

Annual Report
2014



GSP
FINANCE

creating opportunities

GSP FINANCE COMPANY (BANGLADESH) LIMITED

ANNUAL
REPORT 2014

GSP FINANCE COMPANY (BANGLADESH) LIMITED

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Letter of Transmittal

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

Subject: Annual Report for the year ended December 31, 2014

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, 2014 together with the audited Financial Statements including Balance Sheet, Income Statement, Income Statement of Merchant Banking Operation, Cash Flow Statement, Statement of Changes in Equity and Notes for your kind information and record.

Thanking you,

Sincerely yours,



Md. Mizanur Rahman
Company Secretary

Date: January 26, 2015

Notice of The 20th Annual General Meeting

Notice is hereby given that the 20th Annual General Meeting of the shareholders of GSP Finance Company (Bangladesh) Limited will be held on Monday, February 23, 2015 at 11.00 a.m. at the Institution of Diploma Engineers, Bangladesh, IDEB Bhaban, 160/A, Kakrail, Dhaka-1000, Bangladesh to transact the following business:

01. To receive and adopt the Directors' Report to the Shareholders, Auditors' Report and Audited Financial Statements for the year ended December 31, 2014.
02. To declare Dividend for the year ended December 31, 2014.
03. To elect Directors in place of those who shall retire by rotation in accordance with the provision of Articles of Association of the Company
04. To appoint Auditors of the Company and fixation of their remuneration.

By order of the Board



Md. Mizanur Rahman
Company Secretary

Dated: January 26, 2015

Notes:

01. The Record Date is February 05, 2015.
02. The Shareholders whose name will appear in the Share Register of the Company and in the Depository Register on the date will be eligible to attend the 20th Annual General Meeting and qualify for the dividend to be declared at the AGM.
03. A shareholder eligible to attend and vote at the Annual General Meeting (AGM) may appoint a proxy to attend and vote in his/her place by filling proxy Form. The proxy Form must be affixed with a revenue stamp of Tk.20/- and submitted to the Registered Office of the Company not later than 48 hours before the day of the Annual General Meeting.
04. Members are requested to notify change of address, if any, through their respective Depository Participants well before the Record Date.
05. Shareholders' attendance counter will open at 7.00 a.m. and to be continued till 11.00 a.m.

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

VISION

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

MISSION

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

STRATEGIC OBJECTIVES

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

CORE VALUES

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

THE COMPANY AT A GLANCE

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

GSP INVESTMENTS LIMITED

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

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

PRODUCTS AND SERVICES

Financial segments

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

Deposit schemes

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

GSP Investments Limited

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

- Issue Management
- Underwriting
- Portfolio Management
- Margin Loan
- Advisory Services on securities
- Securities Trading Services

CORPORATE INFORMATION

Registered Name of the Company

GSP Finance Company (Bangladesh) Limited

Legal Form

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

Company Registration No.

C-29591 (879) / 95

Bangladesh Bank License No.

আঃপ্রঃ(অ-ব্যাংকিং)বিভাগ/ঢাকা/১০/৯৬

GSP Investments Limited - License No.

(A Subsidiary of GSPB)

MB- 88/2014

Registered Office

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

Website

www.gspfinance.com

Legal Advisor

Chowdhurys & Hyders
Barristers, Advocates and Consultants
Room No. 4/L, Meherba Plaza (4th floor)
33, Topkhana Road, Dhaka-1000.

Tax Adviser

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

Auditors

A. Matin & Co.
Chartered Accountants
60/2 (New), Naya Paltan (1st Floor)
Dhaka-1000.

Membership

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

Principal Bankers

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

Stock Brokers

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

Chairman

Feroz U. Haider

Managing Director (C.C.)

Mahmudul Alam

Company Secretary

Md. Mizanur Rahman

BOARD OF DIRECTORS

Chairman

Mr. Feroz U. Haider

Directors

Mr. Saber Hossain Chowdhury
Nominated by Karnaphuli Industries Limited

Mr. Aziz Al Kaiser

Mrs. Tabassum Kaiser

Mr. Wolf -Peter Berthold

Mr. Moin U. Haider
Nominated by Amber Hill Global Resources Limited

Ms. Silwat A. Haider

Mr. Mohamed Abdul Jalil
Nominated by Tai Ping Asian Investment Limited

Dr. ATM Shamsul Huda
Independent Director

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

Managing Director (C.C.)

Mahmudul Alam

BRIEF PROFILE OF THE DIRECTORS



Mr. Feroz U. Haider

Chairman

Mr. Feroz U. Haider is a renowned international banker with experience in very senior positions in financial institutions in South East Asia. He started his banking career in 1967 with United Bank Limited (now Janata Bank) after his graduation and worked till 1975. From 1976 to 1978 he was the General Manager of Gulf Finance Company Limited, Hong Kong. In 1979 and 1980 he was the Manager, Operations, of American Express Bank Limited, Bangladesh. From 1981, he was the Managing Director of GSP Finance Company Limited, Hong Kong and GSP International Limited, Vanuatu. From 1989 to 1996 he was the Chairman of GSP International Limited, Vanuatu and President of Thai Prasit Insurance Company Limited, Hong Kong (now Mittare Insurance Co. Ltd.). From the date of incorporation (October 29, 1995) of GSP Finance Company (Bangladesh) Limited, he served as Chairman and Managing Director of the Company and at present he is serving as Chairman.



Mr. Saber Hossain Chowdhury

Director

Nominated by Karnaphuli Industries Limited

Mr. Saber Hossain Chowdhury is a Director of GSP Finance Company (Bangladesh) limited representing Karnaphuli Industries Limited. He was elected as Member of 7th Jatio Sangsad, 9th Jatio Sangsad (National Assembly) and again he elected as Member of 10th Jatio Sangsad. He served as Deputy Minister of Shipping from December 1996 to March 1998 and thereafter as Deputy Minister of Local Government & Rural Development (LGRD) till July 2001. He was also a Member of the Parliamentary Committee for the Ministry of Sports and Cultural Affairs for the term of 1996-2001. During his tenure as the Member of the Parliament and also as the Deputy Minister, he was widely acclaimed as having acted with honesty and integrity, thereby holding high image of his constitutional positions. He is also the Managing Director of Karnaphuli Group of Companies. Mr. Chowdhury holds Bachelor degree of Political Science and Economics from London University and LL.B in Westminster University, London.



Mr. Aziz Al Kaiser

Director

Mr. Aziz Al Kaiser graduated from U.S. International University, London, UK. An industrial entrepreneur, Mr. Kaiser has a track record of establishing and running a good number of industrial projects successfully. Mr. Kaiser is the Vice Chairman of Partex Star Group. He is also the Managing Director of Star Particle Board Mills Limited. Partex Limited, Partex Real Estate Limited, Partex Builders Limited, Fairhope Housing Limited, Corvee Maritime Company Limited, Partex Furniture Industries Limited, Partex Laminates Limited and Partex Pvc Industries Limited. Mr. Kaiser holds Directorship in The City Bank Limited, Danish Condensed Milk (BD) Limited, Danish Milk (BD) Limited, Danish Food Limited and Rubel Steel Mills Limited.



Mrs. Tabassum Kaiser

Director

Mrs. Tabassum Kaiser is a Director of GSP Finance Company (Bangladesh) Limited. At present she serves as Director in various companies like The City Bank Limited, Janata Insurance Company Limited. She is also Managing Director of Partex Agro Limited. Mrs. Kaiser is an MBA from North South University.



Mr. Wolf-Peter Berthold

Director

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



Mr. Moin U. Haider

Director

Nominated by Amber Hill Global Resources Limited

Mr. Moin U. Haider has been a shareholder of the Company since 2000 and become a Director in 2005. Between 2005 - 2009 he has been actively guiding our team in the areas of Credit & Marketing, Public Relations, Information Technology and Merchant Banking. 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.



Ms. Silwat A. Haider

Director

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



Mr. Mohamed Abdul Jalil

Director

Nominated by Tai Ping Asian Investment Limited

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



Dr. ATM Shamsul Huda

Independent Director

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.



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

Independent Director

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



Mr. Mahmudul Alam

Managing Director (C.C.)

Mr. Mahmudul Alam joined GSP Finance Company (Bangladesh) Limited as Deputy Managing Director in November 2013 and promoted to the rank of Additional Managing Director in November 2014. He has worked in different positions at various banks and financial institutions at home and abroad over the span of his career. He worked in diverse areas during his career which includes credit, corporate financing, lease financing, loan syndication, project financing etc.

He started his career with IDLC Finance Limited in 1990 worked in different positions in different departments, worked with Meshreq Bank and posted in Osool Finance Company a concern of Meshreq Bank at its Abu Dhabi Branch at United Arab Emirate, worked with Shahjalal Islami Bank Limited, Union Capital Limited and AB Bank Limited. He obtained Masters of Business Administration (MBA) from the Institute of Business Administration, University of Dhaka. He attended various training & workshop on lease financing, credit, time management etc. at home and abroad. He is holding the position of Managing Director (C.C.) from 22nd January 2015.

BOARD & MANAGEMENT COMMITTEES

Executive Committee

Chairman

Mr. Feroz U. Haider

Members

Mr. Saber Hossain Chowdhury
Mr. Wolf-Peter Berthold
Col. M. Nurul Islam Psc. (Retd.)

Audit Committee

Chairman

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

Members

Mr. Aziz Al Kaiser
Mr. Mohamed Abdul Jalil
Mr. Moin U. Haider

Management Committee (MANCOM)

Chairman

Mr. Mahmudul Alam

Members

Mr. Mizanur Rahman
Mr. Syed Sharif Zamal
Mr. Asif Rahman
Mrs. Zeenat Alam
Mr. Mahbub Alam

Asset-Liability Management Committee (ALMCO)

Chairman

Mr. Mahmudul Alam

Members

Mr. Mizanur Rahman
Mr. Syed Sharif Zamal
Mr. Mahbub Alam

Anti Money Laundering Compliance Committee

Chairman

Mr. Mahmudul Alam

Members

Mr. Mizanur Rahman
Mr. Syed Sharif Zamal
Mr. Asif Rahman
Mr. Mahbub Alam

Credit Committee

Chairman

Mr. Mahmudul Alam

Members

Mr. Mizanur Rahman
Mr. Syed Sharif Zamal
Mr. Asif Rahman
Mrs. Zeenat Alam

BASEL Implementation Committee

Chairman

Mr. Mahmudul Alam

Members

Mr. Mizanur Rahman
Mr. Mahbub Alam
Mr. Wahidul Islam

CAPITAL AND SHAREHOLDING STRUCTURE

Share Capital	Amount in Taka	
	2014	2013
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 67,504,965 ordinary shares of Tk. 10 each	675,049,650	602,722,910

Shareholders:	% of share holding 2014	Amount in Taka	
		2014	2013
<u>A. Foreign Shareholders</u>			
Institutions:			
Tai Ping Asian Investment Limited	10.42%	70,309,170	62,776,050
Amber Hill Global Resources Ltd.	7.65%	51,634,070	46,101,850
Interfox Holdings Limited	0.50%	3,378,720	3,016,720
Individuals:			
Mr. Wolf - Peter Berthold	3.59%	24,207,540	21,613,880
Sub Total	22.16%	149,529,500	133,508,500
<u>B. Domestic Shareholders</u>			
Institutions:			
Karnaphuli Industries Limited	9.07%	61,234,750	54,673,890
SF Haider Foundation Limited	0.80%	5,368,490	4,793,300
Individuals:			
Mr. Feroz U. Haider	8.07%	54,455,560	48,621,040
Mr. Aziz Al Kaiser	5.80%	39,168,950	34,972,280
Mrs. Tabassum Kaiser	5.80%	39,168,950	34,972,280
Mr. Moin U. Haider	2.00%	13,501,000	12,054,470
Ms. Silwat A. Haider	2.00%	13,501,020	12,054,490
Mr. Siraj U. Haider	1.59%	10,730,370	9,580,690
Ms. Ishmam Raidah Rahman	0.62%	4,198,250	3,748,440
Mrs. Shahin Haider	0.61%	4,189,190	3,740,350
AVM (Retd.) Altaf Hossain Choudhury Ndu. Psc	0.36%	2,442,590	2,180,890
Col. M. Nurul Islam Psc. (Retd.)	0.17%	1,153,370	1,029,800
Sub Total	36.89%	249,112,490	222,421,920
<u>C. General Shareholders</u>	40.95%	276,407,660	246,792,490
Total (A + B + C)	100.00%	675,049,650	602,722,910



Message from The Chairman

Bismillahir Rahmanir Rahim

Distinguished Shareholders:

Assalamu Alaikum,

It gives me immense pleasure and honor to welcome you all at the 20th Annual General Meeting of GSP Finance Company (Bangladesh) Limited. On behalf of the Board of Directors, I would like to express my cordial thanks to the respected shareholders for their support and co-operation towards the Company over the last year and I also extend my thanks to the honorable members of the Board of Directors of the Company for their active support and co-operation.

GSP Finance Company (Bangladesh) Limited has a long successful history of professional ethics which is based on a well developed culture of accountability, transparency, fairness and good governance that remains constant since our beginning in 1995. With the help of our strong corporate governance we are able to be stable in uncertain economic times; it has also facilitated us to construct, balance and maintain strong and continuing relationships with our stakeholders including clients, regulators and employees.

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

The country went through a number of major challenges in 2014 which include, volatility in capital market, the widening gap between deposit and lending rates etc. Despite these issues due to the buoyant export market and good harvests, Bangladesh witnessed a 6.2 percent GDP growth in 2014, balancing both positive and negative performances throughout the year.

The year 2014 of course has been a truly challenging one for the country as well as the financial sector and the over all economy, but I am happy to say that the performance of the Company in 2014 is better despite the challenges of last year.

In the year net profit after tax and provision was reported at Tk 106 million as compared to previous year's Tk 90 million. I firmly believe that we will meet all the future challenges, competently manage the situation as before and will continue to grow further in the coming years.

We understand that the year 2015 will be more challenging. The key challenging areas will a higher inflation rate, mobilization of sizable amount of funds and keeping the cost of borrowings at the lowest possible level in order to remain competitive. Our business expansion drive will be continued by broadening product-line to serve the ever-increasing customers demand.

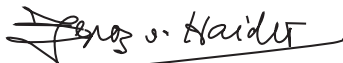
Pursuant to the requirement of Bangladesh Securities and Exchange Commission (BSEC), GSP Finance Company (Bangladesh) Limited formed a subsidiary in the name of "GSP Investments Limited " with a view to separate its existing Merchant Banking operation for which was approved by Bangladesh Securities and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

GSP Finance Company (Bangladesh) Limited continuously reviews its human resource policies and implements effective management policies and practices to enrich its employee involvement. We believe that our human resources are our 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.

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

Once again, I would like to express my deep appreciation to my colleagues in the Board and the Management for their co-operation and commitment to do their level best for our stakeholders. I also extend my heartfelt thanks to our shareholders for their trust in GSP Finance Company (Bangladesh) Limited.

May the Almighty Allah bless us all.



Feroz U. Haider
Chairman



Message from The Managing Director

Bismillahir Rahmanir Rahim

Dear Shareholders:

Assalamu Alaikum,

It is indeed a great pleasure for me to be here with you in the 20th Annual General Meeting of GSP Finance Company (Bangladesh) Limited and I am delighted to meet our honorable shareholders in this annual event as Managing Director (C.C.) of your esteemed financial institution.

We are pleased to disclose that, despite various challenges faced by us in the overall business environment, economic scenario and industry competition, GSP Finance Company (Bangladesh) Limited performed well in this competitive year.

In the year 2014, financial institutions faced number of challenges like depressed capital market, decreasing lending rates, pre-matured adjustment of lease/ loan, severe market competition etc. Despite all the challenges, the company has attained a significant growth in respect to loan disbursement, fund mobilization, and profitability. I am pleased to share accomplishments and achievements of 2014 with you all.

The skilled human resources are greatest asset of the company. We always aim to attract talent and retain them in a congenial working environment. We also emphasize in maintaining the expertise of our human resources at the individual and professional level and managed to provide training and arrange seminar, workshop for employees to enhance their skills to perform and deliver best possible output for the betterment of the company.

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

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

I wish to express my profound gratefulness to all the members of the Board of Directors of GSP Finance Company (Bangladesh) Limited who have extended their all out support and advices to enable me to proceed with the work smoothly to achieve the reported performance of the company for the year 2014.

Finally, on behalf of the management of the Company, I also express my thanks and heartiest gratitude to all of our honorable shareholders, customers, auditors and all regulatory authorities including Bangladesh Bank, BSEC, DSE, and CSE for their continued guidance, advice/co-operation for the successful operation of the Company during the year 2014.

With thanks and best regards



Mahmudul Alam
Managing Director (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 pleased to present the Annual Report and the Audited Financial Statements of the Company for the year ended December 31, 2014 together with the Auditors' Report thereon, for consideration and approval of our honorable shareholders. This report has been prepared in compliance with the section 184 of the Companies Act 1994, BSEC's Notification of 2012, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and the guidance issued by Bangladesh Bank and other regulatory authorities in the country.

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 at a glance during the year under reporting.

PRINCIPAL ACTIVITIES OF THE COMPANY

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

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

OPERATIONAL PERFORMANCE OF THE COMPANY

2014 was a year of challenge for the financial sector of the country as well as for GSP Finance Company (Bangladesh) Limited. Excess liquidity, reduced investment in the private sector and a general economic slowdown presented great uncertainties in our lending and recovery activities. Our Company met the challenges through focused marketing plan, diversified products and services, taking steps towards adopting a fully automated and modern system, improving the assets quality by strengthening the recovery of non-performing assets, emphasis on human resources development program to upgrade the skill and knowledge of our personnel.

FINANCING AND INVESTMENT OPERATION OF THE COMPANY

GSP Finance Company (Bangladesh) Limited pursues a conservative approach while making any investment decision. As a reflection of its corporate vision, the company always prefer 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 this sector.

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 2014. The investment under lease finance of the Company stands at Tk 656.04 million at the end of 2014.

Term Finance: Term finance continued to be a core product of GSP Finance Company (Bangladesh) Limited. Long-term finance is available for commercial, industrial, SME sectors for a period ranging from 12 to 60 months depending on the nature of business and need. To provide liquidity comfort to corporate houses in emergency situation, the short-term finance is made under the different categories i.e. direct finance for working capital, work order finance, finance against term deposits etc. As pointed out by the Central Bank, term finance by FIs are the alternate source of capital financing for the industrial growth in this Country. The Company's investment under term finance registered a growth of 59.11% in 2014 which stands at TK 3,545.45 million at the end of 2014.

Fund Arrangement/Syndication: GSP Finance Company (Bangladesh) Limited actively participated as a co-financer in various large syndication loans in order to diversify its portfolio and reduce risks. The total commitments of the company in syndications and structured finance arrangements stood at Tk. 106.47 million as at December 31, 2014.

CAPITAL MARKET OPERATION OF THE COMPANY (Merchant Banking Unit)

The capital market was bearish and the trade volume was quite low for most part of the year compared to the previous year. In spite of this unfavorable situation, GSP Finance Company (Bangladesh) Limited worked hard to manage the risk prudently. GSP Finance Company (Bangladesh) Limited provided the following merchant banking services until these activities were transferred after receipt of the merchant banking license for its merchant banking subsidiary, GSP Investments Limited from Bangladesh Securities and Exchange Commission.

Underwriting: The Company entered into a good number of underwriting during the year.

Corporate Financial and Advisory Services: GSP Finance Company (Bangladesh) Limited offers professional corporate financial services including customized, value added solutions for better corporate management.

Portfolio Management & Margin Loan: The Company provided non-discretionary portfolio management services with margin loan facility to its customers.

Investment in Share and Securities: GSP Finance Company (Bangladesh) Limited maintains its own portfolio for investment in listed companies shares and securities. The risk of investment is minimized through diversification and investing mostly in fundamentally strong securities. In 2014, the Company earned Tk.22.44 million in the form of capital gain and dividend.

MONEY MARKET OPERATION OF THE COMPANY

We experienced a highly liquid market in 2014. Managing excess liquidity and balance sheet gap were the key challenges for the whole financial sector. The excess liquidity in the market adversely affected loan demand throughout the year. Early settlement of loan facilities by customers with access to cheaper funding from banks posed a serious threat to our core activities, despite which we registered modest growth in our business.

Banking Arrangement: In 2014 the Company obtained Tk 669.75 million from banks against different form of borrowings to finance its operations and repaid Tk 285 million as per terms and conditions of contracts. During the year, the cost of borrowing decreased significantly.

Deposit Mobilization: GSP Finance Company (Bangladesh) Limited mobilizes term deposits from corporate and individuals through its wide range of deposit schemes with different maturity options, monthly/quarterly/half-yearly/yearly income option, double money options, monthly saving options etc. The deposits base of the Company continued to register a steady growth and stood at Tk 2204.59 million as on December 31, 2014

Money Market Operations: As a financial Institution GSP Finance Company (Bangladesh) Limited actively participates in the money market on a regular basis and has been dealing with both borrowing and lending activities with different banks/financial institutions to manage its liquidity position in an effective way. GSP Finance Company (Bangladesh) Limited also maintains a very high standard in money market operation and has built up a strong reputation for itself.

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 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.

ENVIRONMENT OF THE COMPANY

As a financial service provider, our impact on the environment is relatively less and indirect. Even then, we uphold the best practices in environmental issues such as maintaining office premises, equipments and their use. GSP Finance Company (Bangladesh) Limited is very concerned in the matter of the environmental issues of their borrowers. It continuously reviews the environment related issues of our existing clients. It ensures that the clearance certificate from the regulators have been obtained in time of providing lease or loan facilities.

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 employee involvement. We believe that our human resources are our 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.

CORPORATE AND FINANCIAL REPORTING FRAME WORK

The Directors in accordance with BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 confirm compliance with the financial reporting framework for the following:

- The financial statements prepared by the management of GSP Finance Company (Bangladesh) Limited present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting polices have been consistently applied except for the changes disclosed in the financial statements in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS) / Bangladesh Financial Reporting Standards (BFRS) as applicable in Bangladesh, have been consistently applied in preparation of the financial statements and any change or deviation has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company's ability to continue as a going concern.

THE PATTERN OF SHAREHOLDINGS

The Authorized Capital of GSP Finance Company (Bangladesh) Limited is Tk. 2,000,000,000 divided into 200,000,000 ordinary shares of Tk. 10 each. The paid-up Capital of the Company is Tk.675, 049,650 divided into 67,504,965 ordinary shares of Tk. 10 each. The shareholding pattern of the Company as at December 31, 2014 is shown on page 39 in this Annual Report as per clause 1.5 (xxi) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

BOARD MEETING ATTENDANCE AND REMUNERATION OF DIRECTORS

During the year ended on December 31, 2014 a total number of 04 (four) Board Meetings were held and attendance of directors are presented on page 39 and their remuneration paid during the year are given in Notes-32 in this Annual Report as per clause 1.5(xx) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

RELATED PARTY TRANSACTIONS

In the ordinary course of business a number of transactions with other entities that fall within the definition of related party contained in BAS 24: Related party disclosures; The Company extends leases/loans to related parties including its Directors and related Companies. A statement of related party transactions along with their basis has been presented on page 86 in this Annual Report as per clause 1.5 (vi) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012, along with a certificate from a practicing Chartered Accountant have been presented on page 28 in this Annual Report as Compliance on BSEC's Notification.

FINANCIAL RESULT AND PROPOSED APPROPRIATION

The financial results of the Company and the proposed appropriation of profit of the year 2014 are summarized below with explanations in the enclosed audited Financial Statements:

Profit after tax	TK. 106,895,244
Retained earnings brought forward	TK. 780,887
Transfer to Statutory Reserve (20% on profit after tax)	TK. (21,379,049)
Profit after tax and statutory reserve for the year 2014	TK. 86,297,082
Share Premium	Tk. 300,000,000
Balance available for declaration of Dividend for the year 2014	TK. 386,297,082

DIVIDEND

The Board of Directors of the Company has recommended 55% stock dividend (i.e. 55 bonus shares for every 100 shares) for the year ended December 31, 2014 to its shareholders for approval in this AGM.

As per section 57(2)(a) of The Companies Act, 1994, The share premium account may be applied by the company - in paying up unissued shares of the company to be issued to member of the company as fully paid bonus shares.

FORMATION OF SEPARATE SUBSIDIARY FOR MERCHANT BANKING ACTIVITIES

Pursuant to the requirement of Bangladesh Securities and Exchange Commission, GSP Finance Company (Bangladesh) Limited formed a subsidiary in the name 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 is duly incorporated with the RJSC as a private limited company with an authorized and paid up capital are Tk. 500 million and Tk. 250 million respectively.

The Principal Activities of GSP Investments Limited are:

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

DIRECTORS RETIREMENT AND REAPPOINTMENT

In accordance with the Company's Article of Association no.116 , one third (1/3) directors are retire from the Board of Directors and accordingly (1) Mr. Mohamed Abdul Jail, Director representing Tai Ping Asian Investment Limited (2) Mr. Wolf-Peter Berthold and (3) Mrs. Tabassum Kaiser, Director of the Company will retire and being eligible, all of them offered themselves for re-election.

APPOINTMENT OF AUDITORS

The Company's Auditors M/S. A. Matin & Co. Chartered Accountants will retire in the 20th Annual General Meeting, being not eligible for re-appointment as they have completed their tenure of 3 (three) years. The Board of Directors of the Company recommended for approval of the appointment of M/S. Kazi Zahir Khan & Co. Chartered Accountants as Auditors of the Company for the year 2015 with a fee of Tk.80,000/- plus VAT.

FUTURE OUTLOOK

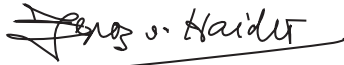
The major challenges for the year 2015 will be stiff competition from banks and other financial institutions. Despite the challenges, GSP Finance Company (Bangladesh) Limited will continue to look into its potentialities and development options with its business strategy. Development of an appropriate market niche, expansion in unexplored markets and quality asset growth with enhanced customer service will remain our priority.

ACKNOWLEDGEMENT

On behalf of the Board of Directors I would like to express my sincere thanks to our valued shareholders, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Stock Exchanges, RJSC and other business associates for their valuable suggestions, continuous support and co-operation extended during the period under review. I would like to thank our auditor A. Matin & Co. Chartered Accountants for their efforts for timely completion of the audit. I also thank our dedicated management team and employees whose hard work and firm commitment made this year a successful one. We hope to get all of your support, advice and encouragement for our continuous 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 four members with three members forming a quorum. The Chairman of the committee is an Independent Director of the Company. During the year the Audit Committee comprised of the following Directors of the Board:

Sl	Name of members	Position in the committee	Position in the Board
1.	Col. M. Nurul Islam Psc. (Retd.)	Chairman	Independent Director
2.	Mr. Aziz Al Kaiser	Member	Director
3.	Mr. Mohamed Abdul Jalil	Member	Director
4.	Mr. Moin U. Haider	Member	Director

Meetings of the Audit Committee

The Committee held four meetings during the year 2014. The General Manager (Finance) & Company Secretary, the Head of Internal Control & Compliance and other non-members attended the meeting by invitation of the Chairman.

Activities of the Audit Committee

The Audit Committee carried out the following activities during the year 2014

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

Acknowledgement

The Board Audit Committee would like to express their thanks to the Members of the Board Audit Committee, management, auditors and all employees for their dedication and efforts during the year 2014.

On behalf of the Audit Committee



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



KAZI ZAHIR KHAN & CO.
CHARTERED ACCOUNTANTS
কাজি জাহির খান এন্ড কোম্পানি
চার্টার্ড অ্যাকাউন্ট্যান্টস

Certificate on

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

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

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

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

Dated: January 26, 2015

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

PARTNERS: KAZI ZAHIRUL KABIR, B. Com. (Hons), M.Com. FCA. NURUL HOSSAIN KHAN, B. Com. FCA.
67/4, Kakrail (Pioneer Road), Dhaka-1000. Fax : +88029358166, Tel : 8356107, 8321634, e-mail :kzkc_bd@yahoo.com

STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE GUIDELINES (CGG)

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

Annexure I

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.1	Board's Size: The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty)	✓		The number of Board members of the Company is ten (10) including two(2) Independent Directors as prescribed by the Bangladesh Bank.
1.2	Independent Directors			
1.2(i)	At least one fifth (1/5) of the total number of directors in the Company's Board shall be Independent Directors	✓		
1.2(ii)(a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid up shares of the company	✓		
1.2(ii)(b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship.	✓		
1.2(ii)(c)	Who does not have any other relationship, weather pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1.2(ii)(d)	Who is not a member, director or officer of any stock exchanges;	✓		
1.2(ii)(e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2(ii)(f)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	✓		

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

1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			Not applicable
1.4	Chairman of the Board and Chief Executive Officer: The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	✓		
1.5	The Directors' Report to Shareholders			
1.5(i)	Industry outlook and possible future developments in the industry	✓		
1.5(ii)	Segment-wise or product-wise performance	✓		
1.5(iii)	Risks and concerns	✓		
1.5(iv)	A Discussion on cost of goods sold, gross profit margin and net profit margin	✓		
1.5(v)	Discussion on continuity of any extra-ordinary gain or loss			Not applicable
1.5(vi)	Statement of all related party transactions	✓		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments			Not applicable
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not applicable
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report			Not applicable

1.5(x)	Remuneration to directors including independent directors	✓		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		
1.5(xii)	Proper books of account of the issuer company have been maintained	✓		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✓		
1.5(xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	✓		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	✓		
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	✓		
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		

1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given			Not applicable, as the company declared stock dividend @ 55% for the 2014.
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed	✓		
1.5(xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:	✓		
1.5(xxi)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details):	✓		
1.5(xxi)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details):	✓		
1.5(xxi)(c)	Executives;	✓		
1.5(xxi)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1.5(xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:	✓		
1.5(xxi)(a)	A brief resume of the director;	✓		
1.5(xxi)(b)	Nature of his/her expertise in specific functional areas;	✓		
1.5(xxi)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		
2.0	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)			
2.1	Appointment: The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		

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

3.1(v)	The Company Secretary shall act as the secretary of the Committee;	✓		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without Independent Director ;	✓		
3.2	Chairman of the Audit Committee			
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director ;	✓		
3.2(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM)	✓		
3.3	Role of Audit Committee			
3.3(i)	Oversee the financial reporting process	✓		
3.3(ii)	Monitor choice of accounting policies and principles	✓		
3.3(iii)	Monitor Internal Control Risk management process	✓		
3.3(iv)	Oversee hiring and performance of external auditors	✓		
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval	✓		
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	✓		
3.3(vii)	Review adequacy of Internal Audit function	✓		
3.3(viii)	Review statement of significant related party transactions submitted by the management	✓		
3.3(ix)	Review management letters/letter of internal control weakness issued by statutory auditors	✓		
3.3(x)	Declaration of Audit Committee by the company regarding utilization of IPO/PRO, Right Issue money	✓		

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

4.0(ii)	Financial information systems design and implementation	✓		
4.0(iii)	Book-keeping or other services related to the accounting records or financial statements	✓		
4.0(iv)	Broker-dealer services	✓		
4.0(v)	Actuarial services	✓		
4.0(vi)	Internal audit service	✓		
4.0(vii)	Any other services that the Audit Committee determines	✓		
4.0(viii)	No partner 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	✓		
5.0	Subsidiary Company:			
5.0(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company	✓		
5.0(ii)	At least 1 (one) Independent Director on the Board of Directors of the holding company shall be a Director on the Board of Directors of the subsidiary company	✓		
5.0(iii)	The minutes of the Board Meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	✓		
5.0(iv)	The minutes of the respective Board Meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	✓		
5.0(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	✓		

6.0	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO): The CEO and CFO shall certify to the Board that:			
6.0(i)	They have received financial statements for the year and that to the best of their knowledge and belief:	✓		
6.1(i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
6.1(i)(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		
6.1(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		
7.0	Reporting and Compliance of Corporate Governance:			
7.0(i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7.0(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the Director's Report whether the company has complied with these conditions.	✓		

Compliance of Section 1.5 (xx)**Annexure – II**

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

Composition	Board		Audit Committee	
	Meeting held	Attended	Meeting held	Attended
Mr. Feroz U. Haider	4	4		
Mr. Saber Hossain Chowdhury	4	4		
Mr. Aziz Al Kaiser	4	4	4	2
Mrs. Tabassum Kaiser	4	2		
Mr. Wolf-Peter Berthold	4	2		
Mr. Moin U. Haider	4	2	4	2
Ms. Silwat A. Haider	4	2		
Mr. Mohamed Abdul Jalil	4	4	4	4
Dr. ATM Shamsul Huda Independent Director	4	3		
Col. M. Nurul Islam Psc. (Retd.) Independent Director	4	4	4	4

Compliance of Section 1.5 (xxi)

The pattern of Shareholding

Annexure – III

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

Name	Relation	Shares Held
Nil		

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

Name	Shares Held (nos.)
Mr. Feroz U. Haider	5,445,556
Mr. Saber Hossain Chowdhury	Nominee of Karnaphuli Industries Limited 6,123,475
Mr. Aziz Al Kaiser	3,916,895
Mrs. Tabassum Kaiser	3,916,895
Mr. Moin U. Haider	Nominee of Amber Hill Global Resources Ltd. 5,163,407
Mr. Wolf-Peter Berthold	2,420,754
Mr. Mohamed Abdul Jalil	Nominee of Tai Ping Asian Investment Limited 7,030,917
Ms. Silwat A. Haider	1,350,102
Col. M. Nurul Islam psc. (Retd,)	Independent Director 115,337
Dr. ATM Shamsul Huda	Independent Director None
Mr. Mahmudul Alam	Managing Director (C.C.) None
Mr. Mizanur Rahman	GM (Finance) & Company Secretary None
Mr. Adil Hossain	Head of Internal Audit None

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

Designation	Name	Shares Held
General Manager (Marketing)	Mr. Syed Sharif Zamal	None
Deputy General Manager (Marketing)	Mr. Asif Rahman	None
Deputy General Manager (Credit and Risk Management)	Ms. Zeenat Alam	None
Deputy General Manager (Accounts)	Mr. Mahbub Alam	None
Assistant General Manager (Sales)	Mr. Sazzad Hossain	None

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

Name of Shareholder	Percentage	Shares Held (nos.)
Tai Ping Asian Investment Limited	10.42 %	7,030,917

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

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

Status report on compliance with those guidelines is given below :

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

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

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

FINANCIAL HIGHLIGHTS

Operational Performance	2010	2011	2012	2013	2014
Operating revenue	393,011,757	363,099,835	433,132,146	559,934,056	629,990,628
Financial expenses	232,218,143	267,674,404	238,217,055	317,908,442	330,786,422
Operating expenses	29,136,173	32,489,061	40,853,370	53,877,976	62,795,400
Profit before taxation	131,657,441	62,936,370	172,487,946	156,203,668	187,324,191
Net Profit after tax	75,703,029	32,924,872	98,673,536	90,330,294	106,895,244

Financial performance

Lease & term finance	1,629,115,736	1,579,845,588	1,714,249,980	2,212,831,562	3,323,380,472
Investor's portfolio loan	571,590,211	588,383,123	999,454,650	1,153,616,021	878,117,016
Investment	125,450,952	122,991,225	128,607,415	227,037,547	230,488,285
Other assets	82,753,614	111,194,334	114,300,154	118,194,773	332,743,739
Current assets	1,278,193,035	1,302,147,994	994,405,293	2,286,317,019	2,458,384,754
Total asset	2,919,241,293	2,795,107,322	3,317,704,063	4,223,448,549	5,211,282,504
Term deposits	619,890,700	637,723,419	628,801,600	1,823,862,827	2,204,593,155
Current liabilities	593,315,769	893,756,189	810,380,230	1,801,432,900	2,061,741,713
Long term liabilities	1,617,931,571	1,160,432,308	1,167,731,472	992,092,995	1,612,722,894
Total Liabilities	2,211,247,340	2,054,188,497	1,978,111,702	2,793,525,895	3,674,464,607

Financial ratios

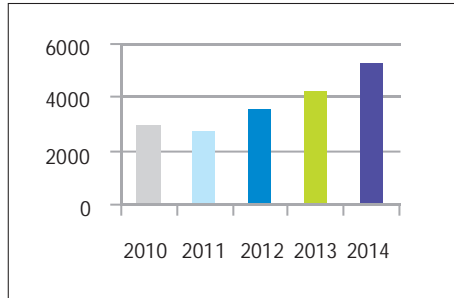
Current ratio (Times)	2.15	1.46	1.23	1.27	1.19
Financial expense coverage (Times)	1.57	1.24	1.72	1.49	1.57
Debt/Equity (Times)	2.58	2.29	1.18	1.60	1.99
Equity Multiplier	4.12	3.77	2.48	2.95	3.39
Net interest margin %	0.52	0.39	4.18	4.42	4.81
Net profit margin (%)	19.26	9.07	22.78	16.13	16.97
Return on equity (%)	11.30	4.54	9.49	6.52	7.21
Return on assets (%)	2.59	1.08	2.97	2.14	2.05
Rate of Dividend (%)	28.00	10.00	15.00	12.00	55.00
Price earnings ratio (Times)	2.85	21.01	17.77	21.02	20.95
Dividend (%)	28.00	10.00	15.00	12.00	55.00
Financial expense to total expenses (%)	88.85	89.18	85.36	85.51	84.05
Operating expense to operating revenue (%)	7.41	8.95	9.43	9.62	9.97
EPS (TK.)	3.51	1.19	1.88	1.50	1.58

Equity statistics

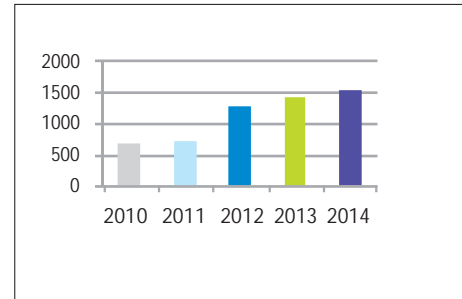
Authorized capital	1,000,000,000	1,000,000,000	1,000,000,000	2,000,000,000	2,000,000,000
Number of shares	21,598,500	27,646,080	52,410,688	60,272,291	67,504,965
Paid up Capital	215,985,000	276,460,800	524,106,880	602,722,910	675,049,650
Year end market price	10.00	25.00	33.40	31.50	33.10
Net asset value per share	32.78	26.80	25.56	23.72	22.77

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

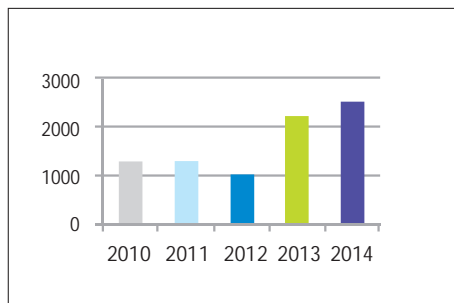
Total asset
BDT in million



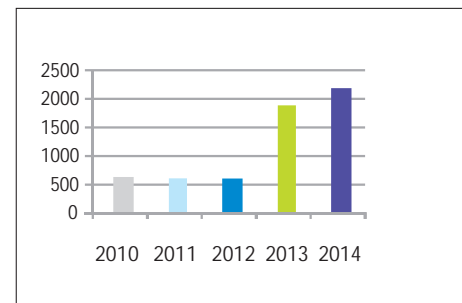
Shareholder's equity
BDT in million



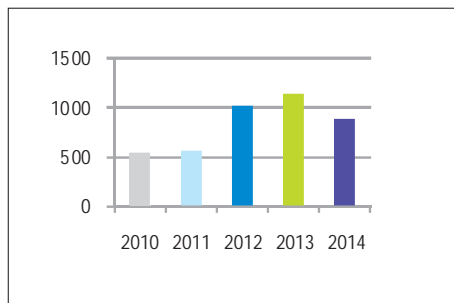
Current asset
BDT in million



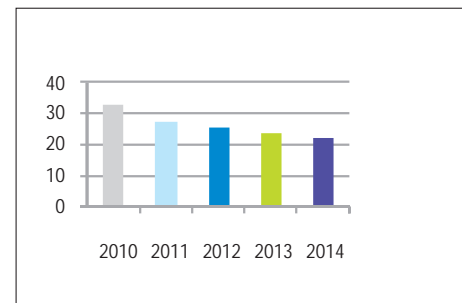
Term deposit
BDT in million



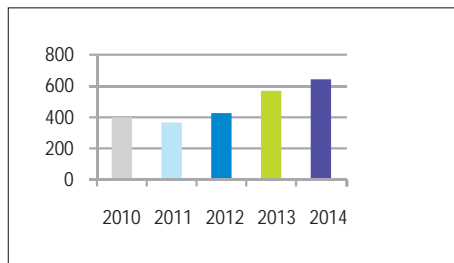
Investor's portfolio loan
BDT in million



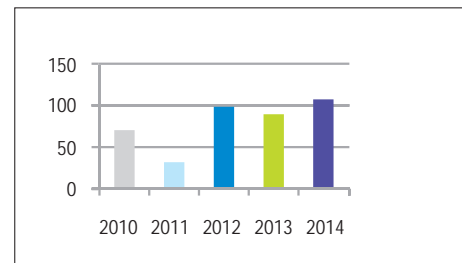
Net asset value per share
BDT per share



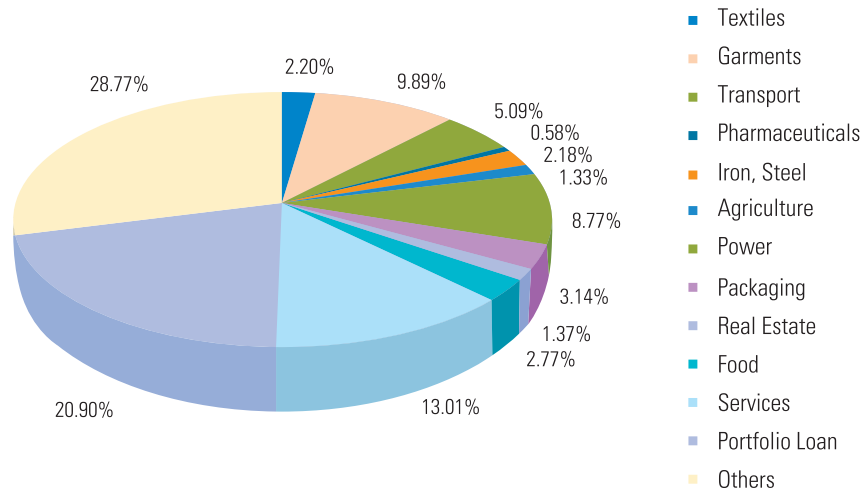
Operating revenue
BDT in million



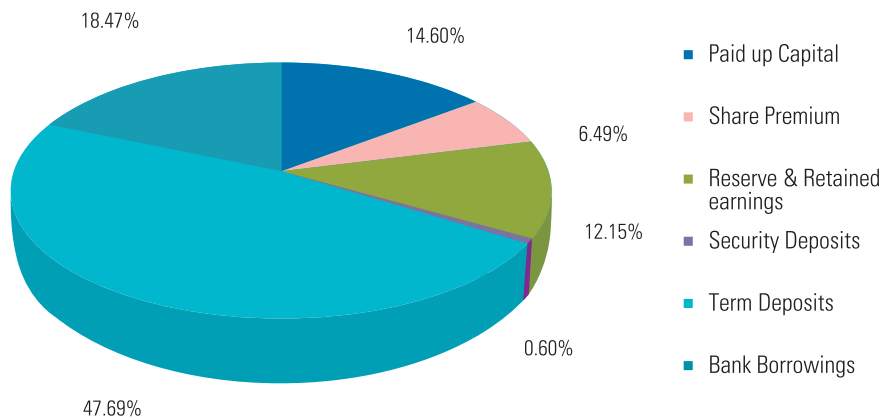
Net profit after tax
BDT in million



Sectorwise Leases, Loans & Advances



Capitalization





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

We have audited the accompanying consolidated financial statements of GSP Finance Company (Bangladesh) Limited ("the Company") and its subsidiary, which comprise of the Balance Sheet as at December 31, 2014 and the related Profit & Loss Account, Cash Flow Statement and Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion:

In our opinion, the consolidated financial statements and separate financial statements of the company and its subsidiary along with notes thereon, prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the state of the Company's affairs as at December 31, 2014 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act, 1994, Financial Institutions Act, 1993, the Securities and Exchange Rules 1987 and other applicable laws and regulations as well as practice followed by Financial Institutions.

We also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (ii) in our opinion, proper books of accounts as required by law have been kept by the Company and its subsidiary so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit;
- (iii) the consolidated balance sheet and consolidated profit and loss account of the company and the separate balance sheet and profit and loss account of the company and its subsidiary dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditure incurred was for the purpose of the Company's and its subsidiary's operations;
- (v) the consolidated and separate financial position of the Company as at December 31, 2014 and the consolidated and separate income for the year then ended have been properly reflected in the consolidated and separate financial statements and the consolidated financial statements have been prepared in accordance with the generally accepted accounting principles;
- (vi) the financial statements have been drawn up in conformity with the rules and regulations issued by Bangladesh Bank to the extent applicable to the Company;
- (vii) adequate provisions have been made for advances, which are, in our opinion, doubtful of recovery;
- (viii) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (ix) the information and explanations required by us have been received and found satisfactory.

Dated, Dhaka
January 26, 2015


A. Matin & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2014

	Notes	Amount in Taka	
		2014	2013
PROPERTY AND ASSETS			
Cash		30,142,825	32,495,733
In hand (including foreign currencies)	3.1(a)	59,075	660,924
Balance with Bangladesh Bank and its agents bank(s) (including foreign currencies)	3.2(a)	30,083,750	31,834,809
Balance with other banks and financial institutions	4(a)	104,548,852	166,394,460
In Bangladesh		104,548,852	166,394,460
Outside Bangladesh		-	-
Money at call and short notice	5(a)	-	-
Investments	6(a)	230,488,285	227,037,547
Government		-	-
Others		230,488,285	227,037,547
		4,467,296,837	3,366,447,583
Leases ,loans and advances	7(a)	4,467,296,837	3,366,447,583
Bills Purchased and discounted	8(a)	-	-
Fixed assets including premises, furniture and fixtures	9(a)	315,907,645	312,878,453
Other assets	10(a)	83,451,834	118,194,773
Non-business assets	11	-	-
Total assets		5,231,836,278	4,223,448,549
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks ,other financial institutions and agents:	12(a)	853,938,195	469,192,415
Deposits and other accounts	13(a)	2,204,593,155	1,823,862,827
Current deposits		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		2,204,593,155	1,823,862,827
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	14(a)	627,522,172	500,470,653
Total Liabilities		3,686,053,522	2,793,525,895
Capital / Shareholders' Equity		1,545,782,735	1,429,922,654
Paid up capital	15.2	675,049,650	602,722,910
Share premium	16	300,000,000	300,000,000
Statutory reserve	17	224,069,041	202,689,993
Other reserve	18	251,402,124	251,402,124
Retained earnings:			
Retained earnings balance	19(a)	95,261,920	73,107,627
Non-controlling interest		21	-
Total liabilities and Shareholders' equity		5,231,836,278	4,223,448,549

		Amount in Taka	
		2014	2013
OFF-BALANCE SHEET ITEMS :			
Contingent liabilities	19.1	-	-
Acceptances and endorsements		-	-
Letter of guarantee		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Other commitments	19.2	-	-
Documentary credits and short term trade and related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Others		-	-
Total off-balance sheet items including contingent liabilities		-	-

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


Company Secretary


Director


Managing Director (C.C.)

Signed as per our annexed report of even date

Dated, Dhaka
January 26, 2015


A. Matin & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2014

	Notes	Amounts in Taka	
		2014	2013
Interest income from leases, loans and advances	21(a)	572,947,595	484,436,340
Interest expenses on borrowings, deposits, etc	22(a)	(331,366,325)	(317,908,442)
Net interest income		241,581,270	166,527,898
Investment income	23(a)	9,562,370	30,292,646
Commission, exchange and brokerage	24(a)	3,182,628	-
Other operating income	25(a)	62,734,240	45,205,070
Total operating income		317,060,508	242,025,614
Salary and allowances	26(a)	32,813,010	21,754,803
Rent, taxes, insurance, electricity, etc.	27(a)	2,187,570	1,401,502
Legal expenses	28(a)	190,100	298,175
Postage, stamp, telecommunication, etc.	29(a)	415,357	536,722
Stationery, printing, advertisements, etc.	30(a)	1,923,260	1,872,432
Managing Director's salary and allowances	31(a)	5,410,714	6,390,000
Directors' fees	32(a)	475,000	460,000
Audit fees	33(a)	95,000	75,000
Charges on loan losses		-	-
Depreciation and repairs of company's assets	34(a)	8,564,555	7,044,892
Other operating expenses	35(a)	12,108,864	14,044,450
Total operating expenses		64,183,430	53,877,976
Profit before provision		252,877,078	188,147,638
Provision for leases, loans and advances	36(a)	51,209,147	31,943,970
Other provision		-	-
Total provision		51,209,147	31,943,970
Total profit before income tax		201,667,931	156,203,668
Provision for income tax	37(a)	85,807,849	65,873,374
Net profit after income tax		115,860,082	90,330,294
Attributable to			
Shareholders of the company		115,860,081	90,330,294
Non-controlling interest		1	-
Retained earnings brought forward from previous year		73,107,627	79,459,422
		188,967,709	169,789,716
Appropriations:			
Statutory reserve	17	21,379,049	18,066,059
Bonus share issued for the year 2013		72,326,740	78,616,030
		93,705,789	96,682,089
Retained earnings carried to the balance sheet	19(a)	95,261,920	73,107,627
Earning per share (EPS)	39(a)	1.72	1.34

The accompanying notes form an integral part of these financial statements


 Company Secretary


 Director


 Managing Director (C.C.)

Signed as per our annexed report of even date

Dated, Dhaka
 January 26, 2015


 A. Matin & Co.
 Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2014

	Amount in Taka	
	2014	2013
Cash flows from operating activities:		
Interest receipt in cash	551,053,037	444,428,197
Interest payment	(333,189,289)	(315,473,695)
Dividend receipts	5,364,745	7,758,140
Commission, Exchange and brokerage	3,182,628	-
Recoveries of loan previously written-off	-	-
Income taxes paid	(7,761,901)	(2,060,532)
Receipts from other operating activities	66,786,868	67,739,576
Payments for other operating activities	(57,769,862)	(47,446,182)
Cash generated from operating activities before changes in operating assets and liabilities	227,666,226	154,945,504
Increase / decrease in operating assets and liabilities		
Statutory deposit	-	-
Trading securities	-	-
Leases, loans and advances	(1,100,849,254)	(652,742,953)
Other assets	13,190,251	36,113,523
Deposit and other accounts	380,730,328	1,195,061,227
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	43,066,635	9,179,651
	(663,862,040)	587,611,448
Net cash from operating activities	(436,195,814)	742,556,952
Cash flows from investing activities:		
Proceeds from sale of securities	34,756,827	15,697,124
Payments for purchases of securities	(38,207,565)	(114,127,256)
Purchase of fixed assets	(9,442,741)	(4,427,088)
Proceeds from sale of fixed assets	144,997	-
Payment against lease obligation	-	-
Net cash used in investing activities	(12,748,482)	(102,857,220)
Cash flows from financing activities:		
Receipts of borrowings from banks, other financial institutions and agents	669,750,000	350,000,000
Repayment of borrowings from banks, other financial institutions and agents	(285,004,220)	(836,918,245)
Receipts against issue of share capital	-	-
Dividend paid in cash	-	-
Net cash from financing activities	384,745,780	(486,918,245)
Net increase / (decrease) in cash and cash equivalents	(64,198,516)	152,781,487
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	198,890,193	46,108,706
Cash and cash equivalents at the end of the year	134,691,677	198,890,193

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	
2014	2013
59,075	660,924
30,083,750	31,834,809
104,548,852	166,394,460
-	-
134,691,677	198,890,193


Company Secretary


Director


Managing Director (C.C.)

Signed as per our annexed report of even date

Dated, Dhaka
January 26, 2015


A. Matin & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

Particulars	Paid up capital (Tk.)	Capital Reserve (Tk.)	Statutory Reserve (Tk.)	Share Premium (Tk.)	Retained Earnings (Tk.)	Total (Tk.)	Minority Interest
Balance as at January 01, 2013	524,106,880	251,402,124	184,623,934	300,000,000	79,459,422	1,339,592,360	-
Profit for the year	-	-	-	-	156,203,668	156,203,668	-
Transferred to statutory reserve	-	-	18,066,059	-	(18,066,059)	-	-
Transferred to provision for Tax	-	-	-	-	(65,873,374)	(65,873,374)	-
Bonus share issued	78,616,030	-	-	-	(78,616,030)	-	-
Revaluation of properties	-	-	-	-	-	-	-
Balance as at 31st December 2013	602,722,910	251,402,124	202,689,993	300,000,000	73,107,627	1,429,922,654	-
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	602,722,910	251,402,124	202,689,993	300,000,000	73,107,627	1,429,922,654	-
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investment	-	-	-	-	-	-	-
Issue of share Capital	-	-	-	-	-	-	20
Bonus share issued (2013)	72,326,740	-	-	-	(72,326,740)	-	-
Net profit after tax for the year	-	-	-	-	115,860,082	115,860,082	1
Transferred to statutory reserve	-	-	21,379,049	-	(21,379,049)	-	-
Balance as at 31st December 2014	675,049,650	251,402,124	224,069,041	300,000,000	95,261,920	1,545,782,735	21

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


 Company Secretary


 Director


 Managing Director (C.C.)

Signed as per our annexed report of even date

Dated, Dhaka
 January 26, 2015


 A. Matin & Co.
 Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

BALANCE SHEET AS AT DECEMBER 31, 2014

	Notes	Amount in Taka	
		2014	2013
PROPERTY AND ASSETS			
Cash	3	30,135,797	32,495,733
In hand (including foreign currencies)		52,047	660,924
Balance with Bangladesh Bank and its agents bank(s) (including foreign currencies)		30,083,750	31,834,809
Balance with other banks and financial institutions	4	101,958,371	166,394,460
In Bangladesh		101,958,371	166,394,460
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6	230,488,285	227,037,547
Government		-	-
Others		230,488,285	227,037,547
		4,201,497,488	3,366,447,583
Leases , loans and advances	7.1	4,201,497,488	3,366,447,583
Bills Purchased and discounted	8	-	-
Fixed assets including premises, furniture and fixtures	9	314,458,824	312,878,453
Other assets	10	332,743,739	118,194,773
Non-business assets	11	-	-
Total assets		5,211,282,504	4,223,448,549
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks ,other financial institutions and agents:	12	853,938,195	469,192,415
Deposits and other accounts	13	2,204,593,155	1,823,862,827
Current deposits		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		2,204,593,155	1,823,862,827
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	14	615,933,257	500,470,653
Total Liabilities		3,674,464,607	2,793,525,895
Capital / Shareholders' Equity		1,536,817,897	1,429,922,654
Paid up capital	15.2	675,049,650	602,722,910
Share premium	16	300,000,000	300,000,000
Statutory reserve	17	224,069,041	202,689,993
Other reserve	18	251,402,124	251,402,124
Retained earnings:			
Retained earnings balance	19	86,297,082	73,107,627
Total liabilities and Shareholders' equity		5,211,282,504	4,223,448,549

		Amount in Taka	
		2014	2013
OFF-BALANCE SHEET ITEMS :			
Contingent liabilities	19.1	-	-
Acceptances and endorsements		-	-
Letter of guarantee		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Other commitments	19.2	-	-
Documentary credits and short term trade and related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Others		-	-
Total off-balance sheet items including contingent liabilities		-	-

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


Company Secretary


Director


Managing Director (C.C.)

Signed as per our annexed report of even date

Dated, Dhaka
January 26, 2015


A. Matin & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2014

		Amounts in Taka	
		2014	2013
	<u>Notes</u>		
Interest income from leases, loans and advances	21	557,694,518	484,436,340
Interest expenses on borrowings, deposits, etc	22	(330,786,422)	(317,908,442)
Net interest income		226,908,096	166,527,898
Investment income	23	9,562,370	30,292,646
Commission, exchange and brokerage	24	-	-
Other operating income	25	62,733,740	45,205,070
Total operating income		299,204,206	242,025,614
Salary and allowances	26	31,978,029	21,754,803
Rent, taxes, insurance, electricity, etc.	27	2,187,570	1,401,502
Legal expenses	28	190,100	298,175
Postage, stamp, telecommunication, etc.	29	415,357	536,722
Stationery, printing, advertisements, etc.	30	1,923,260	1,872,432
Managing Director's salary and allowances	31	5,410,714	6,390,000
Directors' fees	32	475,000	460,000
Audit fees	33	75,000	75,000
Charges on loan losses		-	-
Depreciation and repairs of company's assets	34	8,443,247	7,044,892
Other operating expenses	35	11,697,123	14,044,450
Total operating expenses		62,795,400	53,877,976
Profit before provision		236,408,806	188,147,638
Provision for leases, loans and advances	36	49,084,615	31,943,970
Other provision		-	-
Total provision		49,084,615	31,943,970
Total profit before income tax		187,324,191	156,203,668
Provision for income tax	37	80,428,947	65,873,374
Net profit after income tax		106,895,244	90,330,294
Retained earnings brought forward from previous year		73,107,627	79,459,422
		180,002,871	169,789,716
Appropriations:			
Statutory reserve	17	21,379,049	18,066,059
Bonus share issued for the year 2013		72,326,740	78,616,030
		93,705,789	96,682,089
Retained earnings carried to the balance sheet	19	86,297,082	73,107,627
Earning per share (EPS)	39	1.58	1.50

The accompanying notes form an integral part of these financial statements


Company Secretary


Director


Managing Director (C.C.)

Signed as per our annexed report of even date


A. Matin & Co.
Chartered Accountants

Dated, Dhaka
January 26, 2015

GSP FINANCE COMPANY (BANGLADESH) LIMITED

PROFIT AND LOSS ACCOUNT

(Merchant Banking)

FOR THE PERIOD ENDED SEPTEMBER 30, 2014 *

		Amounts in Taka	
		2014	2013
	<u>Notes</u>		
Operational Revenue			
Profit on sale of share		17,077,954	4,909,620
Dividend income from share investment		5,364,745	7,758,140
Underwriting commission		2,181,348	907,300
Portfolio management income		(9,868,907)	22,201,882
Total		14,755,140	35,776,942
Operational Expenses			
General & administrative expenses	20.3	4,296,631	6,500,934
Provision for investment in share	14.3	896,139	(1,016,638)
		5,192,770	5,484,296
Profit transferred to profit and loss account	23	9,562,370	30,292,646

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

*With effect from October 01, 2014 the activities of Merchant Banking Operation have been transferred to the new subsidiary of the company "GSP Investments limited".

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


Company Secretary


Director


Managing Director (C.C.)

Signed as per our annexed report of even date

Dated, Dhaka
January 26, 2015


A. Matin & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2014

	Amount in Taka	
	2014	2013
Cash flows from operating activities:		
Interest receipt in cash	537,924,492	444,428,197
Interest payment	(332,609,386)	(315,473,695)
Dividend receipts	5,364,745	7,758,140
Recoveries of loan previously written-off	-	-
Income taxes paid	(7,693,880)	(2,060,532)
Receipts from other operating activities	66,786,368	67,739,576
Payments for other operating activities	(54,950,871)	(47,446,182)
Cash generated from operating activities before changes in operating assets and liabilities	214,821,468	154,945,504
Increase / decrease in operating assets and liabilities		
Statutory deposit	-	-
Trading securities	-	-
Leases, loans and advances	(835,049,905)	(652,742,953)
Other assets	(236,169,675)	36,113,523
Deposit and other accounts	380,730,328	1,195,061,227
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	36,856,621	9,179,651
	(653,632,631)	587,611,448
Net cash from operating activities	(438,811,163)	742,556,952
Cash flows from investing activities:		
Proceeds from sale of securities	34,756,827	15,697,124
Payments for purchases of securities	(38,207,565)	(114,127,256)
Purchase of fixed assets	(9,424,901)	(4,427,088)
Proceeds from sale of fixed assets	144,997	-
Payment against lease obligation	-	-
Net cash used in investing activities	(12,730,642)	(102,857,220)
Cash flows from financing activities:		
Receipts of borrowings from banks, other financial institutions and agents	669,750,000	350,000,000
Repayment of borrowings from banks, other financial institutions and agents	(285,004,220)	(836,918,245)
Dividend paid in cash	-	-
Net cash from financing activities	384,745,780	(486,918,245)
Net increase / (decrease) in cash and cash equivalents	(66,796,025)	152,781,487
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	198,890,193	46,108,706
Cash and cash equivalents at the end of the year	132,094,168	198,890,193

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	
2014	2013
52,047	660,924
30,083,750	31,834,809
101,958,371	166,394,460
-	-
132,094,168	198,890,193


Company Secretary


Director


Managing Director (C.C.)

Signed as per our annexed report of even date

Dated, Dhaka
January 26, 2015


A. Matin & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

Particulars	Paid up capital (Tk.)	Capital Reserve(Tk.)	Statutory Reserve(Tk.)	Share Premium (Tk.)	Retained Earnings (Tk.)	Total (Tk.)
Balance as at January 01, 2013	524,106,880	251,402,124	184,623,934	300,000,000	79,459,422	1,339,592,360
Profit for the year					156,203,668	156,203,668
Transferred to statutory reserve	-	-	18,066,059	-	(18,066,059)	-
Transferred to provision for Tax					(65,873,374)	(65,873,374)
Bonus share issued	78,616,030	-	-	-	(78,616,030)	-
Revaluation of properties		-			-	-
Balance as at 31st December 2013	602,722,910	251,402,124	202,689,993	300,000,000	73,107,627	1,429,922,654
Changes in accounting policy	-	-	-	-	-	-
Restated balance	602,722,910	251,402,124	202,689,993	300,000,000	73,107,627	1,429,922,654
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investment	-	-	-	-	-	-
Issue of share Capital (including premium)	-	-	-	-	-	-
Bonus share issued (2013)	72,326,740				(72,326,740)	-
Net profit after tax for the year	-	-			106,895,244	106,895,244
Transferred to statutory reserve	-	-	21,379,049	-	(21,379,049)	-
Balance as at 31st December 2014	675,049,650	251,402,124	224,069,041	300,000,000	86,297,082	1,536,817,897

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


Company Secretary


Director


Managing Director (C.C.)

Signed as per our annexed report of even date

Dated, Dhaka
January 26, 2015


A. Matin & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
LIQUIDITY STATEMENT

(Analysis of maturity of assets and liabilities)
FOR THE YEAR ENDED DECEMBER 31, 2014

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	52,047	-	-	-	-	52,047
Balance with Bangladesh Bank and its agents	30,083,750	-	-	-	-	30,083,750
Balance with banks and other financial institutions	37,958,371	50,000,000	14,000,000	-	-	101,958,371
Money at call and short notice	-	-	-	-	-	-
Investments	217,918,835	-	10,000,000	-	2,569,450	230,488,285
Leases, loans and advances	294,213,710	786,093,886	947,598,907	2,173,590,985	-	4,201,497,488
Fixed assets including premises, furniture and fixtures	-	-	12,472,538	7,296,104	294,690,182	314,458,824
Other assets	-	-	57,992,710	19,430,193	255,320,836	332,743,739
Non-business assets	-	-	-	-	-	-
Total assets (A)	580,226,713	836,093,886	1,042,064,155	2,200,317,282	552,580,468	5,211,282,504
Liabilities :						
Borrowings from banks, other financial institutions and agents	30,144,982	60,588,784	215,549,455	547,654,974	-	853,938,195
Deposits and other accounts	301,192,879	694,644,108	759,621,505	395,598,754	53,535,909	2,204,593,155
Provision and other liabilities	-	-	-	615,933,257	-	615,933,257
Total liabilities (B)	331,337,861	755,232,892	975,170,960	1,559,186,985	53,535,909	3,674,464,607
Net liquidity gap (A - B)	248,888,852	80,860,994	66,893,195	641,130,298	499,044,559	1,536,817,897

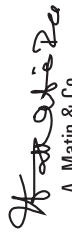

Company Secretary


Director


Managing Director (C.C.)

Signed as per our annexed report of even date

Dated, Dhaka
January 26, 2015


A. Matin & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED
NOTES TO THE CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

1.0 CORPORATE INFORMATION:

1.1 Legal Status

GSP Finance Company (Bangladesh) Limited is a Financial Institution (FI) incorporated in Bangladesh on October 29, 1995 as a Public Limited Company under the Companies Act, 1994. The Company offers lease finance of all types of plant, machinery, equipment and vehicles both for industrial and commercial use. The Company received its certificate of commencement of business on January 14, 1996 and its license on March 04, 1996 as required under Section 4(1) of the Financial Institutions Act, 1993. The Company went into commercial operation on April 17, 1996. The Company was listed with Chittagong and Dhaka Stock Exchanges on March 14, 2012 and March 28, 2012 respectively. The registered office of the Company is situated at 1, Paribagh, Mymensingh Road, Dhaka-1000.

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

The principal activities of GSP Investments Limited are:

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

1.3 Nature of Business

The Company carries out the following types of business:

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

2.00 SIGNIFICANT ACCOUNTING POLICIES :

2.1 Basis of Accounting

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

2.1.1 Basis of consolidation of operation of subsidiary

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

2.2 Separate Books of Accounts

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

2.3 Profit or Loss on Sale of shares

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

2.4 Borrowing Costs

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

2.5 Revenue Recognition

As per BAS 18, revenue is recognized when it is expected that the economic benefits associated with the transaction will flow to Company and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

2.5.1 Lease Financing

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

2.5.2 Interest on Direct Finance

Interest on term finance is recognized when interest is accrued. No interest on loan is accounted for as revenue where any portion of capital or interest is in arrear for more than 2 months. Fee based income and delinquent charges from loan operations are accounted for on cash basis.

2.6 Accounting for Leases

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

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

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

2.7 Accounting for Direct Finance

Direct finance consisting of short term & long term finance are maintained based on the accrual method of accounting. Outstanding amount of long term loans has been shown in the balance sheet as assets under the head of Direct finance. Interest earnings are recognized as operational revenue.

2.8 Fixed Assets

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

2.9 Depreciation

Fixed Assets for Company's own use are depreciated at different ranges from 10% to 20% applying straight line method throughout the estimated span of useful life ranging from five to ten years. Rate of depreciation is as follows:

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

2.10 Provisions for Doubtful loss on Leases and Direct Finance

Provisions for classified and unclassified leases and direct finance receivables have been made as per guidelines of Bangladesh Bank through FID circular no. 08 of 2002 , FID circular no.03 ,May 03 of 2006 and other directives as applicable as follows:

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

2.11 Employees Benefits Scheme

2.11.1 Defined Contribution Plan

2.11.1.1 Provident fund

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

2.11.1.2 Other long term benefits

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

2.11.2 Defined benefit Plan

2.11.2.1 Gratuity

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

2.12 Corporate Tax

2.12.1 Current Tax

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

2.12.2 Deferred Tax

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

2.13 Trade Receivables

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

2.14 Payable and Accruals

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

2.15 Provisions

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

2.16 General

Comparative Information

Comparative information has been disclosed in respect of the year 2013 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.

2.17 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.

2.18 Rounding off

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

3.00 CASH

3.1 Cash in hand

In local currency
In foreign currency

Amount in Taka	
2014	2013

52,047	660,924
-	-
52,047	660,924

3.1(a) Cash in hand (consolidated)

GSP Finance Company (Bangladesh) Limited
GSP Investments Limited

52,047	660,924
7,028	-
59,075	660,924

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

In local currency
In foreign currency

30,083,750	31,834,809
-	-
30,083,750	31,834,809

3.2(a) Balance with Bangladesh Bank and its agents Bank(s) (consolidated)

GSP Finance Company (Bangladesh) Limited
GSP Investments Limited

30,083,750	31,834,809
-	-
30,083,750	31,834,809

3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)

Cash Reserve Requirement @ 2.5% and Statutory Liquidity Reserve @ 5% have been calculated and maintained in accordance with FID Circular # 02 and 06 dated 10 November 2004 and 31 May 2001 respectively.

a) Cash Reserve Requirement

Required Reserve (2.5% on term deposit)
Actual Reserve maintained (note -3.2)
Surplus / (deficit)

28,025,841	23,774,081
30,083,750	31,834,809
2,057,909	8,060,728

b) Statutory Liquidity Reserve

Required Reserve
Actual Reserve maintained (note -3.1,3.2 and 4)
Surplus / (deficit)

74,608,939	64,146,696
132,094,168	198,890,193
57,485,229	134,743,497

		Amount in Taka	
		2014	2013
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)	230,488,285	227,037,547
		230,488,285	227,037,547
6(a)	Investments (consolidated)		
	GSP Finance Company (Bangladesh) Limited	230,488,285	227,037,547
	GSP Investments Limited	-	-
		230,488,285	227,037,547
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)	230,488,285	227,037,547
	Debenture and bonds	-	-
	Other investment	-	-
	Gold etc.	-	-
		230,488,285	227,037,547
6.3	Maturity grouping of investments:		
	On demand	217,918,835	216,468,097
	Up to 1 month	-	-
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 year	10,000,000	4,000,000
	Over 1 year but not more than 5 years	-	4,000,000
	Over 5 years	2,569,450	2,569,450
		230,488,285	227,037,547
6.4	Other investments:		
	Investment in quoted Shares	115,339,955	106,218,778
	Investment in unquoted Shares	115,148,330	121,067,850
		230,488,285	227,286,628

		Amount in Taka	
		2014	2013
7	Leases , Loans and advances :		
7.1	a) Inside Bangladesh		
	Leases (note -7.2)	656,046,892	1,138,139,182
	Loans	3,545,450,596	2,228,308,401
	Cash credits	-	-
	Overdrafts	-	-
		4,201,497,488	3,366,447,583
	b) outside Bangladesh	-	-
		4,201,497,488	3,366,447,583
7.1.1	Lease Finance		
	(As per paragraph 47 of BAS 17)		
	Principal Outstanding	365,019,602	819,810,641
	Account receivable	291,027,290	318,860,541
	Total	656,046,892	1,138,671,182
	Principal Outstanding		
	Gross lease rental receivable	465,470,584	1,093,057,182
	Unearned lease income	100,450,982	273,246,541
	Total	365,019,602	819,810,641
7.2	Leases	655,514,880	1,137,607,170
	Advances for leases (note -7.2.1)	532,012	532,012
		656,046,892	1,138,139,182
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	239,581,518	138,298,953
	Private sector	3,961,915,970	3,228,148,630
		4,201,497,488	3,366,447,583
7.4	Residual maturity grouping of leases,loans and advances		
	On demand	-	-
	Up to 1 month	294,213,710	178,948,299
	Over 1 month but not more than 3 months	786,093,886	399,794,231
	Over 3 months but not more than 1 year	947,598,907	1,236,692,644
	Over 1 year but not more than 5 years	2,173,590,985	1,551,012,409
	Over 5 years	-	-
		4,201,497,488	3,366,447,583

		Amount in Taka	
		2014	2013
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)	13,185,450	39,160,846
	b) Leases, loans and advances to Chief Executive Officer and other senior executives	-	-
	c) Leases, loans and advances to customers groups:	-	-
	i) Leases	656,046,892	1,126,238,131
	ii) Loans	3,532,265,146	2,201,048,606
		4,201,497,488	3,366,447,583
	d) Leases, loans and advances on sector basis:		
	i) Textiles	92,591,307	159,929,489
	ii) Garments and Accessories	415,401,867	218,921,402
	iii) Transport (including Marin Transport)	213,929,608	384,566,332
	iv) Chemicals and pharmaceuticals	24,550,304	9,331,554
	v) Iron, Steel and Engineering	91,800,103	1,194,229
	vi) Agricultural Equipments and Agro Industries	55,228,535	10,584,274
	vii) Power and Energy	368,600,005	58,273,600
	viii) Electronics and Electrical	-	266,406
	ix) Information technology (IT)	-	-
	x) Paper printing and Packaging	131,836,279	133,508,498
	xi) Plastic	-	-
	xii) Real Estate and Housing	57,628,001	59,589,913
	xiii) Food and Beverage	116,208,825	61,915,548
	xiv) Glass and Ceramics	-	-
	xv) Services	546,800,006	429,113,626
	xvi) Others	2,086,922,648	1,839,252,712
		4,201,497,488	3,366,447,583
7.6	Leases, loans and advances on geographical basis:		
	Inside Bangladesh:		
	Urban :		
	Dhaka Division	4,069,661,209	3,128,496,278
	Chittagong Division	131,836,279	237,951,305
	Khulna Division	-	-
	Rajshahi Division	-	-
	Barisal Division	-	-
	Sylhet Division	-	-
		4,201,497,488	3,366,447,583
	Rural :		
	Dhaka Division	-	-
	Chittagong Division	-	-
	Khulna Division	-	-
	Rajshahi Division	-	-
	Barisal Division	-	-
	Sylhet Division	-	-
		-	-
	Outside Bangladesh:	-	-
	Total	-	-

		Amount in Taka	
		2014	2013
7.7	Classification of Leases, loans and advances :		
	Unclassified :		
	Standard	3,695,924,954	2,782,247,691
	Special mention account	212,676,090	295,562,428
		3,908,601,044	3,077,810,119
	Classified :		
	Sub-standard	-	39,550,000
	Doubtful	37,160,000	68,294,924
	Bad/Loss	255,736,444	180,792,540
		292,896,444	288,637,464
	Total	4,201,497,488	3,366,447,583
7.8	Net Leases ,loans and advances :		
	Total Leases , loans and advances (note- 7.1)	4,201,497,488	3,366,447,583
	Less :		
	Non-performing leases, loans and advances (note-7.7)	292,896,444	288,637,464
	Interest suspenses (note-14.5)	56,879,734	59,307,266
	Provision for leases, loans and advances	177,364,420	128,279,805
		527,140,598	476,224,535
		3,674,356,890	2,890,223,048
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	2,110,218,635	1,274,855,083
	b) Lease , loans and advances considered good against which the financial institution holds no security other than the debtors personal guarantee	-	-
		1,258,954,466	1,140,381,542
	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	-	-
		832,324,387	951,210,958
	d) Lease , loans and advances adversely classified : provision not maintained there	-	-
	e) Lease , loans and advances due by directors or officers of the financial institution or any of them either separately or jointly with any other person	-	-
	f) Lease , loans and advances due from companies or firms in which the directors of the financial institution have interest as directors, partners,managing agents or in case of the private companies , as members	-	-
	g) Maximum total amount of leases , loans and advances including temporary advances made in any time during the year to the directors or managing directors or officers of the financial institution or any of them either separately or jointly with any other person	-	-
	h) Maximum total amount of leases, loans and advances including temporary advances granted during the year to companies or firms in which the directors of the financial institution have interest as directors, partners, managing agents or in case of the private companies, as members	-	-
	i) Due from banks and other financial institutions	-	-
	j) Classified leases , loans and advances:		
	i) Classified leases, loans and advances on which no interest has been charged	292,896,444	288,637,464
	ii) Provision on classified leases , loans and advances	130,365,725	82,274,422
	iii) Provision kept against leases, loans and advances classified as bad debts	43,533,354	60,218,910
	iv) Interest credited to interest suspense account (note-14.5)	56,879,734	59,307,266

		Amount in Taka	
		2014	2013
k) Cumulative amount of written-off leases, loans and advances:			
	Opening balance	-	-
	Amount written -off during the year	-	-
	Amount realized against leases,loans and advances	-	-
	The amount of written-off / classified leases, loans and advances for which law suites has been filed	-	-
7.10	Suits filed by the Company :		
	As at 31 December 2014 , GSP Finance Company (Bangladesh) Limited filed 13 suits against 09 clients under Artha Rin Adalat Ain -2003, Total suit amount was Tk. 38,88,16,440/- only.		
7(a)	Leases ,Loans and advances (consolidated)		
	GSP Finance Company (Bangladesh) Limited	4,201,497,488	3,366,447,583
	GSP Investments Limited	1,143,916,365	-
		5,345,413,853	3,366,447,583
	Less: Inter company transaction	878,117,016	-
		4,467,296,837	3,366,447,583
8	Bills purchased and discounted		
	Payable in Bangladesh	-	-
	Payable outside Bangladesh	-	-
8(a)	Bills purchased and discounted (consolidated)		
	GSP Finance Company (Bangladesh) Limited	-	-
	GSP Investments Limited	-	-
		-	-
9	Fixed assets including premises, furniture and fixtures:		
	Cost:		
	Opening Balance	364,266,747	359,839,659
	Addition during the year	9,424,901	4,427,088
		373,691,648	364,266,747
	Adjustment during the year	-	-
	Closing Balance (A)	373,691,648	364,266,747
	Less : Accumulated Depreciation :		
	Opening Balance	51,388,294	44,856,501
	Charged during the year:	7,844,530	6,531,794
		59,232,824	51,388,294
	Adjustment during the year	-	-
	Closing Balance (B)	59,232,824	51,388,294
	Written Down Value (A-B) (Annexure -C)	314,458,824	312,878,453
9(a)	Fixed assets including premises, furniture and fixtures (consolidated)		
	GSP Finance Company (Bangladesh) Limited	314,458,824	312,878,453
	GSP Investments Limited	1,448,821	-
	Written Down Value (Annexure -B)	315,907,645	312,878,453

		Amount in Taka	
		2014	2013
10	Other assets		
	Corporate Tax paid in advance	5,320,856	4,320,856
	Tax deducted at source	19,132,505	12,438,624
	Advance, Deposits and Prepayments	297,688	58,382,634
	Sundry Debtors	57,992,710	43,052,659
	Investment in Subsidiary : GSP Investments Limited	249,999,980	-
		332,743,739	118,194,773
10(a)	Other assets (consolidated)		
	GSP Finance Company (Bangladesh) Limited	332,743,739	118,194,773
	GSP Investments Limited	708,075	-
		333,451,814	118,194,773
	Less: Inter company transaction	249,999,980	-
		83,451,834	118,194,773
11	Non-business assets	-	-
		-	-
	As at 31 December 2014, 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)	853,938,195	469,192,415
	Outside Bangladesh (note-12.2)	-	-
		853,938,195	469,192,415
12.1	In Bangladesh		
	Short-term loan		
	Mutual Trust Bank Ltd.	-	31,420,494
		-	31,420,494
	Long-term loan		
	Mutual Trust Bank Ltd	114,940,125	161,299,439
	Premier Bank Ltd.	100,000,000	50,000,000
	Shahjalal Bank Ltd	96,401,470	-
	Southeast Bank Ltd.	146,998,773	82,930,147
	Standard Bank Ltd.	80,014,492	47,709,000
	Uttara Bank Ltd.	245,833,335	95,833,335
	Bangladesh Bank (IPFF fund)	69,750,000	-
		853,938,195	437,771,921

		Amount in Taka	
		2014	2013
12.2	Outside Bangladesh	-	-
	As at December 31, 2014 the Company does not have any borrowing from outside of Bangladesh.		
12.3	Analysis by Security against borrowing from banks, other financial institutions and agents.		
	Secured	784,188,195	469,192,415
	Unsecured (IPFF)	69,750,000	-
		853,938,195	469,192,415
	Borrowing from banks, other financial institutions and agents are secured by floating charges with R.J.S.C on all moveable and immovable assets of the Company ranking Pari-Passu security sharing agreement among the lenders.		
12.4	Maturity grouping of borrowings from banks, other financial institutions and agents.		
	Repayable on demand	-	-
	Up to 1 month	30,144,982	5,970,774
	Over 1 month but not more than 3 months	60,588,784	29,539,737
	Over 3 months but not more than 1 year	215,549,455	112,049,028
	Over 1 year but not more than 5 years	547,654,974	321,632,876
	Over 5 years	-	-
		853,938,195	469,192,415
12(a)	Borrowings from banks ,other financial institutions and agents (consolidated)		
	GSP Finance Company (Bangladesh) Limited	853,938,195	469,192,415
	GSP Investments Limited	878,117,016	-
		1,732,055,211	469,192,415
	Less: Inter company transaction	878,117,016	-
		853,938,195	469,192,415
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)	2,204,593,155	1,823,862,827
	Bearer certificate of deposit (note-13.5)	-	-
	Other deposits (note-13.6)	-	-
		2,204,593,155	1,823,862,827
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 2014 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.		

		Amount in Taka	
		2014	2013
13.4	Term deposits		
	Deposits from banks and other financial institutions (note-13.4.1)	1,150,000,000	700,000,000
	Deposits from customers (note-13.4.2)	1,054,593,155	1,123,862,827
		2,204,593,155	1,823,862,827
13.4.1	Deposits from banks and other financial institutions		
	Bangladesh Commerce Bank Ltd	150,000,000	-
	Brac Bank Ltd	250,000,000	-
	Eastern Bank Ltd	100,000,000	100,000,000
	NRB Commercial Bank Ltd.	150,000,000	-
	Sonali Bank Ltd	150,000,000	150,000,000
	Trust Bank Ltd.	-	100,000,000
	Dutch Bangla Bank Ltd.	-	100,000,000
	Farmers Bank Ltd.	100,000,000	100,000,000
	Meghna Bank Ltd.	-	100,000,000
	Midland Bank Ltd.	250,000,000	-
	South Bangla Agriculture & Commerce Bank Ltd.	-	50,000,000
		1,150,000,000	700,000,000
13.4.2	Deposits from customers		
	Deposits from general public	713,730,231	632,211,288
	Deposits from companies	340,862,924	491,651,539
		1,054,593,155	1,123,862,827
13.5	Bearer certificate of deposit	-	-
	To conform with the Bangladesh Bank's guidelines regarding deposits, the company does not have any bearer certificate of deposit.		
13.6	Other deposits	-	-
	As at 31 December 2014 , 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	301,192,879	118,629,125
	Over 1 month but not more than 6 months	1,151,292,758	954,607,784
	Over 6 months but not more than 1 year	302,972,855	580,636,452
	Over 1 year but not more than 5 years	395,598,754	169,989,466
	Over 5 years but not more than 10 years	53,535,909	-
	Over 10 years	-	-
		2,204,593,155	1,823,862,827
13(a)	Deposits and other accounts (consolidated)		
	GSP Finance Company (Bangladesh) Limited	2,204,593,155	1,823,862,827
	GSP Investments Limited	-	-
		2,204,593,155	1,823,862,827
14	Other liabilities		
	Expenditure and other payable (note-14.1)	13,259,672	11,104,482
	Provision for leases, loans and advances (note-14.2)	177,364,420	128,279,805
	Provision for investment in share (note-14.3)	2,669,948	1,773,809
	Provision for income tax (note-14.4)	336,476,792	260,647,836
	Interest suspense account (note-14.5)	56,879,734	59,307,266
	Advance rental / installment against leases, loans and advances	26,175,191	36,609,955
	Provision for gratuity	3,107,500	2,747,500
		615,933,257	500,470,653

		Amount in Taka	
		2014	2013
14.1	Expenditure and other payable		
	Sundry Creditors	2,851,085	2,902,605
	Tax deducted at source	-	-
	Accrued interest on deposits	9,333,169	7,510,205
	Audit Fee	75,000	75,000
	Value Added Tax deducted at source	33,750	-
	Security Deposit (Tenancy -BCDL)	200,000	200,000
	Security Deposit (Tenancy- CBCL)	766,668	416,672
		13,259,672	11,104,482
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 2014.		
	Total provision is made up as follows:		
	Movements in provision on classified leases,loans and advances (A)		
	Balance on 01 January	82,274,422	58,725,333
	Provision made during the year	48,091,303	23,549,089
	Balance at 31 December	130,365,725	82,274,422
	Movements in provision on unclassified leases,loans and advances (B)		
	Balance at 01 January	46,005,383	37,610,502
	Provision made during the year	993,312	8,394,881
	Balance at 31 December	46,998,695	46,005,383
	Total (A + B)	177,364,420	128,279,805
14.3	Provision for investment in shares		
	Balance at 01 January	1,773,809	2,790,447
	Provision made during the year *	896,139	(1,016,638)
	Balance at 31 December (Annexure -A for detail)	2,669,948	1,773,809
	*Provision for investments in share has been made as per BSEC letter no. BSEC/Mukpatro/2011/1733 dated 31 December , 2014.		
14.4	Provision for income tax:		
	Balance at 01 January	260,647,836	202,971,841
	Provision made during the year	80,428,947	65,873,374
		341,076,783	268,845,215
	Adjustment for the year	4,599,991	8,197,379
	Balance at 31 December	336,476,792	260,647,836
	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

The company's tax assessment has been completed upto Assessment Year 2013-2014. Sufficient provision for taxation has been made for the year.

		Amount in Taka	
		2014	2013
14.5	Interest suspense account		
	This represents interest on lease and loans income not recognized as income according to Bangladesh Bank's FID circular # 03 of 2006. Details are as follows:		
	Balance at 01 January	59,307,266	42,774,449
	Add: Amount transferred to interest suspense account during the year	22,160,163	32,606,144
	Less: Amount recovered from interest suspense account during the year	(24,587,695)	(16,073,327)
	Balance at 31 December	56,879,734	59,307,266
14.5.1	Details of interest suspense account		
	Interest suspense for unclassified leases , loans and advances (A)		
	Standard	-	-
	Special mention account	10,754,043	18,156,767
		10,754,043	18,156,767
	Interest suspense for classified leases , loans and advances (B)		
	Sub - standard	-	5,124,672
	Doubtful	-	7,522,097
	Bad/Loss	46,125,691	28,503,730
		46,125,691	41,150,499
	Total (A + B)	56,879,734	59,307,266
14(a)	Other liabilities (consolidated)		
	GSP Finance Company (Bangladesh) Limited	615,933,257	500,470,653
	GSP Investments Limited	11,588,915	-
		627,522,172	500,470,653
	Less: Inter company transaction	-	-
		627,522,172	500,470,653
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 :		
	67,504,965 Ordinary shares of Tk.10 each	675,049,650	602,722,910
		% of share holding 2014	
	Domestic Shareholding Position	77.84%	525,520,150
	Foreign Shareholding Position	22.16%	149,529,500
		100.00%	675,049,650
15.3	Raising of share capital		
	GSP Finance Company (Bangladesh) Limited raised its share capital as follows:		

Year	Type of issue of paid up capital	No. of shares	Value of shares	Cumulative paid up capital
1995	Opening capital	22,505	2,250,500	2,250,500
1995	Allotment	25,000	2,500,000	4,750,500
1996	Allotment	1,429,177	142,917,700	147,668,200
1997	Allotment	23,318	2,331,800	150,000,000
2000	Allotment	100,000	10,000,000	160,000,000
2001	Allotment	100,000	10,000,000	170,000,000
2005	Bonus	170,000	17,000,000	187,000,000
2007	Bonus	187,000	18,700,000	205,700,000
2008	Bonus	102,850	10,285,000	215,985,000
2010	Bonus	6,047,580	60,475,800	276,460,800
2012	Allotment (IPO)	20,000,000	200,000,000	476,460,800
2012	Bonus	4,764,608	47,646,080	524,106,880
2013	Bonus	7,861,603	78,616,030	602,722,910
2014	Bonus	7,232,675	72,326,740	675,049,650

15.4 Holding of shares as on 31 December 2014 classified as required by Regulation 37(3) of the Listing Regulations of Dhaka Stock Exchange Ltd.

Range of share Quantity	Number of Shares	Number of Holders	Holding Position in %	Amount Tk.
Less than 500 shares	708851	3011	1.05%	7,088,510
501 to 5000 shares	9627559	7004	14.26%	96,275,590
5001 to 10000 shares	2892334	422	4.28%	28,923,340
10001 to 20000 shares	3179080	214	4.71%	31,790,800
20001 to 30000 shares	1566498	79	2.32%	15,664,980
30001 to 40000 shares	1044187	30	1.55%	10,441,870
40001 to 50000 shares	1346557	29	2.00%	13,465,570
50001 to 100000 shares	3951405	50	5.85%	39,514,050
100001 to 1000000 shares	10387290	37	15.39%	103,872,900
Above 1000000 shares	32801204	9	48.59%	328,012,040
Total	67504965	10885	100%	675,049,650

15.5 Capital adequacy requirement

As per Clause 4(Gha) of The Financial Institutions Regulations 1994 and Bangladesh Bank's circulars in this regard, status of the company's capital adequacy is as under:

	Amount in Taka	
	2014	2013
A. Eligible Capital :		
1. Tier-1 Capital	1,285,415,773	1,178,520,530
2. Tier-2 Capital	74,290,432	169,057,697
3. Total Eligible Capital (1+2)	1,359,706,205	1,347,578,227
B. Total Risk Weighted Assets (RWA)	7,168,070,648	5,258,109,250
C. Capital Adequacy Ratio (CAR) (A3/B)*100	18.97	25.63
D. Core Capital to RWA (A1/B)*100	17.93	22.41
E. Supplementary Capital to RWA (A2/B)*100	1.04	3.22
F. Minimum Capital Requirement (MCR)	716,807,065	525,810,925
Surplus/(Deficit) as per Capital Adequacy and Market Discipline	642,899,140	821,767,302
Surplus/(Deficit) (as per DFIM Circular No.-5 dated 24 July 2011 and Circular No.-9 dated 04 November 2009)	(324,950,350)	(397,277,090)
Tier-1 (Core Capital)		
Paid up Capital	675,049,650	602,722,910
Statutory Reserve	224,069,041	202,689,993
Share Premium	300,000,000	300,000,000
Retained Earnings	86,297,082	73,107,627
	1,285,415,773	1,178,520,530
Tier-2 (Supplementary Capital)		
General Provision (Unclassified loans upto specified limit+SMA+off Balance Sheet Exposure)	49,150,220	43,356,635
Assets Revaluation Reserve upto 10%	25,140,212	125,701,062
	74,290,432	169,057,697
Risk Weighted Assets (RWA)		
A. Credit Risk		
On-Balance Sheet	5,862,661,094	4,591,984,156
Off-Balance Sheet	-	-
B. Market Risk	460,976,570	454,075,094
C. Operational Risk	844,432,984	212,050,000
	7,168,070,648	5,258,109,250

15.5.1 Capital adequacy requirement (Consolidated)

As per Clause 4(Gha) of The Financial Institutions Regulations 1994 and Bangladesh Bank's circulars in this regard, status of the company's capital adequacy is as under:

	Amount in Taka	
	2014	2013
A. Eligible Capital :		
1. Tier-1 Capital	1,294,380,611	1,178,520,530
2. Tier-2 Capital	77,092,961	169,057,697
3. Total Eligible Capital (1+2)	1,371,473,572	1,347,578,227
B. Total Risk Weighted Assets (RWA)	7,262,181,111	5,258,109,250
C. Capital Adequacy Ratio (CAR) (A3/B)*100	18.89	25.63
D. Core Capital to RWA (A1/B)*100	17.82	22.41
E. Supplementary Capital to RWA (A2/B)*100	1.06	3.22
F. Minimum Capital Requirement (MCR)	726,218,111	525,810,925
Surplus/(Deficit) as per Capital Adequacy and Market Discipline	645,255,461	821,767,302
Surplus/(Deficit) (as per DFIM Circular No.-5 dated 24 July 2011 and Circular No.-9 dated 04 November 2009)	(324,950,350)	(397,277,090)
Tier-1 (Core Capital)		
Paid up Capital	675,049,650	602,722,910
Statutory Reserve	224,069,041	202,689,993
Share Premium	300,000,000	300,000,000
Retained Earnings	95,261,920	73,107,627
	1,294,380,611	1,178,520,530
Tier-2 (Supplementary Capital)		
General Provision (Unclassified loans upto specified limit+SMA+off Balance Sheet Exposure)	51,952,749	43,356,635
Assets Revaluation Reserve upto 10%	25,140,212	125,701,062
	77,092,961	169,057,697
Risk Weighted Assets (RWA)		
A. Credit Risk		
On-Balance Sheet	5,947,566,871	4,591,984,156
Off-Balance Sheet	-	-
B. Market Risk	460,976,570	454,075,094
C. Operational Risk	853,637,670	212,050,000
	7,262,181,111	5,258,109,250
16 Share premium		
Share Premium received over face value against issue of 20,000,000 shares @ Tk. 15 per share in 2012	300,000,000	300,000,000
	300,000,000	300,000,000
17 Statutory reserve		
According to the Rule 6 of The Financial Institutions Regulation 1994, the company transfers 20% of its net profits for the respective year to statutory reserve. Details movement of the reserve are as follows:		
Balance at 01 January	202,689,993	184,623,934
Add: Transferred during the year	21,379,049	18,066,059
Balance at 31 December	224,069,041	202,689,993
18 Other Reserve:		
Capital Reserve :		
Balance at 01 January	251,402,124	251,402,124
Add: Transferred during the year	-	-
Balance at 31 December	251,402,124	251,402,124

		Amount in Taka	
		2014	2013
19	Retained earnings		
	Balance at 01 January	73,107,627	79,459,422
	Less: Issue of bonus shares for the year 2013	(72,326,740)	(78,616,030)
	Add: Net profit for the year 2014	106,895,244	90,330,294
		107,676,131	91,173,686
	Less: Transfer to statutory reserve	(21,379,049)	(18,066,059)
	Balance at 31 December	86,297,082	73,107,627
	Apportionment:		
	Retained earnings balance	86,297,082	73,107,627
		86,297,082	73,107,627
19(a)	Retained earnings (consolidated)		
	GSP Finance Company (Bangladesh) Limited	86,297,082	73,107,627
	GSP Investments Limited (Note 19.a.a)	8,964,837	-
		95,261,920	73,107,627
19(aa)	Retained earnings of subsidiary		
	Balance at 01 January	-	-
	Add: Net profit for the period	8,964,837	-
		8,964,837	-
19.1	Contingent liabilities		
	Acceptances and endorsements	-	-
	Letter of guarantee (19.1.1)	-	-
	Irrevocable letter of credit	-	-
	Bills for collection	-	-
	Other contingent liabilities	-	-
		-	-
19.1.1	Letter of guarantee		
	Claims lodged with the company which is not recognized as loan	-	-
	Money for which the company is contingently liable in respect of the following:	-	-
	Directors	-	-
	Government	-	-
	Banks and other financial institutions	-	-
	others	-	-
		-	-
19.2	Other commitments		
	Documentary credits and short term trade and related transactions	-	-
	Forward assets purchased and forward deposits placed	-	-
	Undrawn note issuance and revolving underwriting facilities	-	-
	Undrawn formal standby facilities, credit lines and other commitments	-	-
	Others	-	-
		-	-

As at 31 December 2014, the Company does not have any liabilities, which was not shown in the accounts.

		Amount in Taka	
		2014	2013
20	Income statement		
	Income :		
	Interest, discount and similar income (note-20.1)	567,256,888	514,728,986
	Dividend income	-	-
	Commission, exchange and brokerage (note-24)	-	-
	Gains less losses arising from dealing in securities	-	-
	Gains less losses arising from dealing in foreign currencies	-	-
	Other operating income (note-25)	62,733,740	45,205,070
	Profit less losses on interest rate changes	-	-
		629,990,628	559,934,056
	Expenses:		
	Interest expenses on deposits, borrowings, etc. (note-22)	330,786,422	317,908,442
	Charges on losses regarding leases, loans and advances	-	-
	Administrative expenses (note-20.2)	42,655,030	32,788,634
	Other operating expenses (note-35)	11,697,123	14,044,450
	Depreciation and repair of company's fixed assets (note-34)	8,443,247	7,044,892
		393,581,822	371,786,418
	Surplus of income over expenditure	236,408,806	188,147,638
20(a)	Income statement (Consolidated)		
	Income :		
	Interest, discount and similar income	582,509,965	514,728,986
	Dividend income	-	-
	Commission, exchange and brokerage	3,182,628	-
	Gains less losses arising from dealing in securities	-	-
	Gains less losses arising from dealing in foreign currencies	-	-
	Other operating income	62,734,240	45,205,070
	Profit less losses on interest rate changes	-	-
		648,426,833	559,934,056
	Expenses:		
	Interest expenses on deposits, borrowings, etc.	331,366,325	317,908,442
	Charges on losses regarding leases, loans and advances	-	-
	Administrative expenses	43,510,011	32,788,634
	Other operating expenses	12,108,864	14,044,450
	Depreciation and repair of company's fixed assets	8,564,555	7,044,892
		395,549,755	371,786,418
	Surplus of income over expenditure	252,877,078	188,147,638
20.1	Interest, discount and similar income		
	Interest income on leases, loans and advances (note-21)	557,694,518	484,436,340
	Investment income (note-23)	9,562,370	30,292,646
		567,256,888	514,728,986
20.2	Administrative expenses		
	Salary and allowances (note-26)	31,978,029	21,754,803
	Rent, taxes, insurance, electricity, etc. (note-27)	2,187,570	1,401,502
	Legal expenses (note-28)	190,100	298,175
	Postage, stamp, telecommunication etc. (note-29)	415,357	536,722
	Stationery, printing, advertisement etc. (note-30)	1,923,260	1,872,432
	Managing Director's salary and allowances (note-31)	5,410,714	6,390,000
	Directors' fee (note-32)	475,000	460,000
	Auditors' fee (note-33)	75,000	75,000
		42,655,030	32,788,634
20.3	Administrative expenses for merchant banking unit (9 months):		
	Salary & allowances	4,074,880	6,412,472
	Telephone, internet and mobile	33,606	30,217
	CDBL charge	188,145	58,245
		4,296,631	6,500,934

		Amount in Taka	
		2014	2013
21	Interest income on leases, loans and advances:		
	Lease income	200,027,971	293,336,420
	Interest on loans	356,989,689	189,594,988
	Interest during grace period	-	1,157,139
	Total interest income on leases, loans and advances	557,017,660	484,088,547
	Interest on balance with banks and other financial institutions	676,858	347,793
		557,694,518	484,436,340
21(a)	Interest income on leases, loans and advances (consolidated)		
	GSP Finance Company (Bangladesh) Limited	557,694,518	484,436,340
	GSP Investments Limited	24,538,499	-
		582,233,017	484,436,340
	Less: Inter company transaction	9,285,422	-
		572,947,595	484,436,340
22	Interest expenses on deposits, borrowings, etc. :		
	a) Interest expenses on borrowings :		
	Interest on term loans	89,167,805	176,207,808
	Interest on call loans	7,232,778	5,983,403
	Interest on loan (IDA Fund)	-	-
	Interest on Bank over draft	1,371,754	838,080
	Bank charges	231,084	256,691
		98,003,421	183,285,982
	b) Interest expenses on deposits :	232,783,001	134,622,460
	Total	330,786,422	317,908,442
22(a)	Interest expenses on deposits, borrowings, etc. (consolidated)		
	GSP Finance Company (Bangladesh) Limited	330,786,422	317,908,442
	GSP Investments Limited	9,865,325	-
		340,651,747	317,908,442
	Less: Inter company transaction	9,285,422	-
		331,366,325	317,908,442
23	Investment income:		
	Profit on merchant banking unit (9 months)	9,562,370	30,292,646
		9,562,370	30,292,646
23(a)	Investment income (consolidated)		
	GSP Finance Company (Bangladesh) Limited	9,562,370	30,292,646
	GSP Investments Limited	-	-
		9,562,370	30,292,646
24	Commission , exchange and brokerage		
	Commission , exchange and brokerage	-	-
		-	-
24(a)	Commission , exchange and brokerage (consolidated)		
	GSP Finance Company (Bangladesh) Limited	-	-
	GSP Investments Limited	3,182,628	-
		3,182,628	-

		Amount in Taka	
		2014	2013
25	Other operating income:		
	Income from FDR	1,102,817	12,822,662
	Documentation charge	2,304,344	3,009,081
	Late payment charge	46,455,700	24,019,359
	Service charge	4,992,022	1,860,578
	Transfer fees on lease finance	4,442,500	1,240,950
	Processing fees	870,360	38,460
	Income from house property	2,421,000	1,860,000
	Interest on call loan	-	350,000
	Profit on sale of fixed assets	144,997	-
	Miscellaneous earnings	-	3,980
		62,733,740	45,205,070
25(a)	Other operating income (consolidated)		
	GSP Finance Company (Bangladesh) Limited	62,733,740	45,205,070
	GSP Investments Limited	500	-
		62,734,240	45,205,070
26	Salary and allowances:		
	Basic pay and allowances	26,246,388	18,762,687
	Bonus (note-26.1)	3,253,965	1,628,850
	Company's contribution to provident fund	2,117,676	1,003,266
	Retirement benefit and gratuity	360,000	360,000
	Annual leave encashment	-	-
		31,978,029	21,754,803
26.1	Bonus		
	Festival	3,253,965	1,628,850
	Performance	-	-
		3,253,965	1,628,850
26(a)	Salary and allowances(consolidated)		
	GSP Finance Company (Bangladesh) Limited	31,978,029	21,754,803
	GSP Investments Limited	834,981	-
		32,813,010	21,754,803
27	Rent, taxes, insurance, electricity, etc.:		
	Rent, rate and taxes	357,566	6,415
	Insurance	947,683	645,940
	Power and electricity	882,321	749,147
		2,187,570	1,401,502
27(a)	Rent, taxes, insurance, electricity, etc.(consolidated)		
	GSP Finance Company (Bangladesh) Limited	2,187,570	1,401,502
	GSP Investments Limited	-	-
		2,187,570	1,401,502
28	Legal expenses :		
	Legal expenses	190,100	298,175
		190,100	298,175
28(a)	Legal expenses (consolidated)		
	GSP Finance Company (Bangladesh) Limited	190,100	298,175
	GSP Investments Limited	-	-
		190,100	298,175

		Amount in Taka	
		2014	2013
29	Postage, stamp, telecommunication etc.:		
	Postage and courier	165,756	224,957
	Telephone, fax, internet and mobile	174,126	228,608
	Stamp and court fee	75,475	83,157
		415,357	536,722
29(a)	Postage, stamp, telecommunication etc. (consolidated)		
	GSP Finance Company (Bangladesh) Limited	415,357	536,722
	GSP Investments Limited	-	-
		415,357	536,722
30	Stationery, printing, advertisement, etc.:		
	Printing and stationery	530,427	687,540
	Advertisement and publicity	1,392,833	1,184,892
		1,923,260	1,872,432
30(a)	Stationery, printing, advertisement, etc. (consolidated)		
	GSP Finance Company (Bangladesh) Limited	1,923,260	1,872,432
	GSP Investments Limited	-	-
		1,923,260	1,872,432
31	Managing Director's salary and allowances :		
	Remuneration	4,971,262	5,750,000
	Other benefits	439,452	640,000
		5,410,714	6,390,000
31(a)	Managing Director's salary and allowances (consolidated)		
	GSP Finance Company (Bangladesh) Limited	5,410,714	6,390,000
	GSP Investments Limited	-	-
		5,410,714	6,390,000
32	Directors' fees :		
	Directors fee	475,000	460,000
		475,000	460,000
	Other benefits	-	-
		475,000	460,000
	Directors' fees include fees for attending the meeting by the non-executive directors. Each director was remunerated @ Tk. 5,000/- per meeting from which 15% value added tax on the attendance fee was deducted at source		
32(a)	Directors' fees (consolidated)		
	GSP Finance Company (Bangladesh) Limited	475,000	460,000
	GSP Investments Limited	-	-
		475,000	460,000
33	Audit fee:		
		75,000	75,000
		75,000	75,000
33(a)	Audit fee (consolidated)		
	GSP Finance Company (Bangladesh) Limited	75,000	75,000
	GSP Investments Limited	20,000	-
		95,000	75,000

		Amount in Taka	
		2014	2013
34	Depreciation and repairs of company's assets:		
	Depreciation on company's fixed assets (Annexure-B)	7,844,530	6,531,794
	Repairs of companies fixed assets	598,717	513,098
		8,443,247	7,044,892
34(a)	Depreciation and repairs of company's assets (consolidated)		
	GSP Finance Company (Bangladesh) Limited	8,443,247	7,044,892
	GSP Investments Limited	121,308	-
		8,564,555	7,044,892
35	Other operating expenses:		
	Office maintenance	3,352,480	2,472,355
	Travelling and conveyances	1,224,193	1,233,449
	Motor vehicle running expenses	997,418	1,075,779
	Fees and subscriptions	1,275,186	1,648,150
	Staff welfare	541,133	851,649
	Newspaper,books and periodicals	35,345	18,436
	Staff training and education	186,520	20,000
	Entertainment expenses	802,907	1,148,138
	Business promotion	1,126,100	980,600
	Commission on TDR	312,141	-
	Annual General Meeting Expenses (35.1)	1,019,200	1,994,844
	EGM Expenses	-	304,250
	CSR Expenses (35.2)	824,500	916,800
	Right Issue Expenses	-	1,380,000
		11,697,123	14,044,450
35.1	Annual General Meeting Expenses		
	Rent for venue	37,750	53,750
	Printing of Annual Reports and data base	818,600	783,000
	Publication of Notice	125,960	136,275
	Entertainment	-	875,619
	Others	36,890	146,200
		1,019,200	1,994,844
35.2	CSR Expenses		
	Dhaka Metropolitan Police (39th Anniversary)	50,000	-
	Bangladesh Coast Guard (T-Shirt)	44,000	-
	Razabagh Police Head Quarters (National Police week-2014)	75,000	-
	Bangladesh Red Crescent Society	107,500	87,200
	Muktijoddha Museum	500,000	-
	Enam Medical College & Hospital (Saver Tragedy)	-	100,000
	Prime Minister Relief Fund (Saver Tragedy)	-	500,000
	Nari Uddagta (BB)	-	100,000
	AIDS awareness program	-	60,000
	Others	48,000	69,600
		824,500	916,800
35(a)	Other operating expenses(consolidated)		
	GSP Finance Company (Bangladesh) Limited	11,697,123	14,044,450
	GSP Investments Limited	411,741	-
		12,108,864	14,044,450

		Amount in Taka	
		2014	2013
36	Provision for leases, loans and advances:		
	Provision for classified leases, loans and advances	48,091,303	23,549,089
	Provision for unclassified leases, loans and advances	993,312	8,394,881
		49,084,615	31,943,970
36(a)	Provision for leases, loans and advances (consolidated)		
	GSP Finance Company (Bangladesh) Limited	49,084,615	31,943,970
	GSP Investments Limited	2,124,532	-
		51,209,147	31,943,970
37	Provision for income tax:		
	Current tax (37.1)	79,134,663	64,871,927
	Deferred tax (37.2)	1,294,284	1,001,447
		80,428,947	65,873,374

37.1 The Company has made sufficient provision for taxation. In addition to provision, there is refund (receivable) of Tk. 53,20,856/- and interest thereon @ 10% p.a. wef 2002 as per section -72 of Income Tax Ordinance 1984. The Company has already received credit note from Income Tax Authority.

37.2 Deferred tax asset/(liabilities)

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

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

	Carrying amount at balance sheet	Tax base	(Taxable)/deductible temporary difference
	Taka	Taka	Taka
Assets:			
Fixed assets net of depreciation	314,458,824	295,980,976	(18,477,848)
Liabilities:			
Employee gratuity	3,107,500	-	3,107,500
Total	317,566,324	295,980,976	(15,370,348)
Applicable tax rate			42.50%
Deferred tax asset/(liabilities) as on December 31, 2014			(6,532,398)
Deferred tax asset/(liabilities) as on December 31, 2013			(5,238,114)
Deferred tax income/(expenses) accounted for during the year			(1,294,284)

37(a) Provision for income tax (consolidated)

GSP Finance Company (Bangladesh) Limited	80,428,947	65,873,374
GSP Investments Limited	5,378,902	-
	85,807,849	65,873,374

38 Dividend :

Dividend in the form of bonus share @ 55% for the year 2014 has been proposed by the Board of Directors in its meeting held on 26 January 2015.

39 Earning per share :

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

	2014	2013
Net profit after tax	106,895,244	90,330,294
Number of ordinary shares outstanding	67,504,965	60,272,291
Earning per share	1.58	1.50
Restated earning per share	1.58	1.34

39(a) Earning per share (Consolidated) :

Net profit after tax	115,860,082	90,330,294
Number of ordinary shares outstanding	67,504,965	60,272,291
Earning per share	1.72	1.50
Restated earning per share	1.72	1.34

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.

40 Related party disclosures :

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

Name of the related party	Relationship	Nature of Transaction	2014	2013
Karnaphuli Ltd.	Common Directors	Loan/Lease	8,922,568	29,036,256
Container & Terminal service Ltd	Common Directors	Loan/Lease	-	1,600,000
Mr. Saber Hossain Chowdhury	Director	Loan/Lease	4,262,882	8,524,590
			<u>13,185,450</u>	<u>39,160,846</u>

41 Unacknowledged debt :

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

42 Number of employees :

The total number of full time employees of the Company and their remuneration above Tk.48,000/- per annum were 45. There were no employees earning less than Tk. 48,000/- per year.

43 Number of Board meeting and remuneration for attending thereof :

4 nos 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.

44 Receivable from directors :

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

45 Disclosure regarding branch :

As at December 31, 2014 the company has no branch in or outside of Bangladesh.

46 Disclosure of Executive Committee :

To conform with the Bangladesh Bank guidelines, the Board of Directors of GSP Finance Company (Bangladesh) Limited constituted the Executive Committee of the company comprising members from the Board and the committee met Twenty Two times during the year 2014.

47 Disclosure on Audit Committee:

47.1 Particulars of Audit Committee

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

Name	Status in the company	Status with the committee
Col. M. Nurul Islam Psc (Retd.)	Independent Director	Chairman
Mr. Aziz Al Kaiser	Director	Member
Mr. Moin U. Haider	Director	Member
Mr. Mohamed Abdul Jalil	Director	Member

47.2 Activities of the audit committee during the year.

In the year 2014 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;

47.3 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 sound enough.
- Overdue and litigation position of the company as stated by the management presents a true and fair view.

48 Subsequent events :

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

49 **Highlights on the overall activities :**

Sl no.	Particulars	Amount in Taka	
		2014	2013
1	Paid up capital	675,049,650	602,722,910
2	Total eligible capital (note - 15.5.A)	1,359,706,205	1,347,578,227
3	Capital surplus / (deficit)	(324,950,350)	(397,277,090)
4	Total assets	5,211,282,504	4,223,448,549
5	Total deposits	2,204,593,155	1,823,862,827
6	Total leases, loans and advances	4,201,497,488	3,366,447,583
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	1.91	1.85
9	Percentage of classified leases, loans and advances against total leases, loans and advances	6.97	8.57
10	Profit after provisions and income tax	106,895,244	90,330,294
11	Leases, loans and advances classified for the year	292,896,444	288,637,464
12	Provision kept against classified leases, loans and advances	130,365,725	82,274,422
13	Provision surplus / (deficit)	518,835	5,060,000
14	Cost of fund	12.76	13.57
15	Interest earning assets	4,533,944,144	3,759,879,590
16	Non-interest earning assets	677,338,360	463,568,959
17	Return on assets (ROA) %	2.05	2.14
18	Return on investment (ROI) %	12.19	10.92
19	Income from investment	9,562,370	30,292,646
20	Earnings per share	1.58	1.50
21	Net Income per share	1.58	1.50
22	Price earnings ratio (times)	20.90	21.02


Company Secretary


Director


Managing Director (C.C.)

GSP Investments Limited.

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

Director's Report to the Shareholders

The Directors have the pleasure in presenting their Report with the audited financial statements of the company for the year ended December 31, 2014 together with the Auditor's Report thereon and other matters in compliance with The Companies Act 1994.

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 principal activities of GSP Investments Limited are:

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

GSP Investments Limited provides a high standard of professional services to its local and NRB clients. It has proven track record of serving clients satisfying their needs and wants while maintaining strict compliance with regulation and its quality investment banking and portfolio management services.

Portfolio Management:

GSP Investments Limited offers the following Portfolio Management Services:

- **Non-Discretionary Portfolio Management/ Margin lending:** GSP Investment's offer margin loan to portfolio investors following internal policies. Besides facilitating trading (executed at clients direction), we collect dividends, subscribe to rights offers and ensure that clients entitlements are ensure arising out of different corporate actions. GSP's professional research team prepare list of marginable securities and updates it regularly
- **Non-Discretionary Portfolio Management/ Margin lending:** GSP Investment's experience team of fund managers manages portfolios on behalf of the clients, both individuals and institutions following a disciplined investment process and structured approach to build the portfolio which is tailored to specific client's needs.

Equity Research

- Company Coverage -Research coverage on listed companies and newly listed companies;
- Industries Coverage-Research coverage on industries;
- Economic Coverage-
 - National Budget Review
 - Monetary policy statement Review
 - Economic Review etc

- Price Discovery under Book-Building Method;

Performance Highlights

Despite all the market vulnerabilities the Company earned profit before tax of TK.14.34 million during October 01, 2014 to December 31, 2014. During the year, market capitalization as well as turnover witnessed significant drop impacting our management fees, transaction and settlement fees.

Human Resource Development

GSP Investments Limited continues to develop and implement proper human resource policies to motivate its employees and ensure their optimum contribution towards the achievement of the company goals.

Future Outlook:

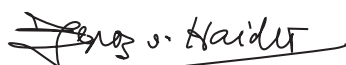
- Emergence of capital raising as a new revenue source of the issue Management Company
- Prospect of accumulation of strategic investments.
- Focus on sustaining our leadership position in investment banking.
- Positioning our research as top-notch and internationally benchmarked.
- Managing the downside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

Distribution of Profit for 2014:

The Company made a profit after provision and tax TK. 8.96 million for 3 months in the year 2014. As the company commenced its operation on October 01, 2014 and it was the first year of the operation of the company, the Board proposed not to pay any dividend to the shareholders for the year 2014.

Appointment of Auditors:

The Company shall at each annual general meeting, appoint an auditor to hold office until the next annual general meeting. The auditors of the company M/s A. Matin & Co. Chartered Accountants has completed their audit for the year 2014 and the Board of Directors of the company recommended for approval of M/s. Kazi Zahir Khan & Co. Chartered Accountants as Auditors of the company for the year 2015.



Feroz U. Haider
Chairman



AUDITORS' REPORT TO THE SHAREHOLDERS
of
GSP Investments Limited.

We have audited the accompanying financial statements of GSP INVESTMENTS LIMITED, which comprises the statement of financial position as at 31 December 2014, related statement of comprehensive income, statement of changes in equity and statement of cash flow for the period then ended, and a summary of significant accounting policies and other explanatory notes

Management's responsibility for the financial statements

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

Auditors' Responsibility

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

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

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

Opinion:

In our opinion, the financial statement prepared in accordance with Bangladesh Accounting statements (BASs) & Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of the company's affairs as at 31 December, 2014 and of the results of its operations for the period then ended and comply with the companies Act 1994 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of accounts as required by law have been kept by the company, so far as it appeared from our examination of those books;
- (iii) Company's Statement of financial position, statement of comprehensive Income, Cash Flow Statement and Statement of Changes in Equity dealt with by the report are in agreement with the books of account and returns.
- (iv) the expenditure incurred was for the purpose of the company's business.

Dated, Dhaka
January 20, 2015


A. Matin & Co.
Chartered Accountants

GSP INVESTMENTS LIMITED

Statement of Financial Position

As at 31 December, 2014

ASSETS

Non Current Assets:

Property, plant and equipments

Investment

Current assets:

Margin loan to portfolio clients

Accounts Receivable

Advance Income Tax

Cash & cash equivalents

Total

EQUITY AND LIABILITIES

Shareholders equity:

Share Capital

Retained Earnings

Current Liabilities:

Borrowing from Banks & Financial Institutions

Portfolio investors' fund

Accounts payable

Provision for Income Tax

Other Liabilities

Total

Amount in Taka
2014
1,448,821
1,448,821
-
1,147,221,949
1,143,916,365
640,054
68,021
2,597,509
1,148,670,770
258,964,838
250,000,000
8,964,838
889,705,931
878,117,016
4,020,295
15,186
5,378,902
2,174,532
1,148,670,770


Company Secretary


Director


CEO/Managing Director (C.C.)

Dhaka, January 20, 2015


A. Matin & Co.
Chartered Accountants

GSP INVESTMENTS LIMITED

Statement of Comprehensive Income

For the period from 01 October to December 31, 2014

	Amount in Taka
	2014
OPERATING INCOME	
Interest Income	24,538,499
Less: Interest expenses	9,865,325
Net Interest Income	14,673,174
Investment Income	-
Commission, exchange and brokerages	3,182,628
Other operating income	500
	3,183,128
Total operating income(a)	17,856,302
OPERATING EXPENSES	
Salary and allowances	834,981
Postage & stamps	-
Printing & Stationary	-
Depreciation on property, plant and equipments	121,308
Other Operating expenses	431,741
Total operating expenses(b)	1,388,030
Profit before provision (c = a-b)	16,468,272
Provision on margin Loan	2,124,532
Total profit before tax	14,343,740
Provision for tax	5,378,902
Net profit after tax	8,964,838
Earning per share (EPS)	0.36


Company Secretary


Director


CEO/Managing Director (C.C.)

Dhaka, January 20, 2015


A. Matin & Co.
Chartered Accountants

GSP FINANCE COMPANY (BANGLADESH) LIMITED

INVESTMENT IN SHARES
AS AT 31 DECEMBER 2014

ANNEXURE - A

Sl. No.	Name of the issuer company	No. of Shares	Cost price as at 31 Dec. 2014 (Tk.)	Market Price as at 31 Dec. 2014 (Tk.)	Provision required as at 31 Dec. 2014 (Tk.)
1	ACI Formulations Limited	9,000	880,862	1,148,400	267,538
2	Aftab Automobiles	694,400	50,390,408	46,663,680	(3,726,728)
3	ADN Telecom Ltd. (Unquoted)	350,000	10,500,000	10,500,000	-
4	BSRM Steels Limited	45,000	4,599,459	3,946,500	(652,959)
5	Beacon Pharma	23,500	326,464	423,000	96,536
6	CDBL (Unquoted)	256,945	2,569,450	2,569,450	-
7	Delta Life	9,475	1,211,271	1,420,303	209,032
8	Delta Spinners (Unquoted)	209,648	2,096,480	2,096,480	-
9	EBL First Mutual Fund	150,000	1,363,923	795,000	(568,923)
10	Energypac Power Generation Ltd. (Unquoted)	1,000,000	49,984,000	49,984,000	-
11	ICB Islami Bank	100,000	582,455	550,000	(32,455)
12	Jamuna Oil Company Limited	14,300	2,827,050	2,944,370	117,320
13	Keya Cosmetics	44,000	1,166,509	1,025,200	(141,309)
14	Khulna Power Company Limited	22,100	1,494,951	1,259,700	(235,251)
15	Lanka Bangla Finance Ltd.	15,500	1,236,654	682,000	(554,654)
16	Metro Spinning	75,066	1,934,376	915,805	(1,018,570)
17	National Bank Limited	165,000	2,051,649	1,881,000	(170,649)
18	NCC Bank	27,500	391,521	308,000	(83,521)
19	ACME Laboratories Ltd. (Unquoted)	769,200	39,998,400	39,998,400	-
20	Peoples Leasing and Fin. Services Ltd.	165,000	6,838,382	3,811,500	(3,026,882)
21	RAK Ceramics (Bangladesh) Limited	47,500	3,088,434	2,740,750	(347,684)
22	Republic Insurance Company Limited	12,600	441,346	323,820	(117,526)
23	Southeast Bank 1st Mutual Fund	330,000	3,000,000	2,640,000	(360,000)
24	Southeast Bank	86,500	1,634,876	1,678,100	43,224
25	Square Pharmaceuticals Ltd.	17,641	2,042,576	4,560,199	2,517,622
26	Summit Power Limited	549,000	25,980,458	21,026,700	(4,953,758)
27	Union Capital Limited	44,000	1,465,354	932,800	(532,554)
28	Uttara Bank	12,100	390,975	313,390	(77,585)
29	Zaheen Spinning Limited (Unquoted)	1,000,000	10,000,000	10,000,000	-
			230,488,285	217,138,546	(13,349,738)
Provision made as per BSEC letter No. BSEC/Mukpatro/2011/1733 dated 31 December, 2014.					(2,669,948)
1% Provision made on investment in portfolio A/C					(8,781,170)
Balance as at 31 December 2014					(11,451,118)

	Cost Price (Tk.)
*Investment in quoted Shares	115,339,955
*Investment in unquoted Shares	115,148,330
Total	230,488,285

GSP FINANCE COMPANY (BANGLADESH) LIMITED
SCHEDULE OF FIXED ASSETS (CONSOLIDATED)
AS AT 31 DECEMBER 2014

ANNEXURE - B

SL No.	Particulars	COST			Rate %	DEPRECIATION			Written Down Value as on 31.12.14
		Opening Balance on 01.01.14	Addition during the year	Adjustment during the year		Closing Balance as on 31.12.14	Charged during the year	Adjustment During the year	
1	Land & Land Development	288,150,000	-	-	-	288,150,000	-	-	288,150,000
2	Office Building	18,862,332	573,200	-	10	19,435,532	1,740,965	-	12,895,349
3	Office Equipment	13,240,317	1,688,620	-	20	14,928,937	864,979	-	11,809,837
4	Furniture & Fixtures	7,381,018	814,891	-	10	8,195,909	308,937	-	6,274,208
5	Software	1,340,000	-	-	20	1,340,000	67,000	-	649,000
6	Office Decoration	695,534	-	-	10	695,534	17,388	-	329,936
7	Telephone Systems	920,241	263,050	-	20	1,183,291	41,430	-	930,546
8	Motor Vehicle	11,266,800	5,117,846	-	20	16,384,646	2,292,052	-	8,466,511
9	Electrical Goods & Installation	3,110,144	995,134	-	20	4,095,278	538,017	-	1,691,361
10	Generator & Installation	1,128,896	-	-	20	1,128,896	-	-	1,128,896
11	House Property	20,950,712	-	-	10	20,950,712	2,095,071	-	16,405,445
	Total	367,045,993	9,442,741	-		376,488,735	7,965,838	-	60,581,089
						52,615,251	7,965,838		315,907,645

GSP FINANCE COMPANY (BANGLADESH) LIMITED

SCHEDULE OF FIXED ASSETS

AS AT 31 DECEMBER 2014

ANNEXURE - C

Sl No.	Particulars	COST				Rate %	DEPRECIATION				Written Down Value as on 31.12.14
		Opening Balance on 01.01.14	Addition during the year	Adjustment during the year	Closing Balance as on 31.12.14		Opening Balance on 01.01.14	Charged during the year	Adjustment During the year	Closing Balance as on 31.12.14	
1	Land & Land Development	288,150,000	-	-	288,150,000	-	-	-	-	-	288,150,000
2	Office Building	18,862,332	573,200	-	19,435,532	10	1,740,965	-	12,895,349	-	6,540,182
3	Office Equipment	12,542,914	1,670,780	-	14,213,694	20	829,217	-	11,462,857	-	2,750,837
4	Furniture & Fixtures	7,334,710	814,891	-	8,149,601	10	307,779	-	6,251,860	-	1,897,741
5	Telephone Systems	920,241	263,050	-	1,183,291	20	41,430	-	930,546	-	252,745
6	Motor Vehicle	11,266,800	5,117,846	-	16,384,646	20	2,292,052	-	8,466,511	-	7,918,135
7	Electrical Goods & Installation	3,110,144	985,134	-	4,095,278	20	538,017	-	1,691,361	-	2,403,917
8	Generator & Installation	1,128,896	-	-	1,128,896	20	-	-	1,128,896	-	-
9	House Property	20,950,712	-	-	20,950,712	10	2,095,071	-	16,405,445	-	4,545,267
	Total	364,266,748	9,424,901	-	373,691,648		7,844,530	-	59,232,824	-	314,458,824

Shareholders' Note :

Dotted lines for writing.



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 20th Annual General Meeting of the Company to be held on February 23, 2015, Monday at 11a.m. at the Institution of Diploma Engineers, Bangladesh, IDEB Bhaban, 160/A, Kakrail, Dhaka-1000, or at any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this.....day of February, 2015

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

BO ID No..... Revenue Stamp of Tk. 20/=
No of shares being held.....

- 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 20th Annual General Meeting of the Company to be held on on February 23, 2015, Monday at 11 a.m. at the Institution of Diploma Engineers, Bangladesh, IDEB Bhaban, 160/A, Kakrail, Dhaka-1000.

Name of the shareholder(s) / Proxy (in Block Letters).....
BO ID No..... No of shares being held.....
Date:
Signature of the Shareholder(s)/Proxy

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



GSP FINANCE COMPANY (BANGLADESH) LIMITED

1, Paribagh, Mymensingh Road, Dhaka-1000.

PABX: (880-2) 9674306, 9674425, FAX : (880-2) 9674194

E-mail : info@gspfinance.com, Web : www.gspfinance.com