

ANNUAL
REPORT | 2023



GSP FINANCE COMPANY (BANGLADESH) LIMITED

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REPORT | 2023



GSP
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GSP FINANCE COMPANY (BANGLADESH) LIMITED

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Letter of Transmittal

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

Subject: Annual Report for the year ended December 31, 2023

Dear Sir (s):

On behalf of the Board of Directors of GSP Finance Company (Bangladesh) Limited, the undersigned is pleased to present a copy of the Annual Report for the year ended December 31, 2023 together with the audited Financial Statements including consolidated and separate Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Equity for the year ended December 31, 2023 and along with notes thereon for your kind perusal and record.

Thanking you,

Sincerely yours,



Md. Ariful Alam
Company Secretary (C.C)
Date: December 07, 2024

Notice of the 29th Annual General Meeting (AGM) (Through Hybrid System)

Notice is hereby given that the 29th Annual General Meeting of the shareholders of GSP Finance Company (Bangladesh) Limited will be held on Sunday, December 29, 2024 at 11:30 a.m at RAOVA Convention Hall-1 (Helmet Hall), VIP Road, Mohakhali, Dhaka through Hybrid System in combination of Physical presence of Shareholders at the Venue and presence or connection of Shareholders through the [link: https://gspfinance.bdvirtualagm.com](https://gspfinance.bdvirtualagm.com) to transact the following business:

Ordinary Agenda:

01. To receive and adopt the Directors' Report to the Shareholders, Auditors' Report and Audited Financial Statements for the year ended December 31, 2023.
02. To declare Dividend for the year ended December 31, 2023;
03. To elect Directors in place of those who shall retire by rotation in accordance with the provision of Articles of Association of the Company and the Companies Act. 1994.
04. To appoint the Statutory Auditors of the Company for the year 2024 until the conclusion of the next Annual General Meeting and to fix their remuneration.
05. To appoint the Corporate Governance Compliance Auditors of the Company for the year 2024 and to fix their remuneration.

By order of the Board

Sd/-

Md. Ariful Alam

Company Secretary (C.C)

Dated: December 07, 2024

Notes:

01. The Members whose name appeared in the Register of Members of the Company and/or in the Depository Register on the **"Record date" i.e. December 12, 2024** are eligible to attend and vote at the 29th Annual General Meeting and qualify for the dividend as approved in the AGM.
02. The 29th Annual General Meeting of the Company will be held through Hybrid System in combination of Physical presence of Shareholders at the Venue and presence or connection of Shareholders through Digital Platform. The honorable shareholders who are unable to attend physically in the AGM are requested to join virtually through the [link:https://gspfinance.bdvirtualagm.com](https://gspfinance.bdvirtualagm.com). The shareholders will be able to submit their questions/comments electronically 24 (Twenty-four) hours before holding the AGM through this link and also during the meetings. In order to login for the AGM virtually, the shareholders need to click on the link and provide their 16 digit Beneficiary Owners (BO) Account number or Folio number, name of respective shareholder, number of shares and mobile number or e-mail address.
03. Shareholders may login to the system prior to starting of the meeting at 11:00 a.m. on Sunday, December 29, 2024. The **Link** will activate at 11:01 a.m. (Bangladesh Time) on December 29, 2024. For any guidance and help regarding the login process, the respected members may contact at 01552344245 or visit GSPB website at : www.gspfinance.com
04. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018 the soft copy of the Annual Report for the year 2023 along with the Notice, Proxy Form and Attendance slip will be forwarded to all the Members at their respective e-mail address available with us as per CDBL record before 14 (fourteen) days of holding the 29th Annual General Meeting. The Members may also collect the Proxy Form from the Registered Office of the Company. These are also available in the website of the Company at : www.gspfinance.com
05. A Member may appoint a proxy to attend and vote in his/her place by filling proxy form at this AGM. The "Proxy Form" duly filled, signed and stamped at BDT 20/-, must be deposited at the registered office or send through **e-mail to secretariat@gspfinance.com** not later than 48 hours before the time scheduled for holding the AGM.

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

VISION

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

MISSION

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

STRATEGIC OBJECTIVES

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

CORE VALUES

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

THE COMPANY AT A GLANCE

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

GSP INVESTMENTS LIMITED

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

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

PRODUCTS AND SERVICES

Financial segments

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

Deposit schemes

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

GSP Investments Limited

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

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

CORPORATE INFORMATION

Registered Name of the Company

GSP Finance Company (Bangladesh) Limited

Legal Form

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

Company Registration No.

C-29591 (879) / 95

Bangladesh Bank License No.

আঃপ্রঃ(অ-ব্যাংকিং)বিভাগ/ঢাকা/১০/৯৬

GSP Investments Limited - License No.

(A Subsidiary of GSP Finance Company
(Bangladesh) Limited)
MB- 88/2014

Registered Office

1, Paribagh, Mymensingh Road,
Dhaka-1000, Bangladesh.
Tel: +88 02 223360506 (Auto Hunting)
Fax: +88 02 223360194

Website

www.gspfinance.com

Legal Advisor

Chowdhurys & Hyders
Barristers, Advocates and Consultants
Room No. 6/B, Meherba Plaza (6th floor)
33, Topkhana Road, Dhaka-1000.

Tax Adviser

Adil & Associates
Advocates & Tax Consultants
50, Purana Paltan Line (2nd floor)
Dhaka-1000.

Auditors

Malek Siddique Wali
Chartered Accountants
9-G, Motijheel C/A,

Membership

Bangladesh Leasing & Finance Companies Association (BLFCA)
Bangladesh Association of Publicly Listed Companies (BAPLC)
Bangladesh Merchant Bankers Association (BMBA)
Foreign Investors Chamber of Commerce & Industry (FICCI)
Bangladesh – Malaysia Chamber of Commerce and Industry (BMCCI)

Principal Bankers

BASIC Bank Ltd.
Commercial Bank of Ceylon PLC
Dutch- Bangla Bank Ltd.
Mutual Trust Bank Ltd.
Modhumoti Bank Ltd.
NCC Bank Ltd.
Southeast Bank Ltd.
Woori Bank
Bank Asia

Stock Brokers

Multi Securities & Services Limited
Haji Ahmed Brothers & Securities Ltd.
United Financial Trading Company Limited

Chairman

Mr. Feroz U. Haider

Managing Director & CEO (C.C)

Mr. Md. Mustafizur Rahman

Company Secretary (C.C)

Md. Ariful Alam

BOARD OF DIRECTORS

Mr. Feroz U. Haider

Chairman of the Board

Dr. A.T.M Shamsul Huda

Vice Chairman of the Board

Nominated by Tai Ping Asian Investment Limited

Mr. Moin U. Haider

Director of the Board &

Chairman, Executive Committee

Mr. Wolf- Peter Berthold

Director of the Board

Mr. Mohamed Abdul Jalil

Director of the Board

Nominated by Tai Ping Asian Investment Limited

Ambassador Anwarul Bar Chowdhury

Independent Director of the Board &

Chairman, Audit Committee

Ambassador F. A. Shamim Ahmed (Retd.)

Independent Director of the Board

Mr. Faridul Hassan

Independent Director of the Board

Mr. Md. Mustafizur Rahman

Managing Director & CEO (C.C)

BRIEF PROFILE OF THE DIRECTORS



Mr. Feroz U. Haider
Chairman of the Board

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



Dr. A.T.M Shamsul Huda
Vice Chairman of the Board
Nominated by Tai Ping Asian Investment Limited

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

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

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



Mr. Moin U. Haider

Director of the Board &
Chairman, Executive Committee

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



Mr. Wolf-Peter Berthold

Director of the Board

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



Mr. Mohamed Abdul Jalil

Director of the Board
Nominated by Tai Ping Asian Investment Limited

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



Mr. Anwarul Bar Chowdhury

Independent Director of the Board &
Chairman, Audit Committee

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

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

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



Ambassador F. A. Shamim Ahmed (Retd.)

Independent Director of the Board

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

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

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

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



Mr. Faridul Hassan

Independent Director of the Board.

Mr. Faridul Hassan was appointed as an Independent Director of GSP Finance Company (Bangladesh) Limited in 2023. Mr. Hassan was born in 1951. Mr. Hassan holds B.A (Hons) and M.A in Statistics from the University of Dhaka in 1971-72. He has more than 30 years of experience in Export Promotion Bureau (EPB) under Ministry of Commerce, Government of Bangladesh as Deputy Director/Director and Director General. During his service, he participated in several training programmes in abroad.



Mr. Md. Mustafizur Rahman

Managing Director & CEO (C.C)

Md. Mustafizur Rahman leverages 24 years of experience in banking, honed across multinational and leading private banks. He began his career in 2000 at ANZ Grindlays Bank, then progressed through positions of increasing responsibility at HSBC, Eastern Bank Ltd., Bank Asia Ltd., and most recently, The City Bank Ltd. There, he served as Senior Vice President and played a pivotal role in the success of the Retail Banking transformation team. Mr. Rahman holds a Master of International Trade and Business (MITB) from the University of Dhaka, an MBA from East West University, and boasts relevant industry certifications like the ACBA from IBA, University of Dhaka and the CEEB from BIBM.

COMMITTEES OF THE BOARD & MANAGEMENT

Executive Committee

Chairman

Mr. Moin U. Haider

Members

Mr. Feroz U. Haider
Mr. Mohamed Abdul Jalil

Audit Committee

Chairman

Ambassador Mr. Anwarul Bar Chowdhury (Retd.)

Members

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

Risk Management Committee

Chairman

Amb. Anwarul Bar Chowdhury (Retd.)

Members

Mr. Feroz U. Haider
Mr. Faridul Hassan

Management Committee (MANCOM)

Chairman

Mr. Md. Mustafizur Rahman

Members

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

Asset-Liability Management Committee (ALCO)

Chairman

Mr. Md. Mustafizur Rahman

Members

Mr. Asif Rahman
Mr. Md. Wahidul Islam

Anti Money Laundering Compliance Committee

Chairman

Mr. Md. Mustafizur Rahman

Members

Mr. Shazzad Hossain
Mr. Md. Wahidul Islam
Mr. Saiful Islam
Mr. Sanaul Karim

Credit Committee

Chairman

Mr. Md. Mustafizur Rahman

Members

Mr. Asif Rahman
Ms. Zeenat Alam

BASEL Implementation Committee

Chairman

Mr. Md. Mustafizur Rahman

Members

Mr. Asif Rahman
Mr. Md. Wahidul Islam
Mr. Md. Mahbubur Rahman

Integrity Committee

Chairman

Mr. Md. Mustafizur Rahman

Members

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

CAPITAL AND SHAREHOLDING STRUCTURE

Share Capital

	Amount in Taka	
	2023	2022
Authorized share capital		
200,000,000 ordinary shares of Tk. 10 each	2,000,000,000	2,000,000,000
Issued, Subscribed and Paid up Capital		
157,068,585 ordinary shares of Tk. 10 each	1,570,685,850	1,570,685,850

Sponsors/Directors:

% of share holding 2023

Amount in Taka	
2023	2022

A. Foreign

Institution:

Tai Ping Asian Investment Limited

10.42%	163,593,300	163,593,300
3.59%	56,325,360	56,325,360
14.01%	219,918,660	219,918,660

Individual:

Mr. Wolf - Peter Berthold

Sub Total

B. Domestic

Institution:

Karnaphuli Industries Limited

Individuals:

Mr. Feroz U. Haider

Mr. Moin U. Haider

Ms. Silwat A. Haider

AVM (Retd.) Altaf Hossain Choudhury Ndu. Psc

Sub Total

C. General Shareholders

Total (A+B+C)

9.07%	142,479,210	142,479,210
8.07%	126,705,590	126,705,590
2.00%	31,413,710	31,413,710
-	-	31,413,760
0.36%	5,683,330	5,683,330
19.50%	306,281,840	337,695,600
66.49%	1,044,485,350	1,013,071,590
100.00%	1,570,685,850	1,570,685,850



Message from The Chairman

Bismillahir Rahmanir Rahim

Respected Shareholders,

Assalamu Alaikum,

It is my privilege to welcome you all to the 29th Annual General Meeting of GSP Finance Company (Bangladesh) Limited. On behalf of the Board of Directors, I extend my heartfelt gratitude to our esteemed shareholders for their trust and support. I also take this opportunity to thank the honorable Board Members for their commitment, valuable insights, and active participation in the growth journey of the Company.

GSP Finance Company (Bangladesh) Limited has consistently upheld a reputation for professionalism, ethical business practices, and strong governance. These principles, deeply ingrained in our operations, have enabled us to maintain accountability, transparency, and resilience, even during challenging times.

The past few years have presented unprecedented challenges, both globally and domestically. Just after Covid-19 was controlled, the Russia-Ukraine armed conflict has caused significant disruptions to international supply chains, leading to inflated costs of essentials and energy, while simultaneously fueling global inflation. Bangladesh, like many other economies, has felt the ripple effects, with mounting challenges in financial liquidity and economic stability.

Despite these adversities, Bangladesh's economy has shown resilience. However, the financial sector continues to grapple with liquidity shortages, increasing non-performing loans, and declining export earnings, which have added strain to an already challenging environment.

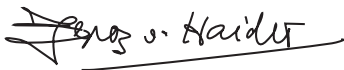
Domestically, the country is undergoing significant political and economic transformations. The transition to an interim government has ushered in a reform agenda aimed at addressing structural inefficiencies and rebuilding trust in the system. While these reforms create opportunities for long-term stability and growth, the immediate challenges of high living costs, reduced purchasing power, and limited access to financing remain pressing concerns.

For GSP Finance Company (Bangladesh) Limited, these challenges have been particularly acute. Severe liquidity constraints, declining loan repayments, and persistent depositor pressures have significantly impacted our financial operations. Managing liquidity, addressing non-performing loans, and ensuring operational sustainability will remain our key priorities in the coming year. Recovery is undoubtedly difficult, inspite of CR and NI act cases. But we are committed to overcoming these obstacles through strategic initiatives, cost cutting, stringent risk management, and proactive engagement with stakeholders.

As we navigate these uncertain times, we remain steadfast in our dedication to maintaining operational integrity and sustainable practices. We recognize the road ahead will be difficult, but with a collaborative effort, strong governance, and a focus on adaptability, we aim to stabilize our position and contribute meaningfully to the broader economic recovery.

In conclusion, I extend my sincere thanks to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, National Board of Revenue, and other regulatory bodies for their guidance and support. I am also deeply grateful to the Board of Directors, our employees, shareholders, and all stakeholders for their commitment, cooperation, and trust. Together, we remain optimistic about achieving our goals for 2024, Insha Allah.

Stay safe and take care.



Feroz U. Haider
Chairman



Message

from The Managing Director & CEO

Bismillahir Rahmanir Rahim

Dear Shareholders:

Assalamu Alaikum,

The financial sector in Bangladesh embraced a challenging 2023 due to several problems like liquidity, high NPL, persistent inflation, increasing government borrowing, volatile FOREX market, political unrest, decreasing FOREX reserves and last but not the least other associated geopolitical issues that hindered the economic growth of the nation as well as the market intermediaries.

The phases of the above challenges triggered mainly from the COVID outbreak that initiated in 2020 followed by Russian invasion of Ukraine in 2022 and later escalated conflicts in the middle-east. These successive events imposed a persistent stress on the world economy and eventually slowed down the global economic recovery process reflecting their long term consequences and cyclical economic issues. Following the crisis, the economic growth in many nations including most of the major economics slashed down in 2023 with a rippling effect on our national economy as well.

Bangladesh economy, during the time, faced several challenges like high inflation and exchange rate pressures, liquidity shortages in the banking sector, substantial decrease in foreign currency reserves, and public purchasing power has significantly declined etc. Private Investors got discouraged and reluctant to invest in manufacturing sectors that result an increase in unemployment. On the other side, the financial sector was burdened by high nonperforming loan (NPL) and poor quality of financial assets. To address these challenges, Bangladesh Bank undertook several policy and regulatory initiatives focused on controlling inflation, FOREX rate, NPL etc.

In the backdrop of COVID and subsequent turmoil, capital market in last four years, did never hold a stable outlook. Several bearish situation of the market forced the regulatory authorities to put floor prices in order to stop the index plunge but could not stop the price-fall and the market could never retrieve the investors' confidence as evident by the lesser and lesser volume of daily turnover. A substantial amount of market capitalization has been eroded due this plummeting stock position. The situation directly hampered the businesses of GSP Investments Limited, a wholly owned subsidiary of GSP Finance Company (Bangladesh) Limited that has been playing a pivotal role in the development of the capital market since its inception.

Amidst the backdrop of this global and local uncertainty, GSP Finance Company (Bangladesh) Limited navigated the complexities of the financial sector, striving to maintain financial stability and deliver value to the stakeholders. While we experienced financial losses in 2023, we remained focused on addressing the underlying issues and emerging stronger from this period of turbulence. Our main strategies are to focus, to the highest level, on recovery and collection and improve operational efficiency to reduce risks.

Despite all odds, GSPB, as like before, always give all out efforts to maintain highest level of ethical standard, corporate governance, statutory compliance etc. We prepare our accounts in accordance with applicable standards, the Companies Act 1994, the Finance Company Act, 2023 Securities Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other applicable laws and regulations.

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

I would like to express my sincere gratitude to the esteemed members of the Board of Directors of GSP Finance Company (Bangladesh) Limited for their invaluable guidance and strategic advice, which has been instrumental in the company's growth.

I extend my heartfelt thanks to our valued shareholders and customers for their continued trust in GSP Finance Company (Bangladesh) Limited. We are committed to overcoming the challenges posed by the challenging economic conditions of 2023 and creating sustainable value for all our stakeholders.

I would also like to acknowledge the ongoing support, guidance, and cooperation of the regulatory authorities, including Bangladesh Bank, BSEC, NBR, DSE, CSE, RJSC, and our auditors.

Despite the prevailing challenges, we remain optimistic about the future of our company. We believe that our economy is poised for a strong recovery, and we are well-prepared to capitalize on emerging opportunities through our perseverance, determination, and dedicated workforce. We are committed to adapting to the evolving economic landscape and strengthening our relationships with our customers and stakeholders.

With your continued support, we are confident in our ability to emerge from this period of adversity and build a more resilient and prosperous future for our company and our shareholders. As we embark on this new chapter, we look forward to your ongoing support and cooperation

Thanks & Best Regards,



Md. Mustafizur Rahman
Managing Director & CEO (C.C.)

Directors' Report

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alaikum,

On behalf of the Board of Directors of GSP Finance Company (Bangladesh) Limited, I am very happy to welcome you all in 29th Annual General Meeting of the Company.

The Board of Directors of GSP Finance Company (Bangladesh) Limited have pleasure in presenting their Annual Report for the year ended December 31, 2023 which includes Audited Financial Statements, Consolidated Financial Statements of the Company for the year ended December 31, 2023 and the Auditors' Report thereon for consideration and approval of our honorable shareholders. This report has been prepared in compliance with Section 184 of the Companies Act 1994, BSEC's Notification dated June 03, 2018, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and the guidelines issued by Bangladesh Bank and other regulatory authorities. The Financial Statements were reviewed and approved by the Board of Directors of the Company on November 21, 2024.

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

PRINCIPAL ACTIVITIES OF THE COMPANY

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

OPERATIONAL PERFORMANCE OF THE COMPANY

2023 was a year of unprecedentedly challenging for the financial sector of the country. The money market and stock market have passed a tumultuous time throughout the year.

The national economy of Bangladesh has been severely impacted by the overall global economic downturn in 2023. This global economic recession also affected the financial industry of the country. GSP Finance Company (Bangladesh) Limited is also not out of it. The already high liquidity crunch prevailing in the NBFIs sector has increased by several folds in the beginning of 2023.

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

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

FINANCING AND INVESTMENT OPERATION OF THE COMPANY

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

Lease Finance: Lease financing is one of the major fund-based activities of GSP Finance Company (Bangladesh) Limited. The Company offers fully payout financial lease for procuring capital machinery, equipment, vehicles & riverine transport. GSP Finance Company (Bangladesh) Limited provides services to customers of different segments. Through a prudent business model, the company has diversified its business in other business segments in the year 2023.

Term Finance: Term finance continued to be a core product of GSP Finance Company (Bangladesh) Limited. Long-term finance is available for commercial, industrial, SME sectors for a period ranging from 12 to 60 months depending on the nature of business and need. To provide liquidity comfort to corporate houses in emergency situation, the short-term finance is made under the different categories i.e. direct finance for working capital, work order finance, bridge finance, finance against term deposits etc. As pointed out by the Bangladesh Bank, term finance by FIs is the alternate source of capital financing for the industrial growth in the country.

CAPITAL MARKET OPERATION OF THE COMPANY

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

Investment in Share and Securities: GSP Finance Company (Bangladesh) Limited maintains its own portfolio for investment in listed companies' shares and securities as well as pre-IPO & IPO placement. The risk of investment is minimized through diversification and investing mostly in fundamentally strong securities. In 2023, the Company earned Tk. 12.79 million in the form of capital gain and dividend.

Deposit Mobilization: GSP Finance Company (Bangladesh) Limited mobilizes term deposits from corporate and individuals through its wide range of deposit schemes with different maturity options, monthly/quarterly/half-yearly/yearly income options, double money options, monthly saving options etc. The deposit base of the Company registered a positive growth and stood at Tk. 2,228.33 million as on December 31, 2023 as opposed to Tk. 2,002.94 million of December 31, 2022.

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

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

MANAGEMENT'S DISCUSSION & ANALYSIS

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

RISK MANAGEMENT

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

ENVIRONMENTAL ISSUES

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

HUMAN RESOURCES OF THE COMPANY

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

CORPORATE AND FINANCIAL REPORTING FRAME WORK

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

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

CEO AND CFO'S DECLARATION CERTIFICATE

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

THE PATTERN OF SHAREHOLDINGS

The Authorized Capital of GSP Finance Company (Bangladesh) Limited is Tk. 2,000,000,000 divided into 200,000,000 ordinary shares of Tk. 10 each. The present paid-up Capital of the Company is Tk. 1,570,685,850 divided into 157,068,585 ordinary shares of Tk. 10 each. The shareholding pattern of the Company as at December 31, 2023 is shown on page 44 in this Annual Report as per clause no. 1(5) (xxiii) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

BOARD MEETING ATTENDANCE AND REMUNERATION OF DIRECTORS

During the year ended on December 31, 2023 a total number of 10 Board Meetings were held and attendance of directors are presented on page 43 and their remuneration paid during the year are given in Notes-31 in this Annual Report as per clause no.1(5)(xxii) & 1(5)(x) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

RELATED PARTY TRANSACTIONS

In the ordinary course of business a number of transactions with other entities that fall within the definition of related party contained in BAS 24: Related party disclosures; The Company extends leases/loans to related parties including its Directors and related Companies. A statement of related party transactions along with their basis has been presented on page 108 in this Annual Report as per clause no.1(5)(vi) of the BSEC Notification No. BSEC/ CMRRCD/ 2006-158/ 207/ Admin/ 80 dated June 03, 2018.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE

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

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

FINANCIAL RESULT AND PROPOSED APPROPRIATION

The financial results of the Company and the proposed appropriation of profit for the year 2023 are summarized below with explanations in the enclosed audited Financial Statements:

Profit / (Loss) after tax	Tk. (1,519,616,937)
Transfer to Statutory Reserve (20% on profit after tax)	Tk. Nil
Retained earnings brought forward	Tk. (417,482,889)
Transfer to WPPF @ 5%	Tk. Nil
Profit / (Loss) available for declaration of Dividend for the year 2023	Tk. (1,937,099,826)

DIVIDEND

Considering the overall environment of financial market, current financial strength of the Company the Board of Directors did not recommend any dividend for the year ended December 31, 2023.

INTERIM DIVIDEND

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

DIRECTORS RESUME AND LINE OF EXPERTISE

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

FORMATION OF SUBSIDIARY FOR MERCHANT BANKING ACTIVITIES

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

The Principal Activities of GSP Investments Limited are:

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

DIRECTORS RETIREMENT AND REAPPOINTMENT

In accordance with the section no. 91 (2) of the Companies Act 1994 and Article no.116 of the Article of Association of the Company one third (1/3) directors are to retire from the Board of Directors and accordingly, as per section 16(3) of the Finance Company Act of 2023, Mr. Wolf-Peter Berthold, Director of the Company will retire and will not be eligible for re-appointment as he holds the position of director for three consecutive terms or nine years.

APPOINTMENT OF AUDITORS

The Company's Auditors Malek Siddique Wali, Chartered Accountants, having address at 9-G, Motijheel C/A, Dhaka-1000 worked as Statutory Auditors for the 2nd year with a fee of Tk. 170,000/- plus VAT @ 15% only and will retire in the 29th Annual General Meeting (AGM) of the Company and being eligible for re-appointment according to Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018 of Bangladesh Securities and Exchange Commission (BSEC) and as per Regulations No. 15 of Dhaka & Chittagong Stock Exchanges (Listing) Regulations – 2015.

In this respect Malek Siddique Wali, Chartered Accountants, having address at 9-G, Motijheel C/A, Dhaka-1000 has shown their willingness to act as Auditor of the Company for the year 2024 vide their letter dated November 05, 2024 and they have requested to increase their professional fee of Tk 3,00,000/- plus applicable VAT @ 15% by considering the current inflation subject to approval of Bangladesh Bank before holding the 29th Annual General Meeting (AGM).

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

The Board of Directors recommended for their appointment and for placing the proposal before the 29th Annual General Meeting of the Shareholders of the Company to approve the appointment as the Statutory Auditor of the Company for auditing the Financial Statements for the year 2024 at a fee of Tk. 170,000 plus VAT @ 15% only as per previous year's fees.

In order to comply with the condition No. 9 of "Corporate Governance Code"- The Company's immediate past Compliance Auditors Zoha Zaman Kabir Rashid & Co. Chartered Accountants, having address at the Savil, Level- 7, & 8, Plot # 6 B, Road# 32, Gulshan -1, Dhaka- 1212, Bangladesh has shown their willingness to act as Compliance Auditor of the Company for the year 2024 vide their letter dated November 18, 2024 at a fee of Tk. 1,00,000/- plus VAT which will be approved by the shareholders in the 29th Annual General Meeting of the Company.

The Board of Directors recommended for their appointment and for placing the proposal before the 29th Annual General Meeting of the Shareholders of the Company to approve the appointment as the Compliance Auditor of the Company for providing the certificate on compliance of Corporate Governance Code for the year 2024 at a fee of Tk. 35,000 plus VAT @ 15% only as per previous year's fees.

INDUSTRY OUTLOOK 2024 - A YEAR OF CHALLENGES AND OPPORTUNITIES

The economic landscapes in 2024 are marked by unprecedented challenges and transformative changes. Persistent global inflation, fueled by elevated food and energy prices, continues to strain economies worldwide. The ongoing Russia-Ukraine war remains a major disruptor, impacting international supply chains, inflating commodity costs, and destabilizing trade. These global factors, coupled with domestic issues, have created a complex environment for Bangladesh.

Domestically, Bangladesh is undergoing a historic political and economic transition. A recent revolution has replaced the previous authoritarian regime with an interim government, tasked with repairing years of systemic damage. Efforts are underway to recover illicitly transferred funds, stabilize governance, and implement reforms that address structural inefficiencies. This period of reformation brings both opportunities and challenges as the nation grapples with the economic fallout of mismanagement.

The economic condition remains precarious, with severe liquidity shortages in the banking sector. Public purchasing power has significantly declined, and commodity prices remain high, exacerbating the struggles of households and businesses alike. Foreign exchange reserves, though stabilizing due to remittance inflows, are under pressure from reduced export earnings and a general slowdown in economic activity.

For the financial sector, the challenges are acute. Borrowers are struggling to meet repayment obligations, increasing non-performing loans across the industry. For GSP Finance Company (Bangladesh) Limited, these difficulties have necessitated the implementation of a robust recovery plan, emphasizing enhanced risk management, proactive loan monitoring, and tailored support to borrowers facing financial strain.

Despite these hurdles, Bangladesh is demonstrating resilience. The interim government's reform-driven agenda aims to rebuild trust, restore economic stability, and foster long-term growth. While the immediate market conditions remain unfavorable, the ongoing systemic reformation presents a unique opportunity to create a stronger, more transparent, and equitable economic foundation.

Globally, the lingering effects of the COVID-19 pandemic continue to influence economic dynamics. Supply chain disruptions, inflationary pressures, and cautious private sector investments are reflective of broader uncertainties. For Bangladesh, this global slowdown has compounded domestic challenges, further affecting growth prospects.

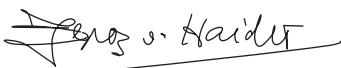
In this complex landscape, GSP Finance Company (Bangladesh) Limited is committed to aligning its strategies with evolving realities. The Company remains steadfast in upholding stringent governance standards and maintaining operational resilience. By focusing on sustainable growth and proactive measures, GSP Finance Company (Bangladesh) Limited aims to navigate the uncertainties of 2024, support its stakeholders, and contribute to the broader national efforts for economic recovery and reform.

ACKNOWLEDGEMENT

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

May Allah be with us throughout our journey.

On behalf of the Board of Directors



Feroz U. Haider
Chairman

REPORT OF THE AUDIT COMMITTEE

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

Composition of the Committee

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

Sl	Name of the Members	Position in the Committee	Position in the Board
1	Mr. Anwarul Bar Chowdhury	Chairman	Independent Director
2	Dr. ATM Shamsul Huda	Member	Vice Chairman and Director
3	Mr. Mohamed Abdul Jalil	Member	Director
4	Mr. Moin U. Haider	Member	Director

Scope of work of the Audit Committee

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

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

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

Meetings of the Audit Committee

The Committee held on three meetings during the year 2023. The Managing Director, Chief Financial Officer and Head of Internal Control & Compliance attend the committee meetings by invitation. The Company Secretary as the Secretary of the committee. The proceedings of the Audit Committee meetings are regularly reported to the Board of Directors.

Activities of the Audit Committee

The Audit Committee carried out the following activities during the year 2023

- The Audit Committee reviewed the annual financial statements for the year 2023 and placed its recommendations to the Board of Directors.
- Reviewed with the external auditors and management prior to finalization of financial statements for the year ended December 31, 2023 as per clause no.2 (kha -2) of circular number 13, dated October 26, 2011 issued by Department of Financial Institutions and Markets (DFIM), Bangladesh Bank.
- Reviewed the financial statements of GSP Finance Company (Bangladesh) Limited for the year ended December 31, 2023 as per clause no. 5.5 (f) of Corporate Governance Code (CGC) issued by Bangladesh Securities and Exchange Commission dated June 03, 2018.

- Recommended to the Board for appointment of external auditors for the year 2023.
- Reviewed the effectiveness and independence for the external auditors.
- Reviewed report of the audit committee for 2023 prior to its publication in the annual report 2023.
- Reviewed Internal Control & Compliance report of 2023.
- Reviewed and approved annual audit plan for the year 2023.
- Reviewed the quarterly and half yearly un-audited financial statements of GSP Finance Company (Bangladesh) Limited and its subsidiaries as per clause no. 5.5 (g) of Corporate Governance Code (CGC) issued by Bangladesh Securities and Exchange Commission, dated June 03, 2018.
- Reviewed the scope of work and terms of reference (ToR) for appointment of external audit firm for carrying out Information Systems Audit and Vulnerability Assessment of GSP Finance Company (Bangladesh) Limited.
- Reviewed the compliance status of management report issued by Malek Siddique Wali, Chartered Accountants, external auditors of the company, based on their annual audit of financial statements of GSP Finance Company (Bangladesh) Limited for the year ended December 31, 2023

Acknowledgement

The Board Audit Committee would like to express their thanks to the Members of the Board Audit Committee, management, auditors and all employees for their dedication and efforts during the year 2023.

On behalf of the Audit Committee



Anwarul Bar Chowdhury
Chairman, Audit Committee

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

Date: November 21, 2024

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

Subject: Declaration on Financial Statements for the year ended on December 31, 2023

Dear Sirs,

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

- (1) The Financial Statements of GSP Finance Company (Bangladesh) Limited for the year ended on December 31, 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on December 31, 2023 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Md. Mustafizur Rahman
Managing Director & CEO (C.C)



Md. Wahidul Islam
Chief Financial Officer



Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

জোহা জামান কবির রশীদ এ্যান্ড কোং
চার্টার্ড একাউন্টেন্টস

Annexure-B

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

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

We have examined the compliance status to the Corporate Governance Code by GSP Finance Company (Bangladesh) Limited for the year ended on December 31, 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The governance of the company is satisfactory.
- As per section 184 of the Companies Act, 1994, no statement or disclosure has been found in the Director's Report regarding the emphasis of matter in the Audit Report issued by the Statutory Auditor.

Place: Dhaka

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

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Zoha Zaman Kabir Rashid & Co., a partnership firm registered in Bangladesh and a member firm of MSI Global Alliance, a leading international association of independent legal and accounting firms.
Corporate office: House 6/8, Road 32, Level 7 & 8, Gulshan 1, Dhaka 1212, Bangladesh.
Tax office: Rupayan Karim Tower, 80, Kakrail, Level-7, Suite # 7A, Dhaka 1000, Bangladesh.
T: +8809609-006260, E: info@zzkrca.com, W: www.zzkrca.com



COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE BY BSEC

Status of Compliance with the Corporate Governance Code (CGC) as on December 31, 2023

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

(Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
	Board of Directors			
1(1)	Size of the Board of Directors: The total number of members of the company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty);	√		The number of Board members of the Company is 8 (Eight) including 3 (three) Independent Directors.
1(2)	Independent Directors			
1(2)(a)	At least one-fifth (1/5) of the total number of Directors in the company's Board shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of Independent Director(s);	√		
1(2)(b)	Criteria of "Independent Director"			
1(2)(b) (i)	who either does not hold share in the company or holds less than one (1%) shares of the total paid up shares of the company	√		
1(2)(b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1(2)(b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years	√		
1(2)(b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary / associated companies;	√		
1(2)(b) (v)	Who is not a member or TREC holder, director or officer of any stock exchange;	√		
1(2)(b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code;	√		
1(2)(b) (viii)	who shall not be an independent director in more than 5 (five) listed companies;	√		
1(2)(b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI); and	√		

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

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

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		Considering the overall environment of financial market, current financial strength of the Company, the Board of Directors did not recommend any dividend for the year ended December 31, 2023
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1(5)(xxiii)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details);	√		
1(5)(xxiii)(c)	Executives;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5)(xxiv)	In case of the appointment / re-appointment of a director the company shall disclose the following information to the shareholders:-			
1(5)(xxiv)(a)	A brief resume of the director;	√		Information regarding the Directors' are disclosed in brief profile of the Directors' on page no. 10 of this Annual Report
1(5)(xxiv)(b)	Nature of his / her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5)(xxv)	Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly page no. 68-80 of this Annual Report describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes as cash flows in absolute figure for such changes	√		Refer to the Financial Capital: Analysis with the Management Committee on page no. 56 of this Annual Report

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

CORPORATE GOVERNANCE GUIDELINES

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a MD or CEO, CS, CFO and HIAC	√		
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Directors' Meetings:			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in this Annual Report ;			
4	Board of Directors' Committee			
	For ensuring good governance in the company, the Board shall have at least following sub-committees;			
	(i) Audit Committee; and	√		
	(ii) Nomination and Remuneration Committee.			As per Bangladesh Bank guidelines, GSP Finance Company (Bangladesh) Limited being a Financial Institution (FI) can only form two subcommittees of the Board: Audit Committee and Executive Committee. No other subcommittee of the Board is permitted by Bangladesh Bank. And, the formation of the NRC is not required for Finance Companies. According to the DFIM Circular letter no-18, issued May 21, 2024, NRC-related issues for the Finance Company will be determined by the Company's Audit Committee and the decision of the Audit Committee meeting must be ratified by the company's next Board of Directors meeting.

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

CORPORATE GOVERNANCE GUIDELINES

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

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

CORPORATE GOVERNANCE GUIDELINES

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

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

CORPORATE GOVERNANCE GUIDELINES

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not complied	
	Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7(3)	representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange;	√		
8(2)	The company shall keep the website functional from the date of listing;	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s);	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in this Annual Report .	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		The agenda will be placed in the 29th Annual General Meeting. Refer to the notice of the AGM, on page no. 05 of this Annual Report
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

Compliance of Section 1(5)(xxii)

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

Name of Directors	Board of Directors Meeting		Executive Committee Meeting		Audit Committee Meeting	
	Meeting held	Attended	Meeting held	Attended	Meeting held	Attended
Mr. Feroz U. Haider	10	10	-	-	-	-
Dr. A.T.M Shamsul Huda	10	8	-	-	3	3
Mr. Wolf-Peter Berthold	10	2	-	-	-	-
Mr. Moin U. Haider	10	10			3	3
Mr. Abdul Jalil	10	6			3	1
Ambassador Anwarul Bar Chowdhury (Retd.)	10	10			3	3
Ambassador F. A. Shamim Ahmed (Retd.)	10	10	-	-	-	-
Mr. Faridul Hassan	10	2	-	-	-	-

Notes:

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

Compliance of Section 1(5)(xxiii)

THE PATTERN OF SHAREHOLDING:

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

Name	Relation	Shares held
Nil		Nil

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

Name	Relation	Shares held (nos.)
Mr. Feroz U. Haider	Chairman & Director	12,670,559
Dr. A.T.M Shamsul Huda	Vice Chairman & Director Representing : Tai Ping Asian Investment Limited	16,359,330
Mr. Mohamed Abdul Jalil	Director Representing: Tai Ping Asian Investment Limited	
Mr. Wolf-Peter Berthold	Director	5,632,536
Ambassador Anwarul Bar Chowdhury (Retd.)	Independent Director	None
Ambassador F.A. Shamim Ahmed (Retd.)	Independent Director	None
Mr. Faridul Hassan	Independent Director	None
Mr. Md. Mustafizur Rahman	Managing Director & CEO (C.C)	None
Mr. Md. Wahidul Islam	DGM & Chief Financial Officer	None
Mr. Md. Ariful Alam	Company Secretary (C.C)	None
Mr. Sanul Karim	Head of Internal Audit and Compliance (C.C)	None

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

Designation	Name	Shares Held
General Manager (Marketing)	Mr. Asif Rahman	None
Deputy General Manager (Sales)	Mr. Shazzad Hossain	None
Deputy General Manager (Marketing)	Ms. Zeenat Alam	None
Manager-Accounts	Mr. Saifur Rahman Bhuiyan	None
Head of Legal	Mr. Abu Horaira Chowdhury	None

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

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

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

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

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

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

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

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

Dividend Distribution Policy

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

DISCLOSURES UNDER PILLAR III- MARKET DISCIPLINE AS ON DECEMBER 31, 2023.

A) Scope of application

Qualitative Disclosures:

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

Quantitative Disclosures:

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

B) Capital structure

Qualitative Disclosures

- a) a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.
 - **Tier 2 capital includes:**
 - i) General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk;
 - ii) Revaluation reserves:
 - 50% Revaluation reserve for fixed assets
 - 45% Revaluation reserve for securities;
 - iii) All other preference shares.

Conditions for maintaining regulatory capital:

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

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

Quantitative Disclosures:

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

Particulars		Amount in BDT
Paid up capital		1,570,685,850
Non-repayable share premium account		-
Statutory reserve		554,818,003
General reserve		-
Retained earnings		(1,937,099,826)
Minority interest in subsidiaries		-
Non-cumulative irredeemable preference shares		-
Dividend equalization account		-
Total Tier 1 capital		188,404,027
(c)	The total amount of Tier 2 capital	1,069,789,574
(d)	Other deductions from capital	-
(e)	Total eligible capital	1,258,193,601

C) Capital Adequacy

Qualitative Disclosures

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

Operational level:

Immediate measures:

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

Continuous measures:

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

Strategic level:

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

	Quantitative Disclosures	Amount in BDT
(b)	Capital requirement for Credit Risk On-Balance Sheet Off-Balance Sheet	12,627,365,903
(c)	Capital requirement for Market Risk	642,400,000
(d)	Capital requirement for Operational Risk	200,600,000

(e) Total and Tier 1 capital ratio:

- For the consolidated group; and
- For stand alone

Particular	Consolidated	Stand Alone
CAR on Total capital basis (%)	12.60	9.34
CAR on Tier 1 capital basis (%)	5.15	1.40

D) Credit Risk

Qualitative Disclosures

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

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

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

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

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

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

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

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

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

➤ **Special Assets Management and Collection Team**

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

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

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

➤ **Credit Evaluation**

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

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

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

➤ **Credit Approval Process**

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

➤ **Credit Quality and Portfolio Diversification**

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

➤ **Early Warning System**

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

➤ **NPL Management**

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

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

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

➤ **Counter-party Credit Rating**

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

Methods used to measure Credit Risk

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

Quantitative Disclosures

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

Particulars	Amount in BDT
Lease	1,752,112,315
Term finance	3,577,246,917
Margin loan to portfolio investors (Loan to Subsidiary)	2,964,192,248
Total	8,293,551,480

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

Area	Amount in BDT
Dhaka	7,973,135,008
Chittagong	320,416,472
Total	8,293,551,480

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

Sector	Amount in BDT
Agriculture	46,700,721
Electronics and Electrical Products	117,100,209
Food Production and Processing Ind.	89,977,334
Garments and Knitwear	669,211,284
Glass, Glassware and Ceramic Industries	-
Housing	-
Iron, Steel and Engineering	377,768,547
Paper, Printing and Packaging	127,898,327
Pharmaceuticals and Chemicals	444,266,313
Plastic Industry	-
Power & Energy	-
Telecommunication and IT	70,574,357
Textile	315,177,206
Transport and Aviation	798,882,679
Service	1,139,390,083
Others	4,096,604,420
Total	8,293,551,480

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

Particulars	Amount in BDT
Repayable on demand	-
Up to 1 month	599,623,772
Over 1 month but not more than 3 months	1,091,431,375
Over 3 months but not more than 1 year	1,024,253,608
Over 1 year but not more than 5 years	4,889,047,444
Over 1 year but not more than 5 years	-
TOTAL	8,293,551,480

(f) Gross Non Performing Assets (NPAs)

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

Particulars	Amount in BDT
Sub-standard	15,095,458
Doubtful	963,248,695
Bad/Loss	3,798,832,521
Total	4,777,176,674

Movement of specific provisions for NPAs

Particulars	Amount in BDT
Opening balance	998,927,824
Provisions made during the period	603,067,567
Write-off	-
Write-back of excess provisions	-
Closing balance	1,601,995,391

E) Equities: Banking book positions

Qualitative Disclosures

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

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

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

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

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

Quantitative Disclosures

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

Particulars	Cost Price (BDT)	Market Price (BDT)
Quoted shares	434,892,937	321,171,140
Unquoted shares	2,569,450	2,569,450

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

➤ **Capital Gain on sale of Share BDT 597,600**

Particulars	Amount in BDT
Total unrealized gains (losses)	(116,291,247)
Total latent revaluation gains (losses)	-
Any amounts of the above included in Tier 2 capital.	-

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

- Specific Risk Market value of investment in equities is BDT 32.12crore. Capital Requirement is 10% of the said value which stand to BDT 3.21crore.
- General Risk Market value of investment in equities is BDT 32.12crore. Capital Requirement is 10% of the said value which stand to BDT 3.21crore.

All requirements are 10% of the said value, which stand to BDT 6.42crore.

F) Interest rate in the banking book

Qualitative Disclosures

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

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

Quantitative Disclosures

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

Maturity wise Distribution of Assets-Liabilities Amount in crore BDT

Particulars	1 to 30/31 day (One month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year
1	2	3	4	5	6
A. Total Rate Sensitive Liabilities (A)	0.87	1.82	3.51	7.38	14.58
B. Total Rate Sensitive Assets (B)	0.73	1.40	2.50	4.09	7.07
C. Mismatch	-0.15	-0.43	-1.00	-3.29	-7.51
D. Cumulative Mismatch	-0.15	-0.57	-1.58	-4.86	-12.37
E. Mismatch (%)	-16.81%	-23.39%	-28.61%	-44.55%	-51.49%

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

Magnitude of Shock	Minor	Moderate	Major
	2%	4%	6%
Change in the Value of Bond Portfolio	0.00	0.00	0.00
Net Interest Income	-0.25	-0.49	-0.74
Revised Regulatory Capital	161.30	161.06	160.81
Risk Weighted Assets	1279.39	1279.39	1279.39
Revised CAR (%)	12.61%	12.59%	12.57%

G) Market risk

Qualitative Disclosures (a)

Views of BOD on trading/investment activities

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

Methods used to measure Market risk

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

Market Risk Management system

Policies and processes for mitigating market risk

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

Interest Risk Management

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

Market analysis

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

GAP analysis

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

Continuous Monitoring

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

Equity Risk Management

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

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

Quantitative Disclosures (b)

The capital requirements for Market Risk:

Particular	Amount in crore BDT
Interest rate risk	-
Equity position risk	6.42
Foreign Exchange Position and Commodity risk (if any).	-

H) Operational Risk:

Qualitative disclosure (a)

Views of Board on system to reduce Operational Risk:

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

Performance gap of executives and staffs

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

Potential external events

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

Policies and procedures for mitigating operational risk:

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

Approach for calculating capital charge for operational risk:

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

Quantitative Disclosures (b)

Capital requirement for operational risk:

Particular	Amount in crore BDT
Capital requirement for operational risk:	20.06

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

Capital

Despite a challenging year, GSP Finance Company (Bangladesh) Limited remains well capitalized, as capital adequacy ratio remains well above the Basel II minimum regulatory capital requirements and GSP Finance Company (Bangladesh) Limited (GSPB)'s CAR reached to 9.34% in 2023 from 25.33% in 2022. At GSPB, Capital Management policy sets out the principles and guidelines for effective and prudent capital planning, usage and management.

Tier I Core Capital of GSPB as at 31 December 2023 was BDT 188.40 million. On solo basis, GSPB's core capital decreased by 88.97% in 2023 compared to that of 2022 due to net loss after tax during the year, Net Loss after tax during the year amount of BDT 1519.62 million.

Tier II Supplementary capital of the company comprises of General Provision for leases and loans and assets revaluation reserve as a part of Tier II capital. Supplementary capital of the GSPB decreased by 9.07% in 2023 to BDT 106.74 million from BDT 1,177 million during the year 2022.

GSPB's total eligible capital decreased by 56.38% to BDT 1,258 million in 2023 compared to BDT 2,885 million of 2022. Compared to 2022, on solo basis. GSPB's risk weighted assets decreased by 18.30% in 2023 and so does our capital requirement. We didn't only maintained the required level of capital, we had a good surplus in 2023. The surplus eligible capital of the company at the close of business on 31 December 2023 were BDT (88.84) million.

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

Funding and Liquidity

The year 2023 was very tight from liquidity perspective; GSPB has shown increase its deposit portfolio and at the same time also decreased bank borrowing. Due to high attrition rate of Corporate and Institutional deposits and Bank Borrowings, Portfolio of Retails TDR, Corporate TDR, Bank & FIs TDR is increased by BDT 225.39 million in 2023 and borrowings from banks and other financial institutions increased by total BDT 201.38 million in 2023 and lease, loan portfolio also increased by BDT 1,024.67 million compared to 2022.

Despite the liquidity shortage in 2023, we have been able to maintain our liquidity position well in excess of prudential liquidity requirements.

Profitability Position:

GSP Finance Company (Bangladesh) Limited went through a challenging phase during 2023 due to national and global economic challenges & Russia and Ukraine war. Performances of the Company slightly decrease in profitability in 2023 compared to 2022. Increase in provision for investment of shares and increase provision for leases, loans and advances which are affected the Company's profitability. The loss before provision was BDT 136.53 million in 2023 compared to profit of BDT 65 million in 2022 and net loss after tax was BDT 1,520 million in 2023 and compared to profit of BDT 606 million in 2022.

Interest Income

Interest income is the core component of revenue of the Company. Lease, loan and advances portfolio of the Company increased by 14.10% in 2023, interest income decreased by 4.37% to BDT 256 million in 2023, which was BDT 268 million for the year 2022. Interest income decreased due to no interest income charged from loan to GSP Investment limited in 2023 compared to 2022.

Interest Expenses

In the year 2023 GSPB interest expenses increased by 11.34% to BDT 392 million from BDT 352 million of 2022. Total deposit and borrowings increase of 11.70%, Increased of interest expenses is higher than last year. Liquidity crunch and its effect in money market escalated the cost of fund in 2023 compared to 2022.

Investment Income

It was a difficult year for the capital market due to national and global economic challenges, Russia and Ukraine war and bearish capital market condition. On the other hand, liquidity shortage of money market also affected the capital market. Deposit in this situation, GSPB's investment income decreased by BDT 23.84 million compared to 2022. Moreover, provision for diminution in the value of investment has decreased by BDT 14 million for 2023.

Operating Expenses

Total operating expenses has increased by 15.90% in 2023.

Operating Expense	2023	2022	Y-O-Y Growth	
			Amount	%
Salary & Allowance	46,008,568	35,882,092	10,126,476	28.22%
Rent, taxes, insurance, electricity, etc	1,606,105	1,427,214	178,891	12.53%
Legal expenses	334,000	494,752	(160,752)	-32.49%
Postage, stamp, telecommunication, etc	739,697	630,138	109,559	17.39%
Stationery, printing, advertisement	2,038,371	1,413,631	624,740	44.19%
Managing Director's salary & allowances	-	4,450,000	(4,450,000)	-100.00%
Director's Fees	600,000	440,000	160,000	36.36%
Audit Fees	195,500	195,500	-	0.00%
Depreciation and respire of company's assets	6,674,491	4,967,106	1,707,385	34.37%
Other Operating expenses	6,039,789	5,521,881	517,908	9.38%
Total Operating Expense	64,236,519	55,422,314	8,814,206	15.90%

Revenue

Revenue for 2023 has been BDT 319.62 million which shows a decrease rate of 6.66% from the previous year, of which 80.12% was from interest earning products, 4.00% from investment income and rest 15.88% from other operating income sources.

Profitability

As the capital market was bearish and financial industry suffered liquidity crisis and increased provision for leases, loans and advances & Investments GSPB's experienced 153% negative growth of profitability. Pre-tax loss was recorded at BDT (1,516.37) million for the year 2023, which was profit of BDT (599.26) million in the previous year.

Portfolio

Lease, Loans & Advances Portfolio of GSPB shows a positive growth of 4.42% from BDT 7,268.88 million in 2022 to BDT 8,293.55 million in 2023.

Liquidity and Capital Adequacy Ratio

Capital Adequacy Ratio (CAR) at the end of 2023 stood at 9.34% against the Bangladesh Bank's stipulation of 10% which was 25.33% in 2022. This shows the strength of Capital and the level of compliance of GSPB with the regulatory requirements and to ensure a sustainable growth.

Share Performance

Market price of our share had shown fluctuation throughout the year in same BDT 30.30 and finally settled at BDT 30.30 at the end of 2023.

ROA

For the year 2023, our Return on Assets (ROA) was (12.95%) compared to (5.75%) of 2022.

ROE

GSPB's Return on Equity (ROE) was (66.52%) in 2023. and its five-years cumulative average growth rate was (12.67%).

EPS

Earnings per Share (EPS) for 2023 stood at BDT (9.67) compared to BDT (3.86) in 2022. Liquidity crunch in banking sector and continued bearish capital market throughout 2023, our bottom line result has been greatly affected. Our interest income down as most of the loan accounts have been classified and the EPS has come down significantly since last year due to Increasing provision for lease, loan & advances and investment in shares.

Total Asset

In terms of Asset positive Growth, GSPB's total assets increased by 11.24% from 2022 to 2023. GSPB's total assets BDT 11,734.53 million in 2023 where as 2022 was BDT 10,545.51 million.

Total Deposit

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

Outlook for 2024

The year 2024 will be a hard year for NBFIs and the key challenges for the company in 2024 will be to continue to support demand for financing shrinking interest rate margins and increasing non-performing loans.

As we know, in the year 2023 the entire financial sector especially NBFIs has suffered a lot due to national and global economic challenges, Russia and Ukraine war and passed a difficult time with severe liquidity crunch, non-renewal of existing and new credit facilities by the banks, huge FDR encashment pressure from depositors and non-payment of installments by the borrowers on time etc, which adversely impacted the overall profitability of the industry.

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

FINANCIAL HIGHLIGHTS

Operational Performance	2019	2020	2021	2022	2023
Operating revenue	1,071,766,750	811,847,282	876,125,073	342,425,434	319,615,217
Financial expenses	461,775,809	496,277,580	395,689,480	351,992,807	391,911,094
Operating expenses	72,692,877	59,685,833	48,907,068	55,422,313	64,236,519
Profit/(Loss) before taxation	286,719,104	328,543,463	319,382,990	(599,259,016)	(1,516,372,039)
Net Profit/(Loss) after tax	177,970,719	203,121,144	197,060,861	(606,168,535)	(1,519,616,937)

Financial performance

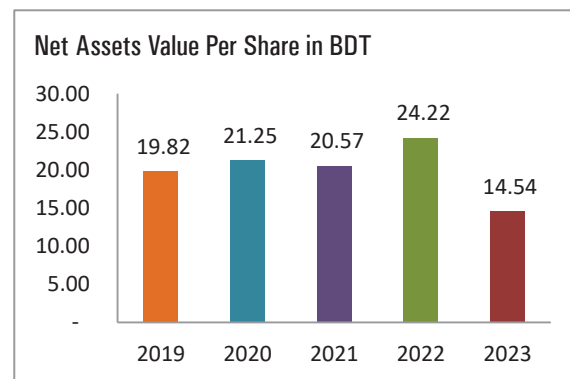
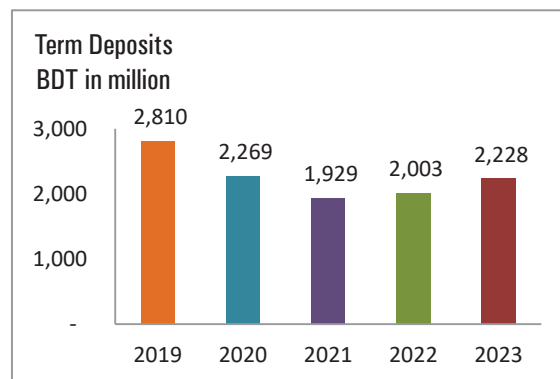
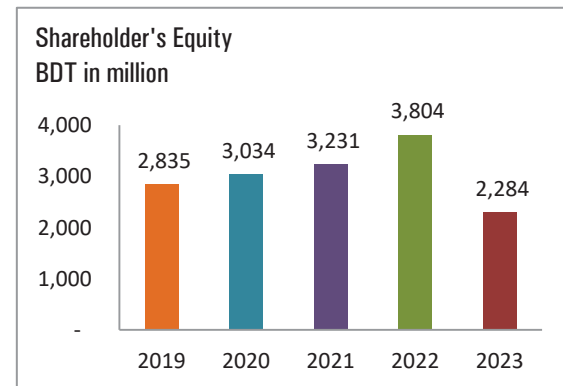
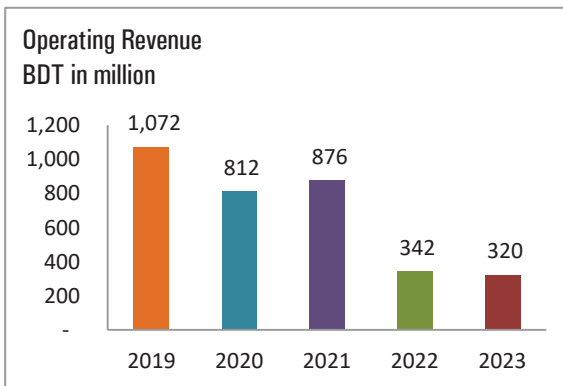
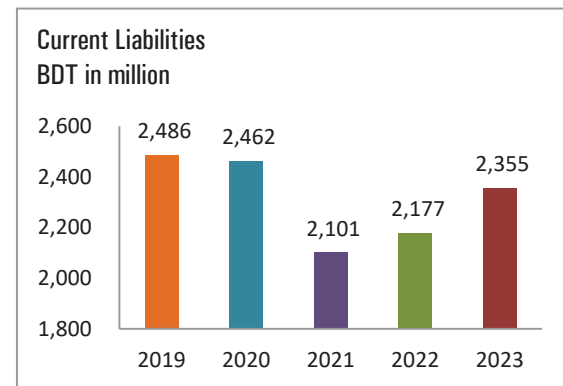
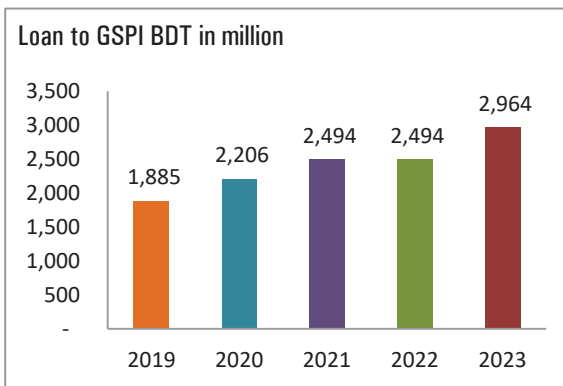
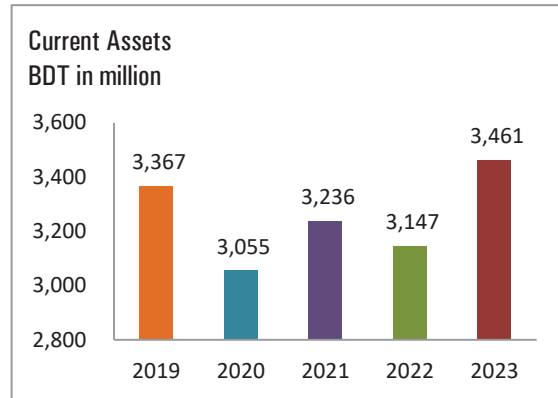
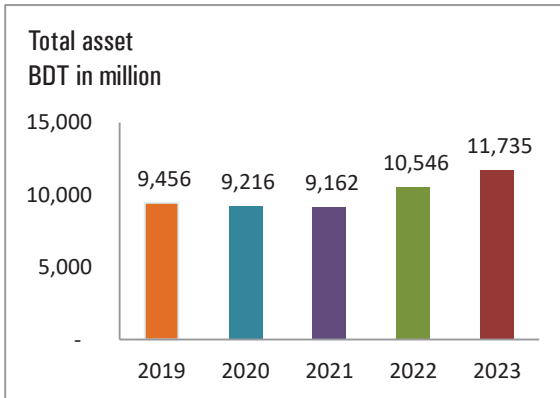
Lease & term finance	5,364,849,807	4,808,329,512	4,453,936,604	4,775,256,753	5,329,359,231
Investor's portfolio loan (Loan to GSPI)	1,884,773,562	2,206,076,458	2,493,621,398	2,493,621,398	2,964,192,249
Investment in Share	506,075,833	508,537,103	476,260,301	454,876,200	437,462,387
Other assets	354,225,009	342,955,105	367,371,186	449,014,396	591,527,125
Current assets	3,366,821,587	3,054,517,410	3,236,192,738	3,146,616,049	3,461,468,837
Total asset	9,455,555,493	9,215,527,719	9,162,344,756	10,545,514,782	11,734,527,789
Term deposits	2,809,991,267	2,269,458,671	1,929,199,905	2,002,944,839	2,228,331,024
Current liabilities	2,485,509,434	2,462,174,932	2,100,624,589	2,176,750,336	2,354,772,377
Long term liabilities	4,134,773,415	3,719,534,525	3,830,841,045	4,564,742,241	7,095,350,143
Total Liabilities	6,620,282,849	6,181,709,457	5,931,465,634	6,741,492,576	9,450,122,520

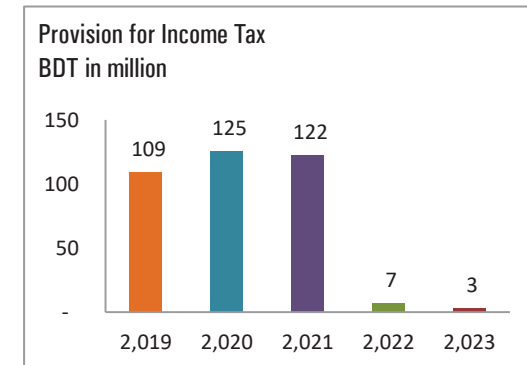
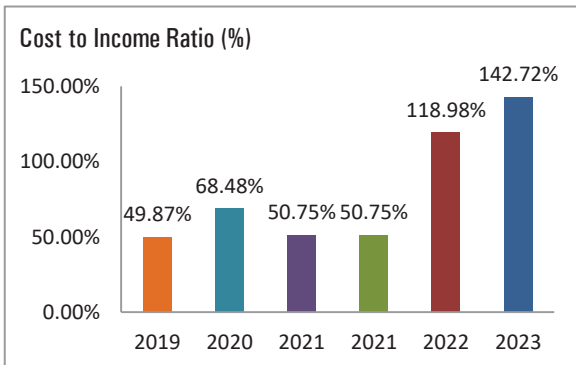
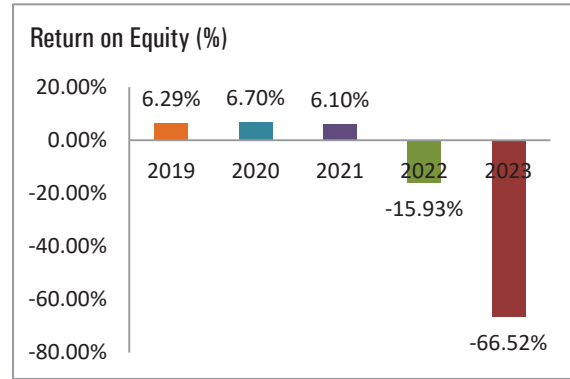
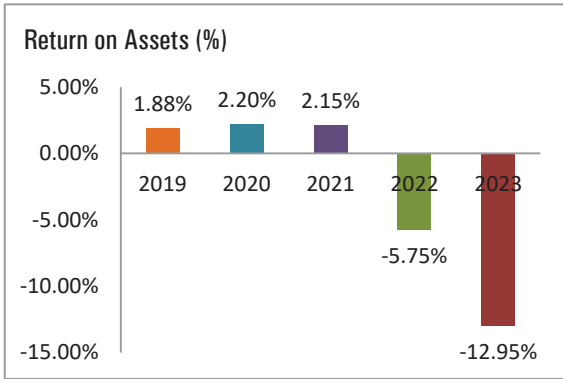
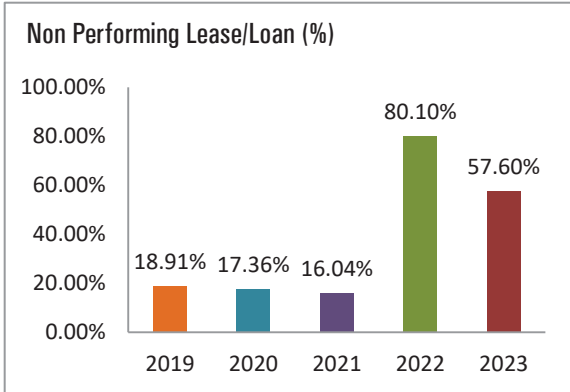
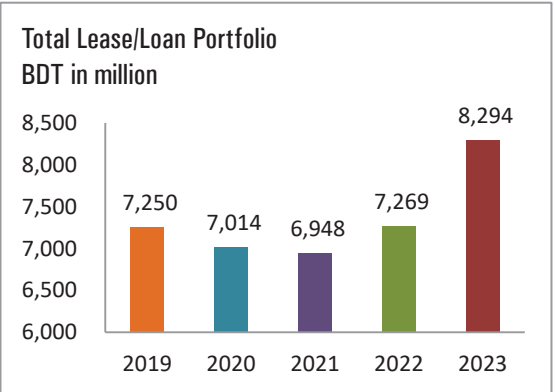
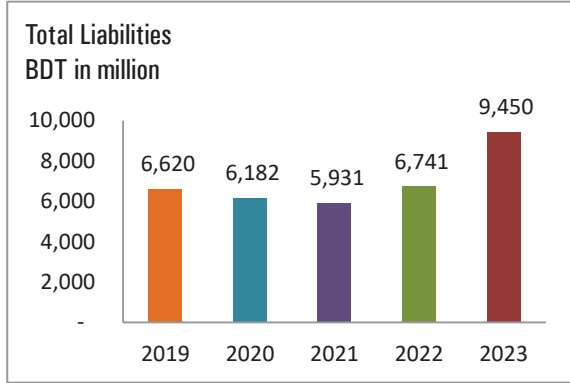
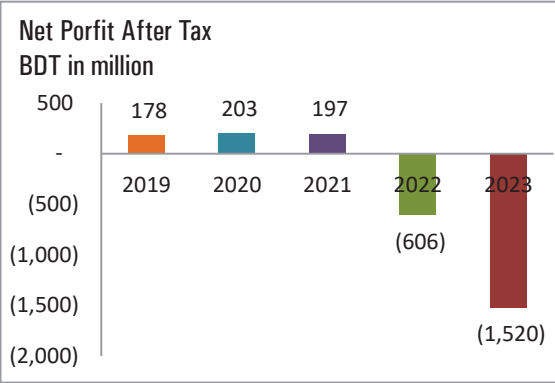
Financial ratios

Current ratio (Times)	1.35	1.24	1.54	1.45	1.47
Financial expense coverage (Times)	1.62	1.51	1.24	(0.59)	(0.26)
Debt/Equity (Times)	1.64	1.35	1.12	0.96	0.98
Equity Multiplier	3.34	3.04	2.84	2.77	5.14
Net interest margin %	4.54	2.87	3.80	(0.80)	(1.16)
Net profit margin (%)	16.61	25.02	22.49	(177.02)	(475.45)
Return on equity (%)	6.29	6.70	6.10	(15.93)	(66.52)
Return on assets (%)	1.88	2.20	2.15	(5.75)	(12.95)
Rate of Dividend (%)	10.50	11.00	-	-	-
Price earnings ratio (Times)	11.01	14.06	21.60	(7.85)	(3.13)
Dividend (%)	10.50	11.00	-	-	-
Financial expense to total expenses (%)	86.40	89.26	89.00	86.40	85.92
Operating expense to operating revenue (%)	6.78	7.35	5.58	16.19	20.10
EPS (TK.)	1.25	1.42	1.25	(3.86)	(9.67)

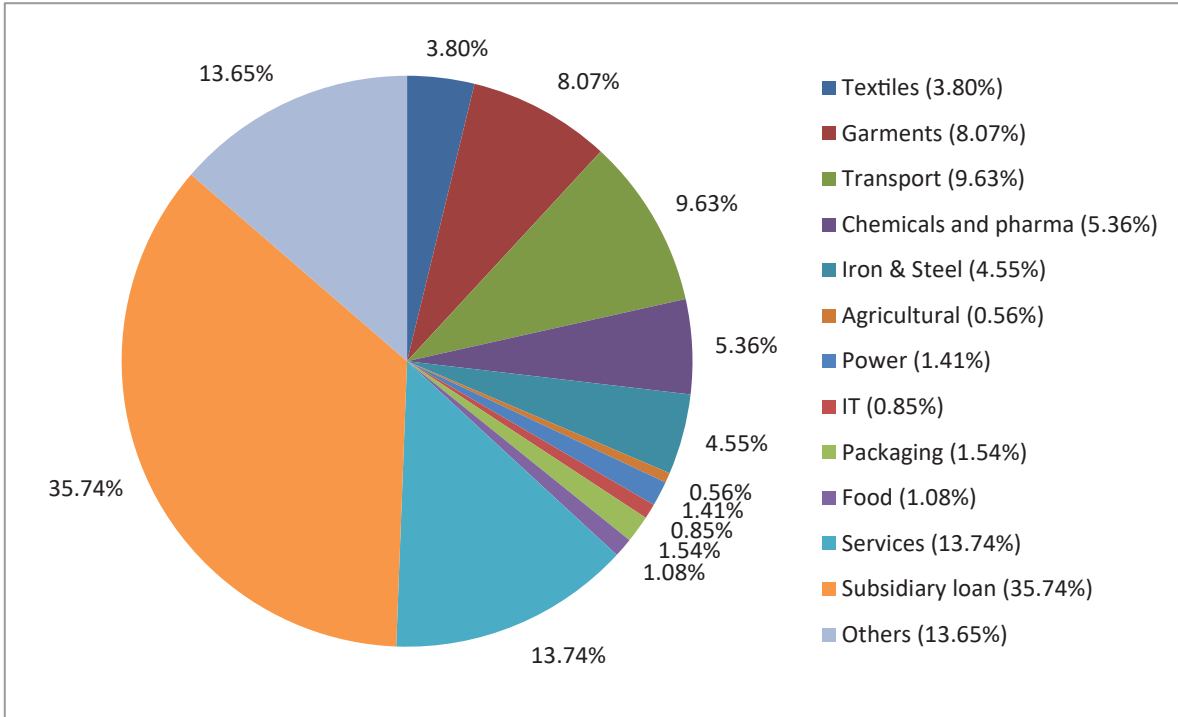
Equity statistics

Authorized capital	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Number of shares	129,221,378	142,789,623	157,068,585	157,068,585	157,068,585
Paid up Capital	1,292,213,780	1,427,896,230	1,570,685,850	1,570,685,850	1,570,685,850
Year end market price	15.20	20.00	27.00	30.30	30.30
Net asset value per share	19.82	21.25	20.57	24.22	14.54

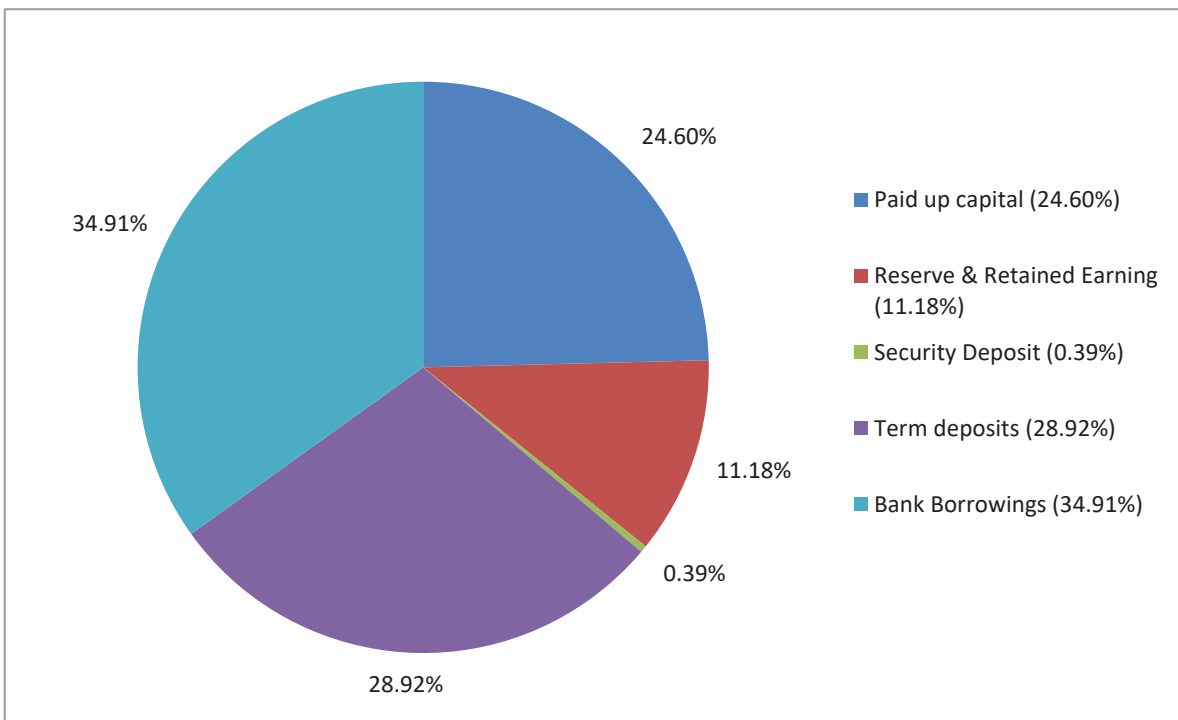




Sector wise Leases, Loans & Advances



Capitalization



Malek Siddiqui Wali

Chartered Accountants

Since 1965

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

Qualified Opinion

We have audited the consolidated financial statements of GSP Finance Company (Bangladesh) Ltd. as well as the separate financial statements of GSP Finance Company (Bangladesh) Ltd. (the "Company") which comprise the Consolidated and separate balance sheet as at December 31, 2023, the Consolidated and separate the profit and loss account, Consolidated and separate statement of changes in equity and Consolidated and separate cash flow statement for the year then ended, and notes to the Consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements of the Group and separate financial statements of the Company give a true and fair view of the balance sheet of the Group and the separate balance sheet of the Company as at 31 December 2023, and of its profit and loss accounts and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Finance Company Act, 2023, the Rules and Regulations issued by the Bangladesh Bank, the Securities and Exchange Rules, 2020 and other applicable Laws and Regulations.

Basis for Qualified Opinion

At the year ended, the company's non-performing (classified) loan stood of TK. 477.72 crore of loan advance and lease investment. As a result, the required loan provision of Leases, loans and advances at the yearend was TK. 464.33 crore. Out of which, TK. 235.55 crore has been accounted for as loan provision. The shortfall of loan loss provision for classified loan of company stood of TK. 228.78 crore. If whole required provision is charged to the profit or loss statement, then loss for the year and net asset value would be reduced by TK. 228.78 crore. The shortfall of such loan loss provision is under deferral scheme for six (6) years (remaining) of Bangladesh Bank vide letter number DFIM(C)1054/28/2023-2697 dated: August 07, 2023.

Basis for Qualified Opinion of GSP Investments Limited:

The balance of margin loan at the yearend of TK. 395.06 crore, which is made of 275 no. of individual loans and all are negative equity, and market value of portfolio of margin loan holders is TK. 33.68 crore. Hence, the required provision of impairment loss for such investment is TK. 361.38 crore but the company has made provision of TK. 60.01 crore as of December 31, 2023 as per notification no BSEC/SMMID/NI/2023/1690 of Bangladesh Securities and Exchange Commission. The shortfall of provision is TK. 301.37 crore leading to overstating of equity and understating the Loan Loss Provision and Loss for the year.

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

Emphasis of Matter Paragraph

The company has significant investment in the TDR in Premier Leasing & Finance Ltd and FAS Finance Limited of Tk. 138,700,000 and Tk. 13,570,247 respectively, the company get judgment from the honorable court of Bangladesh in company's favor. Honorable court of Bangladesh instructed management of Premier Leasing & Finance Ltd and FAS Finance Limited to repay the TDR amount to the company. (Please see note number 4a)

Our opinion is not qualified in respect to these matters.

Other Matter:

1. We observed during our audit that, the company did not make WPPF provision during the year.
2. The company has maintained provision for Employees Gratuity Fund of Tk. 5,263,760 at the year-end by making provision for eligible employees. IAS 19 required to carry out actuarial valuation of the gratuity fund (Defined benefit plan) and distribute the service cost year by year basis. No such study and accounting treatment was taken place as per IAS 19.

Our opinion is not qualified in respect to these matters.

Key audit matters

Risk	Our response to the risk
<p>Measurement of provision for loans and advances</p> <p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end of 2023 for loans and advances of Tk. 2,355,564,259.</p> <p>We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in FID circular no 08, dated 03 August 2002, FID circular no. 03, dated 03 May 2006 and FID circular no.03 dated 29 April 2013; • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; • Provision measurement is primarily 	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly classification of loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates;	
See note 14, 14.2 of financial statements	

<p>Measurement of deferred tax</p> <p>In 2023, the Company reports net deferred tax liabilities (DTL) amounted to Tk. 17,163,106</p> <p>Significant judgment is required in relation to deferred tax assets/liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the recognition and measurement of DTLs and the assumptions used in estimating the Group's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTL's.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
See note 14.5 to the financial statements	

Other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report after the date of our auditor's report. Management is responsible for the other information.

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements of the Group and also separate financial statements of the Company in accordance with IFRSs as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Financial Institutions Act, 1993 and the Bangladesh Bank guidelines require the management to ensure effective internal audit, internal control and risk management functions of the Company. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 2020, the Finance Company Act, 2023 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) The consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditures incurred and payments made were for the purpose of the Company's business for the year;
- (v) The financial statements of the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- (vi) adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (vii) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- (ix) statement sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (x) taxes and duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- (xi) nothing has come to our attention that the Company has adopted any unethical means i.e. "Window dressing" to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- (xiii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- (xiv) the Company has complied with relevant laws pertaining to capital, reserve, and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/ leases found satisfactory;
- (xv) we have reviewed over 80% of the risk weighted assets of the Group & Company and we have spent around 920 person hours for the audit of the books and accounts of the Company;
- (xvi) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xvii) the Company has complied with the "First Schedule" of the Finance Company Act, 2023 in preparing these financial statements; and
- (xviii) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.
- (xix) The company have revalued the land and building during the year and nothing was appeared to us unreasonable.

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022

Md. Wali
Md. Waliullah, FCA
Enrolment No: 0247

Dated: December 15, 2024
Dhaka
Data Verification Code (DVC) No. 2412150247AS709725

GSP FINANCE COMPANY (BANGLADESH) LIMITED
CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2023

	Notes	Amount in Taka	
		2023	2022
PROPERTY AND ASSETS			
Cash		18,216,500	18,651,362
In hand (including foreign currencies)	3.1(a)	74,086	100,812
Balance with Bangladesh Bank and its agents bank(s) (including foreign currencies)	3.2(a)	18,142,414	18,550,550
Balance with other banks and financial institutions	4(a)	207,700,781	210,578,538
In Bangladesh		207,700,781	210,578,538
Outside Bangladesh		-	-
Money at call and short notice	5(a)	-	-
Investments	6(a)	458,660,700	476,074,513
Government		-	-
Others		458,660,700	476,074,513
		9,279,988,112	8,740,221,891
Leases, loans and advances	7(a)	9,279,988,112	8,740,221,891
Bills purchased and discounted	8(a)	-	-
Fixed assets including premises, furniture and fixtures	9(a)	2,190,371,286	2,148,406,068
Other Assets	10(a)	145,875,238	200,804,637
Non-business assets	11	-	-
Total Assets		12,300,812,618	11,794,737,009
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks, other financial institutions and agents:	12(a)	1,846,485,301	1,645,107,314
Deposits and other accounts	13(a)	2,228,331,024	2,002,944,839
Current deposits		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		2,228,331,024	2,002,944,839
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	14(a)	5,391,516,176	3,783,476,565
Total Liabilities		9,466,332,501	7,431,528,718
Capital / Shareholders' Equity			
Paid up capital	15.2	1,570,685,850	1,570,685,850
Statutory reserve	16	554,818,003	554,818,003
Other reserve	17	2,096,001,242	2,096,001,242
Retained earnings:			
Retained earnings balance	18(a)	(1,387,024,998)	141,703,143
Total equity attributable to equity holders of the company		2,834,480,097	4,363,208,238
Non-controlling interest		19	53
Total liabilities and Shareholders' equity		12,300,812,618	11,794,737,009

GSP FINANCE COMPANY (BANGLADESH) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2023

	Notes	Amounts in Taka	
		2023	2022
Interest income from leases, loans and advances	20(a)	250,545,612	867,897,912
Interest expenses on borrowings, deposits, etc	21(a)	(391,952,599)	(352,001,911)
Net interest income		(141,406,987)	515,896,001
Investment income	22(a)	12,864,860	36,831,689
Commission, exchange and brokerage	23(a)	174,066	5,022,419
Other operating income	24(a)	50,813,082	38,085,966
Total operating income		(77,554,979)	595,836,075
Salary and allowances	25(a)	48,626,721	38,805,292
Rent, taxes, insurance, electricity, etc.	26(a)	1,727,459	1,524,257
Legal expenses	27(a)	484,000	550,752
Postage, stamp, telecommunication, etc.	28(a)	741,239	631,438
Stationery, printing, advertisements, etc.	29(a)	2,048,908	1,428,461
Managing Director's salary and allowances	30(a)	1,530,182	5,718,493
Directors' fees	31(a)	944,000	616,000
Audit fees	32(a)	253,000	253,000
Charges on loan losses		-	-
Depreciation and repairs of company's assets	33(a)	7,221,082	5,605,347
Other operating expenses	34(a)	7,039,557	6,399,672
Total operating expenses		70,616,147	61,532,712
Profit before provision		(148,171,126)	534,303,364
Provision for leases, loans and advances & investments	35(a)	1,377,071,270	697,551,635
Other provision		-	-
Total provision		1,377,071,270	697,551,635
Total profit before income tax		(1,525,242,396)	(163,248,271)
Provision for income tax			
Current Tax		3,538,664	5,311,415
Deferred tax		(52,885)	1,726,796
Total Provision for income tax	36(a)	3,485,779	7,038,211
Net Profit after income tax		(1,528,728,174)	(170,286,482)
Attributable to			
Shareholders of the company		(1,528,728,141)	(170,282,478)
Non-controlling interest		(34)	(4)
Retained earnings brought forward from previous year		141,703,143	311,989,621
		(1,387,025,031)	141,703,139
Appropriations:			
Statutory reserve	16	-	-
Dividend paid from Retained earnings		-	-
		-	-
Retained earnings carried to the balance sheet	18(a)	(1,387,024,998)	141,703,143
Earnings per share	38(a)	(9.73)	(1.08)

The accompanying notes form an integral part of these financial statements


Director


Director


Director


Managing Director & CEO (C.C)


Company Secretary (C.C)

Signed as per our annexed qualified auditors' report of even date

Dated, Dhaka
December 15, 2024
Data Verification Code (DVC) No: 2412150247AS709725

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022


Md. Waliullah, FCA
Enrolment No. 0247

GSP FINANCE COMPANY (BANGLADESH) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Amount in Taka	
	2023	2022
Cash flows from operating activities:		
Interest receipt in cash	253,749,882	867,897,912
Interez	(388,560,317)	(352,001,911)
Dividend receipts	12,267,260	14,975,024
Commission, Exchange and brokerage	174,066	5,022,419
Recoveries of loan previously written-off	-	-
Income taxes paid	(3,435,339)	(5,328,336)
Receipts from other operating activities	8,035,464	54,920,212
Payments for other operating activities	(64,314,043)	(54,502,563)
Cash generated from operating activities before changes in operating assets and liabilities	(182,083,027)	530,982,757
Increase / decrease in operating assets and liabilities		
Statutory deposit	-	-
Trading securities	-	-
Leases, loans and advances	(1,010,437,584)	(923,474,615)
Other assets	(190,057,878)	(9,789,954)
Deposit and other accounts	225,386,185	77,744,934
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	891,421,381	143,143,747
	(83,687,896)	(712,375,888)
Net cash flow from operating activities	(265,770,923)	(181,393,130)
Cash flows from investing activities:		
Proceeds from sale of securities	29,898,768	25,909,782
Payments for purchases of securities	(12,484,955)	(3,660,420)
Purchase of fixed assets	(327,965)	(61,550)
Proceeds from sale of fixed assets	46,341,400	21,012,200
Payment against lease obligation	-	-
Net cash used by investing activities	63,427,248	43,200,012
Cash flows from financing activities:		
Receipts of borrowings from banks, other financial institutions and agents	205,939,895	232,459,567
Repayment of borrowings from banks, other financial institutions and agents	(6,908,838)	(267,361,430)
Receipts against issue of share capital	-	-
Dividend paid in cash	-	-
Net cash flow/used by financing activities	199,031,057	(34,901,863)
Net increase / (decrease) in cash and cash equivalents	(3,312,618)	(173,094,981)
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	229,229,900	402,324,880
Cash and cash equivalents at the end of the year	225,917,282	229,229,900

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

Amount in Taka	
2023	2022
74,086	100,812
18,142,414	18,550,550
207,700,781	210,578,538
-	-
225,917,282	229,229,900
(1.69)	(1.15)

Net Operating Cash Flow per share

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



Director



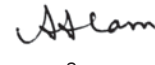
Director



Director



Managing Director & CEO (C.C.)



Company Secretary (C.C.)

Signed as per our annexed qualified auditors' report of even date

Dated, Dhaka
 December 15, 2024
 Data Verification Code (DVC) No: 2412150247AS709725

Malek Siddiqui Wali, Chartered Accountants
 RJSC Firm Registration No: P-50041/2022



Md. Waliullah, FCA
 Enrolment No. 0247

GSP FINANCE COMPANY (BANGLADESH) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

Particulars	Attributable to equity holders of the company					Non-controlling interest (Tk.)	Total equity (Tk.)
	Paid up capital (Tk.)	Capital Reserve (Tk.)	Statutory Reserve (Tk.)	Retained Earnings (Tk.)	Total (Tk.)		
Balance as at January 01, 2022	1,570,685,850	916,689,624	554,818,003	311,989,622	3,354,183,099	57	3,354,183,156
Issue of share Capital	-	-	-	-	-	-	-
Net profit after tax for the year 2022	-	-	-	(170,286,478)	(170,286,478)	(4)	(170,286,482)
Transferred to statutory reserve	-	-	-	-	-	-	-
Issue of share Capital	-	-	-	-	-	-	-
Transferred to provision for Tax	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-
Revaluation of properties	-	1,179,311,618	-	-	1,179,311,618	-	1,179,311,618
Balance as at 31st December 2022	1,570,685,850	2,096,001,242	554,818,003	141,703,144	4,363,208,238	53	4,363,208,291
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	1,570,685,850	2,096,001,242	554,818,003	141,703,144	4,363,208,238	53	4,363,208,291
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investment	-	-	-	-	-	-	-
Issue of share Capital	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-
Net profit after tax for the year	-	-	-	(1,528,728,141)	(1,528,728,141)	(34)	(1,528,728,174)
Transferred to statutory reserve	-	-	-	-	-	-	-
Balance as at 31st December 2023	1,570,685,850	2,096,001,242	554,818,003	(1,387,024,998)	2,834,480,097	19	2,834,480,117

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


Director


Director


Director



Managing Director & CEO (C.C)


Company Secretary (C.C)

Signed as per our annexed qualified auditors' report of even date

Dated, Dhaka
December 15, 2024
Data Verification Code (DVC) No: 2412150247AS709725

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022


Md. Waliullah, FCA
Enrolment No. 0247

GSP FINANCE COMPANY (BANGLADESH) LIMITED

BALANCE SHEET

AS AT DECEMBER 31, 2023

	Notes	Amount in Taka	
		2023	2022
PROPERTY AND ASSETS			
Cash	3	18,212,555	18,632,378
In hand (including foreign currencies)		70,141	81,828
Balance with Bangladesh Bank and its agents bank(s) (including foreign currencies)		18,142,414	18,550,550
Balance with other banks and financial institutions	4	205,451,661	211,794,572
In Bangladesh		205,451,661	211,794,572
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6	437,462,387	454,876,200
Government		-	-
Others		437,462,387	454,876,200
		8,293,551,480	7,268,878,151
Leases , loans and advances	7.1	8,293,551,480	7,268,878,151
Bills purchased and discounted	8	-	-
Fixed assets including premises, furniture and fixtures	9	2,188,322,580	2,145,870,371
Other Assets	10	591,527,125	449,014,396
Non-business assets	11	-	-
Total Assets		11,734,527,789	10,549,066,069
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks ,other financial institutions and agents:	12	1,846,485,301	1,645,107,314
Deposits and other accounts	13	2,228,331,024	2,002,944,839
Current deposits		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		2,228,331,024	2,002,944,839
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	14	5,375,306,195	3,096,991,709
Total Liabilities		9,450,122,520	6,745,043,863
Capital / Shareholders' Equity		2,284,405,269	3,804,022,206
Paid up capital	15.2	1,570,685,850	1,570,685,850
Statutory reserve	16	554,818,003	554,818,003
Other reserve	17	2,096,001,242	2,096,001,242
Retained earnings:			
Retained earnings balance	18	(1,937,099,826)	(417,482,889)
Total liabilities and Shareholders' equity		11,734,527,789	10,549,066,069

OFF-BALANCE SHEET ITEMS :

Contingent liabilities

Acceptances and endorsements
 Letter of guarantee
 Irrevocable letter of credit
 Bills for collection
 Other contingent liabilities

18.1

Amount in Taka	
2023	2022

-	-
-	-
-	-
-	-
-	-

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

18.2

-	-
-	-
-	-
-	-
-	-

Total off-balance sheet items including contingent liabilities

-	-
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Net assets value (NAV) per share

14.54	24.22
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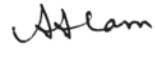
The accompanying notes form an integral part of these financial statements.


 Director


 Director


 Director


 Managing Director & CEO (C.C)


 Company Secretary (C.C)

Signed as per our annexed qualified auditors' report of even date

Dated, Dhaka
 December 15, 2024
 Data Verification Code (DVC) No: 2412150247AS709725

Malek Siddiqui Wali, Chartered Accountants
 RJSC Firm Registration No: P-50041/2022


Md. Waliullah, FCA
 Enrolment No. 0247

GSP FINANCE COMPANY (BANGLADESH) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2023

		Amount in Taka	
		2023	2022
	Notes		
Interest income from leases, loans and advances	20	256,079,788	267,777,384
Interest expenses on borrowings, deposits, etc	21	(391,911,094)	(351,992,807)
Net interest income		(135,831,306)	(84,215,423)
Investment income	22	12,790,570	36,626,301
Commission, exchange and brokerage	23	-	-
Other operating income	24	50,744,859	38,021,749
Total operating income		(72,295,877)	(9,567,373)
Salary and allowances	25	46,008,568	35,882,092
Rent, taxes, insurance, electricity, etc.	26	1,606,105	1,427,214
Legal expenses	27	334,000	494,752
Postage, stamp, telecommunication, etc.	28	739,697	630,138
Stationery, printing, advertisements, etc.	29	2,038,371	1,413,631
Managing Director's salary and allowances	30	-	4,450,000
Directors' fees	31	600,000	440,000
Audit fees	32	195,500	195,500
Charges on loan losses		-	-
Depreciation and repairs of company's assets	33	6,674,491	4,967,106
Other operating expenses	34	6,039,789	5,521,881
Total operating expenses		64,236,519	55,422,313
Profit before provision		(136,532,397)	(64,989,686)
Provision for leases, loans and advances & investments	35	1,379,839,643	534,269,330
Other provision		-	-
Total provision		1,379,839,643	534,269,330
Total profit before income tax		(1,516,372,039)	(599,259,016)
Provision for income tax			
Current Tax	36	3,297,783	5,182,723
Deferred tax	36	(52,885)	1,726,796
Total Provision for income tax		3,244,898	6,909,519
Net profit after income tax		(1,519,616,937)	(606,168,535)
Retained earnings brought forward from previous year		(417,482,889)	188,685,646
		(1,937,099,826)	(417,482,889)
Appropriations:			
Statutory reserve	16	-	-
Dividend paid from Retained earnings		-	-
		-	-
Retained earnings carried to the balance sheet	18	(1,937,099,826)	(417,482,889)
Earning per share (EPS)	38	(9.67)	(3.86)

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


Director


Director


Director


Managing Director & CEO (C.C.)


Company Secretary (C.C.)

Signed as per our annexed qualified auditors' report of even date

Dated, Dhaka
December 15, 2024
Data Verification Code (DVC) No: 2412150247AS709725

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022


Md. Waliullah, FCA
Enrolment No. 0247

GSP FINANCE COMPANY (BANGLADESH) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2023

	Amount in Taka	
	2023	2022
Cash flows from operating activities:		
Interest receipt in cash	244,229,579	267,777,384
Interest payment	(382,930,317)	(326,152,684)
Dividend receipts	12,192,970	14,705,419
Recoveries of loan previously written-off	-	-
Income taxes paid	(3,297,783)	(5,182,723)
Receipts from other operating activities	7,967,241	17,739,274
Payments for other operating activities	(58,286,314)	(50,512,412)
Cash generated from operating activities before changes in operating assets and liabilities	(180,124,624)	(81,625,741)
Increase / decrease in operating assets and liabilities		
Statutory deposit	-	-
Trading securities	-	-
Leases, loans and advances	(1,010,437,584)	(321,320,149)
Other assets	(190,057,878)	(9,644,341)
Deposit and other accounts	225,386,185	77,744,934
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	887,214,918	154,329,844
	(87,894,359)	(98,889,712)
Net cash flow from operating activities	(268,018,983)	(180,515,453)
Cash flows from investing activities:		
Proceeds from sale of securities	29,898,768	25,044,522
Payments for purchases of securities	(12,484,955)	(3,660,420)
Purchase of fixed assets	(325,665)	(33,850)
Proceeds from sale of fixed assets	46,341,400	21,012,200
Payment against lease obligation	-	-
Net cash used by investing activities	63,429,548	42,362,452
Cash flows from financing activities:		
Receipts of borrowings from banks, other financial institutions and agents	205,939,895	232,121,627
Repayment of borrowings from banks, other financial institutions and agents	(4,561,908)	(267,361,430)
Dividend paid in cash	-	-
Net cash flow/used by financing activities	201,377,987	(35,239,803)
Net increase / (decrease) in cash and cash equivalents	(3,211,448)	(173,392,805)
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	226,875,664	400,268,468
Cash and cash equivalents at the end of the year	223,664,217	226,875,664

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

Amount in Taka	
2023	2022

70,141	81,828
18,142,414	18,550,550
205,451,661	208,243,286
-	-
223,664,217	226,875,664
(1.71)	(1.15)

Net Operating Cash Flow per share

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



Director



Director



Director



Managing Director & CEO (C.C)



Company Secretary (C.C)

Signed as per our annexed qualified auditors' report of even date

Dated, Dhaka
 December 15, 2024
 Data Verification Code (DVC) No: 2412150247AS709725

Malek Siddiqui Wali, Chartered Accountants
 RJSC Firm Registration No: P-50041/2022



Md. Waliullah, FCA
 Enrolment No. 0247

GSP FINANCE COMPANY (BANGLADESH) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

Particulars	Paid up capital (Tk.)	Capital Reserve(Tk.)	Statutory Reserve(Tk.)	Retained Earnings (Tk.)	Total (Tk.)
Balance as at January 01, 2022	1,570,685,850	916,689,624	554,818,003	188,685,646	3,230,879,123
Surplus/deficit on account of revaluation of properties		1,179,311,618	-	-	1,179,311,618
Profit for the year				(606,168,535)	(606,168,535)
Transferred to statutory reserve					
Transferred to provision for Tax					
Dividend paid					
Revaluation of properties					
Balance as at 31st December 2022	1,570,685,850	2,096,001,242	554,818,003	(417,482,889)	3,804,022,206
Changes in accounting policy	-	-	-	-	-
Restated balance	1,570,685,850	2,096,001,242	554,818,003	(417,482,889)	3,804,022,206
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of investment	-	-	-	-	-
Issue of share Capital (including premium)	-	-	-	-	-
Dividend paid	-	-	-	-	-
Net profit after tax for the year	-	-	-	(1,519,616,937)	(1,519,616,937)
Transferred to statutory reserve	-	-	-	-	-
Balance as at 31st December 2023	1,570,685,850	2,096,001,242	554,818,003	(1,937,099,826)	2,284,405,269

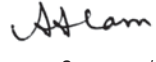
The accompanying notes form an integral part of these financial statements.


Director


Director


Director


Managing Director & CEO (C.C)


Company Secretary (C.C)

Signed as per our annexed qualified auditors' report of even date

Dated, Dhaka
December 15, 2024
Data Verification Code (DVC) No: 2412150247AS709725

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022


Md. Waliullah, FCA
Enrolment No. 0247

GSP FINANCE COMPANY (BANGLADESH) LIMITED
LIQUIDITY STATEMENT

(Analysis of maturity of assets and liabilities)
 FOR THE YEAR ENDED DECEMBER 31, 2023

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	70,141	-	-	-	-	70,141
Balance with Bangladesh Bank and its agents	18,142,414	-	-	-	-	18,142,414
Balance with banks and other financial institutions	33,899,524	8,218,066	163,334,071	-	-	205,451,661
Money at call and short notice	-	-	-	-	-	-
Investments	398,689,254	-	36,203,683	-	2,569,450	437,462,387
Leases, loans and advances	599,623,772	1,091,431,375	1,024,253,608	5,578,242,725	-	8,293,551,480
Fixed assets including premises, furniture and fixtures	-	-	12,027,521	4,227,507	2,172,067,552	2,188,322,580
Other assets	-	-	75,575,408	265,951,757	249,999,960	591,527,125
Non-business assets	-	-	-	-	-	-
Total assets (A)	1,050,425,106	1,099,649,441	1,311,394,290	5,848,421,990	2,424,636,962	11,734,527,789
Liabilities :						
Borrowings from banks, other financial institutions and agents	143,407,190	106,726,850	432,023,699	1,164,327,562	-	1,846,485,301
Deposits and other accounts	384,387,102	637,971,172	586,307,215	466,612,516	153,053,019	2,228,331,024
Provision and other liabilities	63,949,150	-	-	5,311,357,045	-	5,375,306,195
Total liabilities (B)	591,743,441	744,698,023	1,018,330,914	6,942,297,124	153,053,019	9,450,122,520
Net liquidity gap (A - B)	458,681,664	354,951,419	293,063,377	(1,093,875,134)	2,271,583,943	2,284,405,269

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


 Director


 Director


 Director


 Managing Director & CEO (C.C)


 Company Secretary (C.C)

Signed as per our annexed qualified auditors' report of even date

Dated, Dhaka
 December 15, 2024

Data Verification Code (DVC) No: 2412150247AS709725

Malek Siddiqui Wali, Chartered Accountants
 RJSC Firm Registration No: P-50041/2022



Md. Waliullah, FCA
 Enrolment No. 0247

GSP FINANCE COMPANY (BANGLADESH) LIMITED
NOTES TO THE CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1.0 CORPORATE INFORMATION:

1.1 Legal Status

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

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

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

The principal activities of GSP Investments Limited are:

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

1.3 Nature of Business

The Company carries out the following types of business:

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

2.00 SIGNIFICANT ACCOUNTING POLICIES :

2.1 Basis of Accounting

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

2.1.1 Basis of consolidation of operation of subsidiary

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

2.1.2 Statement of compliance

The consolidated financial statements and separate financial statements of the Company have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement and investment in marketable securities which are stated at market value in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) , except the circumstances where local regulations differ, and the Companies Act, 1994, the Financial Institutions Act, 2023, Securities and Exchange Rules 1987, the Listing Regulations of Dhaka & Chittagong Stock Exchanges and other applicable laws and regulations. The presentation of the financ

ial statements has been made as per the requirements of DFIM Circular No: 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been kept blank in the financial statements

2.2 Components of the financial statements

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

- a) Consolidated and Separate Balance Sheet as at 31 December 2023;
- b) Consolidated and Separate Profit and Loss Account for the year ended 31 December 2023;
- c) Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2023;
- d) Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2023;
- e) Liquidity Statement of the Company for the year ended 31 December 2023 and
- f) Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2023.

2.3 Management responsibility:

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

2.4 Directors' responsibility statement

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

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

The most critical estimates and judgments are applied to the following:

- * Provision for impairment of loans, leases and investments
- * Gratuity
- * Useful life of depreciable assets

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognised in the year in which the estimates are revised. In accordance with the guidelines as prescribed by IAS 37: "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized in the following situations:

Provisions

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Interest is recognized as and when it is accrued. Lease interest outstanding over 2 months are recognized as interest suspense and not as revenue. Fee based income and delinquent charges from lease operations are accounted for on cash basis.

2.6 Separate Books of Accounts

The company maintains separate office and books of accounts for its subsidiary as required under the regulations of Bangladesh Securities and Exchange Commission.

2.7 Investment in securities

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

- 2.8 Borrowing Costs**
Borrowing costs are recognized as expenses in the period in which those are incurred in accordance with benchmark treatment of IAS 23.
- 2.9 Revenue Recognition**
As per IAS 18, revenue is recognized when it is expected that the economic benefits associated with the transaction will flow to Company and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be measured reliably.
- 2.9.1 Lease Financing**
Interest is recognized as and when it is accrued. Lease interest outstanding over 2 months are recognized as interest suspense and not as revenue. Fee based income and delinquent charges from lease operations are accounted for on cash basis.
- 2.9.2 Interest on Direct Finance**
Interest on term finance is recognized when interest is accrued. No interest on loan is accounted for as revenue where any portion of capital or interest is in arrear for more than 2 months. Fee based income and delinquent charges from loan operations are accounted for on cash basis.
- 2.10 Changes in significant accounting policies - IFRS 16 Leases**
As a Lessee
GSP Finance Company (Bangladesh) Limited does not have any rented premises or lease assets under definition of IFRS 16. However if GSPB availed any lease assets under IFRS 16 then GSPB will treat the mater under IFRS 16.

As a lessor

GSPB is not required to make any adjustments on transitions to IFRS 16 for leases in which it acts as a lessor.
- 2.11 Accounting for Direct Finance**
Direct finance consisting of short term & long term finance are maintained based on the accrual method of accounting. Outstanding amount of long term loans has been shown in the balance sheet as assets under the head of Direct finance. Interest earnings are recognized as operational revenue.
- 2.12 Property and equipment**
i) Recognition and measurement

Items of fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per Bangladesh Accounting Standard (IAS) 16: "Property, Plant and Equipment".

ii) Subsequent expenditure on fixed assets

Subsequent expenditure is capitalized only when it increases the future economic benefit from the assets and that cost can be measured reliably. All other expenditures are recognized as an expense as and when they are incurred.
- 2.13 Depreciation**
Fixed Assets for Company's own use are depreciated at different ranges from 10% to 20% applying straight line method throughout the estimated span of useful life ranging from five to ten years. Rate of depreciation is as follows:

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

2.14 Provisions for Doubtful loss on Leases and Direct Finance
Provisions for classified and unclassified leases and direct finance receivables have been made as per guidelines of Bangladesh Bank through Department of Financial Institutions & Market (DFIM) circular no. 04 of 2021, Dated 26th July 2021 and other directives as applicable as follows:

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

2.15 Employees Benefits Scheme

2.15.1 Defined Contribution Plan

2.15.1.1 Provident fund

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

2.15.1.2 Other long term benefits

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

2.15.2 Defined benefit Plan

2.15.2.1 Gratuity

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

2.16 Corporate Tax

2.16.1 Current Tax

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

2.16.2 Deferred Tax

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

2.17 Trade Receivables

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

2.18 Payable and Accruals

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

2.19 Provisions

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

2.20 Statutory reserves

As per Financial Institutions Act 2023, every Non Banking Financial Institution (NBFI) is required to transfer at least 20% of its current year's profit to the fund until such reserve fund equals to its paid up share capital and share premium (if any). GSPB did not transfer any amount to Statutory reserves due to the company fall in loss during the period.

2.21 General

Comparative Information

Comparative information has been disclosed in respect of the year 2022 for all numerical information in the Financial Statements and also the narrative and descriptive information where it is relevant for understanding of the current

year's Financial Statements.

Previous year figures have been rearranged wherever considered necessary to conform to current year's presentation.

2.22 Renewal of FDR and interest thereon

FDR if not encashed on due date, is considered automatically renewed with interest earned upto maturity date and due at the equivalent current rate of interest.

2.23 Rounding off

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

2.24 In addition to compliance with local regulatory requirements, in preparing the Consolidated Financial Statements and Separate Financial Statements, GSPB applied following IASs and IFRSs:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A
Name of the IFRS	IFRS No.	Status
Share Based payment	2	N/A
Business combination	3	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	Applied
Financial Instruments	9	Applied
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied
Revenue from Contracts with customers	15	Applied
Lease	16	Applied
Insurance Contracts	17	N/A

N/A= Not Applicable

2.25 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, term deposits and investment in call loan that are readily convertible to a known amount of cash (with less than three months maturity) and that are subject to an insignificant risk of change in value.

2.26 Earnings Per Share (EPS)

The Company calculates earnings per share in accordance with International Accounting Standards (IAS) 33: "Earnings Per Share" which has been shown in the face of the Profit and Loss Account and the computation is stated in note 38.

		Amount in Taka	
		2023	2022
3.00	CASH		
3.1	Cash in hand		
	In local currency	70,141	81,828
	In foreign currency	-	-
		70,141	81,828
3.1(a)	Cash in hand (consolidated)		
	GSP Finance Company (Bangladesh) Limited	70,141	81,828
	GSP Investments Limited	3,945	18,984
		74,086	100,812
3.2	Balance with Bangladesh Bank and its agents Bank(s)		
	In local currency	18,142,414	18,550,550
	In foreign currency	-	-
		18,142,414	18,550,550
3.2(a)	Balance with Bangladesh Bank and its agents Bank(s) (consolidated)		
	GSP Finance Company (Bangladesh) Limited	18,142,414	18,550,550
	GSP Investments Limited	-	-
		18,142,414	18,550,550
3.3	Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)		
	Cash Reserve Requirement @ 1.5% and Statutory Liquidity Reserve @ 5% have been calculated and maintained in accordance with FID Circular # 02, 06 and 03 dated 10 November 2004, 31 May 2001 and June 21, 2020 respectively.		
	a) Cash Reserve Requirement		
	Required Reserve	11,296,965	10,766,173
	Actual Reserve maintained (note- 3.2)	18,142,414	18,550,550
	Surplus / (deficit)	6,845,449	7,784,377
	b) Statutory Liquidity Reserve		
	Required Reserve	173,119,147	64,465,710
	Actual Reserve maintained (note-3.1, 3.2 and 4)	223,664,217	226,875,664
	Surplus / (deficit)	50,545,070	162,409,954
4	Balance with banks and other financial institutions		
	In Bangladesh (note -4.1)	205,451,661	211,794,572
	Outside Bangladesh	-	-
		205,451,661	211,794,572
	The company does not maintain any account outside of Bangladesh		
4(a)	Balance with banks and other financial institutions (consolidated)		
	GSP Finance Company (Bangladesh) Limited	205,451,661	208,243,286
	GSP Investments Limited	2,249,120	2,335,252
		207,700,781	210,578,538
4.1	Current deposits		
	Nationalised Commercial Bank (note -4.1.1)	-	-
	Private Commercial Bank (note -4.1.2)	-	-
	Foreign Commercial Bank (note -4.1.3)	-	-
		-	-
	Short-term deposits		
	Nationalised Commercial Bank (note -4.1.4)	-	-
	Private Commercial Bank (note -4.1.5)	14,884,451	16,059,207
	Foreign Commercial Bank (note -4.1.6)	186,984	465,118
		15,071,434	16,524,325

		Amount in Taka	
		2023	2022
	Fixed deposits (FDR)		
	Nationalised Commercial Bank (note -4.1)	-	-
	Private Commercial Bank (note -4.1.8)	38,109,980	43,000,000
	Foreign Commercial Bank (note -4.1.9)	-	-
	Financial Institutions (note -4.1.10)	152,270,247	152,270,247
		190,380,227	195,270,247
		205,451,661	211,794,572
4.1.1	Nationalised Commercial Bank:		
4.1.2	Private Commercial Bank:		
4.1.3	Foreign Commercial Bank:		
4.1.4	Nationalised Commercial Bank:		
4.1.5	Private Commercial Bank:		
	Bank Asia Ltd.	245,482	-
	BASIC Bank Ltd.	13,167	731,740
	Dutch Bangla Bank Ltd.	5,900,687	315,264
	Modhumoti Bank Ltd.	68,671	76,983
	Mutual Trust Bank Ltd.	70,030	1,192,396
	NCC Bank Ltd.	7,693	2,875
	Southeast Bank Ltd.	240,183	5,447,360
	Union Bank Ltd.	73,088	86,229
	MTBL ESCROW A/C	29,379	24,929
	MTBL ESCROW A/C	437,384	438,079
	MTBL ESCROW A/C	3,111,207	3,088,279
	MTBL Dividend A/C-2015	1,508,381	1,499,386
	MTBL Dividend A/C-2016	988,814	981,856
	SEBL Dividend A/C-2018	2,149,815	2,131,220
	SEBL Dividend A/C-2019	32,839	33,920
	SEBL Dividend A/C-2020	7,630	8,690
		14,884,451	16,059,207
4.1.6	Foreign Commercial Bank:		
	Commercial Bank of Ceylon	169,845	64,745
	Woori Bank	17,138	400,374
		186,984	465,118
4.1.7	Nationalised Commercial Bank:		
4.1.8	Private Commercial Bank:		
	Padma Bank Ltd.	38,109,980	43,000,000
		38,109,980	43,000,000
4.1.9	Foreign Commercial Bank:		
4.1.10	Financial Institutions:		
	Premier Leasing & Finance Ltd.	138,700,000	138,700,000
	FAS Finance Ltd.	13,570,247	13,570,247
		152,270,247	152,270,247
4.2	Maturity grouping of balance with		
	On demand	33,899,524	34,360,142
	Up to 1 month	8,218,066	8,329,731
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 year	163,334,071	165,553,412
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		205,451,661	208,243,286

		Amount in Taka	
		2023	2022
5	Money at call and short notice:	-	-
		-	-
5(a)	Money at call and short notice (consolidated)		
	GSP Finance Company (Bangladesh) Limited	-	-
	GSP Investments Limited	-	-
		-	-
6	Investments		
	Investment classified as per nature:		
	Government (note -6.1)	-	-
	Others (note-6.2)	437,462,387	454,876,200
		437,462,387	454,876,200
6(a)	Investments (consolidated)		
	GSP Finance Company (Bangladesh) Limited	437,462,387	454,876,200
	GSP Investments Limited	21,198,313	21,198,313
		458,660,700	476,074,513
6.1	Government Securities:		
	Treasury bills	-	-
	National investment bonds	-	-
	Bangladesh Bank bills	-	-
	Government notes / bonds	-	-
	Prize bonds	-	-
	Others	-	-
		-	-
6.2	Other investments:		
	Investment in shares (Annexure-A)	437,462,387	454,876,200
	Debenture and bonds	-	-
	Other investment	-	-
	Gold etc.	-	-
		437,462,387	454,876,200
6.3	Maturity grouping of investments:		
	On demand	398,689,254	451,766,300
	Up to 1 month	-	-
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 year	36,203,683	540,450
	Over 1 year but not more than 5 years	-	-
	Over 5 years	2,569,450	2,569,450
		437,462,387	454,876,200
6.4	Other investments:		
	Investment in quoted Shares	434,892,937	452,306,750
	Investment in unquoted Shares	2,569,450	2,569,450
		437,462,387	454,876,200
7	Leases, Loans and advances :		
7.1	a) Inside Bangladesh		
	Leases (note -7.2)	1,752,112,315	1,457,045,181
	Loans and advances	6,541,439,165	5,811,832,970
	Cash credits	-	-
	Overdrafts	-	-
		8,293,551,480	7,268,878,151
	b) outside Bangladesh	-	-
		8,293,551,480	7,268,878,151

		Amount in Taka	
		2023	2022
7.1.1	Lease Finance		
	Principal Outstanding	549,834,850	892,767,947
	Account receivable	1,202,277,465	564,277,234
	Total	1,752,112,315	1,457,045,181
	Principal Outstanding		
	Gross lease rental receivable	1,584,236,985	1,423,598,632
	Unearned lease income	1,034,402,135	530,830,685
	Total	549,834,850	892,767,947
7.2	Leases	1,752,112,315	1,457,045,181
	Advances for leases (note -7.2.1)	-	-
		1,752,112,315	1,457,045,181
7.2.1	Advance for leases		
	These represent disbursements made to clients for procuring assets under lease and on execution advances are transferred to lease finance.	-	-
		-	-
7.3	Sector wise leases, loans and advances		
	Public sector	-	-
	Co-operative sector	487,385,344	366,236,510
	Private sector	7,806,166,136	6,902,641,641
		8,293,551,480	7,268,878,151
7.4	Residual maturity grouping of leases, loans and advances		
	On demand	-	-
	Up to 1 month	599,623,772	525,539,890
	Over 1 month but not more than 3 months	1,091,431,375	956,584,365
	Over 3 months but not more than 1 year	1,024,253,608	897,706,452
	Over 1 year but not more than 5 years	5,578,242,725	4,889,047,444
	Over 5 years	-	-
		8,293,551,480	7,268,878,151
7.5	Leases, loans and advances on the basis of significant concentration		
	a) Leases, loans and advances to Directors and organizations related to Directors (fully secured)		
	b) Leases, loans and advances to Chief Executive Officer and other senior executives	-	-
	c) Leases, loans and advances to customers groups:		
	i) Leases	1,752,112,315	1,457,045,181
	ii) Loans	6,541,439,165	5,811,832,970
		8,293,551,480	7,268,878,151
	d) Leases, loans and advances on sector basis:		
	i) Textiles	315,177,206	286,756,310
	ii) Garments and Accessories	669,211,284	657,468,416
	iii) Transport	798,882,679	600,888,116
	iv) Chemicals and pharmaceuticals	444,266,313	484,266,313
	v) Iron, Steel and Engineering	377,768,547	329,755,583
	vi) Agricultural Equipments and Agro Industries	46,700,721	46,355,356
	vii) Power and Energy	-	-
	viii) Electronics and Electrical	117,100,209	120,225,998
	ix) Information technology (IT)	70,574,357	90,966,912
	x) Paper printing and Packaging	127,898,327	158,985,256
	xi) Plastic	-	-
	xii) Real Estate and Housing	-	-
	xiii) Food and Beverage	89,977,334	82,368,185
	xiv) Glass and Ceramics	-	-
	xv) Services	1,139,390,083	934,466,207
	xvi) Others	4,096,604,420	3,476,375,499
		8,293,551,480	7,268,878,151

		Amount in Taka	
		2023	2022
7.6	Leases, loans and advances on geographical basis:		
	Inside Bangladesh:		
	Urban :		
	Dhaka Division	7,973,135,008	6,901,569,975
	Chittagong Division	320,416,472	367,308,176
	Khulna Division	-	-
	Rajshahi Division	-	-
	Barisal Division	-	-
	Sylhet Division	-	-
		8,293,551,480	7,268,878,151
	Rural :		
	Dhaka Division	-	-
	Chittagong Division	-	-
	Khulna Division	-	-
	Rajshahi Division	-	-
	Barisal Division	-	-
	Sylhet Division	-	-
		-	-
	Outside Bangladesh:		
	Total	8,293,551,480	7,268,878,151
7.7	Classification of Leases, loans and advances :		
	Unclassified :		
	Standard	3,374,293,657	1,366,604,212
	Special mention account	142,081,149	79,576,952
		3,516,374,806	1,446,181,164
	Classified :		
	Sub-standard	15,095,458	3,353,698
	Doubtful	963,248,695	1,353,031,320
	Bad/Loss	3,798,832,521	4,466,311,969
		4,777,176,674	5,822,696,987
	Total	8,293,551,480	7,268,878,151
7.8	Net Leases ,loans and advances :		
	Total Leases , loans and advances (note- 7.1)	8,293,551,480	7,268,878,151
	Less :		
	Non-performing leases, loans and advances (note-7.7)	4,777,176,674	5,822,696,987
	Interest suspenses (note-14.5)	1,370,392,547	503,773,186
	Provision for leases, loans and advances	2,343,752,954	1,084,708,073
		8,491,322,175	7,411,178,246
		(197,770,695)	(142,300,095)
7.9	Particulars of Leases, loans and advances:		
	a) Lease, loans and advances considered good and in respect of which the financial institution is fully secured	4,491,806,442	4,152,396,856
	b) Lease , loans and advances considered good against which the financial institution holds no security other than the debtors personal guarantee	-	-
		1,752,403,698	2,103,548,620
	c) Lease , loans and advances considered good secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors	-	-
		2,049,341,340	1,012,932,675
	d) Lease , loans and advances adversely classified : provision not maintained there	-	-
	e) Lease , loans and advances due by directors or officers of the financial institution or any of them either separately or jointly with any other person	-	-
	f) Lease , loans and advances due from companies or firms in which the directors of the financial institution have interest as directors, partners,managing agents or in case of the private companies , as members	-	-

		Amount in Taka	
		2023	2022
	g) Maximum total amount of leases , loans and advances including temporary advances made in any time during the year to the directors or managing directors or officers of the financial institution or any of them either separately or jointly with any other person	-	-
	h) Maximum total amount of leases, loans and advances including temporary advances granted during the year to companies or firms in which the directors of the financial institution have interest as directors, partners, managing agents or in case of the private companies, as members	-	-
	i) Due from banks and other financial institutions	-	-
	j) Classified leases , loans and advances:		
	i) Classified leases, loans and advances on which no interest has been charged	4,777,176,674	5,822,696,987
	ii) Provision on classified leases , loans and advances	1,601,995,391	998,927,824
	iii) Provision kept against leases, loans and advances classified as bad debts	1,601,995,391	998,927,824
	iv) Interest credited to interest suspense account (note-14.5)	1,370,392,547	503,773,186
	k) Cumulative amount of written-off leases, loans and advances:		
	Opening balance	-	-
	Amount written -off during the year	-	-
	Amount realized against leases,loans and advances	-	-
	The amount of written-off / classified leases, loans and advances for which law suites has been filed	-	-
7.10	Significant concentration wise lease, loan & advances		
	Lease, Loan & Advances to-		
	Directors and their concerns	-	-
	Chief executive and other senior executives	-	-
	Loan against Term Deposits	3,450,000	200,000
	Customer groups	8,290,101,480	7,268,678,151
		8,293,551,480	7,268,878,151
7.11	Suits filed by the Company :		
	As at 31 December 2023 , GSP Finance Company (Bangladesh) Limited filed 30 suits against 25 clients under Artha Rin Adalat Ain -2003, Total suit amount was Tk. 1,970,865,193/-		
7(a)	Leases ,Loans and advances (consolidated)		
	GSP Finance Company (Bangladesh) Limited	8,293,551,480	7,268,878,151
	GSP Investments Limited	3,950,628,881	3,964,965,138
		12,244,180,361	11,233,843,289
	Less: Inter company transaction (Loan to GSPI)	2,964,192,249	2,493,621,398
		9,279,988,112	8,740,221,891
8	Bills purchased and discounted		
	Payable in Bangladesh	-	-
	Payable outside Bangladesh	-	-
8(a)	Bills purchased and discounted (consolidated)		
	GSP Finance Company (Bangladesh) Limited	-	-
	GSP Investments Limited	-	-
		-	-

		Amount in Taka	
		2023	2022
9	Fixed assets including premises, furniture and fixtures:		
	Cost:		
	Opening Balance	2,211,258,092	1,053,925,101
	Addition during the year	48,325,665	333,850
	Revaluation surplus during the year	-	1,165,312,500
		2,259,583,757	2,219,571,451
	Adjustment during the year	12,832,712	8,313,359
	Closing Balance (A)	2,246,751,045	2,211,258,092
	Less : Accumulated Depreciation :		
	Opening Balance	65,387,721	83,038,302
	Charged during the year:	5,873,456	4,661,901
		71,261,177	87,700,203
	Adjustment during the year	12,832,712	22,312,482
	Closing Balance (B)	58,428,465	65,387,721
	Written Down Value (A-B) (Annexure -C)	2,188,322,580	2,145,870,371
9(a)	Fixed assets including premises, furniture and fixtures (consolidated)		
	GSP Finance Company (Bangladesh) Limited	2,188,322,580	2,145,870,371
	GSP Investments Limited	2,048,706	2,535,697
	Written Down Value (Annexure -B)	2,190,371,286	2,148,406,068
10	Other assets		
	Corporate Tax paid in advance and Tax at source	55,523,415	52,225,632
	Advance, Deposits and Prepayments	2,045,139	48,028,450
	Sundry Debtors	3,299,524	175,574
	Interest Receivable on FDR	80,659,088	98,584,781
	Investment in Subsidiary : GSP Investments Limited	449,999,960	249,999,960
		591,527,125	449,014,396
10(a)	Other assets (consolidated)		
	GSP Finance Company (Bangladesh) Limited	591,527,125	449,014,396
	GSP Investments Limited	4,348,073	1,790,201
		595,875,198	450,804,597
	Less: Inter company transaction	449,999,960	249,999,960
		145,875,238	200,804,637
11	Non-business assets	-	-
		-	-
	As at 31 December 2023, GSP Finance Company (Bangladesh) Limited does not have any non-business assets.		
12	Borrowings from banks ,other financial institutions and agents:		
	In Bangladesh (note-12.1)	1,846,485,301	1,645,107,314
	Outside Bangladesh (note-12.2)	-	-
		1,846,485,301	1,645,107,314
12.1	In Bangladesh		
	Call borrowing		
	Nationalised Commercial Bank	60,500,000	63,900,000
	Private Commercial Bank	-	29,700,000
		60,500,000	93,600,000
	Term loan		
	Nationalised Commercial Bank	-	-
	Private Commercial Bank	1,221,357,240	1,153,685,268
	Foreign Commercial Bank	324,622,442	111,033,332
	Bangladesh Bank (Refinance)	240,005,619	286,788,714
		1,785,985,301	1,551,507,314
		1,846,485,301	1,645,107,314

		Amount in Taka	
		2023	2022
12.2	Outside Bangladesh	-	-
	As at December 31, 2023 the Company does not have any borrowir outside of Bangladesh.	-	-
12.3	Analysis by Security against borrowing from banks, other financial institutions and agents.		
	Secured	1,545,979,682	1,264,718,600
	Unsecured	300,505,619	380,388,714
	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.	1,846,485,301	1,645,107,314
12.4	Maturity grouping of borrowings from banks, other financial institutions and agents.		
	Repayable on demand	60,500,000	93,600,000
	Up to 1 month	82,907,190	73,865,318
	Over 1 month but not more than 3 months	106,726,850	95,087,203
	Over 3 months but not more than 1 year	432,023,699	417,625,173
	Over 1 year but not more than 5 years	1,164,327,562	964,929,620
	Over 5 years	-	-
		1,846,485,301	1,645,107,314
12(a)	Borrowings from banks ,other financial institutions and agents (consolidated)		
	GSP Finance Company (Bangladesh) Limited	1,846,485,301	1,645,107,314
	GSP Investments Limited	2,964,192,249	2,933,072,271
		4,810,677,550	4,578,179,585
	Less: Inter company transaction (Loan to GSPI)	2,964,192,249	2,933,072,271
		1,846,485,301	1,645,107,314
13	Deposits and other accounts:		
	Current deposits (note-13.1)	-	-
	Bills payable (note-13.2)	-	-
	Savings deposits (note-13.3)	-	-
	Term deposits (note-13.4)	2,228,331,024	2,002,944,839
	Bearer certificate of deposit (note-13.5)	-	-
	Other deposits (note-13.6)	-	-
		2,228,331,024	2,002,944,839
13.1	Current deposits	-	-
	To confirm the Bangladesh Bank's guidelines regarding deposits, the Company does not operate any current deposit account.	-	-
13.2	Bills payable	-	-
	As at 31 December 2023 the company does not have any bills payable	-	-
13.3	Savings deposits	-	-
	To conform with the Bangladesh Bank's guidelines regarding deposits, the company does not operate any savings deposit account.	-	-
13.4	Term deposits		
	Deposits from banks and other financial institutions	1,475,200,000	1,285,200,000
	Deposits from other than banks and financial institutions	753,131,024	717,744,839
		2,228,331,024	2,002,944,839
13.5	Bearer certificate of deposit	-	-
	To conform with the Bangladesh Bank's guidelines regarding deposits, the company does not have any bearer certificate of deposit.	-	-

		Amount in Taka	
		2023	2022
13.6	Other deposits	-	-
	As at 31 December 2023, the company does not have any other deposit account.		
13.7	Maturity grouping of deposits and other accounts:		
	Repayable on demand	-	-
	Up to 1 month	384,387,102	345,507,985
	Over 1 month but not more than 6 months	637,971,172	573,443,107
	Over 6 months but not more than 1 year	586,307,215	542,176,599
	Over 1 year but not more than 5 years	466,612,516	419,416,649
	Over 5 years but not more than 10 years	153,053,019	122,400,498
	Over 10 years	-	-
		2,228,331,024	2,002,944,839
13(a)	Deposits and other accounts (consolidated)		
	GSP Finance Company (Bangladesh) Limited	2,228,331,024	2,002,944,839
	GSP Investments Limited	-	-
		2,228,331,024	2,002,944,839
14	Other liabilities		
	Expenditure and other payable (note-14.1)	70,705,722	38,617,988
	Provision for leases, loans and advances (note-14.2)	2,343,752,954	1,084,708,073
	Special provision 2% (15% payment for deferral clients)	11,811,305	30,109,777
	Provision for investment in share (note-14.3)	116,291,247	130,393,260
	Provision for income tax (note-14.4)	1,267,200,191	1,263,902,408
	Provision for Deferred tax (note-14.5)	17,163,106	17,215,991
	Interest suspense account (note-14.6)	1,370,392,547	503,773,186
	Provision for Other Assets	953,450	28,450
	Provision for FDR investment with other Bank & FI's	152,270,247	-
	Advance rental / installment against leases, loans and advances	11,236,216	11,236,216
	Provision for gratuity	5,263,760	8,800,000
	Unclaimed Dividend & Proceeds of IPO Subscription	8,265,449	8,206,359
		5,375,306,195	3,096,991,709
14.1	Expenditure and other payable		
	Sundry Creditors	1,580,931	52,500
	Accrued interest on deposits	28,064,328	22,837,086
	Interest Payable on Call & Term Loan	6,756,572	3,003,037
	TDS Payable	34,108,391	12,359,864
	Audit Fee	195,500	195,500
	Security Deposit (Tenancy- GH)	-	170,000
		70,705,722	38,617,988
14.2	Provision for leases, loans and advances		
	This represents the amount calculated as per circular issued by the Bangladesh Bank in this regard to cover all the required provision of the company as at 31 December 2023. Total provision is made up as follows:		
	Movements in provision on classified leases, loans and advances (A)		
	Balance on 01 January	998,927,824	439,637,303
	Provision made during the year	603,067,567	559,290,521
	Balance at 31 December	1,601,995,391	998,927,824
	Movements in provision on unclassified leases, loans and advances (B)		
	Balance at 01 January	85,780,249	93,410,714
	Provision made during the year	655,977,314	(7,630,465)
	Balance at 31 December	741,757,563	85,780,249
	Total (A+B)	2,343,752,954	1,084,708,073

Particulars	31-12-2023		31-12-2022	
	Required	Maintained	Required	Maintained
On classified lease, loans and advances	2,133,399,561	1,601,995,391	3,667,964,421	998,927,824
On un-classified lease, loans and advances	2,509,910,352	741,757,563	85,780,249	85,780,249
Total	4,643,309,913	2,343,752,954	3,753,744,670	1,084,708,073

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

	Amount in Taka	
	2023	2022
14.3 Provision for investment in shares		
Balance at 01 January	130,393,260	64,599,471
Provision made / (adjustment) during the year	(14,102,013)	65,793,789
Balance at 31 December (Annexure -A for detail)	116,291,247	130,393,260
14.4 Provision for income tax:		
Balance at 01 January	1,263,902,408	1,258,719,685
Provision made during the year	3,297,783	5,182,723
	1,267,200,191	1,263,902,408
Adjustment for the year	-	-
Balance at 31 December	1,267,200,191	1,263,902,408
This is arrived as at under:		

Year	Opening balance	Current tax provision	Adjusted as per assessment/reversal	Closing balance
Year ended 2001	-	32,578,393	28,338,015	4,240,378
Year ended 2002	4,240,378	42,882,847	10,506,502	36,616,723
Year ended 2003	36,616,723	-	793,103	35,823,620
Year ended 2004	35,823,620	-	-	35,823,620
Year ended 2005	35,823,620	-	-	35,823,620
Year ended 2006	35,823,620	23,049,759	30,526,868	28,346,511
Year ended 2007	28,346,511	13,860,932	5,906,787	36,300,656
Year ended 2008	36,300,656	12,810,773	-	49,111,429
Year ended 2009	49,111,429	19,936,977	2,490,200	66,558,206
Year ended 2010	66,558,206	55,954,412	2,010,128	120,502,490
Year ended 2011	120,502,490	30,011,498	-	150,513,988
Year ended 2012	150,513,988	73,814,410	21,356,557	202,971,841
Year ended 2013	202,971,841	65,873,374	8,197,378	260,647,837
Year ended 2014	260,647,837	80,428,947	4,599,991	336,476,792
Year ended 2015	336,476,792	126,724,116	10,485,823	452,715,085
Year ended 2016	452,715,085	194,058,596	30,193,616	616,580,065
Year ended 2017	616,580,065	206,241,562	-	822,821,627
Year ended 2018	822,821,627	177,571,617	82,677,196	917,716,048
Year ended 2019	917,716,048	108,748,385	-	1,026,464,433
Year ended 2020	1,026,464,433	112,486,630	-	1,138,951,063
Year ended 2021	1,138,951,063	119,768,621	-	1,258,719,685
Year ended 2022	1,258,719,685	5,182,723	-	1,263,902,408
Year ended 2023	1,263,902,408	3,297,783	-	1,267,200,191

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

14.5 Provision for Deferred tax:		
Balance at 01 January	17,215,991	15,489,195
Provision made during the year	(52,885)	1,726,796
	17,163,106	17,215,991
Adjustment for the year	-	-
Balance at 31 December	17,163,106	17,215,991

		Amount in Taka	
		2023	2022
14.6	Interest suspense account		
	This represents interest on lease and loans income not recognized as income according to Bangladesh Bank's FID circular # 03 of 2006. Details are as follows:		
	Balance at 01 January	503,773,186	370,157,237
	Add: Amount transferred to interest suspense account from Interest Income on Loan & Advances during the year	1,043,276,672	118,572,406
	Add: Amount transferred to interest suspense account from Interest Income on FDR & STL during the year	14,569,456	26,585,911
		(191,226,767)	(11,542,368)
	Balance at 31 December	1,370,392,547	503,773,186
14.6.1	Details of interest suspense account		
	Interest suspense for unclassified leases , loans and advances (A)		
	Standard	476,070,850	49,044,671
	Special mention account	3,014,616	2,884,294
		479,085,466	51,928,965
	Interest suspense for classified leases , loans and advances (B)		
	Sub - standard	1,055,249	-
	Doubtful	112,733,132	142,189,273
	Bad/Loss	697,314,463	223,598,880
		811,102,844	365,788,153
	Total (A+B)	1,290,188,310	417,717,118
14(a)	Other liabilities (consolidated)		
	GSP Finance Company (Bangladesh) Limited	5,375,306,195	3,093,440,423
	GSP Investments Limited	686,780,825	690,036,141
		6,062,087,020	3,783,476,565
	Less: Inter company transaction	670,570,843	-
		5,391,516,176	3,783,476,565
15	Share Capital:		
15.1	Authorized capital		
	200,000,000 Ordinary shares of Tk. 10 each	2,000,000,000	2,000,000,000
15.2	Issued, Subscribed & Paid up Capital :		
	157,068,585 Ordinary shares of Tk.10 each	1,570,685,850	1,570,685,850
	% of share holding 2023		
	Domestic Shareholding Position	85.99%	1,350,632,762
	Foreign Shareholding Position	14.01%	220,053,088
		100.00%	1,570,685,850

15.3

Raising of share capital

GSP Finance Company (Bangladesh) Limited raised its share capital as follows:

Year	Type of issue of paid up capital	No. of shares	Value of shares	Cumulative paid up capital
1995	Opening capital	22,505	-	2,250,500
1995	Allotment	25,000	2,500,000	4,750,500
1996	Allotment	1,429,177	142,917,700	147,668,200
1997	Allotment	23,318	2,331,800	150,000,000
2000	Allotment	100,000	10,000,000	160,000,000
2001	Allotment	100,000	10,000,000	170,000,000
2005	Bonus	170,000	17,000,000	187,000,000
2007	Bonus	187,000	18,700,000	205,700,000
2008	Bonus	102,850	10,285,000	215,985,000
2010	Bonus	6,047,580	60,475,800	276,460,800
2012	Allotment (IPO)	20,000,000	200,000,000	476,460,800
2012	Bonus	4,764,608	47,646,080	524,106,880
2013	Bonus	7,861,603	78,616,030	602,722,910
2014	Bonus	7,232,675	72,326,740	675,049,650
2015	Bonus	37,127,730	371,277,300	1,046,326,950
2017	Bonus	24,588,683	245,886,830	1,292,213,780
2019	Bonus	13,568,245	135,682,450	1,427,896,230
2020	Bonus	14,278,962	142,789,620	1,570,685,850

15.4

Holding of shares as on 31 December 2023 classified by number of shares as follows:

Range of share Quantity	Number of Shares	Number of Holders	Holding Position in %	Amount Tk.
Less than 500 shares	461,383	2,862	0.29%	4,613,830
501 to 5000 shares	6,527,278	3,879	4.16%	65,272,780
5001 to 10000 shares	3,255,419	416	2.07%	32,554,190
10001 to 20000 shares	4,238,058	276	2.70%	42,380,580
20001 to 30000 shares	2,929,927	116	1.87%	29,299,270
30001 to 40000 shares	2,221,767	64	1.41%	22,217,670
40001 to 50000 shares	2,856,287	60	1.82%	28,562,870
50001 to 100000 shares	8,499,991	113	5.41%	84,999,910
100001 to 1000000 shares	48,132,749	153	30.64%	481,327,490
Above 1000000 shares	77,945,726	16	49.63%	779,457,260
Total	157,068,585	7,955	100%	1,570,685,850

		Amount in Taka	
		2023	2022
15.5	Capital adequacy requirement		
	As per Clause 4(Gha) of The Financial Institutions Act 2023 and Bangladesh Bank's circulars in this regard, status of the company's capital adequacy is as under:		
	A. Eligible Capital :		
	1.Tier-1 Capital	188,404,027	1,708,020,964
	2.Tier-2 Capital	1,069,789,574	1,176,531,106
	3.Total Eligible Capital (1+2)	1,258,193,601	2,884,552,070
	B. Total Risk Weighted Assets (RWA)	13,470,365,903	11,386,438,789
	C. Capital Adequacy Ratio (CAR) (A3/B)*100	9.34	25.33
	D. Core Capital to RWA (A1/B)*100	1.40	15.00
	E. Supplementary Capital to RWA (A2/B)*100	7.94	10.33
	F. Minimum Capital Requirement Based on Risk Weighted Assets (10% of B)	1,347,036,590	1,138,643,879
	Surplus/(Deficit) (A3-F)	(88,842,989)	1,745,908,191
	Surplus/(Deficit) (as per DFIM Circular No.-5 dated 24 July 2011 and Circular No.-9 dated 04 November 2009)	570,685,850	570,685,850
	Tier-1 (Core Capital):		
	Paid up Capital	1,570,685,850	1,570,685,850
	Statutory Reserve	554,818,003	554,818,003
	Share Premium	-	-
	Non-Controlling interest	-	-
	Retained Earnings	(1,937,099,826)	(417,482,889)
		188,404,027	1,708,020,964
	Tier-2 (Supplementary Capital):		
	General Provision (Unclassified loans upto specified limit+SMA+off Balance Sheet Exposure)	21,788,953	128,530,485
	Assets Revaluation Reserve upto 50%	1,048,000,621	1,048,000,621
		1,069,789,574	1,176,531,106
	Risk Weighted Assets (RWA)		
	A. Credit Risk		
	On-Balance Sheet	12,627,365,903	10,282,438,789
	Off-Balance Sheet	-	-
	B. Market Risk	642,400,000	643,800,000
	C. Operational Risk	200,600,000	460,200,000
		13,470,365,903	11,386,438,789

		Amount in Taka	
		2023	2022
15.5.1	Capital adequacy requirement (Consolidated) As per Clause 4(A) of The Financial Institution Act 2023 and Bangladesh Bank's circulars in this regard, status of the company's capital adequacy is as under:		
	A. Eligible Capital :		
	1. Tier-1 Capital	738,478,875	2,267,207,049
	2. Tier-2 Capital	1,069,789,574	1,182,795,619
	3. Total Eligible Capital (1+2)	<u>1,808,268,449</u>	<u>3,450,002,668</u>
	B. Total Risk Weighted Assets (RWA)	14,347,044,422	13,848,967,191
	C. Capital Adequacy Ratio (CAR) (A3/B)*100	12.60	24.91
	D. Core Capital to RWA (A1/B)*100	5.15	16.37
	E. Supplementary Capital to RWA (A2/B)*100	7.46	8.54
	F. Minimum Capital Requirement Based on Risk Weighted Assets (10% of B) Surplus/(Deficit) (A3-F)	<u>1,434,704,442</u>	<u>1,384,896,719</u>
		<u>373,564,006</u>	<u>2,065,105,949</u>
	Surplus/(Deficit) (as per DFIM Circular No.-5 dated 24 July 2011 and Circular No.-9 dated 04 November 2009)	<u>570,685,850</u>	<u>570,685,850</u>
	Tier-1 (Core Capital)		
	Paid up Capital	1,570,685,850	1,570,685,850
	Statutory Reserve	554,818,003	554,818,003
	Share Premium	-	-
	Non-Controlling interest	19	53
	Retained Earnings	<u>(1,387,024,998)</u>	<u>141,703,143</u>
		<u>738,478,875</u>	<u>2,267,207,049</u>
	Tier-2 (Supplementary Capital)		
	General Provision (Unclassified loans upto specified limit+ Balance Sheet Exposure)	21,788,953	134,794,998
	Assets Revaluation Reserve upto 50%	1,048,000,621	1,048,000,621
		<u>1,069,789,574</u>	<u>1,182,795,619</u>
	Risk Weighted Assets (RWA)		
	A. Credit Risk		
	On-Balance Sheet	13,397,844,422	10,783,599,831
	Off-Balance Sheet	-	-
	B. Market Risk	668,600,000	844,630,550
	C. Operational Risk	280,600,000	2,220,736,810
		<u>14,347,044,422</u>	<u>13,848,967,191</u>
16	Statutory reserve		
	Balance at 01 January	554,818,003	554,818,003
	Add: Transferred during the year	-	-
	Balance at 31 December	<u>554,818,003</u>	<u>554,818,003</u>
17	Other Reserve:		
	Capital Reserve/ Revaluation Reserve :		
	Balance at 01 January	2,096,001,242	916,689,624
	Add: Addition during the year	-	1,179,311,618
	Balance at 31 December	<u>2,096,001,242</u>	<u>2,096,001,242</u>
18	Retained earnings		
	Balance at 01 January	(417,482,889)	188,685,646
	Less: Dividend paid	-	-
	Add: Net profit/(Loss) for the year	<u>(1,519,616,937)</u>	<u>(606,168,535)</u>
		<u>(1,937,099,826)</u>	<u>(417,482,889)</u>
	Less: Transfer to statutory reserve	-	-
	Balance at 31 December	<u>(1,937,099,826)</u>	<u>(417,482,889)</u>
	Apportionment:		
	Retained earnings balance	<u>(1,937,099,826)</u>	<u>(417,482,889)</u>

		Amount in Taka	
		2023	2022
18(a) Retained earnings (consolidated)			
	Balance at 01 January	141,703,143	311,989,621
	Less: Dividend paid	-	-
	Add: Net profit/(Loss) for the year	(1,528,728,174)	(170,286,482)
		<u>(1,387,025,031)</u>	<u>141,703,139</u>
	Less: Transfer to statutory reserve	-	-
	Balance at 31 December	(1,387,025,031)	141,703,139
	Less: Non-controlling interest	(34)	(4)
		(1,387,024,998)	141,703,143
18(aa) Retained earnings of subsidiary			
	Balance at 01 January	119,735,180	123,303,990
	Add: Net profit for the year	(240,231,216)	(3,568,810)
		(120,496,035)	119,735,180
18.1	Contingent liabilities		
	Acceptances and endorsements	-	-
	Letter of guarantee (18.1.1)	-	-
	Irrevocable letter of credit	-	-
	Bills for collection	-	-
	Other contingent liabilities	-	-
18.1.1	Letter of guarantee		
	Claims lodged with the company which is not recognized as loan	-	-
	Money for which the company is contingently liable in respect of the following:		
	Directors	-	-
	Government	-	-
	Banks and other financial institutions	-	-
	others	-	-
		<u>-</u>	<u>-</u>
18.2	Other commitments		
	Documentary credits and short term trade and related transactions	-	-
	Forward assets purchased and forward deposits placed	-	-
	Undrawn note issuance and revolving underwriting facilities	-	-
	Undrawn formal standby facilities, credit lines and other commitments	-	-
	Others	-	-
		<u>-</u>	<u>-</u>
	As at 31 December 2023, the Company does not have any li which was not shown in the accounts.		
19	Income statement		
	Income :		
	Interest, discount and similar income (note-19.1)	268,870,358	304,403,685
	Commission, exchange and brokerage (note-23)	-	-
	Gains less losses arising from dealing in securities	-	-
	Gains less losses arising from dealing in foreign currencies	-	-
	Other operating income (note-24)	50,744,859	38,021,749
	Profit less losses on interest rate changes	-	-
		<u>319,615,217</u>	<u>342,425,434</u>
	Expenses:		
	Interest expenses on deposits, borrowings, etc. (note-21)	391,911,094	351,992,807
	Charges on losses regarding leases, loans and advances	-	-
	Administrative expenses (note-19.2)	51,522,241	44,933,327
	Other operating expenses (note-34)	6,039,789	5,521,881
	Depreciation and repair of company's fixed assets (note-33)	6,674,491	4,967,106
		<u>456,147,615</u>	<u>407,415,121</u>
	Surplus/(Shortfall) of income over expenditure	(136,532,397)	(64,989,686)

		Amount in Taka	
		2023	2022
19(a)	Income statement (Consolidated)		
	Income :		
	Interest, discount and similar income	263,410,472	904,729,601
	Commission, exchange and brokerage	174,066	5,022,419
	Gains less losses arising from dealing in securities	-	-
	Gains less losses arising from dealing in foreign currencies	-	-
	Other operating income	50,813,082	38,085,966
	Profit less losses on interest rate changes	-	-
		314,397,620	947,837,986
	Expenses:		
	Interest expenses on deposits, borrowings, etc.	391,952,599	352,001,911
	Charges on losses regarding leases, loans and advances	-	-
	Administrative expenses	56,355,508	49,527,693
	Other operating expenses	7,039,557	6,399,672
	Depreciation and repair of company's fixed assets	7,221,082	5,605,347
		462,568,746	413,534,622
	Surplus/(Shortfall) of income over expenditure	(148,171,126)	534,303,364
19.1	Interest, discount and similar income		
	Interest income on leases, loans and advances (note-20)	256,079,788	267,777,384
	Investment income (note-22)	12,790,570	36,626,301
		268,870,358	304,403,685
19.2	Administrative expenses		
	Salary and allowances (note-25)	46,008,568	35,882,092
	Rent, taxes, insurance, electricity, etc. (note-26)	1,606,105	1,427,214
	Legal expenses (note-27)	334,000	494,752
	Postage, stamp, telecommunication etc. (note-28)	739,697	630,138
	Stationery, printing, advertisement etc. (note-29)	2,038,371	1,413,631
	Managing Director's salary and allowances (note-30)	-	4,450,000
	Directors' fees (note-31)	600,000	440,000
	Audit fees (note-32)	195,500	195,500
		51,522,241	44,933,327
20	Interest income on leases, loans and advances:		
	Lease income	31,787,294	75,079,194
	Interest on loans and advances	223,843,437	192,416,565
	Total interest income on leases, loans and advances	255,630,731	267,495,759
	Interest on balance with banks and other financial institutions	449,057	281,625
		256,079,788	267,777,384
20(a)	Interest income on leases, loans and advances (consolidated)		
	GSP Finance Company (Bangladesh) Limited	256,079,788	267,777,384
	GSP Investments Limited	95,824	605,620,528
		256,175,612	873,397,912
	Less: Inter company transaction	5,630,000	5,500,000
		250,545,612	867,897,912
21	Interest expenses on deposits, borrowings, etc. :		
	a) Interest expenses on borrowings :		
	Interest on term loans	138,379,328	128,541,781
	Interest on call loans	4,170,957	4,411,810
	Interest on Bank over draft	18,556,175	9,317,305
	Bank charges	725,257	1,032,899
		161,831,717	143,303,795
	b) Interest expenses on deposits :	230,079,377	208,689,012
	Total	391,911,094	351,992,807
21(a)	Interest expenses on deposits, borrowings, etc. (consolidated)		
	GSP Finance Company (Bangladesh) Limited	391,911,094	351,992,807
	GSP Investments Limited	236,791,483	444,959,967
		628,702,577	796,952,774
	Less: Inter company transaction	236,749,978	444,950,863
		391,952,599	352,001,911

		Amount in Taka	
		2023	2022
22	Investment income:		
	Dividend on Share	12,192,970	14,705,419
	Profit on Share Trading	597,600	21,920,882
		12,790,570	36,626,301
22(a)	Investment income (consolidated)		
	GSP Finance Company (Bangladesh) Limited	12,790,570	36,626,301
	GSP Investments Limited	74,290	205,388
		12,864,860	36,831,689
23	Commission , exchange and brokerage		
	Commission , exchange and brokerage	-	-
		-	-
23(a)	Commission , exchange and brokerage (consolidated)		
	GSP Finance Company (Bangladesh) Limited	-	-
	GSP Investments Limited	174,066	5,022,419
		174,066	5,022,419
24	Other operating income:		
	Income from FDR	3,132,401	10,519,262
	Documentation charge	6,000	173,000
	Delinquent interest	-	3,413,540
	Service charge	23,000	25,000
	Transfer price on lease finance	-	18,400
	Early Settlement Fee	-	472,690
	Income from house property	821,000	2,254,000
	Proceeds from sale of fixed assets	46,341,399	21,012,176
	Miscellaneous earnings	421,059	133,681
		50,744,859	38,021,749
24(a)	Other operating income (consolidated)		
	GSP Finance Company (Bangladesh) Limited	50,744,859	38,021,749
	GSP Investments Limited	68,223	64,217
		50,813,082	38,085,966
25	Salary and allowances:		
	Basic pay and allowances	46,486,763	30,503,623
	Bonus (note-25.1)	2,183,546	2,038,195
	Company's contribution to provident fund	874,499	940,274
	Gratuity	(3,536,240)	2,400,000
		46,008,568	35,882,092
25.1	Bonus		
	Festival	2,183,546	2,038,195
	Performance	-	-
		2,183,546	2,038,195
25(a)	Salary and allowances(consolidated)		
	GSP Finance Company (Bangladesh) Limited	46,008,568	35,882,092
	GSP Investments Limited	2,618,153	2,923,200
		48,626,721	38,805,292
26	Rent, taxes, insurance, electricity, etc.:		
	Rent, rate and taxes	6,432	10,585
	Insurance	380,504	282,216
	Power and electricity	1,219,169	1,134,413
		1,606,105	1,427,214
26(a)	Rent, taxes, insurance, electricity, etc.(consolidated)		
	GSP Finance Company (Bangladesh) Limited	1,606,105	1,427,214
	GSP Investments Limited	121,354	97,043
		1,727,459	1,524,257
27	Legal expenses :		
	Legal expenses	334,000	494,752
		334,000	494,752

		Amount in Taka	
		2023	2022
27(a)	Legal expenses (consolidated)		
	GSP Finance Company (Bangladesh) Limited	334,000	494,752
	GSP Investments Limited	150,000	56,000
		484,000	550,752
28	Postage, stamp, telecommunication etc.:		
	Postage and courier	5,923	7,767
	Telephone, fax, internet and mobile	728,509	612,381
	Stamp and court fee	5,265	9,990
		739,697	630,138
28(a)	Postage, stamp, telecommunication etc. (consolidated)		
	GSP Finance Company (Bangladesh) Limited	739,697	630,138
	GSP Investments Limited	1,542	1,300
		741,239	631,438
29	Stationery, printing, advertisement, etc.:		
	Printing and stationery	363,301	408,571
	Advertisement and publicity	1,675,070	1,005,060
		2,038,371	1,413,631
29(a)	Stationery, printing, advertisement, etc. (consolidated)		
	GSP Finance Company (Bangladesh) Limited	2,038,371	1,413,631
	GSP Investments Limited	10,537	14,830
		2,048,908	1,428,461
30	Managing Director's salary and allowances :		
	Remuneration	-	4,125,000
	Other benefits	-	325,000
		-	4,450,000
	As per the paragraph 17 of IAS 24: "Related Party Disclosures" regarding key management personnel, Managing Director is the key management personnel. His benefit is given below:		
	a) Short term employee benefits:		4,450,000
	b) Post-employments benefits:	-	-
	c) Other long-term benefits	-	-
	d) Termination benefits	-	-
	e) Share-based payment	-	-
	Total		4,450,000
	Managing Director & CEO is the key management personnel of GSP Finance Company (Bangladesh) Limited which was vacant since 01st December, 2022. Therefore, the amount of compensation paid to key management personnel was nil during the period from 1st January 2023 to 31st December 2023.		
30(a)	Managing Director's salary and allowances (consolidated)		
	GSP Finance Company (Bangladesh) Limited	-	4,450,000
	GSP Investments Limited	1,530,182	1,268,493
		1,530,182	5,718,493
31	Directors' fees :		
	Directors fees	600,000	440,000
		600,000	440,000
	Other benefits	-	-
		600,000	440,000
31(a)	Directors' fees (consolidated)		
	GSP Finance Company (Bangladesh) Limited	600,000	440,000
	GSP Investments Limited	344,000	176,000
		944,000	616,000
32	Audit fees:		
		195,500	195,500
		195,500	195,500
32(a)	Audit fees (consolidated)		
	GSP Finance Company (Bangladesh) Limited	195,500	195,500
	GSP Investments Limited	57,500	57,500
		253,000	253,000

		Amount in Taka	
		2023	2022
33	Depreciation and repairs of company's assets:		
	Depreciation on company's fixed assets (Annexure-C)	5,873,456	4,661,901
	Repairs of companies fixed assets	801,035	305,205
		6,674,491	4,967,106
33(a)	Depreciation and repairs of company's assets (consolidated)		
	GSP Finance Company (Bangladesh) Limited	6,674,491	4,967,106
	GSP Investments Limited	546,591	638,241
		7,221,082	5,605,347
34	Other operating expenses:		
	Office maintenance	2,180,034	1,853,892
	Travelling and conveyances	408,695	340,914
	Motor vehicle running expenses	493,083	444,282
	Fees and subscriptions	1,643,898	1,648,270
	Staff welfare expenses	178,793	121,877
	Newspaper, books and periodicals	2,640	-
	Staff training and education	10,000	43,498
	Entertainment expenses	551,662	427,523
	Business promotion	-	30,000
	Annual General Meeting Expenses (34.1)	520,984	441,625
	CSR Expenses (34.2)	50,000	170,000
		6,039,789	5,521,881
34.1	Annual General Meeting Expenses		
	Printing of Annual Reports and data base	408,494	257,015
	Publication of Notice	88,490	125,610
	Others	24,000	59,000
		520,984	441,625
34.2	CSR Expenses		
	Gulshan Society	-	120,000
	Prime Minister Education Fund	50,000	50,000
		50,000	170,000
34(a)	Other operating expenses(consolidated)		
	GSP Finance Company (Bangladesh) Limited	6,039,789	5,521,881
	GSP Investments Limited	999,768	877,791
		7,039,557	6,399,672
35	Provision for leases, loans and advances & investments:		
	Provision for classified leases, loans and advances	603,067,567	559,290,521
	Provision for unclassified leases, loans and advances	655,977,314	(7,630,465)
	Special provision 2% (15% payment for deferral clients)	(18,298,472)	(83,198,715)
	Provision for Other Assets	925,000	14,200
	Provision for FDR investment with other Bank & FI's	152,270,247	-
	Provision for Investment in Share	(14,102,013)	65,793,789
		1,379,839,643	534,269,330
35(a)	Provision for leases, loans and advances & investments (consolidated)		
	GSP Finance Company (Bangladesh) Limited	1,379,839,643	534,269,330
	GSP Investments Limited	(2,768,373)	163,282,305
		1,377,071,270	697,551,635

Reason for changes in Provision:

Separate: Provision for leases, loans and advances & investments of GSP Finance Company (Bangladesh) Limited made during the year ended December 31, 2023 is BDT 1,379.84 million, which was BDT 534.27 million in the same period of the previous year. The main reason behind this variance Provision for leases, loans and advances & investments increase for newly classified lease, loan & advances during the year ended December 31, 2023. As such, Provision for leases, loans and advances & investments has increased by BDT 845.57 million during the year ended on December 31, 2023.

Consolidated: Provision for leases, loans and advances & investments of GSP Finance Company (Bangladesh) Limited made during the year ended December 31, 2023 is BDT 1,377.07 million, which was BDT 697.55 million in the same period of the previous year. The main reason behind this variance Provision for leases, loans and advances & investments increase for newly classified lease, loan & advances during the year ended December 31, 2023. As such, Provision for leases, loans and advances & investments has increased by BDT 679.52 million during the year ended on December 31, 2023.

		Amount in Taka	
		2023	2022
36	Provision for income tax:		
	Current tax (36.1)	3,297,783	5,182,723
	Deferred tax (36.2)	(52,885)	1,726,796
		3,244,898	6,909,519

36.1 If the company fall in loss then current tax as per section 163 of Income Tax Act 2023 will be 0.60% of gross receipts or advance tax paid at source whichever is higher.

36.2 Deferred tax asset/(liabilities)

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

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

	Carrying amount at balance sheet	Tax base	(Taxable)/deductible temporary difference
	Taka	Taka	Taka
Assets:			
Fixed assets net off depreciation	2,188,322,580	2,133,701,441	(54,621,139)
Liabilities:			
Employee gratuity	5,263,760	-	5,263,760
Total	2,193,586,340	2,133,701,441	(49,357,379)
Applicable tax rate			37.50%
Deferred tax asset/(liabilities) as on December 31, 2023			(18,509,017)
Deferred tax asset/(liabilities) as on December 31, 2022			(18,561,902)
Deferred tax income/(expenses) accounted for during the year			52,885
36(a) Provision for income tax (consolidated)			
GSP Finance Company (Bangladesh) Limited		3,244,898	6,909,519
GSP Investments Limited		240,881	128,692
		3,485,779	7,038,211

37 Dividend :

The Board of Directors has recommended no dividend for the year ended December 31, 2023 in its 258th the Board of Directors meeting held on 21st November, 2024.

38 Earning per share :

Earning per share (EPS) is calculated in accordance with International Accounting Standard No. 33.

Earning per share has been calculated as follows:

Net profit after tax	(1,519,616,937)	(606,168,535)
Number of ordinary shares outstanding	157,068,585	157,068,585
Earning per share	(9.67)	(3.86)
38(a) Earning per share (Consolidated) :		
Net profit after tax	(1,528,728,174)	(170,286,482)
Number of ordinary shares outstanding	157,068,585	157,068,585
Earning per share	(9.73)	(1.08)

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

Reason for changing Earning Per Share (EPS):

Separate: EPS of GSP Finance Company (Bangladesh) Limited for the year ended December 31, 2023 is BDT (9.67), which was BDT (3.86) in the same date of the previous year. The main reason behind this changes we could not sufficient recovered from our clients so our interest income decrease from previous year and classified Lease, Loan & advances are increase. Required provision for lease, loans & advances are increased from previous year. As such, Earning Per Share (EPS) has decreased by BDT (5.81) during the period ended on December 31, 2023.

Consolidated: In consolidated financial statement, EPS of GSP Finance Company (Bangladesh) Limited for the year ended December 31, 2023 is BDT (9.73), which was BDT (1.08) in the same date of the previous year. The main reason behind this changes we could not sufficient recovered from our clients so our interest income decrease from previous year and classified Lease, Loan & advances are increase. Required provision for lease, loans & advances are increased from previous year. As such, Earning Per Share (EPS) has decreased by BDT (8.65) during the year ended on December 31, 2023.

		Amount in Taka	
		2023	2022
39	Net Asset Value per share (NAV):		
	Total Shareholders' equity	2,284,405,269	3,804,022,206
	Number of shares outstanding	157,068,585	157,068,585
	NAV per share	14.54	24.22
39(a)	Net Asset Value per share (NAV) (Consolidated):		
	Total Shareholders' equity	2,834,480,117	4,363,208,238
	Number of shares outstanding	157,068,585	157,068,585
	NAV per share	18.05	27.78
	Reason for changes in Net Asset Value per share (NAV):		
	Separate: NAV of GSP Finance Company (Bangladesh) Limited (GSPB) for the year ended December 31, 2023 is BDT 14.54, which was BDT 24.22 in the same date of the previous year. The main reason behind this changes we could not sufficient recovered from our clients so our interest income decrease from previous year and classified Lease, Loan & advances are increase. As such, Net Asset Value per share (NAV) has decreased by BDT 9.68 during the year ended on December 31, 2023.		
	Consolidated: In consolidated financial statement, NAV for the year ended December 31, 2023 is BDT 18.05, which was BDT 27.78 in the same date of the previous year. The main reason behind this changes we could not sufficient recovered from our clients so our interest income decrease from previous year and classified Lease, Loan & advances are increase. As such, Net Asset Value per share (NAV) has decreased by BDT 9.73 during the year ended on December 31, 2023.		
40	Net Operating Cash Flow per share:		
	Net cash flow from operating activities	(268,018,983)	(180,515,453)
	Number of shares outstanding	157,068,585	157,068,585
	NOCFPS	(1.71)	(1.15)
40(a)	Net Operating Cash Flow per share (Consolidated):		
	Net cash flow from operating activities	(265,770,923)	(181,393,130)
	Number of shares outstanding	157,068,585	157,068,585
	NOCFPS	(1.69)	(1.15)
	Reason for changes in Net Operating Cash Flows Per Share (NOCFPS):		
	Separate: NOCFPS of GSP Finance Company (Bangladesh) Limited for the year ended December 31, 2023 is BDT (1.71), which was BDT (1.15) in the same date of the previous year. The main reason behind this variance is the interest income from loans and advances has decrease by BDT 11.70 million and decrease investment income by BDT 23.84 million. As such aggregately cash outflow from operating activities has decreased by BDT 87.50 million during the year ended on December 31, 2023 from the same year of the previous year.		
	Consolidated: In consolidated financial statement, NOCFPS for the year ended December 31, 2023 is BDT (1.69), which was BDT (1.15) in the same date of the previous year. The main reason behind this variance is the interest income from loans and advances has decrease by BDT 617.35 million and decrease investment income by BDT 23.97 million. As such aggregately cash outflow from operating activities has decreased by BDT 84.38 million during the year ended on December 31, 2023 from the same year of the previous year.		
41	Composition of Shareholders' Equity :		
	Paid up capital	1,570,685,850	1,570,685,850
	Statutory reserve	554,818,003	554,818,003
	Other reserve	2,096,001,242	2,096,001,242
	Retained earnings	(1,937,099,826)	(417,482,889)
	Total:	2,284,405,269	3,804,022,206
41(a)	Composition of Shareholders' Equity (Consolidated):		
	Paid up capital	1,570,685,850	1,570,685,850
	Statutory reserve	554,818,003	554,818,003
	Other reserve	2,096,001,242	2,096,001,242
	Retained earnings	(1,387,024,998)	141,703,143
	Non-controlling interest	19	53
		2,834,480,117	4,363,208,291

Amount in Taka	
2023	2022

*Date of issue & other information:

Date	Types of Paid up Capital	No. of Shares	Face Value Per Share	Taka
01-10-1995	Promoter Share	22,505	100	2,250,500
29-11-1995	Allotment	25,000	100	2,500,000
15-06-1996	Allotment	1,429,177	100	142,917,700
26-02-1997	Allotment	23,318	100	2,331,800
06-07-2000	Allotment	100,000	100	10,000,000
15-02-2001	Allotment	100,000	100	10,000,000
23-04-2006	Bonus @ 10%	170,000	100	17,000,000
26-04-2008	Bonus @ 10%	187,000	100	18,700,000
12-04-2009	Bonus @ 5%	102,850	100	10,285,000
	Before Split	2,159,850		215,985,000
	After Split	21,598,500	10	215,985,000
15-02-2011	Bonus @ 28%	6,047,580	10	60,475,800
02-04-2012	IPO	20,000,000	10	200,000,000
13-05-2012	Bonus @ 10%	4,764,608	10	47,646,080
08-06-2013	Bonus @ 15%	7,861,603	10	78,616,030
20-02-2014	Bonus @ 12%	7,232,675	10	72,326,740
23-02-2015	Bonus @ 55%	37,127,730	10	371,277,300
14-03-2018	Bonus @ 23.50%	24,588,682	10	245,886,830
30-09-2020	Bonus @ 10.50%	13,568,245	10	135,682,450
30-09-2021	Bonus @ 10.00%	14,278,962	10	142,789,620
	Total	157,068,585		1,570,685,850

42 Reconciliation of Operating Activities of Cash Flows:

Net Profit After Tax	(1,519,616,937)	(606,168,535)
Depreciation	5,873,456	4,661,901
Provision for lease and loans	1,379,839,643	534,269,330
Provision for taxation	3,244,898	6,909,519
Increase in lease and loans	(1,010,437,584)	(321,320,149)
Income tax paid	(3,297,783)	(5,182,723)
Increase in deposit and other accounts	225,386,185	77,744,934
Increase in other liabilities	841,047,018	138,214,611
Decrease in other assets	(190,057,878)	(9,644,341)
Cash flows from operating activities	(268,018,983)	(180,515,453)

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

Net Profit After Tax	(1,528,728,174)	(170,286,482)
Depreciation	6,362,751	5,268,839
Provision for lease and loans	1,377,071,270	697,551,635
Provision for taxation	3,485,779	7,038,211
Increase in lease and loans	(1,010,437,584)	(923,474,615)
Income tax paid	(3,435,339)	(5,328,336)
Increase in deposit and other accounts	225,386,185	77,744,934
Increase in other liabilities	854,582,068	41,422,637
Decrease in other assets	(190,057,878)	(9,789,954)
Cash flows from operating activities	(265,770,923)	(181,393,130)

Reason for changes in Net Operating Cash Flows (NOCF):

Separate: NOCF of GSP Finance Company (Bangladesh) Limited for the year ended December 31, 2023 is BDT (268.02) million, which was BDT (180.52) million in the same date of the previous year. The main reason behind this variance is the interest income from loans and advances has decrease by BDT 11.70 million and decrease investment income by BDT 23.84 million. As such aggregately cash outflow from operating activities has decreased by BDT 87.50 million during the year ended on December 31, 2023 from the same year of the previous year.

Consolidated: In consolidated financial statement, NOCF for the year ended December 31, 2023 is BDT (265.77) million, which was BDT (181.39) million in the same date of the previous year. The main reason behind this variance is the interest income from loans and advances has decrease by BDT 617.35 million and decrease investment income by BDT 23.97 million. As such aggregately cash outflow from operating activities has decreased by BDT 84.38 million during the year ended on December 31, 2023 from the same year of the previous year.

43

Related party disclosures :

a. Particulars of Directors and their interest in different entities

SI no	Name of the Director	Status in GSPB	Entities where they have interest	Status in interested entity
01	Mr. Feroz U. Haider	Chairman	1. GSP Investments Limited 2. Republic Insurance Company Ltd. 3. S.F. Haider Foundation Ltd.	1. Chairman 2. Director 3. Chairman
02	Dr. ATM Shamsul Huda	Director & Vice Chairman		
03	Mr. Wolf-Peter Berthold	Director		
04	Mr. Faridul Hassan	Independent Director		
05	Mr. Moin U. Haider	Director & Chairman EC	GSP Investments Ltd.	Director
06	Mr. Mohamed Abdul Jalil	Director		
07	Mr. F. A. Shamim Ahmed	Independent Director	GSP Investments Ltd.	Director
08	Mr. Anwarul Bar Chowdhury	Independent Director		Director

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

c. Related party transactions

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

Name of the related party	Relationship	Nature of Transaction	Closing Balance 2023	Closing Balance 2022
GSP Investments Limited	Subsidiary Company	Loan and Advances	2,964,192,249	2,493,621,398
Employees Provident Fund of GSP Finance Company (Bangladesh) Limited	Employees Provident Fund	Term Deposit	11,500,000	10,000,000
Total			2,975,692,249	2,503,621,398

d. Share issued to Directors and executives without consideration or exercisable at a discount - Nil

e. Lending policy to related parties

Related parties are allowed Loans and Advances as per General Loan Policy of the Company.

f. Investment in the Securities of Directors and their related concern - Nil

g. Receivable from Directors- Nil

44 Unacknowledged debt :

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

45 Number of employees :

The total number of full time employees of the Company and their remuneration above Tk.48,000/- per annum were 31. There were no employees earning less than Tk. 48,000/- per year.

46 Number of Board meeting and remuneration for attending thereof :

Total number of 8 (eight) Board of directors meetings were held during the year and directors remuneration for attending the board meeting was paid as per Company Law and Bangladesh Bank guidelines. No director has been paid any remuneration for any special service rendered.

47 Receivable from directors :

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

48 Disclosure regarding branch :

As at December 31, 2023 the company has no branch in or outside of Bangladesh.

49 Disclosure of Executive Committee :

To conform with the Bangladesh Bank guidelines, the Board of Directors of GSP Finance Company (Bangladesh) Limited constituted the Executive Committee of the Board comprising members from the Board

50 Disclosure on Audit Committee:

50.1 Particulars of Audit Committee

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

Name of the Members	Position in the Board	Position in the Committee
Ambassador Anwarul Bar Chowdhury (Retd.)	Independent Director	Chairman
Dr. ATM Shamsul Huda	Vice Chairman and Director	Member
Mr. Mohamed Abdul Jalil	Director	Member
Mr. Moin U. Haider	Director	Member

50.2 Activities of the audit committee during the year.

In the year 2023 the Audit Committee carried out the following activities:

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

50.3 Effective internal control and security documentation of the Company:

Having assessed the internal financial controls, information system and reporting models, the committee is of the opinion that:

- 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.
- Company's assets are reasonably safeguarded and the financial position of the company is on sound footing.
- Overdue and litigation position of the company as stated by the management presents a true and fair view.

51 Subsequent events :

The Board of Directors of the company has approved the financial statements as on 21st November, 2024 and recommended no dividend to share holders for the financial year December 31,2023. Except the fact above, no circumstances have arisen that to be disclosed as note or adjusted in the financial statements.

52 Highlights on the overall activities :

Amount in Taka	
2023	2022

Sl no.	Particulars		
1	Paid up capital	1,570,685,850	1,570,685,850
2	Total eligible capital (note - 15.5.A)	1,258,193,601	2,884,552,070
3	Capital surplus / (deficit)	570,685,850	570,685,850
4	Total assets	11,734,527,789	10,545,514,782
	Total deposits	2,228,331,024	2,002,944,839
6	Total leases, loans and advances	8,293,551,480	7,268,878,151
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	3.72	3.63
9	Percentage of classified leases, loans and advances against total leases, loans and advances	57.60	80.10
10	Profit after provisions and income tax	(1,519,616,937)	(606,168,535)
11	Leases, loans and advances classified for the year ended	4,777,176,674	5,822,696,987
12	Provision kept against classified leases, loans and advances	1,601,995,391	998,927,824
13	Provision surplus / (deficit)	-	-
14	Cost of fund	10.80	9.67
15	Interest earning assets	8,936,465,528	7,931,997,637
16	Non-interest earning assets	2,798,062,261	2,613,517,146
17	Return on assets (ROA) %	(12.95)	(5.75)
18	Return on investment (ROI) %	(66.38)	(15.75)
19	Income from investment	12,790,570	36,626,301
20	Earnings per share	(9.67)	(3.86)
21	Net Income per share	(9.67)	(3.86)
22	Price earnings ratio (times)	(3.13)	(7.00)


Director


Director


Director


Managing Director & CEO (C.C)


Company Secretary (C.C)

GSP FINANCE COMPANY (BANGLADESH) LIMITED
INVESTMENT IN SHARES

AS AT DECEMBER 31, 2023

ANNEXURE - A

Sl. No.	Name of the issuer company	No. of Shares	Cost price as at Dec. 31, 2023 (Tk)	Market Price as at Dec. 31, 2023 (Tk.)	Provision required as at Dec. 31, 2023 (Tk.)
Investment in quoted shares:					
1	Aftab Automobiles Ltd.	765,576	50,390,408	22,967,280	(27,423,128)
2	British American Tobacco Bangladesh Co. Ltd	43,981	24,007,302	22,812,945	(1,194,358)
3	BRAC Bank Ltd.	165,006	8,418,949	5,907,215	(2,511,734)
4	BSRM Steels Limited	95,023	8,343,847	6,071,970	(2,271,877)
5	Energypac Power Generation Ltd.	1,192,800	49,984,000	41,151,600	(8,832,400)
6	Esquire Knit Composite Ltd.	20,890	940,050	720,705	(219,345)
7	Grameenphone Ltd.	177,531	71,245,511	50,880,385	(20,365,127)
8	Heidelberg Cement Bangladesh Ltd.	58,360	27,783,136	13,977,220	(13,805,916)
9	IDLC Finance Ltd.	44,562	2,694,030	2,072,133	(621,897)
10	Keya Cosmetics Ltd.	98,687	1,166,509	631,597	(534,912)
11	LankaBangla Finance Ltd.	798,842	19,738,041	20,769,892	1,031,851
12	Olympic Industries Ltd.	183,375	47,449,941	27,873,000	(19,576,941)
13	Peoples Leasing and Financial Services Ltd.	181,498	6,838,382	544,494	(6,293,888)
14	Robi Axiata Ltd.	618,000	25,507,205	18,540,000	(6,967,205)
15	Runner Automobiles Ltd.	7,566	540,450	366,194	(174,256)
16	Shahjalal Islami Bank Ltd.	1,927,124	36,203,683	35,266,369	(937,313)
17	Square Pharmaceuticals Ltd.	225,819	52,176,138	47,489,736	(4,686,402)
18	Union Capital Limited	62,804	1,465,354	558,956	(906,398)
Investment in unquoted shares:					
1	CDBL	571,181	2,569,450	2,569,450	-
Total			437,462,387	321,171,140	(116,291,247)

*Investment in quoted shares

*Investment in unquoted shares

Total:

Cost Price

434,892,937

2,569,450

437,462,387

GSP FINANCE COMPANY (BANGLADESH) LIMITED

SCHEDULE OF FIXED ASSETS (CONSOLIDATED)

AS AT DECEMBER 31, 2023

ANNEXURE - B

Sl. No.	Particulars	COST					DEPRECIATION					Written Down Value as on 31.12.23
		Opening Balance on 01.01.23	Addition during the year	Revaluation during the year	Adjustment during the year	Closing Balance as on 31.12.23	Rate %	Charged during the year	Adjustment During the year	Closing Balance as on 31.12.23		
1	Land & Land Development	2,118,750,000	48,000,000	-	-	2,166,750,000	-	-	-	-	-	2,166,750,000
2	Office Building	20,535,534	-	-	-	20,535,534	10	1,465,918	-	7,342,269	-	13,193,266
3	Office Equipment	31,464,537	170,350	-	-	31,634,887	20	1,835,918	-	29,347,141	-	2,287,746
4	Furniture & Fixtures	8,711,788	-	-	-	8,711,788	10	1,38,940	-	6,503,187	-	2,08,602
5	Software	1,340,000	-	-	-	1,340,000	20	17,742	-	1,268,032	-	70,968
6	Office Decoration	695,534	-	-	-	695,534	10	14,160	-	568,098	-	127,437
7	Telephone Systems	1,200,791	10,000	-	-	1,210,791	20	2,155	-	1,196,839	-	11,953
8	Motor Vehicle	19,932,725	-	-	-	19,932,725	20	2,869,558	-	12,340,668	-	7,592,057
9	Electrical Goods & Installation	4,095,278	147,615	-	-	4,242,893	20	18,361	-	4,113,637	-	129,256
10	Generator & Installation	1,128,896	-	-	-	1,128,896	20	-	-	1,128,896	-	-
11	House Property	12,832,712	-	-	12,832,712	-	10	-	12,832,712	-	-	-
	AS AT 31 DECEMBER 2023	2,220,687,794	48,327,965	-	12,832,712	2,256,183,047		6,382,751	12,832,712	65,811,766		2,190,371,286

GSP FINANCE COMPANY (BANGLADESH) LIMITED

SCHEDULE OF FIXED ASSETS (CONSOLIDATED)

AS AT DECEMBER 31, 2022

ANNEXURE - B

Sl. No.	Particulars	COST					DEPRECIATION					Written Down Value as on 31.12.22
		Opening Balance on 01.01.22	Addition during the year	Revaluation during the year	Adjustment during the year	Closing Balance as on 31.12.22	Rate %	Charged during the year	Adjustment During the year	Closing Balance as on 31.12.22		
1	Land & Land Development	953,437,500	-	1,165,312,500	-	2,118,750,000	-	-	-	-	-	2,118,750,000
2	Office Building	20,535,534	-	-	-	20,535,534	10	1,969,651	13,999,118	5,876,351	-	14,659,182
3	Office Equipment	31,263,187	357,750	-	158,400	31,464,537	20	25,764,705	156,400	27,511,223	-	3,953,313
4	Furniture & Fixtures	8,750,747	-	-	38,959	8,711,788	10	823,877	171,329	38,959	-	347,541
5	Software	1,340,000	-	-	-	1,340,000	20	22,177	-	1,251,290	-	88,710
6	Office Decoration	695,534	-	-	-	695,534	10	538,205	-	563,898	-	141,596
7	Telephone Systems	1,196,991	3,800	-	-	1,200,791	20	1,194,756	-	1,196,684	-	4,107
8	Motor Vehicle	19,932,725	-	-	-	19,932,725	20	6,497,714	-	9,471,110	-	10,461,614
9	Electrical Goods & Installation	4,095,278	-	-	-	4,095,278	20	4,095,277	-	4,095,277	-	2
10	Generator & Installation	1,128,896	-	-	-	1,128,896	20	1,128,896	-	1,128,896	-	-
11	House Property	20,950,712	-	-	8,118,000	12,832,712	10	-	8,118,000	12,832,711	-	-
	AS AT 31 DECEMBER 2022	1,063,327,103	361,550	1,165,312,500	8,313,359	2,220,687,949		89,325,363	22,312,477	72,281,725		2,148,406,067

GSP FINANCE COMPANY (BANGLADESH) LIMITED

SCHEDULE OF FIXED ASSETS

AS AT DECEMBER 31, 2023

ANNEXURE - C

SL No.	Particulars	COST				Rate %	DEPRECIATION				Written Down Value as on 31.12.23
		Opening Balance on 01.01.23	Addition during the year	Revaluation during the year	Adjustment during the year		Closing Balance as on 31.12.23	Charged during the year	Adjustment During the year	Closing Balance as on 31.12.23	
1	Land & Land Development	2,118,750,000	48,000,000	-	-	2,166,750,000	-	-	-	-	2,166,750,000
2	Office Building	20,535,534	-	-	-	20,535,534	10	1,465,918	-	7,342,267	13,193,267
3	Office Equipment	30,410,468	168,050	30,578,508	-	30,578,508	20	1,799,902	-	28,436,506	2,142,002
4	Furniture & Fixtures	8,614,423	-	8,614,423	-	8,614,423	10	135,120	-	8,440,195	174,227
5	Telephone Systems	1,200,791	10,000	1,210,791	-	1,210,791	20	2,155	-	1,198,839	11,952
6	Motor Vehicle	13,690,000	-	13,690,000	-	13,690,000	20	2,452,000	-	7,768,127	5,921,873
7	Electrical Goods & Installation	4,095,278	147,615	4,242,893	-	4,242,893	20	18,361	-	4,113,636	129,258
8	Generator & Installation	1,128,896	-	1,128,896	-	1,128,896	20	-	-	1,128,896	-
9	House Property	12,832,712	-	-	12,832,712	12,832,712	10	-	-	12,832,712	-
AS AT 31 DECEMBER 2023		2,211,258,092	48,325,665	2,246,751,045	12,832,712	2,246,751,045		5,873,456	12,832,712	58,428,465	2,188,322,580

GSP FINANCE COMPANY (BANGLADESH) LIMITED

SCHEDULE OF FIXED ASSETS

AS AT DECEMBER 31, 2023

ANNEXURE - C

SL No.	Particulars	COST				Rate %	DEPRECIATION				Written Down Value as on 31.12.22	
		Opening Balance on 01.01.22	Addition during the year	Revaluation during the year	Adjustment during the year		Closing Balance as on 31.12.22	Charged during the year	Adjustment during the year	Closing Balance as on 31.12.22		
1	Land & Land Development	953,437,500	-	-	-	953,437,500	-	-	-	-	-	953,437,500
2	Office Building	20,535,534	-	-	-	20,535,534	10	19,694,649	180,818	-	-	19,875,467
3	Office Equipment	30,236,808	330,050	-	156,400	30,410,458	20	24,932,934	1,860,070	156,400	26,636,604	3,773,854
4	Furniture & Fixtures	8,653,382	-	-	38,959	8,614,423	20	8,176,954	167,085	38,964	8,305,075	309,347
5	Telephone Systems	1,196,981	3,800	-	-	1,200,781	20	1,194,756	1,928	-	1,196,684	4,107
6	Motor Vehicle	13,690,000	-	-	-	13,690,000	20	2,864,127	2,452,000	-	5,316,127	8,373,873
7	Electrical Goods & Installation	4,095,278	-	-	-	4,095,278	20	4,095,275	-	-	4,095,275	3
8	Generator & Installation	1,128,886	-	-	-	1,128,886	20	1,128,886	-	-	1,128,886	1
9	House Property	20,950,712	-	-	8,118,000	12,832,712	10	20,950,712	-	8,118,000	12,832,712	1
	AS AT 31 DECEMBER 2022	1,053,925,101	333,850	-	8,313,359	1,045,945,592		83,038,302	4,661,901	8,313,364	79,386,839	966,558,753

Revalued Assets:

SL No.	Particulars	COST				Rate %	DEPRECIATION				Written Down Value as on 31.12.22	
		Opening Balance on 01.01.22	Addition during the year	Revaluation during the year	Adjustment during the year		Closing Balance as on 31.12.22	Charged during the year	Adjustment during the year	Closing Balance as on 31.12.22		
1	Land & Land Development	-	-	1,165,312,500	-	1,165,312,500	-	-	-	-	-	1,165,312,500
2	Office Building	-	-	-	-	-	10	-	-	13,999,118	-	13,999,118
	Total	-	-	1,165,312,500	-	1,165,312,500		83,038,302	4,661,901	22,312,482	79,386,839	2,145,870,371
	GRAND TOTAL AS AT 31 DECEMBER 2022	1,053,925,101	333,850	1,165,312,500	8,313,359	2,211,258,092		83,038,302	4,661,901	22,312,482	79,386,839	2,145,870,371

Independent Auditors' Report

To the shareholders of GSP Investments Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **GSP Investments Limited** which comprise the financial position as at December 31, 2023, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended; and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of the report, the accompanying financial statements do not present fairly the financial position of the company as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the company act 1994 and other applicable law and regulations.

Basis for Qualified Opinion:

The balance of margin loan at the yearend of TK. 395.06 crore, which is made of 275 no. of individual loans and all are negative equity, and market value of portfolio of margin loan holders is TK. 33.68 crore. Hence, the required provision of impairment loss for such investment is TK. 361.38 crore but the company has made provision of TK. 60.01 crore as of December 31, 2023 as per notification no BSEC/SMMID/NI/2023/1690 of Bangladesh Securities and Exchange Commission. The shortfall of provision is TK. 301.37 crore leading to overstating of equity and understating the Loan Loss Provision and Loss for the year.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements:

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements:

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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) The Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income, of the Company dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditures incurred and payments made were for the purpose of the company's business.

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022



Md. Waliullah, FCA
Enrolment No: 0247

Dated: December 11, 2024
Dhaka

Data Verification Code (DVC) No. 2412120247AS635928

GSP INVESTMENTS LIMITED

BALANCE SHEET
AS AT DECEMBER 31, 2023

		Amount in Taka	
		2023	2022
ASSETS			
Non Current Assets:		2,048,706	2,535,697
Property, plant and equipments	2	2,048,706	2,535,697
Investment in Shares	3	21,198,313	21,198,313
Current assets:		3,957,230,019	3,969,109,575
Margin loan to portfolio clients	4	3,950,628,881	3,964,965,138
Advance, Deposit & Prepayment	5	200,000	200,000
Accounts Receivable	6	2,420,316	-
Advance Income Tax	7	1,727,757	1,590,201
Cash & cash equivalents	8	2,253,065	2,354,236
Total		3,980,477,038	3,992,843,585
EQUITY AND LIABILITIES			
Shareholders equity:		329,503,965	369,735,181
Share Capital	9	250,000,000	250,000,000
Retained Earnings	10	(120,496,035)	119,735,181
Share Money Deposit	35	200,000,000	-
Current Liabilities:		3,650,973,073	3,623,108,404
Borrowing from Banks & Financial Institutions	11	2,964,192,249	2,933,072,271
Portfolio investors' fund	12	1,773,467	2,405,397
Accounts payable	13	-	-
Provision for investment in shares	14	9,134,171	11,902,544
Provision for Margin Loan	15	600,071,702	600,071,702
Provision for Income Tax	16	74,070,429	73,932,873
Provision for Deferred Tax	16.1	281,540	178,214
Other Liabilities	17	1,449,516	1,545,404
Total liabilities and shareholders ' equity		3,980,477,038	3,992,843,585
Net Assets Value (NAV) per share	34	13.18	14.79

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


Company Secretary


Director


CEO/Managing Director

Signed as per our annexed qualified auditors' report of even date

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022

Dated, Dhaka
December 11, 2024
Data Verification Code (DVC) No.: 2412120247AS635928


Md. Waliullah, FCA
Enrolment No. 0247

GSP INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended december 31, 2023

		Amount in Taka	
		2023	2022
OPERATING INCOME			
Interest Income	18	95,824	605,620,528
Less: Interest expenses	19	236,749,978	444,950,872
Net Interest Income		(236,654,154)	160,669,656
Investment Income	20	74,290	205,388
Commission, exchange and brokerages	21	174,066	5,022,419
Other operating income	22	68,223	64,217
		316,579	5,292,024
Total operating income(a)		(236,337,575)	165,961,680
OPERATING EXPENSES			
Salary and allowances	23	2,618,153	2,923,200
Audit Fees	24	57,500	57,500
Printing & Stationary	25	10,537	14,930
MD's Salary & allowances	26	1,530,182	1,268,493
Directors' fees	27	344,000	176,000
Depreciation on property, plant and equipments	28	489,291	606,938
Other Operating expenses	29	1,371,469	1,072,431
Total operating expenses(b)		6,421,133	6,119,493
Profit before provision (c=a-b)		(242,758,707)	159,842,187
Provision for Margin Loan	30.1	-	158,973,606
Provision for investment in shares	30.2	(2,768,373)	4,308,699
Other Provision		-	-
Total Provision		(2,768,373)	163,282,305
Total profit before tax		(239,990,334)	(3,440,118)
Provision for income tax		240,881	128,692
Current Tax	31.1	137,556	76,549
Deferred tax	31.2	103,325	52,143
Net profit after tax		(240,231,216)	(3,568,810)
Other comprehensive income		-	-
		(240,231,216)	(3,568,810)
Earning per share (EPS)	32	(9.61)	(0.14)

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


Company Secretary


Director


CEO/Managing Director

Signed as per our annexed qualified auditors' report of even date

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022


Md. Waliullah, FCA
Enrolment No. 0247

Dated, Dhaka
December 11, 2024
Data Verification Code (DVC) No.: 2412120247AS635928

GSP INVESTMENTS LIMITED


CASH FLOW STATEMENT

For the year ended december 31, 2023

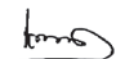
	Amount in Taka	
	2023	2022
A. Cash flows from operating activities:		
Interest receipts	95,824	7,543,673
Interest payments	(5,630,000)	(5,500,000)
Commission, exchange and brokerage	174,066	944,807
Receipts from other operating income & Investment income	142,513	269,605
Legal Expenses against Margin loan customers	(1,715,000)	
Payment for operating activities	(6,733,045)	(3,990,150)
Advance income tax	(137,556)	(145,613)
Net cash flows from operating activities	(13,803,198)	(877,678)
B. Cash flows from investing activities:		
Payment for acquisition of fixed assets	(2,300)	(27,700)
Recover from Margin Loan customers	14,336,257	
Sale of Fixed Assets	-	-
Investment in Share	-	865,260
Net cash flows/used from investing activities	14,333,957	837,560
C. Cash flows from financing activities:		
Proceeds from share Money Deposit	200,000,000	-
Portfolio investors' fund	(631,930)	337,942
Margin loan to customers	-	-
Borrowing/Repayment of loan from Banks & Financial Institutions	(200,000,000)	-
Net cash used by financing activities	(631,930)	337,942
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(101,171)	297,824
Cash and cash equivalents at the beginning of the Period	2,354,236	2,056,412
Cash and cash equivalents at the end of the period	2,253,065	2,354,236
Net Operating Cash Flow per share	(0.55)	(0.04)

33

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



Company Secretary



Director



CEO/Managing Director

Signed as per our annexed qualified auditors' report of even date

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022



Md. Waliullah, FCA
Enrolment No. 0247

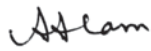
Dated, Dhaka
December 11, 2024
Data Verification Code (DVC) No.: 2412120247AS635928

GSP INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY

For the year ended december 31, 2023

Particulars	Paid up capital (Tk.)	Retained Earnings (Tk.)	Share Money Deposit	Total (Tk.)
Balance as at January 01, 2022	250,000,000	123,303,990	-	373,303,990
Profit after tax for the year Dec. 31, 2022	-	(3,568,809)	-	(3,568,809)
Balance as at Dec. 31, 2022	250,000,000	119,735,181	-	369,735,181
Changes in accounting policy	-	-	-	-
Restated balance	250,000,000	119,735,181	-	369,735,181
Share Money Deposit during the year	-	-	200,000,000	200,000,000
Profit after tax for the year Dec. 31, 2023	-	(240,231,216)	-	(240,231,216)
Balance as at Dec. 31, 2023	250,000,000	(120,496,035)	200,000,000	329,503,965

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



Company Secretary



Director



CEO/Managing Director

Signed as per our annexed qualified auditors' report of even date

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022



Md. Waliullah, FCA
Enrolment No. 0247

Dated, Dhaka
December 11, 2024
Data Verification Code (DVC) No.: 2412120247AS635928

GSP INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1.0 Significant Accounting Policies and Other Material Information:

1.1 Legal Form of Enterprise:

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

1.2 Nature of Business:

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

1.3 Basis of Presentation of Financial Statements:

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

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

1.4 Depreciation Policy:

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

1.5 Statement of Cash Flow:

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

1.6 Taxation:

Provision for Income Tax:

The current tax rate for the Company is 37.50% on taxable income. If the company fall in loss then current tax as per section 163 of Income Tax Act 2023 will be 0.60% of gross receipts or advance tax paid at source whichever is higher.

1.7 Investment:

Investment is carried in Financial Statements at cost.

1.8 General Comparative Information:

Comparative information has been disclosed in respect of the year 2022 for all numerical information in the Financial Statements and also the narrative and descriptive information where it is relevant for understanding of the current year's Financial Statements.

1.9 Rounding off:

Figures have been rounded to nearest taka.

	Amount in Taka	
	31-12-2023	31-12-2022
2 Property, plant and equipments:		
Cost:		
Opening Balance	9,429,697	9,401,997
Addition during the year	2,300	27,700
	9,431,997	9,429,697
Adjustment during the year	-	-
Closing Balance (A)	9,431,997	9,429,697
Less : Accumulated Depreciation :		
Opening Balance	6,894,000	6,287,062
Charged during the year:	489,291	606,938
	7,383,291	6,894,000
Adjustment during the year	-	-
Closing Balance (B)	7,383,291	6,894,000
Written Down Value (A-B) (Annexure -A)	2,048,706	2,535,697
3 Investment in Share:		
Opening balance	21,198,313	22,063,573
Add: Addition during the year	-	-
	21,198,313	22,063,573
Less: Adjustment during the year	-	865,260
Balance (Annexure B)		
4 Margin loan to portfolio clients:		
Opening balance	3,964,965,138	3,362,810,672
Add: Fresh Loan Disbursed During the year	-	-
Add: Other Charged During the year	-	4,077,611
Add: Interest Charged During the year**	-	605,542,917
	3,964,965,138	3,972,431,200
Less: Loan Realised During the year	14,336,257	7,466,062
Closing Balance at the end of the year	3,950,628,881	3,964,965,138
** The 38th meeting of The Board of Directors held on May 28, 2023 has resolved to discontinue further interest charges on negative equity accounts, effective from January 01, 2023.		
5 Advance, Deposit & Prepayment		
Security Deposit-CDBL	200,000	200,000
	200,000	200,000
6 Accounts Receivable		
Multi Securities & Services Ltd.	705,316	-
Sundry Debtors	1,715,000	-
	2,420,316	-
7 Advance Income Tax :		
Opening balance	1,590,201	1,444,588
Add: Addition during the year	137,556	145,613
	1,727,757	1,590,201
Less: Adjustment during the year	-	-
	1,727,757	1,590,201

	Amount in Taka	
	31-12-2023	31-12-2022
8 Cash & cash equivalents:		
Cash in hand	3,945	18,984
Basic Bank Ltd. (SND Accounts#0216-01-0000962)	292,698	127,888
Bank Asia Ltd. (SND Accounts#08536000006)	52,590	2,207,364
Bank Asia Ltd. (SND Accounts#08536000121)	1,903,832	-
	2,253,065	2,354,236
9 Share Capital:		
9.1 Authorized Capital		
50,000,000 Ordinary Shares of Tk.10 each	500,000,000	500,000,000
9.2 Issued, Subscribed and Paid up Capital		
25,000,000 Ordinary Shares of Tk.10 each	250,000,000	250,000,000
10 Retained Earnings:		
Opening balance	119,735,181	123,303,990
Net Profit/(Loss) after tax during the year	(240,231,216)	(3,568,809)
	(120,496,035)	119,735,181
11 Borrowing from Banks & Financial Institutions:		
Opening balance	2,933,072,271	2,493,621,398
Add: Loan Received During the year	-	-
Add: Interest Charge During the year @ 12%	236,749,978	444,950,872
	3,169,822,249	2,938,572,270
Less: Loan re-paid During the year	205,630,000	5,500,000
Closing Balance at the end of the year	2,964,192,249	2,933,072,271
12 Portfolio Investors' Fund:		
Opening balance	2,405,397	2,975,423
Add: Fund Received During the year	-	-
	2,405,397	2,975,423
Less: Adjustment for the year	631,931	570,026
Closing Balance at the end of the year	1,773,467	2,405,397
13 Accounts Payable:		
	-	-
	-	-
14 Provision for investment in shares:		
Opening balance	11,902,544	7,593,845
Add: Addition for the year	-	4,308,699
	11,902,544	11,902,544
Less: Adjustment for the year	2,768,373	-
	9,134,171	11,902,544

		Amount in Taka	
		31-12-2023	31-12-2022
15	Provision for Margin Loan:		
	Opening balance	600,071,702	441,098,096
	Add: Addition for the year	-	158,973,606
		<u>600,071,702</u>	<u>600,071,702</u>
	Less: Adjustment for the year	-	-
		<u>600,071,702</u>	<u>600,071,702</u>
15.1	Provision for Margin Loan Calculation		
	Balance of negative equity of margin loan	3,950,628,881	3,964,965,138
	Value of portfolio/ Equity Value	336,804,219	465,544,707
	Required Provision	<u>3,613,824,662</u>	<u>3,499,420,431</u>
	Actual Provision Kept	<u>600,071,702</u>	<u>600,071,702</u>
	** As per Bangladesh Securities and Exchange Commission (BSEC) directive no. BSEC/SMMID/NI/2023/840 dated October 22, 2023 entire Provision against margin loan will be kept within 30th June 2024.		
16	Provision for Income Tax:		
	Opening balance	73,932,873	73,856,325
	Add: Addition for the year (Note-31.1)	137,556	76,548
		<u>74,070,429</u>	<u>73,932,873</u>
	Less: Adjustment for the year	-	-
		<u>74,070,429</u>	<u>73,932,873</u>
16.1	Provision for Deferred Tax:		
	Opening balance	178,214	126,071
	Add: Addition for the year (Note-31.2)	103,325	52,143
		<u>281,540</u>	<u>178,214</u>
	Less: Adjustment for the year	-	-
		<u>281,540</u>	<u>178,214</u>
17	Other Liabilities:		
	Audit fee payable including VAT	57,500	57,500
	Tax deduction at source	31,072	3,700
	VAT deduction at source	23,862	1,500
	Others payable	1,337,082	1,482,704
		<u>1,449,516</u>	<u>1,545,404</u>
18	Interest Income:		
	Interest on Margin Loan	-	605,542,917
	Interest on Bank balance	95,824	77,611
		<u>95,824</u>	<u>605,620,528</u>
	** The 38th meeting of The Board of Directors held on May 28, 2023 has resolved to discontinue further interest charges on negative equity accounts, effective from January 01, 2023. As a result Interest on Margin Loan has decreased during the year 2023 from 2022.		
19	Interest expenses:		
	Interest on term loan (GSPB)	236,749,978	444,950,872
		<u>236,749,978</u>	<u>444,950,872</u>

		Amount in Taka	
		31-12-2023	31-12-2022
19	Interest expenses:		
	Interest on term loan (GSPB)	236,749,978	444,950,872
		236,749,978	444,950,872
20	Investment Income:		
	Dividend income	74,290	158,069
	Income from Share Trading	-	47,319
		74,290	205,388
21	Commission, Exchange and Brokerage:		
	Underwriting commission	10,000	-
	Portfolio management income	-	4,884,246
	Transaction settlement income	164,066	138,173
		174,066	5,022,419
22	Other Operating Income:		
	Documentation income	3,000	1,500
	Account Closing income	3,500	
	Clients Accounts Maintainance Income	58,500	59,100
	Other income	3,223	-
		68,223	64,217
23	Salary & allowances:		
	Salary & allowances	2,452,317	2,741,188
	Bonus to Staff	165,836	182,012
		2,618,153	2,923,200
24	Audit Fees		
	Audit Fees	57,500	57,500
		57,500	100
25	Printing & Stationery:		
	Printing	5,400	7,420
	Stationery	5,137	7,510
		10,537	14,930
26	Managing Director's salary and allowances :		
	Remuneration	1,517,333	1,268,493
	Other benefits-Bonus	12,849	-
		1,530,182	1,268,493
	As per the paragraph 17 of IAS 24: "Related Party Disclosures" regarding key management personnel, Managing Director is the key management personnel. His benefit is given below:		
	a) Short term employee benefits:	1,530,182	1,268,493
	b) Post-employments benefits:	-	-
	c) Other long-term benefits	-	-
	d) Termination benefits	-	-
	e) Share-based payment	-	-
	Total	1,530,182	1,268,493
	Managing Director & CEO is the key management personnel of GSP Investments Limited he was appointed on April 24, 2023 but before her appointment our previous CEO left from GSPI February 28, 2023.		
27	Directors' fees :		
	Directors fees	344,000	176,000
	Other benefits	-	-
		344,000	176,000
28	Depreciation on property, plant and equipments:		
	Depreciation on Fixed Asset as per Annexure-A	489,291	606,938

	Amount in Taka	
	31-12-2023	31-12-2022
29 Other Operating Expenses:		
Bank Charges & Commission	41,505	9,095
CDBL Charges	15,383	10,907
Entertainment Expenses	37,136	20,782
Fees & Subscription	368,270	467,820
Motor Vehicle Running Expenses	160,111	106,124
Office Maintenance	255,089	166,340
Repairs & Maintenance	57,300	31,303
Legal Fees	150,000	56,000
Insurance Premium	121,354	97,043
Travelling & Conveyances	99,404	53,329
Uniform & Liveries	16,500	11,500
Staff Welfare Expenses	32,875	25,989
Vat on Office Rent	15,000	15,000
Telephone, fax, and mobile Bill	1,542	1,200
	1,371,469	1,072,431
30.1 Provision for leases, loans and advances & investments:		
Provision for Margin Loan	-	158,973,606
	-	158,973,606
** As per Bangladesh Securities and Exchange Commission (BSEC) directive no. BSEC/SMMID/NI/2023/840 dated October 22, 2023 entire Provision against margin loan will be kept within 30th June 2024.		
30.2 Provision for investment in Shares:		
Provision for Investment in Share	(2,768,373)	4,308,699
	(2,768,373)	4,308,699
31 Provision for income tax:		
Current tax (31.1)	137,556	76,549
Deferred tax (31.2)	103,325	52,143
	240,881	128,692
31.1 Current tax:		

The current tax has kept as per section 163 of Income Tax Act 2023 will be 0.60% of gross receipts or advance tax paid at source whichever is higher.

31.2 Deferred tax asset/(liabilities):

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

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

	Carrying amount at balance sheet	Tax base	(Taxable)/deductible temporary difference
	Taka	Taka	Taka
Assets:			
Fixed assets net off depreciation	2,048,706	1,436,982	(611,724)
Liabilities:			
Employee gratuity	-	-	-
Total	2,048,706	1,436,982	(611,724)
Applicable tax rate			37.5%
Deferred tax asset/(liabilities) as on December 31, 2023			(229,396)
Deferred tax asset/(liabilities) as on December 31, 2022			(126,071)
Deferred tax income/(expenses) accounted for during the year			(103,325)

		Amount in Taka	
		31-12-2023	31-12-2022
32	Earning Per Share (EPS):		
	Net Profit after tax	(240,231,216)	(3,568,810)
	Number of Ordinary Share	25,000,000	25,000,000
	Basic Earning Per Share (EPS)	(9.61)	(0.14)
33	Net Operating Cash Flow Per Share (NOCFPS):		
	Net cash flows from operating activities	(13,803,198)	(877,678)
	Number of Ordinary Share	25,000,000	25,000,000
	Basic Earning Per Share (EPS)	(0.55)	(0.04)
34	Net Assets Value per share (NAV):		
	Total Shareholders' equity	329,503,965	369,735,181
	Number of Ordinary Share	25,000,000	25,000,000
	Net Assets Value per share (NAV):	13.18	14.79

35 Share Money Deposit:

The 39th meeting of The Board of Directors of the company held on July 29, 2023 has decided to raise the paid up capital from Tk. 25.00 crore to Tk. 50.00 crore. During the period we have partially received of Tk. 20.00 crore from parent company (GSPB), after receiving the rest amount of Tk. 5.00 crore from the parent company it will be transferred to paid up capital.

36 Related party disclosures :

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

Name of the related party	Nature of transact	Relationship	Opening balance	During the year transaction		Closing Balance
				Dr	Cr	
GSP Finance Company (Bangladesh) Limited	Term Loan	Parent Company	2,933,072,271	236,749,978	205,630,000	2,964,192,249

GSP INVESTMENTS LIMITED

FIXED ASSETS SCHEDULE

AS AT 31 DECEMBER 2023

ANNEXURE-A

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2023
	Balance as on 01.01.2023	Addition during the year	Adjustment During the year		Balance as on 31.12.2023	Addition during the year	Adjustment During the year	
Office equipment	1,054,073	2,300	-	20%	1,056,373	36,021	-	910,646
Furniture & Fixture	97,365	-	-	10%	97,365	3,820	-	62,986
Software	1,340,000	-	-	20%	1,340,000	17,742	-	1,269,032
Office Decoration	695,534	-	-	10%	695,534	14,160	-	568,097
Motor Vehicle	6,242,725	-	-	20%	6,242,725	417,548	-	4,572,531
As at December 31, 2023	9,429,697	2,300	-		9,431,997	489,291	-	7,383,292
As at December 31, 2022	9,401,997	27,700	-		9,429,697	606,938	-	6,894,001

GSPINVESTMENTS LIMITED

INVESTMENT IN SHARES

AS AT 31 DECEMBER 2023

ANNEXURE - B

Sl.	Name of the issuer company	No. of Shares	Cost Price Per share	Cost price as at December 31, 2023 (Tk)	Market Price Per share	Market Price as at December 31, 2023 (Tk)	Provision required
Investment in quoted shares:							
1	ESQUIRENIT	20,890	45.00	940,050	34.50	720,705	(219,345)
2	HEIDELBCEM	45,834	430.20	19,717,813	239.50	10,977,243	(8,740,570)
3	RUNNERAUTO	7,566	71.43	540,450	48.40	366,194	(174,256)
Total				21,198,313		12,064,142	(9,134,171)

*Investment in quoted shares

*Investment in unquoted shares

Total:

Cost Price

21,198,313

-

21,198,313



PROXY FORM

I/We.....

of.....being a shareholder

of GSP Finance Company (Bangladesh) Limited do hereby appoint

Mr./Mrs.....

of.....

(or failing his/her)

Mr./Mrs.....

of.....as my/our Proxy

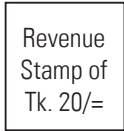
to attend and vote on my/our behalf at the 29th Annual General Meeting of the Company to be held on Sunday, December 29, 2024 at 11:30 a.m. by using Hybrid System System in combination of Physical presence of Shareholders at the Venue and presence or connection of Shareholders through the following link https://gspfinance.bdvirtualagm.com or at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this.....day of December, 2024

Signature of the proxy

BO ID No.....

No of shares being held.....



Signature of the shareholder(s)

Notes:

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



ATTENDANCE SLIP

I/We hereby record my/our attendance at the 29th Annual General Meeting of the Company to be held on Tuesday, December 29, 2024 at 11:30 a.m. by using Hybrid System System in combination of Physical presence of Shareholders at the Venue and presence or connection of Shareholders through the following link https://gspfinance.bdvirtualagm.com

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

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

Date:

Signature of the shareholder(s)/proxy

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

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



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