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**ANNUAL REPORT 2022**



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### Brand Transformation

In the year 2022, Singer Bangladesh Limited developed a new brand key in line with Arcelik's global vision. Singer identified the brand purpose as 'Empowering you to reach your future aspirations'. Singer launched a brand manifesto to create relevance of the brand to aspiring new generation of consumers, by focusing on their needs, priorities and aspirations to live a better life.

Bangladesh is developing rapidly. Peoples' lives are changing and they are adapting to modern lifestyles. The working middle class people are young, ambitious and independent. They are in a journey to achieve their dreams. Singer Bangladesh believes that they should not ever compromise with their cherished dreams. Singer exists to make the unachievable dreams achievable NOW. Hence, we are calling them to experience improved lifestyle - right here, right now -

**EMBRACE  
LIFE  
NOW with SINGER**

Singer developed an umbrella strategy and implementation roadmap for the Brand Manifesto while focusing on inspiring customers for achieving a better lifestyle with the brand. Singer also brought unique technologies and product features such as NutriLock, FreshOLogy, Net Home Plus Wifi etc. that would help to improve the Bangladeshi customers' lifestyles.

### Sustainability & Responsibility to the Society

Singer Bangladesh Limited is a company committed to sustainability in all aspects of its business. with a history spanning over 117 years, Singer's long-standing presence in Bangladesh is a testament to its dedication to sustainability. The Company recognizes the importance of conducting business operations that are both socially responsible and environmentally sustainable.

As part of its commitment to corporate social responsibility, Singer implemented a range of initiatives that aimed at giving back to the community. One of these initiatives was the Singer Sewing School, which provided free or subsidized sewing training to women in targeted communities. This programme helped to improve the living standards and quality of life for many women.

Singer upholds its commitment to supporting the underprivileged in society and empowering them towards a better future. The Singer team visited a school for underprivileged street children operated by the Nari Moitri Foundation in Dhaka's Naya Paltan Area and donated school bags and stationery items and arranged a lunch feast for the students. In addition, the Singer team gathered a portion of the employees' monthly salaries to assist the flood victims in the North-eastern region (Sylhet) of Bangladesh, which suffered significant damage worth 1,238 crore taka in June 2022, through the help of local authorities.

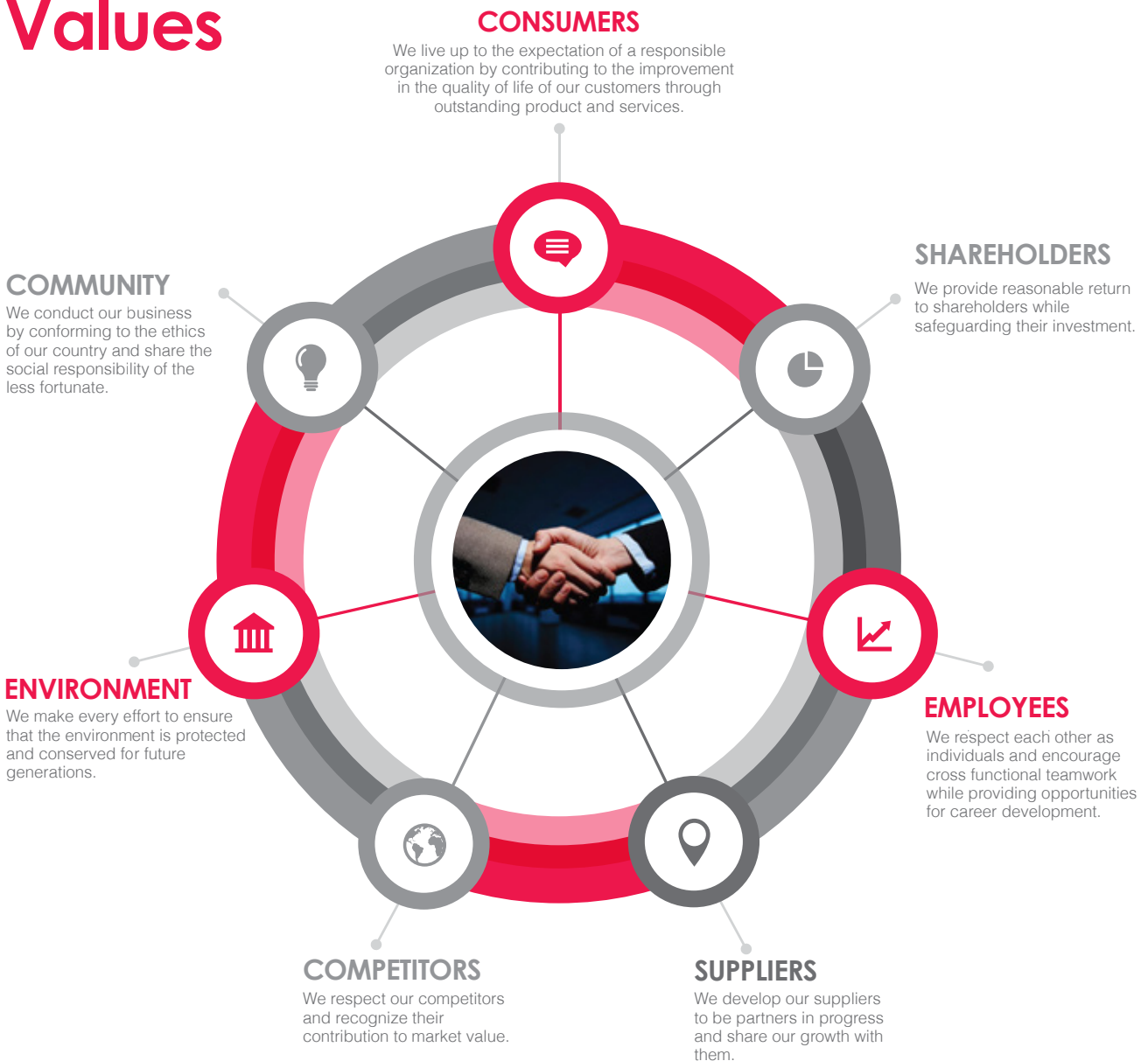
**Singer Bangladesh Limited has also taken steps to further improve its environmental footprint. The company's new manufacturing facility will be built according to the gold standards of LEED, a globally recognized green building certification. Singer would bring expertise on energy-efficient products and production technologies to Bangladesh, which will help the country transition to a low-carbon economy.**

On the National Mourning day, the Company also organized tree plantation activities at its two manufacturing units. Singer's commitment to sustainability underscored its belief in responsible business practices and its commitment to creating a better world for future generations.

# Vision

To be the most admired and respected family company in the country

# Values



# Mission

Our mission is to improve the quality of life of people by providing comforts and conveniences at affordable prices

# Objectives



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# চুলের যত্নে ভুল নয়

সিঙ্গার হেয়ার ড্রায়ার-এর ম্যাকাডেমিয়া  
ও নারিকেল তেলের নির্যাস সমৃদ্ধ  
সিরামিক প্লেট চুলকে করে স্বাস্থ্যোদ্ভূল  
ও ঝলমলে আর আয়ন টেকনোলজি  
চুলের আর্দ্রতা বজায় রাখে।

Naturo**Glow**



SINGER

Professional Hair Care

SINGER

Professional Hair Care

iconica



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Scan to read  
our Annual Report

# 1

**427 retail outlets  
928 dealers &  
1670 employee**

**→ Read more on page 10**

# 2

**Company placed greater emphasis on non-financial performance, including environmental and sustainability reporting**

**→ Read more on page 21**

# 3

**Early part of 2022, the economy returning to normalcy, the crisis in Ukraine dampened the prospects of a post-pandemic recovery.**

**→ Read more on pages 28 to 32**

# 4

**Compliance is a vital part of Singer's Management and corporate culture integrated into all business processes. The Board guaranteed that the Company operated with the highest ethical standards.**

**→ Read more on pages 46 to 49**

# 5

**Singer's risk management frame work is bound by the code of conduct, the ethical standards that the Board as well as the employees and others must adopt.**

**→ Read more on pages 54 to 56**

# 6

**Singer is committed to promote gender balance in the workforce and empowering women throughout the entire value chain.**

**→ Read more on pages 58 & 59**

# 7

**Despite different challenges, the Company's performance was reflective to cater to shifting demand patterns as well as the proactive marketing and sales strategies.**

**→ Read more on pages 62 to 65**

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## Chairman's Statement

Acquired 35-acre land at the Bangladesh Special Economic Zone to establish a state-of-the-art manufacturing facility that would produce a range of electronic products, complying with international standards.

Read more on pages 22 and 23 ▶



## Management Discussion & Analysis from MD's Desk

Despite the challenges of the pandemic and Ukraine crises, the Company achieved commendable revenue of Tk. 17.1 billion, representing an 8% increase. However, the profitability was not as good due to global crisis.

Read more on pages 24 to 27 ▶



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# Corporate Directory

## Company Name : Singer Bangladesh Limited

Date of Incorporation	: 4 September 1979
Trading Code	: SINGERBD
Scrip Code	: 13211
Sector	: Engineering
Membership	: MCCI, FICCI, BAPLC, ICC, BEF
Certification	: ISO14001:2015

## Board of Directors

Dr. Fatih Kemal Ebiclioglu	Chairman
M. H. M. Fairoz	Managing Director & CEO
Masud Khan	Independent Director
Reazul Haque Chowdhury	Independent Director
Hakan Hamdi Bulgurlu	Director
Cemal Can Dincer	Director
Polat Sen	Director
Kazi Ashiqur Rahman	Company Secretary

## Board Committees

### Audit Committee

Masud Khan	Chairman
Reazul Haque Chowdhury	Member
Polat Sen	Member
Kazi Ashiqur Rahman	Secretary

### Nomination & Remuneration Committee

Reazul Haque Chowdhury	Chairman
Masud Khan	Member
Cemal Can Dincer	Member
Kazi Ashiqur Rahman	Secretary

### Management Committee

M. H. M. Fairoz	Managing Director & CEO	Chairman
Akram Uddin Ahmed	Finance Director & CFO	Member
Chandana Aravinda Samarasinghe	Marketing Director	Member
Kazi Rafiqul Islam	Sales Director	Member
Hakan Altinişik	Technology and Innovation Director	Member
Md. Anisur Rahman	Head of IT	Member
Md. Monzur Murshed	Financial Controller	Member
Abu Zafor Md. Kibria	Head of Credit	Member
Syed Zahidul Islam	General Manager, Human Resources	Member
Shahed Al-Mahmud Chowdhury	Head of Internal Audit & Compliance	Member
Maruf Sobhan	General Manager, Supply Chain	Member
Kazi Ashiqur Rahman	General Manager, Corporate Affairs and Company Secretary	Member Secretary

**Auditors****Statutory Auditors**

KPMG (Rahman Rahman Huq), Chartered Accountants

**Corporate Governance Compliance Auditors**

Itrat Husain &amp; Associates, Chartered Secretaries in Practice

**Legal Counsel**

Dr. Kamal Hossain &amp; Associates

**Legal Retainer**

Advocate Md. Motiur Rahman

**Address****Registered Office**39 Dilkusha Commercial Area  
Dhaka-1000**Corporate Office**5B, Road No. -126  
Gulshan-1, Dhaka-1212**Singer Manufacturing Complex (SMC)**

Rajfulbaria, Jhamur, Savar, Dhaka-1347

**Singer Refrigerator Manufacturing Unit**

Koulashur, Hemayetpur, Savar, Dhaka-1348

**Singer Bangladesh Limited, Home Appliances Plant (in progress)**Bangladesh Special Economic Zone  
Araihazar, Narayanganj**Central Service Center**

50, New Eskaton Road, Dhaka

**Contact**

Web : [www.singerbd.com](http://www.singerbd.com)  
 Company email : [info@singerbd.com](mailto:info@singerbd.com)  
 Investors' Relations email : [iro@singerbd.com](mailto:iro@singerbd.com)  
 Cell : +880 1616 667800  
 Phone : +880 2223 384438

**Bankers**

<a href="#">Trust Bank Limited</a>
<a href="#">Pubali Bank Limited</a>
<a href="#">Dhaka Bank Limited</a>
<a href="#">Bank Alfalah Limited</a>
<a href="#">Eastern Bank Limited</a>
<a href="#">The City Bank Limited</a>
<a href="#">Mutual Trust Bank Limited</a>
<a href="#">Commercial Bank of Ceylon Plc.</a>
<a href="#">Standard Chartered Bank</a>
<a href="#">Hongkong and Shanghai Banking Corporation</a>
<a href="#">Dutch Bangla Bank Limited</a>
<a href="#">Prime Bank Limited</a>
<a href="#">Habib Bank Limited</a>

# Company at a Glance



RETAIL OUTLETS

**427**

SINGER MEGA AND SINGER PLUS



SINGER EMPLOYEES

**1670**

MEMBERS



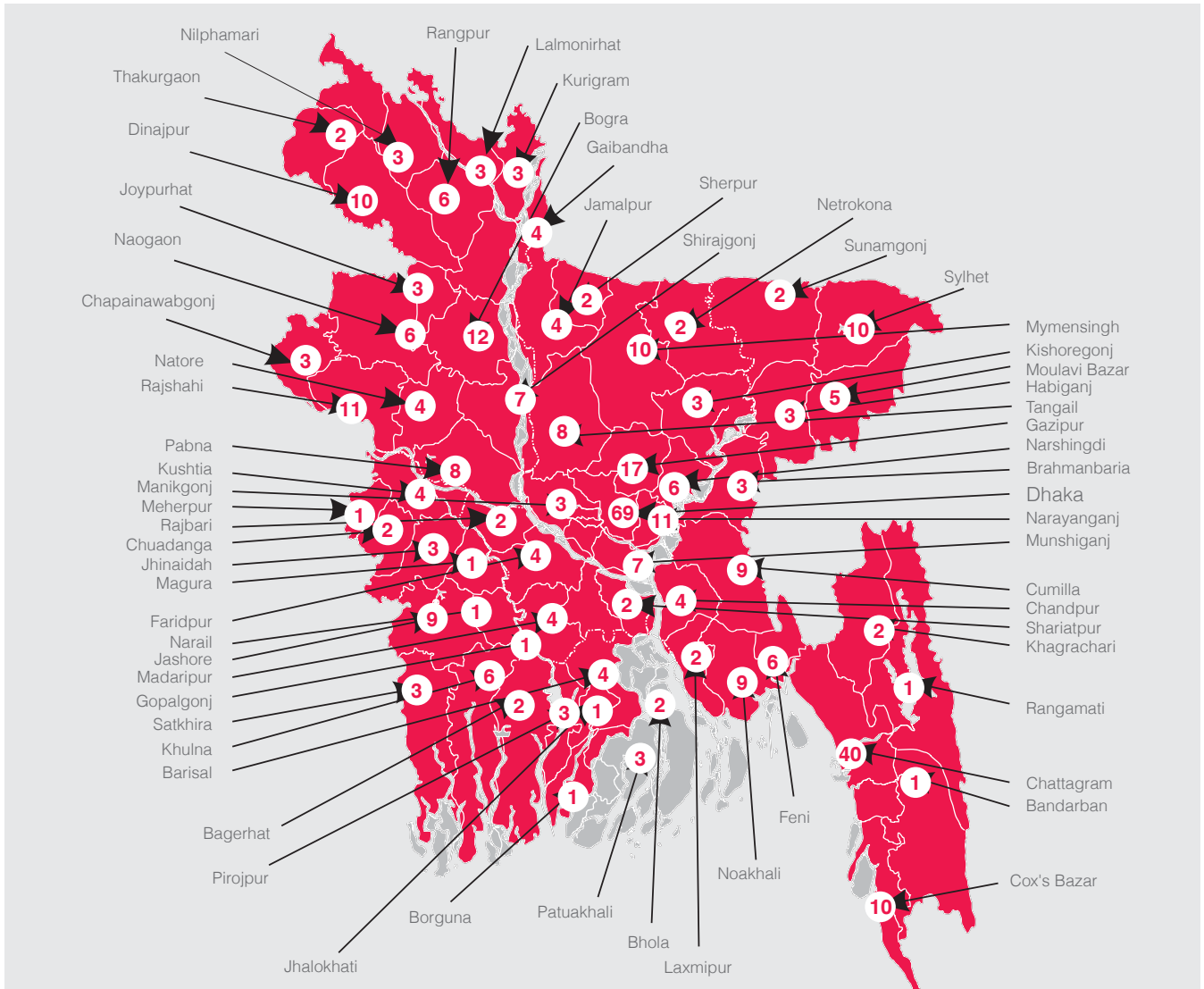
DEALERS

**928**

SINGER PRO

## Our Retail Presence

Area	Singer MEGA	Singer Plus	Total
Central A	6	36	42
Central B	4	38	42
Central C	0	40	40
East	4	47	51
Southeast	3	46	49
Northeast	2	41	43
South	1	35	36
Southwest	2	31	33
West	1	30	31
North	2	28	30
Northwest	0	30	30
Total	25	402	427



# ► Company Profile

## Singer Bangladesh Limited

With a legacy of more than a century of successful operations among multinational companies in Bangladesh, Singer Bangladesh Limited, established in 1905, is proud to be associated with Arcelik A.S., Turkey's largest home appliances company and a subsidiary of Koc Holding, Turkey's leading investment holding company in 2019. Koc Holding is the only Turkish company listed in the Global Fortune 500. SINGER was listed with Dhaka Stock Exchange in 1983 and Chittagong Stock Exchange in 2001.

For many years, Singer has been synonymous with Sewing Machines, marketing only this single product

until 1985. Since then, the company has transformed itself into a leading consumer durables player in Bangladesh by implementing a successful multi-brand strategy. Additionally, the company has enhanced its manufacturing capabilities with state-of-the-art local production facilities, increasing the local value-addition component, which has had a positive impact on the national economy, especially on the supporting downstream industries.

Singer, a marketer of value-for-money products, has developed innovative hire purchase schemes that facilitate the purchase of essential appliances through easy and flexible installments. These hire purchase schemes have helped the country's large middle-class families to expand their purchasing

capacity, providing comfort and convenience to the lives of millions of consumers and positively impacting the socio-economic status of the country.

Importantly, Singer Sewing Machines have been used as an effective vehicle for training and empowering underprivileged women across the country. The Singer Sewing School, a key CSR initiative of Singer Bangladesh Limited, provides free or subsidized sewing training to targeted women, significantly contributing to improving their living standards and general quality of life.



# 1905

Singer has been operating  
in this region (Bangladesh)  
since 1905

## Remarkable contributor

SINGER has also been a significant contributor to the development of Bangladesh's Electrical and Electronics Industry. The company has invested heavily in the training and development of its human resources to acquire the necessary skills and stay abreast in this dynamic industry. These skills have diffused throughout the rest of the industry, providing a strong base for further development in this field.

Recently, in association with Arcelik, Singer has started setting up a state-of-the-art manufacturing plant at the Bangladesh Special Economic Zone (BSEZ). This will be a green factory, according to the gold standards of LEED, will bring energy-efficient products and production technologies to Bangladesh, setting a new milestone in the Electronics and Home Appliances industry in Bangladesh and making a significant contribution to economic activity and employment.

## ▶ Board of Directors

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1

**Dr. Fatih Kemal Ebiclioglu**  
Chairman

**Joined the Board on**  
**April 3, 2019**

After graduating from Ankara University, Faculty of Political Science, Department of International Relations, Fatih Ebiclioglu received a Master's degree in Finance from the Virginia Commonwealth University, and earned a PhD degree in Finance-Accounting from Ankara University Faculty of Political Science. Between 1989 and 2002, Ebiclioglu worked as Assistant Tax Auditor at the Ministry of Finance, and later as Tax Auditor and Senior Tax Auditor. In addition, he served as a part-time instructor at Hacettepe, Bilkent and Atılım Universities from 1998 to 2002. He joined Koç Holding in 2002 as Financial Coordinator. Subsequently, he served as Audit Group Coordinator of Koç Holding (2004-2005), and Deputy General Manager of Arçelik (2005-2015).

Ebiclioglu has been the President of the Consumer Durables Group at Koç Holding since February 2015. Fatih Ebiclioglu is also a Member of the Board of Directors of Arçelik. He also serves as Chair of the Board of Directors and Member of the Board of Directors of some other Koç Group companies. He is also a Member of the Board of Directors of Turkish Industry & Business Association (TÜSİAD) and Turkish Exporters Assembly (TİM).



2

**M. H. M. Fairoz**  
Managing Director & CEO

**Joined the Board on**  
**September 6, 2016**

Prior to this appointment M. H. M. Fairoz served as the Marketing Director of Singer Bangladesh Limited.

Fairoz began his career in marketing nearly 33 years ago with Richard Pieris Group a leading conglomerate in Sri Lanka initially in their FMCG division. In 1997 he moved on their Furniture Division before joining Singer (Sri Lanka) in 2001. Held various positions during the 15-year tenure of exceptional growth of the firm and was Head of the Electronics and Furniture SBU's before joining the Bangladesh operations.

Fairoz is also a Vice President, Sri Lanka Bangladesh Chamber of Commerce and Industry (SLBCCI). Former Vice President, Foreign Investors Chamber of Commerce and Industry (FICCI) and also Member of Board of Directors, Bangladesh Employers Federations (BEF).

He holds Postgraduate Diploma in Marketing (MCIM-UK) from The Chartered Institute of Marketing, UK along with an Accountancy qualification from Certified Management Accountants (CMA), Australia. In addition, has also completed numerous Management Programs including courses at National University of Singapore (NUS), Singapore and Administrative Staff College, Hyderabad, India.

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3

**Masud Khan**  
Independent Director

**Joined the Board on**  
**April 28, 2020**

Masud Khan currently holds the position of Chairman at Unilever Consumer Care Ltd. (formerly GSK) and serves as Chief Adviser of the Board at M. I. Cement Factory Ltd. (Crown Cement Group). With 42 years of work experience in both multinational and local companies in Bangladesh, Khan is a highly experienced professional. Prior to his role at M. I. Cement Factory Ltd. (Crown Cement Group), Khan worked at LafargeHolcim Bangladesh as Chief Financial Officer for 18 years. He also worked for British American Tobacco for 20 years, where he gained expertise in finance and related fields both domestically and internationally.

Khan also serves as an Independent Director at Community Bank. His articles on professional and industry issues are regularly published in newspapers and international and local magazines. He is a frequent guest on talk shows and interviews in electronic media and is often quoted in news articles regarding industry and professional issues. Furthermore, he regularly delivers public speeches on professional topics at educational institutions and professional institutes such as the Institute of Chartered Accountants of Bangladesh, ACCA, and ICMA Bangladesh. Additionally, he has been a lecturer at the Institute of Chartered Accountants of Bangladesh for the past 42 years.

Khan obtained his Bachelor of Commerce with Honours from St. Xavier's College under the University of Kolkata. He also achieved distinction as a Chartered and a Cost and Management Accountant from the Indian Institutes, being a silver medalist at the all-India level in the Chartered Accountancy Examination in 1977.



4

**Reazul Haque Chowdhury**  
Independent Director

**Joined the Board on**  
**March 1, 2021**

Reazul Haque Chowdhury serves as the Group Managing Director at Ifad Group, a prominent business conglomerate in Bangladesh, engaged in Automobile, FMCG, Tyre, Compressor and IT businesses. Additionally, he holds the position of Independent Director at Unilever Consumer Care Limited, Berger Paints Bangladesh Limited and Hemas Bangladesh Limited.

He has 30 years' work experience in different multinational companies both at home and abroad. In the past Chowdhury held the position of Managing Director at Reckitt Benckiser in Sri Lanka, Bangladesh and Thailand Cluster. He also held senior management position at Avery Dennison RBIS South Asia, Avery Dennison Bangladesh, Unilever Bangladesh Limited and British American Tobacco Bangladesh.

Chowdhury completed his Graduation & Post Graduation in Marketing (obtained First Class) from University of Dhaka. He is also a Graduate in Advanced Management from INSEAD Fonteinblue, France.

## Board of Directors

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5

**Hakan Hamdi Bulgurlu**  
Director

**Joined the Board on  
April 3, 2019**

Hakan Bulgurlu, who completed his undergraduate education in the Department of Economics and Mechanical Engineering at the University of Texas, received his master's degree from Northwestern University, Kellogg School of Management, and Hong Kong University of Science and Technology. Bulgurlu, who started his career at Koç Holding in 1995, worked in different positions in the Asia-Pacific region and led the Asia-Pacific foreign trade and supply operations of the Holding for 13 years in Hong Kong. Bulgurlu, who was the General Manager of Arçelik-LG, which has the largest air conditioner production facility in Europe and the Middle East between 2007 and 2010, joined Arçelik in 2010 and has been the CEO of Arçelik since 2015.

Bulgurlu, a member of the Climate Leaders CEO Alliance within the World Economic Forum (WEF), is among the founding members of Amstel Dialogue, which was established to accelerate the innovation process in Europe, in addition to his duty as a Member of the Executive Committee of the European Association of Home Appliance Manufacturers (APPLiA). Bulgurlu is a Member of the Board of the Turkish Foreign Trade Association (TURKTRADE) and is the Deputy Chairman of the Foreign Economic Relations Board (DEIK) Turkey - China Business Council.



6

**Cemal Can Dinçer**  
Director

**Joined the Board on  
April 3, 2019**

Can Dinçer completed his undergraduate degree at Istanbul Technical University, Department of Mechanical Engineering in 1989, and his master's degree at the US Stevens Institute of Technology, Department of Business Administration in 1993. He completed the Harvard Business School Advanced Management Program in 2017.

Dinçer, who started his career in 1993 as a Training Staff in the Finance Department of Arçelik A.Ş. worked as a Regional Sales Officer in the Export Department in 1995. He worked as an International Sales Manager between 2000-2005 for CIS and Other Countries, International Sales Director between 2005-2009 for Non-European Markets and Sales Director between 2009-2012 for Europe, America, Asia-Pacific and between 2012-2015 for Subsidiaries, America, Asia-Pacific, Assistant General Manager - Commercial Turkey between 2015-2017. Can Dinçer has been working as Chief Commercial Officer - Turkey, Pakistan, Bangladesh, India - since January 2018. In addition to this role, he was appointed as the General Manager of Arçelik Pazarlama A.Ş. as of 30 December 2016.

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7

**Polat Şen**  
Director

**Joined the Board on  
April 3, 2019**

Polat Şen completed his undergraduate studies at Marmara University, Department of Economics in 1998, and his master's degree at Bradford University, Department of International Finance in 1999. He completed the Harvard Business School Advanced Management Program in 2016. Şen, who started his career as an Audit Assistant at Koç Holding A.Ş. Audit Group Presidency in 2000, worked as Koç Holding A.Ş. Audit Specialist between 2002-2004. Şen, appointed as the Internal Audit Manager of Arçelik A.Ş. in 2004 and as the Finance and Financial Affairs Group Director of Grundig Elektronik/Grundig Multimedia BV in 2008, served as the Finance and Financial Affairs Director of Grundig Multimedia BV between 2009-2010, served as the Purchasing Director between 2010-2015. Polat Sen was the Chief Financial Officer of Arçelik from February 2015 to March 2022.

Polat Şen has been serving as Chief Financial Officer Koç Holding since April 2022.



CS

**Kazi Ashiqur Rahman**  
Secretary to the Board

**Joined as the Company  
Secretary on October 11, 2020**

He is the General Manager, Corporate Affairs of Singer Bangladesh Limited, with 25 years' experience in the areas of internal audit, finance and corporate affairs. He is a Qualified Chartered Secretary and fellow member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He completed his Graduation and Post-graduation in Management from the University of Dhaka. He also did Master of Business Administration with Marketing specialization from North South University. He is having experience in internal audit, finance, company secretarial functions, board management & governance, company meetings, taxation matters, treasury functions, investors relations, company legal and compliance issues etc.

He is the member of tariff, taxation and regulatory affairs committee of the Foreign Investor's Chamber and Commerce of Industry Bangladesh (FICCI). He is also an adjunct faculty of ICSB and involves in different committees of ICSB.



# Management Team



## Management Committee Members

Akram Uddin Ahmed  
M. H. M. Fairoz  
Chandana Aravinda Samarasinghe  
Kazi Ashiqur Rahman

Md. Monzur Murshed  
Syed Zahidul Islam  
Kazi Rafiqul Islam  
Hakan Altinisik

Abu Zafor Md. Kibria  
Md. Anisur Rahman  
Shahed Al-Mahmud Chowdhury  
Maruf Sobhan

*\* from left to right (first seating)*

## Sales TEAM



Md. Obaydul Hoque  
Mutakabbir Ibna Kobir Choudhry  
Md. Fazle Rabbani  
Md. Farhad Habib

Md. Arif Hossain  
Kazi Rafiqul Islam  
Matiur Rahman  
Md. Ismail Hossain

Md. Shihab Uddin Bhuiyan  
Md. Rafiqul Islam  
Dewan Masood Bin Malique

*\* From left to right*

## Corporate Affairs, HR, IT & Internal Audit TEAM



Shahed Al-Mahmud Chowdhury  
Pranojit Biswas  
Md. Anisur Rahman

Syed Zahidul Islam  
Kazi Ashiqur Rahman

*\* From left to right*

# Management Team

## Marketing & Service TEAM



Farhan Azhar  
Adnan Afzal  
Abubakar Rahil

Chandana Aravinda Samarasinghe  
Abrarur Rahman  
Golam Nur Baksh Chowdhury  
Md. Zahidul Hasan

*\* from left to right*

## Finance TEAM



Zahidur Rahman  
Mohammad Mojibur Rahman  
Md. Monzur Murshed  
Umut Taskale

Akram Uddin Ahmed  
Md. Moshir Rahman  
Mahmud Hasan

*\* From left to right*

## Manufacturing TEAM



Saygin Yurtseven  
Mohammed Ahsanul Kabir  
Gour Chandra Ghosh

Hakan Altinisik  
Helal Uddin  
Shabbir Mahmud Rizwan  
Md. Abdul Quadir

*\* From left to right*

## Credit & Supply Chain TEAM



Md. Mehedi Hassan  
Md. Shafiquzzaman  
Abu Zafor Md. Kibria

Maruf Sobhan  
Faiyaz Chowdhury  
Mohammad Shah Moazzem  
Md. Robqul Islam

*\* From left to right*

# আরাম...

আপনারও, পকেটেরও, প্রকৃতিরও



R32 গ্যাস সমৃদ্ধ  
**GREEN INVERTER -AC**  
 এখন প্রকৃতির আরও কাছে

৬০%  
পর্যন্ত

বিদ্যুৎ সাশ্রয়ী



4-in-1 Filter  
দেয় বিশুদ্ধ বাতাস



Safety Indicator  
দেয় লিকেজ এর সংকেত



Fast Cooling  
দেয় মূহূর্তেই ঠাণ্ডা



Zone Follow  
দেয় ঘরজুড়ে ঠাণ্ডা



5  
YEARS

Compressor  
Warranty

0%  
EMI

Buy Now  
Pay Later



Free  
Installation\*

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# ▶ Integrated Report - 2022

In the past, financial reporting was the primary focus of corporate reporting to inform stakeholders about the Company's financial performance. However, as compliance requirements increased and stakeholders began to prioritize the well-being of the wider community, including society and the environment, non-financial reporting became increasingly important. This led to the emergence of environmental reporting, sustainability reporting, and ultimately integrated reporting, which aims to demonstrate how an organization creates value over time.

As part of this shift, the Company placed greater emphasis on non-financial performance, including environmental and sustainability reporting and ultimately integrated reporting. Though integrated reporting is still in its early stages, it represents a positive step for the Company looking to integrate its reporting practices and provide a more comprehensive view of its performance to stakeholders.

## **Our Reporting, Reporting Frameworks & Requirements**

*Our primary report to stakeholders is Integrated Reporting, which is designed to efficiently communicate our value creation story and how we leverage business inputs to promote sustainability and deliver value to stakeholders.*

## **Reporting Frameworks and Requirements**

This report covers the period from January 1 to December 31, 2022 and adheres to various reporting frameworks and requirements, including Financial Reporting & Disclosures, the Corporate Governance Code of 2018, the Companies Act of 1994, Bangladesh Secretarial Standards (BSSs), Listing Regulations of Dhaka and Chittagong Stock Exchange and other relevant laws and regulations of the country

*The Financial Statements provide a comprehensive report of Singer's financial performance for the year 2022.*

## **Reporting Frameworks and Requirements**

The financial statements have been prepared in accordance with the Financial Reporting Act 2015,

International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), Bangladesh Securities & Exchange Rules 2020, Bangladesh Securities & Exchange Commissions guidelines on Financial Reporting & Disclosures, Companies Act 1994, Listing Regulations of Dhaka and Chittagong Stock Exchange, The Income Tax Ordinance 1984, The Value Added Tax and Supplementary Duty Act 2012 and other applicable laws and regulations of the Country.

*The Corporate Governance Report presents a detailed report of Singer's corporate governance practices.*

We ensure the Corporate Governance Compliance Audit for our governance issues, and we develop our non-financial reports on governance, environmental, and social matters to assist stakeholders in comprehending how the Company generates and sustains value over the long term. As such, an independent assurance on key non-financial material issues was conducted by Itrat Hussain and Associates, Chartered Secretaries in Practice.

## **Reporting Frameworks and Requirements**

The financial statements have been prepared in accordance with the Companies Act 1994, Bangladesh Securities & Exchange Rules 2020, The Securities & Exchange Ordinance 1969, Bangladesh Secretarial Standards (BSSs), Corporate Governance Code - 2018, Listing Regulations of Dhaka and Chittagong Stock Exchange, Bangladesh Labor Law 2006 and other applicable laws and regulations of the Country.

## **Materiality of the Report**

The term materiality pertains to the importance of the information presented in this report that has the potential to impact stakeholders' decision-making. Inclusive of both financial and non-financial information, these integrated reports offer a comprehensive summary of the important issues, risks, opportunities, and challenges facing the Company. The scope extends beyond financial data to encompass environmental, social, and governance factors, empowering stakeholders to make informed choices regarding the Company's sustainability and performance.

## **Company placed greater emphasis on non-financial performance, including environmental and sustainability reporting**

## **Forward-Looking Statements**

Our Integrated Reporting includes forward-looking statements that express our prospects, characterized by the use of terms such as "might," "foresee," "anticipate," "project," "may," "believe," "continue," "will," "target," and other similar expressions. While these statements reflect our judgment and expectations for the future, various risks, uncertainties, and other significant factors could cause actual results to differ materially from our projections. These factors may include external circumstances beyond our control that could adversely impact our business performance.

## **Independent Assurance**

We ensure the independent audit of our financial statements and we are committed to ensuring the accuracy, objectivity and transparency of the information presented in this Report. As such, an independent assurance on key material issues was conducted by KPMG (Rahman Rahman Haque).

The complete independent auditors' statement, including information on the scope of work and observations, is accessible at the end of this Report.

## **Board of Directors Responsibility Statement**

The Board of Directors of Singer recognizes its obligation to the financial statements. The Board also addressed all the issues that are material to Singer's ability to create value and fairly present the integrated performance of Singer.

## **Feedback and Contact Point**

At Singer, we value your feedback as it helps us improve the quality of our reporting. Please feel free to contact us at [iro@singerbd.com](mailto:iro@singerbd.com) to provide any feedback.

## ► Chairman's Statement

**“Acquired 35-acre land at the Bangladesh Special Economic Zone to establish a state-of-the-art manufacturing facility that would produce a range of electronic products, complying with international standards.”**

**Dr. Fatih Kemal Ebiclioglu**  
Chairman



### **Dear Shareholders,**

I greet you with respect and good wishes ahead of Singer Bangladesh Limited Annual Meeting, where we will be evaluating the results of 2022. It had been a year of unprecedented challenges for the consumer electronics industry, marked by the after-effect of the COVID 19 pandemic, the global energy crisis and local currency devaluation against US Dollar associated with Russian invasion of Ukraine, extremely higher freight charges and the Chinese Zero COVID policy, which restricted the global trade and commerce.

These challenges led to reduced consumer demand, disruptions in production, supply chain, and business as a whole, and thus significantly impacted our operations. We had to navigate these difficulties carefully to ensure our business's resilience and growth. However, they also taught us some essential lessons on business continuity during times of uncertainty.

### **Business Overview**

In terms of business performance, the first quarter of 2022 went well, and the economy operated close to normal, even during the pandemic. Singer Bangladesh Limited was successful in utilizing the opportunities for growth in its sales channels during the first quarter. However, just as the economy started to regain traction after the effects of the pandemic, the crisis in Ukraine led to limit trade opportunities globally with possible spillover adversities for Bangladesh's economy, both directly and indirectly. As a result, seasonal Summer sales, Eid-ul-Fitr and Eid-ul-Adha sales were less than expected.

Therefore, the year 2022 was not favorable for the business, not only for Singer Bangladesh Limited but also for the whole world. After the World War II, the world had not faced so many crises in a single year. As a result, Bangladesh's business witnessed a more decreasing trend than expected. Despite the challenging environment, we are happy to say that we managed to maintain our growth strategy in revenue, although profitability was not as good. Our ability for adaptation and proper risk management allowed us to retain our market share.

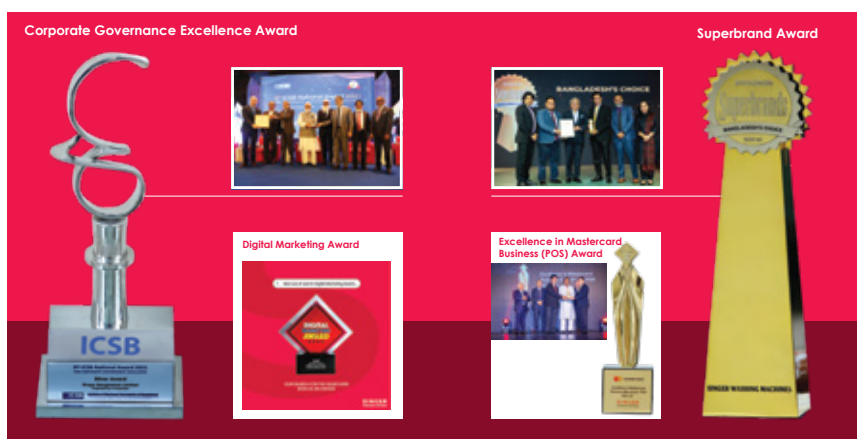
One of the major factors that influenced our business's performance was the higher inflation rate, which resulted in a shift in consumer priorities from non-consumable goods to consumable goods. This shift had a direct impact on our sales figures, which we had to respond to proactively. It had been challenging market dynamics and we had to adjust our strategies and operations accordingly. Our capability for quick adaptation and proper risk management allowed us to minimize losses in the market and maintain our market share.

Our revenue this year was Tk. 17.1 billion compared to Tk. 15.8 billion in 2021, during the post-pandemic situation, acute global economic crisis associated with the Russian invasion of Ukraine. Operating profit was Tk. 943 million which was 26.9% lower than the previous year's operating profit of Tk. 1.3 billion. Profit before tax for the year stood at Tk. 378 million which was 56.8% lower than the previous year's profit before tax of Tk. 876 million. Different aspects on 2022 results are elaborately described in the business and financial sections.

**Looking ahead**

The COVID 19 pandemic in 2020 and 2021 caused global supply chain disruptions and had a negative impact on global trade and business, resulting in increased trade costs. However, despite these challenges and the Ukraine crisis in 2022, the GDP growth in Bangladesh consistently exceeded 6%, higher than the global rate. The International Monetary Fund predicted that this trajectory would continue in the coming years. Contributing factors included the growing middle class, rising consumer spending, increasing foreign investment, and government initiatives supporting economic development.

Despite the uncertain future because of Ukraine war, we remained optimistic about the growth prospects of the



## Awards and Recognition

Singer Bangladesh Limited was the proud recipient of several awards and recognitions in 2022. The Company was awarded the National Award for Corporate Governance Excellence 2021 from the Institute of Chartered Secretaries of Bangladesh (ICSB) under the Engineering sector. Singer also received the AAA Long Term Rating from Emerging Credit Rating Agency, citing, amongst other key strengths, the Company's strong financial position, experienced management, trusted brand and quality assurance.

In addition, the Company received the Digital Marketing Award 2022 for the Best Use of Search Engine from Bangladesh Brand Forum and the award for Excellence in Mastercard Business (Merchant) - POS 2021-22 at the "Mastercard Excellence Awards 2022" from Mastercard.

consumer electronics industry in Bangladesh. Our company continued to innovate, invest in new product development, distribution, and marketing initiatives, and remained committed to our strategic objectives. As part of this strategy, we acquired a 35-acre land at the Bangladesh Special Economic Zone, popularly known as the Japanese Economic Zone at Arahazar, Narayanganj to establish a state-of-the-art manufacturing facility that would produce a range of electronic products, complying with international standards.

**Conclusion**

On behalf of the Board of Directors, I would like to express my sincerest

thanks and respect to you all our esteemed shareholders, business partners we received cooperation from during this difficult periods, devoted colleagues who supported us even under the pressure of the pandemic and our customers who stayed loyal to our brand. I am grateful for your continued support and for standing beside us in times of prosperity and adversity. We remain sincere and committed to our efforts to keep delivering better value to you.

I want to express my sincere appreciation to the management team, employees and Board members for their unwavering efforts and resilience in maintaining the Company's operations during this unprecedented pandemic situation. Your dedication allowed us to deliver greater value to our shareholders and customers. Thank you for your hard work and commitment to the success of our company.

**Dr. Fatih Kemal Ebiçlioglu**  
Chairman

January 25, 2023





## ► Management Discussion and Analysis from MD's Desk

**“Despite the challenges of the pandemic and Ukraine crises, the Company achieved revenue of Tk. 17.1 billion, representing an 8% increase. However, the profitability was not as good due to global crisis. ”**

**M. H. M. Fairoz**  
Chief Executive Officer



The past three years have been marked by significant macroeconomic challenges, primarily due to the COVID-19 outbreak and its spillover effects. While the early part of 2022 saw the economy regaining some stability and positive signs, the Ukraine crisis had an adverse effect on trade opportunities globally which had implications on the Bangladesh economy in 2022. Despite these challenges, the Company managed to achieve most of its strategic objectives for the year.

### **Business Overview 2022**

At the start of 2022, the economic conditions were favorable, and the Company was on track to achieve its projected growth. However, commencing from the second quarter, the crisis in Ukraine started to impact the global economy with ripple effect on various segments of Bangladesh's economy through constriction of trade opportunities, global supply chain disruptions and higher energy prices. During such uncertain times, typical consumer behaviour is to postpone non-essential purchases. Sluggish demand had an adverse effect on the Company's operations and ultimately its financial performance.

### **Business Performance**

The Company experienced growth in the first quarter of 2022. In response to slower than expected growth in the subsequent quarters, the Company took decisive action by launching attractive promotions to drive revenue. The Financial Highlights and Financial Review provide a summary of the Company's performance, and this report focuses only on the most significant aspects.

Despite the challenges of the pandemic and global crises, the Company achieved commendable revenue of Tk. 17.1 billion, representing an 8% increase over the previous year. However, this growth was impacted by a 12% increase in the cost of sales due to rising raw material costs, leading to around 3% decrease in the gross profit margin. The Company also experienced a 27% drop in operating profit compared to the previous year due to a 11% increase in operational expenses. As highlighted, the Company implemented several marketing initiatives which significantly increased its spending on advertising and sales promotion. Incremental showroom expenses and depreciation of right-of-use assets also contributed towards the increase in operational expenses.

All these incremental costs, impacted on the Company's profitability with profit before tax dropping to Tk. 378 million, a 57% decrease compared to the previous year's figure of Tk. 876 million. Even under difficult market conditions, the Company remained resilient in this year under review and will continue to seek opportunities for growth and improvements on its performance in 2023.

### Opportunities

Bangladesh is expected to be the next big frontier of opportunities as its per-capita income continued to grow as forecasted at US\$ 2,800 levels in a pandemic affected 2022 from US\$ 2,591 in 2021. According to the Bangladesh Bureau of Statistics, the forecasted GDP growth in 2022 was 7.2% as against 6.94% in 2021 which was well above the regional countries. IMF projected 6.5% GDP growth for Bangladesh in 2022.

Infrastructure development and implementation of mega-projects will continue to create new opportunities for businesses, boost trade and commerce, and ultimately drive economic growth. With expected visible change in people's lifestyles and resultant expansion of middle class provides us with tremendous opportunities for business growth.

Bangladesh, with its high rate of electrification in the South Asia region, already shows great promise. Further expansion in this area will, no doubt, accelerate the demand for consumer durables opening further business opportunities in our segment. Growth in 2022 showed the robustness and resilience of the Bangladesh economy. This along with the measures taken by the Government to stimulate growth provided a very optimistic outlook about the future.

Bangladesh experienced significant growth in its exports, particularly from its largest earning garment sector. The government took initiatives to diversify exports, resulting in increased exports of leather goods, pharmaceuticals, and ICT services. Bangladesh is one of the largest recipients of inward remittances from millions of Bangladeshis working overseas. All these factors played a significant role in boosting the country's economy, contributing to increased consumption and investment. These in turn, provided great opportunities for Singer to enlarge its customer base exponentially. Arcelik team with their Global exposure and reach, as

usual supported Singer in various aspects to capitalize on these opportunities and drive growth.

### Technology and Innovation

With a large number of researchers working in Research & Development (R&D) centres worldwide, innovation is at the forefront of Arcelik's efforts. As a subsidiary, this provides Singer avenues to develop and offer diverse products that meet the evolving needs and lifestyles of the consumers in Bangladesh.

The results of these efforts were already evident, as Singer Bangladesh Limited introduced a new line of refrigerators with innovative features aiming at preserving the freshness of fruits and vegetables and extending the shelf life of the products. This breakthrough technology, called "Fresh-O-Logy" and "Nutri-Lock," incorporates European design and technology enabling these products to seamlessly integrate into modern households, enhancing everyday life. Moreover, the unique features of this new refrigerator series were certified by international quality

assurance provider Intertek (UK), further expanding the Company's product profile and performance.

### Consolidation of Business

The household appliances market in Bangladesh is known for its intense competition and price sensitivity. With the impact of the pandemic and the global crisis from by the Ukraine war, along with global supply chain disruption, freight rate hikes, taka devaluation against the US dollar, energy crisis, and price hikes of essential commodities, the market became increasingly challenging. Consequently, the business environment remained uncertain from the second quarter, resulting in slow sales, high receivables, inventory buildup, increased bank borrowings and negative operational cash flows. Singer Bangladesh undertook the required measures to consolidate its business operations and maintain its position in the market.

One of these steps taken by the Company was to expand its product portfolio to cater to the diverse needs



## 2022 Overview

Singer's new state-of-the-art manufacturing facility will be built according to the gold standards of LEED. LEED is a green building certificate that is recognized all over the world. With the support of Arcelik, Singer will bring the know-how on energy efficient products and production technologies to Bangladesh. This will, in turn, assist Bangladesh to experience the transition to a low-carbon economy.

of the consumers in Bangladesh. Additionally, innovative marketing strategies were adopted to promote its products and services, resulting in an increased customer base. The collaboration with Arcelik also enabled Singer to gain access to the latest technologies and expertise in the home appliances industry to develop products that cater to the changing needs of consumers in the country. Furthermore, increased emphasis was placed to improve after-sales services.

As a result of these consolidation initiatives, the Company's financial position improved significantly. At the end of the year, the receivable position improved, inventory and bank borrowing for working capital were down to reasonable levels with resultant positive cash flows from operating activities. Overall, Singer Bangladesh Limited successfully navigated through the challenges posed by the market and emerged stronger, ready to meet the needs of its customers in Bangladesh.

**Manufacturing Facilities**

Singer continued to place strong emphasis on local value addition, which resulted in a revenue generated from products manufactured in Bangladesh increasing to nearly 52% from just 10% a decade ago. This focus on local manufacturing not only allows us to tailor products to meet local customer expectations and provide value for money but also creates job opportunities. Our plan is to increase the percentage of locally manufactured products to 90%, which will further improve profitability.

Leveraging Arcelik's robust manufacturing background and global expertise, we already improved processes at our Refrigerator, TV, and AC manufacturing units resulting in noticeable improvements in the product quality.

**New state of art manufacturing facility**

With an investment of 78 million US dollars, Singer's manufacturing facility would set a new milestone in the Electronics and Home Appliances industry in Bangladesh. This manufacturing plant spanning over 35 acres would be a flagship execution at Bangladesh Special Economic Zone in terms of its design, construction and project planning. Upon completion, it would create employment opportunities for up to 4,000 people and furthermore would develop a local supplier base which could cater to the industry well into the future thus decreasing the dependency on imports.

Singer will produce refrigerators, televisions, washing machines, air

conditioners and other major appliances in the new unit, increasing its manufacturing capacity of the company and further strengthen its market position. Sustainable, smart and the highest quality in house production processes will be implemented at this new manufacturing plant.

Singer's new state-of-the-art manufacturing facility will be built according to the gold standards of LEED. LEED is a green building certificate that is recognized all over the world. With the support of Arcelik, Singer will bring the know-how on energy efficient products and production technologies to Bangladesh. This will, in turn, assist Bangladesh to experience the transition to a low-carbon economy.

**Accounting Policies and Estimation of Financial Statements**

The process of preparing consolidated financial statements involves making judgments, estimates, and assumptions that can impact the application of accounting policies as well as the reported values of assets, liabilities, income, and expenses. The results obtained from these estimates may differ from the actual results.

These underlying assumptions and estimates are regularly reviewed, and any necessary revisions are recognized in the period in which they are made. If a revision only affects the current period, it is recognized in that period. However, if the revision affects both current and future periods, it is recognized in the period of revision as well as in future.

Details of accounting policies and estimation are set out on notes 2.5 and 38 of the financial statements.

Changes in Accounting Policies and Estimation of Financial Statements.

No changes in accounting policies or estimation in financial statements took place during the period under review.

**Comparative Analysis of Financial Performance**

The key operating and financial performances of the Company for the last six years are annexed on page 13.

**Peer Industry Comparison**

The home appliances and consumer electronics sector in Bangladesh saw some changes in terms of the number of quoted companies in recent times. Singer Bangladesh Limited had been the sole publicly listed company in this sector until September 2020 when Walton Hi-tech Industry was listed on the stock exchange. However, the operational and business models of the two companies differ significantly. While Singer Bangladesh Limited is engaged in both manufacturing and retailing, Walton Hi-tech Industry primarily focuses on manufacturing and channels its retail operations through a non-listed company, Walton Plaza. As a result of these differences, a meaningful peer industry comparison cannot be made in the absence of complete information about both companies.

**Global Economy Overview**

According to the World Economic Outlook, global growth was expected to decline from 3.4% in 2022 to 2.9% in 2023, then would rise to 3.1% in 2024, but still would remain below the historical average of 3.8% that had been experienced between 2000 to 2019. The reasons cited included increase in central bank rate to combat inflation and the ongoing Ukraine crisis. Additionally,





the spread of COVID-19 in China hampered growth in 2022, but the recent reopening has led to a faster-than-anticipated recovery. While global inflation was projected to decrease from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024, it was still expected to remain above pre-pandemic levels for some time. All these factors were weighing in heavily on Advanced economies which were expected to see a sharp decline in growth from 2.7% in 2022 to 1.2% in 2023 before rising to 1.4% in 2024, with 90% of such economies projected to experience a decline in growth in 2023.

In contrast, emerging and developing Asia is expected to see a growth to 5.3% and 5.2% in 2023 and 2024, respectively, after slowdown in 2022 attributable to China's economy. China's real GDP growth is projected to slow to 5.2% in 2023 and 4.5% in 2024, while India's growth was set to decline from 6.8% in 2022 to 6.1% in 2023 before picking up to 6.8% in 2024. Growth in the ASEAN-5 countries is projected to slow down to 4.3% in 2023 before picking up to 4.7% in 2024.

The Ukraine crisis remains a significant source of uncertainty, particularly for Europe and lower-income countries with potential increase in food prices and likely social repercussions. Global monetary agencies are projecting higher growth for developing economies as compared to developed economies; nevertheless, there still remains a high degree of uncertainty, with positive outcomes dependent on resolution of the Ukraine crisis.

### Bangladesh Economy Overview

Bangladesh which has experienced rapid economic growth, has been among the fastest-growing economies in the world over the past two decades with a stable economic performance. This has helped to reduce poverty and improve human development outcomes. However, like many other countries, Bangladesh is still grappling with the challenges posed by

the aftermath of the COVID-19 pandemic, which has slowed economic growth, increased inequality, and impacted trade opportunities. Furthermore, Ukraine crisis has already impacted on Bangladesh's economy especially in terms of energy prices. Despite the challenges, the country made commendable progress achieving GDP growth of 7.2% in 2022. In light of this, the Company remains optimistic about its growth prospects in 2023.

### Risk and Concern

The report provides an in-depth analysis of risk factors that may impact the organization's operations and strategies. The Risk Management report on page 54 presents details of these risks, their potential impact on the business, and the management strategies employed to mitigate them. It serves as a comprehensive guide for the stakeholders to understand the potential risks the organization faces and how it manages those risks to ensure continued success.

### Our Plan

Despite the challenges posed by the pandemic, Bangladesh achieved impressive GDP growth in 2021 and 2022. However, due to the global crisis induced by the Russian invasion of Ukraine, the growth of the country's GDP is projected to decrease to 5.2% in 2023, from 7.2% in 2022. Nevertheless, the World Bank has reported that the growth may increase by 1% to 6.2% in 2024. This shows the robustness and resilience of the Bangladesh economy, and the effectiveness of the measures taken by the government to spur growth.

The Ukraine crisis and the post-COVID era have created both challenges and opportunities for the consumer electronics industry worldwide, and

Bangladesh is no exception. With its large population and growing middle class, Bangladesh presents a vast market for consumer electronics. The government has also introduced various incentives and initiatives to attract foreign investment to this sector.

Planned expansion of electrification into rural areas will accelerate the demand for consumer durables. The Company plans to take advantage of these improving conditions to tap into the expanding purchasing power of the middle class by leveraging its status as the largest retailer in the home appliances and consumer electronics market in Bangladesh. Despite the uncertainty that prevails in the local and global economy, the Company remains optimistic about its growth trajectory and looks forward to accelerating its growth in 2023. The details of risk factors and management of these factors are presented on the Risk Management Report on page 54 of this report.

### Conclusion

I express my sincere gratitude to the members of the Board for their unwavering support and guidance throughout the year. The shareholders, too, deserve my heartfelt thanks for their continued trust and confidence in the Board of Directors and the Management.

Furthermore, I extend my appreciation to all our employees for their dedication and commitment, which played a crucial role on the Company's performance despite the challenging circumstances. We acknowledge their contributions to our success, and we remain committed to supporting and empowering them to achieve their aspirations.

**M. H. M. Fairoz**  
Chief Executive Officer

January 25, 2023

# ▶ Directors' Report

**Early part of 2022, the economy returning to normalcy, the crisis in Ukraine dampened the prospects of a post-pandemic recovery.**

The Directors have the pleasure of presenting to the members their annual report together with the audited financial statements of the Company for the year ended on December 31, 2022.

This report has been prepared in compliance with the Section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

### Principal Activities

The principal activities of the Company continued to be the manufacturing and marketing of home appliances, consumer electronics and furniture on cash, credit as well as other financial services available to qualified customers.

### Management Discussion and Analysis of Business

The past two years have been marked by significant macroeconomic challenges, primarily due to the COVID-19 outbreak and its spillover effects. While the early part of 2022 had seen the economy regaining some stability and returning to normal operations, the crisis in Ukraine had a limiting effect on trade opportunities in the region, which could have further indirect and direct implications for the Bangladesh Economy.

The home appliances industry was also been impacted by global supply chain disruptions, freight hikes, taka devaluation against the US dollar, energy crises, and price hikes of essential commodities. Consequently, the Company marginally shifted the increased costs to consumers, given the price sensitivity of the consumer

durables category. Sales decreased in quantity, with consumers only purchasing products that were deemed necessary due to the lingering uncertainty. The decline in exports and imports was anticipated to decrease consumption and investment demand, with increased costs of international trade affecting industries that relied on cross-border supply chains.

Despite these adversities, the Company achieved a revenue of Tk. 17.1 billion, 8.1% higher than the previous year. However, the operating profit was Tk. 943 million, 26.9% lower than the previous year, while the net profit before tax was Tk. 378 million, 56.8% lower than the previous year.

The Management Discussion and Analysis by the Managing Director and the Chief Executive Officer on page 24 provides further details on the Company's affairs and highlights important events that occurred during the year. The Financial Review on pages 62 to 65 elaborates on the financial results of the Company. These reports are an integral part of the Directors' Report.

### Property, Plant, and Equipment

During the year under review, the Company invested a sum of 585.4 million as regular addition in property, plant, and equipment. Movement in properties, plants and equipment during the year is disclosed under note 3 and Annexure-1 of the Financial Statements.

### Market Value of Freehold Properties

Freehold lands and buildings of the Company were revalued by an

Independent Assessor and the results are reflected in our Financial Statements. The appreciation in value was been credited to the revaluation reserve, after deducting taxes in accordance with IFRS regulations.

The last valuation was carried out on December 31, 2022, and the Board of Directors approved the valuation report on the valuation of properties (freehold land and building). The revaluation surplus amounted to Tk. 135 million. The details of the valuation are available in the Auditors' Report on page 92 and Note 12.1 to the Financial Statements.

The objective of this valuation was to determine the fair value of the Company's properties in the financial statements for the year ended December 31, 2022.

### Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for financial statements is given on page 67 of this report.

### Corporate and Financial Reporting Framework

in accordance with the Bangladesh Securities and Exchange Commission's Corporate Governance Code 2018, the Board of Directors is pleased to confirm the following:

### Industry Outlook and Possible Future Development

The household appliances market is highly competitive and price sensitive. In addition to the typical

## Demonstration of Compliance

### Statutory Auditors

Report Reflects a Clean Audit Outlook

### Corporate Governance Compliance Auditors

Governance of the Company is Highly Satisfactory

### Credit Rating

Achieved AAA+ Rating in long term and ECRL-1 for the Short Term Credit Ratings

business competition, the after effects of the coronavirus pandemic, the global crisis caused by the Ukraine war, global supply chain disruption, freight hikes, taka devaluation in terms of US Dollars, energy crisis, and price hikes of essential commodities created significant challenges with repercussions on the economy.

Apart from these challenges, Singer maintained its position as a leader in the industry by providing high-quality products at competitive prices and a wide range of after-sales services, taking advantage of growth opportunities in sales challenges in 2022.

Despite the uncertainty in the global economy, the government of Bangladesh was been making sincere endeavors to restore economic activities and went for different stimulus packages which would certainly help the industry to minimize the loss during the pandemic. We hope that the situation will return to normalcy in 2023 and thereby sales, as well as profitability in the post-pandemic era will be adequate.

Despite the challenges posed by the COVID-19 pandemic, the GDP of Bangladesh demonstrated sustained growth over the years, with an average rate of 7% in the recent years. In fact, during the last three years, the pandemic period, the country's average GDP rate remained above 6%, above the economic growth rates of the South Asian nations. These figures suggest that the economy is not only rebounding to pre-pandemic levels but is also poised to exceed them. The

International Monetary Fund (IMF) has projected a GDP growth rate of 6% for Bangladesh in the current fiscal year 2023.

Although the penetration levels of most the consumer durables in Bangladesh are currently low, the country's transition from a Least Developed Country to a Developing Country is expected to drive demand for such products and thus will have a positive impact on modern living, benefiting Singer products. Additionally, Bangladesh's young and expanding population, of which only 15% belongs to the affluent middle-class segment, is projected to triple by 2025, offering a sizable market for durables that offer convenience and luxury.

Moreover, Bangladesh's achievement of 99% electricity coverage, making it one of the few countries in South Asia to do so, is expected to accelerate the demand for consumer durables in the near future. As the population, electrification, and urbanization continue to grow, they are expected to enhance people's income levels,

thereby boosting their purchasing power. With our extensive presence throughout the country, we believe we are well-positioned to benefit from these growth opportunities. As a long-standing player in the home appliances sector, we are confident in our ability to leverage the country's 99% electricity coverage in 2023 and beyond.

### New state of art manufacturing facility

The Company took an investment initiative of 78 million US dollars in the Singer's new manufacturing facility. New manufacturing plant will be placed on 135,000 sqm land (35 acres) and this project will be a flagship execution of Bangladesh Special Economic Zone in terms of its design, construction and project planning. The facility will create employment opportunities for up to 4,000 people and also will develop local suppliers base who will cater to the industry in the future and thus imports will decrease in this sector. Singer's new state-of-the-art



## Directors' Report

manufacturing facility will be built according to the gold standards of LEED. Details of new project are available in the Management Discussion and Analysis on page 24.

However, the realization of these predictions depended on the duration of the pandemic and its spillover impact, as well as the resolution to the trade constraints stemming from the ongoing crisis in Ukraine. As there was no indication of a resolution to the crisis, there might be lingering uncertainty in the world economy, which could have both direct and indirect repercussions on the Economy of Bangladesh.

### Segment Information

The segment information for the purpose of evaluating performance is presented in notes 38R to the Financial Statements in this report and is consistent with the total sales value. Products were sold through our own retail sales channels, such as Singer Mega, Singer Plus, and also through wholesale dealers (Singer Pro) as well as corporate sales channels.

### Risk and Concern

Our business might also be affected by risks and uncertainties presently not known to us or that we currently believe those to be immaterial. However, the supply chain might pose some challenges if the health crisis in China persisted. Details of Risk Factors and the ways of determining how best we could handle such events are given on the Risk Management report on pages 54 to 56 of this report.

### Margin Analysis

The cost of goods sold for the year 2022 was Tk. 13.2 billion and it was 12.4 % higher than that of the previous year. The gross profit margin was 23% for the year 2022 and the previous year's gross margin was 26%. The net profit margin for the year 2022 was 0.4%. Details are discussed in the Financial Review on page 62 of this report.

### Extraordinary Events

During the period, the Company's profit after tax decreased to Taka 73 million from Taka 518 million in 2021, indicating a decline of 86% compared to the previous year. The primary reason for the decline was the aftermath of the

COVID-19 pandemic. Moreover, Russia's invasion of Ukraine dampened the prospects of a post-pandemic recovery, and economic activities remained subdued throughout the year due to the adverse impact of freight, energy, and food price shocks. These factors were further exacerbated by the significant depreciation of the Taka against the US Dollar, resulting in a substantial increase in import costs. The rise in logistic costs globally also put pressure on commodity prices.

In addition, the full-scale checking of imported refrigerator raw materials by customs, instead of sample checking and the incremental rentals of storage space had a further detrimental impact on the Company. Furthermore, the effective tax rate was much higher than the nominal tax rate due to the minimum tax provision of tax laws, which was mainly affected by the change in the sales mix between the trade goods and the produced goods, leading to a significant increase in the current tax provision.

### Related Party Transaction

The Company did not engage in any Related Party Transaction that could potentially conflict with the interest of the Company as a whole. All transactions, contracts, or arrangements with related parties, as defined under IAS 24, that the Company entered into during the year were conducted in the normal course of business. Details of related party transactions along with the

rationale for the such transaction have been disclosed in note 33 on page 111 of the Financial Statements.

### Variance within the Financial Year

There was no event of significant variance between quarterly financial performances during the year under review.

### Fairness of Financial Statements

The Financial Statements and accompanying notes are in accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020. These statements accurately reflect the Company's financial conditions, operating results, cash flows and changes in equity.

As per the Bangladesh Securities and Exchange Commission's Corporate Governance Code 2018, the Chief Executive Officer and the Chief Financial Officer have provided their declarations affirming the accuracy and fairness of the Financial Statements which are shown on page 34 of the report.

### Books of Accounts

Proper books of accounts of the Company were maintained.

### Accounting Policies

Appropriate accounting policies were consistently applied in the preparation of the Financial Statements and the accounting estimates were based on reasonable and prudent judgment.



### Application of IAS and IFRS

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in the preparation of the Financial Statements and any departure therefrom has been adequately disclosed.

### Internal Control

The systems of internal controls were sound in design and were effectively implemented and monitored.

### Shareholders Rights

The Company upholds the principle of equal shareholders' rights regardless of their shareholdings. Quarterly and half-yearly Financial Statements and annual reports are distributed to all shareholders and they are encouraged to attend the shareholders' meeting. During the Annual General Meeting, shareholders are invited to vote on the adoption of the Annual Financial Statements and the Directors' Report, the election of the Board members, the appointment of Auditors, the appointment of the Managing Director and other matters which require their participation.

### Going Concern/Forward-Looking Statement

There are no significant doubts about the Company's ability to continue as a going concern. The Board of Directors has reviewed the Company's business plan and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the Financial Statements are prepared on a Going Concern basis.

We are confident that we are in a prime position to generate stable returns and remain the industry leader, leveraging our strengths and outperforming our competitors. In 2022, we expected to roll out a new product range to cater to various segments in this emerging market.

### Significant Deviations from the Last Year's Operating Result

The significant deviations from the last year in the operating results of the Company have been highlighted in the report and the reasons thereof have been duly explained.

### Key Operating and Financial Data for the last Six Years

The key operating and financial data for the last six years are annexed on page 61.

### Dividends

#### Dividend Distribution Policy

Pursuant to Bangladesh Securities and Exchange Commission directives, the Board adopted a Dividend Distribution Policy, which was placed on the website of the Company and also on page 66 of this report.

#### Declaration and payment of dividends

Based on the performance of the Company, the Board of Directors is pleased to recommend a cash dividend @ 10 % for the year 2022. The said dividend on shares outstanding is subject to the approval of the Shareholders at the ensuing Annual General Meeting scheduled to be held on Tuesday, April 11, 2023. Based on the approval the dividend will be distributed within 30 days after the Annual General Meeting.

No stock dividend has been recommended by the Board of Directors for the year 2022.

#### Unclaimed dividends

Details of outstanding and unclaimed dividends previously declared and

paid by the Company are shown on the page 124 of this report.

### Bangladesh Secretarial Standards (BSS)

Bangladesh Secretarial Standards (BSS) issued by the Institute of Chartered Secretaries of Bangladesh (ICSB) were followed in conducting the meetings of the Board of Directors as well as those of its Committees, general meetings and also in keeping records.

Besides, the Company ensured compliance with all BSS published up to the reporting period to maintain transparency, accountability and good governance practices, thereby promoting trust and confidence among its stakeholders.

### Pattern of Shareholding

The pattern of shareholding is provided on page 41.

### Corporate Governance Compliance Report

Singer Bangladesh Limited strictly followed the good Corporate Governance principles outlined on pages 46 to 49 and complied with all Corporate Governance requirements required by the Bangladesh Securities and Exchange Commission. Corporate Governance Compliance Report is shown in Annexure-C of this report.

Additionally, to fulfill the requirements of the Corporate Governance Code

## Financial Results and Appropriations

The Directors are pleased to report the financial results for the year 2022 and recommend the following appropriations:

Particulars	Taka in '000	
	2022	2021
Profit before taxation	378,143	875,925
Less: Provision for tax	305,035	357,451
Profit after tax	73,108	518,474
Add: Unappropriated profit brought forward	1,237,798	1,593,914
Adjustment for amalgamation	-	(262,581)
Other comprehensive income	(11,588)	(17,392)
Prior year's adjustment	2,992	3,599
Profit available for distribution	1,302,310	1,836,015
Less: Appropriations (Dividend)	99,703	598,217
Unappropriated profit C/F	1,202,607	1,237,798



## Directors' Report

2018 issued by the Bangladesh Securities and Exchange Commission, Itrat Husain & Associates, Chartered Secretaries in Practice, issued the Corporate Governance Compliance Certificate which is shown on page 35 of this report.

### Contribution to the National Exchequer

During the year under review, the Company paid Taka 5,848 million to the National Exchequer in the form of corporate income tax, customs duties, and value-added taxes.

### Credit Rating

The Company achieved an AAA+ rating in the long term and ECRL-1 for the short term for maintaining a strong and stable outlook for consecutive nine years from Emerging Credit Rating Limited.

### Reserves

The total Reserves of the Company stood at Tk. 689 million, details of which are given in Note 12 and the Statement of Changes in Equity in the Financial Statements.

### Events subsequent to Balance Sheet

The Board of Directors in their meeting held on January 25, 2023, recommended 10% cash dividend for the year 2022.

### Statutory Payments

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments in relation to employees and the Government have been made up to date.

### Share Information

The authorized capital was Taka 2,500,000,000 (two billion & five hundred million) and the paid-up capital was Taka 997,028,380 (nine hundred ninety seven million and twenty eight thousand three hundred eighty). The distribution of shareholding and market value of shares are given on page 125 of this report.

Earnings per share, dividend per share and net assets per share are shown in the Financial Highlights section on page 61 of the Annual Report.

### Board of Directors

The Board of Directors of the Company possesses the essential qualifications as required by the BSEC Corporate Governance Code 2018. With outstanding academic backgrounds and extensive education, they possess the skills to make informed decisions that benefit the Company. Additionally, the Directors' extensive experience in their respective fields brings a high level of knowledge and expertise to the Boardroom. The Company's highly qualified and experienced Board of Directors ensures that it can effectively navigate the challenges of the current business landscape and seize opportunities for growth and development.

The brief profiles of all Directors including their directorship of other companies are provided in the section of "Board of Directors" of this report on the pages from 12 to 15.

### Appointment of Independent Director

The tenure of Mr. Masud Khan, Independent Director of the Company will be completed on April 27, 2023. During his three-year tenure as a Member of the Board, as the Chairman of the Audit Committee and as a Member of NRC, Mr. Khan played a great role in exactly what the governance code and Board expected from an Independent Director. According to the recommendation of the Nomination and Remuneration Committee, the Board of Directors re-appointed Mr. Masud Khan as Independent Director of the Company for another three-year term with effect from April 27, 2023 subject to the approval from Bangladesh Securities and Exchange Commission.

### Board Meetings Attendance

Name of Members	Board Position	Meetings held	Attendance
Dr. Fatih Kemal Ebiclioglu	Chairman	7	6
Mr. M. H. M. Fairoz	Managing Director	7	7
Mr. Masud Khan	Independent Director	7	7
Mr. Reazul Haque Chowdhury	Independent Director	7	7
Mr. Hakan Hamdi Bulgurlu	Director	7	7
Mr. Cemal Can Dincer	Director	7	7
Mr. Polat Sen	Director	7	7

### Re-election of Directors

Dr. Fatih Kemal Ebiclioglu and Mr. Hakan Hamdi Bulgurlu retired from the office under Article 81 of the Articles of Association of the Company. Being eligible, Dr. Fatih Kemal Ebiclioglu and Mr. Hakan Hamdi Bulgurlu have offered themselves for reelection. The Board recommends their reappointment.

### Remuneration to Directors

This information is incorporated in Notes 21.3 of the notes to the Financial Statements on page 100 regarding the "Directors Fees and Remuneration" mentioning figures concerning the remuneration of the Managing Director including fees for the Independent Directors' attendances at meetings.

### Board Meetings Attendance

The Board comprises of 7 Members of whom 2 are Independent Directors. The Chairman of the Board is Non-Executive Director. During the year 2022, seven meetings were held. The Board Members' attendance are shown below.

### Board Committee Meetings Attendance

The Audit Committee met four times and the Nomination and Remuneration Committee met three times and attendance records are shown in the Audit Committee Report and Nomination and Remuneration Committee Report respectively on page 42 and 45.

The Directors who could not attend the meetings were granted leaves of absence.

### Shareholdings of Directors and Senior Executives

Shareholdings of the Directors at the beginning of the year and at the end of the year 2022 are shown in Annexure-I of this report.

### Appointment of Auditors

- a) As per Section 210 of the Companies Act 1994, the Company's Statutory Auditors Rahman Rahman Haq, Chartered Accountants retired at the 43rd Annual General Meeting as the Auditors of the Company.

Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) order No. SEC/CMRRCD/2009-193/104/ Admin dated July 27, 2011, the retiring Auditors Rahman Rahman Haq, Chartered Accountants are eligible for reappointment as Statutory Auditors for 2023.

The Audit Committee has recommended appointing Rahman Rahman Haq, Chartered Accountants as the Auditors of the Company for the year 2023.

The Directors have endorsed the recommendation of the Audit Committee for the appointment of Rahman Rahman Haq, Chartered Accountants as the Auditors of the Company for the year 2023.

- b) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) order No. SEC/CMRRCD/2009-193/104/ Admin dated July 27, 2011, the retiring Corporate Governance Auditors Itrat Husain & Associates, Chartered Secretaries are not eligible for reappointment as Corporate Governance Auditors for 2023.

The Audit Committee has recommended appointing S. F. Ahmed & Co., Chartered Accountants as the Corporate Governance Compliance Auditors of the Company for the year 2023. The Directors have endorsed the recommendation of the Audit Committee for the appointment of S. F. Ahmed & Co. as the Corporate Governance Compliance Auditors of the Company for the year 2023.

### Human Resources

The Company considers its employees as the key factor in its competitiveness and is committed to their development. The Company ensures equal opportunities in the workplace regardless of race, religion, gender, or

when it comes to hiring, Singer values competency and strives to recruit the best workforce. The Company has a long-standing reputation for providing a great working environment and employee facilities, making it one of the leading companies in the country. Throughout the year under review, the relationship between the Management and the employees was excellent.

### Compliance with Laws and Regulations

The Company maintained a strong commitment to compliance with all applicable laws and regulations, demonstrating a responsible and ethical approach to business operations. The Management and the employees responsible for compliance remained vigilant and dedicated to uphold the Company's legal obligations throughout the reporting period. The Company's policies and procedures were designed to ensure timely and effective compliance with all relevant laws and regulations. As a result, the Company was able to maintain its reputation for integrity and adherence to ethical business practices.

### Environmental Protection

To the best of the Board's knowledge, the Company was not engaged in any activity which might prove harmful to the environment. The Company adopted the sustainable practices in the production process, using eco-friendly materials, also focusing on improving energy efficiency in its appliances, which could significantly reduce the carbon footprint of households. By prioritizing environmental sustainability, the Company fulfilled its corporate social responsibility and also created a growing consumer demand for eco-friendly products, especially for the cooling series. Details are shown in the report on Environment on page 1 & 21.

### Conclusion

The Board extends its heartfelt gratitude to the entire workforce of Singer Bangladesh Limited for their unwavering commitment and dedication, which has been

## What's next?



**Singer's new state-of-the-art manufacturing facility will be built according to the gold standards of LEED. Details of new project are available in the Management Discussion and Analysis on page ----.**



Scan to read this report

instrumental in driving the Company's success. The Board would also like to take this opportunity to express its sincere gratitude to all the stakeholders, including the shareholders, the customers, the suppliers, and the regulatory authorities, for their continuous support and trust in the Company. Their unwavering support has been instrumental in helping the Company to navigate through the challenging business landscape and to achieve its objectives.

In favour of the Board of Directors.

**M. H. M. Fairoz**  
Managing Director

**Kazi Ashiqur Rahman**  
Company Secretary

Dhaka, January 25, 2023

## Declaration by CEO and CFO

### ANNEXURE-A

[As per condition No. 1(5) (xxvi)]

January 25, 2023

The Board of Directors  
Singer Bangladesh Limited  
39 Dilkusha Commercial Area  
Dhaka-1000

**Subject: Declaration on Financial Statements for the year ended on December 31, 2022.**

Dear Sirs,

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

- (1) The Financial Statements of Singer Bangladesh Limited for the year ended on December 31, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on December 31, 2022 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours



**M. H. M. Fairoz**  
Chief Executive Officer (CEO)



**Akram Uddin Ahmed**  
Chief Financial Officer (CFO)

## Compliance of Corporate Governance

### ANNEXURE - B

# ITRAT HUSAIN & ASSOCIATES

CHARTERED SECRETARIES IN PRACTICE

## Report to the Shareholders of Singer Bangladesh Limited on Compliance of Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Singer Bangladesh Limited for the year ended 31 December 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

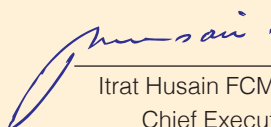
We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as Stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The governance of the company is highly satisfactory.

Dhaka, 28 January 2023



For: **Itrat Husain & Associates**

  
Itrat Husain FCMA, FCS  
Chief Executive

**Corporate Governance (Continued)**

**ANNEXURE - C**

As per condition No. 1(5)(xxvii)

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/ 80 dated 3rd June, 2018.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.1	Board Size (number of Directors - minimum 5 and maximum 20)	√		
<b>1.2</b>	<b>Independent Directors:</b>			
1.2 (a)	At least one fifth of Directors should be Independent Directors;	√		
1.2 (b)(i)	Independent Director does not hold any share or holds less than 1% share of the total paid-up shares;			
1.2 (b) (ii)	Not a Sponsor of the Company or non- connectivity with the company's sponsor or director or shareholder who holds 1% or more shares on the basis of family relationship.;	√		
1.2 (b) (iii)	Who has not been an executive of the company in the immediately preceding 2 financial years	√		
1.2 (b) (iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		
1.2(b) (v)	Not a Member or TREC, Director or Officer of any Stock Exchange	√		
1.2(b) (vi)	Not a Shareholder/Director/Officer of any Member/TREC holder of Stock Exch.	√		
1.2(b) (vii)	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(b) (viii)	Shall not be an Independent Director in more than 5 listed companies;	√		
1.2(b) (ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan/advance to a Bank or a Non-Bank Financial Institution.	√		
1.2 (b) (x)	Non convicted for a criminal offence involving moral turpitude;	√		
1.2 (c )	Appointment of Independent Director shall be by Board and subsequently approved by shareholders in the AGM;	√		
1.2 (d)	The post of Independent Director(s) can not remain vacant for more than 90 (ninety) days.	√		
1.2 (e)	Tenure of office of an Independent Director (for a period of 3 years, may be extended for 1 term only);	√		
<b>1.3</b>	<b>Qualification of Independent Director</b>			
1.3 (a)	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 (b) (i)	Business Leader who is or was a promoter or director of an unlisted company.	√		
1.3 (b) (ii)	Corporate Leader who is or a top level executive of an unlisted company having 100 million paid up capital or of a listed company.	√		
1.3 (b) (iii)	Former official of government not below 5th grade of salary			Not Applicable
1.3 (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.	√		
1.3 (b) (v)	Professional like practicing Advocate, Chartered Accountant/Cost Accountant/ Chartered Secretary or equivalent qualification.	√		
1.3 (c )	The independent director shall have at least 10(ten) years of experiences.	√		
1.3 (iii) (d)	Relaxation of qualifications of Independent Directors subject to prior approval of the Commission.			Not Applicable
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1 (4) (a)	The posts of Chairperson of the board and MD/CEO shall be filled by different individuals.	√		
1 (4) (b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company.	√		
1 (4) (c )	The Chairperson shall be elected from among the non-executive directors.	√		
1 (4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.	√		
1 (4) (e)	In absence of the Chairperson of the Board, for the particular Board Meeting, Chairperson may be elected from one of non-executive directors and to be duly recorded.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
<b>1(5)</b>	<b>The Directors' Report to Shareholders</b>			
1.5 (i)	Industry outlook and possible future developments in the industry;	√		
1.5 (ii)	Segment-wise or product-wise performance;	√		
1.5 (iii)	Risks and concerns including internal and external risk factor;	√		
1.5 (vi)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin;	√		
1.5 (v)	Discussion on continuity of any extra-ordinary activities and their implications;	√		
1.5 (vi)	Detail disclosure on related party transactions;	√		
1.5 (vii)	Utilization from public issues, rights issues and/or through any others instruments;			Not Applicable
1.5 (viii)	Explanation if the financial results deteriorate after going for IPO, RPO, Rights Offer, Direct Listing, etc.;			Not Applicable
1.5 (ix)	Significant variance between Quarterly Financial performance and Annual Financial Statements and explanation thereon;	√		
1.5 (x)	Remuneration to directors including independent directors;	√		
1.5 (xi)	Statement about fairness of financial statements;	√		
1.5 (xii)	Maintenance of proper books of account;	√		
1.5 (xiii)	Application of appropriate accounting policies and estimates;	√		
1.5 (xiv)	Application of International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) as applicable in Bangladesh;	√		
1.5 (xv)	Efficiency of Internal control system;	√		
1.5 (xvi)	Statement about the interest of minority shareholders have been protected;	√		
1.5 (xvii)	Statement about the ability to continue as going concern;	√		
1.5 (xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.	√		
1.5 (xix)	Key operating and financial data of at least preceding 5 (Five) years;	√		
1.5 (xx)	Reason for non declaration of dividend;			Not Applicable
1.5 (xxi)	Board's statement to the effect that no bonus shares or stock dividend paid as interim dividend.	√		
1.5 (xxii)	Number of Board Meetings (no. of Board Meetings held and attendance by each director);	√		
1.5 (xxiii)	The pattern of shareholding;			
1.5 (xxiii) a	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1.5 (xxiii) b	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details);	√		
1.5 (xxiii) c	Executives;	√		
1.5 (xxiii) d	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
<b>1.5 (xxiv)</b>	<b>Appointment or reappointment of a director, disclosure</b>			
1.5 (xxiv)(a)	Brief resume of the director;	√		
1.5 (xxiv)(b)	Nature of his/her expertise in specific functional areas;	√		
1.5 (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
<b>1.5 (xxv)</b>	<b>Management discussion and analysis signed by CEO or MD</b>			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes	√		
1(5)(xxv)(c)	Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons	√		
1(5)(xxv)(d)	Compare financial performance or results and financial position as well as cash flows with the peer industry scenario.	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements;	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(30) shall be disclosed as per Annexure-A;	√		

**Corporate Governance (Continued)**

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(5)(xxvii)	Report as well as certificate regarding compliance of conditions of this Code as required under condition no. 9 shall be disclosed;	√		
<b>1(6)</b>	<b>Meeting of the Board of Directors</b>			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS).	√		
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board Members and Chief Executive Officer</b>			
1 (7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC)	√		
1 (7) (b)	The code of conduct as determined by the NRC shall be posted on the website	√		
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary.			Not Applicable
2 (b)	At least 1 Independent Director of holding company also be a director of the subsidiary company.			Not Applicable
2 (c )	Minutes of subsidiary to be placed in the following meeting of holding company.			Not Applicable
2 (d)	Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.			Not Applicable
2 (e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.			Not Applicable
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
<b>3.1</b>	<b>Appointment</b>			
3 (1) (a)	Board shall appoint MD or CEO, CS, CFO, and HIAC.	√		
3 (1) (b)	The positions of the MD,CEO,CS,CFO & HIAC shall be filled by different individuals.	√		
3 (1) (c )	MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time.	√		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√		
3 (1) (e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and exchange.			Not Applicable
<b>3.2</b>	<b>Requirement to attend Board of Directors' Meetings</b>			
3.2	MD or CEO,CS,CFO and HIAC shall attend the meetings of the Board and CS, CFO & HIAC shall not attend such part of which involves their personal matters..	√		
<b>3.3</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3.3 (a)	MD or CEO and CFO to certify that they have reviewed financial statements to the best of their knowledge.	√		
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance	√		
3(3)(b)	MD or CEO and CFO to certify on due diligence in the Report.	√		
3(3)(c )	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
<b>4</b>	<b>Board of Directors' Committee- Board shall have at least:</b>			
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee	√		
<b>5</b>	<b>Audit Committee</b>			
<b>5.1</b>	<b>Responsibility to the Board of Directors</b>			
5 (i) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	√		
5 (i) (b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	√		
5 (i) (c )	Audit Committee shall report on its activities to the Board of Directors.	√		
<b>5.2</b>	<b>Constitution of the Audit committee</b>			
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5 (2) (b)	Board shall appoint members of the Audit Committee who shall be non-executive director.	√		
5 (2) (c )	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
5 (2) (d)	When the term of service of the Committee member expires, Board shall appoint new Committee member immediately or not later than 1 month of vacancy.	√		
5 (2) (e)	The Company Secretary shall act as the Secretary of the Audit Committee	√		
5 (2) (f)	Quorum shall not constitute without at least 1 independent director.	√		
<b>5.3</b>	<b>Chairperson of the Audit Committee</b>			
5 (3) (a)	The Board shall select Chairperson of the Audit Committee who will be ID.	√		
5 (3) (b)	Absence of chairperson, the remaining members may elect one of them and reason of absence to be recorded in the minutes.	√		
5 (3) (c)	Chairperson of the Audit Committee shall remain present in the AGM.	√		
<b>5.4</b>	<b>Meeting of the Audit Committee</b>			
5 (4) (a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	√		
5 (4) (b)	Quorum: presence of 2 or 2/3 members whichever is higher and 1 independent director is must.	√		
<b>5.5</b>	<b>Role of Audit Committee</b>			
5 (5) (a)	Oversee the financial reporting process.	√		
5 (5) (b)	Monitor choice of accounting policies and principles.	√		
5 (5) (c)	Internal Audit and Compliance process to ensure that it is adequately resourced.	√		
5 (5) (d)	Oversee hiring and performance of external auditors.	√		
5 (5) (e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption.	√		
5 (5) (f)	Review with the management, the annual financial statements before submission to the Board for approval.	√		
5 (5) (g)	Review with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	√		
5 (5) (h)	Review adequacy of internal audit function.	√		
5 (5) (i)	Review the management's discussion and analysis before disclosing in the Annual Report.	√		
5 (5) (j)	Review statement of all related party transactions submitted by the Management.	√		
5 (5) (k)	Review management letters or letter of Internal Control weakness issued by statutory auditors.	√		
5 (5) (l)	Oversee determination of audit fees and evaluate performance of external auditors.	√		
5 (5) (m)	Oversee whether IPO/RPO proceeds utilized as per the published Prospectus.			Not Applicable
<b>5.6</b>	<b>Reporting of the Audit Committee</b>			
<b>5.6(a)</b>	<b>Reporting to the Board of Directors</b>			
5 (6) (a) (i)	The Audit Committee shall report on its activities to the Board.	√		
5 (6) (a) (ii)	Shall report immediately the the Board on the followings:			
5 (6) (a) (ii) (a)	Report on conflicts of interests.			Not Applicable
5 (6) (a) (ii) (b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process.			Not Applicable
5 (6) (a) (ii) (c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.			Not Applicable
5 (6) (a) (ii) (d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	√		
<b>5.6(b)</b>	<b>Reporting to the Authorities</b>			Not Applicable
<b>5.7</b>	<b>Reporting to the Shareholders and General Investors</b>	√		
<b>6</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
<b>6.1</b>	<b>Responsibility to the Board of Directors:</b>			
6(i) (a)	The company shall have a NRC as a sub-committee of the Board.	√		
6(i) (b)	NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications and policy for remuneration of directors, top level executives.	√		
6(i) (c)	The Terms of Reference of the NRC shall be clearly set forth in writing.	√		
<b>6.2</b>	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an ID.	√		
6(2)(b)	All members of the Committee shall be non-executive directors.	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	√		
6(2)(d)	Board have authority to remove and appoint any member of the committee.	√		
6(2)(e)	Board shall fill the vacancy within 180 days of such vacancy in the Committee.	√		
6(2)(f)	The Chairperson of the Committee may appoint/co-opt any external non-voting expert for valuable advice.	√		
6(2)(g)	The company secretary shall act as the secretary of the committee.	√		
6(2)(h)	Quorum shall not constitute without at least 1 independent director.	√		
6(2)(i)	No member of the NRC shall receive any remuneration/advisory, other than Director's fees or honorarium form the company.	√		



**Corporate Governance (Continued)**

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
<b>6.3</b>	<b>Chairperson of the NRC</b>			
6(3)(a)	Board shall select 1 member of the NRC to be Chairperson of the Committee who shall be an independent director.	√		
6(3)(b)	Absence of chairperson, the remaining members may elect one of them and reason of absence to be recorded in the minutes.	√		
6(3)(c)	Chairperson of the NRC shall attend the AGM.	√		
<b>6.4</b>	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	√		
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting.	√		
6(4)(c)	Quorum: presence of 2 or 2/3 members whichever is higher and 1 independent director is must.	√		
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.	√		
<b>6.5</b>	<b>Role of NRC</b>			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders.	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		
6(5)(b)(i)	Formulating the criteria for qualification and remuneration of the directors and top level executives considering the following:	√		
6(5)(b)(i)(a)	Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	√		
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance.	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.	√		
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.	√		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.	√		
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement.	√		
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.	√		
<b>7</b>	<b>External or Statutory Auditors</b>			
7(1)	Issuer company shall not engage its external auditors to perform the following services:			
7(1)(i)	Appraisal or valuation services or fairness opinions.	√		
7(1)(ii)	Financial information systems design and implementation.	√		
7(1)(iii)	Book keeping or other service related to the account ion records.	√		
7(1)(iv)	Broker–dealer services	√		
7(1)(v)	Actuarial services	√		
7(1)(vi)	Internal/special audit services.	√		
7(1)(vii)	Any services that the Audit Committee may determine.	√		
7(1)(viii)	Certification services on compliance of corporate governance.	√		
7(1)(ix)	Any other service that may create conflict of interest.	√		
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	√		
7(3)	Representative of External Auditors shall remain present in the AGM.	√		
<b>8</b>	<b>Maintaining a website by the company</b>			
8(1)	The company shall have an official website linked with that of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchanges.	√		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding compliance of conditions of Corporate Governance	√		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C these attached, in the directors report whether the company has complied with conditions.	√		

## The Pattern of Shareholding

### ANNEXURE - I

Name of Shareholders	Status	Shares Held at 31 Dec'22	Shares Held at 31 Dec'21
<b>i) Parent / Subsidiary/Associate Companies</b>			
Retail Holdings Bhold B.V - (Including 20% Nonremitable Shares)	57%		56,819,337
<b>ii) Directors, Company Secretary, Chief Financial Officer, Head of Internal Audit, and their spouses and minor children</b>			
		-	-
Dr. Fatih Kemal Ebiclioglu	Chairman	-	-
M.H.M. Fairoz	Managing Director	-	-
Mr. Masud Khan	Independent Director	-	-
Reazul Haque Chowdhury	Independent Director	-	-
Mr. Hakan Hamdi Bulgurlu	Nominee Director	-	-
Mr. Cemal Can Dincer	Nominee Director	-	-
Mr. Polat Sen	Nominee Director	-	-
Mr. Kazi Ashiqur Rahman	Company Secretary	2036	-
Mr. Akram Uddin Ahmed	Chief Financial Officer	1085	-
Mr. Shahed Al Mahmud Chowdhury	Head of Internal Audit	2032	-
Ms. Arifa Salzana	W/O. Mr. Akram Uddin Ahmed	590	-
<b>iii) Executive</b>			
None		-	-
<b>iv) Shareholders Holding Ten Percent or More Voting Interest</b>			
Retail Holdings Bhold B.V - (Including 20% Nonremitable Shares)	57%	56,819,337	56,819,337

# Audit Committee Report

## Preamble

Singer Bangladesh Limited established Audit Committee in 2004. Audit Committee is a Sub Committee of the Board. In compliance with the Corporate Governance Code 2018, the Board of Directors updated the “Terms of Reference (ToR)” of the Audit Committee. The Audit Committee acts as an effective forum in assisting the Board of Directors in discharging its responsibilities of ensuring the quality of financial reporting, overseeing internal & external audit functions and internal control structure as well as making related communications to the shareholders and the other stakeholders.

## Composition and Attendance of the Audit Committee

The Committee comprises of 3 Members of whom 2 are Independent Directors. The Chairman of the Committee is an Independent Director. The Company Secretary is the Secretary to the Committee. During the year 2022, four meetings of the Audit Committee were held. The members of the Audit Committee and the attendance of the members are shown below. The Members who could not attend the meetings were granted leave of absence.

All members of the Audit Committee are financially literate having professional experience and understand & can analyze financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee.

## Meeting Participation

The Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC), Managing Director and External Auditors attend the meetings by invitation.



## Role and responsibilities of the Committee

The jurisdiction, responsibilities and specific duties of the Audit Committee have been defined in the “Terms of Reference (ToR)” of the Audit Committee in line with the Corporate Governance Code 2018. By dint of this Code, the Audit Committee is empowered to consider any matter related to the financial affairs of the Company and to review all internal and external audits, internal control systems and procedures, accounting policies, related party transactions, management letter issued by statutory auditors, determine audit fees etc. to ensure that a sound financial reporting system is in place and is well managed to provide accurate, appropriate and timely information to the Management, the Regulatory Authorities and the Shareholders as well.

## Summary of Activities

The following activities were carried out by the Audit Committee during the financial year ended on December 31, 2022.

## Financial Reporting

- The quarterly, half-yearly and annual financial results of the

Company were reviewed and the relevant announcements made to the Stock Exchanges by the Board of Directors.

- The quarterly, half-yearly and annual financial statements of the Company were reviewed before submission to the Board of Directors for approval to ensure the financial reporting and disclosures made in compliance with the relevant laws.

## Related Party Transactions

To review any related party transactions and conflict of interest that may arise within the Company, including any transaction, procedure, or conduct raising questions of management integrity.

## Report to the Shareholders

To prepare the annual Audit Committee Report and submit it to the Board. The report specifies the composition of the Audit Committee, terms of reference, the number of meetings held and attendance thereat, a summary of activities and the performance of the internal audit team.

## Internal Audit

- The annual and quarterly audit plans including the audit methodology in assessing and rating risks of auditable areas reviewed to ensure adequate scope and comprehensive coverage of the audit activities of the Company.

Name of Members	Board Position	Committee Position	Meetings Held	Attendance
Mr. Masud Khan	Independent Director	Chairman	4	4
Mr. Reazul Haque Chowdhury	Independent Director	Member	4	3
Mr. Polat Sen	Director	Member	4	4
Mr. Kazi Ashiqur Rahman	Company Secretary	Secretary	4	4

- The Internal Audit reports encompassing the audit issues, audit recommendations and the Management's responses reviewed. Improvement actions suggested by the internal auditors in the areas of internal controls, systems and efficiency enhancements discussed with Management.
- The implementation of these recommendations through follow-up audit reports was reviewed to ensure all key areas were duly addressed.

#### External Audit

- The Committee's meeting with the external auditors at the conclusion of the annual audit held in the absence of the Management and the findings following their observation, if any as well as and the Management's response thereto reviewed.
- Their audit scopes, audit strategies, audit plans and performance of the external auditors for the year as well as their proposed fees for the statutory audit reviewed.
- The Audit Committee's recommendation to the Board of Directors regarding M/S. Rahman Rahman Huq, Chartered Accountants be appointed as auditors for the financial year ending on December 31, 2023 subject to the approval of the members at the 43rd Annual General Meeting of the Company.
- The Audit Committee's recommendation to the Board of

Directors regarding S. F. Ahmed & Co., Chartered Accountant to be appointed as compliance auditors for the financial year to end on December 31, 2023 placed, subject to the approval of the members at the 43rd Annual General Meeting of the Company.

- The external audit reports were reviewed and the areas of concern were highlighted in the Management letter including the Management's responses to the findings of the external auditors.
- The statement of the related party transaction as discussed in the financial statements reviewed to ensure all parties added in compliance with IAS & IFRS.

The committee also reviewed management's decisions and analysis before disclosing them in the Annual Report with the objective that discussions and analysis represent financial statements.

#### Reporting of the Audit Committee

- Reportable to the Board of Directors on its activities periodically and liable to report to the Board immediately on the findings as described in the corporate governance code.
- (b) Reportable to the Authorities if the Board of Directors does not pay attention or ignores the findings of the Committee as per the corporate governance code.

- Reportable to the Shareholders and General Investors annually on the activities carried out by the Audit Committee during the year as described in the corporate governance code and which are disclosed in the annual report of the company.

#### Internal Control and Risk Management System

Based on the review of the effectiveness of the internal controls and the procedures established for identifying, assessing and managing risks, the Committee is of the view that adequate controls and procedures are in place to provide reasonable assurance that the company's assets are safeguarded and that the financial position of the Company is adequately reflected and disclosed.

On behalf of the Audit Committee



**Masud Khan**  
Chairman, Audit Committee

Dhaka, January 25, 2023

We embrace the love you've shown to make  
**Singer Washing Machines a**  
**Superbrand**

**Superbrands**

BANGLADESH'S CHOICE

2023-24



**SINGER®**  
Embrace Life Now

# Nomination and Remuneration Committee Report

The Board of Directors constituted the Nomination and Remuneration Committee (NRC) in compliance with the Corporate Governance Code 2018 to assist the Board broadly in formation of policy with regard to determining qualifications, positive attributes, experiences, remuneration mainly for directors and top-level executives. Nomination and Remuneration Committee is a Sub Committee of the Board.

## Composition of the Committee

The Nomination and Remuneration Committee (NRC) consist of the following:

The Committee comprises of 3 Members of whom 2 are Independent Directors. The Chairman of the Committee is an Independent Director. The Company Secretary is the Secretary to the Committee. During the year 2022, three meetings of the NRC Committee were held. The members of the NRC Committee and attendance of the members are shown below.

## Meeting Participation

The Managing Director & CEO, the Head of Human Resources and external advisers can attend for all or part of any meeting, as and when appropriate by invitation.

The Nomination and Remuneration Committee's jurisdiction, responsibilities and specific duties have been defined in the "Terms of Reference (ToR)" of Nomination and Remuneration Committee in line with the Corporate Governance Code 2018.

## Major Responsibilities of NRC

- a) Nomination and Remuneration Committee is an independent sub-committee of the Board and responsible or accountable to the Board and to the shareholders.



- b) The NRC assists the Board in the formation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;
- c) Nomination and Remuneration Committee discharges the responsibilities and oversees the functions as defined in the "Terms of Reference (ToR)" of the Nomination and Remuneration Committee in line with the Corporate Governance Code 2018.

## Activities of the NRC carried out during the reporting period

The NRC carried out the following activities during the year:

- Reviewed and recommended the compensation package of the Chief Executive Officer, Executive Directors and Senior Management of the Company.
- The Committee also reviewed the policies pertaining to the

remuneration and perquisites of the Executive Directors and Senior Management of the Company.

- Executive Performance Bonus to the Chief Executive Officer, Executive Directors and Senior Management of the Company.
- Recommended to the Board for non-resident employment.
- Recommended to the Board for appointment of Independent Director.

On behalf of the Remuneration Committee

**Reazul Haque Chowdhury**  
Chairman  
Nomination & Remuneration Committee

January 25, 2023

## Meeting Attendance

Name of Members	Board Position	Committee Position	Meetings Held	Attendance
Mr. Reazul Haque Chowdhury	Independent Director	Member	3	3
Mr. Masud Khan	Independent Director	Chairman	3	3
Mr. Cemal Can Dincer	Director	Member	3	3
Mr. Kazi Ashiqur Rahman	Company Secretary	Secretary	3	3

# Corporate Governance

The Company is committed to upholding the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission, as well as implementing the best practices in Corporate Governance. Transparency and accountability are key principles that the Company follows to safeguard the interests of its stakeholders. The Board recognizes that it acts as a trustee for all shareholders and is responsible for protecting and creating their assets.

Throughout the year, the Board remained dedicated to achieving these goals. It did so by adopting and overseeing corporate strategies, implementing sound business plans, monitoring major risks, and ensuring compliance with legal and ethical responsibilities.

Furthermore, the Board understands that a company's reputation is an asset that must be preserved. To achieve this, the Company placed uncompromising emphasis on complying with all applicable laws, regulations, and internal guidelines. Compliance is a vital part of Singer's management and corporate culture, integrated into all business processes. The Board guaranteed that the Company operated with the highest ethical standards, in the best interests of its stakeholders and the environment.

## The Composition of the Board

The Board is composed of seven members, two of whom are Independent Directors with diverse professional backgrounds and expertise. The proportion of Independent Directors on the Board complies with the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission (BSEC).

The Directors come from various businesses and backgrounds, and their extensive experience enables them to provide independent judgment on the Board, with their opinions holding significant weight in decision-making. They contribute to the Company's strategy and policy formulation, as well as maintain its performance and Executive Management.

All members possess expert knowledge of governance and compliance issues as required by the Corporate Governance Code. The profiles of all Board members are available on pages 12 to 15.

## Responsibilities of the Board

The Board is collectively accountable to the Company's shareholders as laid

down in its Articles of Association and the relevant laws and regulations. The Board directions are taken at its meetings held as per the Articles of Association. The Company Secretary calls the meetings of the Board and Board Committees, prepares the agenda in consultation with the Chairman of the Board of Directors, the Chairman of both Committees and the Managing Director. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, are circulated well in advance of the meetings. All Board members are entitled to raise other issues.

The Company Secretary is accountable to the Board for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

## The Board Committees

The responsibility for good governance rests with the Board. The Board retains certain matters at its disposal; other specific responsibilities are delegated to its principal Committees, namely the Audit Committee, the Nomination and Remuneration Committee. Each of these Committees operates within defined terms of reference.

The Chair of each Committee reports to the Board on its proceedings and minutes of the meetings are available as appropriate.

## Audit Committee

The Board's Audit Committee, consisting of three members, including two Independent Directors, is responsible for overseeing the Company's control mechanism. The Committee is led by Mr. Masud Khan, an Independent Director with a vast and impressive career in multinational companies. His extensive experience and expertise have proven to be a great asset to the Company. Additionally, all members of the Committee possess financial expertise, ensuring the Company's financial affairs are being managed efficiently and effectively.

## Audit Committee Monitors

- the integrity of the financial statements of the Company, including annual, half-yearly, quarterly and other formal announcements relating to its financial performance and reviewing and reporting to the Board on significant financial reporting issues and judgments.

- The relationship with the Company's External Auditors, including consideration of fees, audit scope and terms of engagement.
- the effectiveness and objectivity of the external audit and the Auditor's independence.
- the Company's Internal Control and Risk Management systems.
- reviewing the effectiveness of the Company's Internal Audit function.
- compliance with laws, regulations, ethical and other issues including those yet to be transferred to the Board.

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for identifying individuals qualified to become Board members in conformity with the criteria as agreed by the Board and for making such recommendations to the Board. Based on the recommendation of the Nomination and Remuneration Committee, Board finally appoints a member as elected by the shareholders in the general meeting. For this purpose, the Company strictly follows the criteria as described in the Corporate Governance Code 2018 of BSEC.

To adhere to good corporate governance practice in the Company, the Committee works for identifying Directors to be inducted to the Board from time to time and to take steps to refresh the constitution of the Board to enable the Board of Directors to discharge the responsibilities of the candidates proposed for appointment to the Board in conformity of the balance and structure of the Board.

The Committee also discharges the responsibilities of the Board of Directors relating to compensation of the Company's Executive Directors and Senior Management. The Committee is also responsible for ensuring motivation and retaining individuals of high calibre. The Committee consists of three members including two Independent Directors. Reazul Haque Chowdhury is the Chairman of the Committee. The Committee meets at least once in a year, as and when required, to consider candidates for appointment as Directors and to fix the compensation of the Company's Executive Directors and Senior Management.

### Directors' Code of Conduct

The Board of Singer Bangladesh Limited has also established a separate Code of Conduct for its Directors in compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) notification.

### Chairman and the Managing Director

As per the 2018 Corporate Governance Code, the Company clearly differentiates the roles of the Managing Director and those of the Chairman, and each position is held by a separate individual. The Managing Director does not occupy an identical position in another listed company.

The Chairman is responsible for the leadership of the Board, for ensuring its effectiveness in all aspects of its role and also for facilitating the productive contribution of all Directors. The Managing Director has overall responsibility for ensuring and enhancing the performance of the Company's business. He provides leadership to the Company to ensure the successful planning and execution of the objectives and strategies. In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Code, the roles of the Chairman and the Managing Director have been defined by the Board of Directors.

### Independent Director

The Company has complied with the notification of the Bangladesh Securities and Exchange Commission issuing Corporate Governance Code concerning the composition of the Board. Mr. Masud Khan and Reazul Haque Chowdhury being Independent Directors, are free from any business or other relationships with the Company that might materially interfere with or affects the exercise of their independent judgment. The Board believes that their experience and knowledge will enable them to provide constructive as well as an effective contribution to the Company.

The Company strictly follows the criteria for appointment of Independent Directors as described in the Corporate Governance Code 2018 of BSEC.

### Board and Committee Meetings

The Board and its Sub Committees meet regularly to discharge their duties effectively. Seven Board Meetings were held during the year 2022 and the gap between the two meetings did not exceed three months. Besides, the Audit

Committee met four times and the Nomination and Remuneration Committee met three times. Bangladesh Secretarial Standards (BSS) issued by the Institute of Chartered Secretaries of Bangladesh (ICSB) were followed in conducting the meetings as well as keeping records of the meetings of the Board and those of its committees.

### Reporting by the Committees to the Board

Each Committee regularly reports on their work to the Board. As a minimum, the report includes a summary of the matters addressed and the measures undertaken by the Committee concerned.

### Management Committee

The responsibility for the day-to-day management of the Company relies on the Management Committee. In performing this role, the Management Committee also has responsibility for monitoring the detailed performance of all aspects of the Company. The Management Committee is chaired by the Managing Director and comprises twelve key senior executives. The Management Committee, as the Company's Management Body, is committed to serving the interests of the Company and ensuring achieving sustainable growth in the Company value.

### Role of the Company Secretary

The Company Secretary is responsible for a range of activities including maintaining the Company's statutory registers, preparing and filing statutory

**Compliance is a vital part of Singer's Management and corporate culture, integrated into all business processes. The Board guaranteed that the Company operated with the highest ethical standards.**

returns and providing guidance to the Board of Directors on matters related to corporate governance. In addition, the Company Secretary facilitates communication between the Company and its shareholders, ensuring that shareholder rights are respected and promoting transparency and accountability in all aspects of the Company's operations. The Company Secretary's expertise in navigating the complex legal and regulatory landscape of Bangladesh is critical to ensuring that the Company operates in full compliance with the applicable laws and regulations, and that it is well-positioned to meet the needs of its stakeholders now and in the future.

### Responsibilities to the Customers

Our success depends, in part, on the quality of our products and also on our Broad as well as strong after-sales

### Board of Directors

#### Responsible for the overall management of the organization of our business:

- Sets standards, policies and strategic aims
- Ensures we have the resources in place to meet our objectives
- Monitors and reviews material strategic issues, financial performance and risk management. More details are available on pages 26 to 30.

### Audit Committee

- Reviews and monitors financial statements
- Oversees external audit
- Reviews internal audit plans. More details on pages 39 & 40.

### Nomination and Remuneration Committee

- Sets, reviews and recommends overall remuneration policy and strategy
- Reviews and approves remuneration arrangements for Executive Directors and Senior Management
- Makes recommendations to the Board on its composition. More details on page 42.



services. Besides, the Company maintains a country-wide marketing network and provides a wide choice of products and brands to its customers at competitive prices. Easy payment options are also available to the customers. The Company extends a warranty on its products and has made appropriate provisions to meet the warranty expenses. It maintains a countrywide network of service centres and franchise agents to facilitate product repairs. Customer grievances, if any, are handled promptly and solutions thereof are provided.

**Financial Reporting and Transparency**

Financial Statements have been prepared in line with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). Financial data is circulated as appropriate within and outside the organization. The timely publication of the quarterly, half-yearly and annual Financial Statements with comprehensive details beyond the statutory requirements has been a salient feature of the financial reporting system. The Financial Statements included in this Annual Report have been audited by M/s. Rahman Rahman Huq, Chartered Accountants.

**Internal Controls**

The Directors are responsible for instituting a system of internal controls to ensure the effective implementation of all policies and decisions of the Board. The Board ensures that the Directors maintain full and effective control of all significant strategic, financial, organizational and compliance issues. The Directors have delegated to the Management Committee the responsibility of establishing and implementing a system of internal control appropriate to the business environment in which the Company operates. The Company has an Internal Audit Department headed by the Head of Internal Audit & Compliance. The internal control system is maintained and reviewed by an internal audit function that operates throughout the Company and reports to the Management and the Audit Committee.

The work of the Internal Auditors is focused on the areas of risk to the basis of a Risk Management approach to be audited. The Company operations are also subject to be reviewed by the Corporate Internal Audit Division of the parent company of Singer Bangladesh Limited.

**Compliance with the Law**

Ethical business conduct and compliance with applicable laws and regulations are fundamental aspects of Singer Bangladesh Limited. To this end, the Company has established procedures to ensure compliance with all applicable statutory and regulatory requirements. Relevant officials are responsible for ensuring proper compliance with applicable laws and regulations and this process is being followed by the Company. The Independent Corporate Compliance Auditor M/s. Itrat Husain & Associates, Chartered Secretaries was appointed by the Board to conduct Corporate Compliance Certification as per the requirement of the Bangladesh Securities & Exchange Commission (BSEC). Accordingly, M/s. Itrat Husain & Associates, Chartered Secretaries upon examination, issued a Compliance Certificate which has been shown on page 35 of the Annual Report.

**Corporate Code of Conduct**

Arcelik's (Arcelik A. S. is the ultimate parent of Singer Bangladesh Limited) Global Code of Conduct has been adopted by the Company, as a guide for behaviours in business. As the Company continues to expand, it is important to adapt the Code to ensure that employees understand how to behave, what to pay attention to, and what behaviours to avoid. The Global Code of Conduct is designed to maintain high ethical standards and to promote a culture of transparency and accountability, as well as to outline the Company's commitment to responsible business practices such as human

rights, environmental sustainability, and social responsibilities. By adhering to the Code of Conduct, the Company demonstrates its commitment to ethical business practices and the creation of a safe and transparent workplace. The Code of Conduct is available in the Company's website [www.singerbd.com](http://www.singerbd.com).

The Company's corporate vision of "Respecting the World, Respected Worldwide" underscores its responsibility to further strengthen awareness of ethical practices and create a reliable value chain without compromising on the principle of honesty.

**Whistle Blowing Policy**

Arcelik Global Code of Conduct has included a global whistle-blowing policy for the employees of its own and of its worldwide subsidiaries in chapter 3, page 17. This policy promotes a work environment where employees are encouraged to report any instances of illegal, unethical, or fraudulent behaviour without fear of retaliation. By implementing this policy, the Company empowers its employees to speak up and address any concerns, ultimately creating a positive and ethical workplace. The Code of Conduct is accessible on the Company's website, [www.singerbd.com](http://www.singerbd.com)

**Risk Management**

A Risk Management system that operates effectively is imperative for responsible governance. Singer Bangladesh Limited's Risk Management system is tailored to meet the practical needs of our business, aiming to identify potential risks at an early stage and mitigate or control them promptly. You can find more information about our Risk Management system in the "Risk Management" section on pages 54 to 56.

**Communication with Shareholders**

Singer Bangladesh Limited values shareholder engagement and maintains open communication with them throughout the year, inviting their



participation at shareholders' meetings. The Company shares its business, financial position, and earnings with shareholders quarterly, with reports provided in the form of Quarterly Financial Statements, Half Yearly Financial Statements, and the Annual Report. The letter is considered the Company's primary communication with its shareholders and other stakeholders.

Additionally, the Company publishes its quarterly and half-yearly results in newspapers. Shareholders receive their Annual Reports in digital format, which are sent to the email addresses provided in their beneficial owner (BO) accounts with the depository. The Company also prints sufficient copies of the Annual Report to fulfill requests from shareholders who prefer a hard copy. These reports are available for collection at the registered office of the Company or its Investors' Relation Department by request in writing. Furthermore, the reports can be accessed on Singer Bangladesh Limited's website at [www.singerbd.com](http://www.singerbd.com).

## Shareholders' Information

### The Company

Singer Bangladesh Limited (the Company) was incorporated in Bangladesh as a private limited company on September 1979 under the Companies Act 1913. It was converted into a public limited company in 1983 when it offered its shares to the public with the requisite permission from the Government. It has been a direct subsidiary of Retail Holdings Bhold B.V., The Netherlands since 2003. The shares of the Company are listed with the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited. The address of the registered office of the Company is 39 Dilkusha Commercial Area, Dhaka 1000, Bangladesh.

### Concentration of shareholding

The overall performance and direction of a company are greatly influenced by the composition of its Board of Directors. In case of the Company, it is worth noting that none of its Board Members hold any shares in the Company. The Board of Directors consists of seven Members; four are nominated by the shareholding institution; the Managing Director serves as an Ex-officio Member; and also there are two Independent Directors. This composition implies that the Board is likely to prioritize the Company's interests over personal gain.

### Split and Bonus Issue

In 2010, shares of Taka 100 each of the Company were subdivided into shares of Taka 10 and accordingly, the current face value of the shares is Taka 10 each. Detail of bonus shares is provided on page 122.

## Transfer to Capital Market Stabilization Fund (CMSF)

Pursuant to the applicable provisions of the Capital Market Stabilization Fund Rules 2021 and subsequent directives of Bangladesh Securities and Exchange Commission, all unclaimed dividends of the Company were transferred to the Capital Market Stabilization Fund after completion of three years from the date of the Annual General Meeting. Details are in page 124.

### Unclaimed Dividend

During the year 2022, the Company transferred unclaimed fraction amount of Stock Dividend for the year 2018 of Taka 125,773/- to CMSF. Details of shares shareholders in respect of which cash dividends were not claimed are provided on the website of the Company.

### Shares transferred to CMSF

As per CMSF Rules, the shares in respect of the stock dividend which has not been claimed by the shareholders for more than three years are also transferred to the CMSF Authority. During the year 2022, the Company transferred 170,261 shares (stock dividend for 2018) in accordance with CMSF rules. Details of shares of the shareholders in respect of the stock dividend which were not claimed are provided on the website of the Company.

### Claim of Unclaimed Dividend transferred to CMSF

The shareholders may note that both the unclaimed dividend and corresponding shares transferred to CMSF, including all benefits accruing on such shares, if any, can be claimed from CMSF with the recommendation of the Company. No claims shall lie against the Company in respect of unclaimed dividend amounts and shares transferred to the CMSF.

### Annual General Meeting

The Board considers the Company's AGM as the main means of communication with the shareholders and welcomes their participation. The Annual General Meeting normally takes place within the first five months of each fiscal year. Among other things, the Annual General Meeting decides the adoption of annual Financial Statements and the Directors' declaration in the Directors' Report, the election of the Board members and the appointment of the Auditors. All shareholders are entitled to attend the AGM, at which the Board members are present. The Board views the AGM as a good opportunity to meet with its shareholders. All shareholders present can question the Chairman, the Committee Chairs and the rest of the Board during the meeting.

In view of the continuing COVID-19 pandemic, the Bangladesh Securities and Exchange Commission permitted the holding of the Annual General Meeting through digital platform to vide directive No. SECSRMIC9-23191 dated March 31, 2021 without the physical presence of the Members at a common venue. In compliance with the provisions of the BSEC directive, the AGM of the Company is being held through digital platform. For details, please refer to the Notice of the 43rd AGM.

### e-Voting before/during the AGM

Pursuant to the provisions of the Bangladesh Securities and Exchanges Commission notifications, the Company is providing the facility of e-Voting to its Members in respect of the business to be transacted at the AGM. The members of the Company holding shares either in physical form or in electronic form as on the record date February 16, 2023, may cast their vote by e-Voting. A person who is not a member as on the Record date should treat this notice for information purposes only.

### Independent Scrutinizer

An Independent Scrutinizer has been appointed to oversee the e-voting process of the AGM. Their responsibilities include verifying the authenticity of the votes and preparing a report to be submitted to the Bangladesh Securities and Exchange Commission.

### Company's Corporate Website

The Company's website is a comprehensive reference on Singer Bangladesh Limited's management, vision, mission, investor relations, sales network, products, promotions, and events. The section on Investors' Relations serves to inform the investors/shareholders/stakeholders. The members can access the details of the Board, the Committees, policies, financial information, statutory filings, shareholding information, details of unclaimed dividends and shares transferred or liable to be transferred to CMSF, frequently asked questions, etc. In addition to information, the Company regularly publishes through newspapers and its website at [www.singerbd.com](http://www.singerbd.com) additional company information including information regarding the Company's management, investor relations, marketing network, product range and other information which is uploaded regularly.

The Company has complied with all the mandatory requirements of the Companies Act 1994, Securities and Exchange Commission Rules 2020, Corporate Governance Code 2018, listing regulations, related laws and disclosures on compliance with Corporate Governance requirements specified therein.

# ► Recognition for 2022

## Corporate Governance Excellence Award



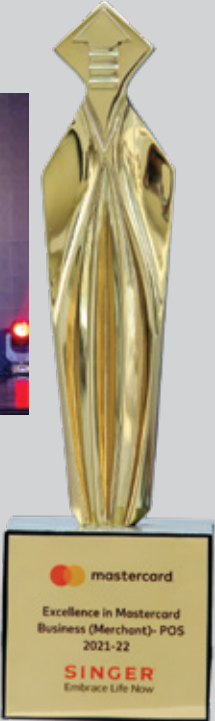
## Digital Marketing Award



Superbrand Award



Excellence in Mastercard Business (POS) Award



# 2022 at a Glance



## 1<sup>st</sup> Quarter (January, February, March)

- Board, Audit Committee and NR Committee Meetings held.
- Board approved the budget for establishing a new manufacturing facility to increase manufacturing capacity.
- Introduced European Technology in new Refrigerator range in 230L and 260L series.
- Held Sales Conference.
- New 23L Capacity Solo Oven (Microwave Oven) launched.
- New Series of Cooling Inverter Range Air Conditioner introduced.
- Singer Plus Shops in Gulistan, Kalabagan, Rajshahi, Jamalpur, Lalmonirhat, Baipail, Rohonpur Framgate, Mohammadpur renovated.
- Singer Plus Shops in Nitaiganj, Ibrahimpur, Khulna, Chittagong, Cumilla, Rikabibazar, Bagerhat, Keranigonj, Tarash, Barishal, Rokeya Shoroni, Chatkhil relocated.
- Singer Plus Shops in Chatak, Polash, Motbaria, Kotiadi extended.



## 2<sup>nd</sup> Quarter (April, May & June)

- Annual General Meeting held through Digital Platform.
- Board and Audit Committee Meetings held.
- Supported BIDA in organizing Bangladesh Investment Roadshow in Istanbul, Turkey in association with BIDA with the support of Arcelik A. S.
- Signed agreement with Bangladesh Special Economic Zone (BSEZ) for the acquisition of 35 acre land in the at Arahazar, Narayamgonj for the new factory.
- High end features like Voice Control, Control from Distance and Smart Connectivity introduced in Smart Air Conditioner Range with 1, 1.5 and 2 Ton.
- Inverter AC with Color Panel introduced with 1, 1.5 and 2 Ton.
- Introduced 32" Frameless Official Android 11 Smart TV.
- Launched new capacity in 30L Solo Oven, 30L Convection Oven with Air-fryer feature.
- Singer Plus Shops in Pabna, Rawjan, Jhalokati renovated.
- Singer Plus Shops in Golachipa, Hathajari relocated.



## 3<sup>rd</sup> Quarter (July, August & September)

- Board, Audit Committee and NR Committee Meetings held.
- Ground breaking for construction of new factory.
- Microwave Oven - 25L Solo Oven (replacement model) launched.
- Singer Plus Shops in Tilpapara, Putiya, Kapashia extended.



## 4<sup>th</sup> Quarter (October, November & December)

- Board and Audit Committee Meetings held.
- Received 9th ICSB Award for Corporate Governance Excellence 2021.
- Digital Marketing Award 2022 for the Best Use of Search Engine from Bangladesh Brand Forum.
- 2 Hair Dryer and 3 Hair Straightener introduced in the new personal care category for youth segment.
- Introduced 32" & 43" Frameless Smart TV.
- Introduced 24" Updated TV.
- Launched a new range of Laptops with 12th Generation Intel Processor.
- Singer Plus Shop in Bogra extended.

# Statement of Value Added

	2022 Taka	2021 Taka
Turnover - Gross	17,096,690,423	15,812,989,406
Other Income	181,998,785	58,990,020
	<u>17,278,689,208</u>	<u>15,871,979,426</u>
Less: Cost of Materials & Services	9,356,300,438	8,098,319,042
Value Added	<u><b>7,922,388,770</b></u>	<u><b>7,773,660,384</b></u>

## Distribution of Value Added

### To Employees and Dealers

Salaries, Commission and other Benefits	1,269,621,528	<b>16%</b>	1,155,445,504	<b>15%</b>
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### To Government

Income Taxes, Duties and Value Added Tax	5,848,300,541	<b>74%</b>	5,585,055,367	<b>72%</b>
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### To Banks and other Lenders

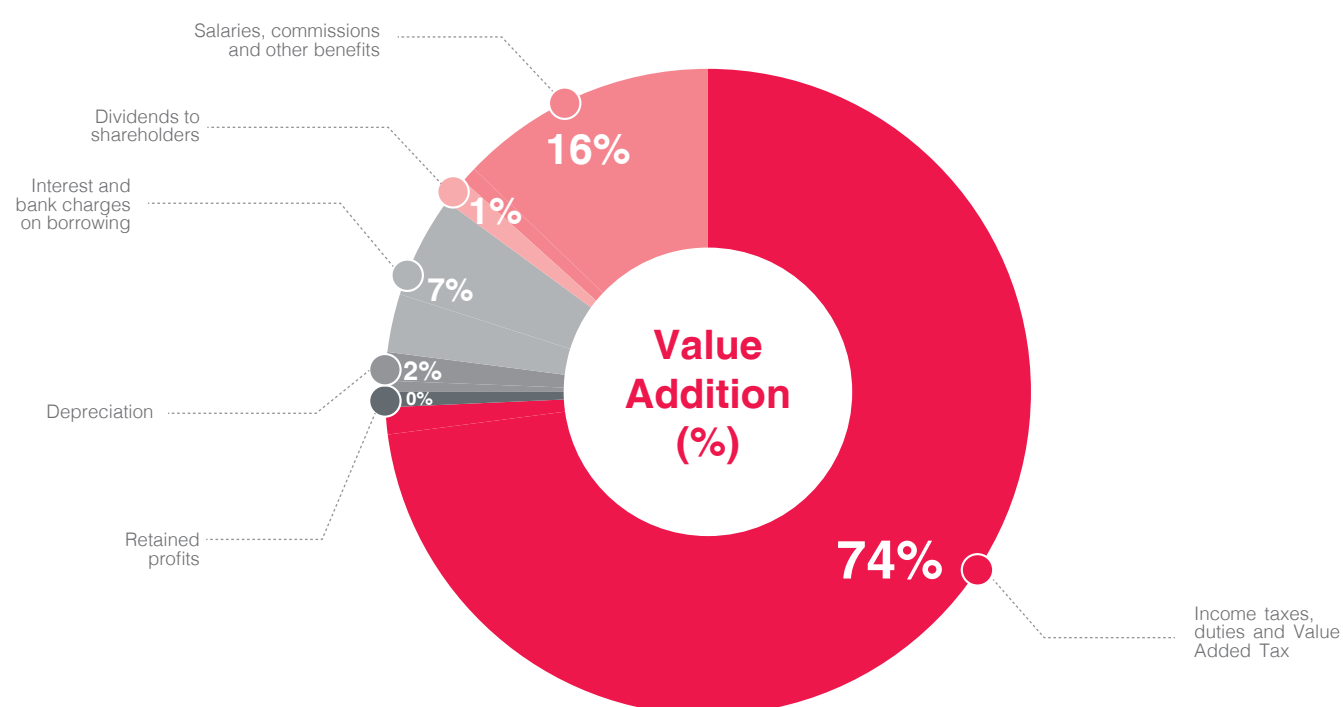
Interest & Bank Charges on Borrowing	544,544,830	<b>7%</b>	376,430,601	<b>5%</b>
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### To Suppliers of Capital

Dividends to Shareholders	99,702,838	<b>1%</b>	598,217,028	<b>8%</b>
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### Retained for Reinvestment and Future Growth

Depreciation	193,760,289	<b>2%</b>	138,254,491	<b>2%</b>
Retained Profits	(33,541,256)	<b>0%</b>	(79,742,607)	<b>-1%</b>
	<u><b>7,922,388,770</b></u>	<b>100%</b>	<u><b>7,773,660,384</b></u>	<b>100%</b>



# Risk Management

The Risk Management process designed in Singer Bangladesh Limited is based on the effect of risks or uncertainty on objectives which is measured in terms of likelihood and impact. Risk management is the process of applying a practical, rational and systematic method of identifying, evaluating, treating, monitoring and communicating risks associated with any activity, function or process that may help to counter threats to an organization's capital, profitability, and stability.

Risks and uncertainties are the part of every business. But these aspects intensified many folds during unprecedented geopolitical scenario developing worldwide now (after COVID-19 onslaught) like Russia-Ukraine war, reserve currency crisis, soaring inflation, interest rate hike, national savings decline and global supply chain issues etc. Moreover, doing business in a highly competitive market also poses different types of risks that may hamper bottom line badly.

The company maintains a system of risk management and internal control aimed at protecting the investments of the shareholders and the assets of the company. This system is designed to identify, evaluate, and manage risks that may interfere with the company's objectives. Risks cannot be completely eradicated, and therefore, are a part of any business. The system is therefore reasonable, not absolute, providing assurance against material errors or damages. Risks are unavoidable and, therefore, must be dealt with in order to minimize their effects. The first step in managing risks is to identify the risks involved in coming up with a Risk Management strategy.

Significantly, SBL's risk management framework is bound by our Code of Conduct, the ethical standards that the Board as well as the employees, agents and others working across our organization must adopt. The framework is designed to manage rather than eliminate the risks of failures to achieve business goals and therefore, can only provide reasonable and complete assurance against material impacts or losses. The overall Risk Management process is summarized as follows:



## Identifying Threats:

The first step in Risk Analysis is to identify the existing and possible threats. These threats can come from many different sources. The purpose of the risk identification process is to ensure that all potential risks are identified. A list of potential risks is prepared by citing relevant business critical information from various reporting lines and considering various non-financial factors related to the current political and economic situations.

## Categorizing & prioritising risks:

All the identified risks are divided into categories i.e. Internal risks, Strategic risks & External risks to create a structure that ensures every risk is responded and every opportunity is exploited within an appropriate level of efficiency and quality.

The potential risks are prioritised based on the likelihood and impact on the Company's current and future prospects.

## Designing possible solutions:

Business risks can impact a company's bottom line and its reputation among consumers, and Risk Management plans can help mitigate them. Avoidance and contingency plans are prepared by establishing controls at different levels of business and also by deciding various strategies to embed the culture at all levels of employees.

## Recommendation & Implementation:

The responsibility for implementing the planned system is assigned to various departmental heads who take all the necessary initiatives for the implementation of the designed system.

The Management always monitors the effectiveness of the designed systems through receiving various reports from different departments and if necessary, then reanalyzes those reports.

The Board's choice of strategies in managing risks is affected by the following factors:

**Risk attitudes of the Directors:** The Board of Directors, through their risk oversight roles, ensure that the Risk Management policies and procedures designed and implemented are consistent with the Company's strategy and risk appetite. The Board also remains aware of the nature and extent of the Company's principal risks. And they constantly evaluate their risk attitudes based on different scenarios. They basically maintain a right balance between risk aversion and risk taking attitude as the situation demands.

**Risk attitudes of other stakeholders:** The Board considers the views of major shareholders and investors before establishing an effective risk strategy, on the theory stipulating "Directors are Shareholders' eyes and ears on risks".

**Risk capacity:** The Company's risk capacity is determined by considering

the sustainability in the worst case scenario and its available resources towards the achievement of the desired business objectives.

**Risk appetite:** All the above factors contributed towards the establishment of proper risk appetite for the current business environment.

**Upside risks:** A risk not only threatens; it also presents opportunities. An upside risk is an example of a positive risk, or the chance that might achieve much of a good thing. The upside risks are managed just as much as the downside risks. For example, the Company accepts some uncertainties in order to gain better benefits and higher rewards associated with higher risks. Risk Management is used to identify risks associated with new opportunities leading to an increase in profitability and maximized returns.

**Operational Risks:** This risk profoundly depends on the human factors. An operational risk addresses the risks associated with fraud, forgery, unauthorized activities, errors, omissions, system failures and external events among others. Field Supervisor's Checklist, Credit Inspection Report, Hire Financing Documentation Checklist etc. were in place covering all probable risks associated with Company's business and operations. Audits and frequent inspections were conducted to ensure that all operational risk strategies were being properly followed.

**Business Risks:** There are numerous factors that influence the Business risk which, includes sales volume, per-unit price, changes in demand, competition, overall economic conditions and changes in government policies, technologies, etc. Singer recognizes that good information is the key to forecasting, evaluating and managing such risks.

**Technological Risks:** Technology is a key business enabler and requires an appropriate level of control to ensure that the most significant technology risks are effectively managed. The Company has implemented ERP system. Most of the business units are being operated under ERP. All transactions including inventory management are available in Singer

Information. In this era of highly changing environment of IT, the Company has implemented numerous types of information security controls to ensure physical and virtual security to the critical information and information systems. In addition, the Company is considering to implement SAP software to enhance control and to ensure better operational management.

**Foreign Exchange Risks:** The Company is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risks arise from the future commercial transaction, recognized assets and liabilities. To get the competitive exchange rate towards the management of foreign exchange risks against the functional currency, the commercial department deals with several banks for each transaction. This year, we observed an abnormal FOREX situation which was prompted by interest rate hike of the US Federal Reserve; as a result, USD became the most gainer currency worldwide and most of all other currencies across the world were devalued. No exception for Bangladeshi Taka too as it was devalued by more than 20% during this year. Though it had an adverse impact on our import based operation, our promptly planned actions and previous stock of raw materials and goods helped us to reduce the impact of this situation. The Management continuously observed the global and local economic environment and formulated the strategy by adjusting with the changed scenario.

**Price Risks:** A price risk represents the risk when the fair value of future cash flows of a financial statement fluctuates because of a change in market prices. The Finance department estimates the product cost and the Marketing department, on comparing other similar industries, determines the market price of a product after adding reasonable profit to make it competitive. It was difficult to secure profitability this year due to increased cost related to imports and commercial expenses, unfavourable forex market and other related operating expenses. The Management analyzed the market situation time to time and tried to maintain the product price levels at competitive prices so that sale wouldn't

## **Singer's risk management framework is bound by the Code of Conduct, the ethical standards that the Board as well as the employees and others must adopt.**

be hampered. Nowadays, price updating is a routine process due to changes in the market situation to secure the Company bottom line.

**Political Risks:** Though political environment was overall stable; it would likely create few impacts on the businesses this year since the national election is due in the coming year. However, Singer Bangladesh is familiar with political instabilities inherent here in this country and this year also it was no surprise. Our Risk Management process was robust and adequate measures were in place to manage such risks. Our experienced management staff ensured that the best utilization of the outlet operational hours was made during this crisis and proper marketing as well as promotional initiatives were already in progress to cover up the short fall of revenue because of those risks.

**Products:** Products may prove defective or inappropriate for the market in terms of price, functionality or perceived value. They are also liable to be rendered obsolete. In addition, price competitions, availability of variety of products and change of customers' choices also have an exposure to indirect product risks. A thorough market research and feedback from field supervision is always obtained in case of placing an order for a new product and the quality control checking as well as the product assurance system is already implemented before launching a new product. For existing products, the experienced SBL Management team has always ensured a right determination and evaluation of the product life cycle. Risks associated with product obsolescence are mitigated by provisioning for obsolete products. Provisioning also deals with risks arising out of warranty claims and



## RISK MANAGEMENT

doubtful debts. A bunch of newly featured models and designs were added to each product line which, we wish, would definitely continue to lead the market in future. But USD crisis and repeated Corona Virus surge in the global supply chain hub like China brought a twofold challenge for the Company to keep sufficient products available in the outlets; However, this challenge was managed through proper planning and teamwork. Our robust manufacturing process and efficient planning were also in place to enable this kind of situation in favour of the Company. New investment in the manufacturing expansion could also be a game changer for the Company to create a favourable situation by supplying quality new products.

**Interest Rates:** The government of Bangladesh withdrew the interest cap recently which might increase the interest expenses in future. Increase in interest rates impacts the Company's earnings, cash flow and overall value and affects product pricing, customer credit arrangements and the Company's profits. The Company's financial strength and brand equity gave it access to funds at attractive rates, further reducing interest rate risk. The exposure of high interest expense from fluctuating interest rates was managed through ensuring a right balance between short and long term borrowings.

**Cash Flow and Fair Value Interest Rate Risks:** As the Company had no long term interest bearing assets or liabilities, the Company's income and operating cash flows were substantially independent of changes in market interest rate. However, operating cash flow was affected to some extent by the interest rate of short-term overdraft facility. In order to secure low cost interest rates, overdraft facility management entrusted separate department to negotiate with treasury function while execution lay with other departments in terms of investment and utilization. This year, an effective cash flow management was a testimony to the efficiency of our Management to secure the considerably improved cash flow than the previous periods in this adverse economic condition.

**Credit Risks:** A credit risk represents the risk in which one counter party to a

financial instrument causes a financial loss to the other party by failing to discharge a contractual obligation. Credit risks mainly arise from trade debtors, advances and prepayments. A credit risk is managed in combination of supervision by field management and supervisory team consisting of credit and finance departments. Credit management reports are prepared based on various aspects of credit operation in order to monitor and follow up credit performances. The report facilitates early identification of risks and thus, it allows the Management to step in time with necessary actions. Credit business was badly affected by the 2nd wave of COVID-19 pandemic and arrearage increased significantly in the last several months of 2021. The Russia-Ukraine war increased the number of NPLs in the country after the Covid pandemic. This had a similar impact on our HP Credit customers. Customers were having trouble paying regular installments. However, it was managed remarkably by applying timely strategies including daily basis follow up, nationwide increased collection initiatives and timely credit promotions to customers to realize the dues that helped the Company to reduce the exposure.

**Liquidity Risks:** A liquidity risk is the risk where an entity is not able to honour its financial obligations as they fall due. In order to meet financial obligations timely, access to sufficient short term credit was kept ensured round the year. Lower borrowings were utilized as opposed to available higher credit limits. Considering the forego and the fact that the Company was in a positive working capital position as of the year end, the Management considers the liquidity risk to be low.

**Risk Management in special scenario:** Russia-Ukraine war followed by the COVID-19 pandemic created an unprecedented and highly vulnerable environment in the global economy and businesses. No one knew how far the war would go and how / when it would stop. This created many difficulties for the developing countries like dollar crisis, inflation, savings crunch, interest rate hike and enormous sanctions / barriers on global free trade and businesses. All of those had direct impact on credit business, supply chain

specifically import, sales, cash inflow, arrearage and overall operations. During this year, ensuring timely shipping and availability of imported products & raw materials was a big challenge for every business with no exception for SBL too. However, based on the adage with every obstacle there comes a solution', the Management took in every possible way through managing time, adapting right business policies, sales strategies and supply chain methods according to adverse situations. Putting emphasis on reducing imports, reducing the length of cash operating cycle, increasing local purchases and production were the ways and means to overcome those issues.

**Caveat:** With general risks and all other categories of risks discussed above, it might be deemed that the Company was in almost safe and risk free position during the year under review. In addition, the best that could be achieved was the reasonable management of the risk to which the Company was exposed through a sound management process based on most accurate, timely and comprehensive management information available.



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 **Free Home Delivery & Installation**  
\*Conditions Apply

 **After Sales Service**

# Human Capital

Singer Bangladesh Limited's competitiveness hinges on its employees who bring their beliefs, talents, diverse backgrounds, and knowledge to the table, thereby securing its position as the market leader in the consumer durables industries. The Company's success is a result of the employees' passion, expertise, and performance, along with the senior management team's excellence. This mindset is reflected in Singer's business philosophy, which places a high priority on human resource development.

Singer recognizes the importance of investing in its employees' development and well-being, and as such, provides them with ample training and growth opportunities in a supportive work environment. The organization's goal is to build a sustainable and Future Fit enterprise. To achieve this, Singer, with the support of Arçelik, is working on enhancing the talent review and development process and the culture development programme.

## Strategy

Singer is committed to achieving its growth plans and goals by focusing on both internal and external recruitings, as well as enhancing the competencies of its current employees through a comprehensive management development programme. The Company's strategic efforts include recruiting and retaining a skilled workforce, identifying and nurturing a robust pipeline of talented individuals, building capabilities, fostering employee engagement, and supporting employees in achieving their career objectives.

To attract the best candidates, Singer leverages various channels such as job fairs, employee referrals, campus activation programmes, the Fresh Start

Internship Programme, and forms the open employment market.

Singer also provides its employees with ample training and development opportunities to upgrade their knowledge and skills, thereby empowering them to advance in their careers. The Company fosters a positive work environment that encourages open communication channels and regular feedback to promote employee engagement.

Furthermore, Singer has established strategic succession planning at all levels and evaluates performance to nurture and enhance talent development. The Company is committed to keeping highly competent personnel and improving employee productivity

## Performance Management

We have implemented a weighted base target with a defined timeline for each employee, allowing us to track real performance results and efficacy. We provide and assist our employees with customized development programmes, both on and off the job, based on strategic growth plans, and we assure an unbiased assessment.

## Learning & Development

Singer places a strong emphasis on employee skill development programmes. As a part of Arçelik, we prioritize cultivating a growth mindset and enhancing employees' competencies and performance. The Company offers various learning and development opportunities to help employees to stay current with the industry trends and the best practices, thereby enabling them to perform their roles more effectively and contribute to the overall success of the organization. In recognition of the ongoing nature of learning and development, we have

prioritized the provision of virtual learning facilities to ensure that employees can adapt promptly to changes in the world. In 2022, we held a total of 405 training sessions, with 10,285 participants. To make training content more accessible for our front-line sales team, we have introduced an android-based learning management system. Our training programmes, including our adaptation to the new normal in business, have equipped us to face these challenging times with increased competence

## Compliance

As a responsible company, we understand the importance of providing for our employees' future financial security. Therefore, we ensure compliance with all relevant provisions regarding provident funds, gratuity fund, and workers profit participation and welfare fund. We regularly review and update our policies and procedures to ensure that we remain compliant with all applicable laws and regulations and that our employees receive the best possible benefits package.

We have a strict zero-tolerance policy regarding child labour and never employ underage workers. All appointments and contracts adhere to Bangladesh Labor law. If disciplinary action is necessary, we follow all legal procedures to safeguard workers' rights.

## Working Environment & Industrial Relations

Singer Bangladesh Limited has a long history of creating and maintaining a positive working environment and industrial relations. The Human Resources Department functions as a resource for employees, providing guidance, counseling, and support in resolving any conflicts that may arise. Singer places great importance on



fostering long-term relationships with its employees, which is reflected in our lower turnover rate.

### Equal Employment Opportunity

Singer promotes for equal opportunities for people of all races, religions, genders, and ages in the workplace. We prioritize competencies when recruiting top talent. Singer is one of the country's premier companies in terms of workplace environment and employee benefits. We strive to provide a healthy and positive work environment for all employees, regardless of gender.

### Branding as an Employer

To attract and retain top talents in a competitive job market, Singer places great importance on employer branding. By establishing a positive reputation as an employer, the Company can appeal to the best job seekers, differentiate itself from competitors, and improve employee engagement and satisfaction. Singer participated in job fairs at renowned universities in Bangladesh, where numerous job seekers and students expressed their interest in working for Singer. With this initiative, Singer successfully attracted over 7,500 candidates through seminars at the top universities for the Fresh Start Internship programme. Singer has earned a significant number of people interested in joining the Company, leading to improved productivity, increased employee loyalty, and a stronger competitive advantage in the market.

### Recognition and Motivation

Singer is committed to developing fair remuneration and benefit programmes for all of our employees. We provide qualified employees with recognition, monetary and non-monetary rewards, and other intangible benefits to increase their motivation and performance.



The Company consistently acknowledges employee contributions and presents long service awards to those who have been with the organization for over a decade. We have introduced a Reward and Recognition Policy to formalize the process, which involves evaluating employees based on specific criteria before awarding and honouring them.

### Women Empowerment

Singer is committed to promoting gender balance in our workforce and empowering women throughout our entire value chain. We organize workshops on women's empowerment and self-confidence to maintain a healthy and safe workplace. We aim to reduce the gender gap in overall employment by increasing the number of women in the management and operational roles, with two important positions currently led by women. We hold specialized events for women as part of our efforts to strengthen their positions in the organization.

Singer actively encourages female employees to participate in the workplace and supports them in their career progression.

### Occupational Safety & Health

Singer considers employees to be our most valuable assets, and their safety is our top priority. We are committed to implementing all necessary health and safety measures to reduce health risks and prevent workplace accidents. Although accidents can be unpredictable, Singer employees are trained to respond quickly in case of emergency. Regular fire drills and safety training events are conducted to increase employees' awareness and preparedness to handle any disasters.



## Singer is committed to promote gender balance in the workforce and empowering women throughout the entire value chain.

We aim to foster a culture of Zero Accident mindset throughout the Company, emphasizing on the importance of safety in all aspects of our operations.

### National days

The observance of national days is not solely a matter of cultural and historical importance, but also provides an opportunity for companies to showcase their commitment to the nation and society. Singer Bangladesh Limited has taken part in this tradition by observing several important days, including Independence Day, Victory Day, International Mother Language Day, National Mourning Day, and International Women's Day as a part of its corporate social responsibility. These days are celebrated through various events, such as flag-hoisting, speeches, and prayers to honor the heroes whose sacrifices made it possible for us to live in a free and independent Bangladesh.

### Responses to COVID-19

During the pandemic, the Company prioritized employee well-being amidst business instability and uncertainty. The first step taken was to ensure employee safety and health in all parts of the organization. The approach "people over business" was adopted for the resumption of services such as offices, manufacturing units, showrooms, warehouses, and service centres. Remote working was encouraged until the situation returned to normalcy. The Company followed Arcelik HR Team guidelines to ensure employee safety and implemented safety protocols, including deep cleaning, disinfection, and fumigation of the premises. Periodic reviews were conducted to handle COVID-19 related challenges and to ensure the safety of the employees and the customers.

# Bangladesh Investment Seminar, Istanbul



We take pride in our participation in Bangladesh Investment Seminar that took place in Istanbul, Türkiye on June 20, 2022. This important event, organized jointly by the Bangladesh Investment Development Authority (BIDA), the Bangladesh Embassy in Türkiye, and the Bangladesh Consulate in Istanbul to attract more Turkish investment to Bangladesh.

Singer Bangladesh Limited, the country's leading home appliances and consumer electronics company, in collaboration with its parent company Arcelik A.S. Turkey - the largest consumer durable company in Turkey, sponsored the event in association with the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI). The gathering brought together a group of Turkish investors, as well as officials from

BIDA, the Embassy of Bangladesh in Turkey, the Bangladesh Consulate, FICCI, Arcelik A.S. Turkey, and Singer Bangladesh Limited.

At the Bangladesh Investment Seminar, BIDA showcased the overall investment ecosystem of Bangladesh, offering potential investors and business delegates of Türkiye a glimpse into the exciting opportunities for foreign direct investment in Bangladesh. This event served as a platform to enhance business opportunities between Bangladesh and Türkiye.

In addition, participants from Bangladesh had the opportunity to visit Arcelik's state-of-the-art manufacturing complex and R&D center in Istanbul. They were impressed by Arcelik's sustainable and green initiatives, and look forward to exploring more opportunities for collaboration in the future.

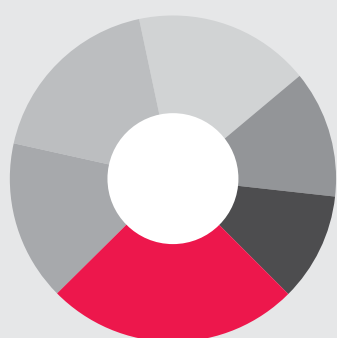
## 6 Year Financial Highlights

Taka in Million

	2022	2021	2020	2019	2018	2017
Turnover	17,096.7	15,812.9	14,959.8	15,485.2	13,559.2	11,059.1
Operating profit before Interest & Tax	942.6	1,290.0	1,562.8	1,846.4	1,545.8	1,190.2
Profit before Tax	378.1	875.9	1,112.3	1,431.1	1,227.1	1,043.3
Profit after Tax	73.1	518.5	803.6	1,034.6	900.2	775.1
Paid up Capital	997.0	997.0	997.0	997.0	766.9	766.9
Number of ordinary shares outstanding	99,702,838	99,702,838	99,702,838	99,702,838	76,694,491	76,694,491
Revenue Reserve	1,302.3	1,836.0	1,893.0	1,851.3	977.9	893.7
Revaluation Reserve	670.4	544.4	547.1	550.3	554.3	559.1
Capital Reserve	18.2	18.2	18.2	18.2	18.2	18.2
Shareholders' Equity	2,988.5	3,396.2	3,455.9	3,417.5	2,317.9	2,184.5
Property, Plant & Equipment	1,927.6	1,638.3	1,082.5	1,088.6	1,051.0	1,046.5
Investments	4.2	4.2	650.9	650.9	355.9	355.9
Net Current Assets	1,379.2	3,189.5	3,030.7	2,786.4	2,192.2	1,918.4
Current Assets	10,508.3	9,683.2	6,751.8	6,630.2	6,082.6	4,940.2
Current Liabilities	9,129.1	6,493.7	3,721.1	3,843.8	3,890.4	3,021.8
Dividend per share (Taka)	1.0	6.0	3.0	7.7	3.0	10.0
Gross Dividends	99.7	598.2	299.1	767.7	230.1	766.9
Earnings Per Share (Taka)	0.73	5.2	8.1	10.4	11.7	10.1
Price Earning Ratio (Times)	207.2	32.7	21.8	17.4	18.8	19.3
Net Asset per Share including revaluation reserve (Taka)	29.97	34.1	34.7	34.3	30.2	28.5
Net Asset per Share except revaluation reserve (Taka)	23.3	28.6	29.2	28.8	23.0	21.2
Net cash from operating activities	1,813.2	-1655.5	1,021.6	912.6	40.9	256.3
Net operating cash flow per share (NOCFPS) (Taka)	18.2	16.6	10.3	9.2	0.5	3.3
Market value per share at year end (Taka)	151.9	169.9	175.6	180.4	221.2	195.5
Net Income to Net Turnover (%)	0.4	3.3	5.4	6.7	6.6	7.0
Return on Average Net Assets (%)	2.3	15.1	23.4	36.1	40.0	37.5
Debt Equity Ratio (%)	2.0	1.4	0.5	0.5	0.9	0.7
Interest Cover	1.7	3.3	3.8	5.2	5.8	8.0
Current Ratio	1.2	1.5	1.8	1.7	1.6	1.6
Acid Ratio	0.5	0.6	0.8	0.7	0.7	0.8
Number of Shareholders	10,559	9,761	10,185	9,886	9,273	11,788
Number of Employees	1,670	1,697	1,432	1,348	1,224	1,152
Return on Average Assets	0.5	4.6	16.2	11.7	12.4	23.2
Total Assets	15,237	12,797	9,913	9,806	7,896	6,679
Contribution to the National Exchequer	5,848	5,585	5,199	4,714	4,489	3,178

### TURNOVER

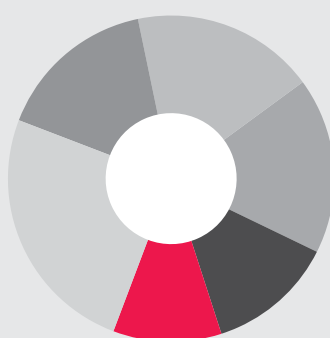
Taka in Million



● Turnover 2017	11,059
● Turnover 2018	13,559
● Turnover 2019	15,485
● Turnover 2020	14,960
● Turnover 2021	15,813
● Turnover 2022	17,097

### OPERATING PROFIT

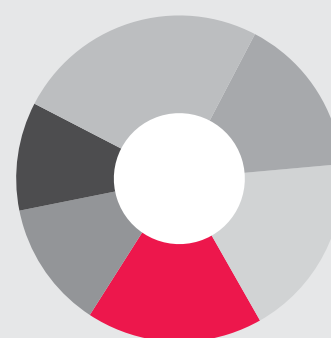
Taka in Million



● Operating profit 2017	1,190
● Operating profit 2018	1,546
● Operating profit 2019	1,846
● Operating profit 2020	1,563
● Operating profit 2021	1,290
● Operating profit 2022	943

### SHAREHOLDERS' EQUITY

Taka in Million



● Shareholders' Equity 2017	2,185
● Shareholders' Equity 2018	2,318
● Shareholders' Equity 2019	3,418
● Shareholders' Equity 2020	3,456
● Shareholders' Equity 2021	3,396
● Shareholders' Equity 2022	2,989

# ▶ Financial Review 2022

The following discussion and analysis should be read in concurrence with the Audited Financial Statements of Singer Bangladesh Limited (the Company) for the year ended on 31 December 2022.

## **Basis of preparation and comparative figures**

The Company's financial statements for the year ended on 31 December 2022 including the comparative figures for the year ended on 31 December 2021 were prepared in accordance with the International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations in Bangladesh. Cash flows from operating activities were prepared under the direct method as prescribed by the Securities and Exchange Rules 2020. Details of the basis of preparation and comparative figures are disclosed in Note 2 & 38 of the Financial Statements.

## **Overview**

The Company's performance in 2022 should be elaborated in the perspective of the operating backdrop that prevailed during the year. The country's weakened macro-economic conditions led to considerable challenges for businesses and these difficulties were compounded for the Company due to its reliance on imported raw materials and goods, as the shortage in foreign currency liquidity of the country including the persistent volatility and resultant restrictions on imports had an adverse impact on supply side of the operation. While demand started impacting with the spread of Omicron variant of COVID 19 during the first quarter of the year, the deepening macro-economic indicators, coupled with the sharp depreciation of Taka as well as soaring inflation led to a gradual slowdown in demand and was apprehended to be hampered in the immediate or short-term. Just as the economy started to regain traction after the grim consequences of the coronavirus pandemic, the crisis in Ukraine caused to limit trade opportunities in the region with possible spillover adversities for the economy of Bangladesh, both directly and indirectly. The most immediate impact on the economy was the increase in energy and food grain prices which had repercussions on the economy. As a result, more decreasing trend in sales quantity was observed (for most of the products) than it had been anticipated.

Despite these challenges, the Company delivered a performance which was not adequately resilient. Performance was reflective of and testament to the Company's capabilities in swiftly adapting its offering to cater to shifting demand patterns as well as the proactive marketing and sales strategies. It is noteworthy that the key product categories like air conditioner, sewing machine, computer, SDA, MWO and television recorded a growth whilst sales of refrigerator witnessed a steep decline in volumes due to subdued demand, economic slowdown, and smoothening of exponential growth experienced last year. Though the COVID-19 outbreak had greatly impacted the macroeconomic performance of the country over the last two years and the spillover impact continued, the revenue of the current year surpassed that of 2021.

The COVID-19 and Ukraine crises along with the effect of local currency devaluation against US Dollar caused a lot of difficulties to all businesses during the 2nd half of 2022. Still businesses are faced with difficulties in foreign trade settlements. Forex reserve decreased notably from the beginning of the year 2022. Apart from the rising trend of inflation in Bangladesh, prices of most of the commodities rocketed in the global markets because of demand recovery, an unprecedented level of shipping charges and supply chain constraints. Local increase in energy prices created more pressure on commuting expenses than before. Consumer spending on appliance products decreased under this pressurized situation of the economy, where people were mostly prioritizing the spending of their earnings to satisfy their basic needs like- food, housing, medical treatment etc.

Singer is an international brand, which consumers in Bangladesh aspire to own. With Singer's long rich history, considerable trust has been built-up in Singer's reliable products and after sales services. These strengths, combined with competitive prices and extensive distribution network continued to provide very solid foundations for overcoming any adversity and achieving sustainable results over the long haul. The Company took initiatives to establish in-house washing machine and grinder manufacturing facilities to strengthen consumer trust during the year and to grasp the market opportunities. The Company remained one of the leading appliances business entities in

Bangladesh and continued to uphold efforts to strengthen its position and the brand image in the consumer durable market through businesses in retail, wholesale, and corporate channels.

Although the Company's revenue increased by 8.1% amounting to Tk. 17.1 billion in 2022 over last year, net income had a de-growth of 85.9%. These results demonstrate the adverse impact of COVID-19 pandemic along with Ukraine crisis and the effect of local currency devaluation against USD in Singer's operation. Net profit at the end of the year decreased by Taka 445 million over the previous year resulting in corresponding decrease of earnings per share to Taka 0.73 as opposed to Taka 5.20 in 2021. Considering its usual history of dividend policy and payment, the Company announced 10% cash dividend. The Company retained its profit to support the demand of growth and investment in 2023 and beyond and, to manage financial costs to facilitate space for better profitability. The Company looked forward to overcoming the subdued performance of 2022 in 2023.

## **Turnover/ Revenue**

The Company's revenue in 2022 increased by 8.1% that amounted to Taka 17,097 million over the prior year 2021. The Company faced volume de-growth for majority product lines including refrigerator (main product category). There was volume de-growth for air conditioner (by 1.8%), sewing machine (by 22.0%), computer (by 36.6%) and other products (by 39.7%).

A volume growth of 12.0% was observed in television sales and the FIFA world cup football mania greatly contributed to this growth during 2022. Compared to that of the last year's, small domestic appliances (SDA) sales volume increased by 26.7% also. MWO & oven and washing machines also had volume growth respectively compared to the prior year. The combination of de-growth and growth of different products categories as mentioned above finally resulted in total turnover of the company to end up with Taka 17,097 million indicating an insignificant growth of 8.1% over the year 2021.

Despite the country's prevailing macro-economic challenges and the difficulties, efforts continued to identify opportunities to introduce new products, expand distribution channels further, renovate and upgrade existing showrooms and add up new showrooms

and customer service centers during the year. In addition, the Company continued to exert efforts to yield market opportunities not only through the traditional sales promotions but also through increased penetration in the digital and social media such as SMS promotions, Facebook (fan page) promotions etc.

### Gross profit

Gross margin percentage decreased to 23.0% from 25.9% over the prior year. The gross profit of the Company was Taka 3,930 million as against Taka 4,094 million in the previous year, a decrease of 2.9%. Overall lower sales of the major product categories (especially, refrigerators) compared to expectation along with the increased cost was the main reason of lower profit margin, which could not be fully reflected on the revisions of selling prices due to sensitivity of the competition. In addition to increased cost, the high discounts also caused to lower the gross profit. As a result, the company had to remain prudent in case of reviewing the selling price adjustment while taking due weight of competition and market dynamics along with customer perceptions.

The gross profit percentage of the Company was further impacted by product mix. The de-growth of the higher margin products, in addition to discounts offered to flush out slow moving inventory and provision for excess and damaged inventory which contributed to keeping pressure on gross profit percentage. Besides, idle time costs also eroded overall gross profit. The Company had all the efforts and plans blended with necessary initiatives in retaining and expanding market share with the aim of realizing benefits in the long-term.

### Operating expenses

The Company continued its focus on managing operating expenses, which was 18.5% of revenue in 2022 as opposed to 18.1% of revenue in 2021. In absolute term, the operating expenses rose from Taka 2,864 million in 2021 to Taka 3,170 million in 2022.

Managing costs in a dynamic business environment coupled with a business environment triggered by Covid-19 & post Covid-19 circumstances, such as Ukraine crisis, exchange rate volatility, escalating inflation, low foreign remittance flow, soaring energy prices, decreasing forex reserve etc. had been challenging for the Management while

maintaining a balanced approach on operational efficiency as well as catering to the growth of business prospects. The Company farsightedly managed costs without affecting existing business needs and sacrificing expansion need of the business to grab future prospects. These expenses along with additional expenses related to handling of COVID-19 situations such as- staff shuttle services, purchase of cleaning & disinfectant items, doctor appointments etc. were also incurred.

Majority of the expenses increased except significant decrease in demurrage cost (shipping and port) incurred mainly on account of importing raw materials for refrigerators. Some expenses increased either in line with revenue growth or for normal growth of business like- advertisement and sales promotion, salaries & allowances, rent and occupancy, royalty, warranty, utilities, depreciation, bank charge, fuel and car maintenance, entertainment etc. The COVID-19 and its effect on the economy had adverse impact on the costs.

Among other expenses, shop operating expenses increased mainly for higher commission expenses owing to higher sales and higher transportation cost due to hike of fuel cost compared to 2021. Depreciation of right-of-use assets increased mainly for charge of new factory's ROU depreciation expense in addition to usual new as well as renewal of rental agreements for shops. Due to increase in overdue, bad debts expense increased in the current year. Additional coverage of Industrial All Risks (IAR), Business interruption (BI), product liability and Director & Officer Liability (DOL) caused the insurance expenses to increase more compared to the previous year. Reversal of higher provision along with expenses incurred due to recruiting new managers, tax return submission and deploying contractual workers for the refrigerator factory were the main reasons for professional and technical fees to increase compared to the previous year. Research and development (R&D) expenses were charged from Arcelik HQ for carrying out research works on development of Singer products' features.

Office administration expenses increased because of upgradation of internet service and increase in SMS charges. Under repairs and maintenance head SAP implementation cost, process & system development-GCC cost, warehouse security expense and IT

## Despite different challenges, the Company's performance was reflective to cater to shifting demand patterns as well as the proactive marketing and sales strategies.

maintenance expenses were higher compared to 2021. To achieve sales target and collections, effort was given by the Management as well as the field team through visiting shops which resulted in higher travelling expenses during the year under review. Additionally, hike of fuel price caused excess local travelling cost. Due to no restrictions in 2022 for COVID-19, compared to 2021, excess travelling expenses were also incurred. Advertisement and sales promotion expenses for above-the-line (ATL) and below-the-line (BTL) were done throughout the year to sustain and expand the market share. The mix of advertising expenses were also catered in the light of conventional and digital media using various online platforms. Higher advertising expenses in connection with normal business growth was the main reason for higher expenditure of this head compared to prior year.

The credit was used as an effective tool to stay effectively penetrated in the market as well as competition, though some difficulties were faced in case of ensuring timely collections. Steps were taken to improve the efforts of overall collections drive to reduce aging. Increased bank charges were in line with the growth of the business and customers' choices of payment methods (i.e., use of credit cards). Warranty expenses increased to maintain higher warranty periods to be aligned with market competition and to attract potential customers and increase the retention of more customers with the network. The company went on increasing its awareness and focusing on improving product quality further in order to reduce warranty service calls in future. With all these challenges under the current post pandemic situation, operating expenses increased, as a percentage of turnovers, from 18.1% to 18.5%.



### Operating profit

The increase in Selling & Administrative expenses was contained at 10.7%, reflecting the Company's ongoing focus on driving efficiencies and productivity improvements. Meanwhile, the Company's operating profit recorded a degrowth of 26.9% totaling to Tk. 347.5 million during the year.

The Company's operating profit decreased to Taka 943 million from Taka 1,290 million of 2021. In terms of percentage, the Company achieved 5.5% against 8.2% of the last year. Advertising & sales promotion, shop operating expenses, depreciation on ROU assets were the main contributors to the increase of operating expenses for the year under review. Although demurrage cost decreased significantly from the previous year, it reduced the operating profit further beyond the normal course of operational expenses.

Operating level profitability reflects the Company's top line growth, timely price revisions and continued focus on cost management.

### Impairment costs

The weakening macro-economic landscape, coupled with the long-drawn implications of the pandemic had an inevitable impact on collections on the Company. During the latter part of the year, however, despite proactive efforts to drive recoveries through robust controls and monitoring systems could not enable lower provision of bad debt expenses, resulting in the Company's impairment charges increasing by Tk.22 million to Tk. 40 million.

### Net finance cost

Net finance costs represented 3.2% of revenue as opposed to 2.3% of revenue in 2021 mainly due to the tightening monetary policy which saw interest rates picking up towards the second half of the year. It increased by Taka 176.5 million from the last year. Finance costs increased by Taka 172 million (45.9%) from the last year mainly due to higher utilization of borrowings and higher interest rates compared to the last year. The Company's interest in the current year included the interest on Lease Liability of Tk. 107.7 million due to the implementation of IFRS 16. Meanwhile, the Company incurred an exchange loss of Tk. 19.7 million on the US dollar denominated trade payables following the sharp depreciation of the Bangladeshi Taka. Besides, there was an exchange gain of Tk. 24.3 million in the corresponding period. Receivables collection management during the year under this post pandemic and pressurized economic situation along with payments for regular operating expenses, payments for imported goods, maintaining business

expansion & growth opportunities, managing working capital to finance specially increased trade & other receivables and inventory to recover the loss caused by the pandemic were the main reasons for higher requirement of borrowings. Other major component of finance costs was interest expenses on leases under IFRS 16 which increased slightly from the last year due to newly added leases.

### Profit Before Tax

The Company's profit before tax decreased to 2.2% of turnover which was a record low of Tk. 378 million compared to 5.5% of turnover in the last year amounting to Tk.876 million despite resilience of strong core performance which saw a decent top line growth and lower preservation of profitability margins.

### Tax expense

Income tax expense of the Company was Taka 305 million as against Taka 357 million in 2021. The current year's income tax expenses on ordinary activities of the Company increased due to change in sales mix of trade goods and produced goods. As a result, lower profit was achieved from trade goods which was not enough to absorb the adjustment of tax deducted at the port as minimum tax and on the other hand, minimum tax could not be carried forward for the next year due to relevant provision of tax laws. This led the effective tax to be reflected exorbitantly higher in the end.

The Company's effective tax rate (ETR) was doubled (80.7% in 2022) from that of the last year (40.8% in 2021), though both years' ETR was much higher than historically usual level. The effective tax rate increased mainly for excess tax paid for minimum tax as explained above coupled with the increase in employees' excess perquisites, provision for bad debts expenses and other temporary differences and the release of deferred tax assets.

### Profit for the year

The Company reported the annual profit of Taka 73 million after tax in 2022 as opposed to Taka 518 million in 2021 which was a record lower than 2021 by Taka 445 million and represented a de-growth of 85.9% over the last year. Effects of COVID-19 pandemic, Ukraine conflict, local currency's sharp devaluation against USD, local increase in energy and food prices, increasing trend of inflation, lower foreign remittance inflow and unprecedented level of shipping charges & supply chain constraints affected the business in multiple

aspects. The impact was clearly visible in all sections of profit and loss in terms of cost and expenses. As a result, COGS, operating expenses, finance costs increased and gross profit, operating profit, Pre-tax profit and Profit after tax decreased significantly. Impact of higher effective tax rate contributed further to overall lower profitability.

### Other comprehensive income

Other comprehensive income for the year 2022 consisted of gain on revaluation of land and buildings amounting Taka 128.3 million (net of tax) and actuarial loss of retirement benefit obligation amounting Taka 11.6 million (net of tax) for re-measurement of defined benefit liability at the cut-off date.

### Comprehensive income for the year

The Company's total comprehensive income for the year was Taka 190 million and Taka 501 million in the previous year, a decrease of Taka 311 million due to the reasons explained in the earlier paragraphs.

### Shareholders' Value Creation and Earnings Per Share

Due to the numerous challenges that prevailed during the year, the Company could not continue to deliver on its shareholder commitments with per share ratios increasing during the year and return on equity narrowing down to 2.3 % from 15.1% of the previous year. Meanwhile, net asset per share also decreased by 12% to Tk. 29.97 by end of December 2022. Earnings per share of the Company was Taka 0.73 in 2022 vs. Taka 5.20 in 2021. The EPS significantly decreased due to decrease in attributable net income for the year.

### Price earnings ratio

The price-to-earnings ratio of the Company as of 31 December 2022 was 207.16 times against 32.67 times as of 31 December 2021. During the year under review, the Company's share price ranged between Taka 179.5 and Taka 151.9. Closing price for the year was Taka 151.9. Respective figures for the year 2021 were Taka 160.1, Taka 214.9, and Taka 169.9.

### Dividend

As a continued part of the Company's stable dividend policy, the Board of Directors of the Company recommended 10% (Tk. 1 per share of Tk. 10 each) cash dividend, totaling to Taka 99.7 million, for the year ended on 31 December 2022. For the year ended on 31 December 2021, 60% cash dividend was declared as final dividend.

### Events after the reporting period

The proposed final dividend, subsequent to the reporting date, was not accounted

for in the financial statements as of 31 December 2022.

### Return on equity

Return on equity of the Company for the year under review decreased significantly due to lower financial results which was 2.3% compared to 15.1% in the previous year. Return on equity was computed by dividing the profit after tax for the year by the average total equity at the beginning and end of each financial year.

### Financial Position

#### Total assets

Total assets increased by 19.1% and rose to Tk.15,237 million compared to Tk.12,797 million driven primarily by 8.5% growth in the current assets as the company increased investments in working capital, given the disruptions to supply chains that prevailed during the year and addition of Right-of-use (ROU) assets by 97.5%. Accordingly, investment in working capital increased by 8.5% and accounted for 69% of total assets as at the end of December 2022.

#### Non-current assets

Non-current assets of the Company increased by 51.9% from the last year (from Taka 3,114 million to Taka 4,729 million). The increase in non-current assets was mainly caused by addition of leased assets, specifically sub-lease of 135,000 square meter land at Bangladesh Special Economic Zone for a term of 50 years amounting Taka 1,288 million to relocate the existing factories and to enhance the production capacity. In property, plant & equipment Taka 289.3 million was increased from last year in view of increasing and improving the capability and capacity of manufacturing facility. Deferred tax asset also decreased. However, items like- property, plant & equipment, intangibles, ROU assets, deposit & prepayments decreased in their value individually with normal course of the life expiration of those assets.

#### Current assets

The current assets of the Company increased by 8.5% over the last year and rose to Taka 10,508 million compared to Taka 9,683 million in 2021. All items increased more than the last year. Advances, deposits & prepayment increased significantly for prepayments, specifically for supplier advance (major portion was payment of LC margin). Advance VAT at import stage made during the year against which expected sales were not materialized and thus, remained unadjusted was another reason for increased prepayments. Although the current payment of AIT was slightly lower than that of the previous year, the current tax assets increased from the last year due to carrying forward of payment of advance

AIT of the last year. In addition, trade and other receivables higher than the previous year also caused overall increase of current assets compared to the last year. Increase of trade receivables at the end of 2022 compared to the year 2021 was mainly for credit extension to various large institutions and retail customers to boost sales and remain competitive in the competition.

### Capital and funding

Despite an increase in borrowings during the year, the Company's funding position remained relatively higher, with equity funding 19.6% of total assets. Equity decreased by 12% totaling to Tk.2,989 million during the year, reflecting the operation still profitable, which was partly offset by a dividend payment of Tk 598 million for the year 2021.

Meanwhile, the liabilities increased by 30.3% to Tk.12,249 million, mainly due to a 25.7% increase in borrowings to Tk. 5,837 million. The increase in borrowings primarily reflected debt-funded investments in working capital, reflecting our conscious efforts to build inventory in view of the prevalent conditions and lower collections on the HP and trade receivables. Borrowings mainly comprised short-term borrowings which accounted for 47.7% of total debt by the end of December 2022.

### Total equity

The Company's equity decreased by Taka 408 million compared to that of the last year and stood at Taka 2,989 million at year end of 2022. Reserve increased mainly for increase in revaluation reserve as revaluation was performed for land and building on 31 December 2022. Share capital remained the same. Decrease in retained earnings, due to lower current year's profit over the prior year, led to the decrease in total equity.

### Non-current liabilities

Non-current liabilities of the Company stood at Taka 3,120 million compared to Taka 2,907 million in the last year. Increase in lease liabilities and other liabilities like- non-remittable accounts, security deposits from branch managers, agents & dealers caused the increase of non-current liability.

### Current liabilities

The Company's current liabilities increased by Taka 2,635 million compared to the 2021. Due to significant increase in short-term borrowings because of higher requirement for working capital financing was the main reason for the

increase in current liabilities from 2021. Trade and other payables increased by Taka 1,380 million and stood at Taka 3,070 million in 2022 against Taka 1,690 million in 2021. Lease liabilities increased due to addition of new leases during the year.

### Cash and cash equivalents

As of 31 December 2022, cash and cash equivalents of the Company increased by Taka 40 million and stood at Taka 213 million compared to Taka 173 million in 2021.

### Operating cash flow

The Company's gross operating cash flows before working capital changes, finance costs and tax was Taka 19,685 million in 2022 compared to Taka 18,098 million in 2021. Favorable net operating cash outflows resulted from lower payment for costs and expenses, workers' profit participation fund and income tax during the year. Collections from turnover had a growth of 8.8% as opposed to growth of 9.7% in payments for costs and expenses. Payments to workers' profit participation fund decreased due to lower profit.

### Investing cash flow

During the year, the Company made investments amounting Taka 1,705 million, largely due to increasing and improving the capability and capacity of manufacturing facility by relocating its existing factories from Savar, mainly through sub-lease of 135,000 square meter land at Bangladesh Special Economic Zone (BSEZ) for a term of 50 years (Taka 1,288 million) and property, plant & equipment (Taka 331 million). The cash outflow for the investment was nominally off-set by the cash inflows from dividend of Taka 1.4 million (received from the associate Central Depository Bangladesh Limited-CDBL) and disposal of property, plant and equipment of Taka 3.7 million.

### Financing cash flow

Net cash outflow from financing activities was Taka 1,261 million as opposed to Taka 890 million mainly higher payment of interest on borrowings & lease and payment of dividends. Besides, principal repayment of lease liability and repayment of loan were made during the year causing cash outflow. Interest payment on borrowing & leases (under IFRS 16) increased due to higher interest rates and higher use of short-term borrowings (overdrafts and loan) facilities.

# ▶ Dividend Distribution Policy

## Background and applicability

Singer Bangladesh Limited maintains a dividend distribution policy for its own purpose. After Bangladesh Securities and Exchange Commission (BSEC) directive dated BSEC/CMRRCD/2021-386/03 dated January 14, 2021, it becomes mandatory for the listed companies to have a Dividend Distribution Policy and also to disclose in the Company's website and in the Annual Report.

The Board of Directors (the Board) of Singer Bangladesh Limited (the Company) has adopted this Dividend Distribution Policy to comply with the requirements. The Policy shall apply to the ordinary equity shares issued and outstanding since the Company has issued only one class of equity shares.

## Definition

Dividend means distribution of profits, earned in the current year or earlier years, by the Company, to its shareholders in proportion to the amount paid-up on shares held by them. Dividend can be cash or stock in types and can also be final or interim. Dividend to be declared on the basis of audited financial statements regardless of interim or final.

The Company can declare dividend after the end of financial year, which is called final dividend. Final dividend shall be declared on the basis of recommendations of the Board and shareholders shall approve at the Annual General Meeting (AGM) of the Company.

The Company can also declare dividend from current year profits, which will be called interim dividend and the Board may, at its discretion, declare an interim dividend out of current profit.

## Objectives

The Policy in line with the Company's medium and long-term strategies, investment and financial plans, the state of the Country's economy and the industry and keeping the balance between the expectations of our shareholders and the needs of our company into consideration in accordance with the provisions of the relevant legal laws and regulations, is determined with the proposal of the Board of Directors and the decision taken in the annual general meeting.

The Board will consider the Policy while proposing dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for proposing dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

## Parameters for declaration of dividend

The Policy depends on the financial position of the company, other funding needs related to the investments to be made, conditions in the sector, conditions in the economic environment, Company's present and future performance for declaration and payment of dividend. The Board of Directors shall consider the factors affecting the dividend proposal while arriving at the dividend amount:

- **Financial parameters**
  - Availability of profits;
  - Financial feasibility of the Company;
  - Favorable debt equity ratio;
  - Company's liquidity position and future cash flow requirements for operations;
  - Profits earned during the financial year;
  - Profit growth.
- **Internal Factors**
  - Growth rate of past earnings;
  - Growth rate of predicted profits;
  - Earnings stability;
  - Accumulated reserves;
  - History of dividends distributed by the Company;
  - Working capital requirements;
  - Mergers and acquisitions.
- **External Factors**
  - Shareholders' expectations;
  - Macroeconomic and business conditions;
  - Sectorial performance;
  - Cost and availability of alternative sources of financing;
  - Industry outlook for the future years;
  - Changes in the government policies or changes in regulatory provisions;
  - Other relevant factors that the Board may deem fit.

## Utilisation of retained earnings

The Company may utilize its retained earnings in the manner which is beneficial to the interest of the Company and its stakeholders.

Retained earnings helps in maintaining a healthy capital adequacy ratio and supports the future growth.

- Acquisition/diversification of business;
- Capital expenditure requirements;
- Investment in new business and/or additional investment in existing business;
- Market or product development/expansion plan;
- Increase in production capacity;
- Expansion and modernization of existing business;
- High cost of debt.

Apart from the above, the Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as financial environment.

The portion of profits not distributed among the shareholders as dividends will be used for the business activities of the Company.

## Entitlement of Dividend

The Company shall determine the record date or date of closure of the register of members. The Company shall give notice in advance of at least 14 working days (excluding the date of intimation and the record date) to stock exchange(s) of record date specifying the purpose of the record date.

Members whose names shall appear in the Members'/Depository Register on the Record Date will be eligible to receive dividend.

## Disclosures

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company.

## Modification of this Policy

The Board is authorized to change or modify this Policy from time to time at its sole discretion and/or in pursuance of any amendments made by any relevant law for the time being in force.

## Disclaimer

This Policy shall not be construed as a solicitation for investments in the Company's securities/shares and shall neither act as an assurance of guaranteed returns (in any form), on investments in the Company's securities.

# ▶ Directors' Responsibilities for Financial Statements

The Directors are responsible for preparing the annual report and financial statements in accordance with the Companies Act 1994, Securities and Exchange Commission Rules 1987, International Financial Reporting Standards (IFRS) and other applicable laws and regulations.

The Companies Act 1994 requires Directors to ensure that the Company keeps proper books of accounts of all transactions and prepares financial statements that give a true and fair view of the state of the company's affairs and of the profit for the year.

The Directors are also required to ensure that the financial statements have been prepared and presented in accordance with the International Financial Reporting Standards (IFRS) as applicable in Bangladesh and provided as required by the Companies Act 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Commission Rules 1987 and the Listing Regulations of the Dhaka/ Chittagong Stock Exchanges. They are also responsible for taking reasonable measures to safeguard the assets of the Company, and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to preventing and detecting fraudulent activities and other irregularities.

The Directors are of the view that these financial statements have been prepared under the generally accepted accounting principles and in accordance with the International Financial Reporting Standards (IFRS) as applicable in Bangladesh.

The Directors endeavor to ensure that the Company maintains sufficient records to be able to disclose, with reasonable accuracy, the financial position of the Company and to be able to ensure that the financial statements of the Company meet the requirements of the Companies Act, International Financial Reporting Standards (IFRS) as applicable in Bangladesh and the regulations of the Dhaka/Chittagong Stock Exchanges.

The Directors have a reasonable expectation, after making enquiries and following a review of the Company's plan for the ensuing year including cash inflows and borrowing facilities, that the Company has adequate resources to continue in operational existence in the foreseeable future, and therefore continues to adopt the going concern basis in preparing the accounts.

Rahman Rahman Haq, Chartered Accountants of the Company, have

examined the financial statements made available by the Board of Directors together with all relevant financial records, related data, minutes of shareholders and Directors meetings and expressed their opinion in their report in page 70 of the Annual Report.

By order of the Board  
Singer Bangladesh Limited



**M. H. M. Fairoz**  
Managing Director



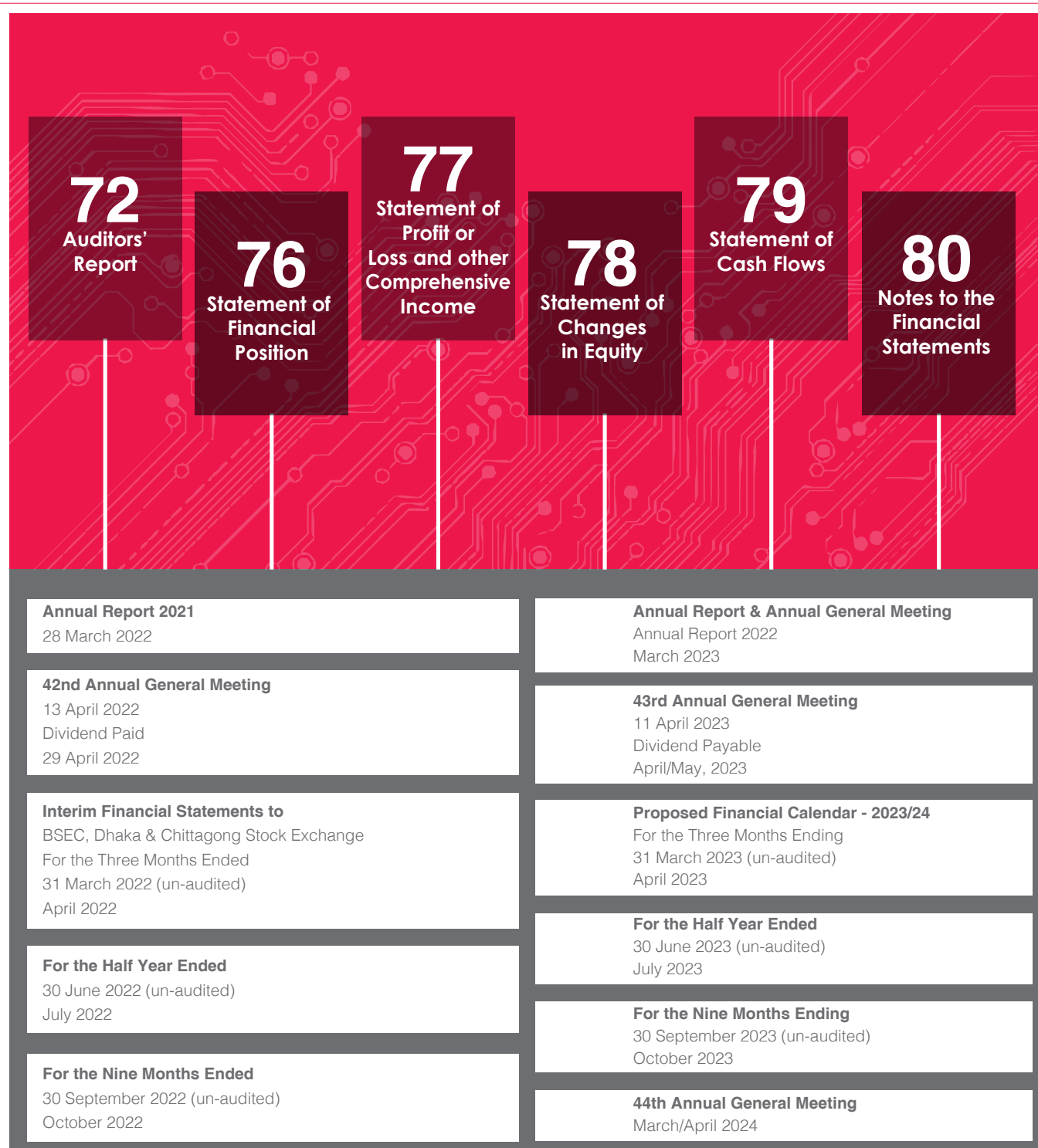
**Kazi Ashiqur Rahman**  
Company Secretary

Dhaka, January 25, 2023

# Responsibility to the Society



# ▶ Activity Calendar



# ▶ 42<sup>nd</sup> Annual General Meeting

Singer Bangladesh Limited



42<sup>nd</sup> Virtual AGM

**42<sup>nd</sup> Annual General Meeting (Virtual Platform)**

**সভাসভার সম্প্রচার / Live Streaming**

**অন্যোদ্যোগসূচী / Agenda**

**প্রশ্ন এবং মন্তব্য / Questions and Comments**

**সভাসভায় অংশগ্রহণকারীদের মোট উপস্থিতি / Total Attendance of Shareholders: 205**

**উপস্থিত সভাসভায় অংশগ্রহণকারীদের মোট শেয়ার সংখ্যা / Total Shares of Attended Shareholders: 64016187**

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**SINGER**  
FINTECH INTERNATIONAL LIMITED

42<sup>nd</sup> Annual General Meeting (Virtual Platform)

সভাসের সম্প্রচার / Live Streaming

অনুসূচী / Agenda

**42<sup>nd</sup> Annual General Meeting**  
**SINGER Bangladesh Limited**  
April 13, 2022

Agenda-01  
To receive and adopt the Directors' and Auditors' Report and the Audited Financial Statements of the Company for the year ended December 31, 2021.  
RESOLVED that the Audited Financial Statements of the Company for the year ended December 31, 2021 and the Reports of Directors and Auditors thereon be and are hereby received and adopted by the members of the Company.

Vote

I am in favor of passing this proposal		I am not in favor of passing this proposal	
Yes	No	Yes	No
59021527	99,998	894	0.002

প্রশ্ন এবং মন্তব্য / Questions and Comments

Name : ANOWAR HOSSAIN KHAN  
Thank you very much and everyone.

Name : MD. ABDUL HALIM  
আপনাদের কোম্পানির সফলতা বাঞ্ছনীয়। যাকে সামনে আরও বেশি বোনাস দেওয়ার সম্ভাবনা অর্জন করতে পারেন।

Name : MOHAMMED MONSUR A KHODA

সেয়ারহোল্ডারদের মোট উপস্থিতি  
Total Attendance of Shareholders: 216

উপস্থিত সেয়ারহোল্ডারদের মোট সেয়ার সংখ্যা  
Total Shares of Attended Shareholders: 64022194

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42<sup>nd</sup> Virtual AGM

**SINGER**  
FINTECH INTERNATIONAL LIMITED

42<sup>nd</sup> Annual General Meeting (Virtual Platform)

সভাসের সম্প্রচার / Live Streaming

অনুসূচী / Agenda

**42<sup>nd</sup> Annual General Meeting**  
**SINGER Bangladesh Limited**  
April 13, 2022

Agenda-01  
To receive and adopt the Directors' and Auditors' Report and the Audited Financial Statements of the Company for the year ended December 31, 2021.  
RESOLVED that the Audited Financial Statements of the Company for the year ended December 31, 2021 and the Reports of Directors and Auditors thereon be and are hereby received and adopted by the members of the Company.

Vote

I am in favor of passing this proposal		I am not in favor of passing this proposal	
Yes	No	Yes	No
57800365	99,998	894	0.002

প্রশ্ন এবং মন্তব্য / Questions and Comments

Name : ANOWAR HOSSAIN KHAN  
Thank you very much and everyone.

Name : MD. ABDUL HALIM  
আপনাদের কোম্পানির সফলতা বাঞ্ছনীয়। যাকে সামনে আরও বেশি বোনাস দেওয়ার সম্ভাবনা অর্জন করতে পারেন।

Name : MOHAMMED MONSUR A KHODA

সেয়ারহোল্ডারদের মোট উপস্থিতি  
Total Attendance of Shareholders: 211

উপস্থিত সেয়ারহোল্ডারদের মোট সেয়ার সংখ্যা  
Total Shares of Attended Shareholders: 64019932

11:40 / 1:01:46 Copyright Satcom IT Limited. All Rights Reserved





## Rahman Rahman Huq

Chartered Accountants

9 & 5 Mohakhali C/A  
Dhaka 1212  
Bangladesh

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Email dhaka@kpmg.com

Internet www.kpmg.com/bd

# Independent Auditor's Report

to the Shareholders of Singer Bangladesh Limited

## Report on the Audit of the Consolidated and Separate Financial Statements

### Opinion

We have audited the financial statements of Singer Bangladesh Limited ("the Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**Rahman Rahman Huq**  
Chartered Accountants

## Independent Auditor's Report (continued)

### 1. Revenue recognition

See note 19 to the financial statements

#### The key audit matter

Revenue recognition has significant and wide influence on financial statements.

Revenue is recognised when amounts and the related costs of goods are reliably measured, and performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognised at the time when the goods are dispatched for delivery to the distributor or handed over to the customers. The Company makes sales on cash, credit and installment basis.

A substantial part of the Company's revenue is derived from retail sales through a large number of outlets and comprises high volume of individually small transactions which increase the risk of revenue being recognised inappropriately.

Revenue recognition has been identified as a key audit matter because revenue is one of the key performance indicators of the Company and thus there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.

The Company has reported total revenue of BDT 17,097 million (31 December 2021: BDT 15,813 million) in current year.

#### How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- Evaluation of design and implementation of key internal financial controls with respect to the revenue recognition and testing the operating effectiveness of such controls.
- Substantive testing of revenue recorded over the period using sampling techniques, by examining the relevant supporting documents including sales invoices, agreements and outbound delivery notes.
- Testing sales transactions recognised shortly before and after the reporting date, including the sales returns recorded after that date, to test whether sales transactions were recorded in the correct reporting period. Through testing of IT application controls checking that all invoices are sequential.

### 2. Recoverability of trade receivables

See note 9 to the financial statements

#### The key audit matter

The Company had trade receivables of BDT 2,901 million (31 December 2021: BDT 2,547 million) at 31 December 2022.

When management determines expected credit loss rate and the expected recoverable amount of receivables, they consider the internal historical credit loss experience, current status, and forward-looking information, which involves significant accounting estimates and judgments, and the amount of impact is significant. Furthermore, allowance for doubtful debt is processed manually using voluminous data extracted from the Company's IT systems.

Due to the high level of judgment and estimation uncertainty involved, as well as the manual process in estimating the provision, this has been considered as a key audit matter.

#### How the matter was addressed in our audit

Our audit procedures around recoverability of receivables included:

- Evaluation of design and implementation of key control of reviewing, assessing and determining the impairment of receivables and testing the operating effectiveness of such controls.
- Evaluation of appropriateness of management's method for classifying receivables into different categories for impairment testing.
- Evaluation of appropriateness of expected credit loss model used by management to determine provision with reference to historical credit loss experience and forward-looking information.
- Recalculation of provision of doubtful debt.
- Test of invoices/agreements on sample basis to ensure the completeness and accuracy of receivables ageing.



**Rahman Rahman Huq**  
Chartered Accountants

## Independent Auditor's Report (continued)

### 3. Valuation of inventory

See note 8 to the financial statements

#### The key audit matter

The Company manufactures and sells goods that are subject to changing consumer demands.

A significant degree of judgment is required to assess provision of the inventories. Such judgment includes considering the Company's expectations for future sale volumes and prices.

Due to the high level of judgment and estimation uncertainty involved, inventory provision has been considered as a key audit matter.

The Company has recognised a total inventory provision of BDT 119 million (31 December 2021: BDT 119 million) at 31 December 2022.

#### How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- Evaluation of methodology and management judgement to determine the provision for inventories.
- Recalculation of provision for inventory on sample basis and comparison with management calculation.
- Evaluation, on a sample basis, whether inventories were stated at the lower of cost or net realisable value at the reporting date by comparing sales prices of inventories sold subsequent to that date.

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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



**Rahman Rahman Huq**  
Chartered Accountants

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

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

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

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

#### Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, we also report the following:

- a) 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;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

The engagement partner on the audit resulting in this independent auditor's report is Ali Ashfaq.

**Ali Ashfaq, Partner**

Enrolment number: 509

**Rahman Rahman Huq**

Chartered Accountants

Firm Registration Number: N/A

Dhaka, 26 January 2023

DVC: **2301290509AS507489**



# Statement of Financial Position

<i>In BDT</i>	<i>Note</i>	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>Assets</b>			
Property, plant and equipment	3	<b>1,927,647,142</b>	1,638,340,756
Intangible assets	4	<b>19,072,563</b>	23,185,096
Right-of-use (ROU) assets	5	<b>2,707,602,753</b>	1,370,847,349
Investments	6	<b>4,199,450</b>	4,199,450
Deferred tax assets	13	<b>39,882,238</b>	47,986,028
Advances, deposits and prepayments	7	<b>30,574,208</b>	29,370,808
<b>Non-current assets</b>		<b>4,728,978,354</b>	3,113,929,487
Inventories	8	<b>5,875,357,332</b>	5,749,679,119
Trade and other receivables	9	<b>3,033,961,864</b>	2,790,275,337
Advances, deposits and prepayments	7	<b>734,407,422</b>	518,793,812
Current tax assets	18	<b>651,246,061</b>	451,034,013
Cash and cash equivalents	10	<b>213,334,001</b>	173,389,682
<b>Current assets</b>		<b>10,508,306,680</b>	9,683,171,963
<b>Total assets</b>		<b>15,237,285,034</b>	12,797,101,450
<b>Equity</b>			
Share capital	11	<b>997,028,380</b>	997,028,380
Reserves	12	<b>689,176,068</b>	563,177,930
Retained earnings		<b>1,302,309,329</b>	1,836,014,514
<b>Total equity</b>		<b>2,988,513,777</b>	3,396,220,824
<b>Liabilities</b>			
Defined benefit obligations	14	<b>6,754,010</b>	5,310,705
Lease liabilities	5	<b>962,808,317</b>	901,271,493
Other liabilities	15	<b>2,150,133,311</b>	2,000,639,212
<b>Non-current liabilities</b>		<b>3,119,695,638</b>	2,907,221,410
Unclaimed dividend		<b>17,660,681</b>	12,421,891
Trade and other payables	16	<b>3,069,805,587</b>	1,689,648,228
Short-term borrowings - secured	17	<b>5,837,248,081</b>	4,644,314,297
Lease liabilities	5	<b>204,361,270</b>	147,274,800
<b>Current liabilities</b>		<b>9,129,075,619</b>	6,493,659,216
<b>Total equity and liabilities</b>		<b>15,237,285,034</b>	12,797,101,450
<b>Net Asset Value (NAV) per share</b>	34	<b>29.97</b>	34.06

The notes and annexures on pages 10 to 56 are an integral part of these financial statements.



**Mohamed Haniffa Mohamed Fairoz**  
Managing Director



**Masud Khan**  
Director



**Kazi Ashiqur Rahman**  
Company Secretary

As per our report of same date



Auditor

Ali Ashfaq, Partner  
Enrolment number: 509  
Rahman Rahman Huq  
Chartered Accountants  
KPMG in Bangladesh  
Firm Registration Number: N/A

Dhaka, 26 January 2023



DVC: **2301290509AS507489**

# Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

<i>In BDT</i>	<i>Note</i>	31 December 2022	31 December 2021
Sales		17,056,944,338	15,776,359,213
Earned carrying charges		39,746,085	36,630,193
<b>Turnover</b>	19	<b>17,096,690,423</b>	15,812,989,406
Cost of sales	20	<b>(13,166,298,013)</b>	(11,718,070,718)
<b>Gross profit</b>		<b>3,930,392,410</b>	4,094,918,688
Operating expenses	21	<b>(3,169,801,323)</b>	(2,863,853,896)
Other income	22	181,998,785	58,990,020
<b>Operating profit</b>		<b>942,589,872</b>	1,290,054,812
Finance income		4,791,341	8,606,048
Finance costs		<b>(549,336,171)</b>	(376,634,438)
<b>Net finance costs</b>	23	<b>(544,544,830)</b>	(368,028,390)
<b>Profit before contribution to workers' profit participation fund</b>		<b>398,045,042</b>	922,026,422
Contribution to workers' profit participation fund	24	<b>(19,902,252)</b>	(46,101,321)
<b>Profit before taxation</b>		<b>378,142,790</b>	875,925,101
Income tax expense	25	<b>(305,034,630)</b>	(357,450,681)
<b>Profit after tax</b>		<b>73,108,160</b>	518,474,420
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit liability, net of tax	14 & 25.3	<b>(11,588,093)</b>	(17,392,159)
Gain on revaluation of Land and Buildings, net of tax	Annex-3 & Note 25.2	<b>128,316,765</b>	-
<b>Other comprehensive income/(expense) for the year, net of tax</b>		<b>116,728,672</b>	(17,392,159)
<b>Total comprehensive income for the year</b>		<b>189,836,832</b>	501,082,261
<b>Earnings per share (EPS)</b>	30	<b>0.73</b>	5.20

The notes and annexures on pages 10 to 56 are an integral part of these financial statements.



Mohamed Haniffa Mohamed Fairouz  
Managing Director



Masud Khan  
Director



Kazi Ashiqur Rahman  
Company Secretary

As per our report of same date



Auditor

Ali Ashfaq, Partner  
Enrolment number: 509  
Rahman Rahman Huq  
Chartered Accountants  
KPMG in Bangladesh  
Firm Registration Number: N/A

Dhaka, 26 January 2023

DVC: 2301290509AS507489

# Statement of Changes in Equity

## For the year ended 31 December 2022

<i>In BDT</i>	Note >	Share capital	Revaluation reserve	Capital reserve	Non-remittable special reserve	Non-distributable special reserve	Retained earnings	Total equity
		11	12.1	12.2	12.3	12.4		
<b>Balance at 1 January 2021</b>		997,028,380	547,083,347	18,190,942	370,178	232,847	1,893,022,627	3,455,928,321
<b>Adjustment for Amalgamation</b>		-	-	-	-	-	(262,581,245)	(262,581,245)
<b>Total comprehensive income</b>		-	-	-	-	-	518,474,420	518,474,420
Profit		-	-	-	-	-	(17,392,159)	(17,392,159)
Other comprehensive income		-	-	-	-	-	-	-
Gain on revaluation of Land and Buildings		-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		-	-	-	-	-	501,082,261	501,082,261
<b>Transaction with owners of the Company</b>								
<b>Contributions and distributions</b>								
<b>Dividends:</b>								
Cash dividend- 2020		-	-	-	-	-	(299,108,515)	(299,108,515)
<b>Total contributions and distributions</b>		-	-	-	-	-	(299,108,515)	(299,108,515)
Adjustment for deferred tax arising from revaluation of Land and Buildings		-	(2,699,384)	-	-	-	900,002	900,002
Transfer of depreciation on revaluation surplus		-	(2,699,384)	-	-	-	2,699,384	-
<b>Balance at 31 December 2021</b>		997,028,380	544,383,963	18,190,942	370,178	232,847	1,836,014,514	3,396,220,824
<b>Balance at 1 January 2022</b>		<b>997,028,380</b>	<b>544,383,963</b>	<b>18,190,942</b>	<b>370,178</b>	<b>232,847</b>	<b>1,836,014,514</b>	<b>3,396,220,824</b>
<b>Adjustment for Amalgamation</b>		-	-	-	-	-	-	-
<b>Total comprehensive income</b>		-	-	-	-	-	73,108,160	73,108,160
Profit		-	-	-	-	-	(11,588,093)	(11,588,093)
Other comprehensive income		-	-	-	-	-	-	-
Gain on revaluation of Land and Buildings		-	128,316,765	-	-	-	-	128,316,765
<b>Total comprehensive income for the year</b>		-	128,316,765	-	-	-	61,520,067	189,836,832
<b>Transaction with owners of the Company</b>								
<b>Contributions and distributions</b>								
<b>Dividends:</b>								
Cash dividend- 2021		-	-	-	-	-	(598,217,030)	(598,217,030)
<b>Total contributions and distributions</b>		-	-	-	-	-	(598,217,030)	(598,217,030)
Adjustment for deferred tax arising from revaluation of Land and Buildings		-	(2,318,627)	-	-	-	673,151	673,151
Transfer of depreciation on revaluation surplus		-	(2,318,627)	-	-	-	2,318,627	-
<b>Balance at 31 December 2022</b>		<b>997,028,380</b>	<b>670,382,101</b>	<b>18,190,942</b>	<b>370,178</b>	<b>232,847</b>	<b>1,302,309,329</b>	<b>2,988,513,777</b>

The notes and annexures on pages 10 to 56 are an integral part of these financial statements.



# Statement of Cash Flows

## For the year ended 31 December 2022

<i>In BDT</i>	<i>Note</i>	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>Cash flows from operating activities</b>			
Collections from turnover and other income		<b>19,685,285,330</b>	18,097,677,105
Payments for costs and expenses		<b>(17,322,575,018)</b>	(19,180,546,524)
Payments to workers' profit participation fund		<b>(46,101,321)</b>	(58,540,556)
Income tax paid	18.1	<b>(503,416,315)</b>	(514,048,421)
<b>Net cash from/(used in) operating activities</b>	<b>35</b>	<b>1,813,192,676</b>	(1,655,458,396)
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		<b>(331,161,275)</b>	(394,176,446)
Acquisition of ROU assets		<b>(1,378,254,616)</b>	(87,564,500)
Acquisition of Intangible assets		<b>(656,250)</b>	(4,275,390)
Dividend received from CDBL	22	<b>1,427,952</b>	1,427,952
Proceeds from sale of property, plant and equipment	Annex-1	<b>3,675,942</b>	1,400,585
<b>Net cash used in investing activities</b>		<b>(1,704,968,247)</b>	(483,187,799)
<b>Cash flows from financing activities</b>			
Term loan received/(repayment)		-	(14,214,569)
Interest paid on borrowings/lease		<b>(498,644,830)</b>	(383,730,601)
Lease liability (principal repayment)		<b>(289,190,108)</b>	(237,054,792)
Dividends paid		<b>(473,378,956)</b>	(263,908,194)
<b>Net cash used in financing activities</b>		<b>(1,261,213,894)</b>	(898,908,156)
<b>Net increase/(decrease) in cash</b>		<b>(1,152,989,465)</b>	(3,037,554,351)
Cash and cash equivalents at 1 January		<b>(4,470,924,615)</b>	(1,433,370,264)
<b>Cash and cash equivalents at 31 December</b>		<b>(5,623,914,080)</b>	(4,470,924,615)
<b>Closing cash and cash equivalents have been arrived at as follows:</b>			
Cash and cash equivalents	10	<b>213,334,001</b>	173,389,682
Short-term borrowings - secured (bank overdrafts)	17	<b>(5,837,248,081)</b>	(4,644,314,297)
		<b>(5,623,914,080)</b>	(4,470,924,615)
<b>Net operating cash flow per share (NOCFPS)</b>	<b>35.1</b>	<b>18.19</b>	(16.60)

The notes and annexures on pages 10 to 56 are an integral part of these financial statements.



# Notes to the Financial Statements

## 1 Reporting entity

### 1.1 Company profile

Singer Bangladesh Limited ("the Company") was incorporated in Bangladesh as a private limited company on 4 September 1979 under the Companies Act 1913. It was converted into a public limited company in 1983 when it offered its shares to the public with the requisite permission from the Government. It has been a direct subsidiary of Retail Holdings Bhold B.V., The Netherlands since 2003. The shares of the Company are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The address of the registered office of the Company is 39 Dilkusha Commercial Area, Dhaka-1000, Bangladesh.

### 1.2 Nature of business

Principal activities of the Company throughout the year were manufacturing of panel televisions, air conditioners, washing machines and grinders; and marketing of refrigerators, televisions, air conditioners, sewing machines, computers, washing machines and other consumer electronics and household appliances. The manufacturing plant of the Company is situated at Rajfulbaria, Jhamur, Savar, Dhaka-1347 and Koulasur, Hemayetpur, Savar, Dhaka-1348.

### 1.3 Amalgamation with International Appliances Limited (IAL)

The Hon'ble High Court Division of the Supreme Court of Bangladesh has sanctioned a scheme of Amalgamation under which International Appliances Limited has been amalgamated with Singer Bangladesh Limited ("the Company"), while the Company shall survive.

#### i) Name and description of acquirer

Singer Bangladesh Limited (hereinafter referred to as the "Transferee Company" or "SBL") was incorporated in Bangladesh as a private limited company on 4 September 1979 under the Companies Act 1913. It was converted into a public limited company in 1983 when it offered its shares to the public with the requisite permission from the Government. It has been a direct subsidiary of Retail Holdings Bhold B.V., The Netherlands since 2003. The shares of the Company are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The address of the registered office of the Company is 39 Dilkusha Commercial Area, Dhaka 1000, Bangladesh.

SBL was incorporated for the purpose of carrying on the business of manufacturing of panel televisions, air conditioners, washing machine and grinder and marketing of refrigerators, televisions, air conditioners, sewing machines, computers, washing machines and other consumer electronics and household appliances. The manufacturing plant of the Company is situated at Rajfulbaria, Jhamur, Savar, Dhaka 1347.

#### ii) Name and description of acquiree

International Appliances Limited (hereinafter referred to as the "Transferor Company" or "IAL") was incorporated on 23 December 2014 under Companies Act 1994 as a joint venture with a local investor and another foreign investor. It has been an associate of Singer Bangladesh Limited (SBL) since inception. SBL acquired the Company as a subsidiary on 16 October 2017. On 27 February 2019 it became fully owned subsidiary of Singer Bangladesh Limited. The address of the registered office of the Company IAL is Mousa Koulashur, Hemayetpur, Savar, Dhaka, Bangladesh.

IAL was incorporated for the purpose of carrying on the business of manufacturing and selling of refrigerators of different capacities, models and types with a brand of "Singer" for exclusive marketing by Singer Bangladesh Limited. The manufacturing plant of the Company is situated at Mousa Koulashur, Hemayetpur, Savar, Dhaka, Bangladesh.

#### iii. Acquisition date

As per the Judgment and order dated 1 February 2021 passed by Hon'ble High Court Division of the Supreme Court of Bangladesh in the Company Matter No. 167 of 2020, acquisition date was 14 March 2021.

#### iv. Percentage of voting equity interest acquired

Singer Bangladesh Limited acquired 100% of voting interest of International Appliances Limited.



## Notes to the Financial Statements (continued)

### 2 Basis of preparation

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations in Bangladesh. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules 2020.

These financial statements have been prepared on accrual basis following going concern concept under historical cost convention as modified to include the revaluation of land and buildings under property, plant and equipment. The initial recognition of financial instruments at fair value and the gratuity scheme which was measured based on actuarial valuation. The financial statements provide comparative information in respect of the previous period and have been prepared on going concern basis.

Details of the Company's accounting policies including changes during the year, if any, are included in Note 38.

#### Date of authorisation

The management has authorised these financial statements on 25 January 2023.

#### 2.2 Going concern

The Company has adequate resources to continue in operation for foreseeable future and hence, these financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

#### 2.3 Impact of COVID-19 and Ukraine-Russia war

In view of the current Pandemic of COVID-19, the management of the Company makes critical estimates and judgments of matters including but not limited to business plan and forecast to support going concern assumption, revenue recognition (IFRS 15), inventory valuation (IAS 2), impairment assessment (IAS 36), onerous contract (IAS 37), debt servicing and compliance with covenants (IFRS 7) etc. In addition, management is aware that any modifications in contract may result changes in terms of financial assets and liabilities (IFRS 9), leases (IFRS 16), compensation arrangements with employees (IAS 19) etc.

Despite decreasing infection and impact of COVID-19, preparation of reliable forecast information is still challenging as this can have pervasive impact across multiple elements of financial statements. The entity uses forecast information for multiple purposes such as, the impairment of non-financial assets, expected credit losses (ECL), fair value of assets and liabilities, change in net realizable value of inventory, the recoverability of deferred tax assets and the entity's ability to continue as a going concern.

The coronavirus (COVID-19) outbreak has greatly impacted the macroeconomic performance of the country over the last two years and the spillover impact being continued. It has further impacted the company's operations and its financial position during last 2 years (2020 and 2021). Although revenue has exceeded for all quarters of 2022's result from that of 2021, net result has greatly fallen short for the periods. In Q1 2022, spreading of Omicron variant of COVID-19 further created uncertainty for the future and sales fell short of expectation. Just as the economy started to regain traction after the effects of the coronavirus pandemic, the crisis in Ukraine caused to limit trade opportunities in the region with possible spillover adversities for Bangladesh's economy, both directly and indirectly. The most immediate impact on the economy was to increase of energy and food grain prices which have repercussions on the economy. As a result, decreasing trend in sales quantity has been observed (for most of the products) than it was expected.

Along with the COVID-19 and Ukraine crisis the effect of local currency devaluation against USD caused a lot of difficulties to all businesses during the 2nd half of the year. Still USD price is higher and businesses are finding difficulties in foreign trade settlements. Forex reserve has also decreased notably from the beginning of the year 2022. Overall economy of the country is passing tough time, indicated by local increase of energy prices, increasing trend of inflation (both food and non-food items) and lower foreign remittance flow for last couple of months. Along with rising trend of inflation in Bangladesh, prices of most of the commodities rocketed in the global markets because of demand recovery, an unprecedented level of shipping charges and supply chain constraints. Local increase of energy prices has created pressure on commuting expenses than before. Consumer spending on appliance products has decreased under this pressurised situation of the economy, where people are mostly prioritising the spending of their earnings to satisfy their basic needs like- food, housing, medical treatment etc.



## Notes to the Financial Statements (continued)

Despite all these factors mentioned above, management thinks about the current economic and market condition in this post-pandemic scenario and Ukraine crisis and makes their forecast information (i.e. cash flow, production capacity, utilisation, etc.) in the hope that business will resume in its normal course of activities in coming days. Management strongly believes that, there is no need to re-evaluate/re-measure for the impairment of non-financial assets, fair value of assets and liabilities, any potential decrease in net realisable value of inventory, any adverse impact on employee benefits and employer obligations and the entity's ability to continue as a going concern except for some impact of incremental expected credit losses. For this impact of expected credit losses (ECL), management has been continuously evaluating for measurement and recognition of any excess losses on a monthly basis. However, there are improvements in the context of overdue receivable collections which are supporting the consideration of the reduction of any unusual incremental impact from the ECL point of view. Assessment for ECL is described in Note-31.2.1.2.

### 2.4 Functional and presentational currency

Financial statements of the Company are presented in Bangladesh Taka (BDT/Taka/Tk.), which is both functional and presentational currency of the Company. All amounts have been rounded to the nearest BDT, unless otherwise indicated.

### 2.5 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### (a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note:5.1 Right-of-use assets
- Note:5.2 Lease liabilities

#### (b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note:3 Property, plant and equipment
- Note:8 Inventories
- Note:9 Provision for doubtful debts
- Note:14 Employee benefits
- Note:26 Contingent liabilities

### 2.6 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- i) expected to be realised or intended to be sold or consumed in normal operating cycle, or
- ii) expected to be realised within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- i) expected to be settled in normal operating cycle, or
- ii) due to be settled within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.



## Notes to the Financial Statements (continued)

## 3 Property, plant and equipment

See accounting policy in Note 38 (F)

## Reconciliation of carrying amount

In BDT	Land		Buildings		Leasehold improvements		Plant and machinery	Vehicles	Furniture and fixtures	Equipment and tools	CWIP (Note 3.1)	Total
	Office	Factory	Office	Factory	Office	Shops						
<b>Cost</b>												
Balance at 1 January 2021	561,180,000	87,714,677	221,377,967	-	22,708,017	580,540,776	41,646,591	124,858,498	26,456,682	241,327,426	324,260	1,908,134,894
Amalgamation of business	-	-	16,449,852	-	-	-	435,807,162	9,126,494	6,303,005	17,976,848	-	485,663,361
Additions	-	-	-	-	-	40,314,139	164,327,043	38,040,926	537,500	20,594,649	280,815,835	544,630,092
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/transfers	-	-	-	-	-	(4,057,850)	-	(2,065,000)	(23,256)	(4,443,242)	(154,830,969)	(165,420,317)
<b>Balance at 31 December 2021</b>	<b>561,180,000</b>	<b>87,714,677</b>	<b>221,377,967</b>	<b>16,449,852</b>	<b>22,708,017</b>	<b>616,797,065</b>	<b>641,780,796</b>	<b>169,960,918</b>	<b>33,273,931</b>	<b>275,455,681</b>	<b>126,309,126</b>	<b>2,773,008,030</b>
Balance at 1 January 2022	561,180,000	87,714,677	221,377,967	16,449,852	22,708,017	616,797,065	641,780,796	169,960,918	33,273,931	275,455,681	126,309,126	2,773,008,030
Additions	-	-	-	-	-	31,616,359	235,333,990	-	4,660,087	19,018,982	294,723,458	585,352,876
Revaluation	115,415,000	14,220,287	5,628,055	-	-	-	-	-	-	-	-	135,263,342
Disposals/transfers	-	-	-	-	-	(3,283,689)	-	(9,686,108)	-	(11,757,747)	(233,312,369)	(258,039,913)
<b>Balance at 31 December 2022</b>	<b>676,595,000</b>	<b>101,934,964</b>	<b>227,006,022</b>	<b>16,449,852</b>	<b>22,708,017</b>	<b>645,129,735</b>	<b>877,114,786</b>	<b>160,274,810</b>	<b>37,934,018</b>	<b>282,716,916</b>	<b>187,720,215</b>	<b>3,235,584,335</b>
<b>Accumulated depreciation</b>												
Balance at 1 January 2021	-	56,405,144	200,748,144	-	14,419,325	276,014,835	31,248,365	84,998,667	12,835,336	149,011,841	-	825,681,657
Amalgamation of business	-	-	6,423,345	-	-	-	162,772,735	3,040,227	1,889,933	5,307,903	-	179,434,143
Depreciation for the year	-	3,130,953	4,125,965	1,361,866	1,310,976	31,269,158	61,564,100	11,662,355	1,718,903	22,110,215	-	138,254,491
Adjustment for disposal/transfers	-	-	-	-	-	(2,716,353)	-	(1,877,470)	(4,403)	(4,104,791)	-	(8,703,017)
<b>Balance at 31 December 2021</b>	<b>-</b>	<b>59,536,097</b>	<b>204,874,109</b>	<b>7,785,211</b>	<b>15,730,301</b>	<b>304,567,640</b>	<b>255,585,200</b>	<b>97,823,779</b>	<b>16,439,769</b>	<b>172,325,168</b>	<b>-</b>	<b>1,134,667,274</b>
Balance at 1 January 2022	-	59,536,097	204,874,109	7,785,211	15,730,301	304,567,640	255,585,200	97,823,779	16,439,769	172,325,168	-	1,134,667,274
Depreciation for the year	-	2,817,858	3,300,772	866,464	697,772	32,630,168	115,048,745	14,258,569	1,870,156	22,269,785	-	193,760,289
Adjustment for disposal/transfers	-	-	-	-	-	(2,006,247)	-	(8,767,018)	-	(9,717,105)	-	(20,490,370)
<b>Balance at 31 December 2022</b>	<b>-</b>	<b>62,353,955</b>	<b>208,174,881</b>	<b>8,651,675</b>	<b>16,428,073</b>	<b>335,191,561</b>	<b>370,633,945</b>	<b>103,315,330</b>	<b>18,309,925</b>	<b>184,877,848</b>	<b>-</b>	<b>1,307,937,193</b>
<b>Carrying amounts</b>												
At 1 January 2021	561,180,000	31,309,533	20,629,823	-	8,288,692	304,525,941	10,398,226	39,859,831	13,621,346	92,315,585	324,260	1,082,453,237
<b>At 31 December 2021</b>	<b>561,180,000</b>	<b>28,178,580</b>	<b>16,503,858</b>	<b>8,664,641</b>	<b>6,977,716</b>	<b>312,229,425</b>	<b>386,195,596</b>	<b>72,137,139</b>	<b>16,834,162</b>	<b>103,130,513</b>	<b>126,309,126</b>	<b>1,638,340,756</b>
<b>At 31 December 2022</b>	<b>676,595,000</b>	<b>39,581,009</b>	<b>18,831,141</b>	<b>7,798,177</b>	<b>6,279,944</b>	<b>309,938,174</b>	<b>506,480,841</b>	<b>56,959,480</b>	<b>19,624,093</b>	<b>97,899,068</b>	<b>187,720,215</b>	<b>1,927,647,142</b>



**Notes to the Financial Statements (continued)**

<b>3.1 Capital work in progress (CWIP)</b>	<b>In BDT</b>	<b>Plant and machinery</b>	<b>Leasehold improvements</b>	<b>Furniture and fixtures</b>	<b>Equipment and tools</b>	<b>Total</b>
<b>Cost</b>						
Balance at 1 January 2021	324,260	-	-	-	-	324,260
Additions	280,815,835	-	-	-	-	280,815,835
Transfers	(154,830,969)	-	-	-	-	(154,830,969)
<b>Balance at 31 December 2021</b>	<b>126,309,126</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126,309,126</b>
<b>Balance at 1 January 2022</b>						
Balance at 1 January 2022	126,309,126	-	-	-	-	126,309,126
Additions	234,426,021	57,734,644	1,660,072	902,721	294,723,458	
Transfers	(230,749,576)	-	(1,660,072)	(902,721)	(233,312,369)	
<b>Balance at 31 December 2022</b>	<b>129,985,571</b>	<b>57,734,644</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187,720,215</b>
<b>3.2 Allocation of depreciation</b>						
<b>For the year ended 31</b>						
<b>In BDT</b>			<b>2022</b>	<b>December 2021</b>		
Cost of sales		124,162,719			72,208,228	
Operating expenses		69,597,570			66,046,263	
		<b>193,760,289</b>			<b>138,254,491</b>	



## Notes to the Financial Statements (continued)

### 4 Intangible assets

See accounting policy in Note 38 (G)

#### Reconciliation of carrying amount

<i>In BDT</i>	Software	
	2022	2021
<b>Cost</b>		
Balance at 1 January	80,837,970	75,942,406
Amalgamation of business	-	620,174
Additions	656,250	4,275,390
Disposals/transfers	-	-
<b>Balance at 31 December</b>	<b>81,494,220</b>	<b>80,837,970</b>
<b>Accumulated amortisation</b>		
Balance at 1 January	57,652,874	52,063,414
Amalgamation of business	-	73,873
Amortisation for the year	4,768,783	5,515,587
Adjustment for disposals/transfers	-	-
<b>Balance at 31 December</b>	<b>62,421,657</b>	<b>57,652,874</b>

#### Carrying amounts

<i>In BDT</i>	2022	2021
<b>Balance at 31 December</b>	<b>19,072,563</b>	<b>23,185,096</b>

### 5 Leases liabilities and Right-of-use assets

See accounting policy in Note 38 (V)

The Company leases retail stores/showrooms, warehouses, service centers, factories and other office facilities.

<i>In BDT</i>	Note	2022	2021
Right-of-use assets	5.1	2,707,602,753	1,370,847,349
Lease liabilities	5.2	1,167,169,587	1,048,546,293

Information about leases for which the Company is a lessee is presented below.

## Notes to the Financial Statements (continued)

### 5.1 Right-of-use assets

#### Reconciliation of carrying amount

<i>In BDT</i>	<i>Note</i>	<i>Land</i>	<i>Buildings</i>	<i>Total</i>
<b>Cost</b>				
Balance at 1 January 2021		-	1,713,335,006	1,713,335,006
Amalgamation of business		-	139,548,531	139,548,531
Additions		-	309,192,420	309,192,420
Disposals/adjustments		-	(27,865,209)	(27,865,209)
<b>Balance at 31 December 2021</b>		-	<b>2,134,210,748</b>	<b>2,134,210,748</b>
Balance at 1 January 2022		-	<b>2,134,210,748</b>	<b>2,134,210,748</b>
Additions	5.1.1	<b>1,288,075,404</b>	<b>422,609,071</b>	<b>1,710,684,475</b>
Disposals/adjustments		-	<b>(13,177,797)</b>	<b>(13,177,797)</b>
<b>Balance at 31 December 2022</b>		<b>1,288,075,404</b>	<b>2,543,642,022</b>	<b>3,831,717,426</b>
<b>Accumulated depreciation</b>				
Balance at 1 January 2021		-	414,002,934	414,002,934
Amalgamation of business		-	69,398,194	69,398,194
Depreciation for the year		-	295,364,110	295,364,110
Disposals/adjustments		-	(15,401,839)	(15,401,839)
<b>Balance at 31 December 2021</b>		-	<b>763,363,399</b>	<b>763,363,399</b>
Balance at 1 January 2022		-	<b>763,363,399</b>	<b>763,363,399</b>
Depreciation for the year		<b>21,467,923</b>	<b>349,709,809</b>	<b>371,177,732</b>
Disposals/adjustments		-	<b>(10,426,458)</b>	<b>(10,426,458)</b>
<b>Balance at 31 December 2022</b>		<b>21,467,923</b>	<b>1,102,646,750</b>	<b>1,124,114,673</b>
<b>Carrying amounts</b>				
At 1 January 2021		-	1,299,332,072	1,299,332,072
<b>At 31 December 2021</b>		-	<b>1,370,847,349</b>	<b>1,370,847,349</b>
<b>At 31 December 2022</b>		<b>1,266,607,481</b>	<b>1,440,995,272</b>	<b>2,707,602,753</b>

#### 5.1.1 Land

To relocate the existing factory from Rajfulbaria, Jhamur, Savar and Koulasur, Hemayetpur, Savar as well as to enhance the production capacity by almost three times in order to achieve cost advantage, the Company took a sub lease of 135,000 square meter land at Bangladesh Special Economic Zone (BSEZ) located at Araihasar, Narayangonj BSEZ for a term of 50 years.

#### 5.1.2 Allocation of depreciation

<i>In BDT</i>	<i>For the year ended 31 December</i>	
	<i>2022</i>	<i>2021</i>
Cost of sales	<b>33,027,262</b>	25,951,340
Operating expenses	<b>327,724,013</b>	254,010,925
	<b>360,751,275</b>	279,962,265



## Notes to the Financial Statements (continued)

## 5.2 Lease liabilities

<i>In BDT</i>	2022	2021
Balance at 1 January	1,048,546,293	939,370,903
Lease obligation made during the year	332,429,859	309,192,421
Payment of lease obligation	(313,341,600)	(278,663,930)
Lease liabilities termination/adjustments	(8,119,461)	(27,865,209)
Interest on lease liabilities	107,654,496	106,512,108
<b>Balance at 31 December</b>	<b>1,167,169,587</b>	<b>1,048,546,293</b>

The Company leases many assets, including retail stores/showrooms, warehouses, service centers, factories and other office facilities. These lease contracts vary generally from 5 years to 10 years. Most of the lease contracts include an option to renew the lease term for additional period after the end of the contract term. The following table sets out a maturity analysis of lease liability to be settled after the reporting date.

<i>In BDT</i>	2022	2021
Current	204,361,270	147,274,800
Non-current	962,808,317	901,271,493
Lease liabilities included in the statement of financial position at 31 December	<b>1,167,169,587</b>	<b>1,048,546,293</b>

## 6 Investments

See accounting policy in Note 38 (M)

<i>In BDT</i>	2022	2021
Investment in term deposit	2,630,000	2,630,000
Investment in Central Depository Bangladesh Limited (CDBL)	1,569,450	1,569,450
	<b>4,199,450</b>	<b>4,199,450</b>



## Notes to the Financial Statements (continued)

### 7 Advances, deposits and prepayments

See accounting policy in Note 38 (H)

<i>In BDT</i>	2022	2021
Employees Advance	1,798,086	3,832,888
<b>Advances</b>	<b>1,798,086</b>	<b>3,832,888</b>
Security deposits	30,574,208	29,370,808
<b>Deposits</b>	<b>30,574,208</b>	<b>29,370,808</b>
Value Added Tax (VAT)	462,979,398	412,745,954
Supplier Advance	220,361,545	35,854,451
Other	49,268,393	66,360,519
<b>Prepayments</b>	<b>732,609,336</b>	<b>514,960,924</b>
<b>Total</b>	<b>764,981,630</b>	<b>548,164,620</b>
<i>In BDT</i>	2022	2021
Current	734,407,422	518,793,812
Non-current	30,574,208	29,370,808
<b>Total</b>	<b>764,981,630</b>	<b>548,164,620</b>

### 8 Inventories

See accounting policy in Note 38 (E)

<i>In BDT</i>	2022	2021
Finished goods	4,259,168,207	4,809,718,430
Non-trade goods	13,128,266	20,341,512
Raw materials	1,115,193,952	760,659,208
Goods in transit	606,643,761	277,736,823
	<b>5,994,134,186</b>	<b>5,868,455,973</b>
Provision for inventory obsolescence	(118,776,854)	(118,776,854)
	<b>5,875,357,332</b>	<b>5,749,679,119</b>

In view of numerous items of inventories and diversified units of measurement, it is not feasible to disclose quantities against each item.

### 9 Trade and other receivables

See accounting policy in Note 38 (H)

<i>In BDT</i>	Note	2022	2021
Trade receivables	9.1	2,900,662,337	2,546,852,527
Other receivables	9.2	133,299,527	243,422,810
		<b>3,033,961,864</b>	<b>2,790,275,337</b>



## Notes to the Financial Statements (continued)

## 9.1 Trade receivables

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Hire customer receivables	9.1.1	<b>2,634,170,826</b>	2,238,678,962
Trade and dealer receivables	9.1.2	<b>266,491,511</b>	308,173,565
		<b>2,900,662,337</b>	2,546,852,527

## 9.1.1 Hire customer receivables

<i>In BDT</i>	<b>2022</b>	<b>2021</b>
Hire receivable from customers	<b>3,010,402,751</b>	2,585,847,449
Unearned carrying charges	<b>(340,469,947)</b>	(296,435,033)
	<b>2,669,932,804</b>	2,289,412,416
Provision for doubtful debts	<b>(35,761,978)</b>	(50,733,454)
	<b>2,634,170,826</b>	2,238,678,962

## 9.1.2 Trade and dealer receivables

<i>In BDT</i>	<b>2022</b>	<b>2021</b>
Trade receivables	<b>178,812,095</b>	148,077,548
Receivables from dealers	<b>113,920,671</b>	183,219,776
	<b>292,732,766</b>	331,297,324
Provision for doubtful debts	<b>(26,241,255)</b>	(23,123,759)
	<b>266,491,511</b>	308,173,565

## 9.2 Other receivables

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Receivable from Shop Managers		<b>51,831,220</b>	49,066,034
Receivable from Retail Holdings Bhold B.V., The Netherlands		<b>2,467,719</b>	2,158,465
Receivable from employees		<b>8,032,294</b>	6,121,374
Receivable from others	9.2.1	<b>129,913,943</b>	237,755,983
Employees provident fund		-	406,603
		<b>192,245,176</b>	295,508,459
Provision for doubtful debts		<b>(58,945,649)</b>	(52,085,649)
		<b>133,299,527</b>	243,422,810

9.2.1 Receivable from others (2021) includes BDT 110,000,000 in respect of insurance claim regarding inventories of Chattogram warehouse which were burnt due to fire on 20 March 2019. A loss of BDT 36,923,687 has been recognised during the year 2022 after receipt of the insurance claim.

## 9.3 Provision for doubtful debts

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Opening balance		<b>125,942,862</b>	142,145,391
Provision for the year		<b>40,372,644</b>	22,051,844
		<b>166,315,506</b>	164,197,235
Written-off during the year		<b>(45,366,624)</b>	(38,254,373)
Closing balance	9.3.1	<b>120,948,882</b>	125,942,862

## Notes to the Financial Statements (continued)

### 9.3.1 Provision for doubtful debts-Closing balance

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Hire customer receivables	9.1.1	<b>35,761,978</b>	50,733,454
Trade and dealer receivables	9.1.2	<b>26,241,255</b>	23,123,759
Other receivables	9.2	<b>58,945,649</b>	52,085,649
		<b>120,948,882</b>	125,942,862

### 9.4 Ageing of hire receivables from customers

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Due within 3 months		<b>1,238,260,514</b>	1,072,685,556
Due over 3 months but within 6 months		<b>968,479,482</b>	851,462,442
Due over 6 months but within 9 months		<b>540,040,785</b>	464,805,148
Due over 9 months but within 12 months		<b>199,266,126</b>	160,750,205
Over 12 months		<b>64,355,844</b>	36,144,098
	9.5	<b>3,010,402,751</b>	2,585,847,449

### 9.5 Particulars of hire receivables from customers

<i>In BDT</i>	<b>2022</b>	<b>2021</b>
Secured - considered good:		
Debts due within 6 months	<b>2,170,978,018</b>	1,873,414,544
Debts due over 6 months	<b>803,662,755</b>	661,699,451
	<b>2,974,640,773</b>	2,535,113,995
Secured - considered doubtful:	<b>35,761,978</b>	50,733,454
i) Aggregate amount due by Managing Director and other Directors of the Company	-	-
ii) Aggregate amount due by managers and other staffs of the Company	-	-
iii) Aggregate amount due by associate undertakings	-	-
iv) Maximum amount of debts due by managers and other staff of the Company	-	-
	<b>3,010,402,751</b>	2,585,847,449

## 10 Cash and cash equivalents

See accounting policy in Note 38 (H)

<i>In BDT</i>	<b>2022</b>	<b>2021</b>
Cash in hand	<b>73,762</b>	75,892
Cash at bank	<b>208,705,749</b>	166,901,713
Cash in transit	<b>4,554,490</b>	6,412,077
	<b>213,334,001</b>	173,389,682

## Notes to the Financial Statements (continued)

## 11 Share capital

<i>In BDT</i>	2022	2021
<b>Authorised:</b>		
250,000,000 ordinary shares of BDT 10 each	2,500,000,000	2,500,000,000
<b>Issued, subscribed and paid up:</b>		
25,670 ordinary shares of BDT 10 each issued for cash	256,700	256,700
102,580 ordinary shares of BDT 10 each issued for consideration other than cash	1,025,800	1,025,800
99,574,588 ordinary shares of BDT 10 each issued as fully paid-up bonus shares	995,745,880	995,745,880
	<b>997,028,380</b>	<b>997,028,380</b>

Shareholding position:	2022		2021	
	No. of share	Value (BDT)	No. of share	Value (BDT)
Name of shareholder				
Retail Holdings Bhold B.V., The Netherlands	36,886,123	368,861,230	36,886,123	368,861,230
Retail Holdings Bhold B.V., The Netherlands - non-remittable shares	19,933,214	199,332,140	19,933,214	199,332,140
Local shareholders	42,883,501	428,835,010	42,883,501	428,835,010
	<b>99,702,838</b>	<b>997,028,380</b>	<b>99,702,838</b>	<b>997,028,380</b>

Beneficial percentage of holdings	2022	2021
	Name of shareholder	
Retail Holdings Bhold B.V., The Netherlands	37.00%	37.00%
Retail Holdings Bhold B.V., The Netherlands - non-remittable shares	20.00%	20.00%
Local shareholders	43.00%	43.00%
	<b>100.00%</b>	<b>100.00%</b>

Classification of shareholders by holding:	Number of shareholders		Total holding (%)	
	2022	2021	2022	2021
Shareholding range				
Less than 500 shares	7,395	6,581	1.15	1.02
500 to 5,000 shares	2,653	2,651	4.11	4.18
5,001 to 10,000 shares	221	226	1.59	1.61
10,001 to 20,000 shares	99	120	1.44	1.76
20,001 to 30,000 shares	52	54	1.32	1.38
30,001 to 40,000 shares	22	19	0.79	0.69
40,001 to 50,000 shares	17	16	0.80	0.74
50,001 to 100,000 shares	36	31	2.64	2.32
100,001 to 1,000,000 shares	56	54	14.64	15.14
Over 1,000,000 shares	8	9	71.52	71.16
	<b>10,559</b>	<b>9,761</b>	<b>100.00</b>	<b>100.00</b>

Details of share issue has been shown in Annexure - 2.

## 12 Reserves

<i>In BDT</i>	Note	2022	2021
Revaluation reserve	12.1	670,382,101	544,383,963
Capital reserve	12.2	18,190,942	18,190,942
Non-remittable special capital reserve	12.3	370,178	370,178
Non-distributable special reserve	12.4	232,847	232,847
		<b>689,176,068</b>	<b>563,177,930</b>

## Notes to the Financial Statements (continued)

### 12.1 Revaluation reserve

The land of the Company were revalued as of 31 December 2022 by independent professional valuer, Asian Surveyors Ltd, following "current cost method", which were also revalued previously in years 2005, 2008, 2010, 2012 and 2016. The revaluation of 2022 resulted in a revaluation surplus of BDT 115,415,000.

The buildings of the Company were revalued along with the land as of 31 December 2022 by independent professional valuer, Asian Surveyors Ltd, following "current cost method", which were also revalued previously in years 2005, 2008, 2010, 2012 and 2016. The revaluation of 2022 resulted in a revaluation surplus of BDT 19,848,342.

As per clause 9 (iii) under Section-A of BSEC notification dated 18 August 2013, upward revaluation of buildings is not allowed having remaining economic life of less than 50% of its total useful life as estimated at construction. Apropos this clause, no upward revaluation was accounted, for the buildings which remaining economic life was less than 50% of its total useful life as estimated at construction, in the books of Singer Bangladesh Limited for the year ended 31 December 2022.

### 12.2 Capital reserve

This represents capital gain on disposal of factory land and buildings at Chattogram in 2003.

### 12.3 Non-remittable special capital reserve

This represents profit after tax on sale of certain merchandise which, not being remittable as per directives of Bangladesh Bank, is required to be retained under this reserve.

### 12.4 Non-distributable special reserve

This special reserve, created vide Bangladesh Bank Circular No. FE 27 dated 3 May 1987, represents 90% of post-tax profit on sale of moveable fixed assets up to 1992. The requirement of continuing to add to this reserve has subsequently been withdrawn.

## 13 Deferred tax assets/(liabilities)

See accounting policy in Note 38 (D)

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Opening balance		<b>47,986,028</b>	81,110,569
Amalgamation of business		-	(26,558,458)
		<b>47,986,028</b>	54,552,111
Released/(expense) during the year		<b>(8,776,940)</b>	(7,466,085)
Transferred to retained earnings		<b>673,150</b>	900,002
		<b>(8,103,790)</b>	(6,566,083)
Closing balance	13.1	<b>39,882,238</b>	47,986,028

### 13.1 Closing balance

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Deferred tax assets	13.1.1	<b>105,126,078</b>	106,484,796
Deferred tax liabilities	13.1.2	<b>(65,243,840)</b>	(58,498,768)
		<b>39,882,238</b>	47,986,028

#### 13.1.1 Deferred tax assets

<i>In BDT</i>	<b>2022</b>	<b>2021</b>
Reserve against inventories	<b>28,136,838</b>	27,956,595
Reserve for warranty	<b>26,182,887</b>	32,958,532
Provision for bad debts	<b>27,213,498</b>	28,337,144
Leases	<b>23,592,855</b>	17,232,525
	<b>105,126,078</b>	106,484,796

#### 13.1.2 Deferred tax liabilities

<i>In BDT</i>	<b>2022</b>	<b>2021</b>
Revaluation of land and buildings	<b>(21,652,982)</b>	(19,169,118)
Property, plant and equipment	<b>(43,590,858)</b>	(39,329,650)
	<b>(65,243,840)</b>	(58,498,768)

The amounts of deferred tax assets and liabilities have been netted off as permitted by IAS 12. *Income taxes*.



## Notes to the Financial Statements (continued)

## 14 Defined benefit obligations

## Gratuity

See accounting policy in Note 38 (O)

## Actuarial gain/(loss) from re-measurement of defined benefit obligations and plan assets

<i>In BDT</i>	2022	2021
<b>Amounts recognised in the statement of financial position</b>		
Defined benefit obligations	(159,757,012)	(151,567,088)
Fair value of plan assets	153,003,002	146,256,383
Net defined benefit plan obligations	(6,754,010)	(5,310,705)
<b>Change in benefit obligation</b>		
Benefit obligation at end of prior year	(151,271,531)	(132,449,159)
Service cost	(10,171,263)	(9,831,936)
Interest expense	(11,345,365)	(9,933,687)
Benefit payments from plan assets	22,248,261	9,090,131
Experience gain/(loss)	(9,217,114)	(8,442,437)
Defined benefit obligation at end of year	(159,757,012)	(151,567,088)
<b>Change in fair value of plan assets</b>		
Fair value of plan assets at end of prior year	146,257,224	143,328,328
Interest income	10,969,292	10,748,784
Employer contributions	23,760,011	15,268,460
Benefit payments from plan assets	(22,248,261)	(9,090,131)
Actuarial gain/(loss) on plan assets	(5,735,264)	(13,999,058)
Fair value of plan assets at end of year	153,003,002	146,256,383
<b>Fair value of plan assets</b>		
Investment	139,166,480	143,416,343
Accrued interest on investment	2,917,434	2,774,178
Cash at bank	10,919,088	65,860
	153,003,002	146,256,381
<b>Components of Defined Benefit Cost (DBO)</b>		
Service cost	10,171,263	9,831,936
Interest expense on DBO	11,345,365	9,933,687
Interest (income) on plan assets	(10,969,292)	(10,748,784)
Defined benefit cost included in profit or loss	10,547,336	9,016,839
<b>Remeasurements (recognised in other comprehensive income-OCI)</b>		
Experience gain/(loss)	(9,217,114)	(8,442,437)
Actuarial gain/(loss) on plan assets	(5,735,264)	(13,999,058)
Total remeasurements in OCI	(14,952,378)	(22,441,495)
Total defined benefit cost recognised in profit or loss and OCI	25,499,714	31,458,334

## Notes to the Financial Statements (continued)

### 15 Other liabilities

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Non-remittable accounts	15.1	<b>1,741,834,417</b>	1,622,235,133
Security deposits from branch managers, agents and dealers		<b>371,558,586</b>	338,472,051
Warranty - long term portion		<b>36,740,308</b>	39,932,028
		<b>2,150,133,311</b>	2,000,639,212

#### 15.1 Non-remittable accounts

<i>In BDT</i>	<b>2022</b>	<b>2021</b>
Current account	<b>(78)</b>	(78)
Dividend account:		
Opening balance	<b>1,621,755,221</b>	1,561,955,579
Dividend for the year	<b>119,599,284</b>	59,799,642
Closing balance	<b>1,741,354,505</b>	1,621,755,221
Capital gain on sale of land	<b>479,990</b>	479,990
	<b>1,741,834,417</b>	1,622,235,133

All the above balances are due to Retail Holdings Bhold B.V., The Netherlands and are non-remittable as per directive of Bangladesh Bank and will not be eligible for remittance either as dividend or as capital.

As per directive of Bangladesh Bank, the balance of BDT 479,990 against the capital gain on sale of land created in the year 1990 is required to be shown under non-remittable account.

### 16 Trade and other payables

See accounting policy in Note 38 (H)

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Trade payables	16.1	<b>1,525,127,481</b>	451,693,441
Other payables	16.2	<b>1,544,678,106</b>	1,237,954,787
		<b>3,069,805,587</b>	1,689,648,228

#### 16.1 Trade payables

<i>In BDT</i>	<b>2022</b>	<b>2021</b>
Trade payables	<b>1,479,594,412</b>	393,228,925
Freight and carriage and technicians bills payable	<b>45,533,069</b>	58,464,516
	<b>1,525,127,481</b>	451,693,441

#### 16.2 Other payables

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Payable for expenses	16.2.1	<b>828,879,258</b>	787,003,809
Royalty		<b>543,152,031</b>	354,380,337
Payable for other finance	16.2.2	<b>162,927,711</b>	96,361,641
Leasehold improvements against new shops		<b>9,719,106</b>	209,000
		<b>1,544,678,106</b>	1,237,954,787



## Notes to the Financial Statements (continued)

## 16.2.1 Payable for expenses

<i>In BDT</i>	2022	2021
Advertisement and sales promotion	257,469,501	294,326,778
Reserve for early closing of hire sales	268,165,437	216,797,083
Shop rent	20,568,021	13,527,461
Warranty - short term portion	73,491,643	79,876,045
Reserve for allowable loss	39,332,027	50,155,128
Workers' profit participation and welfare fund	17,924,883	46,101,321
Duty and freight	9,958,156	9,958,156
Utilities	5,000,000	5,000,000
Interest	64,000,000	10,800,000
Transacting and collecting commission/bonuses	3,833,755	3,110,073
Salary and benefits	3,384,617	28,694,137
Statutory audit fee	1,380,000	1,380,000
Selling expenses	1,209,232	1,040,095
Professional and technical fees	4,397,180	4,916,000
Insurance and other	58,764,806	21,321,532
	<b>828,879,258</b>	<b>787,003,809</b>

## 16.2.2 Payable for other finance

<i>In BDT</i>	2022	2021
VAT payable - realised from customers	8,291,368	5,964,979
Withholding taxes	21,455,526	24,297,195
Advances from customers	7,458,076	8,266,047
Employees provident fund	1,329,781	-
Others	124,392,960	57,833,420
	<b>162,927,711</b>	<b>96,361,641</b>

## 17 Short-term borrowings - secured

See accounting policy in Note 38 (H)

<i>In BDT</i>	2022	2021
Bank overdrafts/Short-term loan	5,837,248,081	4,644,314,297

Registered hypothecation of inventories, receivables and machineries under pari-passu arrangement with other banks were maintained to obtain bank overdrafts and short term loans from different banks. Below table shows the bank details.

<i>In BDT</i>		2022	2021
Commercial Bank of Ceylon Plc	Bank overdraft	51,659,481	231,691,693
Pubali Bank Ltd.	Bank overdraft	304,571,044	211,230,155
HSBC	Bank overdraft	41,784,428	300,670,122
Bank-Al-Falah	Bank overdraft	181,353,230	296,788,392
Standard Chartered Bank Ltd.	Bank overdraft	21,445,972	278,334,016
Eastern Bank Ltd.	Bank overdraft	60,427,910	23,124,954
Mutual Trust Bank Ltd.	Bank overdraft	16,859,145	3,753,860
City Bank Ltd.	Bank overdraft	13,546,612	48,675,646
Dhaka Bank Ltd.	Bank overdraft	8,847,436	45,459
Dutch Bangla Bank Ltd.	Bank overdraft	170,902,661	-
Prime Bank Ltd.	Bank overdraft	72,869,306	-
Bank-Al-Falah	Short-term loan	200,000,000	100,000,000
HSBC	Short-term loan	545,610,000	350,000,000
Dutch Bangla Bank Ltd.	Short-term loan	2,397,970,856	500,000,000
Prime Bank Ltd.	Short-term loan	1,749,400,000	-
Commercial Bank of Ceylon Plc	Short-term loan	-	1,190,000,000
Standard Chartered Bank Ltd.	Short-term loan	-	400,000,000
Pubali Bank Ltd.	Short-term loan	-	110,000,000
Eastern Bank Ltd.	Short-term loan	-	500,000,000
City Bank Ltd.	Short-term loan	-	100,000,000
		<b>5,837,248,081</b>	<b>4,644,314,297</b>





## Notes to the Financial Statements (continued)

### 18 Current tax assets/(liabilities)

See accounting policy in Note 38 (D)

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Advance income tax	18.1	<b>3,082,023,857</b>	2,596,873,524
Provision for income tax	18.2	<b>(2,430,777,796)</b>	(2,145,839,511)
		<b>651,246,061</b>	451,034,013

#### 18.1 Advance income tax

<i>In BDT</i>	<b>2022</b>	<b>2021</b>
Opening balance	<b>2,596,873,524</b>	1,667,739,997
Amalgamation of business	-	415,085,106
	<b>2,596,873,524</b>	2,082,825,103
Advance income tax paid during the year	<b>503,416,315</b>	514,048,421
AIT release for prior years (2013-15)	<b>(18,265,982)</b>	-
<b>Closing balance</b>	<b>3,082,023,857</b>	2,596,873,524

#### 18.2 Provision for income tax

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Opening balance		<b>2,145,839,511</b>	1,717,955,803
Amalgamation of business		-	77,899,112
		<b>2,145,839,511</b>	1,795,854,915
Provision during the year	25	<b>351,204,267</b>	390,884,596
Adjustment for prior year	25	<b>(48,000,000)</b>	(40,900,000)
Provision release for prior years (2013-15)		<b>(18,265,982)</b>	-
		<b>2,430,777,796</b>	2,145,839,511

### 19 Turnover

See accounting policy in Note 38 (A)

#### A. Revenue streams

<i>In BDT</i>	<b>2022</b>	<b>2021</b>
Revenue from contracts with customers	<b>17,056,944,338</b>	15,776,359,213
Earned carrying charges	<b>39,746,085</b>	36,630,193
	<b>17,096,690,423</b>	15,812,989,406

#### B. Disaggregation of revenue from contracts with customers

<i>In BDT</i>	<b>2022</b>	<b>2021</b>
Home appliances	<b>11,827,107,685</b>	10,707,008,863
Consumer electronics	<b>3,698,578,198</b>	3,657,823,147
Sewing machines	<b>1,173,484,552</b>	1,149,577,110
Other appliances	<b>357,773,903</b>	261,950,093
	<b>17,056,944,338</b>	15,776,359,213



## Notes to the Financial Statements (continued)

### C. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Receivables, which are included in 'trade and other receivables'	9	<b>2,900,662,337</b>	2,546,852,527
		<b>2,900,662,337</b>	2,546,852,527

### D. Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

Information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies described in Note 38 (A).

## 20 Cost of sales

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Opening inventory of raw materials		<b>1,038,396,031</b>	741,341,068
Purchased during the year	20.1	<b>11,260,932,261</b>	13,149,488,403
Closing inventory of raw materials	8	<b>(1,721,837,713)</b>	(1,038,396,031)
Raw materials consumption		<b>10,577,490,579</b>	12,852,433,440
Factory salaries and wages		<b>172,670,189</b>	144,147,513
Freight and carriage		<b>99,992,430</b>	43,975,589
Rent		<b>600,000</b>	450,000
Depreciation	3.2	<b>124,162,081</b>	72,208,228
Depreciation of right-of-use assets	5.1.2	<b>33,027,262</b>	25,951,340
Repairs and maintenance		<b>19,664,606</b>	11,421,705
Utilities		<b>21,647,846</b>	14,570,681
Bonus		<b>10,256,128</b>	8,243,030
Consumable stores		<b>14,043,438</b>	4,990,421
Gratuity		<b>5,640,000</b>	3,025,000
Employee benefits and recreation		<b>9,621,006</b>	9,167,908
Contribution to provident fund		<b>3,861,201</b>	3,093,206
Fuel and car maintenance		<b>7,517,050</b>	5,070,024
Insurance		<b>2,331,266</b>	6,629,083
Stationery		<b>1,189,885</b>	1,771,776
Conveyance and travelling		<b>505,543</b>	371,620
Postage and communication		<b>17,903</b>	19,250
Miscellaneous		<b>9,770,523</b>	7,403,006
		<b>536,518,357</b>	362,509,380
Works cost (materials+manufacturing expenses)		<b>11,114,008,936</b>	13,214,942,820
Opening work-in-process		-	-
Closing work-in-process		-	-
Cost of production		<b>11,114,008,936</b>	13,214,942,820
Opening inventory of finished goods		<b>4,830,059,942</b>	3,258,772,315
Purchase/production of finished goods		<b>1,494,525,608</b>	74,415,525
		<b>6,324,585,550</b>	3,333,187,840
Closing inventory of finished goods	8	<b>(4,272,296,473)</b>	(4,830,059,942)
<b>Cost of sales</b>		<b>13,166,298,013</b>	11,718,070,718

## Notes to the Financial Statements (continued)

### 20.1 Raw materials consumption

<b>2022</b>	<b>Balance at 1</b>	<b>Purchases</b>	<b>Balance at 31</b>	<b>Consumption</b>
<i>In BDT</i>	<b>January 2022</b>	<b>during the year</b>	<b>December 2022</b>	<b>during the year</b>
Imported				
Television	83,291,248	1,242,222,942	(62,938,280)	1,262,575,910
Air conditioner	11,752,839	1,320,608,028	(23,133,364)	1,309,227,503
Washing Machine	19,155,724	3,763,883,367	(989,169,746)	2,793,869,345
Grinder	22,618,366	65,904,054	(4,401,969)	84,120,451
Refrigerator	623,857,721	68,644,185	64,386,800	756,888,706
Others	277,720,133	4,799,669,685	(706,581,154)	4,370,808,664
	<b>1,038,396,031</b>	<b>11,260,932,261</b>	<b>(1,721,837,713)</b>	<b>10,577,490,579</b>
<b>2021</b>	<b>Balance at 1</b>	<b>Purchases</b>	<b>Balance at 31</b>	<b>Consumption</b>
<i>In BDT</i>	<b>January 2021</b>	<b>during the year</b>	<b>December 2021</b>	<b>during the year</b>
Imported				
Television	82,005,618	1,835,223,505	(83,291,248)	1,833,937,875
Air conditioner	18,667,945	1,085,675,820	(11,752,839)	1,092,590,926
Washing Machine	-	180,988,700	(19,155,724)	161,832,976
Grinder	-	61,834,153	(22,618,366)	39,215,787
Refrigerator	-	3,708,635,612	(623,857,721)	3,084,777,891
Others	640,667,505	6,277,130,613	(277,720,133)	6,640,077,985
	<b>741,341,068</b>	<b>13,149,488,403</b>	<b>(1,038,396,031)</b>	<b>12,852,433,440</b>

### 20.2 Closing stock of finished goods

<i>In BDT</i>	<b>2022</b>	<b>2021</b>
Home appliance	<b>3,197,289,254</b>	3,256,526,174
Consumer electronic	<b>611,574,853</b>	1,001,755,992
Sewing	<b>225,746,807</b>	362,712,136
Furniture	<b>139,508</b>	336,743
Other	<b>237,546,051</b>	208,728,897
	<b>4,272,296,473</b>	4,830,059,942

## Notes to the Financial Statements (continued)

**21 Operating expenses**

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Advertisement and sales promotion	21.1	<b>504,771,188</b>	431,996,454
Shop operating expenses		<b>729,237,403</b>	597,715,867
Salaries and allowances		<b>472,818,550</b>	430,287,151
Rent and occupancy		<b>90,077,418</b>	83,060,643
Royalty	21.2	<b>188,771,694</b>	174,101,723
Warranty		<b>252,116,925</b>	228,667,030
Utilities		<b>70,446,887</b>	62,127,961
Depreciation	3.2	<b>69,597,570</b>	66,046,263
Depreciation of right-of-use assets	5.1.2	<b>327,724,013</b>	254,010,925
Bad debts	9.3	<b>40,372,644</b>	22,051,844
Office administration		<b>76,526,734</b>	63,866,586
Repairs and maintenance		<b>66,423,609</b>	47,521,677
Directors' fee and remuneration	21.3	<b>26,013,379</b>	27,821,955
Travelling		<b>50,405,928</b>	35,183,895
Amortisation	4	<b>4,768,783</b>	5,515,587
Bank charge		<b>34,221,651</b>	30,125,384
Insurance		<b>46,168,362</b>	17,166,446
Fuel and car maintenance		<b>3,561,364</b>	3,009,522
Professional and technical fees	21.4	<b>12,209,191</b>	4,367,446
Entertainment		<b>8,459,963</b>	4,126,651
Statutory audit fee		<b>1,380,000</b>	1,380,000
Dues and subscription		<b>651,431</b>	502,177
Demurrage cost**		<b>82,975,495</b>	273,200,709
Research and Development		<b>10,101,141</b>	-
		<b>3,169,801,323</b>	2,863,853,896

\*\*Demurrage cost (shipping and port) incurred mainly on account of importing refrigerators raw materials. Due to some mismatch in the raw materials with the documents, full scale checking has been conducted by the customs authority instead of sample checking. Therefore, the Company has suffered additional port and shipping charges as demurrage costs during current year. In addition, Covid-19 restrictions also had an impact on clearing efforts and support and, further, constraints of warehouse space due to lower sales had also created some adverse impact on storing raw materials and CBUs at warehouses during last year.

**21.1 Advertisement and sales promotion**

<i>In BDT</i>	<b>2022</b>	<b>2021</b>
Advertisement	<b>293,294,184</b>	203,049,590
Selling expenses	<b>165,808,923</b>	197,947,204
Sales promotion	<b>37,000,783</b>	25,574,660
Meeting and conference expenses	<b>8,667,298</b>	5,425,000
	<b>504,771,188</b>	431,996,454

## Notes to the Financial Statements (continued)

### 21.2 Royalty

See accounting policy in Note 38 (K)

#### Retail Holdings Bhold B.V.

Manufactured products <i>In BDT</i>	Turnover from manufacturing units		Royalty charge for the year	
	2022	2021	2022	2021*
Audio-video sets (television)	<b>2,589,690,135</b>	2,249,630,566	<b>77,690,704</b>	78,737,070
Air conditioner	<b>2,058,232,431</b>	1,868,624,763	<b>61,746,973</b>	65,401,867
Refrigerator	<b>4,933,401,704</b>	2,996,278,650	<b>49,334,017</b>	29,962,786
	<b>9,581,324,270</b>	7,114,533,979	<b>188,771,694</b>	174,101,723
Refrigerator*	-	702,395,980	-	7,023,960
<b>Amalgamation of business*</b>	<b>9,581,324,270</b>	7,816,929,959	<b>188,771,694</b>	181,125,683

Royalty was charged on the net annual invoice price of products manufactured by Singer Bangladesh Limited @ 3% (Approx.) on audio-video sets and air conditioner for the year 2022. For refrigerator, the rate is 1% (Approx.).

Royalty was charged on the net annual invoice price of products manufactured by Singer Bangladesh Limited @ 3.5% (Approx.) on audio-video sets and air conditioner for the year 2021. For refrigerator, the rate is 1% (Approx.).

\*Royalty expense of refrigerator in 2021 includes BDT 7,023,960 before amalgamation on 14 March, 2021.

### 21.3 Director's fee and remuneration

<i>In BDT</i>	2022	2021
Remuneration	<b>22,188,940</b>	24,802,018
Housing	<b>1,377,714</b>	1,181,728
Medical and welfare	<b>1,825,725</b>	1,403,509
Fees	<b>621,000</b>	434,700
	<b>26,013,379</b>	27,821,955

### 21.4 Professional and technical fees

<i>In BDT</i>	2022	2021
Legal and technical services fees	<b>3,085,745</b>	2,551,083
Audit and other consultancy	<b>9,123,446</b>	1,816,363
	<b>12,209,191</b>	4,367,446

## 22 Other income/(loss)

This represents following items of income from other operations, not directly connected with principal activities of the Company:

<i>In BDT</i>	2022	2021
Sale of scrapped inventories and others	<b>41,541,849</b>	39,363,437
Dividend income from CDBL	<b>1,427,952</b>	1,427,952
Gain/(loss) on sale of fixed assets	<b>(560,602)</b>	(485,748)
Fire loss of inventory	<b>(19,923,687)</b>	(120,005,185)
Hire agreement fees	<b>120,203,665</b>	110,358,919
Reverts product sale	<b>12,350,166</b>	20,774,163
Income from financial and related services	<b>1,339,194</b>	1,627,822
Other	<b>25,620,248</b>	5,928,660
	<b>181,998,785</b>	58,990,020



## Notes to the Financial Statements (continued)

**23 Net finance costs**

See accounting policy in Note 38 (B)

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Interest income		<b>170,421</b>	203,837
Foreign exchange gain		<b>4,620,920</b>	8,402,211
<b>Finance income</b>		<b>4,791,341</b>	8,606,048
Interest expenses on borrowings		<b>(441,681,675)</b>	(270,122,330)
Interest expenses on leases	5.2	<b>(107,654,496)</b>	(106,512,108)
<b>Finance costs</b>		<b>(549,336,171)</b>	(376,634,438)
		<b>(544,544,830)</b>	(368,028,390)

**24 Contribution to workers' profit participation fund**

This is made in terms of section 234(1)(b) of Bangladesh Labour Act 2006 (as amended up to 2018) 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10. The remaining 10% of the amount of net profit shall be paid by the Company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act, 2006. Of the 80% being transferred to the participation fund, two-third has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third has to be invested in accordance with the manner as stated in section 242 of that Act.

**25 Income tax expense**

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Current tax expense		<b>351,204,267</b>	390,884,596
Provision release from prior years		<b>(48,000,000)</b>	(40,900,000)
Deferred tax expense relating to origination and reversal of temporary differences	25.2	<b>1,830,363</b>	7,466,085
		<b>305,034,630</b>	357,450,681

**25.1 Reconciliation of effective tax rate**

<i>In BDT</i>	<b>2022</b>		<b>2021</b>	
	<b>Percentage</b>	<b>BDT</b>	<b>Percentage</b>	<b>BDT</b>
Profit before tax		<b>378,142,790</b>		875,925,101
Tax using the Company's tax rate	<b>22.50%</b>	<b>85,082,128</b>	22.50%	197,083,148
Tax effect of:				
Non-deductible expenses	<b>14.02%</b>	<b>53,022,281</b>	5.88%	51,531,236
Excess tax paid for minimum tax	<b>50.52%</b>	<b>191,035,458</b>	16.12%	141,168,893
Other components of tax as per ITO 1984	<b>5.83%</b>	<b>22,064,400</b>	6.46%	56,613,033
Adjusted unabsorbed depreciation	<b>0.00%</b>	-	-6.34%	(55,511,714)
Adjustments/provision released during the year	<b>-12.69%</b>	<b>(48,000,000)</b>	-4.67%	(40,900,000)
Temporary differences	<b>0.48%</b>	<b>1,830,363</b>	0.85%	7,466,085
	<b>80.66%</b>	<b>305,034,630</b>	40.80%	357,450,681

**25.2 Deferred tax expense**

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Deferred tax expense during the year	13	<b>8,776,940</b>	7,466,085
Deferred tax related to revaluation gain recognised in OCI		<b>6,946,577</b>	-
Deferred tax expense recognised in profit and loss accounts		<b>1,830,363</b>	7,466,085

## Notes to the Financial Statements (continued)

### 25.3 Tax related to remeasurement of employee benefit obligations

<i>In BDT</i>	2022		
	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurement of defined benefit liability	(14,952,378)	3,364,285	(11,588,093)
	<b>(14,952,378)</b>	<b>3,364,285</b>	<b>(11,588,093)</b>
	2021		
<i>In BDT</i>	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurement of defined benefit liability	(22,441,495)	5,049,336	(17,392,159)
	<b>(22,441,495)</b>	<b>5,049,336</b>	<b>(17,392,159)</b>

## 26 Contingencies and commitments

### 26.1 Commitments

<i>In BDT</i>	2022	2021
Letters of credit*	<b>1,657,506,005</b>	2,659,131,055
Bank guarantees	<b>5,119,000</b>	4,840,206
	<b>1,662,625,005</b>	2,663,971,261

\*The letters of credit were outstanding as at 31 December 2022 against which the Company is committed to purchase products from different companies.

### 26.2 Contingent liabilities

There are contingent liabilities on account of disputed bank guarantees and claims by the customs authority.

	2022	2021
(i) Claims against the Company not acknowledged as debts	<b>5,006,676</b>	5,006,676
(ii) Uncalled liability on partly paid shares/ arrears of fixed cumulative dividends on preference shares	-	-
(iii) Aggregate amount of contracts for capital expenditure remaining to be executed and not provided for	-	-
(iv) Aggregate amount of any guarantees given by the Company on behalf of directors, managing directors, or other officers of the Company	-	-
(v) Money for which the Company is contingently liable for any guarantees given by banks	<b>17,628,250</b>	17,628,250
	<b>22,634,926</b>	22,634,926

No credit facilities of general nature (other than trade credit in ordinary course of business) under any contract were obtained or made available to the Company.



## Notes to the Financial Statements (continued)

**27 Capacity utilisation**

2022		In units			
Production	Measurement unit	Annual installed capacity	Utilisation during the period	Over/(Under) utilisation	% of utilisation
Panel television	Number	213,750	100,014	(113,736)	46.8
Air conditioner	Sets	51,300	35,224	(16,076)	68.7
Refrigerator	Number	273,600	140,919	(132,681)	51.5
Washing Machine	Number	71,250	3,736	(67,514)	5.2
Grinder	Number	71,250	52,772	(18,478)	74.1

2021		In units			
Production	Measurement unit	Annual installed capacity	Utilisation during the period	Over/(Under) utilisation	% of utilisation
Panel television	Number	213,750	130,000	(83,750)	60.8
Air conditioner	Sets	51,300	32,609	(18,691)	63.6
Refrigerator	Number	273,600	146,777	(126,823)	53.6
Washing Machine	Number	71,250	11,278	(59,972)	15.8
Grinder	Number	71,250	13,697	(57,553)	19.2

**28 Number of employees**

	2022	2021
The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 and above.	1,670	1,697

**29 Remittance in foreign currency**

The Company remitted the following amounts in foreign currency during the year to Retail Holdings Bhold B.V., Parent of the Company.

2022		Amount (BDT)	Equivalent (USD)
	Name of party		
Dividend for the year 2021 (final)	Retail Holdings Bhold B.V.	199,185,064	2,090,085
		199,185,064	2,090,085

2021		Amount (BDT)	Equivalent (USD)
	Name of party		
Dividend for the year 2020 (final)	Retail Holdings Bhold B.V.	99,592,532	1,172,781
		99,592,532	1,172,781

**30 Earnings per share (EPS)**

See accounting policy in Note 38 (Q)

**30.1 Basic earnings per share**

	2022	2021
Earnings attributable to the ordinary shareholders	73,108,160	518,474,420
Weighted average number of ordinary shares outstanding	99,702,838	99,702,838
Basic earnings per share	0.73	5.20

Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2022 in terms of International Accounting Standard (IAS-33). For comparative year (i.e. 2021) the same no of ordinary shares outstanding were used to compute basic EPS, as 60% cash dividend was declared for the year ended 31 December 2021. Details of shares issue have been shown in Annexure - 2.

**30.2 Diluted earnings per share**

No diluted earnings per share is required to be calculated for the year as there was no potentially dilutive potential ordinary shares during the period.



**Notes to the Financial Statements (continued)**

**31 Financial instruments - fair values and risk management**  
**31.1 Accounting classifications and fair values**

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

31 December 2022	Note	Carrying amount					Total amount	
		Fair value hedging instruments	Mandatorily at fair value	FVOCI-debt instruments	FVOCI equity instruments	Financial assets at amortised cost		Other financial liabilities
<b>Financial assets not measured at fair value</b>								
Trade and other receivables	9	-	-	-	-	3,033,961,864	-	3,033,961,864
Cash and cash equivalents	10	-	-	-	-	213,334,001	-	213,334,001
		-	-	-	-	3,247,295,865	-	3,247,295,865
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables	16	-	-	-	-	-	3,069,805,587	3,069,805,587
		-	-	-	-	-	-	3,069,805,587
<b>31 December 2021</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables	9	-	-	-	-	2,790,275,337	-	2,790,275,337
Cash and cash equivalents	10	-	-	-	-	173,389,682	-	173,389,682
		-	-	-	-	2,963,665,019	-	2,963,665,019
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables	16	-	-	-	-	-	1,689,648,228	1,689,648,228
		-	-	-	-	-	-	1,689,648,228

The Company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, and trade and other payables because their carrying amounts are a reasonable approximation of fair values.



## Notes to the Financial Statements (continued)

## 31.2

**Financial risk management**

The Company management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company has exposure to the following risks from its use of financial instruments.

- Credit risk (note 31.2.1)
- Liquidity risk (note 31.2.2)
- Market risk (note 31.2.3)

## 31.2.1

**Credit risk**

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from direct customers, dealers and other parties.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed for all customers requiring credit over a certain amount. The home appliance products are sold under hire purchase agreements and the sale of cables is under the ordinary credit terms.

The maximum exposure to credit risk (note 31.2.1.1) is represented by the carrying amount of each financial asset in the statement of financial position.

## 31.2.1.1

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Trade and other receivables	9	<b>3,033,961,864</b>	2,790,275,337
Deposits	7	<b>30,574,208</b>	29,370,808
Cash and cash equivalents	10	<b>213,334,001</b>	173,389,682
		<b>3,277,870,073</b>	2,993,035,827

The maximum exposure to credit risk for loans and receivables at the reporting date by geographic region was:

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Domestic	9	<b>3,033,961,864</b>	2,790,275,337
		<b>3,033,961,864</b>	2,790,275,337

The maximum exposure to credit risk for loans and receivables at the reporting date by type of counterparty was:

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Retail customers	9.1.1	<b>2,634,170,826</b>	2,238,678,962
Wholesale and corporate customers	9.1.2	<b>266,491,511</b>	308,173,565
Others	9.2	<b>133,299,527</b>	243,422,810
		<b>3,033,961,864</b>	2,790,275,337



## Notes to the Financial Statements (continued)

### 31.2.1.2 Impairment loss

Trade receivable is assessed at each reporting date of statement of financial position to determine whether there is any objective evidence that it is impaired. Trade receivable is deemed to be impaired if and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset, and that the loss event had an impact on the estimated future cash flows of that asset that can be reliably estimated.

The ageing buckets (in days) of receivables at the reporting date was:

<i>In BDT</i>	Gross 2022	Impairment 2022
0 to 30	2,782,225,555	801,898
31 to 60	164,844,709	218,605
61 to 180	188,709,197	3,358,600
181 to 360	74,855,453	11,566,515
> 360	92,500,603	46,057,615
	<b>3,303,135,517</b>	<b>62,003,233</b>

<i>In BDT</i>	Gross 2021	Impairment 2021
0 to 30	2,407,004,707	1,375,740
31 to 60	147,487,148	3,569,225
61 to 180	174,139,769	10,465,039
181 to 360	108,935,732	37,084,663
> 360	79,577,417	21,362,546
	2,917,144,773	73,857,213

The movement in the allowance for impairment in respect of receivables during the year was as follows:

<i>In BDT</i>	2022	2021
Opening balance	125,942,862	142,145,391
Allowance recognised for the year	40,372,644	22,051,844
Allowance written off for the year	166,315,506	164,197,235
Closing balance	<b>(45,366,624)</b>	<b>(38,254,373)</b>
	<b>120,948,882</b>	125,942,862

### Expected credit loss (ECL) assessment

The Company follows "simplified approach" of measuring the expected credit loss prescribed in IFRS 9. Lifetime expected credit loss, for the outstanding trade receivables at the reporting date, has been calculated considering the business model of the Company. IFRS 9 permits using a few practical expedients and one of them is a provision matrix which is a calculation of the impairment loss based on the default rate percentage applied to the group of financial assets. Two important factors under loss rate approach are- finding out historical default/loss rate and forward looking information.



## Notes to the Financial Statements (continued)

The Company's policy is to give 60-180 credit days for the repayment of receivables. Calculation of the impairment loss on trade receivables at reporting date includes the below sequential steps:

- Step 1: Analyse the collection of receivables and find out the unpaid amount within each ageing bucket
- Step 2: Calculate the historical loss rates for each ageing bucket
- Step 3: Incorporate forward-looking information to find out adjusted loss rate for each ageing bucket
- Step 4: Apply the adjusted loss rates to the current trade receivables portfolio to find out the ECL amount

Historical loss amount has been calculated considering their ageing buckets when write-off was allowed. The historical loss rate has been calculated in the following way:

Loss rate in an ageing bucket = Loss amount of that bucket / Unpaid amount of that bucket.

After incorporating forward looking information adjusted loss rate has been calculated as below:

Adjusted loss rate in an ageing bucket = Adjusted loss amount in that bucket / Unpaid amount in that bucket.

Due to COVID-19 pandemic, collections have been slowed down during the nation wide lockdown period and showing signs of improvement after that (i.e. during the 3rd and 4th quarter of the year). Despite the improvement of collections, owing to COVID-19 pandemic, the unemployment rate has increased and economic activities have been affected with evidence of starting of a slow recovery. These have triggered the risks of increased default losses and the Company assumes the loss can be increased by 20% (from its historical loss rate), because of the reasons explained above.

The following tables provide information about the exposure to credit risk and ECLs for trade receivables for both current and previous reporting period.

In BDT	For the year ended 31 December 2022		
	Amounts outstanding	Adjusted loss rate	Expected credit loss
Ageing bucket (days)			
0 to 30	2,782,225,555	0.0%	801,898
31 to 60	164,844,709	0.1%	218,605
61 to 180	188,709,197	1.8%	3,358,600
181 to 360	74,855,453	15.5%	11,566,515
> 360	92,500,603	49.8%	46,057,615
<b>Total</b>	<b>3,303,135,517</b>		<b>62,003,233</b>
In BDT	For the year ended 31 December 2021		
Ageing bucket (days)	Amounts outstanding	Adjusted loss rate	Expected credit loss
0 to 30	2,407,004,707	0.1%	1,375,740
31 to 60	147,487,148	2.4%	3,569,225
61 to 180	174,139,769	6.0%	10,465,039
181 to 360	108,935,732	34.0%	37,084,663
> 360	79,577,417	26.8%	21,362,546
<b>Total</b>	<b>2,917,144,773</b>		<b>73,857,213</b>



## Notes to the Financial Statements (continued)

### 31.2.2

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast prepared based on the basis of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

The followings are the contractual maturities of financial liabilities, including estimated interest payments:

<i>In BDT</i>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>2 months or less</b>	<b>2-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>
<b>As at 31 December 2022</b>							
Non-derivative financial liabilities:							
Short-term borrowings - secured	5,837,248,081	(5,930,961,671)	(2,009,429,879)	(3,921,531,792)	-	-	-
Trade and other payables	3,069,805,587	(3,069,805,587)	(2,482,557,962)	(587,247,625)	-	-	-
Lease liabilities	1,167,169,587	(3,580,855,551)	(68,173,228)	(333,059,619)	(350,243,909)	(572,978,810)	(2,256,399,985)
Derivative financial liabilities	-	-	-	-	-	-	-
	<b>10,074,223,255</b>	<b>(12,581,622,809)</b>	<b>(4,560,161,069)</b>	<b>(4,841,839,036)</b>	<b>(350,243,909)</b>	<b>(572,978,810)</b>	<b>(2,256,399,985)</b>
<b>As at 31 December 2021</b>							
Non-derivative financial liabilities:							
Short-term borrowings - secured	4,644,314,297	(4,700,629,921)	(2,305,893,782)	(2,394,736,139)	-	-	-
Trade and other payables	1,689,648,228	(1,689,648,228)	(1,515,546,505)	(174,101,723)	-	-	-
Lease liabilities	1,048,546,293	(2,206,299,926)	(50,024,189)	(245,125,720)	(277,026,211)	(505,945,017)	(1,128,178,789)
Derivative financial liabilities	-	-	-	-	-	-	-
	<b>7,382,508,818</b>	<b>(8,596,578,075)</b>	<b>(3,871,464,476)</b>	<b>(2,813,963,582)</b>	<b>(277,026,211)</b>	<b>(505,945,017)</b>	<b>(1,128,178,789)</b>

### 31.2.3

#### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Company is exposed to normal business risks from changes in market interest rates and currency rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative business.



## Notes to the Financial Statements (continued)

## 31.2.3.1 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows because of some floating/variable loan interest rates. The Company is primarily exposed to interest rate risk from its borrowings.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

<i>In BDT</i>	Note	2022	2021
<b>Fixed rate instruments</b>			
Fixed rate deposits at financial institution		-	-
Fixed rate loans and receivable (net hire receivable)	9.1.1	2,669,932,804	2,289,412,416
Other fixed rate instruments (assets)		-	-
<b>Financial assets</b>		<b>2,669,932,804</b>	<b>2,289,412,416</b>
Fixed rate bank overdraft		-	-
Fixed rate loans		-	-
Fixed rate debentures		-	-
Fixed rate promissory notes		-	-
Lease liabilities		-	-
Other fixed rate liabilities		-	-
<b>Financial liabilities</b>		<b>-</b>	<b>-</b>
<b>Variable rate instruments</b>			
Variable rate deposits at financial institution		-	-
Variable rate loans and receivable		-	-
Other variable rate instruments (assets)		-	-
<b>Financial assets</b>		<b>-</b>	<b>-</b>
Variable rate bank overdraft	17	5,837,248,081	4,644,314,297
Variable rate loans		-	-
Variable rate debentures		-	-
Variable rate promissory notes		-	-
Other variable rate liabilities		368,765,932	336,228,801
<b>Financial liabilities</b>		<b>6,206,014,013</b>	<b>4,980,543,098</b>



## Notes to the Financial Statements (continued)

### 31.2.3.2 Foreign Currency risk

The Company is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. Other non recurring exposures consist of payable to IFS authority due to developing the ERP system of the Company.

As at 31 December, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

	31 December 2022			31 December 2021		
	BDT	USD	EUR	BDT	USD	EUR
<b>Foreign currency denominated assets</b>						
Trade and other receivables	110,168,196	1,043,717	5,610	-	-	-
Total assets	110,168,196	1,043,717	5,610	-	-	-
<b>Foreign currency denominated liabilities</b>						
Trade and other payables	(1,293,176,597)	(12,315,739)	(233)	(126,085,933)	(1,391,780)	(44,653)
Total liabilities	(1,293,176,597)	(12,315,739)	(233)	(126,085,933)	(1,391,780)	(44,653)
<b>Net exposure</b>	<b>(1,183,008,401)</b>	<b>(11,272,022)</b>	<b>5,378</b>	<b>(126,085,933)</b>	<b>(1,391,780)</b>	<b>(44,653)</b>

The following significant exchange rates are applied during the year:

<i>In BDT</i>	Year-end spot rate	
	2022	2021
US Dollar	105.00	87.00
EUR	103.00	112.00

### 31.2.3.3 Foreign exchange rate sensitivity analysis for foreign currency expenditures

Foreign exchange rate sensitivity is calculated on the basis of impact of change of 100 basis points in foreign exchange rates. This analysis presents the probable weakening of BDT against US Dollar and EUR and the possibility that the profit or loss and the equity would have increased/(decreased) assuming all other variables, in particular interest rates remain constant. As per current practice, foreign exchange rate sensitivity analysis is done once at the end of the year. Result of the assessment is summarised below.

<i>In BDT</i>	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 December 2022</b>				
Expenditures denominated in USD	11,835,623	(11,835,623)	11,835,623	(11,835,623)
Expenditures denominated in EUR	(5,539)	5,539	(5,539)	5,539
Exchange rate sensitivity	11,830,084	(11,830,084)	11,830,084	(11,830,084)
<b><i>In BDT</i></b>	<b>Profit or loss</b>		<b>Equity</b>	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 December 2021</b>				
Expenditures denominated in USD	1,210,848	(1,210,848)	1,210,848	(1,210,848)
Expenditures denominated in EUR	50,011	(50,011)	50,011	(50,011)
Exchange rate sensitivity	1,260,859	(1,260,859)	1,260,859	(1,260,859)

### Capital management

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing the Company's internal capital adequacy to ensure the Company's operation as a going concern. The Board of directors is charged with the ultimate responsibility for maintaining a strong capital base so as to maintain confidence of stakeholders and to sustain future development of the business. All major investment and operational decisions with exposure above certain amount are evaluated and approved by the board. The Board of directors also monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of directors also determines the level of dividends to ordinary shareholders.

## Notes to the Financial Statements (continued)

### 33 Related parties

Related party transactions are disclosed in compliance with IAS-24 "Related Party Disclosures". The name of the related parties, the nature of the transactions and their balance at year end have been set out below:

#### 33.1 Parent and ultimate controlling party

Singer Bangladesh Limited (the Company) is a direct subsidiary of Retail Holdings Bhold B.V., The Netherlands which holds 57% of the total shares issued.

Retail Holdings Asia B.V. was the Parent (i.e. owner of 100% shares) of Retail Holdings Bhold B.V., The Netherlands, up to March 2019 as it sold its 100% holdings to Ardutch B.V., The Netherlands which is a direct subsidiary of Arçelik A.Ş.

#### 33.2 Transactions with key management personnel

Key management personnel includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including all directors (executive and non-executive).

<i>In BDT</i>	<i>Note</i>	<b>2022</b>	<b>2021</b>
Remuneration		<b>22,188,940</b>	24,802,018
Housing		<b>1,377,714</b>	1,181,728
Medical and welfare		<b>1,825,725</b>	1,403,509
Board meeting fees		<b>621,000</b>	434,700
<b>a) Short-term employee benefit</b>	21.3	<b>26,013,379</b>	27,821,955
<b>b) Post employment benefit</b>		-	-
<b>c) Other long-term benefit</b>		-	-
<b>d) Termination benefit</b>		-	-
<b>e) Share-based payment</b>		-	-
		<b>26,013,379</b>	27,821,955

#### 33.3 Other related party transactions

<b>Name of related parties</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>2022</b>	<b>2021</b>
Arcelik A.S.	Ultimate parent	Procurement of products	<b>47,347,344</b>	183,871,786
BEKO Thai Co. Ltd.	Subsidiary of ultimate parent	Procurement of products	<b>10,017,836</b>	188,125,770
Dawlance (Private) Limited	Subsidiary of ultimate parent	Procurement of products	-	13,417,077
Retail Holdings Bhold B.V., The Netherlands	Parent Company	Royalty expense	<b>188,771,694</b>	181,125,683

#### 33.3.1 Related party receivable/(payable)

<b>Name of related parties</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>2022</b>	<b>2021</b>
Arcelik A.S.	Ultimate parent	Payable for inventory	<b>(11,694,265)</b>	(4,543,738)
Arcelik A.S.	Ultimate parent	Other payable	<b>(59,646,317)</b>	(21,321,533)
Arcelik A.S.	Ultimate parent	Other receivable	<b>881,511</b>	-
BEKO Thai Co. Ltd.	Subsidiary of ultimate parent	Payable for inventory	<b>(8,608,996)</b>	-
Retail Holdings Bhold B.V., The Netherlands	Parent company	Royalty payable Current account	<b>(543,152,031)</b>	(354,380,337)
Retail Holdings Bhold B.V., The Netherlands	Parent company	Current account	<b>2,467,719</b>	2,158,465



## Notes to the Financial Statements (continued)

### 34 Net asset value (NAV) per share

#### 34.1 NAV per share after revaluation

<i>In BDT</i>	2022	2021
Total assets	15,237,285,034	12,797,101,450
Total liability	(12,248,771,257)	(9,400,880,626)
<b>Net assets value</b>	<b>2,988,513,777</b>	<b>3,396,220,824</b>
Number of shares used to compute NAV	99,702,838	99,702,838
<b>Net asset value (NAV) per share</b>	<b>29.97</b>	<b>34.06</b>

#### 34.2 NAV per share before revaluation

<i>In BDT</i>	2022	2021
Total assets	15,102,021,692	12,797,101,450
Total liability	(12,248,771,257)	(9,400,880,626)
<b>Net assets value</b>	<b>2,853,250,435</b>	<b>3,396,220,824</b>
Number of shares used to compute NAV	99,702,838	99,702,838
<b>Net asset value (NAV) per share</b>	<b>28.62</b>	<b>34.06</b>

### 35 Reconciliation of net income with cashflows from operating activities

<i>In BDT</i>	2022	2021
<b>Net income</b>	<b>73,108,160</b>	<b>518,474,420</b>
Add/(deduct) for noncash items:		
Depreciation & amortization	559,280,347	423,732,343
(Gain)/loss on sale of property, plant and equipment	560,602	485,748
Deferred tax expenses/(income)	8,776,940	7,466,085
Tax expense	305,034,630	357,450,681
Finance costs	549,336,171	376,634,438
Other provisions	40,372,644	22,051,844
<b>Changes in:</b>		
(Increase)/Decrease in deposits and prepayments	(1,203,400)	(6,278,010)
(Increase)/Decrease in inventories	(125,678,213)	(2,037,291,365)
(Increase)/Decrease in trade and other receivables	(287,417,454)	(214,258,878)
(Increase)/Decrease in Advances, deposits and prepayments	(215,613,610)	(522,704,368)
Increase/(Decrease) in other liabilities	29,894,815	55,024,508
Increase/(Decrease) in accounts payables	1,380,157,359	(122,197,421)
Tax paid	(503,416,315)	(514,048,421)
<b>Net cash flows from operation activities</b>	<b>1,740,084,516</b>	<b>(2,173,932,816)</b>
	<b>1,813,192,676</b>	<b>(1,655,458,396)</b>

#### 35.1 Net operating cash flow per share (NOCFPS)

<i>In BDT</i>	2022	2021
Net cash from operating activities	1,813,192,676	(1,655,458,396)
Number of ordinary shares outstanding	99,702,838	99,702,838
<b>Net operating cash flow per share (NOCFPS)</b>	<b>18.19</b>	<b>(16.60)</b>

### 36 Events after the reporting period

The Board of Directors of the Company has recommended 10% (BDT 1 per share of BDT 10 each) cash dividend in its 264th board meeting held on 25 January 2023.

### 37 Others

- Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.
- Previous year's figures have been regrouped and/or rearranged wherever considered necessary for the purpose of current year's presentation.



## Notes to the Financial Statements (continued)

### 37.1 Basis of measurement

These financial statements have been prepared on accrual basis following going concern concept under historical cost convention as modified to include the revaluation of land and buildings under property, plant and equipment. The initial recognition of financial instruments at fair value and the gratuity scheme which was measured based on actuarial valuation.

### 37.2 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

- a) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- b) Classification of Liabilities as Current or Non- current (Amendments to IAS 1).
- c) Other standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements:

- IFRS 17 *Insurance Contracts* and amendments to IFRS 17 *Insurance Contracts*
- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice Statement 2)*.
- *Definition of Accounting Estimates (Amendments to IAS 8)*.

## 38 Significant accounting policies

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

- A. Revenue
- B. Finance income and finance costs
- C. Foreign currency transactions
- D. Income tax
- E. Inventories
- F. Property, plant and equipment
- G. Intangibles
- H. Financial instruments
- I. Impairment
- J. Provisions
- K. Royalty
- L. Warranty costs
- M. Investments
- N. Workers' profit participation fund
- O. Employee benefit
- P. Reporting period
- Q. Earnings per share
- R. Segment reporting
- S. Statement of cash flows
- T. Events after the reporting period
- U. Offsetting
- V. Leases



## Notes to the Financial Statements (continued)

### A. Revenue from contracts with customers

#### Type of product/service

Consumer electronics and household appliances.

#### Nature and timing of satisfaction of performance obligations

Customers obtain control of products at point of delivery or over time. Invoices are generated at fair value of the consideration received or receivable, net of returns and allowances and trade discounts at the time of delivery of goods. Invoices are usually paid instantly in case of cash sales or payable as per credit terms offered by the Company.

Performance obligation is satisfied when the control of the goods is transferred, rather than just the risk and reward.

#### Revenue recognition

Revenue is recognised when (or as) control of goods is transferred to customer. Control may be transferred either at a point in time or over time. First, the entity assesses whether it transfers control over time by following the prescribed criteria for satisfying performance obligation. If none of the criteria for recognising revenue over time is met, then the entity recognises revenue at the point in time at which it transfers control of the goods to the customer.

Performance obligation is satisfied when the control of the goods is transferred, rather than just the risk and reward.

### B. Finance income and finance costs

Finance expenses comprise interest expense on term loan, overdraft, and bank charges. Interest income from fixed deposit and from saving or current account is net off with finance expenses. All finance expenses are recognised in the profit and loss statement. Finance expenses also include interest expense on lease liabilities.

### C. Foreign currency transactions

Foreign currency transactions are recorded in BDT at applicable rates of exchange ruling at the dates of transactions in accordance with IAS-21 The Effects of Changes in Foreign Exchange Rates. Exchange rate difference at the statement of financial position date are charged/credited to statement of profit or loss and other comprehensive income, to the extent that this treatment does not contradict with the Schedule XI of Companies Act 1994. This Schedule requires all exchange gains and losses arising from foreign currency borrowings, taken to finance acquisition of construction of fixed assets, to be credited/charged to the cost/value of such assets.

The financial statements are presented in BDT, which is the company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into BDT at the exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss shall be recognised in profit or loss.

### D. Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss and other comprehensive income.

#### Current tax

The Company qualifies as a "Publicly Traded Company", as defined in income tax law. The applicable tax rate for the Company is 22.5%. Provision for taxation has been made on this basis which is compliant with the Finance Act 2022.



## Notes to the Financial Statements (continued)

### Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. The deferred tax asset/income or liability/expense does not create a legal obligation to, or recoverability from, the income tax authority.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### E. Inventories

Inventories are measured at lower of cost and net realisable value, after making due allowances for obsolete and excess inventories. Net realisable value is estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The Company assesses the NRV by giving consideration to future demand and condition of the inventory and make adjustments to the value by making required provisions. Inventories consist of raw materials, work-in-process, goods in transit and finished goods. The Company uses weighted average cost model in valuing its inventory.

### F. Property, plant and equipment

#### Recognition and measurement

Property, plant and equipment are stated in statement of financial position are measured at cost/fair value less accumulated depreciation and any accumulated impairment losses in accordance with IAS-16 Property Plant and Equipment. Maintenance, renewals and betterments that enhance the economic useful life of the property, plant and equipment or that improve the capacity, quality or reduce substantially the operating cost or administration expenses are capitalised by adding it to the related property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

#### Cost model

The Company applies cost model to property, plant and equipment except for land and buildings.

#### Revaluation model

The Company applies revaluation model to entire class of freehold land and buildings. A revaluation is carried out when there is a substantial difference between the fair value and the carrying amount of the property and is undertaken by professionally qualified valuers. The Company reviews its assets when deemed appropriate considering reasonable interval of years/time.

Increase in the carrying amount on revaluation is recognised in other comprehensive income and accumulated in equity in the revaluation reserve unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances the increase is recognised as income to the extent of the previous write down.

Decrease in the carrying amount on revaluation that offset previous increases of the same individual assets are charged against revaluation reserve directly in equity. All other decreases are recognised in profit and loss.

#### Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day maintenance of property, plant and equipment are recognised in the profit and loss account as incurred.



## Notes to the Financial Statements (continued)

### Depreciation

Depreciation is calculated over the depreciable amount. Depreciation is recognised in profit and loss on a reducing balance method over each part of an item of property, plant and equipment, since this most closely reflected the expected pattern of consumption of the future economic benefits embodied in the asset. A change in the depreciation method is a change in a technique used to apply the entity's accounting policy to recognise depreciation as an asset's future economic benefits are consumed. Therefore it is deemed to be a change in an accounting estimate.

Land is not depreciated. Depreciation is charged on property plant and equipment from the month of acquisition and no depreciation is charged in the month of disposal.

Depreciation is charged at the rates varying from 10% to 20% depending on the estimated useful lives of assets. No depreciation is charged for work-in-progress.

The rates of depreciation of the Company, applied on reducing balance method, for the current period and comparative years are as follows:

Building - Office	10%
Building - Factory	20%
Leasehold improvements	10%
Plant and machinery	20%
Vehicles	20%
Furniture and fixtures	10%
Equipment and tools	20%

### G. Intangibles

An intangible asset is recognised if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably in accordance with IAS 38 Intangible Assets. Intangible assets with finite useful lives are measured at cost, less accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally-generated goodwill and brands are recognised in profit or loss as incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. Amortisation expense on intangible assets with finite lives is recognised in profit and loss on a straight-line basis over the estimated useful lives, from the date they are available-for-use.

The estimated useful lives of intangible assets with finite lives are as follows:

#### Intangible assets

Computer Software	20%
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Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit and loss when the asset is derecognised.

### H. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



## Notes to the Financial Statements (continued)

### Financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the Company becomes a party to the contractual provisions of the transaction.

The Company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include cash and cash equivalents, accounts receivable, and long term receivables and deposits.

### Accounts receivable

Accounts receivable is initially recognised at nominal value which is the fair value of the consideration given in return. Accounts receivable represents the amounts due from customers of hire sale, credit sale and also includes receivable from employees and others, net of provision for doubtful debts and unearned carrying charges.

Allowances for accounts receivables are calculated applying the rates under ECL method for different ageing buckets (in days) for the current year are as follows:

Ageing bucket (days)	2022	2021
0 to 30	0.0%	0.1%
31 to 60	0.1%	2.4%
61 to 180	1.8%	6.0%
181 to 360	15.5%	34.0%
> 360	49.8%	26.8%

### Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and cash in transit. It also includes fixed deposit with bank maturity of which is not more than three months. There is no significant risk of change in value of the same.

### Financial liability

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities include lease obligations, loans and borrowings, accounts payable and other payables.

### Accounts payable

The Company recognises a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits.

### I. Impairment

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each date of Statement of Financial Position. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

### J. Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation at the date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows.



## Notes to the Financial Statements (continued)

### K. Royalty

Royalty is payable to Retail Holdings Bhold B.V. @ 3% of net annual invoice price of sale of audio-video sets (radio cassette, recorders and televisions), air conditioner and @ 1% on refrigerator assembled and manufactured in Bangladesh for the year 2022 (note 21.2).

The Company is authorised to use the name "SINGER" as part of its corporate name.

### L. Warranty costs

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes against their associated probabilities.

### M. Investments

#### Investment in Central Depository Bangladesh Limited (CDBL)

Investment in CDBL is recorded at cost and represents insignificant holding.

#### Investment in term deposit

This represents investment in term deposit with Commercial Bank of Ceylon PLC which is renewable.

#### Investment in short term deposit

Investment in short term deposit represents fixed deposit with maturity of three months and over.

### N. Workers' profit participation fund

The Company provides 5% of its net profit as a contribution to workers' profit participation fund before tax and charges such expense in accordance with The Bangladesh Labour Act 2006 (as amended in 2018).

### O. Employee benefits

The Company maintains both defined contribution plan (provident fund) and a retirement benefit obligation (gratuity fund) for its eligible permanent employees.

#### Defined contribution plan (provident fund)

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognised Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 12.5% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognised by the National Board of Revenue (NBR), under the First Schedule, Part B of Income Tax Ordinance 1984.

The Company recognises contribution to defined contribution plan as an expense when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligations are created when they are due.

#### Defined benefit obligation (gratuity)

The Company operates a funded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary.

Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service cost and mutually compatible actuarial assumptions about demographic and financial variables are used.

#### Short-term employee benefits

This relates to leave encashment and is measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Accordingly, necessary provision is made for the amount of annual leave encashment based on the latest basic salary. This benefit is applicable for employees as per service rules.



## Notes to the Financial Statements (continued)

### P. Reporting period

The financial period of the Company covers one year from 1 January to 31 December. These financial statements were prepared for twelve months from 1 January to 31 December 2022.

### Q. Earnings per share

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reserve split.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

### R. Segment reporting

Segment reporting is not applicable for the Company as it does not meet the criteria required for segment reporting specified in IFRS 8: Operating Segments.

### S. Statement of cash flows

Statement of Cash Flows (Cash Flow Statement) is prepared under direct method in accordance with IAS 7 Statement of Cash Flows as required by the Bangladesh Securities and Exchange Rules 2020.

### T. Events after the reporting period

Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Material events after the balance sheet date that are not adjusting events are disclosed in the note 36.

### U. Offsetting

The Company reports separately both assets and liabilities, and income and expenses, unless required by an applicable accounting standard or offsetting reflects the substance of the transaction and such offsetting is permitted by applicable accounting standard.

### V. Leases

The Company has initially applied IFRS 16 from 1 January 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- "— the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.





## Notes to the Financial Statements (continued)

### i. **As a lessee**

The Company recognises a right-of-use asset and a lease liability (for its retail stores / showrooms, warehouses, service centers, factories and other offices facilities) at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities in the statement of financial position.

#### **Short-term leases and leases of low-value assets**

Currently the Company has no such short-term lease or lease of low value asset. The Company will not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company will recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term as applicable.

### ii. **As a lessor**

There is no such lease for which the Company is a lessor.



# Details of disposal of property, plant and equipment

(ANNEXURE - I)

For the year ended 31 December 2022

Particulars	Original cost	Accumulated depreciation	Net book value	Sales proceed	Gain/(Loss)	Mode of disposal
Computer	10,331,067	8,783,080	1,547,987	50,227	(1,497,760)	Adjustment/sold
Equipment	1,426,051	934,025	492,026	98,111	(393,915)	Adjustment/sold
Leasehold improvements	3,283,689	2,006,248	1,277,441	962,750	(314,691)	Adjustment/sold
Vehicles	9,686,108	8,767,018	919,090	2,564,854	1,645,764	Auction sale
	<b>24,726,915</b>	<b>20,490,371</b>	<b>4,236,544</b>	<b>3,675,942</b>	<b>(560,602)</b>	

# Details of share issue

(ANNEXURE - II)

Date of Issue	Basis of Issue of Shares	Total Share & Share Capital		
		No. of Shares Issued	No. of Shares after Bonus	Share Capital BDT 10 each
1983	2567 ordinary shares of BDT 10 each issued for cash	25,670	25,670	256,700
1983	10,258 ordinary shares of BDT 10 each issued for consideration other than cash	102,580	102,580	1,025,800
<b>Total ordinary shares issued</b>		<b>128,250</b>	<b>128,250</b>	<b>1,282,500</b>
<b>Bonus share</b>				
18-Apr-85	100%	128,250	256,500	1,282,500
16-Apr-87	60%	153,900	410,400	1,539,000
16-Aug-89	100%	410,400	820,800	4,104,000
12-Jul-92	100%	820,800	1,641,600	8,208,000
12-Jul-93	100%	1,641,600	3,283,200	16,416,000
1-Jun-94	50%	1,641,600	4,924,800	16,416,000
28-May-95	50%	2,462,400	7,387,200	24,624,000
21-May-96	50%	3,693,600	11,080,800	36,936,000
16-Apr-97	50%	5,540,400	16,621,200	55,404,000
28-Apr-08	35%	5,817,420	22,438,620	58,174,200
27-Apr-11	75%	16,828,960	39,267,580	168,289,600
8-May-13	25%	9,816,895	49,084,475	98,168,950
28-Apr-14	25%	12,271,118	61,355,593	122,711,180
30-Apr-15	25%	15,338,898	76,694,491	153,388,980
23-Apr-19	30%	23,008,347	99,702,838	230,083,470
<b>Total bonus shares issued</b>		<b>99,574,588</b>		<b>995,745,880</b>
<b>Total shares issued</b>		<b>99,702,838</b>		<b>997,028,380</b>



# Details of revaluation of land and buildings

(ANNEXURE - III)

Location	Revalued amount (BDT) as at 31 December 2022		Accounting carrying amount of Buildings as at 31 December 2022	Valuation (Upward/Downward)	Buildings (At construction): Useful life (years)				Upward revaluation allowed or not?
	Land	Buildings			Useful life	Already used	Remaining life	Less than 50% of useful life	
Dhaka	561,000,000	10,514,016	4,885,961	Upward	40	19	21	No	Allowed
Cumilla	18,655,000	5,527,728	6,509,084	Downward	40	28	12	Yes	Not Allowed
Khulna	35,040,000	1,202,570	848,544	Upward	40	15	25	No	Allowed
Rangpur	16,800,000	4,760,640	2,571,978	Upward	40	15	25	No	Allowed
Bogra	22,100,000	16,206,680	8,397,477	Upward	40	19	21	No	Allowed
Pabna	18,000,000	6,048,000	1,742,873	Upward	40	16	24	No	Allowed
Rajbari	5,000,000	949,440	404,815	Upward	40	16	24	No	Allowed
	<b>676,595,000</b>	<b>45,209,074</b>	<b>25,360,732</b>						

Particulars	Land	Buildings	Total
Revalued amount	676,595,000	45,209,074	721,804,074
Carrying amount	561,180,000	25,360,732	586,540,732
<b>Revaluation surplus</b>	<b>115,415,000</b>	<b>19,848,342</b>	<b>135,263,342</b>

The land and buildings of the Company were revalued as of 31 December 2022 by independent professional valuer, Asian Surveyors Ltd, following "current cost method", which were also revalued previously in years 2005, 2008, 2010, 2012 and 2016. The revaluation of 2022 resulted in a revaluation surplus of BDT 115,415,000 for land and BDT 19,848,342 for buildings.

As per clause 9 (iii) under Section-A of BSEC notification dated 18 August 2013, upward revaluation of buildings is not allowed having remaining economic life of less than 50% of its total useful life as estimated at construction. Apropos this clause, no upward revaluation was accounted, for the buildings which remaining economic life was less than 50% of its total useful life as estimated at construction, in the books of Singer Bangladesh Limited for the year ended 31 December 2022.



# Unclaimed dividend

For the year ended 31 December 2022

## Unclaimed Dividend with Capital Market Stabilization Fund (CMSF)

Cash Dividend		Amount in Taka with CMSF			
Particulars	Year of Transfer to CMSF	Transferred Amount	Opening balance with CMSF 01.01.2022	Paid to Shareholders in 2022 from CMSF	Balance with CMSF at 31-12-2022
Dividend for 2010	2021	8,353,182	8,353,182	-	8,353,182
Dividend for 2011	2021	1,387,154	1,387,154	1,269.00	1,385,885
Interim Dividend for 2012	2021	2,362,094	2,362,094	2,115.00	2,359,979
Final Dividend for 2012	2021	1,726,101	1,726,101	-	1,726,101
Dividend for 2013	2021	1,158,504	1,158,504	-	1,158,504
Interim Dividend for 2014	2021	1,160,336	1,160,336	-	1,160,336
Final Dividend for 2014	2021	742,731	742,731	-	742,731
Interim Dividend for 2015	2021	1,081,624	1,081,624	-	1,081,624
Final Dividend for 2015	2021	562,559	562,559	1,946.50	560,612
Dividend for 2016	2021	2,911,803	2,911,803	5,450.20	2,906,353
Dividend for 2017	2021	4,592,133	4,592,133	7,786.00	4,584,347
Fraction of Stock Dividend for 2018	2022	125,773	125,773	-	125,773
<b>Total :</b>		<b>26,163,994</b>	<b>26,163,994</b>	<b>18,567</b>	<b>26,145,427</b>

Stock Dividend		Shares held with CMSF			
Particulars	Year of Transfer to CMSF	No of Share Transferred	Opening balance with CMSF 01.01.2022	Paid to Shareholders in 2022	Balance with CMSF at 31-12-2022
Dividend for 2007	2021	44,170	44,170	-	44,170
Dividend for 2010	2021	123,680	123,680	-	123,680
Dividend for 2012	2021	69,387	69,387	-	69,387
Dividend for 2013	2021	87,474	87,474	-	87,474
Dividend for 2014	2021	114,534	114,534	-	114,534
Dividend for 2018	2022	170,261	170,261	-	170,261
<b>Total :</b>		<b>609,506</b>	<b>609,506</b>	<b>-</b>	<b>609,506</b>

## Unclaimed Dividend Remains with the Company as at December 31, 2022

Cash Dividend	Amounts in Taka	Remarks
Dividend for 2019	8,803,278	To be transferred to CMSF in 2023
Dividend for 2020	3,334,749	-
Dividend for 2021	5,522,654	-
<b>Total at 31 December 2022</b>	<b>17,660,681</b>	

# Share Information

## 1. General

Authorised Share Capital	:	Tk. 2,500,000,000
Issued & Fully Share Capital	:	Tk. 997,028,380
Class of Share	:	Ordinary Share of Tk. 10 each
Voting Rights	:	One vote per ordinary Share

## 2. Stock Exchange Listing

The Issued Ordinary Shares of Singer Bangladesh Limited are listed with the Dhaka and Chittagong Stock Exchanges Limited.

## 3. Distribution of Shareholdings-31st December 2022

No. of shares held	31 December 2022			31 December 2021		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 500	7,395	1,142,270	1.15	6,581	1,016,874	1.02
501 - 5000	2,653	4,112,127	4.12	2,651	4,164,909	4.18
5001 - 10000	221	1,580,402	1.59	226	1,602,815	1.61
10001 - 20000	99	1,431,826	1.44	120	1,752,669	1.76
20001 - 30000	52	1,316,288	1.32	54	1,372,364	1.38
30001 - 40000	22	789,271	0.79	19	687,452	0.69
40001 - 50000	17	797,438	0.80	16	739,840	0.74
50001 - 100000	36	2,629,984	2.64	31	2,315,121	2.32
100001 - 1000000	56	14,595,231	14.64	54	15,101,829	15.15
Over 1000000	8	71,308,001	71.52	9	70,948,965	71.16
<b>Total</b>	<b>10,559</b>	<b>99,702,838</b>	<b>100.00</b>	<b>9,761</b>	<b>99,702,838</b>	<b>100.00</b>

Categories of Shares	31 December 2022		31 December 2021	
	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders
Individuals	13,580,097	10,203	13,673,657	9,353
Institutions	86,122,741	356	86,029,181	408
	<b>99,702,838</b>	<b>10,559</b>	<b>99,702,838</b>	<b>9,761</b>

## 4. Market Value per Share

	2022		2021	
	Highest During the year	January 11, 2022	179.50	September 12, 2021
Lowest During the year	July 28, 2022	149.10	April 04, 2021	160.10
Closing of the year	December 29, 2022	151.90	December 30, 2021	169.90

# Glossary of Financial Terms

## Accounting Policies

Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting financial statements.

## Borrowings

All interests bearing liabilities.

## Capital/Revaluation Reserves

Reserves identified for specific purposes and considered not available for distribution.

## Contingents Liabilities

Conditions or situations at the Balance Sheet date the financial effect of which are to be determined by future events which may or may not occur.

## Current Ratio

Current Assets divided by Current Liabilities. A measure of liquidity.

## Deferred Taxation

The net tax effect on items which have been included in the Statement of Income, which would only qualify for inclusion on a tax return at a future date.

## Debt Equity Ratio

Current plus long term liabilities divided by average shareholders fund.

## Effective Dividend Rate/Dividend Cover

Profit attributable to ordinary Shareholders divided by gross dividend. Measures the number of times dividend is covered by distributable profit.

## Earnings Per Share

Profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.

## Equity

Shareholders' fund.

## Gearing

Proportion of borrowings to capital employed.

## Gross Dividend

Portion of profits inclusive of tax withheld, distributed to shareholders.

## Interest Cover

Profit before tax plus net finance cost divided by net finance cost. Measure of an entity's debt service ability.

## Market Capitalization

Number of Shares in issue multiplied by the market value of a share at the reported date.

## Net Assets per Share

Shareholders' equity divided by the weighted average number of ordinary shares in issue. A basis of share valuation.

## Price Earnings Ratio

Market price of a share divided by earnings per share as reported at the date.

## Return on Average Net Assets

Attributable profits divided by average assets.

## Revenue Reserves

Reserves considered as being available for distributions and investments.

## Value Addition

The quantum of wealth generated by the activities of the Company measured as the difference between turnover and the cost of materials and services bought in.

## Working Capital

Capital required to finance the day-to-day operations computed as the excess of current assets over current liabilities.

# Notice of 43<sup>rd</sup> Annual General Meeting

Notice is hereby given that the **43rd Annual General Meeting** of **Singer Bangladesh Limited** will be held on **Tuesday, April 11, 2023 at 2.00 p.m.** by using **Digital Platform** to transact the following business:

## **AGENDA**

1. To receive and adopt the Directors' and Auditors' Report and the Audited Financial Statements of the Company for the year ended December 31, 2022.
2. To declare dividend for the year ended December 31, 2022.
3. To elect Directors under rotation.
4. To appoint Statutory Auditors and to fix their remuneration.
5. To appoint Corporate Governance Compliance Auditors and to fix their remuneration.
6. To confirm the re-appointment of the Independent Director.

By order of the Board



**Kazi Ashiqur Rahman**  
Company Secretary  
March 15, 2023

## **Notes**

- Members whose names appeared in the Members'/Depository Register on Record Date i.e. February 16, 2023 will be eligible to join/participate and vote in the Annual General Meeting through Digital Platform and to receive the dividend.
- A Member entitled to join/participate and vote in the Annual General Meeting may appoint a proxy in his stead. A scanned copy of the duly stamped proxy form must be sent to the email "iro@singerbd.com" not later than 48 hours before the meeting.
- Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy (PDF format) of the Annual Report 2022 will be sent to the Members' respective email addresses as available with us. The Annual Report 2022 will also be available on the Company's website at: [www.singerbd.com](http://www.singerbd.com).
- The link for joining the Digital Platform (audio-visual meeting) is <https://singer.bdvirtualagm.com> which will also be sent to the respective Members' email addresses and SMS to their mobile number as available with us in due course of time. The Members need to put their 16-digit Beneficial Owner (BO) ID number as proof of their identity for log-in to the system.
- This link <https://singer.bdvirtualagm.com> will be opened 24 hours before the commencement of the AGM for questions/comments and vote electronically by the members.
- Members who have so far not encashed their dividend warrants from 2019 to 2021 are requested to communicate to the Registered Office of the company.



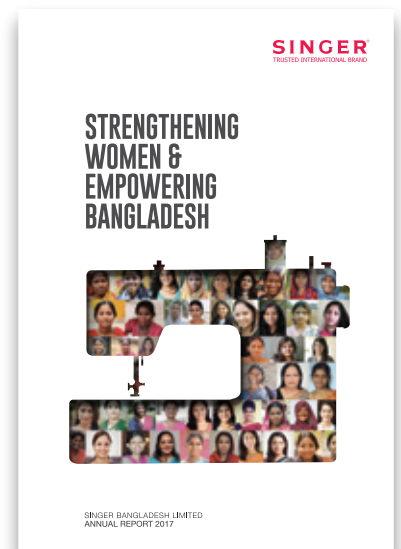
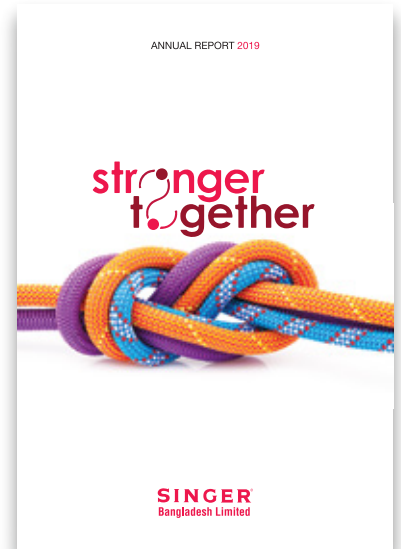
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# Glimpse of Annual Reports

Singer Bangladesh Limited



# Proxy Form

Singer Bangladesh Limited



I/We .....

of .....

being a Member of Singer Bangladesh Limited, hereby appoint

Mr./Ms. ....

of .....

as my proxy in my/our absence to attend and vote for me/us and on my/our behalf at the **43<sup>rd</sup> Annual General Meeting** of the Company to be held on April 11, 2023 and at any adjournment thereof.

As witness my hand this ..... Day of April 11, 2023

Signature of Proxy .....

Signature of Member .....

Register Folio no./BO ID of Member



