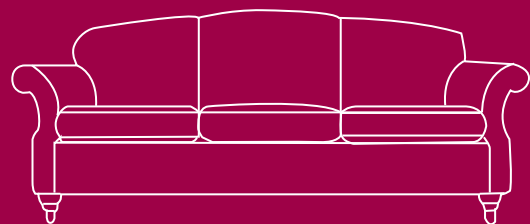
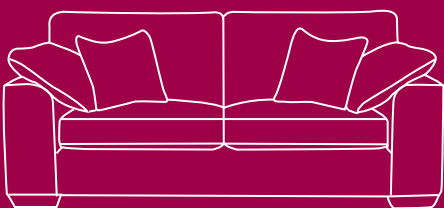
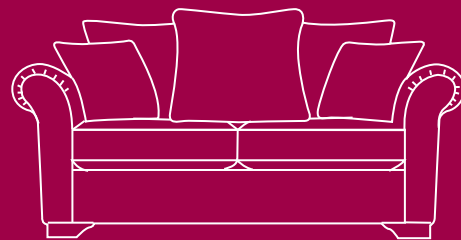
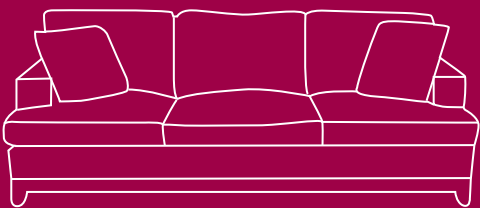
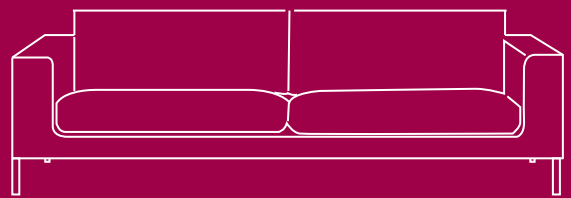
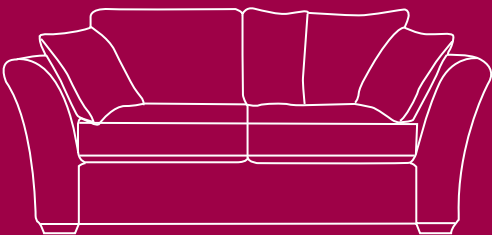
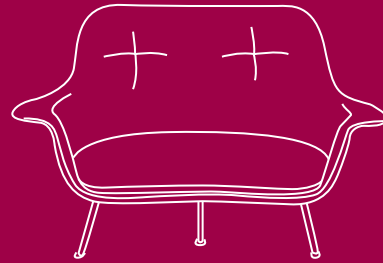
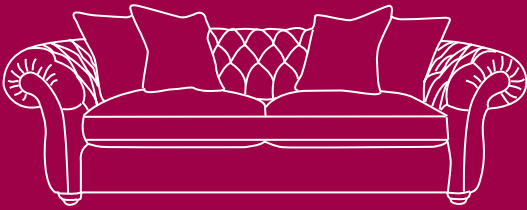
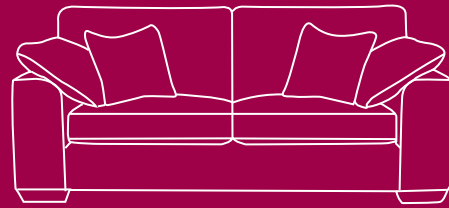
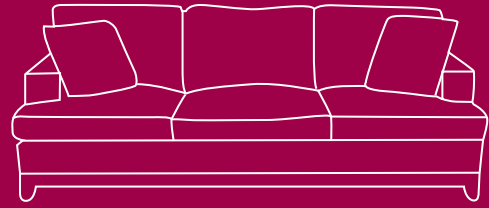
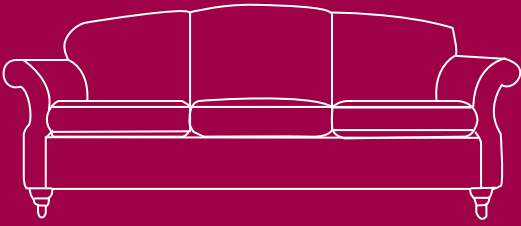




Furnishing Results



Singer Bangladesh Limited is one of Bangladesh's largest and most successful diversified enterprises. Our multi-brand, multi-channel business model, under the aegis of the world renowned **SINGER** name has been a success story throughout and our portfolio reads like a 'Who's Who' of the world's leading brands and lines of business.

An emergent and dynamic product line up this year is furniture which is expected to be a contributor to the overall performance of the Company in the days to come.

Functional, durable, aesthetic, plush, ultra-comfortable... almost every term we use to describe our range of furniture is applicable to the value the overall SINGER portfolio and operating ethos adds to the lives of customers everywhere.

We're confident that business will sit even more comfortably in the years ahead as this line develops further.

Corporate Directory

Board of Directors

Chairman

Mahbub Jamil

Managing Director

A. M. Hamim Rahmatullah

Independent Directors

Akhtar Imam

C. K. Hyder

Directors

Gavin J. Walker

Sajidur Rahman Khan (up to 3-4-2014)

Gelmart M. Gellecanao

Mohammad Sanaullah

Akram Uddin Ahmed

Mokbul Ahmed (from 3-4-2014)

Company Secretary

Mohammad Sanaullah

Audit Committee

C. K. Hyder (Chairman)

Akhtar Imam

A. M. Hamim Rahmatullah

Gelmart M. Gellecanao

Remuneration Committee

C. K. Hyder (Chairman)

Akhtar Imam

Gavin J. Walker

Nomination Committee

Gavin J. Walker (Chairman)

Akhtar Imam

C. K. Hyder

Management Committee

A. M. Hamim Rahmatullah (Chairman)

Sajidur Rahman Khan (up to 3-4-2014)

Mohammad Sanaullah

Akram Uddin Ahmed

Tanyeem Quarrar

Mokbulla Huda Chowdhury

Kazi Rafiqul Islam

M. M. Ferdous

Md. Anisur Rahman

Md. Ashgar Hossain

Abu Zafor Md. Kibria

Mokbul Ahmed (Member Secretary)

Chief Financial Officer

Akram Uddin Ahmed

Head of Internal Audit

Abu Zafor Md. Kibria

Auditors

S. F. Ahmed & Co.

Chartered Accountants

Legal Retainer

Advocate Md. Matiur Rahman

Corporate Governance Compliance Auditor

Itrat Husain & Associates

Chartered Secretaries in practice

Bankers

Trust Bank Ltd.

Pubali Bank Ltd.

Dhaka Bank Ltd.

Bank Alfalah Ltd.

Eastern Bank Ltd.

The City Bank Ltd.

Mutual Trust Bank Ltd.

Commercial Bank of Ceylon PLC.

Standard Chartered Bank

The Hongkong and Shanghai Banking Corporation (HSBC)

Registered Office

39 Dilkusha Commercial Area

Dhaka-1000

Corporate Office

5B, Road No. -126

Gulshan-1, Dhaka-1212

Audit and Wholesale Office

H. S. Bhaban

Cha-75/A, Bir Uttam Rafiqul Islam Avenue

Pragati Sarani, Dhaka-1212

Singer Manufacturing Complex (SMC)

Rajfulbaria, Jhamur, Savar, Dhaka-1340

Our Vision

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



Our Mission

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



Consumers

We live up to the expectations of a responsible organisation by contributing to the improvement in the quality of life of our customers through outstanding product & services.

Environment
We make every effort to ensure that the environment is protected and conserved for future generations

Community
We conduct our business by conforming to the ethics of our country and share the social responsibility of the less fortunate

Our Values

Shareholders
We provide a reasonable return to our shareholders while safeguarding their investment.

Employees
We respect each other as individuals and encourage cross functional teamwork while providing opportunities for career development.

Competitors
We respect our competitors and recognise their contribution to market value.

Suppliers
We develop our suppliers to be partners in progress and share our growth with them.



Our Objectives

To be the market leader in our product range and market segment.	Provide our consumers with the best service & shopping experience in the country.	Provide our consumers with products of latest technology.	Develop our employees to achieve their real potential.	Provide our shareholders with steady asset growth and return on investment above the industry norm.	Grow our revenue and profits at a rate above the industry norm.
--	---	---	--	---	---

YEAR AT A GLANCE

OPERATING HIGHLIGHTS AND SIGNIFICANT EVENTS

January

Annual Sales Conference was held at Cox Bazar on January 04, 2013.

Singer Annual Dealer Conference was held at Pan Pacific Sonargaon Hotel on January 27 & 28.

June

Opened the following Showrooms:
Singer Plus -

Aati Bazar, Keranigonj
Baneshwar, Rajshahi
Kaligonj Road, Chuadanga
Chandragonj, Noakhali
Technical More, Chittagong

September

Opened the following Showrooms:
Singer Plus -

Golachipa, Patuakhali
Station Road, Mymensingh
Bashkhali, Chittagong

Launched Grundig Panel Television and Galanz Microwave Oven

March

Opened the following Showroom:
Singer Plus -

Damudda, Shariatpur

Following Meetings were held:
Board
Audit Committee
Remuneration Committee

July

Opened the following Showrooms:

Singer MEGA- Jhoutala, Comilla

Singer Plus -
Rampura, Dhaka
Keramat Ali Market, Bagerhat,
Baubondh, Comilla
Chaddagram, Comilla
Chandgaon, Chittagong
Failatoli, Chittagong
Sreepur, Dhaka
Joynabari, Gazipur

Following Meetings were held:
Board
Audit Committee
Remuneration Committee

October

Opened the following Showrooms:
Singer Plus -

Shantinagar, Dhaka
Sharishabari, Jamalpur
Ranirbandar

Launched BEKO Refrigerator, Washing Machine and Free Standing Gas Oven

Following Meetings were held:
Board
Audit Committee

April

Opened the following Showrooms:

Singer MEGA - Chowhatta, Sylhet

Singer Plus -
Jaldhaka, Nilphamary
Ashkona, Dhaka
Borpa, Narayangonj
New Elephant Road, Dhaka

Following Meetings were held:
Board
Audit Committee

November

Launched APPLE iPods, Laptops and Computers

May

Opened the following Showroom :
Singer Plus -

South Banasree, Dhaka

Singer High Flier Conference was held on May 09, 2013

Hold 33rd Annual General Meeting

Board Meeting was held

August

Opened the following Showrooms:
Singer Plus -

Ranigonj, Dinajpur
Rawzan, Chittagong
Panchbibi, Joypurhat
Kaliarkoir, Gazipur
Fatulla, Narayangonj
Nitaigonj, Narayangonj

December

Opened the following Showrooms:
Singer Plus -

Shibbari, Gazipur
Parulia, Satkhira
Chandikona, Sirajgonj
Jaldhaka, Nilphamary

Launched PREETHI Mixer Grinder



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Chairman's Statement

Despite unfavorable environment, we were able to maintain revenue at a reasonable level.



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Chief Executive Officer's Review

Singer continued to position itself as the most preferred consumer durable Company.



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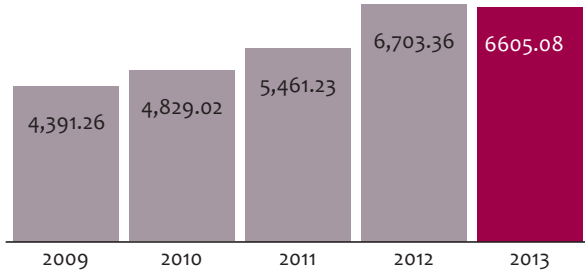
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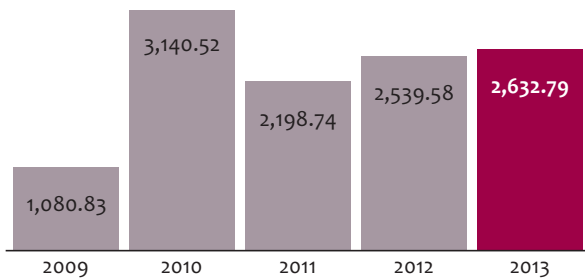
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SINGER AT A GLANCE

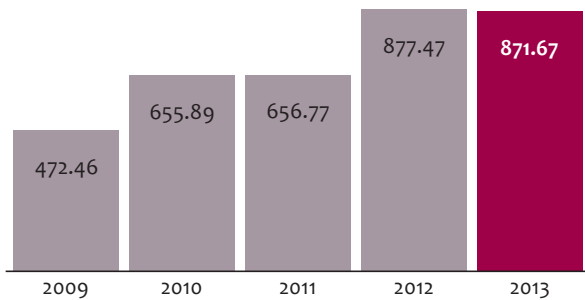
Turn Over (Taka in million)



Shareholders' Equity (Taka in million)



Property, Plant & Equipment - Net (Taka in million)



34 Extension and 20 Modernisation of Outlets



Shareholders' Equity

93 million

Shareholders' equity up by taka 93 million

Number of Shareholders increased by

23.79%

FINANCIAL HIGHLIGHTS

	2013	2012	2011	2010	2009
	Taka	Taka	Taka	Taka	Taka
	Million	Million	Million	Million	Million
Turnover	6605.08	6,703.36	5,461.23	4,829.02	4,391.26
Operating profit before Interest & Tax	586.42	762.25	503.03	498.17	414.29
Profit before Tax	527.57	668.10	526.70	2,267.33	479.84
Profit after Tax	382.13	490.37	399.60	1,973.76	396.79
Paid up Capital	490.84	392.68	392.68	224.39	224.39
Revenue Reserve	1732.76	1,720.74	1,528.48	2,623.51	717.07
Revaluation Reserve	390.40	407.37	259.02	274.06	120.81
Capital Reserve	18.79	18.79	18.56	18.56	18.56
Shareholders' Equity	2,632.79	2,539.58	2,198.74	3,140.52	1,080.83
Property, Plant & Equipment	871.67	877.47	656.77	655.89	472.46
Investments	11.20	3.20	1.57	4.42	328.58
Net Current Assets	2,608.11	2,401.70	2,215.16	2,884.54	714.34
Gross Dividends	613.55	589.02	117.80	1,514.63	201.95
Dividend per share (Taka) *	12.50	15.00	3.00	67.50	9.00
Earnings Per Share (Taka)	7.79	9.99	10.18	87.98	17.68
Price Earning Ratio (Times)	23.99	16.42	28.24	8.15	15.79
Net Asset per Share (Taka)	53.63	64.67	55.99	139.96	48.17
Market value per share at year end (Taka)	186.80	164.00	287.40	716.90	279.20
Net Income to Net Turnover (%)	5.79	7.32	7.32	40.87	9.04
Return on Average Net Assets (%)	10.95	14.94	13.91	55.68	26.18
Debt Equity Ratio (%)	28.33	48.32	37.74	19.57	70.38
Interest Cover	14.14	11.32	N/A	N/A	4.81
Current Ratio	4.50	2.98	3.75	6.02	2.06
Acid Ratio	2.82	1.16	2.02	4.27	0.96
Number of Shareholders	14,185	11,459	11,623	8,518	4,257
Number of Employees	947	969	926	799	756

* Includes 100% cash & 25% stock



Despite unfavorable environment, we were able to maintain revenue at a reasonable level.

CHAIRMAN'S STATEMENT

Dear Shareholders,

It is my pleasure to place the Annual Report of Singer Bangladesh Limited along with the audited Financial Statements and Auditors' Report thereon for the year ended December 31, 2013.

Business Conditions:

2013 was a year marked with political disturbance throughout the country. During the second half of the year this turmoil directly affected operations of the company. Procurement, production and sales were hampered as a result of which the growth was slowed down unexpectedly.

Despite these unfavorable environments we were able to maintain revenue at a reasonable level. Following three quarters of strong performance, our revenue results in the fourth quarter were impacted adversely by the worsening political unrest. Truly, we did business in 2013 for 9 months instead of 12 months.

The Highlights of the Year are as Follows :

- Revenue recorded Tk. 6,605 Million decreased by 1.47 % over 2012;
- Net Income declined by 22.07% compared to last year;
- New product Home Furniture introduced;
- Distribution network further extended with the inclusion of 34 new Retail shops throughout the country;
- Contributed to the National Exchequer in the form of duties, VAT and corporate tax of Tk. 1,805 Million.

Expansion and Diversification

Your Company always puts emphasis on expansion and diversification program to maintain the growth of the Company. During the year we took a new expansion program for establishing Singer Home Furniture manufacturing unit at Singer Electronics Complex at Jhamur, Savar, Dhaka. The industrial undertaking was successfully set up and went into commercial production from September 9, 2013. Singer Furniture is one of the high quality products and will contribute to our future growth and profitability.

Another expansion plan is to establish Air Conditioner manufacturing plant at our own premises at Singer Electronic Complex, Savar.

Equity and Shares

During the year under review the paid up capital of the Company increased to Tk. 491 million after issuing bonus shares for 2012.

There was upward trend in the share prices and during the year the highest share value was Tk, 243 and the lowest was Tk. 119. The closing share price was 187.

Dividend

The Board of Directors of your Company recommended Cash dividend of Tk. 10 per Ordinary share and issuing of one bonus share for every four ordinary shares. Therefore, total dividend for the year would be 125%.

Awards and Recognition

During the year, Singer received the following awards and recognitions for its success:



- Certificate of Merit from the Institute of Chartered Accountants of Bangladesh (ICAB) in the manufacturing sector for Best Published Accounts and Reports for the Annual Report 2012;
- Most Respected Company Awards 2013 from Business Asia.
- Dun & Bradstreet Corporate Awards 2012 for its business performance in 2012.

These awards and recognitions are ample testimony to our commitment to transparency and disclosure of information.

Conclusion

I want to acknowledge and offer my heartfelt thanks to all Singer employees on whom the company relies for necessary support. I also want to acknowledge our debt to the Board of Directors for their ongoing guidance and counsel and for their invaluable support to the company during the reported period.

And finally, I would like to express my gratitude to you, the Singer shareholder for rendering support and believing in the strengths of our management team as we continue on our path towards sustainable and profitable growth. Needless to say, your needs and concerns remain central to our thoughts and plans.

I look forward to your continued support and best wishes to help take Singer Bangladesh Limited to the next level on its journey towards growth.

Mahbub Jamil
Chairman

February 26, 2014

SINGER BANGLADESH LIMITED PROFILE



Singer has been operating in this region (now Bangladesh) since 1905, when the first Singer sewing machines went on sale at Chittagong and Dhaka stores and at that time the country was a part of the Indian sub continent.

After the partition of the Indian Sub Continent in 1947, Singer in East Pakistan operated as a branch of Singer Pakistan and the products used to come from West Pakistan. At the initial stage marketing operation was carried out through only 10 shops, which increased to 43 by the late 1960s.

In December 16, 1971 Bangladesh emerged as a sovereign state. As a result the East Pakistan Branch Office was elevated to a Country Office and the sewing machines were made available from different Singer overseas sources.

Singer Bangladesh Limited was incorporated as a private limited company on 4 September 1979 under 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.

Since its inception in Bangladesh, the name Singer has been synonymous with the sewing machine. Although Singer Corporation started diversification of its product range in early sixties, Singer Bangladesh Limited was a company with a single product - sewing machine till 1985. A single product sewing machine company began into a multi-product consumer durable company in 1985.

Today, Singer Bangladesh Limited is a large, diversified company with unmatched presence throughout Bangladesh. Beginning with the sewing machine, Singer's product portfolio has diversified to encompass a highly successful multi-brand strategy combining products of top world marques with the Company's own products across a range of electrical home appliances.

Hire Purchase scheme is one of the cardinal factors for the success of the Company. This scheme is innovative and appropriate for Bangladesh considering the socio-economic conditions of the country.

Singer Bangladesh Limited remains a member of the Worldwide Singer family. Singer Bhold B.V. is the majority shareholder in the company, holding a stake of 75%. The public shareholding accounts for 25%. Singer Bangladesh Limited was listed with the Dhaka Stock exchange in 1983 and Chittagong Stock Exchange in 2001.



BOARD OF DIRECTORS



Mahbub Jamil



A.M. Hamim Rahmatullah



Akhtar Imam



C. K. Hyder



Gavin J. Walker



Gelmart Gellecanao



Mohammad Sanaullah



Akram Uddin Ahmed



Mokbul Ahmed

Mahbub Jamil**Chairman**

Joined the Board of Singer Bangladesh Limited on September 1984.

Served as Managing Director of Singer Bangladesh Limited for more than 24 years. Has been serving as Chairman since October 4, 1987.

Former Vice President, Singer Asia and Retail Holdings N.V.

Joined the Board of the International Leasing and Financial Services Limited (ILFSL) on March 5, 1996 and elected its Chairman on June 21, 2000. He is the Chairman of ICE Retail Initiative Limited and Chairman of IL Capital Limited. He is an Advisor to the Board of Robi Axiata Limited.

Served as Special Assistant to the Chief Adviser of the Caretaker Government of Bangladesh in 2008, as a Cabinet Minister. He was in charge of Ministry of Industries, Ministry of Civil Aviation & Tourism and Ministry of Youth & Sports.

Presently Mr. Jamil is the Board Member of International Chamber of Commerce – Bangladesh, Member of the Trustee Board of Bishwa Sahittaya Kendro (World Literature Center) and Member of Eisenhower Fellowship Committee – Bangladesh.

Former Director of Micro Industries Development Assistance Services (MIDAS), President of the Foreign Investors' Chamber of Commerce and Industry, President of the Metropolitan Chamber of Commerce and Industry and former Member of Academic Council of BRAC University, Committee Member of Bangladesh Employers' Federation. Founder member and Executive Director of American Chamber of Commerce. Mr. Jamil received Sir Jagadis Chandra Bose Gold Medal in 1984 for Business Management and in 1995 Bangladesh Education Management Trust Gold Medal for Management Excellence. Received the Industry Southeast Bank Award for Management Excellence and Life Time Achievement Award by Arthokatha and Rapport Award for Excellence in Human Resources in 2012.

A.M. Hamim Rahmatullah**Managing Director & CEO**

Joined the Board of Singer Bangladesh Limited on August 1, 2004.

Mr. A.M. Hamim Rahmatullah was appointed as the Managing Director of Singer Bangladesh Limited on February 1, 2009; he was appointed as the Vice President of Singer Asia Limited. Prior to that, he served as Director and Chief Operating Officer of Singer Bangladesh Limited. Mr. Hamim was the past President of Foreign Investors Chambers of Commerce & Industry (FICCI) and has also been nominated as a Commercially Important Person (CIP) by the Government of Bangladesh. He has an MBA degree specialized in Marketing from the Institute of Business Administration (IBA), University of Dhaka. He started his professional career in 1985 with Philips Bangladesh Limited in their Consumer Electronic Division and joined Singer Bangladesh Limited in 1988. Mr. Hamim has been with the Company for over 25 years.

Akhtar Imam**Independent Director**

Joined the Board of Singer Bangladesh Limited on January 14, 1997.

Barrister Imam is a senior advocate of the Supreme Court of Bangladesh and has been involved in some of the leading constitutional, corporate and other sensational cases. Besides having a successful legal practice, he was and is associated with a number of large organizations / business houses as an adviser. He was the first Bangladeshi President of the Students Union of the Hon'ble Society of Lincolns Inn and President of the Barristers Association of Bangladesh. He was a lecturer in law in various institutions in England and also in LLM course in Dhaka University. He is the elected Chairperson of Marie Stopes Clinic Society and Marie Stopes Bangladesh, two of the leading NGOs in the health sector with a vast network of clinics across Bangladesh. A life member of the Diabetic Association of Bangladesh and various social clubs and also an avid Rotarian, Barrister Imam was closely associated with a movement to increase corporate involvement in HIV/AIDS prevention and to promote awareness about human rights and ethical issues involving those infected with HIV/AIDS.

C. K. Hyder**Independent Director**

Joined the Board of Singer Bangladesh Limited on March 31, 1998.

Mr. Hyder served the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) and Bangladesh Employers' Federation (BEF) for more than 44 years as the Secretary-General. Till 31st December 2011, he was the Adviser to the Committee (Board) of the MCCI and BEF, with the status of a member of the Committee.

With his long experience on trade and employment related issues, Mr. Hyder was on many government advisory/implementation committees relating to trade and commerce and industrial relations. He was a Member of successive Pay and Service Commissions and Wages and Productivity Commissions of the Government of Bangladesh.

Mr. Hyder holds postgraduate degrees in Commerce and Law. He also obtained postgraduate diplomas from several renowned institutions like London School of Economics, Harvard Business School, Australian Graduate School of Management, International Institute for Labour Studies. Mr. Hyder represented the Bangladesh Employers in over 22 annual conferences of the International Labour Organization (ILO) and headed several Technical Committees of the same.

Gavin J. Walker**Director**

Joined the Board of Singer Bangladesh Limited as Director on October 23, 2005.

Mr. Walker is the President and Chief Executive Officer of Singer Asia Limited and was appointed to this position in August 2005. Prior to joining the Company, Mr. Walker held offices as Managing Director and Chief Executive Officer of public quoted and private companies in the United Kingdom and South Africa.

Mr. Walker served as Chief Executive Officer of a multi-brand retailer of electrical appliances and furniture with operations in 16 African countries and Australia (including SINGER brand electrical appliances under licence).

Mr. Walker serves on the Board of a number of Singer Asia subsidiaries.

Gelmar Gellecanao**Director**

Joined the Board of Singer Bangladesh Limited on October 21, 2010.

Mr. Gellecanao was appointed as a Vice President of the Company in July 2009 and Head of Credit of the Company in January 2009. He is also responsible for the overall planning and risk management for the Internal Audit Department. He joined the old Singer in May 1994 as an International Auditor and was responsible for the audits of various Singer companies and affiliates in Americas, Europe, Asia, Australia and Africa. He has also worked as Controller in a number of Singer locations. Prior to this, Mr. Gellecanao spent 10 years at a member firm of Ernst & Young in the Philippines. He is a Certified Public Accountant (Philippines) and a Certified Internal Auditor. He has been with the Company and old Singer for over 19 years.

Mohammad Sanaullah**Director**

Joined the Board of Singer Bangladesh Limited on October 21, 2010.

Mr. Sanaullah is the Corporate Affairs Director and Company Secretary of Singer Bangladesh Limited, with over 28 years' exposures in business, corporate management and governance.

Past President (2010-2013) & Council Member, Institute of Chartered Secretaries of Bangladesh (ICSB). Former Director, Bangladesh Institute of Capital Market (BICM).

The Fellow and Founder Member of the Institute of Chartered Secretaries of Bangladesh (ICSB), Fellow of the Institute of Personnel Management Bangladesh and Member of the Institute of Internal Auditors, USA.

Mr. Sanaullah holds B. Com (Hon's), M. Com in Accounting from University of Dhaka. MBA in Marketing and Post Graduate Diploma in Personnel Management.

Akram Uddin Ahmed**Director**

Joined the Board of Singer Bangladesh Limited on October 21, 2010.

Mr. Akram is the Chief Financial Officer of Singer Bangladesh Limited. He joined Singer Bangladesh in 2002 and since then he has held several senior management positions.

He is a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB). He started his professional career as a public accountant with various Audit and accounting firms including the representative of former Arthur Andersen Worldwide, SC. Throughout his 28 year professional career, he has performed in different roles, in some occasions as an Auditor, in other as a Management Specialist, Financial Consultant and sometimes as a trainer.

Mokbul Ahmed**Director**

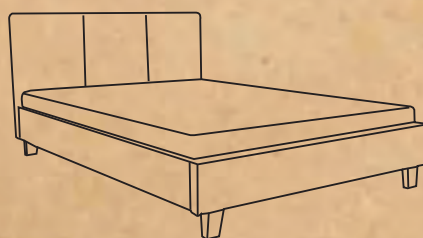
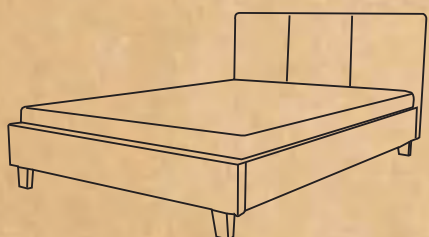
Joined the Board of Singer Bangladesh Limited on April 3, 2014.

Mr. Mokbul Ahmed is the Manufacturing Director of Singer Bangladesh Limited. He joined Singer Bangladesh Limited in 1993 and worked in several senior management positions.

Mr. Mokbul Ahmed did his graduation in Electronics and Electrical Communication Engineering from Indian Institute of Technology with Indian Government scholarship and also MBA from Institute of Business Administration, University of Dhaka.

He started his professional career in 1981 as Quality Control Manager with Bangladesh Electrical Industries Ltd, a sister concern of Philips Bangladesh Limited. He visited different countries and reputed Electronic Industries in India, China, Korea & Japan.

BED ROOM SUITES





SENIOR MANAGEMENT TEAM



Mokbul Ahmed
Md. Anisur Rahman
Tanyem Quarrar
Mokbulla Huda Chowdhury
Kazi Rafiqul Islam
M.M.Ferdous
Abu Zafor Md. Kibria
Md. Ashgar Hossain

Ahmed Muztaba
Sushil Ch. Sutradhar
A.F.M. Zahid
Abrarur Rahman
G.N.B. Chowdhury
Md. Monzur Murshed
Md. Nurul Kabir
Md. Raziur Rahman





Salim Ahmed
Joyanto Kumar Roy
Masud Habib
Md. Rafiqul Hasan
Md. Mashiur Rahman
M. Ismail Hossain
Shabbir Mahmud Rizwan
M. Shihab Uddin Bhuiyan
Gour Chandra Ghosh
Md. Syduzzaman
Kazi Ashiqur Rahman

MAKING PROGRESS DESPITE CHALLENGES

Singer operated in a challenging environment in 2013. Political impasse paralyzed the country's economy, frequent strikes and blockades led to closure of the outlets, spiraling cost of living and increased energy and commodity prices that posed a significant impact on Company's bottom line. Despite the difficulties, our approach was optimistic.

The Company continued renovation and expansion of the retail and dealer networks and Singer can take pride in having the most extensive retail networks in Bangladesh. This enabled us to optimize our business opportunities through addition of more and more new brands and agencies to our portfolio.

Singer continued to set a high standard in 'Trusted Excellence' in Bangladesh retail area with our unmatched offering of products under portfolio of world class brands combined with the strength of our wide spread retail and service networks.

Our Brand Power

Over the years, SINGER has transformed itself into a marketing powerhouse with a wide range of product brands and service brands.

SINGER – Trusted Excellence

SINGER, the corporate, retail and product brand, is well recognized in this country having a long heritage dating back to the British Colonial Era.

Brand development has been the cornerstone of SINGER's growth strategy in Bangladesh from the late 1970's. The equity built around the SINGER brand has enabled the Company to stretch the SINGER Brand across many categories from the iconic sewing machine to panel televisions, computers, white goods, brown goods and the recent start of furniture. This has been achieved through brand development of products, retail and corporate through ATL, BTL, sponsorship, CSR and 360 degree interaction with consumer's day in day out.

The uncompromised commitment to providing an excellent pre and after sales service to the Bangladeshi consumers across the social spectrum has enabled SINGER to uphold its brand promise of 'Trusted Excellence' year after year.

SAMSUNG – Turn on Tomorrow

Recognised as a number one electronic brand in the world, SAMSUNG is a global giant in Smart phones and LED televisions.

Whirlpool – The World's Best Homemaker

Whirlpool is an American brand which invented the washing machine. It is recognised as one of the largest appliance brands in the world. Whirlpool is another international brand offered by SINGER.

Huawei

Huawei is globally recognised as a leader in cutting-edge consumer technology. With a brand promise to 'make it possible', Huawei is determined to empower consumers with devices that break new boundaries. Huawei products and solutions have been deployed in

over 140 countries, serving more than one-third of the world's population. The Company is committed to providing innovative and customized products, services and solutions to create long-term value and growth potential for its customers. Today Huawei has ranked among the world's best Smart Phone manufacturers, having spearheaded customer-focused innovations.

BEKO

BEKO is a leading European manufacturer of domestic appliances. As a global brand, BEKO provides smart solutions to cater to the needs of different people, different cultures and different ways of life in more than 100 countries.

The above brands are marketed through Singer's own retail chain stores – Singer Plus and Singer MEGA alongside the dealer network.

SINGER MEGA

Singer MEGA is a new addition to the Singer's distribution which features the widest range of world class brands and the very latest products for the affluent segment of the society.

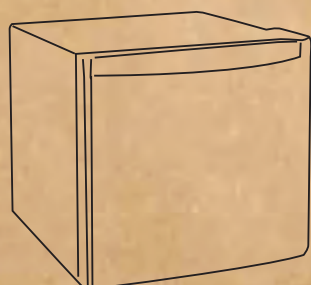
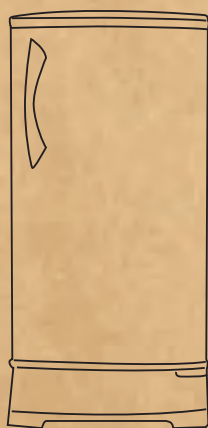
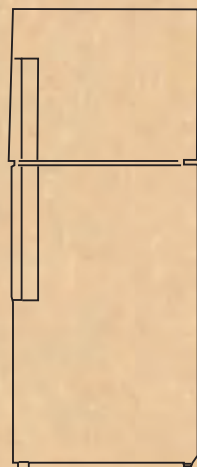
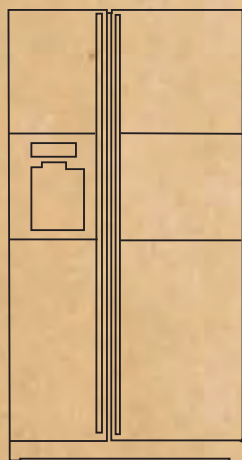
SINGER Call Centre

Singer is the first retailer in Bangladesh to set up a Call Centre which is open six days a week from 8 am to 8 pm. The volume of traffic which was handled by our call centre staff is provided below:

	2013	2012	2011
CALL VOLUME			
Inbound	26,576	23,492	19,974
Outbound	129,495	131,959	107,298
TOTAL	156,071	155,451	127,272
TYPE OF OUTBOUND CALLS			
Welcome Calls	119,125	109,831	104,777
Arrears Follow Up	7,996	9,002	-
Others	2,374	13,126	2,521
Number of Staffs	6	6	6



REFRIGERATORS





DIRECTORS' REPORT

The Directors have the pleasure in presenting to the members their report together with the audited financial statements of the Company for the year ended December 31, 2013. This report has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012.

Principal Activities

The principal activities of the Company continued to be manufacturing and marketing of consumer electronics, home appliances. Besides, the Company carried out marketing of refrigerators & freezers, air-conditioners, computer and instant power supply products, kitchen appliances and other allied products.

Review of Business

The Chairman's Message on page 8 and the Chief Executive Officer's Review on pages 38 to 40 state the Company's affairs and highlight important events that occurred during the year. The Financial Review on pages 46 to 48 elaborates the financial results of the Company. These reports form an integral part of the Directors' Report.

Property, Plant and Equipment

During the year under review, the Company invested a sum of Tk 91.6 million in property, plant and equipment. Movement in property, plant and equipment during the year is disclosed under note 4 and annexure -I of the financial statements.

Market Value of Freehold Properties

All freehold land and buildings of the Company devalued by an independent valuer were reflected in the accounts. Total appreciation in value was credited to revaluation reserve after providing for withholding tax as required by IFRS.

The last valuation was carried out as on December 31, 2012. The details of the valuation are given in Note 4(b) to the Financial Statements on page 68 to 69 in this report.

Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for financial statements is given on page 54 of this report.

Corporate and Financial Reporting Framework

In accordance with the Bangladesh Securities and Exchange Commission's Notification SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012, the Directors are pleased to confirm the following:

Industry Outlook

In the year 2013, the nation witnessed political unrest throughout the year especially last two months of the year. Our sales points remained closed for about 90 days in 2013 and as such, we lost nearly a quarter of the business. Despite political unrest we were able to create demand for our products. We were successful in both our core businesses i.e. retail and wholesale. This gives us confidence that both the channels will be able to perform well in 2014.

During the year revenue reached Tk. 6,605 million which was lower by 1.47% over the previous year's revenue of Tk. 6,703 million.

Operating profit (profit before taxes excluding other income) at Tk. 586 million was lower by 23.05% over the previous year's operating profit of Tk. 762 million. Net profit for the year at Tk. 382 million was lower by 22.05% over the previous year's net profit of Tk. 490 million.

We remained the country's largest retail company selling consumer electronic and home appliances. We believe we are well positioned to benefit from wide presence in almost every corner of the country.

Besides, our strong financial position enabled us to take further actions in the year to increase profitability based on our current expectations. Overall, we look to the future with confidence. We are confident that 2014 will be another successful year for Singer Bangladesh Limited.

Segment Information

The segment information is presented in the notes 20 and 28 to the financial statements in this report which is consistent with the total sales value for the purposes of evaluating performance. Products were sold through our own sales centers i.e. Singer MEGA, Singer Plus and also through dealers named Singer Pro.

Risk and Concern

Like others, our business may also be affected by risks and uncertainties not presently known to us or that we currently believe to be immaterial. Detail of risk factors and determining how to best handle such event is given on Risk Management report on page 49 of this report.

Margin Analysis

Cost of goods sold for the year 2013 was Tk. 4,820 million. It was lower by 1.52% over the previous year's cost of goods though revenue was lower by 1.47%. Despite negative growth revenue, gross profit margin was 27.03% for the year 2013 and previous year's gross margin was 26.99%. Net profit margin for the year 2013 was 5.79%.

Extra-Ordinary Events

No events of extra ordinary gain or loss occurred during the reporting period which would require adjustment or disclosure in the financial statements.

Related Party Transaction

Related party transactions are disclosed in the notes 37 of the notes to the financial statements on page 86.

Variance within the Financial Year

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

Remuneration to Directors

This information is incorporated in the Notes 22.2 of the notes to the financial statements on page 78 with reference to the "Directors Fees and Remuneration" figures concerning the Board of Directors including Independent Directors.

Fairness of Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 1987. These statements present

fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.

Books of Accounts

Proper books of accounts of the Company were maintained.

Accounting Policies

Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

Application of IAS/BAS & IFRS/BFRS

International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.

Internal Control

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

Going Concern/Forward Looking Statement

There are no significant doubts about the Company's ability to continue as a going concern.

Significant Variance over the Last Year's Operating Result

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

Five Years' Financial Highlights

The key operating and financial data for the last five years are annexed on page 7.

Dividend

The Board of Directors recommended dividend of Tk. 12.50 per share for the year ended December 31, 2013 including 25% Bonus Share.

Board and Committee Meetings and Attendance

During the year, the Board of Directors met five times. Audit Committee met four times and Remuneration Committee met twice.

The attendance record of the Directors is shown in annexure III of this report. The Directors who could not attend the meetings were granted leave of absence.

Pattern of Shareholding

The pattern of shareholding is provided on page 34.

Corporate Governance Compliance Report

Singer Bangladesh Limited adheres to appropriate good Corporate Governance principles, as described on pages 31 to 33.

The Company also complied with all the requirements of Corporate Governance as required by the Bangladesh Securities and Exchange Commission. Accordingly, Corporate Governance Compliance Report is shown in annexure I of this report.

Further in compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) notification dated August 7, 2012, M/S Itrat Husain & Associates, Chartered Secretaries

in Practice issued the Corporate Governance Compliance Certificate which is shown on page no. 30 of the report.

Financial Results and Appropriations:

The Directors are pleased to report the financial results for the year 2013 and recommend the following appropriations:

	Taka in '000	
	2013	2012
Profit before taxation	527,568	668,104
Less: Provision for tax	145,439	177,731
Profit after tax	382,129	490,373
Add: Un-appropriated profit brought forward	1,328,069	1,410,448
Prior year's adjustment	22,564	16,260
Profit available for distribution	1,732,762	1,917,081
Less: Appropriations		
Interim Dividend	-	196,337
Final Dividend	613,555	392,675
Total Appropriation	613,555	589,012
Un-appropriated profit C/F	1,096,643	1,328,069

Contribution to the National Exchequer

During the year under review, your Company paid Taka 1,805 million to the national exchequer in the form of corporate income tax, customs duties and value added tax.

Credit Rating

The Company continues to have AA+ rating in long term and ECRL-1 for short term with a stable outlook from Emerging Credit Rating Limited.

The assigned rating represents the complete evaluation of the strengths of the company which is backed by very good profitability, stable liquidity, good corporate governance, and diversified portfolio of goods generating income.

Reserves

The total Reserves of the Company stood at Tk. 409 million, details of which are given in Notes 13 and in the Statement of Changes in Equity in the Financial Statements.

Events subsequent to Balance Sheet

The Board of Directors in their meeting held on February 26, 2014 decided to close the production facilities of Singer Cables and Motor Cycle units.

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 and Substantial Shareholdings

The distribution of shareholding, market value of shares, twenty largest shareholders and record of scrip issues are given on pages 86 and 87 of this report.

Earnings per share, dividend per share and net assets per share are shown in the financial highlights section on page 7 of the annual report.

Directors

Name of the Directors of the company and their biographical details are shown on pages 11 to 13.

Recommendations for Re-election

In accordance with Article 68 of the Articles of Association of the Company the Board of Directors appointed Mr Mokbul Ahmed, Manufacturing Director on April 3, 2014 as such, he holds office up to the next Annual General Meeting. Approval of shareholders is sought for the re-appointment of Mr. Mokbul Ahmed as Director of the Company.

As per Article 81 of the Articles of Association of the Company, Mr. Mohammad Sanaullah and Mr. Akram Uddin Ahmed retire by rotation as Directors at the upcoming Annual General Meeting and being eligible offer themselves for re-appointment.

The Board recommends their re-appointment.

Shareholdings of Directors at the beginning of the year and at the end of the year 2013 are shown in annexure II of this report.

Office of Managing Director

As per Article 67(b) of the Company's Articles of Association and Section 110 of the Companies Act 1994, the terms of the office of Mr. A. M Hamim Rahmatullah as Managing Director expired on January 31, 2014. The Board has re-appointed Mr. A. M. Hamim Rahmatullah as the Managing Director for a further period of five years and seeks the members' confirmation.

Contribution to CSR

During the year, the Company donated to some Government approved charities such as Fareea Lara Foundation as part of CSR program.

Appointment of Auditors

As per section 210 of the Companies Act 1994, the Company's statutory Auditors Messrs. S F Ahmed & Co., Chartered Accountants retires at the 34th Annual General Meeting as auditors of the Company.

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

The Audit Committee recommended to re-appoint Messer's S F Ahmed & Co., Chartered Accountants as the auditors of the Company for the year 2014 at a fee of Taka 300,000 (three lakh) plus VAT.

The Directors endorsed the recommendation of the Audit Committee for re-appointment of Messer's S F Ahmed & Co., Chartered Accountants as the auditors for the year 2014 at a fee of Taka 300,000 (three lakh) plus VAT.

Human Resources

As a part of commitment to have a well trained work force, the Company has given more stress to develop management skills to suit today's business environment. Various training programs and workshops were carried out during the year.

The management and employee relationship in the Company was excellent throughout the year.

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 based on the going concern concept.

Compliance with Laws and Regulations

The Company was not engaged in any activities contravening the laws and regulations. All those responsible for ensuring compliance with the provisions in various laws and regulations did so within the stipulated time.

Environmental Protection

To the best of Board's knowledge, the Company was not engaged in any activity which might be harmful to the environment;

Conclusion

The Company wishes to express its sincere appreciation to all employees of Singer Bangladesh Limited for their contribution and at the same time thank all the stakeholders for their continued support and confidence.

Approved by the Board of Directors and signed, on its behalf, by



A. M. Hamim Rahmatullah
Managing Director



Mohammad Sanaullah
Director & Company Secretary

Dhaka, April 3, 2014



GOVERNANCE: MANAGING BUSINESS EFFICIENTLY AND RESPONSIBLY

As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance to ensure full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. In this task the Board of Directors considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them through creating and building long-term value for the shareholders.

During the year under review, the Board continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies, prudent business plans monitoring major risks of the Company's business and ensuring that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities.

The Board also believes that a good corporate reputation is the most valuable and competitive asset of a company. It is directly linked to uncompromising compliance with applicable laws, regulations and internal guidelines. Compliance is thus a central pillar of Singer management and corporate culture and, at the same time, an integral part of all of its business processes. The Board of Directors ensures that the activities of the Company are always conducted in accordance with the highest ethical standards to the best interest of all stakeholders and also to the preservation of the environment.

Board Composition

The Board comprises nine members, a good blend of executives and non-executives and independent Directors having diverse and professional skills and experiences. The non executives and independent Directors are from varied businesses and other backgrounds and their experience enables them to execute independent judgments on the Board where their views carry substantial weight in the decision making. They contribute to the Company's strategy and policy formulation in addition to maintaining its performance as well as its executive management. The profiles of all members of the Board are given on page 11 to 13.

Responsibilities of the Board

The Board is collectively responsible 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 various 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 to ensure that the Board procedures are followed and that applicable rules and regulations are complied with.

Chairman and Managing Director

The Chairman is a non-executive Director and responsible for leadership of the Board, for ensuring its effectiveness on all aspects of its role and also for facilitating the productive contribution of all Directors.

The Managing Director has overall responsibility for 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) guidelines, the roles of Chairman and Managing Director have been clearly defined by the Board of Directors.

Independent Directors

As on December 31, 2013, the Company had nine Directors on its Board, two of whom are Independent Directors. The Company has complied with the notification of the Bangladesh Securities and Exchange Commission with regard to composition of the Board.

Mr. C. K. Hyder and Mr. Akhtar Imam are Independent Directors; they are free from any business or other relationships which can materially interfere with or affect the exercise of their independent judgment.

The Board believes their experience and knowledge enable them to provide both effective and constructive contribution to the Board.

Board Meetings

The Board meets regularly to discharge its duties effectively. 5 (five) Board Meetings were held during the year 2013 and the gap between two meetings did not exceed three months. The annexure-III shows the attendance record for the Board meetings held during the year.

There is extensive staff participation in decision making at all levels of the Company and strategic recommendations on material matters flow to the Board for decision.

Board Committees

The Board has established three Board Committees, to which it has delegated some of its responsibilities. They are the Audit Committee, the Remuneration Committee and the Nomination Committee.

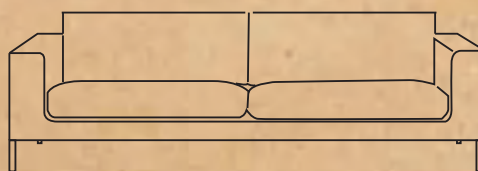
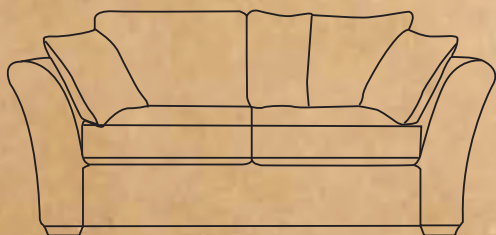
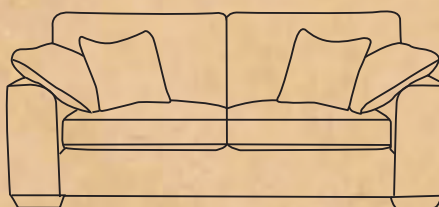
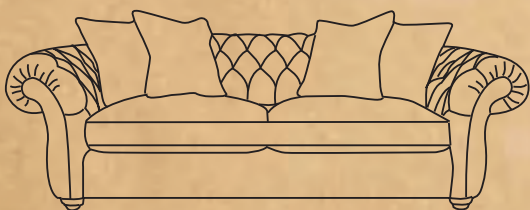
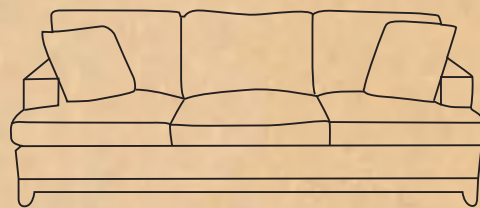
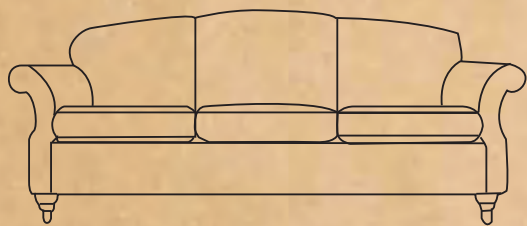
Each Committee has its own terms of reference under which respective authority is delegated by the Board, which is kept under review and updated regularly to ensure that they remain consistent with the best practice. The Company Secretary provides each of the Committees with secretarial services. Committee meeting agenda, papers and minutes are made available to all members.

Audit Committee:

The company's control mechanism is overseen by the Board's Audit Committee which comprises one Executive Director and two Non-Executive Directors of the Company. The Chairman of the Audit Committee is an Independent Director, Mr C. K. Hyder. His long career with Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) and Bangladesh Employers' Federation and extensive experience have been of great benefit to the Company over the years. His presence on the Audit Committee is seen as a strength. The committee's role is to ensure and maintain a direct link between the Board and the internal and external audit functions of the Company which are broadly as follows:

- To review compliance with internal control systems;
- To review the findings of the Internal Auditor relating to various functions of the Company;
- To hold periodic discussions concerning the accounts of the

SOFAS AND SITTING SUITES





Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors with the Statutory Auditors and Internal Auditors of the Company;

- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- To make recommendations to the Board on any matter relating to the financial management of the Company, including Statutory & Internal Audit Reports;
- Recommending the appointment of statutory auditors and fixation of their remuneration.

The Audit Committee met three times during the year. The Audit Committee meetings are attended by the Chief Financial Officer and Head of Internal Audit and Representatives of Statutory Auditors by invitation. The Company Secretary acts as the Secretary of the Audit Committee.

Remuneration Committee:

The Remuneration Committee discharges the responsibilities of the Board of Directors relating to compensation of the Company's executive directors and senior management. Remuneration Committee consists of three members, majority of whom are non executive Independent Directors.

Mr C. K. Hyder, an Independent Director is the Chairman of the Committee. The Remuneration Committee is responsible for ensuring motivation and retaining high caliber individuals. This Committee:

- reviews the performance of the CEO / Executive Directors, Senior Management and continues to determine individual remuneration packages.
- recommends to the Board remuneration including salary and perquisites of the CEO/ Executive Directors, Senior Management.
- finalizes the perquisites package of the CEO/ Executive Directors, Senior Management within the ceiling fixed by the Board.
- recommends to the Board, regarding retirement benefits to be paid to the CEO/ Executive Directors, Senior Management under the Retirement Benefit Scheme.

Nomination Committee:

To adhere to good corporate governance practices in the Company, the Nomination 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 with a view to enabling the Board of Directors to discharge the responsibilities of proposing candidates for appointment to the Board, with regard to the balance and structure of the Board.

The Committee comprises of three Directors, majority of whom are independent. Mr. Gavin J Walker, a member of the Board, is the Chairman of the Nomination Committee. Other members of the Board who are not members of the Committee, may be invited to attend the meeting.

The Nomination Committee is responsible for identifying individuals qualified to become Board members, in conformity with the criteria as agreed by the Board, and for making recommendations to the Board regarding:

- Nominees to fill vacancies or newly created positions for Board Members, and
- Making its recommendations, in which the Nomination Committee evaluates each candidate based on the corporate governance guideline of the BSEC. The Board then determines whom to elect to the Board, pending the next annual election conducted by shareholders.

The Nomination Committee will meet as and when required to consider candidates for appointment as Directors.

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.

Management Committee

The Managing Director and the Management Committee are entrusted with the day-to-day Management 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 achieving sustainable growth in Company value. The members of the Management Committee are jointly accountable for the entire management of the Company and decide on the basic issues of business policy and corporate strategy. The Committee meets at regular intervals to review the business performance of the Company and take decisions as deemed appropriate.

Responsibilities to Customers

Our success depends, in part, on the quality of our products and also on wide as well as strong after sales service. Besides, the Company maintains a countrywide 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 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 Financial Reporting Standards / Bangladesh Financial Reporting Standards.

Financial data is circulated as appropriate within and outside the organization. Management accounts are distributed to all Management Committee Members while product, channel and divisional profitability statements are distributed to all Key and Senior Managers as well as Department Heads so that their observations and comments can be ascertained.

The timely publication of 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 Messrs. S. F. Ahmed & Co., Chartered Accountants.

Internal Controls

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 Management Committee the responsibility of establishing and implementing a system of internal control appropriate to the business environment in which it operates.

The Company's internal controls highlighted are as follows:

- The definition of the organizational structure and appropriate delegation authorities to functional management.
- Procedure for the review and authorization of capital expenditures.
- Strategic planning and the related annual planning and quarterly forecasting process.
- Accounting and financial reporting policies to ensure the consistency, integrity and accuracy of the Company's accounting records.
- Reporting and review of financial results and other operating statistics as well as the Company's published half yearly and annual financial statements which are based on a standard reporting system.

The Company has an internal audit department consisting of twelve members and headed by the Head of Internal Audit. The internal control system is maintained and reviewed by an internal audit function that operates on a global basis and reports to the Management and the Audit Committee. The work of the internal auditors is focused on the areas of risk to the Company which is determined on the basis of a risk management approach to audit.

The Company has several levels of personnel enforcing these internal controls, while the Internal Audit Department reviews the effectiveness of such controls.

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 is being followed by the Company.

Independent Corporate Compliance Auditor M/S Itrat Husain & Associates, Chartered Secretaries in Practice was appointed by the Board to conduct Corporate Compliance Certification as per requirement of Bangladesh Securities & Exchange Commission (BSEC). Accordingly, M/S Itrat Husain & Associates after their examination issued a Compliance certificate which has been shown in page no. of the Annual Report.

Code of Ethics

As an organization, our values include integrity, self determination and valuing people. Our parent company has specified corporate values for the Company and stipulated a code of ethics for employees, ensuring that the latter maintain the highest integrity and comply with the relevant laws and ethical principles. Therefore, the Company considers the significance of ethical, human and environmental matters in the conduct of its business. The Board of Singer Bangladesh Limited also established a separate 'Code of Conduct' for its Directors in compliance with the requirement of Bangladesh Securities and Exchange Commission (BSEC) notification.

Risk Management

A properly functioning risk management system is necessary for responsible governance. The risk management system at Singer

Bangladesh Limited is geared towards meeting the practical requirements of our business. It is designed to highlight risks at an early stage and to help avoid or limit them, as or where they occur. Details are provided in the section entitled "Risk Management" on page 49.

Communication with Shareholders

The Company encourages communications with shareholders throughout the year and welcomes their participation at shareholders' meeting. Four times each year, Singer Bangladesh Limited reports to its shareholders regarding its business, financial position and earnings.

An Annual General Meeting normally takes place within the first four months of each fiscal year. Among other things, the Annual General Meeting decides on the appropriation of net income, election of the Board members and the appointment of the auditors. Amendments to the Memorandum and Articles of Association and any change in the Company's paid up capital structure are approved exclusively at the Annual General Meeting and are implemented by the Board.

Quarterly Results

The quarterly results of the Company are published in the newspapers and posted on the website of the Company www.singerbd.com shortly after its submission to the Stock Exchanges.

Yearly/Half Yearly Results

Yearly and half yearly results are generally published and sent to the shareholders registered addresses through registered posts and are also displayed on the website of the Company www.singerbd.com shortly after its distribution.

Company's Corporate Website

The Company's website is a comprehensive reference on Singer Bangladesh's management, vision, mission, value statement, investor relations, sales network, products, promotions and events. The section on 'Shareholders' Information' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits and by providing answers to frequently asked questions.

In addition to information, which any company is under a legal or regulatory requirement to publish, the Company regularly publishes through newspapers, its website at www.singerbd.com additional Company information which is updated regularly and includes company's management, marketing network, product range and other information.

Dematerialization of Shares as on December 31, 2013

The Company's shares are compulsorily traded in dematerialized form and are available for trading on Central Depository Bangladesh Limited (CDBL). 41,050,925 Ordinary Shares of the Company representing 83.63 % of the Company's share capital are dematerialized as on December 31, 2013.

Going Concern

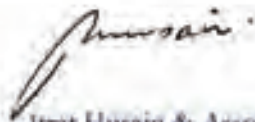
The Directors report that, after making enquiries, they have a reasonable expectation that the Company has adequate resources to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

ITRAT HUSAIN & ASSOCIATES

CHARTERED SECRETARIES IN PRACTICE

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

1. We have examined the compliance of conditions of Corporate Governance by **SINGER BANGLADESH LIMITED** ("the Company") for the year ended 31 December, 2013 as per the Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) vide Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the BSEC notification mentioned above.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.



Itrat Husain & Associates
Chartered Secretaries in Practice

Signed by : Itrat Husain FCMA, FCS
Chief Executive

Dhaka, 25 February 2014

Annexure - I

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012 issued under section 2CC of Securities and Exchange Ordinance 1969 (Report under Condition No. 7.00)

Condition No.	Title	Compliance Status	Remarks (if any)
1.1	Board Size (number of Directors - minimum 5 and maximum 20)	Complied	
1.2	Independent Directors:		
1.2 (i)	At least one fifth of Directors should be Independent Directors;	Complied	
1.2 (ii) a	Independent Director does not hold any share or holds less than 1% share of the total paid-up capital;	Complied	
1.2 (ii) b	Non connectivity with the company's sponsor or director or shareholder who holds 1% or more shares on the basis of family relationship.;	Complied	
1.2 (ii) c	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	Complied	
1.2 (ii) d	Not a member, director or officer of any member of stock exchange;	Complied	
1.2 (ii) e	Not a shareholder, director or officer of any member of stock exchange or any intermediary of the capital market;	Complied	
1.2 (ii) f	Not a partner or an executive during preceding 3 years of the company's statutory audit firm.;	Complied	
1.2 (ii) g	Shall not be an Independent Director in more than 3 listed companies;	Complied	
1.2 (ii) h	Non convicted by court of competent jurisdiction for defaulting any loan payment to a bank/ non bank financial institution.;	Complied	
1.2 (ii) i	Non convicted for a criminal offence involving moral turpitude;	Complied	
1.2 (iii)	Appointment of Independent Director shall be by board of directors and subsequently approved by shareholders in the AGM;	Complied	
1.2 (iv)	The post of Independent Director(s) can not remain vacant for more than 90 (ninety) days.	Not Applicable	
1.2 (v)	Code of conduct for all Board members and compliance matter;	Complied	
1.2 (vi)	Tenure of office of an Independent Director (for a period of 3 years, may be extended for 1 term only);	Complied	
1.3	Qualification of Independent Director:		
1.3 (i)	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;	Complied	
1.3 (ii)	Should be a Business/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. Must have at least 12 (twelve) years of corporate management/ professional experiences;	Complied	
1.3 (iii)	Relaxation of qualifications of Independent Directors subject to prior approval of the Commission.	Not Applicable	
1.4	Chairman to the Board and Chief Executive Office shall be different individual with clearly defined respective roles and responsibilities.	Complied	
1.5	The Director's Report to shareholders:		
1.5 (i)	Industry outlook and possible future developments in the industry;	Complied	
1.5 (ii)	Segment-wise or product-wise performance;	Complied	
1.5 (iii)	Risks and concerns;	Complied	
1.5 (vi)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin;	Complied	
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss;	Not Applicable	
1.5 (vi)	Disclosure on related party transactions;	Complied	
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;	Not Applicable	
1.5 (x)	Remuneration to directors including independent directors;	Complied	
1.5 (xi)	Fairness of financial statements;	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
1.5 (xii)	Maintenance of proper books of account;	Complied	
1.5 (xiii)	Application of appropriate accounting policies and estimates;	Complied	
1.5 (xiv)	Application of International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS);	Complied	
1.5 (xv)	Efficiency of Internal control system;	Complied	
1.5 (xvi)	Going concern (ability to continue as going concern);	Complied	
1.5 (xvii)	Deviations in Operating Results ((highlighting significant deviations from last year in operating result);	Complied	
1.5 (xviii)	Key operating and financial data (summarized financial data of at least preceding three years);	Complied	
1.5 (xix)	Reason for non declaration of dividend;	Not Applicable	
1.5 (xx)	Number of Board Meetings (no. of Board Meetings held and attendance by each director);	Complied	
1.5 (xxi)	The pattern of shareholding:		
1.5 (xxi) a	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	Complied	
1.5 (xxi) b	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	Complied	
1.5 (xxi) c	Executives;	Complied	
1.5 (xxi) d	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	Complied	
1.5 (xxii)	Brief resume of Director in case of the appointment/re-appointment:	Complied	
1.5 (xxii) a	Brief resume of the director;	Complied	
1.5 (xxii) b	Nature of his/her expertise in specific functional areas;	Complied	
1.5 (xxii) c	Names of companies in which the person also holds the directorship and the membership of committees of the board.	Complied	
2	Chief Financial Officer (CFO), Head of Internal Audit (HIA) and Company Secretary (CS)		
2.1	Appointment of CFO, HIA & CS and define respective roles, responsibilities and duties of CFO, HIA & CS;	Complied	
2.2	Presence of the CFO and CS in the Board meeting;	Complied	
3	Audit Committee		
3. (i)	Should have an audit committee as a sub-committee of the Board of Directors;	Complied	
3. (ii)	Assisting Board of Directors in ensuring true and fair presentation of financial statements and also to monitor system;	Complied	
3. (iii)	Reporting and duties of the Audit Committee	Complied	
3.1	Constitution of the Audit Committee;		
3.1 (i)	Composition of Audit Committee (should be composed of at least 3 (three) members;	Complied	
3.1 (ii)	Audit Committee Members Appointment (members should appointed by the Board with at least one independent Director);	Complied	
3.1 (iii)	Financially literacy of committee members (members should be financially literate);	Complied	
3.1 (iv)	Terms of Service of Audit Committee (Board to ensure continuity of minimum prescribed number of members);	Complied	
3.1 (v)	Secretary of the committee.	Complied	
3.1 (vi)	Quorum of the Audit Committee meeting (at least 1 Independent Director must present).	Complied	
3.2	Chairman of the Audit Committee:		
3.2 (i)	Chairman of Audit Committee (Board to select Chairman from audit committee who shall be an Independent Director);	Complied	
3.2 (ii)	Presence of Chairman of the audit committee in the Annual General Meeting.	Complied	
3.3	Role of the Audit Committee:		
3.3 (i)	Oversee the financial reporting process;	Complied	
3.3 (ii)	Monitor choice of accounting policies and principles;	Complied	
3.3 (iii)	Monitor internal control risk management process;	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
3.3 (iv)	Oversee hiring and performance of external auditors;	Complied	
3.3 (v)	Review of annual financial statements before submission to the board;	Complied	
3.3 (vi)	Review of quarterly and half yearly financial statement before submission to the board;	Complied	
3.3 (vii)	Review the adequacy of internal audit function;	Complied	
3.3 (viii)	Review statement of significant related party transactions submitted by the management;	Complied	
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors;	Complied	
3.3 (x)	Reporting utilization of money raised through Initial Public Offering, Repeat Public Offering/Rights Issue in the quarterly financial statements and also to disclose statement of fund utilization for the purpose other than those stated in the offer documents/prospectus.	Complied	
3.4	Reporting of the Audit Committee:		
3.4.1 (i)	Reporting to the Board of Directors		
3.4.1 (ii) a	Report on Conflict of Interest;	Not Applicable	
3.4.1 (ii) b	Report on defect in the Internal Control System to the Board of Directors;	Complied	
3.4.1 (ii) c	Suspected Infringement of Laws to the Board of Directors;	Not Applicable	
3.4.1 (ii) d	Any Other Matter (out of the above, a-c).	Not Applicable	
3.4.2	Reporting to the Authorities-BSEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management) .	Not Applicable	
3.5	Reporting to the Shareholders (disclosure of activities of the audit committee in the annual report).	Complied	
4	External/Statutory Auditors:		
4 (i)	Appraisal or Valuation Services (none by the external/statutory auditor);	Complied	
4 (ii)	Financial Information System (none by the external/statutory auditor);	Complied	
4 (iii)	Book Keeping or Other Services (none by the external/statutory auditor);	Complied	
4 (iv)	Broker-dealer Services (none by the external/statutory auditor);	Complied	
4 (v)	Actuarial Services (none by the external/statutory auditor);	Complied	
4 (vi)	Internal Audit Services (none by the external/statutory auditor);	Complied	
4 (vii)	Any other Services (none by the external/statutory auditor);	Complied	
4 (viii)	Not to possess any share of the company (none by the external/statutory auditor).	Complied	
5	Subsidiary Company:		
5 (i)	Composition of the Board of Directors of the subsidiary company;	Not Applicable	
5 (ii)	Presence of Independent Director of holding company in the Board of subsidiary company;	Not Applicable	
5 (iii)	Review the Board meeting minutes of subsidiary company in the Board meeting of the holding company;	Not Applicable	
5 (iv)	Reflection in the holding company's Board meeting minutes about review of the affairs of subsidiary company;	Not Applicable	
5 (v)	Review the financial statements of subsidiary company, in particular the investments made by the subsidiary company.	Not Applicable	
6	Certification of CEO and CFO to the Board:		
6 (i) a	Financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied	
6 (i) b	Financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	Complied	
6 (ii)	No transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	Complied	
7	Reporting and Compliance of Corporate Governance:		
7 (i)	Certification on compliance of condition of Corporate Governance Guideline of BSEC and reporting to the shareholders;	Complied	
7 (ii)	Directors' report should state about the compliance with the conditions of the Corporate Governance Guideline of the Commission.	Complied	

Annexure-II

The pattern of shareholding

Name of Shareholders	Status	Shares Held at 31 Dec' 13	Shares Held at 01 Jan' 13
i) Parent / Subsidiary/Associate Companies			
Singer Bhold B. V.	-	26,996,462	21,597,170
Singer Bhold B.V.- Blocked Shares	-	9,813,275	7,850,620
ii) Directors, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children			
Mr. Mahbub Jamil	Chairman	1,350	1,080
Mr. A. M. Hamim Rahmatullah	Managing Director	212	170
Mr. Akhtar Imam	Independent Director	1,525	1,270
Mr. C. K. Hyder	Independent Director	125	100
Mr. Sajidur Rahman Khan	Director	100	80
Mr. Mohammad Sanauallah	Director	362	290
Mr. Akram Uddin Ahmed	Director	125	100
Mr. Mokbul Ahmed	Director	100	80
Ms. Nahar Jamil	W/o. Mr. Mahbub Jamil	6,187	4,950
Ms. Humayra Hamim	W/o. Mr. A. M. Hamim Rahmatullah	937	750
Ms. Perveen Ahmed	W/o. Mr. Akhtar Imam	275	220
Ms. Salma Aktar	W/o. Mr. Mohammad Sanauallah	300	240
Ms. Arifa Salzana Hemon	W/o. Mr. Akram Uddin Ahmed	2,625	2,100
iii) Shareholders Holding Ten Percent or More Voting Interest			
Singer Bhold B. V.	55%	26,996,462	21,597,170
Singer Bhold B.V. - Blocked Shares	20%	9,813,275	7,850,620

Annexure -III

Board Meeting and Attendance during the Year Ended 31 December 2013

Name of Directors	Meeting held while a member	No. of meetings attended in person/alternates
Mr. Mahbub Jamil	5	5
Mr. A. M. Hamim Rahmatullah	5	5
Mr. Akhtar Imam	5	4
Mr. C. K. Hyder	5	5
Mr. Gavin Walker	5	1
Mr. Sajidur Rahman Khan	5	4
Mr. Gelmart M. Gellecano	5	0
Mr. Mohammad Sanauallah	5	5
Mr. Akram Uddin Ahmed	5	4

Audit Committee Meeting and Attendance during the Year Ended 31 December 2013

Name of Members	Meeting held while a member	No. of meetings attended
Mr. C. K. Hyder	4	4
Mr. Akhtar Imam	4	4
Mr. A. M. Hamim Rahmatullah	4	4
Mr. Gelmart M. Gellecano	4	0

Remuneration Committee Meeting and Attendance during the Year Ended 31 December 2013

Name of Members	Meeting held while a member	No. of meetings attended
Mr. C. K. Hyder	2	2
Mr. Akhtar Imam	2	1
Mr. Gavin J. Walker	2	1

STATEMENT OF VALUE ADDED

	2013 Taka	2012 Taka
Turnover - Gross	6,605,076,254	6,703,365,384
Other Income	9,076,848	5,754,419
	6,614,153,102	6,709,119,803
Less: Cost of Materials & Services	3,786,656,678	2,747,652,533
Value Added	2,827,496,424	3,961,467,270

Distribution of Value Added

To Employees and Dealers

Salaries, Commission and other Benefits	528,114,096	19%	459,864,662	11%
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To Government

Income Taxes, Duties and Value Added Tax	1,805,192,382	64%	2,881,033,207	73%
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To Banks and other Lenders

Interest & Bank Charges on Borrowing	40,156,752	1%	64,732,871	2%
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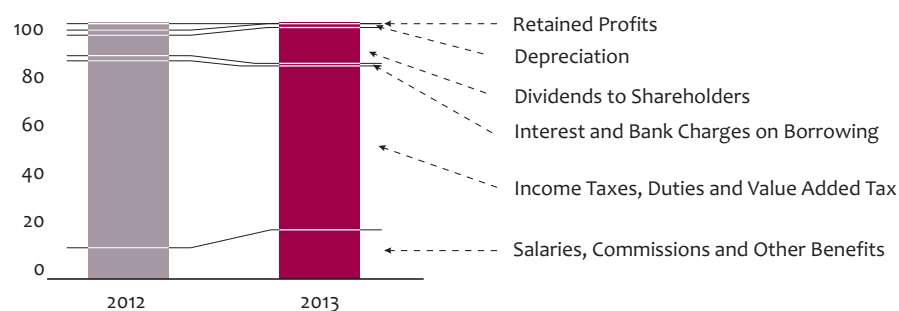
To Suppliers of Capital

Dividends to Shareholders	392,675,800	14%	314,140,640	8%
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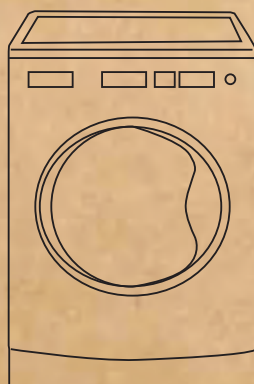
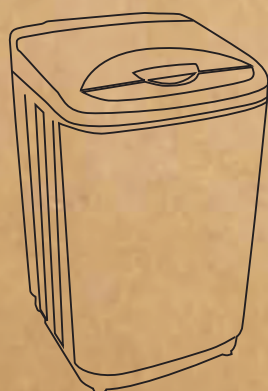
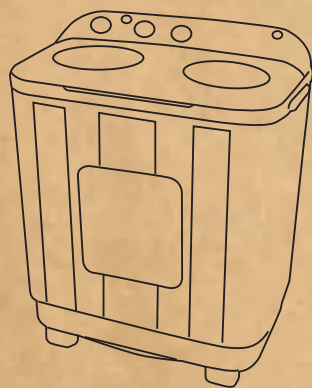
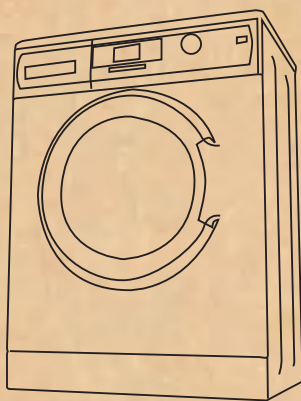
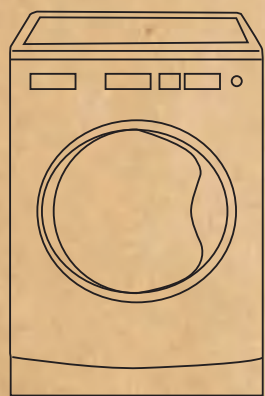
Retained for Reinvestment and Future Growth

Depreciation	71,807,492	2%	65,463,075	2%
Retained Profits	(10,450,098)	0%	176,232,815	4%
	2,827,496,424	100%	3,961,467,270	100%

Statement of Value Added (%)



WASHING MACHINES







Singer continued to position itself as the most preferred consumer durable Company.

CHIEF EXECUTIVE OFFICER'S REVIEW

The Environment

The business environment in 2013 was difficult and challenging owing to the political impasse which paralyzed the country's economy. Frequent strikes and blockades made it difficult to make on-time shipment of export orders and no new orders were placed by foreign buyers. In the last quarter of 2013, Bangladesh virtually came to a standstill which pulled down consumer demand to an almost zero.

The consumers were affected by an increase in the electricity charges in the current year on top of the increase in last year.

In the outgoing year owing to the challenging environment there were no new entrants in the consumer durable industry.

Our Strategies and Action

Our strategies and action for 2013 were as follows:

- Import was restricted and confined to only the fast selling products and models
- Cost curtail was in every sphere of our activities without minimizing the cost of doing business.
- Collection drive was geared up by utilizing the strong system and culture at Singer which was supplemented by utilizing call centre for reminders together with the traditional collection methods ensuring that the arrears were under control.
- Cleaning drive to clear slow and obsolete products

Through adopting of the above measures, Singer has been able to do better despite the difficult environment.

Products, Brands and Sourcing

Singer continued to position itself as the most preferred consumer durable retailer/wholesaler for meeting the growing needs of the consumers.



In 2013, Singer's thrust sector was Refrigerator whose revenue grew by 3.51% in comparison to the previous year. In this sector the company already established itself as a leading player with Singer Brand. Addition of BEKO Side by Side Refrigerator which is one of the largest brand in Europe strengthened our product line. During the year, Singer was appointed as a reseller of APPLE. Two shops now have Apple Product Corner and expected to roll out more stores in 2014.



Furniture Sector is a rapidly growing industry where Singer made its presence felt by introducing Sofa in four different models. New categories of furniture are expected to be launched in 2014.

New brands introduced in 2013, apart from those mentioned above were Galanz, Grundig and Preethi.

Utilizing our strength and breath in sourcing products, Singer has been able to supply high quality products for meeting consumer needs. The Company continued to introduce new product lines and new models. The new product line included, BEKO Free Standing Gas Oven and BEKO Front Loading Washing Machines.



Channels and Distribution

Singer continued to strengthen its distribution channels.

Singer Plus Channel opened 34 new outlets, renovated 20 showrooms and SINGER MEGA opened 3 Showrooms. This took the total number of shops of Singer to 372. The renovated shops



were provided with a complete uplift to reach the high merchandising standards practiced by the Company.

The wholesale network too continued to strengthen itself with addition of 121 new dealers.

Financial Services and Credit

In 2013, Singer tied up with Bank Asia to disburse funds remitted through Western Union.

The existing payment of utility bills and mobile top up of Grameen Phone and banking facilities through Smart Card – a joint initiative of Prime Bank and Dippon also continued in 2013.

The company continued to offer a wide range of easy payment plans through its own and through other banks.



Human Resources

Greater emphasis is placed by the company on its human resources. The Company maintained good industrial relation during the year. The Company continued its activities and events for employees and their families and increased trainings for the staffs.

After Sales Service

Singer continued to offer the best after sales support service. During the year 2013, steps were taken to enhance the skills of our service technicians by imparting training for them.

Manufacturing

The manufacturing division of the company consists of a television factory. In 2013, a new furniture factory was added for meeting the growing demand of such items.

ERP System

The ERP System went into full function in 2013 which will enable the Company to get updated information so that necessary action can be taken without delay.



CSR

Singer believes that it has a moral obligation to carry out Social Responsibility Projects which are detailed out in page 43.

The Financial Results for the Year

The Company's revenue was Taka 6,605 million billion representing a 1.47% decline.

Selling and administrative expenses increased by 14.5% due to inflation, expansion of shops and increase in electricity cost Singer's income for the year was Taka 546 million which has shrunk by 8.9% in comparison to last year.



Conclusion

I would like to thank the members of the Board for their valuable support and guidance which helped in achieving these result. The shareholders also deserve thanks for their continued trust and confidence in the Board of Directors and the Management.

I wish to place on record my appreciation to all our staff and employees for their contribution and commitment without which it would not have been possible to achieve these results.

A. M. Hamim Rahmatullah
Managing Director & CEO

Dhaka, February 26, 2014

MEANS OF GROWTH

Singer Bangladesh Limited recognizes the employees as the primary source of its competitiveness. They bring values, skills, diversity and expertise to SINGER that makes us market leader in the consumer durables industries in the country. It is the dedication, knowledge and performance of the employees' dynamism and excellence of the senior management team which will consolidate its position as the market leader in the consumer durables industries. Accordingly, human resources development will remain the center piece of its corporate policy.

HR Policy & Procedure

Singer hires the best and most competent resources from the open job market. Excellent blend of young & experienced people ensure their best efforts towards development of business. Singer Bangladesh Limited has practiced practices this blend since long. Every year, improvisation is added to meet new techniques & challenges to reach a new height.

Here, the core operational committee consists of key & senior managers who plan to achieve management objectives which end at down level. Singer Bangladesh believes in 'Bottom to up' management. Based on corporate objectives, concerned business unit managers formulate plans to achieve the goal. Healthy debate is always welcomed by the management before finalizing a policy. Therefore, the plans of management turns into the goal of all.

Recruitment

To ensure smooth succession plans are in place for every senior position. We also have transparent succession plans at all levels and always recruit individuals who will help strengthen our core capabilities as well as our culture.

Enabling Employees to Reach their Personal Best

To reach their personal best, our employees were offered a wide variety of trainings and development opportunities to build on their strength, improve their skills and to overcome their own challenges. Our height priority is to match individual employee aspirations with our organizational needs. This year training and development programmes covered much larger number of employees. This approach had a greater focus on on-the-job and off-the-job components of learning which were as follows:

2013 Training Type	Number of Training Session	Trained Employees
In-house Training	25	764
External Training	8	32
Foreign Training	5	11

Initially new employees have to go through an orientation programme for 2 weeks before engaging themselves in their responsibility. On-the-job trainings are usually conducted by HR training unit on regular basis, central or department wise. Singer has already developed 4 modern training centres throughout the country. Apart from this, a specialized team of 3 female training executives work to train the users of different home appliances.



Singer Retail Academy

Singer Bangladesh Limited, a multinational company with a 162-year history, established the Singer Retail Academy in 2009, an HR initiative that seeks to significantly enhance the training

and career development of staff employed at the company's retail shops, as well as field supervisory personnel and staff in other related areas as part of continuous improvement and investment in our single most important asset 'our-people'. It has developed consistent human resource standards such as hiring, orientation, career planning and remuneration applicable to our people ranging from the management staff to shop assistants. Graduates from the Academy will receive a Singer Retail Diploma, a Diploma for Call Centre Staff or Diplomas in Shop Management, Service Centre Administration, Accounts Verification, Retail Internal Audit, Retail District Management or Retail Area Management, depending on their areas of training.

Through Singer Retail Academy guidance we formulate Balance Score Card (BSC) and Retail Ladder to rate the performance of the Shop Managers which reflect the performance of their Supervisors – whom we call Retail Management.

The balance score card is the tool under the concept of the Singer Retail Academy that is used to monitor the performance of the singer retail shops. It provides a balance performance measurement platform taking into consideration various aspects such as sales, collection, merchandising etc. Performance reports are generated based on data captured for each month and communicated to each location. This gives them the opportunity to know where they stand in their respective area of performance and also gives them the opportunity along with the help of field supervision to take necessary corrective action.

The balance score card is a performance evaluation tools as well as a training need identification and post-training effectiveness measurement tool

Service Analysis

Singer Bangladesh Limited possesses good blend of young spirit & old experienced brains. It is enriched with good number of loyal people, who have experience of long refreshers to 4 decade experienced people.

Our peoples are aging; with a good number (198) of employees now between aged 40 and 60, we project that many of our employees will retire within the next five years. In general, employees choose to work longer in Singer because they feel secure to work here.

Age Group	Key & Sr. Mgt	Mid Mgt.	Jr. Mgt.	Non Mgt
Above 50	9	15	3	14
41-50	5	19	17	116
31-40	0	2	53	526
21-30	0	0	15	134
20	0	0	0	3

Human Capital Strength

We have an excellent structured human capital in the Company. Naturally the structure is pyramid shaped. Here is a table of our strength as on December 31, 2013:

Position	2013	2012	2011	2010	2009
Key & Sr. Management	14	11	11	10	12
Middle Management	36	40	37	33	32
Junior Management	88	69	61	54	57
Non Management	809	849	784	702	655

Decentralization

We believe in empowering people and self guided units. Singer Bangladesh Limited is leading retailer in this country. For smooth operation of retail business, we have divided the country into many retail areas and districts which are decentralized in operational perspective. Sales & risk management activities are operated from the area offices which are closely coordinated by central business units. Field management has to manage their operational activities independently. We have been increasing the number of service centers at different locations for providing better after sales service. Even our warehouses are decentralized for providing better back up inventory support to the Singer shops.

Performance Management

Our performance evaluation depends on prefixed objectives. Based on the MBO i.e., business targets as well as job tasks and competencies, each employee is evaluated once a year. Building on defined development goals, we offer and support our employees with the target development activities, both on and off the job.

Recognition and Motivation

Singer is committed to rewarding employees with compensation and benefit programmes. Besides, monetary compensation, non-monetary rewards and other intangible benefits wait for the deserving employees with an objective to increase motivation level. This is a continuous process. Group Championship, President Club and Diamond Club status are awarded to the sales people at the colourful events of Annual Sales Conference. Besides, based on the length of service, long service awards wait for those employees who work for at least a decade.

Long Service Award

Singer belongs to a history of 163 years and bears legacy of good name and fame. There is nothing to wonder that people who work in Singer possess strong bondage. Singer honours its family members recognizing their long service. The Long Service Award winners receive long awaited award in the Family Day (Annual Picnic) and also in the Annual Sales Conference. Long Service Award winners list for 2013 indicates employer-employee bondage.

Length of Service	Number of Award Winner
40	1
25	2
20	39
15	8
10	12

Compliance with the Law

All statutory requirements with regards to the employee benefits are complied with and compensations and rewards are linked closely to performance & longevity.

The Company has a strict policy on child labour & compulsory labour, with a zero tolerance. At Singer, all employees are above the age of 18. All appointments & contracts are in compliance with the Labour Law of Bangladesh. In case of any disciplinary action, the Company follows all legal procedures properly to ensure the right of the employees.

Equal Employment Opportunity

Your Company believes in equal opportunity in workplace irrespective of race, religion, sex, colour. Singer believes in quality/competency while hiring the best workforce. As far as working environment and employee facilities are concerned, Singer is one of the leading companies in the country. Singer takes good care of a comfortable environment for the females.

Occupational Safety & Health

Nothing is more important to us than the safety, health and well-being of our employees. Singer is committed to ensuring zero harm to its employees. We invest time, effort and resources to protect all of our employees from harm that might be associated with their work.

All protective measures have been taken to avoid accident in the workplace. Though accident is unwanted, first aid boxes and trained staffs are made available at all the locations for immediate response to any emergency.

Working Environment

Historically Singer Bangladesh Limited offers and maintains a very good working environment in workplace. Human Resources Department is working as an advisory body for the employees and manages their grievances. Industrial Relation among the factory workers may set an example to others. Singer believes in long term bonding with the employees. It is one of the oldest MNCs in this country and has employees who have been working for decades. Transparent relation between management & employees makes Singer a comfortable workplace.



Long Service Awardees

CORPORATE SOCIAL RESPONSIBILITY

In Singer Bangladesh Limited, Corporate Social Responsibility which is commonly known as CSR is not an add-on or plug-in. CSR activities in Singer Bangladesh Limited is not taken for public relation purposes or for keeping pace with the recent social trend. It is a part and parcel of who we are and how we work which is practiced across all the value chain. People have a right to expect ethical, responsible behavior from one another and the company is nothing but an accumulation of people.

Experience has taught us that social responsibility and concern for profit are not mutually exclusive. There are many ways in which one can support the other. Over the years, the Company has learnt how to select and undertake acts of good corporate citizenship that in turn promote, support and strengthen our business.

This spirit of the company is reflected in its flexible payment schemes which help the citizen of the country to buy comfort and convenience products at an affordable price. The company makes available a wide array of products to suit the needs of a varied consumer.

Singer being a compassionate and benevolent company, receives many requests for assistance from philanthropic institutions which, after being evaluated by individuals, are passed on to the Management Committee for their consideration.

In selecting a project the company believes not only in taking a long term view for maximizing its effectiveness but also fostering the notion that Singer will be an integral part of the Bangladesh picture for generation to come.

Some of the ongoing CSR projects undertaken by the company are:

Mother and Child Care Awareness Program

In consideration of poor scenario in the rural health sector, Singer Bangladesh has taken up an on-going initiative in conjunction with Fareea Lara Foundation since 2006 for making a significant improvement in the lives of many rural people and bringing smile to many others. This program has been running successfully for the last six years with the ultimate aim at

- Training the traditional birth attendants in order to ensure safe birth



- Encouraging traditional birth attendants to refer complicated cases to medical centres located in the capital city of Dhaka. The company bridged the foundation with Community Hospitals in Dhaka to provide free or minimum charge treatment for such complicated cases.
- Making mothers aware of immunizable diseases and their prevention with the help of the traditional birth attendants
- Providing awareness training on diabetics
- Providing Eye Care Facilities
- Educating on appropriate food nutritional needs for mother and children through Village Health Workers
- Raising awareness of the hazards of improper hygienic practices, environmental contamination, drinking and using surface water through the Village Health Workers

On Saturday approximately 300 and on each of the remaining days of the week more than 50 persons frequent these medical centres for medical assistance.

SINGER Sewing Academy

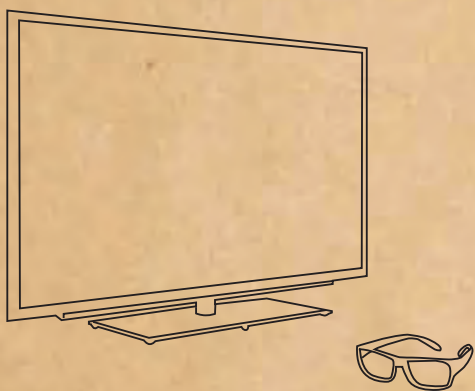
The Sewing Academy is an embodiment of Singer's social commitment, and it resolves to bring the company closer to people and the community. The Academy:

- extends its services to the women of the society for income generation
- keeps the art of machine sewing alive and well
- helps the teachers of Franchise Schools earn a reasonable income from the fees while they give hands on training on sewing, embroidery, stitching, and cutting to the students
- creates an opportunity for students who pass out successfully to open their own Franchise Schools in their community, thereby keeping the cycle of sewing -learning - income generation

Training program for the destitute women including to the students in school and colleges and to different non-governmental organizations and institutions are an on-going process and at the end of each training session they are normally provided with Singer Sewing Machines absolutely free of cost.



TELEVISION





FINANCIAL REVIEW

Financial Review

The following discussion and analysis should be read in concurrence with the Audited Financial Statements of the company for the year ended 31 December 2013.

Preamble

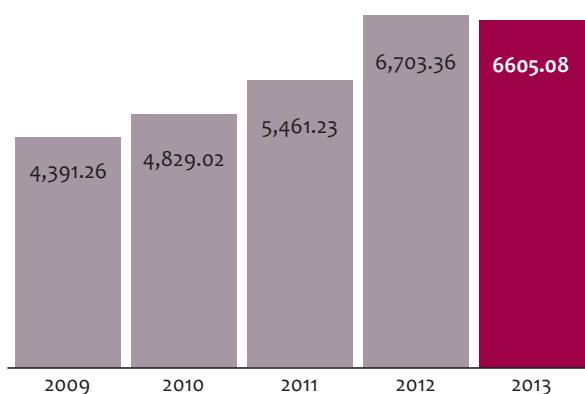
This year's business environment had more challenges and adverse market sentiments for the consumer durables market owing to mainly political uncertainty sustained throughout the year. Consequently, the year under review was relatively a challenging year in achieving target sales and growth due to continuous extreme political unrest, countrywide blockades coupled with national strikes and regional strikes (total lost business days stood approx 90 days) over the year which affected the sales adversely and consequently the sales were significantly low compared to target and the prior year. Consumer segments served by Singer continued to be affected by the political instability which brought cautiousness in the minds of consumers on spending priority. This impacted the consumers' sentiments and shifted their purchasing priority to the things which were absolutely necessary to align uncertainty.

In this challenging year, Singer consolidated its core strengths namely "Brands, distribution, financial services, customer service, people and systems" and continued to invest on these areas to differentiate Singer presence from competitors in the long run and to enhance medium and long-term sustainability. All these investments had contributed to strengthen core competencies of the company as explained above.

Revenue

Company turnover was Taka 6,605 million, which decreased by Taka 98 million (1.47%) from last year at company level. Due to extreme political unrest, countrywide blockade coupled with national strikes and regional strikes for number of days (total lost business days were approx 90 days) which affected the overall sales adversely and consequently the sales were lower compared to prior the year. However, drop in revenue was partially compensated through volume growth in sales of refrigerators and air conditioner which contributed to bridging the gap between this and the prior year achievements of revenue.

Turnover (Taka in million)



The Company blended together above the line (ATL) and below the line (BTL) advertising campaign and mingled into the marketing communications plan during the year under review in an effort to realize more sales. The objective of this approach was also to yield market opportunities in the backdrop of a challenging market scenario and sustained political turmoil, especially, in the last quarter of the year. The management exerted all possible avenues to attract sales in order to achieve some organic growth but deteriorated political unrest acted adversely resulting in slightly lower sales than the prior year.

However, as explained above, consumer segments served by Singer continued to be affected by the political instability which brought cautiousness in the minds of consumers on their spending priority. This impacted the consumers' sentiments and shifted their buying priority to the things which were of absolute necessity to align uncertainty. As a result, the business environment continued to be difficult with low demand from the consumers' side.

Gross Profit

The gross profit for the year experienced a decline to Taka 1,785 million vs last year's figure of Taka 1,810 million – a drop of approximately 1.39%. But gross profit in terms of percentage marginally increased from 27.00% to 27.03%. In absolute terms, gross profit of the company decreased over the prior year mainly due to drop in sales and earned carrying charges from hire purchase. In addition, an increase in product margin was not a favorable strategy in challenging the difficult market conditions and company focused more on retaining and expanding market share to achieve the long-term benefits.

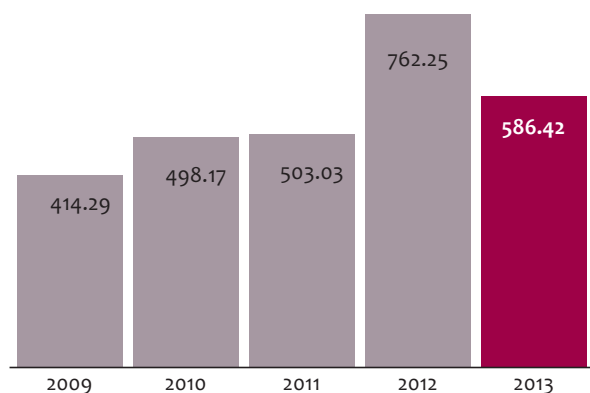
Operating Expenses

Operating expenses of the Company increased from Taka 1,047 million in 2012 to Taka 1,199 million in 2013. The increase in operating expenses was 14.5%. Some operating expenses like rent & occupancy, utility, repair & maintenance increased due to expansion of the operations. The higher increase of operating expenses was on account of advertisement and sales promotion, shop operating expenses. In order to fetch sales from the competition more aggressive advertisement campaign was taken and more market offerings were given to customers. However, the management tried to contain the growth of period expenses but the higher inflation pressures hit negatively. In addition, management placed various control measures to bring operating efficiency in the days ahead. Apart from these a substantial amount was made as provision against gratuity based on actuarial valuation due to statutory changes in law related to gratuity and policy thereon this year.

However, managing costs in a dynamic business environment is challenging since the management needs to maintain a balanced approach on operational efficiency as well as catering to the growth of business prospects.

Operating Profit

The operating profit decreased to Taka 546 million in 2013 from Taka 698 million in 2012. The operating profit decreased to 8.9% of turnover against 11.4% of the same last year. Operating profit was adversely impacted by increase in the provision of gratuity owing to major changes to the legal requirement of gratuity. The new provision of the law increased the exposure of liability on account of gratuity significantly. In addition, increase in rent & utility, repair &

Operating Profit before Interest & Tax (Taka in million)

maintenance and advertisement & sales promotion expenses also impacted adversely thereby eroding the operating profit considerably.

Non-operating Income

Non-operating income of the Company increased to Taka 9 million in the year under review from Taka 6 million of the previous. This increase was significant compared to previous year owing to higher amount of dividend received from Central Depository Bangladesh Limited (CDBL).

Interest Expenses

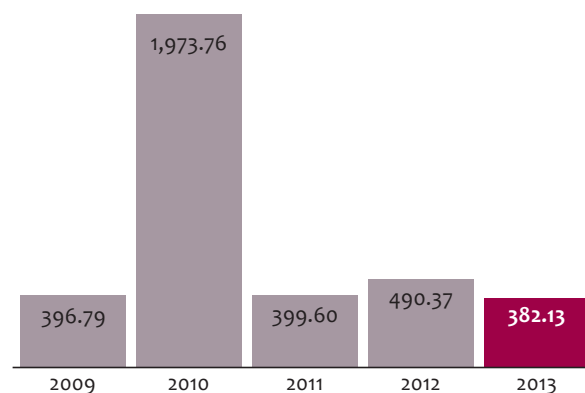
The company incurred interest expenses to finance inventory, receivable and other expenses. The interest expense of the year under review was lower against interest expenses of the last year. The reason of lower interest expense was efficiency achieved in managing inventory level and utilizing borrowings with comparatively lower costs. The total inventory was Taka 1,254 million at the year end of 2013 as opposed to Taka 2,211 million in 2012. The company managed to make short term investments during the year at various banks utilizing available surplus fund. These short term investments generated interest income which compensated interest expenses to some extent for the year under review.

Income Tax

The company declared a 125% dividend for the year 2013. Due to declaration of dividend more than 20% the company was entitled to lower rate of tax, which was at 27.5% less 10% rebate. As a result, in consistent with other years the company made provision for income tax considering payment of dividend more than 20%. Effective Income tax for the year under review was 27.6% against 26.6% in prior year which is 3.8% higher than that of the last year due to increase of disallowances caused by excess expenditure exceeding the threshold of allowable limit specially for additional provision for gratuity due to changes brought into relevant law.

Net Profit for the Year

The net profit after tax for the year decreased to Taka 382 million from Taka 490 million of the last year. This represents a decline of Taka 108 million or 22% over the last year mainly due to the decline in gross profit as well as operating profit from ordinary activities resulting from lower revenue and increase in operating expenses and static top line. Consequently, this altogether resulted in decrease of net profit.

Profit after Tax (Taka in million)**Total Comprehensive Income**

The Company recorded a total comprehensive income of Taka 382 million after tax for the year vs. Taka 651 million reported in the previous year, which was below the prior year by Taka 269 million.

Earnings per Share

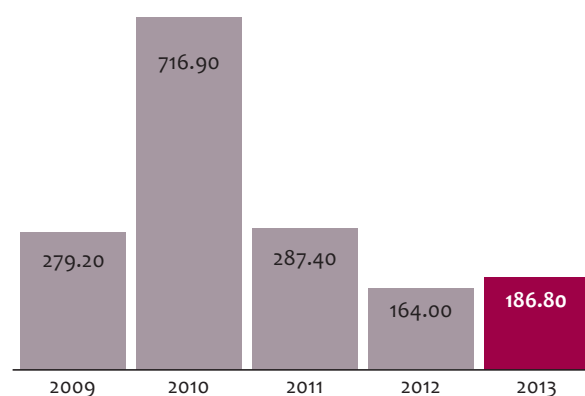
The Company's earnings per share (EPS) for the year under review were Taka 7.79 vs. Taka 9.99 in 2012. The EPS decreased compared to that of the last year.

Price Earnings Ratio

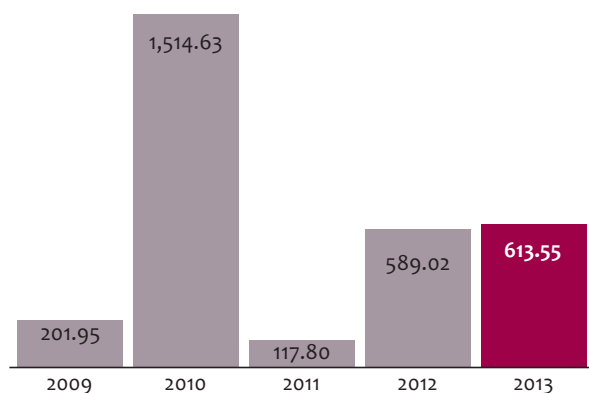
The price earnings ratio (times) of the Company as at December 31, 2013 was 23.99 times against 16.42 times as at December 31, 2012.

Share Value

During the year under review, the share price of the Company fluctuated between Taka 243 and Taka 119, with the year end closing value at Taka 187. The corresponding figures for 2012 were highest Taka 295 and lowest Taka 132.

Market Value per Share at Year End (Taka)**Dividend**

Company paid a dividend of Taka 15 per share amounting to Taka 589 million during the year in respect of the year ended 31st December 2012. The directors have approved a dividend of Taka 10 per share in a combination of Taka 10 in cash and Taka 2.50 in scrip amounting to Taka 613.55 million for the year ended 31st December 2013. The company had access to necessary funds to finance the payment of the final dividend.

Gross Dividends (Taka in million)**Return on Equity**

Return on equity of the Company was 14.8% compared to 20.7% in the previous year. Return on equity has been computed by dividing the profit for the year by the average total equity as in the beginning and the end of each financial year.

Non-Current Assets

Non-current assets of the company increased from Taka 881 million in 2012 to Taka 883 million in 2013 despite reclassification of Cables plant & equipment as assets held for sale and disclosed under current assets. Non-current assets increased mainly due to investment in long term deposit against which bank guarantee was provided to Custom Authority.

Current Assets

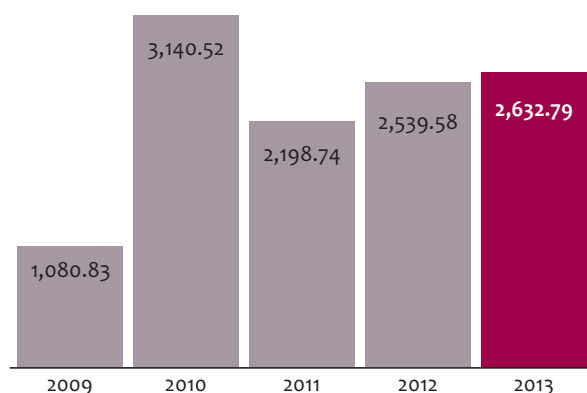
Current assets of the Company decreased to Taka 3,353 million from Taka 3,613 million in 2012. Significant decrease in current assets by Taka 260 million is mainly due to significant decrease in inventory level from Taka 2,211 million in 2012 to Taka 1,254 in 2013.

Total Assets

Total assets decreased to Taka 3,353 million as at 31st December 2013 from Taka 3,613 million in 2012, a decrease of Taka 260 million or 7.2%. This decrease is mainly attributable to significant decrease in inventories.

Total Equity

Total equity increased by Taka 93 million over the previous year due to mainly scrip dividend and current year profit.

Shareholders' Equity (Taka in million)**Non-Current Liabilities**

Non-current liability increased by Taka 115 million over the previous year mainly due to increase in retirement benefit obligation based on actuarial valuation due to changes of law and increase of other liability for payment of dividend.

Current Liabilities

Current liabilities decreased to Taka 745 million as at 31st December 2013 from Taka 1,211 million in 2012, a drop of Taka 466 million or 38.5%. This sharp decrease occurred mainly due to significantly lower short term borrowings compared to the last year.

Operating Cash Flow

Net Operating cash inflow after payments of costs, corporate tax and others was Taka 1,548 million as opposed to Taka 743 million in negative. Operating cash flow increased mainly due to import of lower inventory with better management which consequently resulted in less deduction at source on account of advance tax.

Investing Cash Flow

Net Investing Cash outflow reached at Taka 775 million compared to Taka 98 million in 2012, an increase of Taka 677 million. During the year under review, the company made investments of Taka 775 million out of which Taka 692 million was invested in term deposit and Taka 89 million in property plan and equipment.

Financing Cash Flow

Net cash outflow from financing activities in the Company was Taka 701 million, due to repayment of short term borrowing and payment of dividend.

Cash and Cash Equivalents

As at December 31, 2013 cash and cash equivalents of the Company increased, mainly due to less purchase of inventory and increase in collection

Basis of Preparation of Financial Statements

The Financial Statements contained in this report are prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Ordinance 1969, Securities and Exchange Rules 1987 and other applicable laws and regulations.

RISK MANAGEMENT

The Company has a strong base to address the risk of future uncertainty with the change of industry and global economy. Your company is always keen to identify the key business risks and ensures that mitigation plans are in place. It has reviewed and adopted best practices of the industry that are articulated to enable the company to achieve its objectives effectively.

Risks are defined as uncertainties resulting in adverse variations of profitability or in losses, financial or otherwise. The risk management of your company covers core risk areas of the business operation viz, financial risk, operational risk, receivable risk, liquidity risk, market risk that includes foreign exchange risk, interest rate risk etc. Besides above risks, the Company considers credit management risks, strategic risks. The objective of risk management is that the Company evaluates and takes well-calculative business risks thereby safeguarding the asset, its financial resources and profitability from various business risks through its own measures and through implementing corporate guidelines and following some of the best practices as under.

Operational Risk

Operational risk addresses the risks associated with fraud, forgery, unauthorized activities, error omission, system failure and external events among others. Field supervisors' checklist, credit inspection report, hire financing documentation checklist etc. are in place covering all probable risks associated with company's business and operations. Surprise audits and frequent inspections are also made on a regular basis to make sure that all control tools are functioning properly.

Business Risk

It results from changes of market condition, customer behaviour, or technological development from budgeted situation. Singer recognizes that good information is the key to forecast, assess and manage the risk. In this context, the Company introduces whistleblower policy to foster a work place conducive to open communication regarding the company's business practices and establishes guidance for the employees.

Technological Risk

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 System (SIS).

Foreign Exchange Risk

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from the future commercial transaction, recognized assets and liabilities. To get the competitive exchange rate towards management of foreign exchange risk against functional currency, the commercial department deals with several banks for each transaction.

Price Risk

Price risk represents the risk that the fair value of future cash flows of a financial statement will fluctuate because of a change in

market prices. Finance department estimates the product cost and the marketing department determines the market price of a product after adding reasonable profit comparing other similar industries to make it competitive.

Cash Flow and Fair Value Interest Rate Risk

As the Company has no long term interest bearing assets or liabilities, the Company's income and operating cash flows are substantially independent of changes in market interest rate. However, operating cash flow is affected to some extent by the interest rate of short term overdraft facility. In order to secure low cost interest rates, overdraft facility management has entrusted separate department to negotiate with treasury function while execution lies with other departments in terms of investment and utilization.

Credit Risk

Credit risk represents the risk that one party belonging to a financial instrument will cause a financial loss to the other party by failing to discharge a contractual obligation. Credit risk mainly arises from trade debtors, advances and prepayments.

Credit risk is managed in combination of supervision by field management and supervisory team consisting of credit and finance department. Credit management report is prepared based on various aspects of credit operations in order to monitor and follow up credit performance. The report facilitates early identification of risks and thus, it allows management to step in timely with necessary action.

Liquidity Risk

Liquidity risk is the risk that an entity will not be able to honour its financial obligations as they fall due.

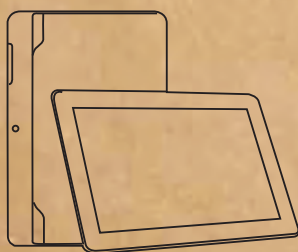
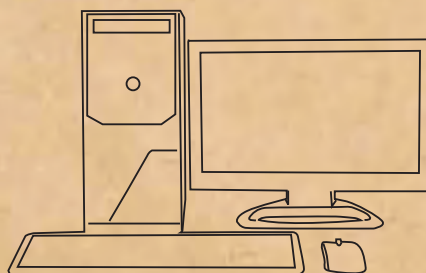
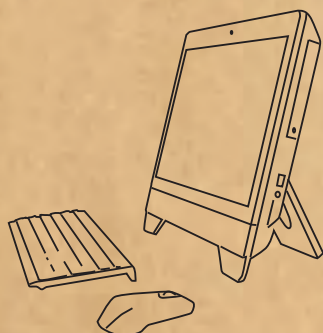
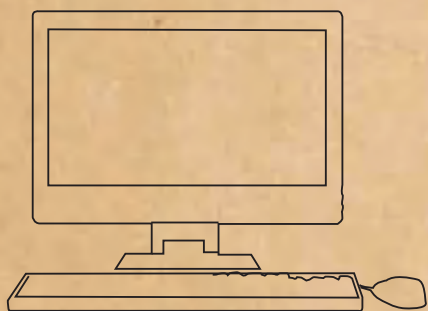
In order to meet financial obligation timely, access to sufficient short term credit is kept ensured round the year. Lower borrowing is utilized as opposed to available higher credit limit.

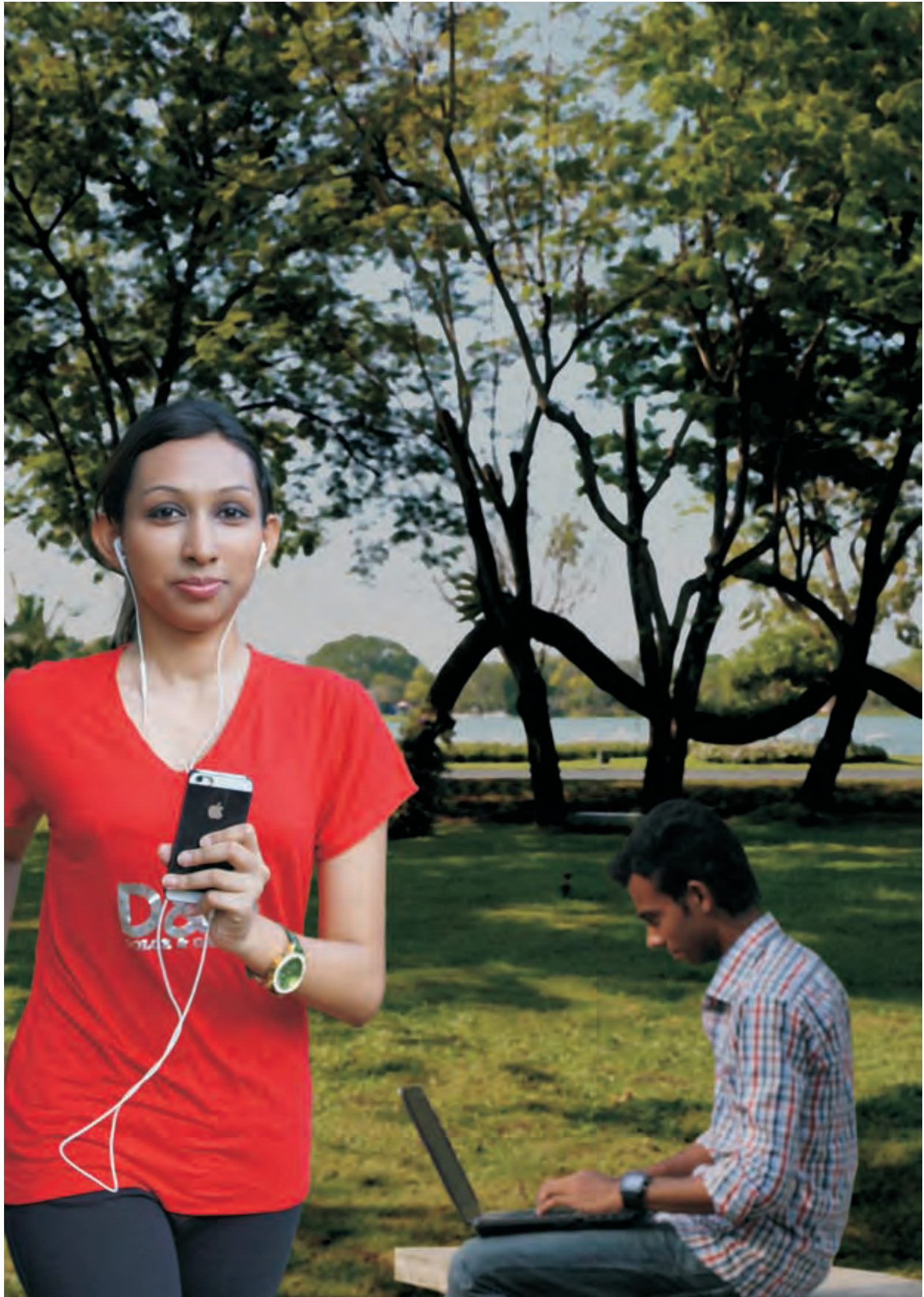
Considering the foregoing and the fact that the Company was in a positive working capital position as at the year end, management considers the liquidity risk to be low.

Caveat

With general risks and all other categories of risks discussed above, it may be deemed that the Company is in almost safe and risk free position. In addition, the best that can be achieved is reasonable management of the risk to which the Company is exposed through a sound management process based on most accurate, timely and comprehensive management information available.

NOTEBOOKS DESKTOP COMPUTERS AND MOBILE PHONES





REMUNERATION COMMITTEE REPORT

Composition of the Remuneration Committee

The Remuneration Committee is a sub-committee of the Board. It comprises three Directors, two of whom are Independent Directors. The Chairman of the Committee is also an Independent Director. The Managing Director and Chief Financial Officer assist the committee by providing the relevant information and analysis. The Company Secretary functions as the Secretary of the Committee.

Role of the Committee

The Remuneration Committee's role is mainly to determine and recommend to the Board the remuneration of the Executive Directors. It also monitors the levels and structures of remuneration of Senior Management and seeks to ensure that the remuneration arrangements are designed to attract, retain and motivate the Executive Directors and Senior Management needed to run the Company successfully.

Meetings and Attendance

The Committee met twice during the year under review. Its deliberations are mentioned in the summary of activities.

Summary of Activities

- Reviewed the performance of the Executive Directors and Senior Management of the Company;
- Reviewed and recommended the compensation packages of the Chief Executive Officer, Executive Directors and Senior Management of the Company;
- Reviewed the policies pertaining to the remuneration and perquisites of the Executive Directors and Senior Management of the Company.

Conclusion

I wish to thank the other members of the Committee, Mr. Akhtar Imam and Mr. Gavin J Walker and the Secretary for their valuable contributions towards the functions of the Remuneration Committee.

On behalf of the Remuneration Committee



C. K. Hyder
Chairman, Remuneration Committee
February 26, 2014

AUDIT COMMITTEE REPORT

Composition of the Audit Committee

The Audit Committee is a sub-committee of the Board. The Committee comprises four Directors including two Independent Directors. Mr. C K Hyder, Chairman of the Committee, is an Independent Director. The Chief Financial Officer (CFO) and Head of Internal Audit (HIA) attend the meetings by invitation. The Company Secretary functions as the Secretary of the Committee.

Role and responsibilities of the Committee

The Audit Committee is empowered to consider any matter relating to the financial affairs of the Company and to review all internal and external audits, internal control systems and procedures, accounting policies, etc., so as to ensure that a sound financial reporting system is in place and is well managed, in order to provide accurate, appropriate and timely information to the Management, Regulatory Authorities and to the Shareholders.

Meetings and Attendance

During the financial year ended December 31, 2013, four meetings of the Audit Committee were held. The details of attendance of the members have been shown in the ANNEXTURE- III of page 34 of the annual report.

The Company's external auditors were present at one Audit Committee meeting during the financial year where matters relating to the audit of the statutory accounts were discussed.

Summary of Activities

The following activities were carried out by the Audit Committee during the financial year ended December 31, 2013.

Financial Reporting

- Reviewed the quarterly, half yearly and interim financial results of the company and the relevant announcements to the Stock Exchanges by the Board of Directors.
- Reviewed the annual financial statements of the Company prior to submission to the Board of Directors for approval. The review was to ensure that the financial reporting and disclosures were in compliance with the Securities Laws, provisions of the Companies Act 1994, applicable Accounting Standards / IFRS, any conflict of interest and other relevant legal and regulatory requirements.

Internal Audit

- Reviewed the annual audit plans including the audit methodology in assessing and rating risks of auditable areas to ensure adequate scope and comprehensive coverage on the audit activities of the Company.
- Reviewed the effectiveness of the audit process, resource requirements for the year and assessed the performance of the Internal Audit Department. The competency and performance of the Head of Internal Audit were also reviewed.
- Reviewed the Internal Audit reports which encompassed the audit issues, audit recommendations and Management's responses to these recommendations. Improvement actions in the area of internal controls, systems and efficiency enhancements suggested by the

internal auditors were discussed together with Management.

- Reviewed the implementation of these recommendations through follow-up audit reports to ensure all key areas were addressed.
- Suggested additional improvement opportunities in the areas of internal control, systems and efficiency improvement.

External Audit

- The Committee met with external auditors at the conclusion of the annual audit in the absence of Management and also reviewed their findings of observation and the Management's response thereto
- Reviewed with the external auditors about their audit scopes, audit strategies and audit plans for the year and their proposed fees for the statutory audit and review of the Statement of Internal Control.
- Reviewed the external audit reports and areas of concern highlighted in the Management letter including the Management's responses to the findings of the external auditors.
- Reviewed the performance of the external auditors and made recommendation to the Board on their appointment and fees.

Internal Control and Risk Management System

Based on 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's is adequately managed.

Recommendation

The Audit Committee recommended to the Board of Directors that M/s. S F Ahmed & Co., Chartered Accountants be appointed as auditors for the financial year ending December 31, 2014 subject to the approval of the members at the 34rd Annual General Meeting of the Company.

On behalf of the Audit Committee



C. K. Hyder
Chairman, Audit Committee

February 26, 2014

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, Bangladesh Financial Reporting Standards (BFRS) 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) and BFRS as applicable in Bangladesh and have provided with the information required by the Companies Act 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Commission Rules 1987 and the 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 Bangladesh Accounting Standards as laid down by the Institute of Chartered Accountants of Bangladesh.

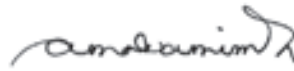
The Directors endeavour to ensure that the Company maintains sufficient records to be able to disclose, with reasonable accuracy, the financial position of the Company and to be able to ensure that the financial statements of the Company meet with the requirements of the Companies Act, Bangladesh Accounting Standards 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.

Messrs. S. F. Ahmed & Co. Auditors 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 57 of the Annual Report.

By order of the Board

Singer Bangladesh Ltd.



A. M. Hamim Rahmatullah
Managing Director



Mohammad Sanaulah
Company Secretary

Dhaka, February 26, 2014



Singer Bangladesh Limited FINANCIAL REPORTS 2013

Financial Calendar - 2013

Annual Report 2012 12 April, 2013	Annual Report & Annual General Meeting Annual Report 2013 Approved 26th February 2014
Thirty Third Annual General Meeting 08th May 2013	Thirty Forth Annual General Meeting 28th April 2014
Dividend Paid 30th May 2013	Dividend Payable May 2014
Interim Financial Statements to SEC, Dhaka & Chittagong Stock Exchange	Proposed Financial Calendar - 2014/15
For the Three Months ended 31 March 2013 (unaudited) April 2013	For the Three Months ending 31 March 2014 (unaudited) April 2014
For the Half Year ended 30 June 2013 (unaudited) July 2013	For the Half Year ended 30 June 2014 (unaudited) July 2014
For the Nine Months ended 30 September 2013 (unaudited) October 2013	For the Nine Months ending 30 September 2014 (unaudited) October 2014
	Thirty Fifth Annual General Meeting May 2015

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Partial view of Shareholders at the 33rd Annual General Meeting

Auditors' Report to the Shareholders of Singer Bangladesh Limited

We have audited the accompanying financial statements of Singer Bangladesh Limited (the company), which comprise the statement of financial position (balance sheet) as at 31 December 2013, statement of comprehensive income (profit and loss statement), statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards / Bangladesh Accounting Standards, the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards / Bangladesh Accounting Standards, give a true and fair view of the state of the company's affairs as at 31 December 2013 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 those books;
- (c) the statement of financial position (balance sheet) and statement of comprehensive income (profit and loss statement) dealt with by this report are in agreement with the books of account and returns; and
- (d) the expenditure incurred and payments made were for the purpose of the business of the company

House#51 (3rd Floor), Road#9, Block#F
Banani, Dhaka 1213, Bangladesh
Dated, 11 March 2014



S. F. AHMED & CO
Chartered Accountants

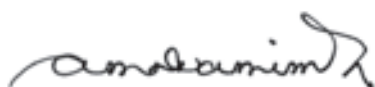
Statement of Financial Position (Balance Sheet)

At 31 December 2013

	Notes	Amounts in Taka	
		At 31 Dec 2013	At 31 Dec 2012
Assets			
Non-current assets			
Property, plant and equipment	4	871,666,925	877,472,257
Investments	5	11,199,450	3,199,450
Total non-current assets		882,866,375	880,671,707
Current assets			
Inventories	6	1,254,086,045	2,211,400,270
Accounts receivable, net	7	945,872,531	1,003,950,660
Advances, deposits and prepayments	8	264,538,560	293,839,374
Investment in short term deposit	9	700,000,000	8,000,000
Cash and cash equivalents	10	167,815,909	95,336,744
Assets classified as held for sale	11	21,038,170	-
Total current assets		3,353,351,215	3,612,527,048
Total Assets		4,236,217,590	4,493,198,755
Equity and Liabilities			
Capital and reserves			
Share capital	12	490,844,750	392,675,800
Reserves	13	409,189,200	426,168,818
Retained earnings		1,732,761,792	1,720,744,177
Shareholders' equity		2,632,795,742	2,539,588,795
Non-current liabilities			
Deferred tax liabilities, net	14	748,846	20,380,285
Retirement benefit obligations (gratuity)	15	120,866,000	70,000,000
Other liabilities	16	736,569,106	652,407,573
Total non-current liabilities		858,183,952	742,787,858
Current liabilities			
Accounts payable	17	667,547,677	666,738,267
Short-term borrowings - secured	18	25,547,124	494,195,655
Provision for corporate income tax, net	19	52,143,095	49,888,180
Total current liabilities		745,237,896	1,210,822,102
Total Equity and Liabilities		4,236,217,590	4,493,198,755

See annexed notes

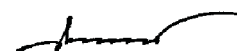
for and on behalf of the Board of Directors of Singer Bangladesh Limited


A. M. Hamim Rahmatullah
Managing Director

Akhtar Imam
Director

Mohammad Sanaullah
Company Secretary

Signed in terms of our report of even date annexed

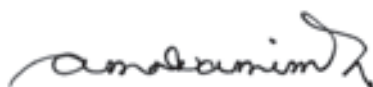
House # 51(3rd Floor), Road # 9, Block # F
Banani, Dhaka 1213, Bangladesh
Dated, 11 March 2014

S. F. AHMED & CO
Chartered Accountants

Statement of Comprehensive Income (Profit and Loss Statement) For the Year ended 31 December 2013

		<u>Amounts in Taka</u>	
	<u>Notes</u>	<u>31 Dec 2013</u>	<u>31Dec 2012</u>
Turnover	20		
Sales		6,424,319,576	6,512,329,283
Earned carrying charges		180,756,676	191,036,101
		<u>6,605,076,252</u>	<u>6,703,365,384</u>
Cost of sales	21	(4,819,605,734)	(4,893,862,710)
Gross profit		1,785,470,518	1,809,502,674
Operating expenses	22	(1,199,055,513)	(1,047,256,578)
Operating profit		586,415,005	762,246,096
Interest income/(expense)	23	(40,156,752)	(64,732,871)
		546,258,253	697,513,225
Non-operating income	24	9,076,848	5,754,419
		555,335,101	703,267,644
Contribution to workers' profit participation fund	25	(27,766,755)	(35,163,382)
Profit before taxation		527,568,346	668,104,262
Provision for taxation	26	(145,439,207)	(177,730,804)
Profit after taxation		382,129,139	490,373,458
Other comprehensive income			
Gain on revaluation of property, plant and equipment	27	-	160,589,133
Total comprehensive income		382,129,139	650,962,591
Earnings per share (EPS) - restated	33	7.79	9.99

See annexed notes

for and on behalf of the Board of Directors of Singer Bangladesh Limited



A. M. Hamim Rahmatullah
Managing Director



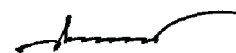
Akhtar Imam
Director



Mohammad Sanaullah
Company Secretary

Signed in terms of our report of even date annexed

House # 51(3rd Floor), Road # 9, Block # F
Banani, Dhaka 1213, Bangladesh
Dated, 11 March 2014



S. F. AHMED & CO
Chartered Accountants

Statement of Changes in Equity for the Year Ended 31 December 2013

Particulars	Amounts in Taka					
	Share Capital	Revaluation Reserve	Capital Reserve	Other Reserves	Retained Earnings	Total
Year 2012						
Balance at 01 January 2012	392,675,800	259,021,571	18,190,942	603,025	1,528,251,089	2,198,742,427
Profit for the year	-	-	-	-	490,373,458	490,373,458
Gain on revaluation of property, plant and equipment	-	160,589,133	-	-	-	160,589,133
Payment of dividend (cash) - 2011	-	-	-	-	(117,802,740)	(117,802,740)
Payment of interim dividend (cash) - 2012	-	-	-	-	(196,337,900)	(196,337,900)
"Adjustment of deferred tax arising from revaluation of property, plant and equipment"	-	-	-	-	4,024,417	4,024,417
Transfer of depreciation on revaluation surplus	-	(12,235,853)	-	-	12,235,853	-
Balance at 31 December 2012	392,675,800	407,374,851	18,190,942	603,025	1,720,744,177	2,539,588,795
Year 2013						
Balance at 01 January 2013	392,675,800	407,374,851	18,190,942	603,025	1,720,744,177	2,539,588,795
Profit for the year	-	-	-	-	382,129,139	382,129,139
Payment of dividend (cash) - 2012	-	-	-	-	(294,506,850)	(294,506,850)
Payment of dividend (bonus shares) - 2012	98,168,950	-	-	-	(98,168,950)	-
Adjustment of deferred tax arising from revaluation of property, plant and equipment	-	-	-	-	5,584,658	5,584,658
Transfer of depreciation on revaluation surplus	-	(16,979,618)	-	-	16,979,618	-
Balance at 31 December 2013	490,844,750	390,395,233	18,190,942	603,025	1,732,761,792	2,632,795,742

for and on behalf of the Board of Directors of Singer Bangladesh Limited


A. M. Hamim Rahmatullah
Managing Director


Akhtar Imam
Director


Mohammad Sanaulah
Company Secretary

Signed in terms of our report of even date annexed

House # 51(3rd Floor), Road # 9, Block # F
Banani, Dhaka 1213, Bangladesh
Dated, 11 March 2014


S. F. AHMED & CO
Chartered Accountants

Statement of Cash Flows

For the Year ended 31 December 2013

	<u>Amounts in Taka</u>	
	<u>31 Dec 2013</u>	<u>31 Dec 2012</u>
Cash flows from operating activities		
Collections from turnover and other income	6,604,719,248	6,415,353,566
Payments for costs and expenses	(4,820,718,413)	(6,873,579,833)
Interest received/paid on deposits/borrowings	(43,482,244)	(61,407,379)
Payments to workers' profit participation fund	(35,163,382)	(27,721,140)
Payments for corporate income tax	(157,231,073)	(196,055,415)
Net cash from/(used in) operating activities	<u>1,548,124,136</u>	<u>(743,410,201)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(88,834,964)	(93,699,250)
Investment in short term/term deposits	(692,000,000)	(9,630,000)
Dividend received from investment in CDBL	3,141,496	456,945
Sale proceeds of property, plant and equipment	2,757,400	4,567,851
Net cash from/(used in) investing activities	<u>(774,936,068)</u>	<u>(98,304,454)</u>
Cash flows from financing activities		
Receipt/(repayment) of short-term loan	(468,648,531)	467,010,127
Payment of dividend	(232,060,372)	(243,947,867)
Net cash from/(used in) financing activities	<u>(700,708,903)</u>	<u>223,062,260</u>
Net increase/(decrease) in cash and cash equivalents	<u>72,479,165</u>	<u>(618,652,395)</u>
Opening cash and cash equivalents	95,336,744	713,989,139
Closing cash and cash equivalents	<u>167,815,909</u>	<u>95,336,744</u>

for and on behalf of the Board of Directors of Singer Bangladesh Limited


A. M. Hamim Rahmatullah
Managing Director


Akhtar Imam
Director


Mohammad Sanaullah
Company Secretary

Signed in terms of our report of even date annexed

House # 51(3rd Floor), Road # 9, Block # F
Banani, Dhaka 1213, Bangladesh
Dated, 11 March 2014


S. F. AHMED & CO
Chartered Accountants

Notes to Financial Statements for the year ended 31 December 2013

General

1. Company and Its Activities

1.1 Company profile

Singer Bangladesh Limited (the company) was incorporated as a private limited company on 04 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 The Singer Bhold BV, The Netherlands since 2003. The shares of the Company are publicly-traded on the floors of 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 colour televisions, motor cycles and electric cables and marketing of refrigerators, televisions, air conditioners, sewing machines, computer and electric cables and other consumer electronics and household appliances. The manufacturing plant of the Company is situated at Rajfulbaria, Jhamur, Savar, Dhaka 1340.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in compliance with the requirement of the Bangladesh Financial Reporting Standards (BFRS)/ Bangladesh Accounting Standards (BAS), the Companies Act 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 1987, Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws as applicable.

Date of authorisation

The board of directors has authorised these financial statements on 26 February 2014.

2.2 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 building under property, plant and equipment, initial recognition of financial instruments at fair value and the gratuity scheme which was measured based on actuarial valuation.

2.3 Functional and presentational currency

These financial statements are presented in Bangladesh Taka (BDT), which is both functional and presentational currency of the Company.

2.4 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of 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 accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation and judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 6	Inventories
Note 7.4	Provision for doubtful debts
Note 14	Deferred tax liabilities, net
Note 17	Accounts payable
Note 19	Provision for corporate income tax, net

2.5 Reporting period

The financial period of the Company covers one year from 1 January to 31 December.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

3.1 Foreign currency transactions

Foreign currency transactions are recorded in BDT at applicable rates of exchange ruling at the dates of transactions in accordance with BAS-21/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 comprehensive income.

Notes to Financial Statements for the year ended 31 December 2013

3.2 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.

3.2.1 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.

(a) Accounts receivable

Accounts receivable represent the amounts due from customers of hire sale, credit sale and also includes receivable from employees and others. Accounts receivable are stated net of provision for doubtful debts and unearned carrying charges.

(b) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances, short-term deposits, etc which are available for use by the Company without any restrictions. There is no significant risk of change in value of the same.

3.2.2 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 finance 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.

3.3 Property, plant and equipment

3.3.1 Recognition and measurement

Property, plant and equipment are stated in attached Statement of Financial Position at cost less accumulated depreciation in accordance with BAS-16/IAS-16. 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.

3.3.2 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 servicing of property, plant and equipment are recognised in the profit and loss account as incurred.

3.3.3 Depreciation

Depreciation is charged on reducing balance method consistent with the Company's depreciation policy. Full year's depreciation is charged on fixed assets in the year of acquisition and no depreciation is charged in the year of disposal.

The rates of depreciation, applied on reducing balance method, for the current and comparative years are as follows:

	2013	2012
Building - Office	10%	10%
Building - Factory	20%	20%
Leasehold improvements	10%	10%
Plant and machinery	20%	20%
Vehicles	20%	20%
Furniture and fixtures	10%	10%
Equipment and tools	20%	20%

Notes to Financial Statements for the year ended 31 December 2013

3.4 Investments

Investments represents investment in Central Depository Bangladesh Ltd (CDBL) which is recorded at cost and represents insignificant holding.

3.5 Inventories

Inventories are measured at lower of cost and estimated net realisable value. The cost of inventories is measured by using weighted average cost formula and includes expenditure incurred for acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

Inventories consist of raw materials, work-in-process, goods in transit and finished goods.

3.6 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.

3.7 Accounts receivable

Accounts receivable are initially recognised at nominal value which is the fair value of the consideration given in return. After initial recognition these are carried at nominal value less impairment losses due to uncollectibility of any amount so recognised.

3.8 Investment in short term deposit

Investment in short term deposit comprises fixed deposit with bank maturity of six months and over.

3.9 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.

3.10 Provisions

A provision is recognised in the statement of financial position (balance sheet) when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.10.1 Royalty

Royalty is payable to The Singer Asia Ltd @ 6% on the net annual invoice price of sale of audio-video sets (radio cassette recorders and televisions), motor cycles and electric wires and cables assembled and manufactured in Bangladesh (note 22.1).

3.10.2 Warranty costs

These are recognised certain percentage on actual current year's sale worked out on the average of last three years' actual warranty costs.

3.11 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income (profit and loss statement).

3.11.1 Current tax

The Company qualifies as a "Publicly Traded Company". The applicable tax rate for the company is 27.5%. However, the effective rate of taxation is 24.75% considering 10% tax rebate for declaring dividend of more than 20% of the paid up capital. Provision for taxation has been made on this basis which is compliant with the Finance Act 2013.

3.11.2 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.

3.12 Workers' profit participation fund

The Company provides 5% of its profit as a contribution to workers' profit participation and welfare funds before tax before charging such expense as in accordance with The Bangladesh Labour Act 2006.

Notes to Financial Statements for the year ended 31 December 2013

3.13 Employee benefit

The Company maintains both defined contribution plan (provident fund) and defined benefit plan (gratuity fund) for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective trust deeds.

3.13.1 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).

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.

3.13.2 Defined benefit plan (gratuity)

Defined benefit plan is a retirement benefit plan under which amounts to be paid as retirement benefits are determined by reference to employees' earnings and/or years of service. The Employees' Gratuity Fund is being considered as defined benefit plan as it meets the recognition criteria. Company operates an unfunded 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.

3.13.3 Short-term employee benefits

This relates to leave encashment and is measured on an undiscounted basis and expensed as the related service is provided. 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 rule.

3.14 Revenue recognition

3.14.1 Hire sale

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. This usually occurs at the time of delivery of goods along with invoice.

Accordingly, revenue ordinarily is recognised at the time a transaction is completed. The charge to cover interest on unrealised installments are taken to income as earned carrying charges after the installments are received/collected.

3.14.2 Cable sale

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Such revenue is recognised when cables are delivered to dealers and customers.

3.14.3 Extended warranty

Revenue from the sale of separately priced extended warranty and product maintenance contracts is deferred and generally recognised in income on a straight-line basis. Costs that are directly related to the acquisition of those contracts are deferred and charged to expense in proportion to the revenue recognised.

3.15 Finance expenses

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 account.

3.16 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 the weighted average number of ordinary shares during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse 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.

3.17 Segment reporting

Segment reporting is applicable for the Company as required by BAS 14: "Segment Reporting" as the Company operates in multiple industry segment (Note 28). A segment is a distinguishable component of the entity that is engaged in providing

Notes to Financial Statements for the year ended 31 December 2013

products within a particular economic environment which is subject to risks and rewards that are different from those of other segments. The entity's primary format for segment reporting is based on business segments. The business segments i.e., Appliance/Electronics and Cables, are determined based on entity's management and internal reporting structure.

3.18 Statement of cash flows

Statement of Cash Flows (Cash Flow Statement) is prepared under direct method in accordance with BAS-7/IAS-7 "Statement of Cash Flows" as required by the Bangladesh Securities and Exchange Rules 1987.

3.19 Events after the balance sheet date

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 38.

4 Property, plant and equipment as at 31 December 2013

a) Cost

Particulars	Amount in Taka									
	COST AMOUNT				DEPRECIATION					
	Balance at 01 Jan 2013	Additions	Sale/Disposal/ Adjustment	Total at 31 Dec 2013	Rate	To 01 Jan 2013	Charge for the year	Sale/Disposal/ Adjustment	Total to 31 Dec 13	Net book value at 31 Dec 13
1	2	3	4	2+3-4=5	6	7	8	6+7-8=9	5-9=10	
Land	25,588,545	-	-	25,588,545	-	-	-	-	-	25,588,545
Building:										
Office	35,349,739	-	-	35,349,739	10%	19,928,323	1,542,142	-	21,470,465	13,879,274
Factory	85,949,108	2,480,500	-	88,429,608	20%	73,114,358	3,063,050	-	76,177,408	12,252,200
Leasehold improvements:										
Office	13,893,773	1,169,435	-	15,063,208	10%	8,231,121	683,209	-	8,914,330	6,148,878
Shops	274,402,356	57,511,957	-	331,914,313	10%	113,030,828	21,888,349	-	134,919,177	196,995,136
Plant and machinery	127,230,144	2,980,195	(89,844,554)	40,365,785	20%	104,650,081	1,107,703	(69,822,816)	35,934,968	4,430,817
Vehicles	75,912,722	20,470,557	(8,143,334)	88,239,945	20%	37,290,237	11,497,940	(6,539,991)	42,248,186	45,991,759
Furniture and fixtures	19,740,939	502,100	-	20,243,039	10%	10,863,936	937,910	-	11,801,846	8,441,193
Equipment and tools	120,266,831	6,491,652	(4,978,800)	121,779,683	20%	82,529,625	8,624,558	(3,872,722)	87,281,461	34,498,222
Capital work in progress (Note 4.1)	54,716,821	53,807,622	(56,579,054)	51,945,389	-	-	-	-	-	51,945,389
Sub-total at 31 Dec 2013	833,050,978	145,414,018	(159,545,742)	818,919,254		449,638,509	49,344,861	(80,235,529)	418,747,841	400,171,413
Sub-total at 31 Dec 2012	748,678,536	132,534,304	(48,161,862)	833,050,978		407,391,589	49,202,806	(6,955,886)	449,638,509	383,412,469

b) Revaluation

Particulars	Amount in Taka									
	REVALUATION AMOUNT				DEPRECIATION					
	Balance at 01 Jan 2013	Additions	Sale/Disposal/ Adjustment	Total at 31 Dec 2013	Rate	To 01 Jan 2013	Charge for the year	Sale/Disposal/ Adjustment	Total to 31 Dec 13	Net book value at 31 Dec 13
1	2	3	4	2+3-4=5	6	7	8	6+7-8=9	5-9=10	
Land	365,075,455	-	-	365,075,455	-	-	-	-	-	365,075,455
Building:										
Office	37,564,586	-	-	37,564,586	10%	5,238,679	3,232,591	-	8,471,270	29,093,316
Factory	127,660,704	-	-	127,660,704	20%	31,002,278	19,331,685	-	50,333,963	77,326,741
Sub-total at 31 Dec 2013	530,300,745	-	-	530,300,745		36,240,957	22,564,276	-	58,805,233	471,495,512
Sub-total at 31 Dec 2012	335,460,888	194,839,857	-	530,300,745		19,980,687	16,260,270	-	36,240,957	494,059,788
Total at 31 Dec 2013										
(a+b)	1,363,351,723	145,414,018	(159,545,742)	1,349,219,999		485,879,466	71,909,137	(80,235,529)	477,553,074	871,666,925
Total at 31 Dec 2012										
(a+b) (Note 4.2)	1,084,139,424	327,374,161	(48,161,862)	1,363,351,723		427,372,276	65,463,076	(6,955,886)	485,879,466	877,472,257

Allocation of depreciation to:

Cost of sales (Note 20)	26,294,216
Operating expenses (Note 21)	45,614,921
	71,909,137

Notes to Financial Statements for the year ended 31 December 2013

4.1 Capital work in progress

Particulars	Balance at 01 Jan 2013	Additions	Sale/Disposal/ Adjustment	Total at 31 Dec 2013
1	2	3	4	2+3-4=5
Leasehold improvements	5,743,184	48,496,010	(54,184,500)	54,694
Air conditioner	-	1,937,877	-	1,937,877
Enterprise resource planning (hardware portion)	48,973,637	3,373,735	(2,394,554)	49,952,818
Total	54,716,821	53,807,622	(56,579,054)	51,945,389

4.2 Property, plant and equipment as at 31 December 2012

a) Cost

Particulars	Amount in Taka									
	COST AMOUNT				Rate	DEPRECIATION				
	Balance at 01 Jan 2012	Additions	Sale/Disposal/ Adjustment	Total at 31 Dec 2012		To 01 Jan 2012	Charge for the year	Sale/Disposal/ Adjustment	Total to 31 Dec 12	Net book value at 31 Dec 12
1	2	3	4	2+3-4=5	6	7	8	6+7-8=9	5-9=10	
Land	25,588,545	-	-	25,588,545	-	-	-	-	-	25,588,545
Building:										
Office	35,349,739	-	-	35,349,739	10%	18,214,832	1,713,491	-	19,928,323	15,421,416
Factory	85,949,108	-	-	85,949,108	20%	69,905,670	3,208,688	-	73,114,358	12,834,750
Leasehold improvements:										
Office	13,893,773	-	-	13,893,773	10%	7,601,937	629,184	-	8,231,121	5,662,652
Shops	217,741,244	56,661,112	-	274,402,356	10%	95,100,658	17,930,170	-	113,030,828	161,371,528
Plant and machinery	127,230,144	-	-	127,230,144	20%	99,005,065	5,645,016	-	104,650,081	22,580,063
Vehicles	66,332,448	18,822,241	(9,241,967)	75,912,722	20%	34,533,783	9,655,622	(6,899,168)	37,290,237	38,622,485
Furniture and fixtures	19,387,890	353,049	-	19,740,939	10%	9,877,602	986,334	-	10,863,936	8,877,003
Equipment and tools	114,074,276	6,365,884	(173,329)	120,266,831	20%	73,152,042	9,434,301	(56,718)	82,529,625	37,737,206
Capital work in progress (Note 4.2.1)	43,131,369	50,332,018	(38,746,566)	54,716,821	-	-	-	-	-	54,716,821
Sub-total at 31 Dec 2012	748,678,536	132,534,304	(48,161,862)	833,050,978		407,391,589	49,202,806	(6,955,886)	449,638,509	383,412,469

b) Revaluation

Particulars	Amount in Taka									
	REVALUATION AMOUNT				Rate	DEPRECIATION				
	Balance at 01 Jan 2012	Additions	Sale/Disposal/ Adjustment	Total at 31 Dec 2012		To 01 Jan 2012	Charge for the year	Sale/Disposal/ Adjustment	Total to 31 Dec 12	Net book value at 31 Dec 12
1	2	3	4	2+3-4=5	6	7	8	6+7-8=9	5-9=10	
Land	221,771,455	143,304,000	-	365,075,455	-	-	-	-	-	365,075,455
Building:										
Office	27,571,994	9,992,592	-	37,564,586	10%	2,757,199	2,481,480	-	5,238,679	32,325,907
Factory	86,117,439	41,543,265	-	127,660,704	20%	17,223,488	13,778,790	-	31,002,278	96,658,426
Sub-total at 31 Dec 2012	335,460,888	194,839,857	-	530,300,745		19,980,687	16,260,270	-	36,240,957	494,059,788

4.2.1 Capital work in progress

Particulars	Balance at 01 Jan 2012	Additions	Sale/Disposal/ Adjustment	Total at 31 Dec 2012
1	2	3	4	2+3-4=5
Leasehold improvements	2,260,937	40,933,313	(37,451,066)	5,743,184
Enterprise resource planning (hardware portion)	40,870,432	9,398,705	(1,295,500)	48,973,637
Total	43,131,369	50,332,018	(38,746,566)	54,716,821

Notes to Financial Statements for the year ended 31 December 2013

	Amounts in Taka	
	At 31 Dec 2013	At 31 Dec 2012
5. Investments		
Investment in Central Depository Bangladesh Ltd (CDBL)	1,569,450	1,569,450
Investment in term deposit	9,630,000	1,630,000
	11,199,450	3,199,450
6. Inventories		
Finished goods	1,136,321,064	2,047,864,255
Raw materials:		
In hand	53,894,967	114,978,663
In transit	129,589,487	92,960,404
	183,484,454	207,939,067
Work-in-process	4,666,932	17,436,442
	1,324,472,450	2,273,239,764
Less: Provision for obsolescence of inventories	(70,386,405)	(61,839,494)
	1,254,086,045	2,211,400,270
In view of numerous items of inventory and diversified units of measurement, it is not feasible to disclose quantities against each item.		
7. Accounts receivable, net		
Hire customer receivables (Note 7.1)	869,173,998	928,513,940
Trade and dealer receivables (Note 7.2)	38,324,365	43,385,133
Other receivables (Note 7.3)	38,374,168	32,051,587
	945,872,531	1,003,950,660
7.1 Hire customer receivables		
Hire receivable from customers (Note 7.1(a,b))	1,140,405,399	1,258,751,495
Unearned carrying charges	(227,933,081)	(288,547,076)
	912,472,318	970,204,419
Less: Provision for doubtful debts (Note 7.4)	43,298,320	41,690,479
	869,173,998	928,513,940
7.2 Trade and dealer receivables		
Trade receivables	12,810,630	9,621,595
Receivable from dealers	42,208,005	66,976,702
	55,018,635	76,598,297
Less: Provision for doubtful debts (Note 7.4)	16,694,270	33,213,164
	38,324,365	43,385,133
7.3 Other receivables		
Receivable from employees	6,599,940	7,452,889
Receivable from shop Managers	26,555,873	27,150,890
Receivable from Singer Asia Limited	9,370,457	3,956,075
Receivable from others	10,044,881	6,830,602
	52,571,151	45,390,456
Less: Provision for doubtful debts (Note 7.4)	14,196,983	13,338,869
	38,374,168	32,051,587
7.4 Provision for doubtful debts		
Opening balance	88,242,512	56,002,787
Add: Provision for the year	22,377,064	59,063,412
	110,619,576	115,066,199
Less: Written-off during the year	36,430,003	26,823,687
Closing balance:	74,189,573	88,242,512
Hire customer receivables (Note 7.1)	43,298,320	41,690,479
Trade and dealer receivables (Note 7.2)	16,694,270	33,213,164
Other receivables (Note 7.3)	14,196,983	13,338,869

Notes to Financial Statements for the year ended 31 December 2013

	Amounts in Taka	
	At 31 Dec 2013	At 31 Dec 2012
7.1(a) Ageing of hire receivable from customers		
Due within 3 months	494,041,605	538,442,733
Due over 3 months but within 6 months	386,190,074	421,501,813
Due over 6 months but within 9 months	203,285,420	229,762,385
Due over 9 months but within 12 months	53,322,588	64,677,974
Over 12 months	3,565,712	4,366,590
	1,140,405,399	1,258,751,495
7.1(b) Particulars of trade debtors		
Secured - considered good:		
Debts due within 6 months	880,231,679	959,944,546
Debts due over 6 months	303,472,040	340,497,428
	1,183,703,719	1,300,441,974
Secured - considered doubtful:	(43,298,320)	(41,690,479)
"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	-	-
	1,140,405,399	1,258,751,495
8. Advances, deposits and prepayments		
Advances to:		
Car loan - employees	-	80,000
Employees against expenses	859,959	749,037
Others (Note 8.1)	9,721,012	2,267,208
	10,580,971	3,096,245
Deposits - Security deposits	11,853,394	10,331,594
Prepayments	242,104,195	280,411,535
	264,538,560	293,839,374
8.1. Advances to others		
L/C margins, charges and insurance against traded goods	9,710,719	2,258,436
Postage franking machine	10,293	8,772
	9,721,012	2,267,208
9. Investment in short term deposit		
Dhaka Bank Limited	300,000,000	-
Mutual Trust Bank Limited	300,000,000	-
Pubali Bank Limited	100,000,000	-
Commercial Bank of Ceylon PLC	-	8,000,000
	700,000,000	8,000,000
10. Cash and cash equivalents		
Cash in hand	486,360	534,002
Bank balances	118,878,820	40,797,730
Cash in transit	48,450,729	54,005,012
	167,815,909	95,336,744
11. Assets classified as held for sale		

Selling cables products is challenging marketing efforts in the backdrop of competitive environment as exist in the competition. The company has come across certain business practices in the competition which do not conform to the company's management strategy and policy. In addition, procurement of raw materials from the international market at a stable price has been remained as exigent tasks which have always kept constant pressure on pricing. Besides, the selling of cables products on irregular payment terms are not in line with Singer Bangladesh Limited's existing management policy and thus, it could not generate adequate profit which has impacted the product line adversely in terms of long term profitability. In view of above, the management has decided to discontinue selling these cables products in the competition and initiated necessary actions to dispose off all allied machinery and equipment thereon.

Notes to Financial Statements for the year ended 31 December 2013

Amounts in Taka	
At 31 Dec 2013	At 31 Dec 2012

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that these will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held for sale, property, plant and equipment are no longer depreciated.

"Management is contemplating to sell cable manufacturing facility vide its board meeting dated, 26 February 2014 Accordingly, the facility is presented as a disposal group held-for-sale. Efforts to sell the disposal group have started and a sale is expected to complete within 2014. These non-current assets have been reported immediately below the sub-total of current assets, having met and complied with all of the following criteria:

- management commits to a plan to sell a property;
- it is unlikely that the disposal plan will be significantly modified or discontinued;
- the property is available for immediate sale in its present condition;
- actions required to complete the sale of the property have been initiated;
- sale of the property is probable and management expects that the completed sale will occur within one year; and
- the property is actively being marketed for sale at a price that is reasonable given its current market value."

Upon designation as an asset held for sale, the company has recorded the carrying value of each property at the lower of its carrying value and its estimated fair value, less estimated costs to sell, and depreciation has ceased to charge in the statement of comprehensive income (profit and loss statement).

At year-end of 2012, Singer Bangladesh had no assets held for sale and no liabilities related to assets held for sale.

Costs	94,312,756	-
Accumulated depreciation	73,274,586	-
	21,038,170	-

12. Share capital**Authorised:**

100,000,000 ordinary shares of Taka 10 each	1,000,000,000	400,000,000
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Issued, subscribed and paid up:

25,670 ordinary shares of Taka 10 each issued for cash	256,700	256,700
102,580 ordinary shares of Taka 10 each issued for consideration other than cash	1,025,800	1,025,800
48,956,225 ordinary shares of Taka 10 each issued as fully paid-up bonus shares	489,562,250	391,393,300
	490,844,750	392,675,800

Shareholdings:

	Number of shares	
	2013	2012
The Singer Bhold BV, The Netherlands	26,996,462	21,597,170
The Singer Bhold BV, The Netherlands - Blocked shares	9,813,275	7,850,620
Local shareholders	12,274,738	9,819,790
	49,084,475	39,267,580

Percentage and value of shareholdings:

	Percentage of shareholdings		Value in Taka	
	2013	2012	2013	2012
The Singer Bhold BV, The Netherlands	55	55	269,964,620	215,971,700
The Singer Bhold BV, The Netherlands - Blocked shares	20	20	98,132,750	78,506,200
Local shareholders	25	25	122,747,380	98,197,900
	100	100	490,844,750	392,675,800

Notes to Financial Statements for the year ended 31 December 2013

Classification of shareholders by holding:

Shareholding range	Number of holders		Total holding (%)	
	2013	2012	2013	2012
Less than 500 shares	10,781	9,004	3.48	3.66
500 to 5,000 shares	3,095	2,228	8.84	7.93
5,001 to 10,000 shares	182	125	2.64	2.24
10,001 to 20,000 shares	73	54	2.10	1.88
20,001 to 30,000 shares	23	14	1.14	0.87
30,001 to 40,000 shares	6	8	0.42	0.69
40,001 to 50,000 shares	6	6	0.53	0.68
50,001 to 100,000 shares	9	9	1.14	1.54
100,001 to 1,000,000 shares	8	9	4.71	5.51
Over 1,000,000 shares	2	2	75.00	75.00
	14,185	11,459	100.00	100.00

13. Reserves

	Amounts in Taka	
	At 31 Dec 2013	At 31 Dec 2012
Revaluation reserve (Note 13.1)	390,395,233	407,374,851
Capital reserve (Note 13.2)	18,190,942	18,190,942
Non-remittable special capital reserve (Note 13.3)	370,178	370,178
Non-distributable special reserve (Note 13.4)	232,847	232,847
	409,189,200	426,168,818

13.1. Revaluation reserve

The lands and buildings of the Company were revalued as of 27 December 2012 by independent professional valuers, Asian Surveyors Ltd, following "current cost method", which were also revalued previously in years 2005, 2008 and 2010. The revaluation of 2012 resulted in a revaluation surplus of Taka 160,589,133 (Note 27). As per BAS 16 "property, plant and equipment", the difference between charge of depreciation on revalued amount and original cost is required to be transferred from revaluation reserve to retained earnings in order to pay dividend from operating profit since charge of depreciation on revalued amount does not effect the cash flow, etc.

13.2. Capital reserve

This represents capital gain on disposal of factory land and building at Chittagong in 2003.

13.3. 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.

13.4. 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 maintain this reserve has subsequently been withdrawn.

14. Deferred tax liabilities, net

	Amounts in Taka	
	At 31 Dec 2013	At 31 Dec 2012
Opening balance	20,380,285	22,955,620
Add: Deferred tax on revaluation of property, plant and equipment	-	34,250,725
	20,380,285	57,206,345
Less: Released during the year	14,046,781	32,801,643
Transfer to retained earnings	5,584,658	4,024,417
	19,631,439	36,826,060
Closing balance (Note 14.1)	748,846	20,380,285
14.1 Closing balance		
Deferred tax assets (Note 14.1.1)	(81,251,899)	(70,315,883)
Deferred tax liabilities (Note 14.1.2)	82,000,745	90,696,168
	748,846	20,380,285

Notes to Financial Statements for the year ended 31 December 2013

		Amounts in Taka	
		At 31 Dec 2013	At 31 Dec 2012
14.1.1	Deferred tax assets		
	Provision for bad debts	(18,361,919)	(21,840,021)
	Reserve against inventory	(17,420,635)	(15,305,275)
	Provision for gratuity	(29,914,335)	(17,325,000)
	Reserve for warranty	(15,555,010)	(15,845,587)
		(81,251,899)	(70,315,883)
14.1.2	Deferred tax liabilities		
	Property, plant and equipment	900,462	4,011,227
	Revaluation of land and building	81,100,283	86,684,941
		82,000,745	90,696,168

The amounts of deferred tax assets and liabilities have been netted off as permitted by BAS 12.

15. Retirement benefit obligations (gratuity)

Opening balance	70,000,000	62,191,000
Add: Provision for the year	52,993,179	10,630,820
	122,993,179	72,821,820
Less: Payments during the year	2,127,179	2,821,820
Closing balance	120,866,000	70,000,000

16. Other liabilities

Current account	(78)	(78)
Dividend account:		
Opening balance	651,927,661	589,122,701
Add: Dividend for the year	58,879,650	62,804,960
Closing balance	710,807,311	651,927,661
Interest on blocked account:		
Opening balance	-	-
Add: Provision for the year	25,281,883	-
Closing balance	25,281,883	-
Blocked account	479,990	479,990
	736,569,106	652,407,573

All the above balances are due to The Singer Bhold BV, The Netherlands. Blocked shares are not remittable as per directives of Bangladesh Bank and will be utilised for such purposes as are considered appropriate and authorised. As per letter dated 31 December 2012 from the Board of The Singer Bhold BV, it was decided to charge interest @ LIBOR plus 3% on the balance with effect from 1 January 2013.

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

17. Accounts payable

Royalty (Note 3.10.1 and 22.1)	59,853,497	71,737,393
Payable for supplies (Note 17.1)	107,018,030	96,535,184
Payable for expenses (Note 17.2)	290,733,079	334,073,324
Payable for other finance (Note 17.3)	209,943,071	164,392,366
	667,547,677	666,738,267

17.1. Payable for supplies

Trade payable	91,982,185	77,854,259
Leasehold improvements against new shops	-	14,663,464
Freight and carriage and technicians bills payable	15,035,845	4,017,461
	107,018,030	96,535,184

Notes to Financial Statements for the year ended 31 December 2013

	Amounts in Taka	
	At 31 Dec 2013	At 31 Dec 2012
17.2. Payable for expenses		
Reserve for early closing of hire sales	50,471,066	106,837,730
Reserve for allowable loss	17,147,607	936,952
Advertisement and sales promotion	82,090,257	68,355,792
Warranty expenses	62,848,524	64,022,572
Workers' profit participation fund allocation	27,766,755	35,163,382
Performance awards	-	16,500,000
Provision against duty	16,671,650	12,974,214
Shop rent	17,994,326	10,885,143
Selling commission	5,284,932	5,584,932
Interest on bank overdraft and loan	-	3,325,492
Salary and benefits	1,403,050	2,265,962
Professional and technical fees	2,750,000	2,250,000
Utilities	3,050,000	2,250,000
Collecting commission	3,004,912	2,205,334
Car maintenance, telephone, etc	-	265,819
Audit fee - statutory	250,000	250,000
	290,733,079	334,073,324
17.3. Payable for other finance		
Security deposits from agents and dealers	139,367,444	118,564,343
Unclaimed dividend	30,491,682	26,924,854
Advance from customers	11,616,181	6,779,242
VAT payable - realised from customers	9,405,657	3,530,615
Extended warranty, etc.	3,378,274	3,211,735
Withholding taxes	2,432,578	2,369,918
Employees provident fund	3,457,986	-
Others	9,793,269	3,011,659
	209,943,071	164,392,366
18. Short-term borrowings - secured		
Bank overdrafts	25,547,124	494,195,655
	25,547,124	494,195,655
These overdrafts are secured by collateralisation of hypothecation of Company's inventory, plant and machinery and receivables.		
19. Provision for corporate income tax, net		
Opening balance	49,888,180	35,411,148
Less: Payments during the year	157,231,073	196,055,415
Adjustment for previous years	5,081,607	2,550,000
	162,312,680	198,605,415
	(112,424,500)	(163,194,267)
Add: Provision for the year	164,567,595	213,082,447
Closing balance	52,143,095	49,888,180
The closing balance represents income tax payable, net of advance income tax (AIT) paid during the year.		
20. Turnover		
Refrigerator	3,854,326,059	3,723,612,237
Television	1,226,179,487	1,270,657,521
Air conditioner	580,292,681	472,144,729
Sewing machine	288,972,622	274,483,995
Computer	120,670,609	244,863,081
Cables	88,110,073	235,494,012

Notes to Financial Statements for the year ended 31 December 2013

	Amounts in Taka	
	At 31 Dec 2013	At 31 Dec 2012
IPS	102,312,051	142,430,917
Microwave and electric oven	79,165,792	91,245,503
Washing machine	52,140,394	69,885,696
Motor cycle	78,237,276	69,847,622
Water purifier	5,363,685	24,002,689
Fan	21,889,576	19,406,875
Rice cooker	17,361,634	19,318,407
Electric iron	14,492,210	17,741,737
Kitchen appliance	1,144,850	6,607,679
Electric kettle	5,120,837	5,332,022
Gas burner	3,488,408	3,318,573
Water heater	2,337,791	2,696,208
Voltage stabilizer	10,659,820	2,422,632
Generator	117,849	1,341,120
DVD player	638,367	1,111,729
Pressure cooker	829,040	130,670
Radio cassette recorder	245,998	20,983
Ceramic heater	20,363	11,335
Vacuum cleaner	27,628	4,412
Mobile Phone	30,823,736	-
Furnitures	7,604,446	-
Camera	11,436,899	-
Others	1,066,071	5,233,000
	6,605,076,252	6,703,365,384

Turnover includes cash sales, wholesale sales, trade sales and earned carrying charge and down payment of hire sales.

21. Cost of sales

Opening stock of raw materials	208,056,259	394,096,921
Add: Purchased during the year	1,467,599,489	1,985,378,203
	1,675,655,748	2,379,475,124
Less: Closing stock of raw materials	183,484,453	208,056,259
Raw materials consumption (Note 21.1)	1,492,171,295	2,171,418,865
Freight and carriage	69,003,117	67,776,445
Factory salaries and wages	35,760,687	36,010,322
Depreciation (Note 4)	26,294,216	26,081,158
Utilities	3,082,283	2,820,293
Bonus	2,327,373	2,762,900
Consumable stores	866,169	2,679,018
Repairs and maintenance	2,811,822	2,437,168
Employee benefits and recreation	2,030,807	2,051,126
Contribution to provident fund	1,526,708	1,815,224
Fuel and car maintenance	1,280,729	1,716,159
Gratuity	1,045,000	1,018,969
Insurance	599,018	578,112
Conveyance and travelling	481,088	528,237
Rates and taxes	39,574	101,502
Stationery	63,287	71,178
Miscellaneous expenses	34,077	90,696
	147,245,955	148,538,507
Works cost (materials + manufacturing expenses)	1,639,417,250	2,319,957,372
Opening work-in-process	17,436,442	15,100,844
Closing work-in-process	(4,666,932)	(17,436,442)
Cost of production	1,652,186,760	2,317,621,774
Add: Opening stock of finished goods	2,047,747,063	1,019,073,391
Purchase/production of finished goods	2,255,992,975	3,604,914,608
	4,303,740,038	4,623,987,999
Less: Closing stock of finished goods (Note 21.2)	1,136,321,064	2,047,747,063
Cost of sales	4,819,605,734	4,893,862,710

Notes to Financial Statements for the year ended 31 December 2013

21.1. Raw materials consumption

Particulars	Amounts in Taka			Consumption during the year
	Balance at 01 Jan 2013	Purchases during the year	Balance at 31 Dec 2013	
Imported				
Television	23,233,351	456,547,922	41,867,726	437,913,547
Motor cycle	12,535,275	-	-	12,535,275
Cable	59,597,932	2,172,690	175,350	61,595,272
Others	92,960,403	988,928,808	129,589,486	952,299,725
	188,326,961	1,447,649,420	171,632,562	1,464,343,819
Locally procured				
Sewing machine	4,611,390	-	-	4,611,390
Television	11,762,839	19,950,069	10,589,511	21,123,397
Cable	3,355,069	-	1,262,380	2,092,689
	19,729,298	19,950,069	11,851,891	27,827,476
	208,056,259	1,467,599,489	183,484,453	1,492,171,295

Amounts in Taka	
At 31 Dec 2013	At 31 Dec 2012

21.2. Closing stock of finished goods

Refrigerator	379,232,945	1,095,277,992
Television	212,050,223	293,792,570
Computer	94,242,999	144,370,176
Sewing machine and related parts	34,709,368	103,334,483
Air-conditioner	129,670,362	88,048,275
Motor cycle	30,834,629	77,885,028
IPS	46,579,940	63,323,114
Cable	27,115,824	42,545,922
Microwave and electric oven	28,893,498	40,202,459
Fan	9,505,330	22,076,105
Washing machine	15,013,833	17,475,716
Water purifier	1,721,278	6,671,423
Rice cooker	6,924,476	6,639,788
DVD player	4,570,871	6,301,800
Water heater	3,317,450	5,998,378
Kitchen appliance	2,660,513	5,403,974
Pressure cooker	4,490,208	4,966,583
Gas burner	1,932,204	4,668,975
Voltage stabiliser	4,805,950	4,383,463
Iron	2,069,051	3,686,053
Electric kettle	1,285,692	3,065,964
Solar light	2,660,213	2,869,117
Radio cassette recorder	608,707	2,050,919
Generator	412,121	777,827
Emergency light	657,754	648,081
Vacuum cleaner	79,269	145,753
Ceramic heater	38,495	131,103
Dishwasher	836,829	57,150
Mobile phone	17,905,492	-
Safe	3,734,285	-
Furnitures	9,563,842	-
Camera	3,274,246	-
Spare parts	50,247,405	-
Others	4,675,762	948,872
	1,136,321,064	2,047,747,063

Notes to Financial Statements for the year ended 31 December 2013

Amounts in Taka	
At 31 Dec 2013	At 31 Dec 2012

24.1. Other income

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

Sale of scrapped inventories, etc.	4,870,940	3,100,545
Dividend income from CDBL	3,141,496	456,945
Gain/(loss) on sale of discarded fixed assets (Annex I)	1,064,412	2,196,929
	9,076,848	5,754,419

25. Contribution to workers' profit participation fund

This was made in terms of section 234 of Bangladesh Labour Act 2006 where 5% of the net profit of each year is required to be transferred to the Fund of which 80% is to be transferred to participation fund and balance 20% is to be transferred to welfare fund. Out of the amount of participation fund, two-third has to be distributed in equal proportion to all the members of the fund in cash and one-third has to be invested in accordance with the manner as stated in section 240 of that act.

26. Provision for taxation

Current tax provision for the year	164,567,595	213,082,447
Adjustment for previous years	(5,081,607)	(2,550,000)
Deferred tax liabilities/(assets) for the year	(14,046,781)	(32,801,643)
	145,439,207	177,730,804

27. Gain on revaluation of property, plant and equipment

Lands	-	143,304,000
Buildings:		
Office	-	9,992,592
Factory	-	41,543,265
	-	194,839,857
Less: Income tax effect:		
Lands	-	21,495,600
Buildings	-	12,755,124
	-	34,250,724
	-	160,589,133

28. Details of product-wise segment reporting

Particulars	Amounts in Taka					
	Appliance/Electronics		Cables		Total	
	Year 2013	Year 2012	Year 2013	Year 2012	Year 2013	Year 2012
1 Segment Revenue						
Sales	6,336,209,504	6,276,885,957	88,110,073	235,443,326	6,424,319,577	6,512,329,283
Earned carrying charges	180,756,677	191,036,101	-	-	180,756,677	191,036,101
Net Turnover	6,516,966,181	6,467,922,058	88,110,073	235,443,326	6,605,076,254	6,703,365,384
2 Segment assets						
Inventories	1,222,912,471	2,088,464,904	31,173,574	122,935,365	1,254,086,045	2,211,400,269
Accounts receivable, net	918,378,517	982,054,357	27,494,014	21,896,303	945,872,531	1,003,950,660
Other current assets	1,153,392,639	292,107,452	-	105,068,667	1,153,392,639	397,176,119
Total assets	3,294,683,627	3,362,626,713	58,667,588	249,900,335	3,353,351,215	3,612,527,048
3 Segment liabilities						
Non-current Liabilities	858,183,952	742,787,858	-	-	858,183,952	742,787,858
Current liabilities	745,237,896	830,555,638	-	380,266,464	745,237,896	1,210,822,102
Total liabilities	1,603,421,848	1,573,343,496	-	380,266,464	1,603,421,848	1,953,609,960
4 Capital expenditure						
Property, plant and equipment (at cost)	1,264,625,178	1,178,937,246	84,594,821	184,414,477	1,349,219,999	1,363,351,723
Accumulated depreciation	(424,363,310)	(364,694,679)	(53,189,764)	(121,184,787)	(477,553,074)	(485,879,466)
Written down value	840,261,868	814,242,567	31,405,057	63,229,690	871,666,925	877,472,257

Notes to Financial Statements for the year ended 31 December 2013

Notes :

Segment information is presented in respect of company's business segments, as per BFRS-8 (segment reporting). The primary format, business segments, is based on company's management and internal reporting structure. Singer Bangladesh Limited comprises the following main business segments:

(a). Appliance/electronics:

Principal activities of appliance/electronics segment are to assemble colour television and motor cycles and marketing of colour television, motor cycles, refrigerators, air conditioners, sewing machines and other consumer durables and household appliances.

(b). Cables:

It includes manufacturing of electric cables and marketing of various types of domestic and power cables.

		Amounts in Taka	
		At 31 Dec 2013	At 31 Dec 2012
29. Contingent liabilities			
(i)	Letter of Credit	473,326,525	127,666,548
(ii)	Claims against the Company not acknowledged as debts	6,756,587	6,756,587
(iii)	Uncalled liability on partly paid shares/ arrears of fixed cumulative dividends on preference shares	-	-
(iv)	Aggregate amount of contracts for capital expenditure remaining to be executed and not provided for	-	-
(v)	Aggregate amount of any guarantees given by the company on behalf of directors, managing directors, or other officers of the company	-	-
(vi)	Money for which the Company is contingently liable for any guarantees given by banks	9,229,641	9,245,788
		489,312,753	143,668,923

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.

30. Capacity utilisation

Production	Measurement unit	Units			% of utilisation
		Annual installed capacity	Utilisation during the year	Over/(Under) utilisation	
Colour television	Number	35,000	33,291	(1,709)	95
Panel Television	Number	50,000	16,709	(33,291)	33
Motorcycle	Number	7,000	153	(6,847)	2
Cables	Meter	44,670,000	601,515	(44,068,485)	1
Furniture	Sets	1,200	89	(1,111)	7

31. Number of employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of Taka 36,000 and above were 947 (2012: 969).

32. Remittance in foreign currency

The Company remitted the following amounts in foreign exchange during the year to The Singer Bhold BV, The Netherlands, a non-resident shareholder of the Company.

	Amounts in Taka	Equivalent US Dollar
Dividend, net for the year 2012 (final)	145,780,897	1,866,832
Royalty, net for the year 2012	53,803,044	688,459

Notes to Financial Statements for the year ended 31 December 2013

Amounts in Taka	
At 31 Dec 2013	At 31 Dec 2012

33. Earnings per share

33.1. Basic earnings per share

Earnings attributable to the ordinary shareholders	382,129,139	490,373,458
Weighted average number of ordinary shares outstanding	49,084,475	49,084,475
Basic earnings per share	7.79	9.99

33.2. 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 year.

34. 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 risks (Note 34.1)
- Liquidity risks (Note 34.2)
- Market risk (Note 34.3)

34.1 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 34.1) is represented by the carrying amount of each financial asset in the statement of financial position.

34.1.1 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:

Loans and receivables	945,872,531	1,003,950,660
Cash and cash equivalents	167,815,909	95,336,744
	<u>1,113,688,440</u>	<u>1,099,287,404</u>

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

Domestic	945,872,531	1,003,950,660
	<u>945,872,531</u>	<u>1,003,950,660</u>

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

Wholesale customers	38,324,365	43,385,133
Retail customers	869,173,998	928,513,940
Other	38,374,168	32,051,587
	<u>945,872,531</u>	<u>1,003,950,660</u>

34.1.2. Impairment loss

Trade receivable is assessed at each date of statement of financial position to determine whether there is objective evidence that it is impaired. Trade receivable is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Notes to Financial Statements for the year ended 31 December 2013

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc. Accordingly, 100% provision is made over the amount outstanding (after considering security deposits) from customers, dealers and other debtors. For receivables from customers, dealers and other debtors, bad debt provision is made after analyzing the recoverability of the amount from the concerned parties. The provision for doubtful debts is written off when it is proved that the debts are not recoverable at all.

The aging of receivables at the reporting date was:

	2013		Amounts in Taka 2012	
	Gross	Impairment	Gross	Impairment
Not past due	1,090,827,497	-	1,183,442,647	-
Past due 0-30 days	24,632,394	-	34,645,588	-
Past due 31-120 days	73,944,981	9,518,864	73,892,185	13,316,273
Past due 121-365 days	27,230,062	36,491,471	54,650,442	42,875,154
More than one year	31,360,251	28,179,238	34,109,386	32,051,085
	1,247,995,185	74,189,573	1,380,740,248	88,242,512

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

	Amounts in Taka	
	At 31 Dec 2013	At 31 Dec 2012
Opening balance	88,242,512	56,002,787
Add: Allowance recognised for the year	22,377,064	59,063,412
	110,619,576	115,066,199
Less: Allowance written off for the year	36,430,003	26,823,687
Closing balance	74,189,573	88,242,512

34.2 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 following are the contractual maturities of financial liabilities, including estimated interest payments:

	Amounts in Taka						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
As at 31 December 2013							
Non-derivative financial liabilities:							
Bank overdraft	25,547,124	-	-	-	-	-	-
Accounts payable	667,547,677	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	693,094,801	-	-	-	-	-	-
As at 31 December 2012							
Non-derivative financial liabilities:							
Bank overdraft	494,195,655	539,631,920	431,705,536	107,926,384	-	-	-
Accounts payable	666,738,267	682,392,806	533,578,561	71,737,393	64,102,638	12,974,214	-
Derivative financial liabilities	-	-	-	-	-	-	-
	1,160,933,922	1,222,024,726	965,284,097	179,663,777	64,102,638	12,974,214	-

Notes to Financial Statements for the year ended 31 December 2013

34.3 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.

34.3.1. 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 flow 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:

	Amounts in Taka	
	At 31 Dec 2013	At 31 Dec 2012
Fixed rate instruments		
Fixed rate deposits at financial institution		
Fixed rate loans and receivable (net hire receivable)	912,472,318	970,204,419
Other fixed rate instruments (assets)		
Financial assets	912,472,318	970,204,419
Fixed rate bank overdraft	-	-
Fixed rate loans	-	-
Fixed rate debentures	-	-
Fixed rate promissory notes	-	-
Lease liabilities	-	-
Other fixed rate liabilities	-	-
Financial liabilities	-	-
Variable rate instruments	-	-
Variable rate deposits at financial institution	-	-
Variable rate loans and receivable	-	-
Other variable rate instruments (assets)	-	-
Financial assets	-	-
Variable rate bank overdraft	25,547,124	494,195,655
Variable rate loans	-	-
Variable rate debentures	-	-
Variable rate promissory notes	-	-
Other variable rate liabilities	138,655,700	114,926,736
Financial liabilities	164,202,824	609,122,391

34.3.1.1. Cash flow sensitivity analysis for variable rate instruments 2013

A change of 200 basis points in interest rates for other variable rate liabilities which comprise the security deposit from employees and shop managers, in 2013 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Amounts in Taka			
	Profit or loss		Equity	
	200 bp increase	200 bp decrease	200 bp increase	200 bp decrease
31 December 2013				
Other variable rate liabilities	(2,773,114)	273,114	(2,773,114)	273,114
Cash flow sensitivity	(2,773,114)	273,114	(2,773,114)	273,114

Notes to Financial Statements for the year ended 31 December 2013

34.3.1.2. Cash flow sensitivity analysis for variable rate instruments 2012

A change of 200 basis points in interest rates for other variable rate liabilities which comprise the security deposit from employees and shop managers, in 2012 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Amounts in Taka			
	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2012				
Other variable rate liabilities	(2,298,535)	2,298,535	(2,298,535)	2,298,535
Cash flow sensitivity	(2,298,535)	2,298,535	(2,298,535)	2,298,535

34.3.2 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 enterprise resource planning (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:

	Amounts in Taka	
	At 31 Dec 2013	At 31 Dec 2012
Accounts payable trade	1,075,988	644,847

The following significant exchange rates are applied during the period:

	Amounts in Taka	
	Exchange rate at 31 Dec 2012	Exchange rate at 31 Dec 2011
US Dollar	77.76	79.78

34.3.2.1. Foreign exchange rate sensitivity analysis for foreign currency expenditures

Foreign exchange rate sensitivity is calculated on the basis of impact of change of 500 basis points in foreign exchange rates. This analysis presents the probable weakening of Taka against US Dollar 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.

	Profit or loss		Equity	
	500 bp increase	500 bp decrease	500 bp increase	500 bp decrease
31 December 2013				
Expenditures denominated in USD	(4,183,441)	4,183,411	(4,183,441)	4,183,441
Exchange rate sensitivity	(4,183,441)	4,183,411	(4,183,441)	4,183,441

	Amounts in Taka			
	Profit or loss		Equity	
	500 bp increase	500 bp decrease	500 bp increase	500 bp decrease
31 December 2012				
Expenditures denominated in USD	(2,572,295)	2,572,295	(2,572,295)	2,572,295
Exchange rate sensitivity	(2,572,295)	2,572,295	(2,572,295)	2,572,295

35. Determination of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of all financial assets and liabilities is taken to approximate the carrying value.

Notes to Financial Statements for the year ended 31 December 2013

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	Amounts in Taka			
	At 31 Dec 2013		At 31 Dec 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets carried at fair value				
Available-for-sale financial assets	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets held for trading	-	-	-	-
Assets carried at amortised cost				
Held-to-maturity investment	-	-	-	-
Loans and receivables	945,872,531	864,201,160	1,003,950,660	917,191,144
Cash and cash equivalents	867,815,909	867,815,909	103,336,744	103,336,744
	1,813,688,440	1,732,017,069	1,107,287,404	1,020,527,888
Liabilities carried at fair value				
Interest rate swaps used for hedges	-	-	-	-
Forward exchange contracts used for hedging	-	-	-	-
Liabilities carried at amortised cost				
Secured bank loans	-	-	-	-
Trade and other payables	667,547,677	N/A*	666,738,267	N/A*
Bank overdraft	25,547,124	25,547,124	494,195,655	494,195,655
	693,094,801	3,281,569	1,160,933,922	314,647,080

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread, and were as follows:

	2013		2012	
	From %	To %	From %	To %
Derivatives	-	-	-	-
Receivable under hire purchase	-	-	-	-
Loans and borrowings -	-	-	-	-
Finance lease liabilities -	-	-	-	-

*Determination of fair value is not required as per the requirements of IFRS 7: Financial Instruments: Disclosures (ref: Para 29). However, fair value of such instruments is not however likely to be significantly different from the carrying amounts of such instruments.

36. Capital management

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

Notes to Financial Statements for the year ended 31 December 2013

37. Related party disclosure under BAS-24

37.1. Other related party transactions

<u>Name of related parties</u>	<u>Relationship</u>	<u>Nature of transaction</u>	<u>Amounts in Taka</u>	
			<u>2013</u>	<u>2012</u>
The Singer Bhold BV, The Netherlands	Parent company	Dividend payment	161,978,775	172,777,360
The Singer Asia Ltd	Subsidiary of ultimate parent	Royalty payment	71,737,393	91,384,008
Singer Asia Sourcing Ltd	Subsidiary of ultimate parent	Procurement of products	121,329,000	254,846,256

37.2. Related party receivable/(payable)

<u>Name of related parties</u>	<u>Relationship</u>	<u>Nature of transaction</u>		
The Singer Asia Ltd	Subsidiary of ultimate parent	Royalty payable	(59,853,497)	(71,737,393)
		Current account	9,370,456	3,697,817
Singer Asia Sourcing Ltd	Subsidiary of ultimate parent	Procurement of products	(21,392,280)	(39,443,462)

38. Events after balance sheet date

- The Board of Directors of the company has recommended a cash dividend of Taka 10 (100% per share of Taka 10 each) amounting to Taka 490,844,750 and a stock dividend (bonus share) of Taka 2.50 (25% per share of Taka 10 each) amounting to Taka 122,711,187 in its 202nd board meeting dated 26 February 2014.
- In the same aforementioned board meeting the Board of Directors of the company has also decided to close down the production facility of motor cycle and electric cable manufacturing units of the company.

39. Others

- These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- Figures in these notes and annexed financial statements have been rounded off to the nearest Taka.
- Previous year's figures have been regrouped and/or rearranged wherever considered necessary for the purpose of current year's presentation.

for and on behalf of the Board of Directors of Singer Bangladesh Limited


A. M. Hamim Rahmatullah
Managing Director


Akhtar Imam
Director


Mohammad Sanaullah
Company Secretary

SINGER BANGLADESH LIMITED

ANNEXURE -1

Details of disposal of property, plant and equipment for the year ended 31 December 2013

Particulars	Year of purchase	Original cost	Accumulated depreciation	Net book value	Sale value	Gain/(Loss)	Mode of disposal
Equipment:							
A Air Conditioner	2009	37,598	22,198	15,400	15,400	-	Adjustment
Sharp Brand Photocopier	2007	175,000	129,126	45,874	4,000	(41,874)	Adjustment
Sharp Photo Copier	1998	163,000	153,103	9,897	4,000	(5,897)	
Sharp Photo Copier	2003	135,000	116,526	18,474	4,000	(14,474)	
Vehicles:							
Nissan Sunny	2005	1,290,000	1,073,574	216,426	477,700	261,274	Auction
Mitsubishi Lancer	2006	1,343,176	1,061,492	281,684	327,000	45,316	Auction
Nissan Sunny	2005	1,200,000	998,673	201,327	462,000	260,673	Auction
Nissan Sunny	2006	1,300,000	1,027,370	272,630	622,200	349,570	Auction
Gelly	2006	850,000	671,742	178,258	153,000	(25,258)	Auction
Gelly	2006	850,000	671,742	178,258	266,600	88,342	Auction
Nissan Sunny	2006	1,310,158	1,035,398	274,760	421,500	146,740	Auction
Total		8,653,932	6,960,944	1,692,988	2,757,400	1,064,412	

Share Information

1. General

Authorised Share Capital	:	Tk. 1,000,000,000
Issued and Fully Paid Capital	:	Tk. 490,844,750
Class of Shares Ordinary Share of Tk.	:	Ordinary Shares 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 2013

No. of Shareholders : 31st December 2013 - 14,185 nos. (31st December 2012 - 11,459 nos.)

No. of Shares held	31 December 2013			31 December 2012		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 500	10,781	1,710,245	3.48	9,004	1,437,600	3.66
501 - 5000	3,095	4,336,638	8.84	2,228	3,119,770	7.94
5001 - 10000	182	1,297,663	2.64	125	879,080	2.24
10001 - 20000	73	1,030,329	2.10	54	740,240	1.88
20001 - 30000	23	561,098	1.14	14	339,730	0.86
30001 - 40000	6	205,874	0.42	8	269,970	0.69
40001 - 50000	6	257,787	0.53	6	267,570	0.68
50001 - 100000	9	554,099	1.14	9	603,080	1.54
100001 - 1000000	8	2,321,005	4.71	9	2,162,750	5.51
Over 1000000	2	36,809,737	75.00	2	29,447,790	75.00
Total	14,185	49,084,475	100	11,459	39,267,580	100.00

Categories of Shares	31 December 2013		31 December 2012	
	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders
Individuals	10,918,629	13,923	7,668,220	11,250
Institutions	38,165,846	262	31,599,360	209
	49,084,475	11,623	39,267,580	11,459

4. Dividends

Dividend 125% (100% cash & 25% stock)

5. Market Value per Share

	2013		2012 Taka
	Taka	Date	
Highest during the year	243.00	2nd April	295.00
Lowest during the year	119.00	9th July	132.00
Closing of the year	186.80	30th December	164.00

Twenty Largest Shareholders as at 31st December 2013

Name	2013		2012	
	No of Shares	%	No of Shares	%
Singer Bhold B.V.	26,996,462	55.00	21,597,170	55.00
Singer Bhold B.V. (Blocked Shares)	9,813,275	20.00	7,850,620	20.00
Eastland Insurance Company Ltd	431,962	0.8800	321,450	0.82
ICB Unit Fund	398,672	0.81	319,970	0.81
IFIC Bank Limited	368,012	0.75	461,050	1.17
IBSL Stock Dealer Account	258,800	0.53	108,000	0.28
Pubali Bank Limited	248,237	0.50	0	0.00
Investors Corporation Bangladesh (ICB)	173,740	0.36	225,690	0.57
City Brokerage Ltd.	134,500	0.27	233,650	0.60
LR Global A/C LR GB. BD. MF One	87,850	0.18	0	0.00
Mr. Abul Bashar Chy.	74,000	0.15	59,200	0.15
SSBT A/C WA FRN EM S C F	62,812	0.13	50,250	0.13
Bangladesh Fund	60,000	0.12	0	0.00
DBL Securities Ltd.	57,800	0.12	0	0.00
Ms. Begum Shamstalat Khaleque	54,375	0.11	0	0.00
Apex Investment Limited	52,762	0.11	0	0.00
Mr. Mohammad Mohsin Chowdhury	52,500	0.11	0	0.00
Mellon Bank NA A/C UPS Group	52,000	0.10	0	0.00
Al Arafah Islami Bank Limited	47,550	0.10	0	0.00
Union Capital Ltd Investor A/c	44,287	0.09	0	0.00
ICB Head Office (Investors Account)	0	0.00	156,230	0.40
IDLC Investments Limited	0	0.00	104,860	0.27
Janata Capital & Investment Ltd.	0	0.00	99,400	0.25
Pubali Bank Securities Limited	0	0.00	80,000	0.20
Uttara Finance - Portfolio A/c	0	0.00	77,950	0.20
Mr. Md. Altafuddin	0	0.00	75,250	0.19
TBIL IDA	0	0.00	57,280	0.15
Mr. Swapan Kumar Paul	0	0.00	52,900	0.13
Rupali Investment Limited	0	0.00	50,850	0.13
Mr. Abul Bashar Chowdhury	0	0.00	49,970	0.13
	39,469,596	80.42	32,031,740	81.57
Others	9,614,879	19.58	7,235,840	18.43
Total :	49,084,475	100	39,267,580	100

Record of scrip issues

Year ended	Issue	Basis	No. of Shares	Share Capital
31st December				Taka
1983	Prior to Public issue	-	25,670	256,700
1983	Public Issue	-	102,580	1,025,800
Total Issue		-	128,250	1,282,500
1984	Bonus	1:1	128,250	1,282,500
1986	Bonus	5:3	153,900	1,539,000
1988	Bonus	1:1	410,400	4,104,000
1991	Bonus	1:1	820,800	8,208,000
1992	Bonus	1:1	1,641,600	16,416,000
1993	Bonus	2:1	1,641,600	16,416,000
1994	Bonus	2:1	2,462,400	24,624,000
1995	Bonus	2:1	3,693,600	36,936,000
1996	Bonus	2:1	5,540,400	55,404,000
2007	Bonus	20:7	5,817,420	58,174,200
2010	Bonus	4:3	16,828,960	168,289,600
2012	Bonus	4:1	9,816,895	98,168,950
Total No. of Shares			49,084,475	490,844,750

A Decade in Perspective

Taka in Million

YEAR ENDED DECEMBER	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Trading Result										
Turnover	6,605.08	6,703.36	5,461.23	4,829.02	4,391.26	4,436.13	3,556.41	2,547.87	1,708.74	1,396.22
Operating Profit	586.42	762.25	503.03	498.17	414.29	357.48	255.62	200.72	100.57	106.77
Profit Before Tax	527.57	668.10	526.70	2,267.33	479.84	242.80	139.22	133.81	76.37	101.91
Taxation	145.44	177.73	127.10	293.57	83.05	62.80	37.40	17.16	27.90	22.54
Profit After Tax	382.13	490.37	399.60	1,973.76	396.79	180.00	101.82	116.65	48.41	79.37
Property, Plant & Equipment	871.67	877.47	656.76	655.89	472.46	483.49	327.07	304.73	167.01	130.79
Investment	11.20	3.20	1.57	4.42	328.58	345.13	84.75	86.00	34.84	34.84
Deffered Tax Assets	0.00	0.00	0.00	0.00	0.00	0.00	7.69	10.18	0	0
Other Non-Current Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.64	26.44	19.02
	882.87	880.67	658.33	660.31	801.04	828.62	419.51	427.55	228.29	184.65
Current Assets	3,353.35	3,612.53	3,021.92	3,458.77	1,388.59	2,131.24	1,873.80	1,364.28	1,120.41	659.89
Current Liabilities	745.24	1,210.82	806.77	574.23	674.25	1,629.04	1,526.28	1,108.43	782.21	397.53
Net Current Assets	2,608.11	2,401.71	2,215.15	2,884.54	714.34	502.20	347.52	255.85	338.20	262.36
TOTAL ASSETS LESS CURRENT LIABILITIES	3,490.98	3,282.38	2,873.48	3,544.85	1,515.38	1,330.82	767.03	683.40	566.49	447.01
Term Loan	0.00	0.00	0.00	0.00	80.20	127.21	78.11	53.08	47.29	0
Other Liabilities	736.57	652.41	589.60	320.44	306.98	266.61	266.41	256.97	253.65	231.71
Deffered Tax Liabilities	0.75	20.38	22.95	40.38	6.28	4.91	0	0	0	0
Retirement Benefit Obligations/Gratuity	120.87	70.00	62.19	43.51	41.09	46.11	49.53	44.01	36.24	28.14
NET ASSETS	2,632.79	2,539.59	2,198.74	3,140.52	1,080.83	885.98	372.98	329.34	229.31	187.16
Share Capital and Reserve										
Paid up Capital	490.84	392.68	392.68	224.39	224.39	224.39	166.21	166.21	166.21	166.21
Capital Reserves	18.79	18.79	18.79	18.79	18.56	18.56	18.19	18.19	18.19	18.19
Revaluation Reserve	390.40	407.38	259.02	274.06	120.81	120.81	26.98	26.98	26.98	0
Revenue Reserves	1,732.76	1,720.74	1,528.25	2,623.28	717.07	522.22	161.60	117.96	17.93	2.76
SHAREHOLDERS FUND	2,632.79	2,539.59	2,198.74	3,140.52	1,080.83	885.98	372.98	329.34	229.31	187.16
Financial Analysis										
Profitability										
Operating Profit to Turnover (%)	8.88	11.37	9.21	10.32	9.43	8.06	7.19	7.88	5.89	7.65
Net Income to Turnover (%)	5.79	7.32	7.32	40.87	9.04	4.06	2.86	4.58	2.83	5.68
Annual Sales Growth (%)	(1.47)	22.74	13.09	9.97	-1.01	24.74	39.58	49.11	22.38	9.96
Earning per Share - Taka	7.79	9.99	10.18	87.96	17.68	8.02	6.13	7.02	2.91	4.78
Net Assets per Share - Taka	53.64	64.67	55.99	139.96	48.17	39.48	22.44	19.81	13.80	11.26
Return on Average Net Assets (%)	10.95	14.94	13.91	55.68	26.18	13.53	13.27	17.07	8.55	17.76
Return on Shareholders' Equity (%)	14.51	19.31	18.17	62.85	36.71	20.32	27.30	35.42	21.11	42.41
Dividends										
Amount - Taka	613.55	589.02	117.80	1,514.63	201.95	67.32	58.17	58.17	49.86	132.97
Rate (%)*	125.00	150.00	30.00	675.00	90.00	30.00*	35.00	35.00	30.00	80.00
Effective Dividend Rate (%)	160.56	150.15	29.48	76.74	50.90	37.40	57.13	49.87	103.00	167.53
Others										
Market Price per Share at year end (Taka)	186.80	164.00	287.40	7,169.00	1,982.25	1,982.25	1,900.00	774.50	1,007.50	1,644.50
Market Citalization (Taka)	916,889	643,995	1,128,562	1,608,652	444,797	444,797	315,799	128,730	167,457	273,332
Price Earning Ratio (Times)	23.99	16.42	28.24	81.50	112.10	247.11	310.15	110.36	345.91	344.38
Current Ratio (Times)	4.50	2.98	3.75	6.02	2.06	1.31	1.23	1.23	1.43	1.66
Debt Equity Ratio (%)	28.33	48.48	37.74	19.57	70.38	198.78	430.15	352.68	361.74	212.40

* Includes 100% cash & 25% stock)

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.

SINGER BANGLADESH LIMITED

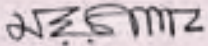
Notice of Annual General Meeting

Notice is hereby given that the 34th Annual General Meeting of Singer Bangladesh Limited will be held on Monday, April 28, 2014 at 10:30 a.m. at the Spectra Convention Centre House – 19, Road – 7, Gulshan – 1, Dhaka - 1212 to transact the following business.

AGENDA

1. To receive and adopt the Directors' and Auditors' Reports and the Audited Accounts of the Company for the year ended December 31, 2013.
2. To declare Dividend for the year ended December 31, 2013.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.
5. To re-appoint and/or extend the term of office of the Managing Director.

By order of the Board



Mohammad Sanullah
Company Secretary
February 26, 2014

Registered Office
39, Dilkusha C/A
Dhaka-1000.

Notes:

- March 10, 2014 is the record date. Shareholders whose names will appear in the Members' Register of the Company or in the Depository Register on that date will be eligible to attend the Annual General Meeting and receive dividend.
- A member entitled to attend and vote at the Annual General Meeting may appoint a proxy in his stead. The proxy form, duly stamped with a revenue stamp of Tk. 20 must be deposited at the Registered Office of the Company not later than 48 hours before the meeting.
- Admission to the hall will be only on production of the attendance slip sent with the notice.
- **As per directive of Bangladesh Securities and Exchange Commission (BSEC), no food or gift will be arranged at the AGM.**

SINGER BANGLADESH LIMITED

Proxy Form

Revenue
Stamp
of
Tk. 20.00

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 **34th Annual General Meeting** of the Company to be held on April 28, 2014 and at any adjournment thereof.

As witness my hand this Day of April 2014
Signature of Proxy
Signature of Member
Register Folio no./BO ID of Member

Attendance Slip

Name of Member
Name of Proxy
Register Folio No. /BO ID of Member

I/we hereby record my/our presence at the **34th Annual General Meeting** of **Singer Bangladesh Limited** on Monday, April 28, 2013 at 10.30 a.m. at Spectra Convention Centre, House-19, Road-7, Gulshan-1, Dhaka-1212.

Signature of Member

Signature of Proxy

N. B.

- * The Member attending the meeting is requested to mention the registered name and Folio no./BO ID on this slip and present the same at the registration counter on or before 10.30 a.m.
- * As per directive of Bangladesh Securities and Exchange Commission (BSEC), no food or gift will be arranged at the AGM.

BEKO



GRUNDIG



SINGER Furniture



Dawlance



Preethi

SAMSUNG



Galanz



HUAWEI



SINGER

Skyworth



Haier

SINGER®

MORE BRANDS • MORE CHOICE

Symphony

SINGTECH



Whirlpool

SYMPHONY
new experience



ONIDA



TOSHIBA

Sudney



SIEMENS

Prestige



DELL

VIDEOCON



SINGER
LifeStraw™

Water Purifier



