
- 46.2 Activities of the audit committee during the year.
In the year 2010 the Audit Committee carried out the following activities:
- The committee reviewed the financial reporting system in place to ensure reliability of information provided to the shareholders and strict adherence and compliance to the accounting policies and requirement of Bangladesh Accounting Standards and Bangladesh Bank.
 - Monitoring and review of the compliance regarding the security documentation as approved by the Board of Directors.
 - Regular monitoring of the company's portfolio.
 - Review of the company's overdue position with the objective of reduction in amount and quality.
 - Review and recommendation to the Board regarding the delinquent portfolio against which litigation started by the company.

- f) Review and recommendation to the Board regarding reschedule of facilities.
- g) Monitoring the internal control system of the company and its compliance.
- h) Discussion on the reports issued by Bangladesh Bank and statutory auditors and actions taken by the management.

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 in 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 sound enough.
- 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	
		2010	2009
1	Paid up capital	215,985,000	215,985,000
2	Total capital	456,591,828	380,888,799
3	Capital surplus / (deficit)	(43,408,172)	(119,111,201)
4	Total assets	2,919,241,293	2,829,708,738
5	Total deposits	619,890,700	678,886,996
6	Total leases, loans and advances	1,629,115,736	1,883,036,937
7	Total contingent liabilities and commitments	-	50,000,000
8	Credit deposit ratio	262.81	277.37
9	% of classified leases, loans and advances against total leases, loans and advances	19.77	22.04
10	Profit after provisions and income tax	75,703,029	26,973,558
11	Leases, loans and advances classified during the year	322,021,824	414,939,399
12	Provision kept against classified leases, loans and advances	88,120,994	108,811,754
13	Provision surplus / (deficit)	-	-
14	Cost of fund	11.11	11.64
15	Interest earning assets	1,936,213,394	2,021,822,326
16	Non-interest earning assets	983,027,899	807,886,413
17	Return on assets (ROA) %	2.59%	1.06%
18	Return on investment (ROI) %	28.83%	13.54%
19	Income from investment	106,540,772	21,601,834
20	Earnings per share	35.05	12.49
21	Net income per share	35.05	12.49
22	Price earnings ratio (times)	2.85	8.01

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

GSP FINANCE COMPANY (BANGLADESH) LIMITED
INVESTMENT IN SHARES
AS AT 31 DECEMBER 2010

ANNEXURE - A

Sl. No.	Name of the issuer company	No. of Shares	Cost price as at 31 Dec. 2010 (Tk)	Market Price as at 31 Dec. 2010 (Tk.)	Provision required as at 31 Dec. 2010 (Tk.)
1	ACI Formula Ltd	10,000	1,741,186	1,398,000	343,185
2	Aftab Automobiles	492,246	60,000,000	60,000,000	-
3	BSRM Steel Ltd.	1,000	2,303,366	2,118,500	184,866
5	CDBL	56,947	5,416,700	5,416,700	-
6	Eastern Cables	4210	3,523,433	3,031,200	492,233
7	EBL 1st Mutual Fund	16000	417,549	294,400	123,149
8	Grameen Phone	10,000	2,674,378	2,645,179	29,199
9	KPCL	4,169	704,350	469,429	234,922
10	Lafarge Surma Cement	500	240,392	281,875	-
11	Metro Spinning	6,000	570,948	522,000	48,948
12	Orascom Telecom (Bond)	2	20,000,000	20,000,000	-
13	PLFSL (Pref. share)	37,991	5,000,000	5,000,000	-
14	R.A.K. Ceramics	5,058	1,098,972	867,953	231,019
15	Summit Power	183,901	21,750,000	21,750,000	-
16	Trust Bank Ltd.	28	9,678	21,091	-
			125,450,952	123,816,327	1,687,521
	1% Provision made on investment in portfolio A/C:				5,715,902
	Balance as at 31 December, 2010				7,403,423

GSP FINANCE COMPANY (BANGLADESH) LIMITED
SCHEDULE OF FIXED ASSETS
AS AT 31 DECEMBER 2010

ANNEXURE - B

SL No.	Particulars	C O S T				D E P R E C I A T I O N					Written Down Value as on 31.12.10
		Opening Balance on 01.01.10	Addition as on 31.12.10	Adjustment during the period	Closing Balance as on 31.12.10	Rate %	Opening Balance on 01.01.10	Charged on 31.12.10	Adjustment During the period	Closing Balance as on 31.12.10	
1	Land & Land Development	288,150,000	-	-	288,150,000	-	-	-	-	-	288,150,000
2	Office Building	14,182,331	-	-	14,182,331	10	4,566,097	1,418,233	-	5,984,330	8,198,001
4	Office Equipment	9,445,504	588,450	-	10,033,954	20	7,193,720	854,366	-	8,048,086	1,985,868
5	Furniture & Fixtures	6,582,945	23,433	-	6,606,378	10	4,689,114	314,216	-	5,003,330	1,603,048
6	Telephone Systems	878,341	4,400	-	882,741	20	806,190	27,766	-	833,956	48,785
7	Motor Vehicle	8,142,290	-	3,523,490	4,618,800	20	5,365,121	908,802	3,196,114	3,077,809	1,540,991
8	Electrical Goods & Installation	834,704	-	-	834,704	20	810,904	17,067	-	827,971	6,733
9	Generator & Installation	1,128,896	-	-	1,128,896	20	784,341	225,779		1,010,120	118,776
10	House Property	20,950,712	-	-	20,950,712	10	5,930,089	2,095,071		8,025,160	12,925,552
	Total	350,295,723	616,283	3,523,490	347,388,516		30,145,576	5,861,300	3,196,114	32,810,762	314,577,754

**Additional disclosures in the Financial Statements of GSP Finance Company
(Bangladesh) Limited for the year ended December 31, 2010**

With reference to the Securities and Exchange Commission Letter no.SEC/CI/IPO-38/2004/604 dated August 23, 2011 we are pleased to provide hereunder the additional disclosures relating to the audited financial statements of GSP Finance Company (Bangladesh) Limited for the year ended December 31, 2010.

01. A new note no.18.1 shall be inserted as under:

1st Revaluation

The revaluation of company's assets was first made on 14th March, 2007 by a registered survey firm named G. K. Adjusters Ltd which is an enlisted valuation surveyor of reputed banks and insurance companies in Bangladesh. They have appropriate qualifications and experience in the valuation of properties in the relevant locations. The valuation, which conforms to National/International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties in the area. Such revaluation was in accordance with BAS-16. The summary of revaluation is shown below:

(As per audited
accounts)

Description	Book value as on 01.01.2007	Revaluation surplus as on 31.12.2007	Revalued value as on 31.12.2007
Land & Land Development	46,215,900	123,284,100	169,500,000
Office Building	1,771,976	9,468,024	11,240,000
Total		132,752,124	

Reasons for Valuation: The valuation has been made for reflection of actual value of its assets. The revalued amount was incorporated in the accounts as on 31.12.2007. The revaluation surplus amount of Tk. 132,752,124.00 has been kept as revaluation reserve/other reserve account. The balance of revaluation reserve was Tk. 132,752,124.00 as on 31.12.2007.

2nd Revaluation

The revaluation of company's assets was again made on 3rd December, 2009 by a registered survey firm named G. K. Adjusters Ltd which is an enlisted valuation surveyor of reputed banks and insurance companies in Bangladesh. They have appropriate qualifications and experience in the valuation of properties in the relevant locations. The valuation, which conforms to National/International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties in the area. The summary of revaluation is shown below:

(As per audited accounts)

Description	Book value as on 01.01.2009	Revaluation surplus as on	Revalued value as on

		31.12.2009	31.12.2009
Land & Land Development	169,500,000	118,650,000	288,150,000
Total		118,650,000	

Reasons for Valuation: The valuation has been made for reflection of actual value of its assets. The revalued amount was incorporated in the accounts as on 31.12.2009. The revaluation surplus amount of Tk. 118,650,000.00 has been kept as revaluation reserve/other reserve account. Both the revaluation surplus/effects has been disclosed in the fixed assets schedule in the Balance Sheet. Thus total revaluation surplus of Tk.251,402,124 has been made as under:

Description	Asset value Before Revaluation (Tk.)	Revaluation Amount (Tk)	Revaluation surplus (Tk)
Land and Land Development	46,215,900	288,150,000	241,934,100
Office Building	1,771,976	11,240,000	9,468,024
Total	47,987,876	299,390,000	251,402,124

The Company has not made any revaluation during the year 2010.

It may be mentioned here that though separate disclosure has not been shown as per schedule-XI under the Companies Act 1994 but the disclosures regarding revaluation for the successive years are already there as included in the fixed asset schedule of the Balance sheet of respective year.

02. A new note no.2.13.3 shall be inserted as under:

Deferred taxation is a basis of allocating tax charges to particular accounting periods. The key to deferred taxation lies in the following two quite different concepts of profits.

1. the **accounting profit** (or the reported profit), which is the figure of profit before tax , reported to the shareholders in the published accounts.
2. the **taxable profit**, which is the figure of profit on which the taxation authorities base their tax calculations.

Accounting profit and taxable profit:

The difference between accounting profit and taxable profit is caused by:

- permanent differences
- temporary differences

Permanent differences:

- one-off differences between accounting and taxable profits caused by certain items not being taxable / allowable
- differences which only impact on the tax computation of one period
- differences which have no deferred tax consequences whatever.

An example of permanent differences could be client entertaining expenses or fines.

Temporary differences:

Temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base (the amount attributed to that asset or liability for tax purposes).

Examples of temporary differences include:

- certain types of income and expenditure that are taxed on a cash, rather than on an accruals basis, e.g. certain provisions
- the difference between the depreciation charged on a non-current assets that qualifies for tax allowances and the actual allowances (tax depreciation) given (the most common practical example of a temporary difference).
- Non-current assets are the important example of temporary differences.

One important reason why deferred tax should be recognized is that profit for tax purposes may differ from the profit shown by the financial statements. Such a difference may be caused by permanent or temporary factors. For example, if an expenses in the income statement is not allowed for tax purposes, a **permanent difference** arise.

Nothing can be done about that, and the increased tax charge just has to be accepted.

A temporary difference arises when an expense is allowed for both tax and accounting purposes, but the timing of the allowance differs. For example, if relief for capital expenditure is given at a faster rate for tax purposes than the depreciation in the financial statements, the tax charge will be lower in the first years than it would have been if based on the accounting profit, but in subsequent years the tax charge will be higher.

Considering all the points the company has conducted an exercise to find out deferred tax liability / asset based on temporary differences arising from the carrying amount of an asset or liability in the balance sheet and its tax base and accordingly deductible temporary differences have been ascertained but resulting in no deferred tax liability arising during the year under audit.

A calculation sheet is attached under **Annexure-D** herewith.

03. A new note no.18.2 shall be inserted as under:

As per BAS-16, para-39 the revaluation surplus included in equity may be transferred directly to retained earnings when the surplus is realized; The whole surplus may be realized on the retirement or disposal of the asset. However, some of the surplus may be realized as the asset is used by the enterprise; in such a case, the amount of the surplus realized is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

It is observed that proper depreciation on appreciated value of Building has been made but as per practice no depreciation charged in the value of land. Since the depreciation on revalued assets has been charged to profit and loss account, revaluation surplus remain unchanged. This has been depicted in enclosed **Annexure-C**.

04. A new note no.35.1 shall be inserted as under:

The company has fully provided for all the classified accounts in compliance with Bangladesh Bank FID circular no.14 dated 26th June, 2000 and FID circular no.03 dated 3rd May, 2006 and it has been submitted to Bangladesh Bank quarterly as per their prescribed format. The position of CL vis-à-vis provision thereof for the year 2009 and 2010 are given below:

<u>Kept (Tk)</u>	<u>Required Provision (Tk)</u>	<u>Provision</u>
As per CL as on December 31, 2010	107,351,831	
107,851,831		
As per CL as on December 31, 2009	<u>130,701,398</u>	
<u>131,201,398</u>		
	<u>(23,349,567)</u>	
<u>(23,349,567)</u>		

We note that as on 31.12.2010 the required provision on the classified lease/loan was Tk.107,351,831. Since there was an excess of Tk.23,349,567 over the provision required for the year 2010 as compared to provision kept for 2009, the surplus was taken to the income of 2010 to depict a fair view of income for the year 2010. Details of summary on CL position along with required provision are shown in enclosed sheet **(Annexure-E)**

05. A new note no.10.1 shall be inserted as under:

The company revalued its Land and Land Development and Office Building by a registered survey firm named G.K. Adjusters Limited after 2 years of 1st revaluation as the value of land increased significantly during the years 2007 to 2009. Such revaluation was in accordance with BAS-16 under para 30 to 33.

It may be mentioned here that the Financial Statements of 2007 and 2008 were audited by another audit firm and we were appointed on April 12, 2009 to audit the Accounts for the onward period to which auditing the Accounts for the year 2009 falls. We found that the major portion of fixed assets (Land and Land Development and Office Building) worthy of revaluation was revalued on March 14, 2007 and Land and Land Development was revalued on December 03, 2009 by a registered survey firm named G.K. Adjusters Limited to reflect the fair market value of the property.

It now reveals that the entire properties of the company have not been revalued.

The Position of Revaluation surplus of the Accounts of 2010 is given below:

Description	Asset value Before Revaluation (Tk.)	Revaluation Amount (Tk)	Revaluation surplus (Tk)
Land and Land Development	46,215,900	288,150,000	241,934,100

Office Building	1,771,976	11,240,000	9,468,024
Total	47,987,876	299,390,000	251,402,124

06.

(a) A new note no.11.2 shall be inserted as under:

The company was granted Merchant Banking License by SEC on August 24, 1999. Merchant Banking unit granted loans to its portfolio account holders numbering 407 accounts as on December 31, 2010 as per guidelines given by SEC's circular/letter no.SEC/CMRRCD/2006-159/admin/01-29 dated October 11, 2007, SEC/CMRRC/2001-43/74 dated December 13, 2010 and other circulars/guidelines issued by SEC from time to time as per margin requirements fixed by SEC. The statement of Advance to portfolio accounts is enclosed under **Annexure-F**

(b) A new note no.11.3 shall be inserted as under:

Details of Sundry Debtors accounts have been checked item wise. We observed that out of total Tk.6,936,819 a sum of Tk.3,017,889 has since been realized. The balance amount of Tk.3,918,930 considered to be realizable. The statement of Sundry Debtors is enclosed under **Annexure-G**

07. A new note no.35.2 shall be inserted as under.

The reason for higher profit during the year under audit is that income from investment was Tk.106,540,772 which was Tk.21,601,834 in the previous year. The adding back of surplus of Tk.23,349,567 from provision was not the lone factor of higher income.

It will be observed from the financial statements of 2009 and 2010 that after tax profit for the year 2010 was Tk.75,103,029 as against that of Tk.26,973,558 for the year 2009. The issue of adding back provision of Tk.23,349,567 to profit and loss account is considered to be a genuine surplus of provision over the required amount for the year 2010 as provision has been kept as per Bangladesh Bank circular by taking into consideration the deductible value of collateral security against each Lease/loan. The details regarding adding back of Tk.23,349,567 from provision has already been clarified in note no.35.1

08. A new note no.38.1 shall be inserted as under:

Dividend in the form of bonus share @ 28% for the year 2010 has been proposed by the Board of Directors in its meeting held on 1st February, 2011 and the same was approved in the 16th Annual General Meeting of the Company held on February 15, 2011 and it was already submitted to the Securities and Exchange Commission on April 05, 2011 to secure their consent on it. The consent is in the process of consideration of SEC.

After considering 28% bonus share for the year 2010, diluted EPS will be as under:

	<u>2010</u>	<u>2009</u>
Net profit after tax	75,703,029	
26,973,558		
Number of ordinary shares	2,764,608	
2,159,850		
Earnings Per share (EPS)	27.38	12.49

09. A new note no.13.5 shall be inserted as under:

Generally the company borrows fund through term loans, SOD and call loans from banks under the following general conditions:

Terms and Conditions:

- a. Type of facility
- b. Amount
- c. Tenure
- d. Purpose
- e. Moratorium period
- f. Repayment Period
- g. Rate of interest/Profit (varying from bank to bank depending on tenure and cost of fund and availability of fund of the respective lending bank)
- h. Settlement
- i. Prepayment/Early Termination
- j. Disbursement/Availability period
- k. Security
- l. Expiry
- m. Special conditions
- n. Documentations

Such term loans/SOD's are secured by acceptance of sanction letter, offering post dated cheques for the principal loan amount, installment charges, signing of charge documents, creation of Pari-passu security sharing charge with Registrar of Joint Stock Companies and Firms (RJSC) and in some cases some banks sign loan agreements but the creation of Pari-passu security sharing agreement with RJSC is the vital security cover for the lending banks. For call loans there is no practice of obtaining any security by the call loan providing banks.

Dated, Dhaka
Khan & Co.
September 11, 2011
Accountants

Sd/-
Kazi Zahir

Chartered

GSP FINANCE COMPANY (BANGLADESH) LIMITED
SCHEDULE OF FIXED ASSETS
AS AT 31 DECEMBER 2010

(a). Non-Revalued Assets

ANNEXURE - C

SL No.	Particulars	C	O	S	T	D E P R E C I A T I O N					Written Down Value as on 31.12.10
		Opening Balance on 01.01.10	Addition as on 31.12.10	Adjustment during the period	Closing Balance as on 31.12.10	Rate %	Opening Balance on 01.01.10	Charged on 31.12.10	Adjustment During the period	Closing Balance as on 31.12.10	
1	Land & Land Development	46,215,900	-	-	46,215,900	-	-	-	-	-	46,215,900
2	Office Building	4,714,307	-	-	4,714,307	10	1,953,961	471,431	-	2,425,392	2,288,915
4	Office Equipment	9,445,504	588,450	-	10,033,954	20	7,193,720	854,366	-	8,048,086	1,985,868
5	Furniture & Fixtures	6,582,945	23,433	-	6,606,378	10	4,689,114	314,216	-	5,003,330	1,603,048
6	Telephone Systems	878,341	4,400	-	882,741	20	806,190	27,766	-	833,956	48,785
7	Motor Vehicle	8,142,290	-	3,523,490	4,618,800	20	5,365,121	908,802	3,196,114	3,077,809	1,540,991
8	Electrical Goods & Installation	834,704	-	-	834,704	20	810,904	17,067	-	827,971	6,733
9	Generator & Installation	1,128,896	-	-	1,128,896	20	784,341	225,779	-	1,010,120	118,776
10	House Property	20,950,712	-	-	20,950,712	10	5,930,089	2,095,071	-	8,025,160	12,925,552
	Sub-Total	98,893,599	616,283	3,523,490	95,986,392		27,533,440	4,914,498	3,196,114	29,251,824	66,734,568

(b). Revalued Assets

SL No.	Particulars	C	O	S	T	D E P R E C I A T I O N					Written Down Value as on 31.12.10
		Opening Balance on 01.01.10	Addition as on 31.12.10	Adjustment during the period	Closing Balance as on 31.12.10	Rate %	Opening Balance on 01.01.10	Charged on 31.12.10	Adjustment During the period	Closing Balance as on 31.12.10	
1	Land & Land Development	241,934,100	-	-	241,934,100	-	-	-	-	-	241,934,100
2	Office Building	9,468,024	-	-	9,468,024	10	2,612,136	946,802	-	3,558,938	5,909,086
	Sub-Total	251,402,124	-	-	251,402,124		2,612,136	946,802	-	3,558,938	247,843,186
	Total Assets (a+b)	350,295,723	616,283	3,523,490	347,388,516		30,145,576	5,861,300	3,196,114	32,810,762	314,577,754

GSP Finance Company (Bangladesh) Ltd.
Deferred Tax Calculation Sheet

1. Temporary difference between Financial reporting base and Tax base accounting : Fixed assets

Annexure-D

Particulars	Assessment year 2007-2008			Assessment year 2008-2009			Assessment year 2009-2010		
	As per Financial reporting Base	As per Tax Base	Temporary deductible/(taxable) differences	As per Financial reporting Base	As per Tax Base	Temporary deductible/(taxable) differences	As per Financial reporting Base	As per Tax Base	Temporary deductible/(taxable) differences
Cost: Opening Balance	68,679,786	69,366,009		83,451,421	84,137,644		217,156,636	217,842,859	
Addition during the year	16,671,635	16,671,635		137,527,134	137,527,134		10,630,101	10,630,101	
	85,351,421	86,037,644		220,978,555	221,664,778		227,786,737	228,472,960	
Adjustment during the year	1,900,000	1,900,000		3,821,919	3,821,919		-	-	
Closing Balance	83,451,421	84,137,644		217,156,636	217,842,859		227,786,737	228,472,960	
Less: Accumulated Depreciation									
Opening Balance	13,081,658	13,028,315		14,666,317	13,900,022		17,665,696	14,235,461	
Charged during the year	3,484,658	2,771,706		5,448,298	2,784,358		6,136,440	3,595,170	
	16,566,316	15,800,021		20,114,615	16,684,380		23,802,136	17,830,631	
Adjustment during the year	1,899,999	1,899,999		2,448,919	2,448,919		-	-	
Closing Balance	14,666,317	13,900,022		17,665,696	14,235,461		23,802,136	17,830,631	
Written Down Value	68,785,104	70,237,622	1,452,518	199,490,940	203,607,398	4,116,458	203,984,601	210,642,329	6,657,728
Deferred Tax asset			653,633			1,852,406			2,995,978

2. Provision for Gratuity

GSP Finance Company (Bangladesh) Limited is maintaining a gratuity fund which is unfunded and it is under process making it funded by the National Board of Revenue. Since it is unfunded, the tax authority disallowed provision for gratuity expenses every year. This difference is permanent difference between Financial reporting base and tax base accounting. So deferred tax is not required to be maintained for this purpose.

Recognition of Deferred Tax Liabilities: The general principle in IAS 12 is that deferred tax liabilities should be recognized for all taxable temporary differences.

Recognition of Deferred Tax Assets: A deferred tax asset should be recognized for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Measurement of Deferred Tax Assets and Liabilities: Deferred tax assets and liabilities should be measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The measurement should reflect the entity's expectations, at the balance sheet date, as to the manner in which the carrying amount of its assets and liabilities will be recovered or settled.

The above calculation have been made basing on the Assessment years 2007-2008, 2008-2009 and 2009-2010 as completed by the Taxation Authority and Assessment year 2010-2011 is under process of Assessment by the Taxation Authority at their end.

So considering the above points we have conducted an exercise to find out deferred tax liability/asset based on temporary differences arising from the carrying amount of an asset or liability in the balance sheet and its tax base and accordingly deductible temporary differences have been ascertained but resulting in no deferred tax arising during this year.

Classifications	2010				2009				Addition/(Adjustment) (A-B)
	Portfolio	Base for provision as per BB guidelines	Provision Required	Provision Kept (A)	Portfolio	Base for provision as per BB guidelines	Provision Required	Provision Kept (B)	
Standard	1,036,309,876	690,956,099	6,909,561	6,909,561	1,160,332,713	1,160,332,713	11,630,507	11,632,673	
SMA	194,920,365	150,717,085	12,321,276	12,821,276	228,814,965	215,139,428	10,756,971	10,756,971	
Total for Unclassified	1,231,230,241		19,230,837	19,730,837	1,389,147,678		22,387,479	22,389,644	(2,658,807)
SS	18,311,347	7,075,921	1,415,184	1,415,184	133,567,858	106,926,175	21,385,235	21,385,235	
DF	880,549	709,495	354,748	354,748	194,800,162	96,359,191	48,179,596	48,179,596	
BL	307,829,928	64,165,034	64,165,034	64,165,034	86,571,379	38,749,089	38,749,089	39,246,923	
Total for classified	327,021,824		88,120,994	88,120,994	414,939,399		108,313,920	108,811,754	(20,690,760)
Total	1,558,252,065		107,351,831	107,851,831	1,804,087,077		130,701,398	131,201,398	(23,349,567)

Note: SMA = Special Mention Account, SS = Sub Standard, DF = Doubtful, BL = Bad/Loss.
BB=Bangladesh Bank

GSP Finance Company (Bangladesh) Limited
1, Paribagh, Mymensingh Road, Ramna, Dhaka-1000
Balance Statement as on 31.12.2010

Annuxure-F

Account No.	Name	Balance
1000	Monira Akter	(448,251.27)
1001	Saiful Islam Titu	(3,039,367.03)
1002	Md. Alhaj Uddin	(128,148.49)
1003	S.M. Sabbir Ahmed,Kazi Shaheen Hossain	1,138.15
1004	Mujib Hossain Chowdhury	(1,153,569.07)
1005	Munshi Mazba Zaman	(320,421.13)
1006	Md. Faisal Ahmed	(55,674.30)
1007	Md. Iftakharul Alam Bhuyan,Maruf Amin	7,047.25
1008	Md. Mahbubul Alam Khan,Md. Nurul Hoda	(304,753.76)
1009	Md. Shamim Reza Shamim	1,243.90
1010	Md. Sohel Akhter	(99,200.94)
1011	A.B.M Fazlur Rashid	(92,197.18)
1012	Repon Chandra Sarker	(310,635.42)
1013	A.K.M. Abdul Motaleb,Mainul Islam	(256,082.25)
1014	Syeda Shahnaz Masud	(192,280.69)
1015	Masihur Rahman Chowdhury	27,820.71
1016	S. M. Kabir,Md. Wasi Uddin	(981,659.63)
1017	Kaji Jasim Uddin Mintu	15,904.62
1018	Mohammad Shafiullah	(54,265.04)
1019	ANWAR-UL-HALEEM	42,634.64
1020	Abul Kalam Azad ,Khandaker Mustak Ahammed	11,563.62
1021	Md. Rakib Hasan	9,299.38
1022	RIPON CHANDRA SAHA	10,048.83
1023	AD VIEW LTD.	6,879.60
1024	Iftekhath Hossain	(26,187.94)
1025	Mir Sabbir Ahmed	(21,292.73)
1026	Md. Sumsul Alam Talukder	12,760.82
1027	Abdullah-Al-Azim	61,490.20
1028	Masum Parves	4,243.00
1029	Md. Manik Hossen Molla	4,848.64
1030	Md. Abdul Hannan	1,449.76
1031	Dr. Badrun Nahar Bula	(14,472.91)

1032	Mst. Nahid Sultana	(8,764.98)
1033	Md. Shahid Ullah Miaji	(75,756.58)
1034	Mostafa Mahmud	(1,217,181.81)
1035	Md. Sazadur Rahman	8,582.64
1036	Mohammad Atiqur Rahman	15,620.27
1037	Md. Majibur Rahman	(98,058.61)
1038	Fattah Al Jafar	17,214.65
1039	Muhammad Atiar Rahman	3,266.34
1040	Kishore Kumar Das,Swapna Rani Das	5,517.22
1041	Md. Abdul Karim Sarker	1,561.18
1042	Syed Rezaul Karim	7,199.69
1043	MD. RASEL UDDIN	254,000.00
1044	Md. Shahidul Islam	385.83
1045	Md. Reazul Islam	249,000.00
1050	Md. Shakhawat Hossain	91,404.07
502	S.M Atique-uz-Zaman	(289,070.38)
506	A.K.M. Asadullah Bhuiyan	(1,546,356.31)
508	Rita Akther	(196,865.27)
510	Meherina Kamal	2,063.02
511	Md. Akher Ali	(1,143,708.16)
512	Md. Moniruzzaman	(446,377.40)
513	Md. Shohel Rana	10,052.78
515	Syeda Muatisira Maleque	(97,072.47)
517	Nehal Hossain	(662,849.51)
518	A.A. Munir Hasan	(1,039,734.89)
522	Md.Zubair Akther Khan	(954,495.18)
523	Mr.Masum Alamgir Chowdhury	(899,180.98)
527	Md. Mustafa Javed	(120,616.28)
528	A.K.M. Shamsuddin Ratan	(1,003,410.75)
532	Md. Sadat Hossain	438,291.21
533	Md. Sanwar Hossain	8.86
534	Md. Afzal Hossain	(882,154.02)
535	Sazzad Hossain	(95,969.87)
536	Tajuddin Ahmed	(638,093.87)
539	Md. Akhirul Islam	2,441.98
540	Mohammad Sabur Khan	(245,259.80)
541	Md. Belayet Hossain	(13,391.73)
543	Avijit Bhattacharjee,Shatadal Das	(2,934,187.94)
544	Md. Abdus Satter Sarkar	(1,584,455.41)

545	B.M. Shahabuddin	18,450.86
546	Mahbuba Islam	(1,045,154.76)
547	Rasheda Moazzem	10,252.93
549	Mrs. Lutfunnessa Shahnewaz,Kazi Shahnewaz	(982,444.75)
550	Mrs. Afifa Khatoon	(1,893,164.20)
553	Mohammad Asad-uz-Zaman	(431,351.37)
554	Md. Shahjahan Kabir	3,271.31
555	Sania Mehdi	(63,270.66)
556	Nafisa Akbar	(5,802.83)
558	Sayeed Kaisar,Dr. Salma Sharmin	(1,006,466.62)
559	Obaidur Rashid Khan	(1,347,480.49)
560	Golam Rabbani	6,935.47
561	Famid Karim Bhuiya	694.28
562	Md. Alamgir Hossain	153.22
563	Hasmath Mahmud	13,595.83
564	Md. Rafiqul Alam,Mrs.Shahnaj Parveen	(336,903.92)
565	Md.Rafiqul Alam	(1,155,337.95)
566	Mrs. Shahnaj Parveen	(250,462.26)
567	Bakhtair Uddin Ahmed	(909,964.86)
569	Masud Ahmed	(3,978,863.35)
571	Ghazi Hisham-Ur-Rashid	13,666.51
572	Md. Saidur Rahman	(341,691.26)
573	Md. Mustafizur Rahman,Saleha Khatoon	(3,336,392.28)
574	Mr. Fazlur Rahman Mollah	(89,044.22)
575	Kazi Rashedul Hassan	(4,734,415.91)
576	Sahara Begum Chowdhury,Zubair Ahmad Chowdhury	8,758.66
578	Md. Lychur Rahman	11,224.65
579	Md. Harun Ur Rashid ,Jesmin Khan	(5,519,331.27)
580	Md. Abdul Barek Howlader	(615,280.02)
581	Md. Wahedun Nabi Chowdhury	24.36
582	Md. Abdul Aziz	124.87
583	Hazi A.R. Badal	13,278.11
584	Mr. Mominullah (Javed)	(110,602.99)
585	Mohammad Abdul Azim,Nahid Rahman	(134,704.54)
586	Md.Ajgar Ali	(670,164.69)
587	Ahabab Zubair	(9,066,127.03)
588	A.K. Sabbir Hasan	(1,169,205.10)
589	Zubair Sohel	(1,921,847.46)
590	Sala Uddin	(1,437,390.55)

592	Manzurul Karim,Fouzia Nahid	218,510.27
593	Mr. Narayan Chandra Saha,Ms.Shibani Saha	(469,246.36)
594	Khan Md. Kamruzzaman Maruf	(524,769.65)
595	Brig Gen Abdul Mannan Miah (Retd),Mrs. Salma Mannan	(2,270,094.09)
596	Kazi Moinul Haque	17,809.85
597	Mr. Siraj Uddin Haider	2,813.72
598	Md. Fahim Haider	(200,475.36)
599	Md. Shamsuzzoha	(2,178,877.77)
600	Mohammad Babar Hossain	(1,474,786.42)
601	Saifuddin Mahmud	(331,218.87)
602	Mr. Md. Tanjimul Islam	1,471.17
603	Fayez Ahmed	3,323.23
604	Md. Ektedar Rahman	(1,793,910.73)
605	Md. Anisul Haque	(347,832.72)
606	Md. Mamunur Rashid	(1,656,350.36)
607	Md. Shareful Islam	(6,959.05)
608	Shaikh Mohammad Salim Hossain	(1,576,337.69)
609	Sabina Yeasmin	(188,794.38)
610	Mohammed Tanvir Islam Chowdhury	(714,941.19)
611	Md. Idris Ali	4,147.80
612	Md. Zillur Rahman Basunia	(466,351.78)
613	Mohammed Abu Bakar Siddique	(3,356,272.20)
614	Md. Mahbubur Rahman	(2,569,791.62)
615	Md. Ala Uddin	(166,523.81)
616	Md.Abul Hossain	(965,877.48)
617	Md. Khairul Alam	(667,424.90)
618	Hasna Hena	(532,694.64)
619	Sajeda Chowdhury	(158,132.83)
620	A.K.M. Jahangir Khan	(49,549,302.66)
621	Md. Mubarak Ali	(2,957,580.65)
622	Rubayet Rashid Romel	(515,259.03)
624	Nurunnahar Lipy	(246,307.66)
625	Mahamudul Hoque	(7,473,129.66)
626	Subir Baishnab	(1,480,729.34)
627	Mr.Mohammad Muslim Chowdhury	(314,646.03)
628	Mahmood Sk. Md. Abdul Hayee Nathem Al-Deen	(5,413,698.30)
629	Minaoar Hossain Tanzil	(223,173.90)
630	Mohammad Zakir Hossain	13,003.79
631	Sajeda Iqbal	(849,612.97)

632	Mizanur Rahman	(886,846.25)
634	Md. Nahidul Islam	(787,387.97)
635	Faraque Ahammad Raj	(260,862.67)
636	Nurul Islam Moni	(2,682,521.76)
637	Ataur Rahman Khan	10,398.24
638	Md. Rafiqul Islam	(2,332,618.29)
639	Subir Baishnab,Kazi Sharif Ahmed	(64,293.43)
640	Md.Nazrul Islam	(946,391.80)
641	Nazim uddin Ahmed	(35,370.37)
642	Mohammad Ataur Rahman,Sabina Akter Jahan Shaila	(2,015,198.86)
643	Md. Nuruzzaman,Morsheda Zaman Munni	(571,990.46)
645	Syed Opel Shahabuddin	24,033.10
646	Md. Sayeadul Arefin	(519,701.81)
647	Md. Shahidul Islam,Most. Parvin Akter	(486,410.37)
648	Ali Emam Hossain	(301,907.04)
649	Maksuda Karim	(154,018.69)
650	Kartick Chandra Paul	(482,001.46)
651	Tamanna Nasrin	(819,643.56)
652	A.Z.M. Jalaluddin	(629,988.04)
653	Hasina Akhter	(5,030,473.80)
654	Md. Rafiqul Islam	(1,813,528.94)
655	Md. Nurul Amin	(301,547.16)
658	Abul Kalam Azad,Shahnoor Azad	(661,402.32)
659	Jayed Bin Jasim,Ziauddin Ahmed	(808,449.60)
661	Zahadul Islam	36,491.13
662	Ahad Mohammad Bhai	(1,038,148.30)
663	Md. Farid Hossain	(323,613.07)
665	Mosharraf Hossain	(824,391.23)
667	Md. Rezaul Karim	(1,848,315.36)
668	Md. Makbul Alam	(709,142.07)
669	Mohammed Zakir Hossain	(957,718.71)
670	S.M.Kamrul Hasan	(1,155,277.01)
671	Md. Jahangir Alam Tipu	(209,795.96)
672	Md. Mahbubul Alam Khan	(194,339.89)
673	Mossarof Hossain	(1,192,384.65)
674	Md. Zahedul Islam	908.91
675	Kamrun Nahar Sammi	(1,865,209.70)
676	K.M. Mozibul Haque	153,868.80
678	Goutam Basak ,Manik Paul	(1,185,747.69)

679	Rubaiyet Rashid Romel,Begum Roaman Ivy	(819,318.49)
680	Khurshed Alam Chowdhury	(6,757,592.35)
681	Abu Zafor Md. Moshab Uddin,Md. Saifur Rahman	(769,885.39)
682	Mohammad Abdul Halim	(534,425.42)
683	Mohammad Nayeem Uddin	(576,315.95)
684	Arshad Hosein	(1,698,911.47)
685	Md. Alamgir Hossain	(468,962.51)
686	Md. Rezaul Haque	(712,149.68)
687	Md. Imamul Hossain	6,662.18
688	Abdul Waseh	(290,179.98)
689	Taufique Akber	(309,017.94)
690	Towhid Akbar	400,305.81
692	Ariful Islam Polash Khan	(324,448.89)
693	Md. Tohiduzzaman Shakil	(2,515,509.30)
694	Mohammad Mostafa Kamal	(20,529,796.14)
695	Md. Rukonuzzaman	(2,419,565.66)
696	Shahanaj Sharmin	(1,986,935.76)
697	Md. Sharif-Al-Kamal	7,752.52
698	Jobeda Khatun	(851,117.96)
699	Rashed Ahmed	6,554.07
700	Monir Chowdhury Sami	(1,153,103.29)
701	Md. Sultan Mohmud	(967,651.63)
702	Razee Mohammad Fakhrul	14,969.14
703	Md. Akter Hossain Mamun	(5,849,796.07)
704	Md. Ishtiaq Mahmud	(840,791.26)
705	Md. Ashiqur Rahman Khan	(445,100.72)
706	Md. Moinuddin Chowdhury	(2,757,939.82)
707	Ahad-Uz-Zaman	(492,649.10)
709	Meherun Hussain,Fakhrul Islam Munshi	(1,257,162.67)
710	Mohammed Tanvir Islam,Mohammed Nurul Islam Chowdhury	(1,019,189.17)
711	Md. Farhad Hossain Patwary	(1,787,186.44)
712	Md. Shafiqur Rahman	(122,093.51)
713	Md. Sayeadul Arefin,Shefa Ahmed	(278,690.07)
714	Md. shawkat Kamal	697,897.09
715	Md. Nuruzzaman	(32,317.12)
716	Md. Ruhul Amin	(11,851,060.08)
717	Md. Arifur Rahman	(266,324.51)
718	Md. Fazlul Karim	4,975,019.06
719	Md. Abul Kalam Azad	2,771.76

720	A.B.M. Fazlul Karim,Golok Kumar Sarker	(603,793.32)
721	Mohammad Aminul Islam,Md. Abul Khair Dhally	(1,010,099.10)
722	Md. Mominur Rahman,Md. Mosaddeq Hossain	(640,349.19)
725	Md. Abdullah Faruque	(620,070.09)
726	Mir Md. Amir Hossain	(813,039.87)
727	Md. Iqbal Hossain,Sajeda Iqbal	323,943.42
728	Rahmat Nawaz Fahmi	2,902,649.47
729	Md.Shahadat Hossain Sikder	(621,103.50)
730	Md. Abdus Salam	(626,509.26)
731	Md. Harun-or-Rashid Moghal	(33,049.65)
732	Md. Hadiuzzaman	(180,978.19)
733	Mohammed Ahmed Ansari	6,853.87
734	Md. Azad Rahman	(730,869.66)
735	Md. Ruhul Amin	(565,454.07)
737	Md. Sofir Uddin	(123,300.20)
738	Saidur Rahman Bakul	(1,120,364.54)
739	Dr. Humayn Kabir	47,182.98
740	Faria Shabnam Daina	(4,267,176.93)
741	Shakiba Shabnam Dona	(4,319,593.02)
742	Nazim Farhan Choudhury	608,904.01
743	Md. Moklesur Rahman	(417,504.08)
744	Md. Abdullah	(6,615,945.26)
745	Mohammad Fazle Manzur	(29,509.07)
746	Md. Sohikul Islam	50,688.02
747	Sirajuddin Haider,Nasreen Haider	(1,329.25)
748	Khadiza Akter Nupur	(702,230.71)
749	Md. Abdul Alim	9,938.90
750	Md. Faruk Ahammed	(88,944.59)
751	Mohammad Ali	10,570.25
752	Hossain Shahid Malik	(1,376,721.92)
753	Azizul Haque Khan	(1,324,091.90)
754	Md. Rashedul Alam	(601,015.39)
755	Md. Farid Hasan Khan	95,951.89
756	Md. Shahjada	(228,101.64)
757	Md. Rezanul Hoque	(430,224.45)
758	Md. Alomgir Hossain	(678,959.39)
759	D.M Mahabubur Rahman	(1,047,722.01)
760	Md. Anwar Hossain Jewel	(814,789.69)
761	Md. Jahangir Alam	(338,556.65)

762	S.M. Touhiduzzaman	(329,547.54)
763	Md. Enamul Haque Babu	(18,654,582.73)
764	Irin Hossain Ruma	(11,346,819.02)
765	Md. Abu Jahid	(169,130.08)
767	Md. Abul Hossain,A K M Shahid Ullah	(527,004.20)
768	Golam Sarwar	1,126,832.94
769	Nazmul Hossain	(93,395.27)
770	Sumona Akhter	(1,556,340.45)
771	Nasreen Haider	865.00
772	Md. Zahurul Islam	(1,291,944.14)
773	Md. Minhaj Uddin	(827,235.03)
774	Md. Rezuhanul Karim Khan	(1,349,095.92)
775	Farian Yusuf	(5,393,091.01)
777	Md. Asaduzzaman	(563,960.45)
778	Md. Badsha Miah	(528,529.76)
779	Mrs. Shamsun Nahar Lovely	(875,557.03)
780	Md. Sharifujjaman	(762,605.00)
781	Modhurima Dey Amin	(385,292.29)
782	S M Refaul Karim	(2,862,500.44)
783	Shah Md. Nazrul Islam	(967,393.43)
784	Anwar Hossain	10,652.08
785	Md. Shahidullah	(1,186,549.09)
786	Dr. Md. Ishtiaque Alam	(455,023.89)
787	Most. Kawser Parvin,Badrin Nahar Sumi	(54,288.16)
788	Golok Kumar Sarker	(304,311.72)
789	Md. Ferdous Islam	(735,233.53)
790	Md. Arshad Iftakhar	(743,256.62)
791	Md. Fazlul - Karim,Md.Atiqul Kobir	(2,582,453.24)
792	Md. Showkat Hossain Sikder	(5,740,105.92)
793	K.M. Iqbal Hossain	(669,328.85)
794	Md. Iqbal Hossain	(163,230.68)
795	Ahabab Zubair,Zubair Sohel	(1,259,739.51)
796	Md. Shakhawat Hosen	(341,525.46)
797	Md. Ayub Ali	(309,019.98)
798	Mst. Shamsun Nahar Begum	(881,313.64)
799	Harendra Nath Karmaker	(2,101,867.11)
800	Zahirul Anowar	(520,036.97)
801	Kabir Uddin Ahmed	(2,341,651.11)
802	Md. Shajedul Islam	(615,380.41)

803	Md. Mahfug Siddiq Liton	(12,574,631.23)
804	Retheta Reza,Mohammad Arif Chowdhury	(454,294.62)
806	Begum Munawara Khanam,Rizwana Islam	(160.01)
807	Rizwana Islam	(160.01)
808	Begum Munawara Khanam	(160.01)
809	Sultana Akhter	(84,083.29)
810	Md. Nurun Nabi Chowdhury	(312,769.41)
811	Md. Alamgir Kabir,Rokshana Akther	(184,121.02)
812	Arafat Rahman	1,077.75
813	Md. Firoz Akhter	(270,654.86)
814	Anowar Babul	(250,188.78)
815	Md. Nurun Nabi	(38,909,865.52)
816	Rafiqul Islam	856,133.52
817	Farhana Seraj	(537,833.18)
818	Shamir Datta	(19,683,774.61)
819	A.K.M. Rabiul Karim	(546,682.18)
820	Md. Irfan Ullah Khan	(3,841,633.82)
821	Md. Billal Hossain	(1,161,329.57)
822	Md. Abu Obayed	(421,349.40)
823	Dr. Md. Rezaul Haque Pk,Md. Tajuddin Kamal	(3,379,414.46)
824	Sayeeka Huq	(797,312.42)
825	Rashadul Karim Chowdhury	(642,214.16)
826	Md. Masud Hossain Mia,Faridul Islam Chowdhury	2,192.81
827	Taufiqur Rahman	(1,689,147.92)
828	Shohani Rahman	(642,477.45)
829	Md. Nurul Hoda	(217,427.30)
830	Shafiqur Rahman	7,901.40
831	Md. Abdul Gafur	28,453.70
832	Tahmina Khanom	(896,106.56)
833	Md. Tofazzal Hossain Khan	(2,197,720.44)
834	Md. Mohsin Ali	7,724.83
835	Dr. Md. Shahadot Hossain Sheikh	(589,923.29)
836	Dr. Ali Zaheer Al-Amin	(887,970.29)
837	Shaiful Islam Khan	(203,755.82)
838	Md. Harun-or-Rashid	(298,087.06)
839	Mrs. Asma Chowdhury	(132,321.31)
840	B.M.Takabber	(539,843.08)
841	Md. Shafiqul Islam,Dewan Shafiqul Islam	(166,598.65)
842	Sayeed Kaiser	(717,943.98)
843	Mijanur Rahman	(1,899,676.89)
844	Mrs. Aftab Taser	(689,265.57)
845	Shakil Ahamed	(705,685.77)
846	Farzana Lucky Ali	19,643.34
847	Obaidur Rahman Khan	(1,209.49)

848	Quazi Moshour Rahman	(3,478,431.88)
849	Md. Shahidul Islam	(845,383.46)
850	Lt. Col. Sheikh Md Sarwar Hossain	(1,755,451.42)
851	A-1 Trade International	(5,473,530.73)
852	Md. Mosaddeq Hossain,Md. Abu Rasel Khondakar	(258,444.21)
853	Md. Matiar Rahman	(1,684,141.49)
854	Imtiaz Shamim Dewan	(144,165.87)
855	Afreen Choudhury	(281,117.85)
856	Ekhlas Uddin Jewel	(303,072.44)
857	Md. Abdulla Abu Sayed	(822,403.48)
858	Moshaid Ali	(449,141.81)
859	Md. Mahfuzur Rahman Khan	(523,257.95)
861	Md. Khairul Abed	(252,673.29)
862	Md. Anisul Hasan	(602,390.95)
863	A.K.M. Akteruzzaman	(1,841,511.18)
864	Md. Maznur Rahman	(384,769.24)
865	Md. Tohiduzzaman Shakil ,Md. Yousuf Bhuiyan	(285,902.05)
866	Kazi Rashedul Haque	(378,748.93)
867	Md. Ashraful Alam	(5,629,890.28)
868	Md. Nurul Haque	(234,588.06)
869	Most. Mongarin Tanzina	(5,145,939.63)
870	A.K.M. Abdul Motaleb	(534,870.59)
871	Golam Saroar Rasid	(666,328.06)
872	MD. ZAHIRUL ISLAM KHAN	(36,932.93)
873	MD. KHURSHED ALOM	(385,945.94)
874	MAHFOOZUR RAHMAN	(2,695,721.78)
875	S.M. AMINUR Rahim	(14,520,042.90)
876	Md. Khashruzzaman	(891,124.22)
877	Md. Anowar Hossain	(1,850,707.86)
878	LIBERAL CO-OPERATIVE SOCIETY LTD.	44,750.43
879	Md. Jahangir Hamid	(855,581.47)
880	RATAN KUMAR SOMADDER	(773,450.03)
881	KHANDAKER AHSAN MAHMUD	(259,679.33)
882	MD. SALIM ULLAH CHOWDHURY	(278,387.23)
883	Md. Shariful Islam	(264,699.71)
884	Sabrin Akhter	(37,630.72)
885	MD. MOBARAK HOSSAIN	(337,524.63)
886	Md. Alamgir Kabir	(472,462.37)
887	Mohammad Ismail Hossain	(379,451.70)
888	Md. Kabir Hossian Howlader	(338,753.00)
889	Mohammad Tipu Sultan,Md. Ataur Rahaman	10,933.35
890	Md. Ferdous Alam Khan	(796,589.46)
891	Mrs. Shahana Hussain	(77,942.39)
892	Md. Wahiduzzaman	(1,192,499.79)
893	Md. Abdul Malek	(598,044.60)
894	Md. Shamsul Alam	(181,884.78)
895	Amit Halder	(468,368.00)
896	Animesh Mridha	(379,173.16)

897	Nasir Uddin	(151,092.06)
898	Yaser Hassan Shahid	(405,020.44)
899	Mohammad Iqbal Khan	(471,606.05)
900	Tahmina Akter	(1,027,815.53)
901	Mijanur Rahman,Nur Muhammad Shipon	(1,192,604.90)
902	Md. Mostofa Kamal	(545,599.20)
903	Khondoker Mohammad Ali	(1,255,836.47)
904	Dr. Md. Rezaul Haque Pk	7,749.07
905	SAUDA BEGUM	60,703.52
906	Kawser Parvin	(269,426.55)
907	K.G. Kabir,Kanak Chowdhury	(4,780,458.78)
908	SHEHAB CHOWDHURY	(19,321.36)
909	Md. Akram Hossain	(239,573.12)
910	Md. Liaquat Ali	(1,973,910.64)
911	Saju Hosein	(90,879.06)
912	Dr. Abdul Matin	(2,282,989.21)
913	Noman Chowdhury	(2,595,813.64)
914	Md. Mostafa Kamal	(603,787.03)
915	Md. Munzurul Islam	(257,263.10)
916	A. Razzak Mollah	(228,947.04)
917	Mahima Rahman	2,699.50
918	Md. Nure Alam (Mintoo)	(384,218.65)
919	Adil Rizwan	(315,176.19)
920	Saidul Hossain	(781,322.76)
921	Fatiha Kabir Mim	(254,538.50)
922	Mohammad Bazlur Rahman	(122,181.05)
923	Most. Masuma Khatun	(456,775.52)
924	Kazi Sharif Ahmed	11,607.84
925	Shah Ahmed Shihab Chowdhury	(265,225.54)
926	Md. Ahadur Khan	(1,011,375.47)
927	Md. Hassan Iqbal	(1,290,373.92)
928	Md. Obaydul Haque	(513,178.92)
929	Md. Sultanul Islam	(1,012,317.44)
930	Md. Kamruzzaman	(1,063,211.79)
931	Md. Khairul Alam	(366,444.36)
932	Md. Wazed Hossen Pramanik	(165,479.47)
933	Tofail Ahmed	(4,834,773.08)
934	Mainul Hossain	(212,217.42)
935	Mohammad Nurul Islam	(312,238.65)
936	Md. Mamdudur Rahman	(3,019,864.10)
937	Md. Awlad Hossain	(511,221.82)
938	Kutub Alam Chowdhury	(6,813,834.03)
939	Md. Ikilil Mondal	160,499.22
940	Md. Younus Miah	(269,695.62)
941	Bazlul Haque	4,349,328.36
942	Israt Jahan Binti	(1,450,976.27)
943	Abdul Latif,Abu Shamim Md. Mamun	16,054.71
944	Raquib Md. Fakhru	(6,738,530.76)

945	Mohammad Tipu Sultan	9,398.03
946	Md. Sanower Khan Pavel	(991,345.04)
947	Hazi Md. Badrul Alam	87,959.32
948	Md. Amzad Hossian Prodhan	(4,521,127.16)
949	Bimal Chandra Bhowmik	(623,787.95)
950	Md. Shaful Alam	41,721.45
951	Mohammad Abul Hossain	(427,425.21)
952	Md. Ashrafuzzaman	(479,608.82)
953	Monir Hossain	(456,471.01)
954	Md. Masum Miah	(305,797.53)
955	Md. Afsarul Haque	(232,304.45)
956	Md. Emran Khandaker	(317,295.70)
957	Abdullah Al Jubaier	(63,061.50)
958	Goodluck Multipurpost Co-Operative Society Ltd.	1,984.34
959	Md. Shawkat Ali	(190,661.54)
960	Md. Wahiduzzaman Tamimy	4,565.89
961	Md. Nasar Ahmed	(234,109.48)
962	Md. Nazim Uddin	(119,495.02)
963	Md. Muzib Ullah	(143,532.64)
964	M. Fouzul Kabir Khan	(534,683.94)
965	Dr. Fahmida Hossain	(237,546.63)
966	Md. Aslam Parvez	(1,160,539.71)
967	Md. Wahiduzzaman,Md. Mosaroorf Hossain	(1,532,191.28)
968	Md. Shahjan Ali (Nannu)	(41,703.64)
969	Md. Abdul Kader Joaddar	(1,474,609.08)
970	Fatik Chandra	(835,799.46)
971	Mohammad Zubair Akhter Khan,Sohel Akhter Khan	(36,712.68)
972	Mohammad Abdul Quader	(221,323.98)
973	Sabber Ahmed Siddique	(255,749.88)
974	Salim Bhuiyan	3,497,099.92
975	Md. Ahsan Ullah	(362,756.93)
976	Sarker Md. Tazul Islam	(650,465.57)
977	A.Z. Kamruzzaman Dalim	(390,705.83)
978	Md. Anwar Sadat,Md. Ruhul Amin	(486,810.06)
979	Md. Arif Hossain	(161,313.50)
980	Faruk Kabeer	(211,452.24)
981	Md. Kabir Hossain	(261,024.06)
982	Md. Abul Kalam Azad	(626,555.07)
983	MD. Mostafa Kamal,Mohammed Ali Arshad	(441,948.50)
984	Md. Ashrafuzzaman	(80,074.24)
985	Md. Saidur Rahman,Most. Farida Khatun	(621,555.42)
986	Mohammad Balayet Hossain Mirda	(949,264.19)
987	Mohammad Masud Hussain	(256,466.86)
988	Abul Moqsud,A.F.M. Ershadul Haque	(323,583.42)
989	Nazneen Parveen	(132,145.12)
990	Nabani Kumar Kundu	(515,806.42)
991	Mortoza Hasan	(199,229.07)
992	Sajedur Rahman Neiham	(364,366.30)

993	Md. Abdus Samad	(304,225.04)
994	Md. Ruhul Amin	(231,878.93)
995	A.K.M. Ashadujjaman Nur	(50,473.36)
996	Md. Mokhlesur Rahman	(308,080.38)
997	Tania Rahman	6,249.68
998	Md. Mahbubul Alam	(175,840.89)
999	Shah Muhammad Manjurul Mowla	(242,231.05)
	Total loan balance	(571,590,211.45)

GSP Finance Company (Bangladesh) Limited SUNDRY DEBTORS		
		Annexure-G
SUBSIDIARY ACCOUNTS		CURRENCY IN TAKA
IUBAT 1233/LS/05		1,798,714
IPSSL		78,772
Oval Trade Sangstha (1165/LS/04)		74,705
Tamijuddin Textile (1147/LS/04)		31,830
Malencha Food Agr # 1200/LS/04		41,086
Doal Appeerls		206,817
Engineer Bellal Hossain		220,119
Delta School(1187/LS/04)		255,596
Multi Securities & Services		2,939,117
Habib Vegetable Agr# 1327/LS/08		4,000
Hi-pro Feed Mills		1,000
Silk Line Express (1217/LS/2004)		87,560
Unitech Holding		272,915
Fantasy Billiard Centre & Agr # 9040/TL/07		187,116
Active Travels Agr 1303/LS/07		132,949
Anudip Autos Ltd Agr# 1125/LS/03		63,225
ABSCO Ltd		197,313
Dhaka Chemical & Soap Ind.Ltd. (1131/LS/2003)		343,986
Total		6,936,819

Auditors' Report under Section 135(1), Para 24(1), Part II of the Third Schedule of the Companies Act 1994

As per section 135(1) of Para 24(1) of Part - II of the third Schedule of the Companies Act 1994, GSP Finance Company (Bangladesh) Limited has prepared the following statements of assets and liabilities and operating results for the year ended 31st December 2006, 2007, 2008, 2009, 2010 submitted those to us. Our responsibility is to review the corresponding audited financial statements and confirm the related information have been correctly extracted from the relevant financial statements respectively.

A. The company was incorporated on 29 October, 1995.

B. The statement of Assets and Liabilities (Balance Sheet) of the company for the year ended 31 December 2006 to 2010.

	Amount in Taka				
	2010	2009	2008	2007	2006
PROPERTY AND ASSETS					
Cash	14,106,320	9,038,602	7,903,474	8,340,515	4,192,759
In hand (including foreign currencies)	549,433	2,396,346	1,589,743	176,292	840,939
Balance with Bangladesh Bank and its agents bank(s) (including foreign currencies)	13,556,887	6,642,256	6,313,731	8,164,223	3,351,820
Balance with banks and others financial institutions	61,646,706	91,860,772	64,526,957	131,694,382	156,584,791
In Bangladesh	61,646,706	91,860,772	64,526,957	131,694,382	156,584,791
Outside Bangladesh	-	-	-	-	-
Money at call and short notice	120,000,000	-	-	-	-
Investments	125,450,952	46,924,617	58,817,771	20,404,609	30,419,660
Governments	-	-	-	-	-
Others	125,450,952	46,924,617	58,817,771	20,404,609	30,419,660
	1,629,115,736	1,883,036,937	1,814,001,394	1,651,191,786	1,525,340,609
Leases, loans and advances	1,629,115,736	1,883,036,937	1,814,001,394	1,651,191,786	1,525,340,609
Bills Purchased and discounted	-	-	-	-	-
Fixed assets including premises, furniture and fixtures	314,577,754	320,150,147	203,984,601	199,490,940	68,785,104
Other assets	654,343,825	478,697,663	106,756,461	231,972,286	84,732,373
Non-business assets	-	-	-	-	-
Total assets	2,919,241,293	2,829,708,738	2,255,990,659	2,243,094,518	1,870,055,296
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from banks, other financial institutions and agents:	1,206,189,666	1,199,927,655	1,231,437,942	1,427,679,603	1,274,228,935
Deposits and other accounts	619,890,700	678,886,996	344,321,606	174,996,798	129,854,323
Current deposits	-	-	-	-	-
Bills payable	-	-	-	-	-
Savings deposits	-	-	-	-	-
Term deposits	619,890,700	678,886,996	344,321,606	174,996,798	129,854,323
Bearer certificate of deposit	-	-	-	-	-
Other deposits	-	-	-	-	-
Other liabilities	385,166,975	318,603,164	193,563,746	160,058,364	109,646,364
Total Liabilities	2,211,247,341	2,197,417,815	1,769,323,294	1,762,734,765	1,513,729,622
Capital / Shareholders' Equity	707,993,952	632,290,923	486,667,365	480,359,753	356,325,674
Paid up capital	215,985,000	215,985,000	205,700,000	187,000,000	187,000,000
Statutory reserve	158,304,253	143,163,647	137,768,935	132,075,258	121,755,613
Other reserve	251,402,124	251,402,124	132,752,124	132,752,124	702,708
Retained earnings:					
Proposed bonus share for the year	60,475,800	-	-	18,700,000	-
Retained earnings balance	21,826,775	21,740,152	10,446,306	9,832,371	46,867,353
Total liabilities and Shareholders' equity	2,919,241,293	2,829,708,738	2,255,990,659	2,243,094,518	1,870,055,296

Dated, Dhaka
October 09, 2011

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Chartered Accountants

C. The statement of Operating result of the company (Profit & Loss account) for the year ended 31 December 2006 to 2010.

	Amounts in Taka				
	2010	2009	2008	2007	2006
Interest income from leases, loans and advances	247,054,078	322,262,277	259,773,122	264,298,346	219,584,446
Interest expenses on borrowings, deposits, etc	(232,218,143)	(210,614,456)	(209,175,990)	(196,982,052)	(174,694,349)
Net interest income	14,835,935	111,647,821	50,597,132	67,316,294	44,890,097
Investment income	106,540,772	21,601,834	(5,215,416)	12,276,677	519,385
Commission, exchange and brokerage	-	-	-	-	-
Other operating income	16,067,340	26,731,560	31,714,315	39,083,640	40,124,055
Total operating income	137,444,047	159,981,215	77,096,031	118,676,611	85,533,537
Salary and allowances	7,776,593	9,443,440	17,254,187	17,462,367	14,779,224
Rent, taxes, insurance, electricity, etc.	588,183	822,205	757,112	428,217	347,867
Legal expenses	159,850	387,000	152,485	194,065	239,655
Postage, stamp, telecommunication, etc.	427,488	583,247	847,918	972,408	766,627
Stationery, printing, advertisements, etc.	923,345	1,114,718	1,240,999	1,366,610	804,336
Managing Director's salary and allowances	2,626,000	1,910,000	2,085,877	2,800,000	2,800,000
Directors' fees	290,000	240,000	128,000	144,000	90,000
Audit fees	75,000	75,000	75,000	75,000	75,000
Charges on loan losses	-	-	-	-	-
Depreciation and repairs of company's assets	6,410,448	7,857,827	7,441,225	5,448,298	3,484,658
Other operating expenses	9,859,266	12,724,586	10,756,372	14,504,510	8,296,393
Total operating expenses	29,136,173	35,158,022	40,739,175	43,395,475	31,683,760
Profit before provision	108,307,874	124,823,193	36,356,856	75,281,136	53,849,777
Provision for leases, loans and advances	(23,349,567)	77,912,658	7,888,471	23,682,912	2,628,090
Other provision	-	-	-	-	-
Total provision	(23,349,567)	77,912,658	7,888,471	23,682,912	2,628,090
Total profit before income tax	131,657,441	46,910,535	28,468,385	51,598,224	51,221,687
Provision for income tax	55,954,412	19,936,977	12,810,773	13,860,932	23,049,759
Net profit after income tax	75,703,029	26,973,558	15,657,612	37,737,292	28,171,928
Retained earnings brought forward from previous year	21,740,152	10,446,306	28,532,371	51,604,724	107,139,762
	97,443,181	37,419,864	44,189,983	89,342,016	135,311,690
Appropriations:					
Statutory reserve	15,140,606	5,394,712	5,693,677	10,319,645	10,244,337
General reserve	-	-	-	-	-
Dividend paid	-	-	9,350,000	50,490,000	61,200,000
Bonus share issued	-	10,285,000	18,700,000	-	17,000,000
	15,140,606	15,679,712	33,743,677	60,809,645	88,444,337
Retained earnings carried to the balance sheet	82,302,575	21,740,152	10,446,306	28,532,371	46,867,353
Earning per share (EPS) as per face value of Tk. 100.00 per share	35.05	12.49	7.61	20.18	16.57
** Earning per share (EPS) as per face value of Tk. 10.00 per share	3.51	1.25	0.76	2.02	1.66

** Board of Directors had decided to denominate the share price from Tk. 100.00 to Tk. 10.00 per share on 12th September 2011 which has been approved by the shareholders of the Company in their Extra Ordinary General Meeting dated 4th October 2011 and necessary amendments in the capital clause of the Memorandum and Articles of Association of the Company were made accordingly. The Memorandum and Articles of Association of the Company has duly been certified by the Registrar of Joint Stock Companies & Firms on 5th October 2011.

Dated, Dhaka
October 09, 2011

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Kazi Zahir Khan & Co.
Chartered Accountants

D. The Cash flow statement of the company for the year ended 31 December 2006 to 2010

	Amount in Taka				
	2010	2009	2008	2007	2006
Cash flows from operating activities:					
Interest receipt in cash	242,358,741	301,292,945	234,305,226	277,411,507	222,319,366
Interest payment	(226,926,847)	(205,118,569)	(190,938,224)	(197,503,780)	(175,221,106)
Dividend receipts	-	-	-	-	-
Recoveries of loan previously written-off	-	-	-	-	-
Income taxes paid	(955,034)	(296,608)	(204,641)	402,065	(165,596)
Receipts from other operating activities	122,608,112	50,685,960	35,506,019	38,768,884	39,798,245
Payments for other operating activities	(23,199,873)	(28,739,582)	(34,527,735)	(37,947,177)	(28,199,102)
Cash generated from operating activities before changes in operating assets and liabilities	113,885,099	117,824,146	44,140,645	81,131,499	58,531,807
Increase / decrease in operating assets and liabilities					
Statutory deposit	-	-	-	-	-
Trading securities	-	-	-	-	-
Leases, loans and advances	253,921,201	(69,035,543)	(118,085,723)	(135,001,854)	138,623,495
Other assets	(175,646,162)	(364,239,831)	60,045,343	(147,641,978)	(63,446,842)
Deposit and other accounts	(58,996,296)	334,565,390	1,190,628	68,840,585	33,941,880
Other liabilities on account of customers	26,870,792	(22,228,195)	(7,765,599)	(3,020,364)	(13,873,473)
Trading liabilities	-	-	-	-	-
Other liabilities	66,563,812	55,059,094	(1,459,273)	32,185,324	7,991,917
	112,713,347	(65,879,085)	(66,074,624)	(184,638,287)	103,236,977
Net cash from operating activities	226,598,446	51,945,061	(21,933,979)	(103,506,788)	161,768,784
Cash flows from investing activities:					
Proceeds from sale of securities	286,264,796	86,099,424	20,809,690	10,015,051	3,098,259
Payments for purchases of securities	(364,791,130)	(74,206,270)	(62,014,417)	-	-
Purchase of fixed assets	(616,283)	(3,858,986)	(10,630,101)	(3,493,110)	(16,671,635)
Proceeds from sale of fixed assets	327,376	-	-	-	-
Payment against lease obligation	-	-	-	-	-
Net cash used in investing activities	(78,815,242)	8,034,168	(51,834,828)	6,521,941	(13,573,376)
Cash flows from financing activities:					
Receipts of borrowings from banks, other financial institutions and agents	700,000,000	470,000,000	555,000,000	134,301,241	39,067,939
Repayment of borrowings from banks, other financial institutions and agents	(724,460,609)	(501,510,286)	(539,485,659)	(7,569,047)	(11,248,965)
Receipts against issue of share capital	-	-	-	-	-
Dividend paid in cash	-	-	(9,350,000)	(50,490,000)	(61,200,000)
Net cash from financing activities	(24,460,609)	(31,510,286)	6,164,341	76,242,194	(33,381,026)
Net increase / (decrease) in cash and cash equivalents	123,322,595	28,468,943	(67,604,466)	(20,742,653)	114,814,382
Effects of exchange rate changes on cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at beginning of the year	72,430,431	72,430,431	140,034,897	160,777,550	45,963,168
Cash and cash equivalents at the end of the year	195,753,026	100,899,374	72,430,431	140,034,897	160,777,550
Cash and cash equivalents at the end of the year					
cash in hand (including foreign currencies)	549,433	2,396,346	1,589,743	176,292	840,939
Balance with Bangladesh Bank and its agent bank(s)	-	-	-	-	-
(including foreign currencies)	13,556,887	6,642,256	6,313,731	8,164,223	3,351,820
Balance with banks and other financial institutions	61,646,706	91,860,772	64,526,957	131,694,382	156,584,791
Money at call and short notice	120,000,000	-	-	-	-
	195,753,026	100,899,374	72,430,431	140,034,897	160,777,550

Dated, Dhaka
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E . Dividend declared

The Company has declared dividends for the last five years as follows:

	Amount in Taka				
	2010	2009	2008	2007	2006
Cash dividend	Nil	Nil	Nil	5%	27%
Stock dividend (%)	28%	10%	5%	10%	Nil

Note : The Board of Directors had declared 10% bonus share for the year 2009 and applied to SEC for approval which has declined by SEC vide letter no. SEC/O/CPLC-29/2002-94 dated February 14, 2011 (received the letter on February 20, 2011).

F . The company has no subsidiary at the moment but they have submitted a proposal to SEC for converting their Merchant Banking Unit as a subsidiary company as per SEC letter no. SEC/REG/MB-Policy/Part - VI/2008/504 dated December 22, 2010.

G. No proceeds or part of proceeds of the issue of shares were applied directly by the company for the purchase of any other business.

Dated, Dhaka
October 09, 2011

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Kazi Zahir Khan & Co.
Chartered Accountants

We have examined the following accounting ratios of GSP Finance Company (Bangladesh) Limited for the year ended 31st December 2006 to 2010, which have been submitted by the management of the company to us. The preparation of the following Ratio Analysis is the responsibility of the Company's management. Our responsibility is to review them and certify as to whether they have been properly prepared using acceptable principles on the basis of audited financial statements for the years ended 31st December 2006 to 2010.

	Ratio /Percentage				
	2010	2009	2008	2007	2006
Liquidity Ratios					
Current ratio	1.38	0.74	1.12	1.10	1.10
Quick ratio	1.38	0.74	1.12	1.10	1.10
Times interest earned	1.59	1.76	1.39	1.54	1.49
Debt-equity ratio	4.13	2.83	4.66	4.36	3.81
Operating Ratios					
Accounts receivable- turnover ratio	N/A	N/A	N/A	N/A	N/A
Inventory- Turnover ratio	N/A	N/A	N/A	N/A	N/A
Assets- turnover ratio	N/A	N/A	N/A	N/A	N/A
Profitability Ratios					
Gross margin ratio	N/A	N/A	N/A	N/A	N/A
Operating income ratio	29.77	33.07	15.04	23.81	21.06
Net income ratio	20.34	7.35	5.32	11.94	10.75
Return on assets ratio	2.59	1.06	0.70	1.69	1.53
Return on equity ratio	44.14	19.73	7.24	17.51	12.05
Earning per share (EPS) as per face value of Tk.100.00 per share	35.05	12.49	7.61	20.18	16.57
** Earning per share (EPS) as per face value of Tk.10.00 per share	3.51	1.25	0.76	2.02	1.66

** Board of Directors had decided to denominate the share price from Tk. 100.00 to Tk. 10.00 per share on 12th September 2011 which has been approved by the shareholders of the Company in their Extra Ordinary General Meeting dated 4th October 2011 and necessary amendments in the capital clause of the Memorandum and Articles of Association of the Company were made accordingly. The Memorandum and Articles of Association of the Company has duly been certified by the Registrar of Joint Stock Companies & Firms on 5th October 2011.

Formula

Current ratio = Current assets / Current liabilities
Quick ratio = (Current assets - Inventories) / Current liabilities
Times interest earned = (Income from operation+Finance cost) / Finance cost
Debt-equity ratio = Long term debts / Share holder equity
Operating income ratio = operating income / Total Operating revenue
Net income ratio = Profit after tax / Total operating revenue
Return on assets ratio = Profit after tax / average assets
Return on equity ratio = Profit after tax/average shareholders equity
Earnings per share = Profit after tax / Number. of shares

Dated, Dhaka
October 09, 2011

sd/-
Kazi Zahir Khan & Co.
Chartered Accountants

Rating Report

GSP Finance Company (Bangladesh) Limited

Ratings

Long Term : **BBB₃**
 Short Term : **ST-4**
 Date of Ratings : **06 March 2011**
 Valid till : **30 June 2012**
 Methodology : CRAB's Financial Institutions rating methodology (www.crab.com.bd)

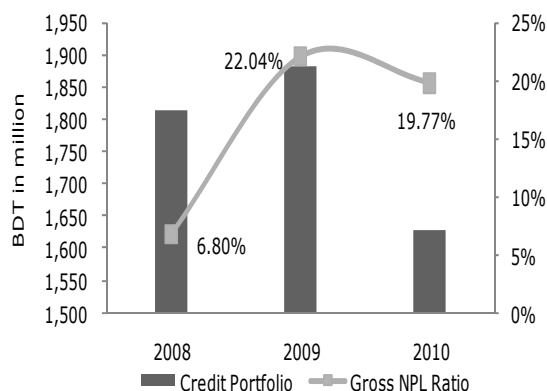
Analysts

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 Financial Analyst
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 Jr. Financial Analyst
 saiful@crab.com.bd

Financial Highlights

	BDT in million	
Particulars	2010	2009
Leases, Loans & Advances	1,629.12	1,883.04
Non Performing Loans	322.02	414.94
Shareholder's Equity	707.99	632.29
Total Assets	2,919.24	2,829.71
Total Deposits	619.89	678.89
Operating Income	137.44	159.98
Operating Expenses	29.14	35.16
Net Profit (after tax)	75.70	26.97



1.0 RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has assigned the long term rating of GSP Finance Company (Bangladesh) Limited (hereinafter called as "GSPB" or "the Company") to **"BBB₃"** (pronounced Triple B three) and short term rating to **"ST-4"**. CRAB performed the rating surveillance based on financial statements up to 31st December 2010 and other relevant information.

Financial Institutions rated "BBB₃" have adequate capacity to meet their financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the Financial Institutions to meet their financial commitments. BBB₃ rated FIs are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

Financial Institutions rated ST-4 are considered to have below average capacity for timely repayment of obligations. Such capacity is highly susceptible to adverse changes in business, economic, or financial conditions than for obligations in higher categories. Financial Institutions rated in this category are characterized with average liquidity, internal fund generation, and access to alternative sources of funds.

The rating reflects the Company's strength in operational efficiency and low leverage position. The rating however is constrained by asset quality as well as high exposure and dependence on capital market.

GSPB was incorporated in 1995 and commenced its operation in 1996. The Company offers loans and lease finance of all types of plant, machinery, equipment and vehicles both for industrial and commercial use. Company's 61.82% shares are held by domestic

shareholders and 38.18% by foreign shareholders.

In 2010 investment income of the Company strongly dominated the revenue stream with 77.52% of total income followed by net interest income (10.79%). GSPB's net interest income was reduced by 86.71% as the Company could not pass on the higher fund cost to the borrowers timely. As a result, net interest margin decreased by 5.01 percentage points. Return on average assets improved by 1.57 percentage points mainly due to sharp rise in net profit margin backed by higher investment income. GSPB managed to restrict its cost to income ratio in the line of industry average and stood at 21.20% at the end of 2010

The Company was mainly funded by borrowings from other Banks & FIs (66.05%) and by term deposits (33.95%). Of the total borrowings 96.82% was from long term loan. GSPB actively participated in call money market throughout 2010. The Company was net borrower to the call market throughout 2010 except in December. Call money rate picked up in December (avg. rate 33.54%). The Company had assets sensitive position in all the interest sensitive maturity buckets.

Company's total asset was dominated by loans, advances & leases, 55.81% which experienced negative growth in 2010. Company's credit portfolio was not reasonably diversified in terms of intrinsic and concentration risk. GSPB's top 20 large loan exposures was 74.79% of total leases, loans & advances (2009:65.88%) and at the end of 2010 six leases & loans facilities were reported as classified (2 in Bad/Loss category).

The concentration of investment shows an increasing trend. During this period the investment of the Company increased by 167.35% and the yield of investment was 45.95%. Company invested in capital market through portfolio management by merchant banking wing. GSPB made this entire investment in quoted and unquoted securities. But market value (BDT 123.82 million) of quoted shares of which lower than the cost value (BDT 125.45 million) as on 31st December 2010.

In 2010 GSPB's NPL decreased but it was still 19.77% in 2010 (2009: 22.04%). However, considering the margin loans in leases, loans & advances portfolio, gross NPL ratio reduced to 14.63% in 2010 (2009: 18.38%). Gross NPL reduced on the back of rescheduling (7.41% of total loans) and cash recovery (3.49% of total loans). During this period the Company also managed to reduce fresh NPL generation which was 5.20% of total loans in 2010 (2009:20.31% of total loans). GSPB's special mention account (SMA) to leases, loans & advances was 12.12% (2009:12.15%).

As per Bangladesh Bank regulation the minimum paid up capital of any financial institution should be BDT 500 million by 31 December 2010 against which GSPB had paid up capital of BDT 215.99 million. However, total capital (tier1+tier2) of the Company was BDT 476.32 million in 2010 (2009: BDT 403.28 million).

2.0 COMPANY PROFILE

GSPB incorporated on October, 1995 and commenced its operation on April, 1996. The Company offers loans and lease finance of all types of plant, machinery, equipment and vehicles both for industrial and commercial use. The authorized capital of the Company was BDT 1,000 million. Domestic shareholders hold 61.82% and foreign shareholders hold 38.18% of paid up capital.

The Company also got a separate license from Securities & Exchange Commission (SEC) on August, 1999 for working as a Merchant Bank. GSPB Board took a bold step in line with SEC's guideline by forming a subsidiary company for merchant banking activities named "GSP Investments Limited" from 2011. The shareholding of this subsidiary company is 51% share held by GSP Finance Company (BD) Ltd. and the remaining 49% held by existing shareholders of GSPB on pro rata basis.

3.0 OPERATIONAL PERFORMANCE

3.01 Earnings & Volatility

Exhibit 1: Segregation of Revenue

BDT in million

Particulars	2010			2009		
	Amount	% of Total	Growth	Amount	% of Total	Growth
Net Interest Income	14.84	10.79%	-86.71%	111.65	69.79%	120.66%
Investment Income	106.54	77.52%	393.20%	21.60	13.50%	-
Other Operating Income	16.07	11.69%	-39.89%	26.73	16.71%	-15.71%
Total Operating Income	137.44	100.00%	-14.09%	159.98	100.00%	107.51%

During 2010 the composition of operating income changed than that of 2009. In 2010 investment income dominated the revenue stream having 77.52% of total operating income. GSPB's interest income reduced by 23.34% resulted from reduction of lending rate along with reduction of leases, loans & advances portfolio as well as reduced balance with Banks & FIs. Borrowing cost of GSPB accounted for 69.32% of interest expense and the rest was accounted for deposit collection. In 2010, though the borrowings increased marginally and deposit base decreased the interest expenses increased by 10.26% due to increase in cost of deposits & borrowings. In 2010 net interest income reduced by 86.71%.

Investment income 77.52% of the operating income grew by 4.93 times backed by 167.35% increase in investment. Of the total investment income, BDT 66.86 million (59.69% of operational revenue of Merchant banking unit) was from portfolio management income. Other operating incomes which includes different type of charges, interest from FDR and call loan etc reduced by 39.89%.

Exhibit 2: Key Performance Indicators

BDT in million

Particulars	2010		2009	
	Amount	Growth	Amount	Growth
Interest Income	247.05	-23.34%	322.26	24.06%
Interest Expense	232.22	10.26%	210.61	0.69%
Net Interest Income	14.84	-86.71%	111.65	120.66%
Investment Income	106.54	393.20%	21.60	-514.19%
Other Operating Income	16.07	-39.89%	26.73	-15.71%
Total Operating Income	137.44	-14.09%	159.98	107.51%
Total Operating Expenses	29.14	-17.13%	35.16	-13.70%
Pre Provision Profit	108.31	-13.23%	124.82	243.33%
Total Provision	(23.35)	-129.97%	77.91	887.68%
Profit (before tax)	131.66	180.66%	46.91	64.78%
Tax Provision	55.95	180.66%	19.94	55.63%
Profit (after tax)	75.70	180.66%	26.97	72.27%

Operating expenses composed of personnel expenses (about 47.47% of operating expenses), infrastructure cost and other overhead cost. Company's personnel expenses

decreased by 8.37% and other operating expenses reduced by 21.30%. Cost to income ratio was almost stable and staff cost to income ratio increased marginally.

Exhibit 3: Efficiency Ratios¹

Particulars	2010	2009	2008
Cost to Income Ratio (%)	21.20	21.98	52.84
Staff Cost to Income Ratio (%)	7.57	7.10	25.09

GSPB's pre provision profit decreased by 13.23% and total provision expenses also reduced by 129.97% resulted from lower expenses in specific and general provision. The Company had excess provision in 2009 which eventually helped to reduce the provision expenses in 2010. Therefore, profit before tax increased by 180.66%.

3.02 Profitability

During 2010 GSPB's net interest margin decreased by 5.01 percentage points resulted from 86.71% decrease in net interest income. Return on average assets improved by 1.57 percentage points mainly due to sharp rise in net profit margin backed by higher investment income. In 2010 Company marginally improved its leverage position. Return on average equity also soared by 6.48 percentage points backed by higher growth in profit after tax.

Exhibit 4: Profitability Ratios

Particulars	2010	2009
Return on Average Assets (after tax) (%)	2.63	1.06
Return on Average Equity (after tax) (%)	11.30	4.82
Net Profit Margin (after tax) (%)	55.08	16.86
Net Interest Margin (%)	0.78	5.79
Asset Utilization (%)	4.78	6.29
Leverage Multiplier (times)	4.29	4.55

3.03 Asset Evaluation

In 2010 total assets of the Company reached BDT 2,919.24 million registering a growth of 3.16%. Assets of the Company was mainly dominated by leases, loans & advances (55.81% of total assets) and followed by other assets (22.41% of total assets), fixed assets (10.78% of total assets). Major portion (87.35%) of other assets was advance to portfolio account registering a growth of 52.79%.

Exhibit 5: Asset Composition

Particulars	BDT in million					
	2010			2009		
	Amount	% of Total	Growth	Amount	% of Total	Growth
Cash	14.11	0.48%	56.07%	9.04	0.32%	14.36%
Balance with Banks & Other FIs	61.65	2.11%	-32.89%	91.86	3.25%	42.36%
Money at Call & Short Notice	120.00	4.11%	-	-	-	-
Investments	125.45	4.30%	167.35%	46.92	1.66%	-20.22%
Loans, Advances & Lease Finance	1,629.12	55.81%	-13.48%	1,883.04	66.55%	3.81%
Fixed Assets	314.58	10.78%	-1.74%	320.15	11.31%	56.95%
Other Assets	654.34	22.41%	36.69%	478.70	16.92%	348.40%

¹ Income is net of interest expenses

Total Assets	2,919.24	100.00%	3.16%	2,829.71	100.00%	25.43%
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3.04 Investment

In 2010 investment portfolio of the Company reached BDT 125.45 million registering a growth of 167.35%. Company invested in capital market through portfolio management by merchant banking wing. In 2010 the merchant banking wing registered a substantial growth both in terms of client base and size of the fund managed. In 2010 number of client stood 505 (2009:199) and fund managed stood BDT 1,692.32 million (2009: BDT 686.07 million). GSPB made this entire investment in quoted and unquoted securities of 16 different non govt. companies. The market value of quoted shares was BDT 123.82 million against cost value of BDT 125.45 million as on 31st December 2010. The Company made BDT 2.48 million provision against required provision of BDT 1.69 million for fall in market value of securities. During the year Company realized BDT 40.31 million profits from sale of securities. The yield on average investment was 45.95% in 2010 (2009: 15.61%).

3.05 Credit Quality

In 2010 GSPB's non-performing loans (NPL) decreased to BDT 322.02 million which was BDT 414.94 million in 2009. Gross NPL ratio of the Company was still 19.77% in 2010 (2009: 22.04%). However, considering the margin loans in leases, loans & advances portfolio, gross NPL ratio reduced to 14.63% in 2010 (2009: 18.38%). Gross NPL reduced on the back of BDT 120.75 million (7.41% of total loans) rescheduling and BDT 56.82 million cash recovery (3.49% of total loans). During this period the Company also managed to reduce fresh NPL generation which was 5.20% of total loans in 2010 (2009:20.31% of total loans). Of the total NPL 94.04% belonged to bad & loss category, 5.69% substandard and 0.27% in doubtful.

Exhibit 6: NPL Movement

BDT in

Particulars	2010		2009		2008	
	million					
	Amount	% of Total Loans	Amount	% of Total Loans	Amount	% of Total Loans
Opening Balance of NPL	414.94	25.47%	123.28	6.55%	215.64	11.89%
Add: Fresh NPL Generation	84.65	5.20%	382.49	20.31%	139.19	7.67%
Less: Cash Recovery	56.82	3.49%	10.79	0.57%	18.26	1.01%
Less: Rescheduling	120.75	7.41%	80.05	4.25%	213.29	11.76%
Closing Balance of NPL	322.02	19.77%	414.94	22.04%	123.28	6.80%

In 2010 required provision was BDT 107.35 million against which GSPB maintained BDT 107.85 million an excess of BDT 0.50 million. Company's NPL coverage ratio in 2010 was 33.49% (2009:31.62%) and net NPL ratio was 10.37% (2009:13.53%).

Exhibit 7: Loan Loss Provision

BDT in million

Particulars	2010		2009	
	Amount	% of Total Loan	Amount	% of Total Loan
General Provision Held	19.73	1.21%	22.39	1.19%
Specific Provision Held	88.12	5.41%	108.81	5.78%

Total Provision Held	107.85	6.62%	131.20	6.97%
Total Provision Required	107.35	6.59%	130.68	6.94%
Provision Surplus/(Shortfall)	0.50	0.03%	0.53	0.03%

CRAB looks at pre-provision profit (PPP) to net leases, loans & advances for assessing GSPB's ability to survive in future problems. In 2010 PPP to net leases, loans & advances was 7.43% which was 7.35% in 2009. PPP to net leases, loans & advances indicate that 7.43% of currently performing leases, loans & advances can be written off without charging on reserves and equity. On the other hand, special mention account (SMA) to leases, loans & advances was 12.12% (2009:12.15%).

3.05.01 Loan Portfolio Analysis

Exhibit 8: Concentration on Leases, Loans & Advances

BDT in million

Particulars	2010			2009		
	Amount (a)	Sector wise NPL (b)	Sector wise NPL Rate*	Amount (a)	Sector wise NPL (b)	Sector wise NPL Rate*
Agricultural Equipment & Agro	37.86	-	-	24.68	-	-
Chemical & Pharmaceuticals	73.60	-	-	166.50	60.58	36.38%
Electronics & Electrical	3.94	-	-	26.37	-	-
Food & Beverage	105.91	68.33	64.52%	101.20	61.65	60.92%
Garments	111.22	52.23	46.96%	98.60	51.02	51.74%
Iron, Steel & Eng.	17.49	-	-	18.77	-	-
Plastic	1.84	-	-	5.43	-	-
Power & Energy	61.35	32.85	53.55%	-	-	-
Real Estate & Housing	19.53	7.63	39.07%	39.40	13.85	35.15%
Service	170.01	41.73	24.55%	397.76	65.56	16.48%
Textile	174.97	15.15	8.66%	229.60	10.61	4.62%
Transport	445.95	79.77	17.89%	469.70	146.93	31.28%
Others	405.45	24.33	6.00%	305.03	4.74	1.55%
Total	1,629.12	322.02	19.77%	1,883.04	414.94	22.04%

*Sector Wise NPL Rate = (b/a) × 100

In 2010 leases, loans & advances reduced by 13.48% and stood at BDT 1,629.12 million. For last two years leases, loans & advances and NPL was highest in transport sector. In 2010, sector wise NPL rate was highest in food & beverage, 64.52% followed by power & energy (53.55%), garments (46.96%) and real estate & housing (39.07%).

3.05.02 Large Leases, Loans & Advances Exposures

In 2010 GSPB's top 20 large loan exposures was BDT 1,218.33 million which was 74.79% of total leases, loans & advances (2009:65.88%). At the end of 2010 six leases & loans facilities were reported as classified (2 in Bad/Loss category).

3.06 Capital Adequacy

As per Bangladesh Bank regulation the minimum paid up capital of any financial institution should be raised to BDT 500 million within 31st December 2010 against which GSPB had paid up capital of capital of BDT 215.99 million. However, in 2010 total capital (tier1+tier2) of the Company was BDT 476.32 million (2009: BDT 403.28 million).

Exhibit 9: Capital Adequacy Ratios

Particulars	2010	2009
-------------	------	------

Shareholders' Fund to Total Assets (%)	24.25	22.34
Shareholders' Fund to Deposits and Borrowings (%)	38.77	33.65
Shareholders' Fund to Leases, Loans & Advances (%)	43.46	33.58
Capital Adequacy Ratio (%)	32.02	28.77
Internal Capital Generation (%)	1.99	8.82

In 2010, shareholder's equity grew by 11.97% to BDT 707.99 million which was 24.25% of total assets and 43.46% of leases, loans & advances. Capital adequacy ratio increased by 3.25 percentage points due to increase in equity. On the other hand, though the profit after tax increased significantly internal capital generation reduced by 6.83 percentage points resulted from proposed bonus share for the year 2009 and 2010 of BDT 82.07 million.

3.07 Funding & Liquidity

Of the total funds of GSPB 66.05% was generated from borrowings from other Banks & FIs and 33.95% was from term deposits. Of the total borrowings 96.82% was from long term loan, 2.55% was from bank overdraft and 0.63% from BB refinancing. In 2010 for the total borrowings Company has made interest expenses of BDT 160.97 million. Of the total term deposits 63.42% was collected from Banks & FIs, 23.72% from general public and 12.87% from different companies. During 2010 GSPB made BDT 71.25 million interest expenses. In 2010 shareholder's equity was 38.77% of deposits & borrowings (2009:33.65%). Leases, loans & advances to deposits ratio of the Company was 262.81% at the end of 2010 (2009: 277.37%).

GSPB actively participated in call money market throughout 2010. The Company was net borrower to the call market throughout 2010 except in December. Call money rate picked up in December (avg. rate 33.54%). In December the average lending rate of the Company was 40.50% whereas throughout the year Company's borrowing rate ranged from 6.09%-23.27%.

Exhibit 10: Call Market Operation

BDT in million					
Particulars	Call Lending (Month Avg.)	Interest Rate	Call Borrowing (Month Avg.)	Interest Rate	Call Lending/ (Borrowing)
Jan	-	-	194.19	7.71%	(194.19)
Feb	-	-	184.29	7.05%	(184.29)
Mar	-	-	152.58	6.09%	(152.58)
Apr	-	-	188.00	6.49%	(188.00)
May	-	-	165.16	7.73%	(165.16)
Jun	-	-	145.00	9.51%	(145.00)
Jul	-	-	195.58	6.46%	(195.58)
Aug	-	-	125.48	9.51%	(125.48)
Sep	-	-	66.67	10.52%	(66.67)
Oct	-	-	69.68	9.23%	(69.68)
Nov	-	-	66.25	23.27%	(66.25)
Dec	115.48	40.50%	-	-	115.48

The Company's asset liability maturity bucket shows that GSPB possessed positive net liquidity gap in all the buckets except 1-5 years bucket. But the cumulative liquidity gap offset the negative gap. In 2010 liquid assets to total deposit & borrowings were 10.72% (2009: 5.37%).

Exhibit 11: Liquidity Profile

BDT in million						
Particulars	Up to 1	1-3	3-12	1-5	Above 5	Total

	month	months	months	years	years	
Total Assets	481.11	76.07	721.01	1,313.61	327.44	2,919.24
Total Liabilities	80.72	67.38	445.22	1,617.33	0.60	2,211.25
Net Liquidity Gap	400.39	8.70	275.79	-303.73	326.84	707.99
Cumulative Liquidity Gap	400.39	409.09	684.88	381.15	707.99	

3.08 Interest Rate Risk

The Company had asset sensitive position in all the buckets. The net gap indicates that the Company will be benefited on rising interest rates and will suffer on decreasing interest rate scenario. For 1 percentage point interest rate increase the GSPB will gain BDT 2.40 million and will lose the same amount for 1 percentage point interest rate decrease.

Exhibit 12: Interest Sensitive Maturity Bucket

Particulars	BDT in million			
	Up to 1 month	1-3 months	3-12 months	Above 12 months
Interest Sensitive Assets	467.01	76.07	721.01	1,641.05
Interest Sensitive Liabilities	80.72	67.38	445.22	1,232.76
GAP	386.28	8.70	275.79	408.28
Cumulative Earning Impact (1% Points Interest Rate Increase)	0.32	0.34	2.40	
Cumulative Earning Impact (1% Points Interest Rate Decrease)	-0.32	-0.34	-2.40	

3.09 Off Balance Sheet Exposures

In 2010 the Company did not have any off balance sheet exposures but in 2009 it had an off balance sheet exposure in letter of guarantee of BDT 50 million.

4.0 MANAGEMENT

4.01 Senior Management²

The management team of GSPB is headed by Mr. A.H. Ekbal Hossain, Managing Director. He joined GSPB in June 2009. He worked in senior positions at various banks over the span of his career. Most notably he served as Managing Director of Basic Bank Ltd, Rupali Bank Ltd and Agrani Bank Ltd.

Mr. Hossain is aided by one Executive Director and in charges of different departments. (Details are given in annexure-1).

4.02 Management Committees

- **Credit Committee** is comprised of 4 members headed by Managing Director. During the year the Committee met 6 times.
- **Asset Liability Management Committee** has 4 members chaired by Executive Director. During the year the Committee met 4 times.
- **Purchase Committee** has 5 members chaired by Mr. Moin U. Haider, Director of the Board. The Committee has 4 meetings in 2010.

² Details is given in Annexue-1

- **Committee on Merchant Banking** is comprised of 6 members headed by Mr. Moin U. Haider, Director of the Board. During the year the Committee met 3 times.
- **Management Committee** is comprised of 8 members headed by Managing Director. During the year the Committee met 3 times.
- **Recovery Review Committee** has 5 members chaired by Col. M. Nurul Islam psc. (Retd.) or in his absence any other Director. The Committee has 6 meetings in 2010.

4.03 Human Resources Management

GSPB has a separate HRD & Administration department which is headed by a Manager designated personnel. The Company had total 31 employees. During 2010 at its various departments the Company recruited 9 new employees and 8 employees left the Company. The Company uses both external and internal recruitment channels. When job openings cannot be filled internally, the HRD looks outside the organization through advertising. After recruitment the Company trains fresh employees for few months in various departments and then offers them foundation & other courses conducted by BLFCA, IFC and Bangladesh Bank etc.

4.04 Credit Policy & Approval Process

In order to cater the risk business division has been segregated into (1) Credit & Marketing and (2) Recovery Department. Credit & Marketing Department of the Company generates business as well as they are engaged in exploring and identifying viable clients by way of analyzing the management, market, financial viability and other requisite aspects of proposals incorporating the risk factors involved and identifying mitigating factors. In case of risk assessment the Company follows Credit Risk Grading approach. For approval the credit proposals are sent to the Credit Committee to review but the final approval is given by the Executive Committee of the Board. The Company also has a full-fledged and effective recovery, follow up, collection and monitoring unit for classified Leases & Loans, which is engaged in regular monitoring of clients, to ensure timely collection of installments. Moreover, from 2006 GSPB has a recovery agent named "Multi Promotional Service Ltd." To monitor the recovery status the department is accountable to the Recovery Committee.

4.05 Information Technology

GSPB has appointed a software firm Technohaven, which is about to complete the implementation process of the automation and it is expected that the full smooth operation will be in place shortly. With the introduction of the software named TeLis, data will be integrated and data security will be ensured. In the meantime the Company has already installed software of Ingenious Technologies in respect of online availability of data from Bangladesh Bank on CIB.

5.0 CORPORATE GOVERNANCE

5.01 Financial Reporting & Disclosures

The financial statements of GSPB were audited by chartered accountants firm Kazi Zahir Khan & Co. According to them the financial statements give a true and fair view of the state of the Company's affairs and comply with the Bangladesh Accounting Standards, the Financial Institution Act 1993, the Companies Act 1994, the Securities and Exchanges Rules 1987, the rules and regulations issued by the BB and other applicable laws and regulations.

5.02 Board of Directors

The Board of GSPB is composed of 11 members who possess a wide range of skills and experience over a range of professional, business and services. Among them 4 members are nominated by their respective institutions. Mr. Feroz U Haider is the Chairman of the Board. Before joining as the Chairman he served as Managing Director of GSPB. Mr. Haider is a renowned international banker with experience in every senior position in financial institutions in South East Asia. During the year 2010 8 board meetings were held.

5.03 Board Committees

- **Executive Committee** comprised of 5 members headed by the Chairman of the Board. The Committee met 29 times during 2010.
- **Audit Committee** of GSPB is comprised of 4 members chaired by Mr. Siraj U Haider, Director of the Board. The Committee mainly reviewed the financial reporting system, compliance regarding security documentation, recommend the Board regarding the delinquent portfolio, reschedule of facilities etc. During the year 2 meetings of the Board were held.

ANNEXURE-1

CORPORATE INFORMATION

List of Directors & their Shareholding Position

SL	Name	Designation	No of Shares	Holding (%)
1	Mr. Feroz U. Haider	Chairman	330,306	15.29%
2	Mr. Saber Hossain Chowdhury Rep of Karnaphuli Industries Ltd.	Director	337,660	15.63%
3	Mr. Mohamed Abdul Jalil Rep of Tai Ping Asian Investment Ltd.	Director	387,698	17.95%
4	Mr. Aziz Al Kaiser	Director	215,985	10.00%
5	Mrs. Tabassum Kaiser	Director	215,985	10.00%
6	Mr. Wolf Reter Berthold	Director	133,485	6.18%
7	Mr. Siraj U. Haider	Director	61,158	2.83%
8	Ms. Silwat A. Haider Rep of SF Haider Foundation Ltd.	Director	29,603	1.37%
9	Col. M. Nurul Islam PSC. (Retd.) Mr. Moin U. Haider	Director	6,360	0.29%
10	Alternate Director: Brig. Gen. Gyasuddin A. Chowdhury	Director	50,820	2.35%
11	Mr. Manzur Ur Rahman (Ruskin) Rep of Amber Hll Global Resources Ltd.	Director	284,720	13.18%

Auditors

Kazi Zahir Khan & Co. Chartered Accountants

Senior Management

Mr. A.H. Ekbal Hossain Managing Director

Mr. Md. Helal Uddin	Executive Director
Mr. Asif Rahman	AGM, in charge Credit & Marketing
Mr. Toaha Muhammad	DGM & COO, in charge Merchant Banking Unit
Mr. Md. Mizanur Rahman	GM, in charge Finance & Accounting
Mr. Md. Zakir Hossain	Manager, in charge HRD & Administration
Md. Mizanur Rahman	Company Secretary, in charge Company Affairs
Mr. A.H.M. Abdullah	Manager, in charge Recovery
Mr. Pronoy Kumar Biswas	Manager, in charge Internal Control
Mr. Abu Mirza Md. Sayeem	Asst. Manager, in charge Information Technology

Annexure-2

Exhibit 2.01: Segregation of Investment Income

BDT in million			
Particulars	2010	2009	2008
Operational Revenue			
Profit on Sale of Share	40.31	9.76	2.36
Dividend Income	4.77	0.84	1.33
Underwriting Commission	0.08	0.15	0.10
Portfolio Management Income	66.86	13.20	-
Sub Total	112.02	23.95	3.79
Operational Expenses			
General & Administrative Expenses	3.00	5.76	1.12
Provision for Investment in Share	2.48	(3.41)	7.89
Sub Total	5.49	2.35	9.01
Total	106.54	21.60	(5.22)

Exhibit 2.02: Segregation of Other Assets

BDT in million						
Particulars	2010			2009		
	Amount	% of Total	Growth	Amount	% of Total	Growth
Advance to Portfolio Account	571.59	87.35%	52.79%	374.11	78.15%	2122.73%
Corporate Tax Paid in Advance	25.68	3.92%	-7.26%	27.69	5.78%	-8.25%
Tax Deducted at Source	1.96	0.30%	95.42%	1.00	0.21%	42.11%
Advance, Deposits & Prepayments	48.18	7.36%	-25.60%	64.77	13.53%	18.03%
Sundry Debtors	6.94	1.06%	-37.67%	11.13	2.32%	166.80%
Total	654.34	100.00%	36.69%	478.70	100.00%	348.40%

Exhibit 2.03: Segregation of Total Capital

BDT in million			
Particulars	2010	2009	2008
Core Capital			
Paid up Capital	215.99	215.99	205.70
Statutory Reserve	158.30	143.16	137.77
Retained Earnings	82.30	21.74	10.45
Sub Total	456.59	380.89	353.92
Supplementary Capital			
General Provision	19.73	22.39	16.57
Sub Total	19.73	22.39	16.57
Total	476.32	403.28	370.48

ANNEXURE-3

Definition & Formula

1. Average Assets, Average investment assets, Average Earning Assets and Average equity are calculated on the basis of opening and year end balances.
2. Interest Earning Assets include total loans, advances & leases, money at call & short notice, balance with other FIs & banks.
3. Net Loans Advances & Leases has been calculated by deducting Specific Provision and Interest Suspense Accounts from Gross Loans Advances & Leases.
4. Net Interest Margin = Net interest income / Average Interest Earning Assets.
5. Net Profit Margin = Net Profit After Tax / Operating Income
6. Asset Utilization = Operating Income / Average Assets
7. Leverage Multiplier = Average assets / Average Equity
8. Yield on Average Investment = Income from Investment / Average Investment Assets

Assumptions for Interest Risk Exposure

1. Assets and liabilities are re-priced on the first day of the re-pricing interval and, therefore, that interest rate change affects the whole period.
2. Assets and liabilities are rolled over into the same types of instruments with the same maturities.

CRAB RATING SCALES AND DEFINITIONS

LONG-TERM CREDIT RATING: FINANCIAL INSTITUTION

RATING	DEFINITION
AAA Triple A (Extremely Strong Capacity & Highest Quality)	Financial Institutions rated 'AAA' have extremely strong capacity to meet their financial commitments. 'AAA' is the highest issuer credit rating assigned by CRAB. AAA is judged to be of the highest quality, with minimal credit risk.
AA₁, AA₂, AA₃* Double A (Very Strong Capacity & Very High Quality)	Financial Institutions rated 'AA' have very strong capacity to meet their financial commitments. They differ from the highest-rated Financial Institutions only to a small degree. AA is judged to be of very high quality and is subject to very low credit risk.
A₁, A₂, A₃ Single A (Strong Capacity & High Quality)	Financial Institutions rated 'A' have strong capacity to meet their financial commitments but are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than Financial Institutions in higher-rated categories. A is judged to be of high quality and are subject to low credit risk.
BBB₁, BBB₂, BBB₃ Triple B (Adequate Capacity & Medium Quality)	Financial Institutions rated 'BBB' have adequate capacity to meet their financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the Financial Institutions to meet their financial commitments. BBB rated FIs are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.
BB₁, BB₂, BB₃ Double B (Inadequate Capacity & Substantial Credit Risk)	Financial Institutions rated 'BB' are less vulnerable in the near term than other lower-rated Financial Institutions. However, they face major ongoing uncertainties and exposure to adverse business, financial, or economic conditions, which might lead to inadequate capacity to meet their financial commitments. BB is judged to have speculative elements and is subject to substantial credit risk.
B₁, B₂, B₃ Single B (Weak Capacity & High Credit Risk)	Financial Institutions rated 'B' are more vulnerable than the Financial Institutions rated 'BB', but the Financial Institutions currently have the capacity to meet their financial commitments. Adverse business, financial, or economic conditions are likely to impair the capacity or willingness to meet their financial commitments. B is considered speculative and weak capacity and is subject to high credit risk.
CCC₁, CCC₂, CCC₃ Triple C (Very Weak Capacity & Very High Credit Risk)	Financial Institutions rated 'CCC' are currently vulnerable, and are dependent upon favourable business, financial, and economic conditions to meet their financial commitments. CCC is judged to be of very weak standing and is subject to very high credit risk.
CC Double C (Extremely Weak Capacity & Extremely High Credit Risk)	Financial Institutions rated 'CC' are currently highly vulnerable. CC is highly speculative and is likely in, or very near, default, with some prospect of recovery of principal and interest.
C Single C (Near to Default)	A 'C' rating is assigned to Financial Institutions that are currently highly vulnerable to non-payment, having obligations with payment arrearages allowed by the terms of the documents, or obligations that are subject of a bankruptcy petition or similar action but have not experienced a payment default. C is typically in default, with little prospect for recovery of principal or interest.
D (Default)	'D' is in default. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

***Note:** CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

SHORT-TERM CREDIT RATING: FINANCIAL INSTITUTION

RATING	DEFINITION
ST-1 Highest Grade	Financial Institutions rated in this category are considered to have the highest capacity for timely repayment of obligations. Financial Institutions rated in this category are characterised with excellent position in terms of liquidity, internal fund generation, and access to alternative sources of funds is outstanding.
ST-2 High Grade	Financial Institutions rated in this category are considered to have strong capacity for timely repayment. Financial Institutions rated in this category are characterised with commendable position in terms of liquidity, internal fund generation, and access to alternative sources of funds is outstanding.
ST-3 Average Grade	Financial Institutions rated in this category are considered to average capacity for timely repayment of obligations, although such capacity may impair by adverse changes in business, economic, or financial conditions. Financial Institutions rated in this category are characterised with satisfactory level of liquidity, internal fund generation, and access to alternative sources of funds is outstanding.
ST-4 Below Average Grade	Financial Institutions rated in this category are considered to have below average capacity for timely repayment of obligations. Such capacity is highly susceptible to adverse changes in business, economic, or financial conditions than for obligations in higher categories. Financial Institutions rated in this category are characterised with average liquidity, internal fund generation, and access to alternative sources of funds is outstanding.
ST-5 Inadequate Grade	Financial Institutions rated in this category are considered to have inadequate capacity for timely repayment of obligations susceptible to adverse changes in business, economic, or financial conditions. Financial Institutions rated in this category are characterised with risky position in terms of liquidity, internal fund generation, and access to alternative sources of funds is outstanding.
ST-6 Lowest Grade	Financial Institutions rated in this category are considered to have obligations which have a high risk of default or which are currently in default. Financial Institutions rated in this category are characterised with risky position in terms of liquidity, internal fund generation, and access to alternative sources of funds is outstanding.

The rating committee of CRAB is the final authority to award a rating. The rating committee of CRAB is comprised of external independent persons who are not members of the board of the company and they ensure the independence of rating.

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"Interested persons are entitled to a prospectus, if they so desire. Copies of the prospectus may be obtained from the issuer and the issue manager"

GSP FINANCE COMPANY (BANGLADESH) LIMITED
APPLICATION FORM
APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHI(S)

Warning: Please read the instructions on the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therein may be rejected.

The Managing Director
GSP FINANCE COMPANY (BANGLADESH) LIMITED
1, Paribagh, Mymensingh Road, Ramna, Dhaka-1000.

Bankers SL No.

Dear Sir,
I/we apply for and request you to allot me/us numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Company's Prospectus approved by the Securities and Exchange Commission subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my Beneficiary Owner ("BO") account; I/we further authorize you to send a crossed (Account Payee only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares of Tk. 25.00 each including a premium of Tk. 15.00 each.
 2. Total subscription money of the amount of Tk. (in figures) Taka (in words) only deposited vide cash/Cheque/Draft/Pay Order No. Dated on Bank Branch
 3. Beneficiary Owner (BO) Account Number
- (If you do not mention your valid BO (Beneficiary Owner) Account Number, your application will be treated as invalid)
4. I/we agree to fully abide by the instructions given herein.
 5. Particulars of Applicant :

a) Sole/First Applicant

Name :	
Father's/Husband's Name :	
Mother's Name :	
Postal Address :	
Phone Number (if any):	
Occupation :	Nationality :
For Refund: Please write the correct and full name of bank and branch (Application will not be treated as valid if any one uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank).	
For refund purpose: I/we want refund through ☐ Bank Account ☐ Hand Delivery/Courier (Please put tick mark in which refund will be made).	
The applicant shall provide with the same Bank Account Number in the application form as it is in the BO account of the applicant.	
In case of deposit into the applicant's bank account, the applicant will bear the applicable charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.	
Applicants Bank A/c no.	
Name of the Bank :	Branch :

b) Second Applicant

Name:	
Father's/Husband's Name :	
Mother's Name:	
Postal Address:	
Occupation :	Nationality

6. I/we hereby declare that I/we have read the Prospectus of GSP FINANCE COMPANY (BANGLADESH) LIMITED and have willingly subscribed for No. of Ordinary Shares of 25.00 each including a premium of Tk. 15.00 per share.

7. Specimen Signature(s):

(i) Name (in Block Letters)	Signature:
(ii) Name (in Block Letters)	Signature:

.....

BANKERS' ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figures) (in word) only from Mr./Mrs./Ms. being the Application money for Ordinary Shares of GSP FINANCE COMPANY (BANGLADESH) LIMITED

Banker's SL No.

Seal & Date

Authorized Signature
(Name & Designation)

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) Account number in the Application form. If you do not mention your valid BO account number your application will be treated as invalid.
2. All information must be typed or written in full (in Block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than 500 Ordinary Shares and must be for a multiple of 500 Ordinary Shares. Any Application not meeting these criteria will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the favouring A/C "GSP FINANCE COMPANY (BANGLADESH) LIMITED" and crossed "A/C Payee only" and must be drawn on a Bank in the same town as the Bank to which the Application Form has been sent.
6. In the case of Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
7. Joint Application Form for more than two persons will not be accepted. In case of Joint Application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgement to the Issue for Application lodged with them.
11. In the case of non-allotment of securities, if the applicant's bank accounts as mentioned in their IPO Application Forms are maintained with the bankers to the Issue, refund amount of those applicants will be directly credited in to the respective bank "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
13. Making of any false statement in the Application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of application money and/or forfeiture of the share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall not be considered for allotment purposes.
15. The Bankers to the Issue Banks shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.
16. No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.
17. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeit whole or part of their application too.

BANKERS TO THE ISSUES

[illegible]

INSTRUCTIONS

1. As per provisions of Depository Act, 1999 and regulations made thereafter shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Account) account number, your application will be treated as invalid.
2. All information must be written or typed in Block Letters in English and must not be abbreviated.
3. Application must not be for less than 500 Ordinary Shares and must be for a multiple of 500 Ordinary Shares. Any application not meeting this criterion will not be considered for allotment purpose.
4. Application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of Shares favoring "GSP FINANCE COMPANY (BANGLADESH) LIMITED" and crossed "ACCOUNT PAYEE ONLY".
5. Application shall be sent by the applicant directly to the Company within January 12, 2012 so as to reach the Company within January 21, 2012. Any Application sent after January 12, 2012 or received by the Company after January 21, 2012 will not be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of Shares was paid for by the applicant through A/C Payee Cheque payable at Dhaka with bank account number, Bank's name and Branch.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions of the Securities and Exchange Commission.
8. Money receipt of clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint Application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant. Note that a non-resident Bangladeshi ("NRB") applicant cannot submit more than two applications, one in his/her own name and another jointly with another person by one cheque/DD/PO/ by US \$/UK Pound Sterling/EURO/Taka (supported by a foreign currency encashment certificate). More than two applications by one cheque/DD/PO by US \$/UK Pound Sterling/EURO/Taka (supported by a foreign currency encashment certificate) will not be allowed.
10. Application must be made by an individual, a corporation or Company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the application or supplying of incorrect information therein on suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and/or forfeiture of the share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by law.
12. The intending NRB applicants shall deposit the share subscription money by a US \$/UK Pound Sterling/EURO demand draft drawn on any bank and payable in Dhaka, Bangladesh, or through a nominee paying out of a non-resident foreign currency deposit account maintained in Bangladesh or in Taka, supported by a foreign currency encashment certificate issued by the bank concerned, for the price of the ordinary shares applied for, through a crossed bank cheque marked "Account Payee only", such that the issuer's collecting bank can clear the proceeds and deposit the same into the issuer's account in time.
13. The spot buying rate (TT Clean) in US \$ / UK Pound Sterling / EURO of Sonali Bank as prevalent on the date of opening of subscription will be applicable for the Non Resident Bangladeshi (NRB) applicants.
14. **The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his/her being a NRB , dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him/her to travel to Bangladesh.**
15. In case of joint application, the joint applicant shall also submit supporting papers / documents in support of his being an NRB as mentioned in para- 14 (above).
16. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
17. **No issue of ordinary shares shall be made nor shall any money be taken from any person, in connection with such issue and subscription, until 25 days after the Prospectus has been published.**
18. In the case of non-allotment of the ordinary shares, if the applicants' bank accounts as mentioned in their application forms are maintained with any of the bankers to the issue, the amount refunded to those applicants will be directly credited into their ordinary respective bank accounts as mentioned in their application forms. Otherwise, refunds will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application form, payable at Dhaka, Chittagong, Khulna, Barisal, Rajshahi or Sylhet, as the case may be.
19. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeit whole or part of their application too.**

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.