

SINGER BANGLADESH LIMITED
ANNUAL REPORT 2015



Singer
An International brand
with quality you can trust at affordable prices

SINGER®
TRUSTED EXCELLENCE



Singer has been in this region (now Bangladesh) since 1905 when the first Singer sewing machines went on sale at Chittagong and Dhaka stores at that time the country was a part of the Indian sub continent. From a single brand single product company, Singer has grown into a retail giant with revenue exceeding Taka 7,000 million, continuing to be the favorite brand of Bangladesh. The Company's successful multi-brand strategy combines products of world's famous brands with the Company's own brands.



Today, Singer Bangladesh Limited is a large, diversified company and remains a member of the worldwide franchise of Singer. It is one of the largest and most successful companies in Bangladesh in the consumer durable sector. Singer's success over the years is attributed to its uncompromised focus on service excellence and the extensive country-wide presence. With over 374 retail outlets, 395 dealers and extensive service network, people of Bangladesh are assured of a speedy and reliable pre and after sales service.

Its multi-brand, multi-channel business model, under the aegis of the world renowned Singer brand has been a success story throughout. The Company has earned many accolades from the business community as one of Bangladesh's best corporate citizens among the numerous that the Company continues to win, year after year.

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Company at a Glance

Single brand single product
company grown into a multi brand
retail giant

9

Financial Highlights

Operating profit increased by 4%
over 2014

10

Chairman's Statment



Singer Bangladesh Limited received an impressive
AAA credit rating with a stable outlook

44

2015 Results in Perspective



Profit after tax Taka 368.58 million
was higher by 1.7% over the
previous year's profit

16

Board of Directors

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Management Team

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Steering Ahead on Target

40 Chief Executive Officer's Review



Main focus throughout the year was progressing with setting up the refrigerator factory, which will become fully operational in 2016

50 Protecting Ourselves
The risk management system is designed towards meeting the practical requirements of Singer's business.

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Form of Proxy	Enclosed

VISION

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



VALUES

Consumers

We live up to the expectation of a responsible organization by contributing to the improvement in the quality of life of our customers through outstanding product and services.

Shareholders

We provide reasonable return to shareholders while safeguarding their investment.

Employees

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

Suppliers

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

Competitors

We respect our competitors and recognize their contribution to market value.

Community

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

Environment

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

MISSION

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



OBJECTIVES

To be the market leader in our product range and market segment.

Provide our consumers with the best service and 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.

CORPORATE DIRECTORY

Board of Directors

Chairman

Gavin J. Walker

Managing Director & CEO

A.M. Hamim Rahmatullah

Independent Directors

Masud Khan

Dr. Syed Ferhat Anwar

Directors

Stephen H. Goodman

Peter James O'Donnell

Gelmar M. Gellecanao

Kan Yat Cho Joe

Company Secretary

Mohammad Sanaullah

Audit Committee

Masud Khan (Chairman)

Dr. Syed Ferhat Anwar

A.M. Hamim Rahmatullah

Gelmar M. Gellecanao

Mohammad Sanaullah (Secretary)

Remuneration Committee

Gavin. J. Walker (Chairman)

Masud Khan

Dr. Syed Ferhat Anwar

Mohammad Sanaullah (Secretary)

Nomination Committee

Gavin J. Walker (Chairman)

Masud Khan

Dr. Syed Ferhat Anwar

Mohammad Sanaullah (Secretary)

Management Committee

A.M. Hamim Rahmatullah (Chairman)

Mohammad Sanaullah

Akram Uddin Ahmed

Mokbulla Huda Chowdhury

Mohamed Haniffa Mohamed Fairoz

Tanyeem Quarrar

Md. Anisur Rahman

Kazi Rafiqul Islam

M. M. Ferdous

Abu Zafor Md. Kibria

Md. Ashgar Hossain

Mokbul Ahmed (Secretary)

Chief Financial Officer

Akram Uddin Ahmed

Head of Internal Audit

Abu Zafor Md. Kibria

Auditors

Rahman Rahman Huq

Chartered Accountants

Legal Retainer

Advocate Md. Motiur Rahman

Corporate Governance Compliance Auditor

Itrat Husain & Associates

Chartered Secretaries in practice

Bankers

Trust Bank Limited

Pubali Bank Limited

Dhaka Bank Limited

Bank Alfalah Limited

Eastern Bank Limited

The City Bank Limited

Mutual Trust Bank Limited

Commercial Bank of Ceylon Plc.

Standard Chartered Bank

The Hongkong & Shanghai Banking Corporation Limited (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-1347

YEAR AT A GLANCE

JANUARY

- Participated in the Dhaka International Trade Fair
- Renovated Singer Shops in Jessore, Savar, Mirpur, Rupnagar, Faridabad
- The Annual Sales Conference was held at Bashudhara Convention Centre
- Singer Annual Dealers Conference was held at Basundhara Convention Centre

FEBRUARY

- Relocated one Singer Shop in Chittagong
- Board, Audit and Remuneration Committee Meeting held

MARCH

- Renovated Singer Shops at Chittagong, Jhenaidah, Farmgate, Bhairab and Mojeshpur
- Relocated the Naogaon Singer Shop
- Extended the Gulshan Singer Showroom
- Board Meeting held

APRIL

- Relocated one Singer Showroom at Chittagong
- Hold 35th Annual General Meeting
- Board and Audit Committee Meeting held

MAY

- Relocated the Bogra Singer Showroom

JUNE

- Introduced No-Frost Range Refrigerator
- Relocated the Patuakhali Singer Showroom

JULY

- Opened the Fatullah, Narayanganj Singer Showroom
- Relocated the Tangail and Ashkona Singer Showroom
- Board, Audit and Remuneration committee meeting held

SEPTEMBER

- Introduced Show Case Refrigerator
- Introduced Samsung JOY Series Panel Television
- Relocated the Kurigram Singer Showroom

OCTOBER

- Extended the Kalabagan Showroom
- Board, Audit Committee meeting held

NOVEMBER

- Extended the Rice Cooker Line by including a 2.8 Litre
- Relocated two Singer Showroom

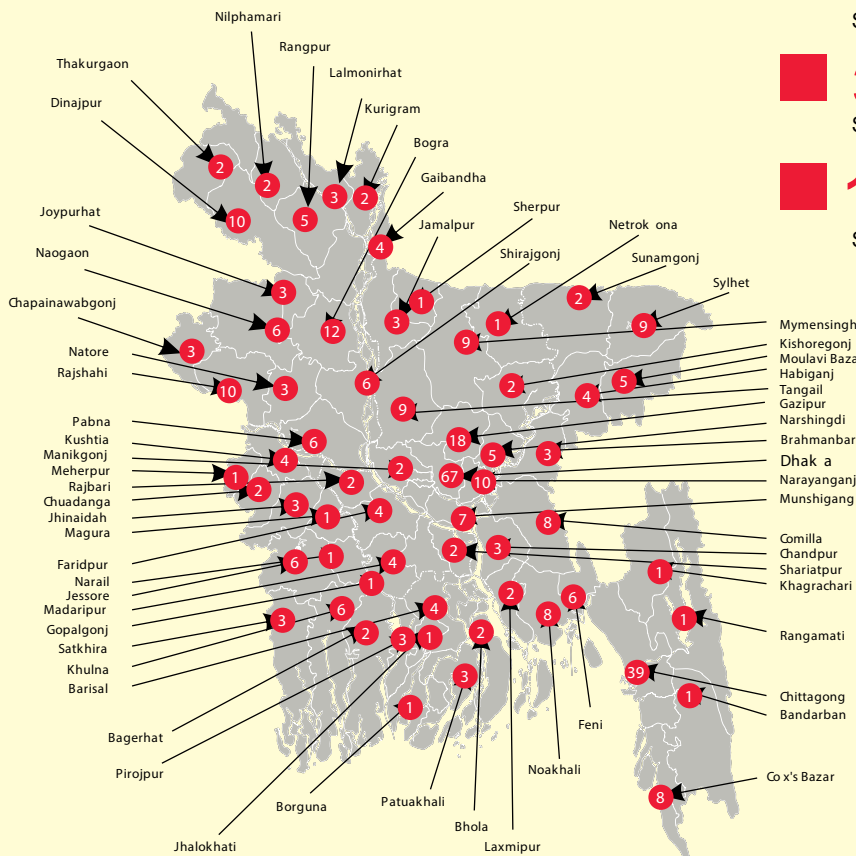
DECEMBER

- Relocated two Singer Showroom
- Board Meeting held

COMPANY AT A GLANCE

Our Retail Presence

Area	Singer MEGA	Singer Plus	Total
Central A	5	35	40
Central B	3	36	39
Central C	0	31	31
Eastern	1	39	40
Southeast	0	45	45
Northeast	2	37	39
Southwest	2	46	48
West	0	42	42
Northwest	1	49	50
Total	14	360	374



374 Retail Outlets

Singer Mega and Singer Plus

395 Dealers

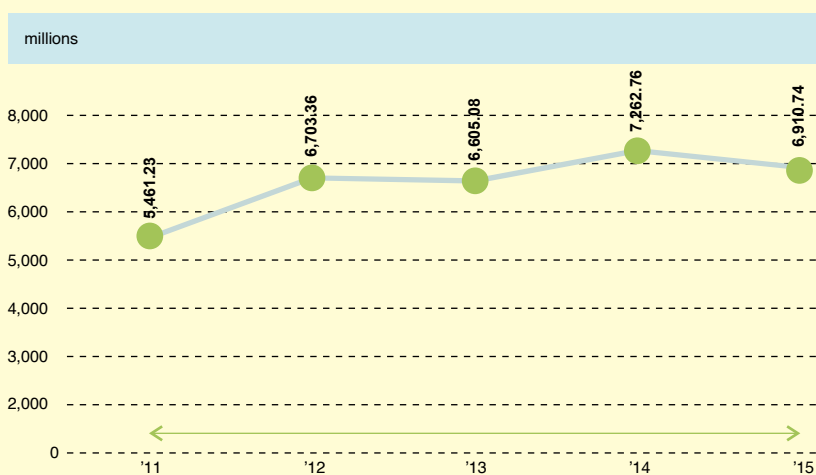
Singer Pro

1,064 members

Singer Staff

FINANCIAL HIGHLIGHTS

	2015 Taka Million	2014 Taka Million	2013 Taka Million	2012 Taka Million	2011 Taka Million
Turnover	6,910.74	7,261.76	6,605.08	6,703.36	5,461.23
Operating profit before Interest & Tax	595.18	572.08	586.42	762.25	503.03
Profit before Tax	517.01	501.31	527.57	668.10	526.70
Profit after Tax	368.58	362.34	382.13	490.37	399.60
Paid up Capital	766.94	613.56	490.84	392.68	392.68
Revenue Reserve	228.49	518.23	1,732.76	1,720.74	1,528.48
Revaluation Reserve	403.10	376.57	390.40	407.37	259.02
Capital Reserve	18.79	18.79	18.79	18.79	18.56
Shareholders' Equity	1,417.33	1,527.15	2,632.79	2,539.58	2,198.74
Property, Plant & Equipment	873.99	917.61	871.67	877.47	656.77
Investments	183.88	15.20	11.20	3.20	1.57
Net Current Assets	1,560.54	1,772.57	2,608.11	2,401.70	2,215.16
Gross Dividends	498.51	1,349.83	613.55	589.02	117.80
Dividend per share (Taka)	6.50	22.00	12.50	15.00	3.00
Earnings Per Share (Taka)	4.81	4.72	4.98	6.39	5.21
Price Earning Ratio (Times)	37.46	46.40	23.99	13.13	28.24
Net Asset per Share (Taka)	18.48	24.89	53.63	64.67	55.99
Market value per share at year end (Taka)	180.20	219.00	186.80	164.00	287.40
Net Income to Net Turnover (%)	5.33	4.99	5.79	7.32	7.32
Return on Average Net Assets (%)	14.08	13.39	10.95	14.94	13.91
Debt Equity Ratio (%)	58.07	62.38	28.33	48.32	37.74
Interest Cover	9.05	8.08	14.14	N/A	N/A
Current Ratio	2.90	2.59	4.50	2.996	3.75
Acid Ratio	1.53	1.23	2.82	1.13	2.02
Number of Shareholders	16,438	14,582	14,185	11,459	11,623
Number of Employees	1,064	1,020	947	969	926



CHAIRMAN'S

Dear Shareholders,

It is my pleasure to present the Annual Report of Singer Bangladesh Limited for the year ended December 31, 2015.

Overview

Trading at the beginning of the year was severely disrupted on account of widespread civil unrest. This was followed by several months of subdued market conditions, which did gradually improve as the year progressed.

The month of September recorded the highest sales value for any month in the history of the company, surpassing the previous record by 19%. Since December, we have seen a marked improvement in general market conditions, that is continuing into 2016.

During the year turnover amounted to TK. 6,9 billion, with net income increasing by 1.7%, compared to the prior year. Earnings per share increased from Tk. 4.72 to Tk.4.81 per share.

Singer Bangladesh Limited received an impressive AAA credit rating with a stable outlook, buoyed by its strong balance sheet, low gearing, robust cash flow and professional working capital management.

The company increased its equity stake in International Appliances Limited to 73.85%, a refrigerator manufacturing company for Singer branded refrigerators, freezer and other appliances. The refrigerator factory is already operational and will commence commercial production in April 2016.

Many other new initiatives were started in 2015, in particular those focused on increasing market share in washing machines, small appliances and furniture. These included

extended product ranges, colours and models, as well as significantly increased advertising and attractive staff commission structures to drive these sales. The increased advertising spend is set to continue in 2016 with new television commercials making the Singer brand much more visible to consumers.

The number and value of its transactional financial services (utility bill payment, money remittances & phone reloads) increased significantly thereby increasing customer footfall in the stores which will provide further impetus for future growth.

As always, the company contributed significantly to the National Exchequer in the form of duties, VAT and corporate tax totaling Tk. 2,342 million, leading the consumer durables industry in this regard.

Equity and Dividend

During the year under review the paid up capital of the Company increased to Tk. 767 million following the bonus share award for 2014.

The Board of Directors recommended a final dividend of Tk. 2.5 per Ordinary share (25%). Therefore, total dividend for the year 2015 would be 65% including interim dividend of 40%.

Directorate

Three new directors were included in the Board on December 1, 2015. They are Mr. Stephen H. Goodman, Chairman, Singer Asia Limited, Mr. Peter James O'Donnell, Director, UCL Asia Limited and Mr. Kan Yat Cho Joe, Vice President and CFO, Singer Asia Limited.

Mr. Mohammad Sanaullah, Mr. Akram Uddin Ahmed and Mr. Mokbul Ahmed resigned from the board during the year but will continue in their roles as senior executives of the company.

SINGER
BANGLADESH
LIMITED
RECEIVED
AN
IMPRESSIVE
AAA
CREDIT
RATING
WITH A
STABLE
OUTLOOK

STATEMENT



Awards and Recognition

Singer Bangladesh received the National Award for Corporate Governance Excellence 2014 (Gold Award) from the Institute of Chartered Secretaries of Bangladesh (ICSB). The company also obtained a Certificate of Appreciation from the Institute of Chartered Accountants of Bangladesh (ICAB) for “Best Presented Annual Report 2014”;

These awards are a testimony to the company’s transparency and good corporate governance as a well-respected multinational company in the region and a leading company in the local business community.

Conclusion

I extend sincere thanks to all Singer staff for their hard work, this is crucial to the success of the company. I also acknowledge the support of the Board of Directors and senior management and thank them for their guidance and counsel during the year.

With our many new initiatives in place, we certainly expect and look forward to a strong performance in 2016 and beyond.

A handwritten signature in blue ink, appearing to read 'Gavin J. Walker'. The signature is stylized and fluid.

Gavin J. Walker
Chairman

March 21, 2016

PROFILE

SINGER BANGLADESH LIMITED



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 72.77%. The public shareholding accounts for 27.23%. Singer Bangladesh Limited was listed with the Dhaka Stock exchange in 1983 and Chittagong Stock Exchange in 2001.



BEST ANNUAL REPORT IN 2014



- 1. ICSB Corporate Governance Excellence 2014 Award**
First Prize (Gold Award) for Corporate Governance Excellence in Engineering Sector
- 2. ICAB National Award 2014**
Certificate of Appreciation from for Best Presented Annual Report 2014 in Manufacturing Sector







**SMART SOLUTIONS
TO IMPROVE YOUR EVERYDAY LIFE**

BOARD OF DIRECTORS



Chairman
Gavin J. Walker

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

Elected Chairman, Singer Bangladesh Limited on April 30, 2015

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.



Managing Director & CEO
A.M. Hamim Rahmatullah

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

Mr. A.M. Hamim Rahmatullah has been 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 27 years.



Independent Director
Masud Khan

Joined the Board of Singer Bangladesh Limited on February 28, 2015.

Mr Masud Khan is the Finance Director of Lafarge Surma Cement Limited, a unique cross border joint venture project between Bangladesh and India sponsored by Lafarge of France and Cementos Molins of Spain. He is a seasoned professional with 35 years work experience in leading multinational companies in Bangladesh. He did his Bachelor of Commerce with Honours from St Xaviers' College under University of Kolkata and thereafter qualified with distinction both as a Chartered as well as a Cost and Management Accountant from the Indian Institutes.

Prior to joining Lafarge Bangladesh as Finance Director in the year 1999, he worked for British American Tobacco for 20 years at both home and abroad. He worked in various fields of finance and business improvement such as Management Accountant, Plant Controller, Finance Chief in BAT Liberia, Chief Accountant, Audit Manager and MRPII Programme Manager. Mr Khan has continued to hone his professional skills by involving himself in his spare time as a lecturer at the Institute of Chartered Accountants of Bangladesh for the past 35 years. He is an independent director of Glaxo Smith Kline, Bangladesh and Marico Bangladesh.

BOARD OF DIRECTORS



Independent Director
Dr. Syed Ferhat Anwar

Joined the Board of Singer Bangladesh Limited on February 28, 2015.

Dr. Ferhat is a Professor at the Institute of Business Administration (IBA), University of Dhaka; the leading business school of the country. He is in the teaching profession for almost 30 years. Prior to joining IBA, he worked for BRAC as Export Manager. He is the Chief Advisor of Bangladesh Brand Forum; President of Marketing Society Bangladesh; Chairman of Insight Institute of Learning; Independent Director of Moddhopara Mining Company, and Board Member representing Bangladesh of Asian Marketing Federation. He is also the founder member of Institute of Management Consultants, Bangladesh which is an affiliate of global IMC and Bangladesh Marketing and Social Research Forum.

He has visited various international and regional academic institutes as visiting scholar, including, Pennsylvania State University (USA), Harvard Business School (USA), Brunel University (UK), Stern Business School of NYU (USA), Kellogg School of North Western University (USA), Indian Institute of Management (Ahmadabad), etc. He has been involved in many consulting assignments on marketing and business strategy for various sectors, foremost being agriculture, pharmaceuticals, apparel, ICT, Social Enterprise, and CSR.

Dr. Ferhat completed his PhD in Marketing Systems, jointly under University of New Brunswick Canada and University of Dhaka; and Post Graduate Diploma in University Teaching from University of New Brunswick Canada. Prior to his PhD he completed his MBA from IBA, University of Dhaka and B.Sc. (Honors) and M.Sc. in Biochemistry from University of Dhaka. He has more than 60 publications in international and national journals and writer of 3 major books on business management.



Director
Stephen H. Goodman

Joined the Board of Singer Bangladesh Limited on December 1, 2015.

Mr. Goodman is Chairman, President and Chief Executive Officer of Retail Holdings N.V., the ultimate parent company of Singer Bangladesh Limited.

He is also Executive Director and Chairman of Sewko and of Singer Asia Limited. Mr. Goodman has served with Singer and its predecessor companies since 1998. Prior to joining Singer, Mr. Goodman was a Managing Director at Bankers Trust Company.



Director
Peter James O'Donnell

Joined the Board of Singer Bangladesh Limited on December 1, 2015.

Mr. O'Donnell was appointed as a Director of the Company in July 2003. He is a Managing Director and co-founder of UCL Asia.

He also serves as a Director of Singer (Sri Lanka) PLC. Mr. O'Donnell is an alumnus of both Harvard College and Harvard Business School.

BOARD OF DIRECTORS



Director
Gelmart M. Gellecanao

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 20 years.



Director
Kan Yat Cho Joe

Joined the Board of Singer Bangladesh Limited on December 1, 2015.

Mr. Kan was appointed Controller of ReHo in November 2011. Mr. Kan serves as Chief Financial Officer of Sewko and of Singer Asia. Prior to joining Singer Asia in September 2010, Mr. Kan was Head of Finance at Octopus Cards Limited, the developer and operator of the largest smart card payment system in the world. Mr. Kan is a member of the Institute of Chartered Accountants of England and Wales and of the Hong Kong Institute of Certified Public Accountants. Mr. Kan serves as a director of a number of Sewko subsidiaries.



Secretary to the Board
(Since March 4, 1997)
Mohammad Sanaullah

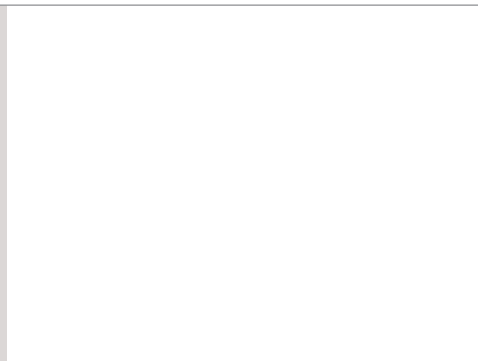
Mr. Sanaullah is the Corporate Affairs Director and Company Secretary of Singer Bangladesh Limited, with over 30 years' exposures in business, corporate management and governance.

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

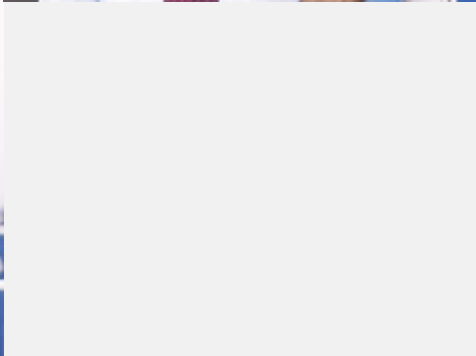
The Fellow and Founder Member of the Institute of Chartered Secretaries of Bangladesh (ICSB), Fellow of the Institute of Personnel Management Bangladesh and Member of the Institute of Internal Auditors, USA.

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.

MANAGEMENT TEAM



MANAGEMENT TEAM



MANAGEMENT TEAM



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29



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1 **Mokbul Ahmed**
Manufacturing Director

2 **Akram Uddin Ahmed**
Chief Financial Officer

3 **Mokbulla Huda Chowdhury**
Sales Director

4 **M. H. M. Fairoz**
Marketing Director

5 **Md. Anisur Rahman**
Head of IT

6 **Tanyeem Quarrar**
Marketing Services Director

7 **Kazi Rafiqul Islam**
General Manager - Wholesale

8 **M. M. Ferdous**
Head of Human Resources

9 **Abu Zafor Md. Kibria**
Head of Internal Audit

10 **Md. Ashgar Hossain**
General Manager - Credit

11 **Md. Monzur Murshed**
General Manager - Finance

12 **Abrarur Rahman**
Merchandising Manager

13 **Md. Nurul Kabir**
Manager - Personnel Services

14 **G.N.B. Chowdhury**
Techno Services Manager

15 **Md. Raziur Rahman**
Marketing Communication Manager

16 **Gour Chandra Ghosh**
Factory Manager - A/V

17 **Joyanto Kumar Roy**
Commercial & Logistics Manager

18 **Salim Ahmed**
Manager - Distribution

19 **Kazi Ashiqur Rahman**
Corporate Affairs Manager

20 **Md. Rafiqul Hasan**
Sales Manager in-Charge

21 **Mahmudur Rahman Khan**
Sales Manager in-Charge

22 **Md. Masud Habib**
Manager - Internal Audit

23 **Md. Syduzzaman**
Area Manager

24 **Md. Mashiur Rahman**
Area Manager

25 **M. Shihabuddin Bhuiyan**
Territory Manager

26 **M. Ismail Hossain**
Territory Manager

27 **Md. Obaydul Hoque**
Territory Manager

28 **Shabbir Mahmud Rizwan**
Manager - Q.C & Maintenance

29 **Mahmud Hasan**
Manager - Law & Admin

30 **Monzur Murshed Chowdhury**
Manager - IT

STEERING AHEAD ON TARGET

OUR BRAND POWER

Singer continued to set a high standard in 'Trusted Excellence' in the Bangladesh retail arena with our unmatched offering of products under a portfolio of world class brands combined with the strength of our wide retail and service network. Over the years, SINGER has transformed into a marketing powerhouse with a wide range of product brands and service brands.

SINGER – Trusted Excellence

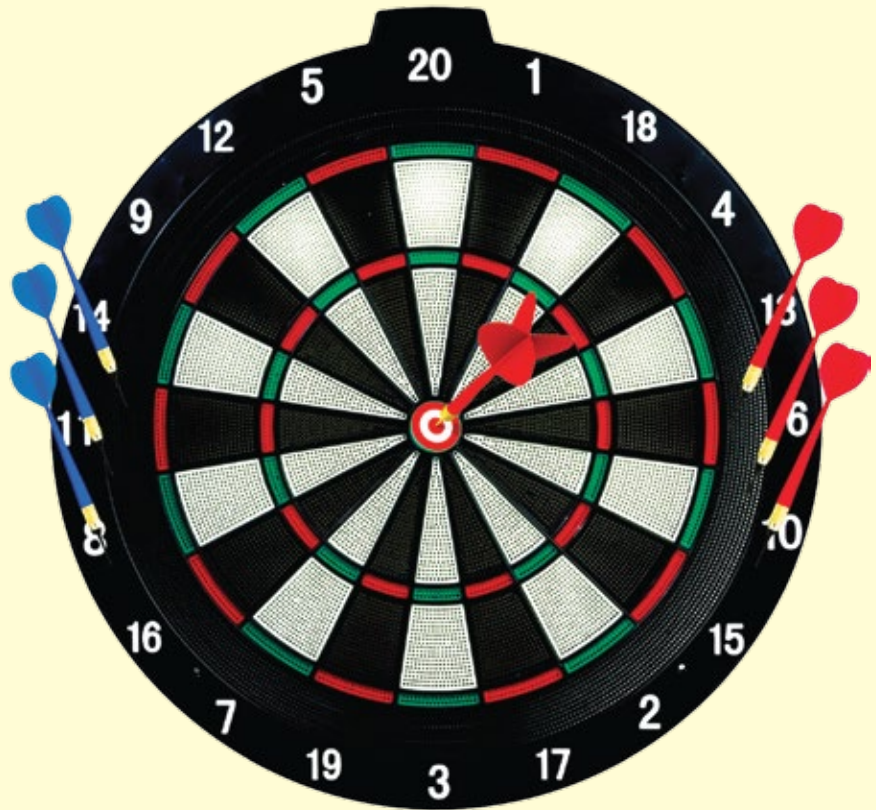
SINGER the corporate, retail and product brand is well recognized in this country having a long heritage dating back to the British Colonial Era.

Brand development has been the cornerstone of SINGER's growth strategy since the 1970's. The equity built around the SINGER brand 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 was achieved through brand development of products, retail and corporate through ATL, BTL, sponsorship, CSR and 360 degree interaction with consumer's day in and day out.

SAMSUNG – Turn on Tomorrow

Recognized as number one electronic brand in the world, SAMSUNG is a global giant in Smart phones and LED televisions. Samsung employees around 307,000 people across 84 countries.

Singer offers Samsung Panel Television from its outlets.



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 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 the needs of different people, different cultures and different ways of life in more than 100 countries.

GRUNDIG

GRUNDIG has its root in Germany but FOR A GOOD REASON they are at all home all over the world. GRUNDIG is currently represented in 5 continents.

The above brands are marketed through Singer's Own Retail Chain Stores – Singer Plus and Singer MEGA alongside the dealer network.



Singer has been built on a strong foundation of brand development. Therefore, we continually strive to **deliver excellence in brand quality.**



A white refrigerator is shown open, revealing its interior shelves and drawers. The refrigerator is filled with fresh produce, including red apples, green pears, purple eggplants, yellow bell peppers, and carrots. There are also several bottles of beverages, including orange juice and water, and a bowl of strawberries. The refrigerator is set in a bright room with a window in the background, through which sunlight is streaming. Two potted plants are visible in the room, one on the left and one in the center. The floor is made of light-colored wood.

**FRESHNESS
365 DAYS A YEAR**



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, 2015. 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 and furniture. Besides, the Company carried out marketing of refrigerators & freezers, air-conditioners, computers and instant power supply products, kitchen appliances and other allied products.

Review of Business

The Chairman's Message on page 10 and the Chief Executive Officer's Review on pages 40 & 41 state the Company's affairs and highlight important events that occurred during the year. The Financial Review on pages 44 to 46 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 65 million in property, plant and equipment. Movement in property, plant and equipment during the year is disclosed under note 3 and annexure -I of the financial statements.

Market Value of Freehold Properties

All freehold land and buildings of the company revalued 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 11.1 to the Financial Statements on page 68 in this report.

Investment in International Appliances Limited (IAL)

Initially your company acquired 40% equity participation in the International Appliances Limited (IAL), a joint venture refrigerator manufacturing company for manufacturing Singer branded refrigerators and freezer and other appliances. Subsequently, the Board decided to invest an additional 33.85% equity participation in IAL further to an Option Agreement between Singer Bangladesh Limited and one of the IAL's shareholders.

Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for financial statements is given on page 53 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

The political disturbances impacted business performance in the early part of 2015. However the business environment steadily improved as the year progressed and the company's performance strengthened accordingly.

During the year revenue reached Tk. 6,911 million which was lower by 5.08 % over the previous year's revenue of Tk. 7,262 million. Operating profit (profit before taxes excluding other income) at Tk. 517.01 million was higher by 3.04% over the previous year's operating profit of Tk. 501.31 million. Net profit for the year at Tk. 368.58 million was higher by

1.69% over the previous year's net profit of Tk. 362.34 million.

We remain the country's largest retailer of consumer durable products. The Company is positioned to benefit from our wide retail presence, our strong brand, reliable after sales support and service, have purchase products and our trained sales staff.

Segment Information

The segment information is presented in the notes 18 and 39R 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 50 & 51 of this report.

Margin Analysis

Cost of goods sold for the year 2015 was Tk. 5,067 million and it was lower by 6.99 % over the previous year's cost of goods. Despite negative growth revenue, gross profit margin was 26.67% for the year 2015 and previous year's gross margin was 25.77%. Net profit margin for the year 2015 was 7.48%.

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 34 of the notes to the financial statements on page 80.

Variance within the Financial Year

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

Remuneration to Directors

This information is incorporated in the Notes 20.2 of the notes to the financial statements on page 73 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.

In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) notification dated August 7, 2012, Chief Executive Officer and Chief Financial Officer has given the declaration about the fairness of the financial statements which is shown on page 54 of the report

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 IFRS & BFRS

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

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 year's Financial Highlights

The key operating and financial data for the last five years are annexed on page 9.

Dividend

The Board of Directors recommended a final cash dividend of Tk. 2.5 per share held by the shareholders at the record date. Therefore, total dividend amount of Tk 6.5 i.e. 65% for the year ended December 31, 2015.

Board and Committee Meetings and Attendance

During the year, the Board of Directors met eight 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 38.

Corporate Governance Compliance Report

Singer Bangladesh Limited adheres to appropriate good Corporate Governance principles, as described on pages 29 to 31.

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 34 of the report.

Financial Results and Appropriations

The Directors are pleased to report the financial results for the year 2015 and recommend the following appropriations:

	Taka in '000	
	2015	2014
Profit before taxation	517,013	501,306
Less: Provision for tax	148,429	138,963
Profit after tax	368,584	362,343
Add: Un-appropriated profit brought forward	150,101	1,119,206
Prior year's adjustment	16,583	18,374
Profit available for distribution	535,268	1,499,923
Less: Appropriations		
Interim Dividend	306,778	981,689
Final Dividend	191,736	368,133
Total Appropriation	498,514	1,349,822
Un-appropriated profit carried forward	36,754	150,101

Contribution to the National Exchequer

During the year under review, your Company paid Taka 2,342.16 million to the national exchequer in the form of corporate income tax, customs duties and value added tax.

Credit Rating

The Company achieved AAA+ rating in long term and ECRL-1 for short term with a strong and stable outlook from Emerging Credit Rating Limited.

Reserves

The total Reserves of the Company stood at Tk. 422 million, details of which are given in Notes 11 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 March 1, 2016 has recommended a cash dividend of BDT 2.5 (25% per share of BDT 10 each) amounting to BDT 192 million in its 218th Board meeting dated March 1, 2016.

Statutory Payments

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

Share Information

The distribution of shareholding and market value of shares are given on page 88 of this report.

Earnings per share, dividend per share and net assets per share are shown in the financial highlights section on page 9 of the annual report.

Directors

Name of the Directors of the company and their biographical details are shown on pages 16 to 18.

Appointment of Directors

In accordance with Article 68 of the Articles Association of the Company, the Board of Directors appointed Mr. Stephen H. Goodman, Mr. Peter James O'Donnell and Mr. Kan Yat Cho Joe as Directors of the Company on December 1, 2015, They will retire and eligible for re-election.

Mr. Mohammad Sanaullah, Mr. Akram Uddin Ahmed and Mr. Mokbul Ahmed Directors of the Company submitted their resignation as Directors which were accepted by the Board on December 1, 2015.

Members of the Board gratefully acknowledged the valuable contributions of Mr. Mohammad Sanaullah, Mr. Akram Uddin Ahmed and Mr. Mokbul Ahmed during their tenure of office.

Recommendations for Re-election Mr. Gelmart M Gellecanao retires under Article 81 of the Articles of Association of the Company, Mr. Gelmart M Gellecanao eligible and offered himself for re-election. The Board recommends his re-appointment.

Shareholdings of Directors at the beginning of the year and at the end of the year 2015 are shown in annexure II on page 38.

Appointment of Auditors

As per section 210 of the Companies Act 1994, the Company's statutory Auditors Messrs. Rahman Rahman Huq, Chartered Accountants retires at the 36th Annual General Meeting as auditors of the Company.

As per the Bangladesh Securities and Exchange Commission (BSEC) order no SEC/CMRRCD/2009-193/104/ Admin dated July 27, 2011 the retiring Auditors M/S Rahman Rahman Huq Chartered Accountants are eligible for reappointment as Statutory Auditors for 2016.

The Audit Committee recommended to appoint Messer's Rahman Rahman Huq, Chartered Accountants as the auditors of the Company for the year 2016 at a fee of Tk. 450,000 plus VAT.

The Directors endorsed the recommendation of the Audit Committee for re-appointment of Messer's Rahman Rahman Huq, Chartered Accountants as the auditors for the year 2016 at a fee of Taka 450,000 plus VAT.

Human Resources

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 the 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
Company Secretary

Dhaka, March 1, 2016

THE WAY WE MANAGE

CORPORATE GOVERNANCE

The company believes in adopting the best practices in the area of Corporate Governance and follows the principles of transparency and accountability, thereby protecting the interests of its stakeholders. The Board considers itself a trustee of all shareholders and acknowledges its responsibilities to the shareholders for creating and safeguarding their assets.

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 eight members including two Independent Directors having diverse and professional expertise and experiences. The 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 pages 16 to 18.

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 for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

Chairman and Managing Director

The Chairman is 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 Director

The Company has complied with the notification of the Bangladesh Securities and Exchange Commission with regard to composition of the Board.

Mr. Masud Khan and Dr. Syed Ferhat Anwar are Independent Directors, they are free from any business or other relationships with the company 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. Eight Board Meetings were held during the year 2015 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 and 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 four Members including two Independent Directors of the Company.

The Chairman of the Audit Committee is an Independent Director, Mr. Masud Khan. His long career with different multinational companies and extensive experience has been of great benefit to the Company over the year.

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

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 including two Independent Directors.

Mr. Gavin Walker, Chairman of the Board is the Chairman of the Remuneration 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 on remuneration including salary and perquisites of the CEO, Executive Directors and Senior Management.
- Finalize the perquisites package of the CEO, Executive Directors and Senior Management within the ceiling fixed by the Board.

Nomination Committee

To adhere to good corporate governance practice 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 consists of three Directors including two independent Directors. Mr. Gavin J Walker, Chairman 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 Management Committee is 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 collectively 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 country-wide marketing network and provides a wide choice of products and brands to its customers at competitive prices. Easy payment options are also available to the customers.

The Company extends a warranty on its products and has made appropriate provisions to meet the warranty expenses. It maintains countrywide network of service centers 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 (IFRS) / Bangladesh Financial Reporting Standards (BFRS). Financial data is circulated as appropriate within and outside the organization.

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. Rahman Rahman Huq, 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 are highlighted 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 headed by 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.

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 34 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 pages 50 & 51.

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 five 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/Half Yearly/Yearly Results

Shareholders are provided with Quarterly Financial Statements, Half Yearly Financial Statements and the Annual Report, which the Company considers as its principal communication with them and other stakeholders.

The quarterly and half yearly results of the Company are published in the newspapers. Yearly results are generally published and sent to the shareholders' registered addresses through registered posts.

These reports are also available on the Company's website - www.singerbd.com.

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.

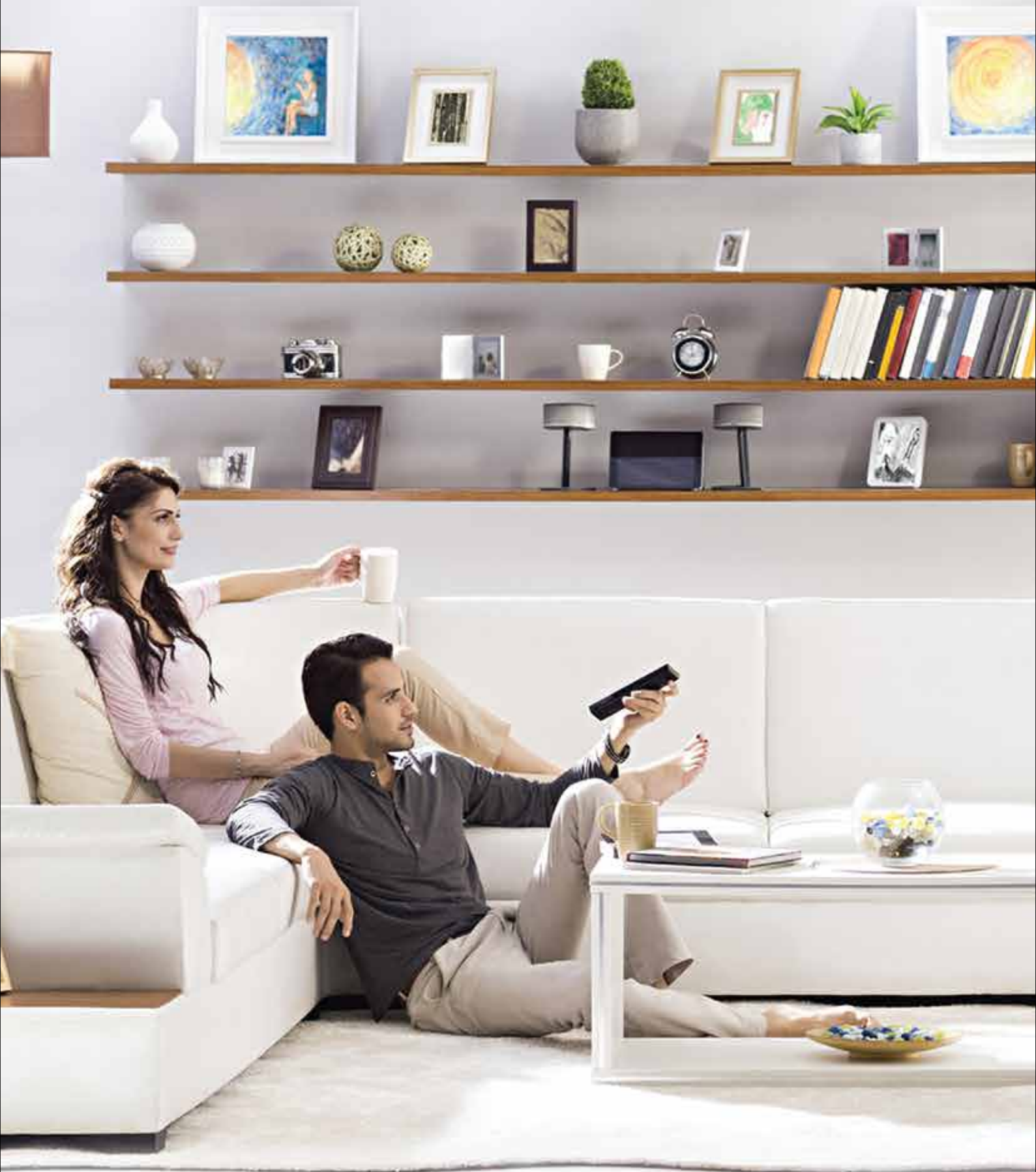
In addition to information, which any company is under a legal or regulatory requirement to publish, the Company regularly publishes through the newspapers, its website at www.singerbd.com additional Company information which is updated regularly and includes company's management, investor relations,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

Dematerialization of Shares as on December 31, 2015

The Company's shares are compulsorily traded in dematerialized form and are available for trading on Central Depository Bangladesh Limited (CDBL). 64,269,657 Ordinary Shares of the Company representing 83.80 % of the Company's share capital are in dematerialized form as on December 31, 2015.

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 in the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.



FOR YOUR ULTIMATE LIFESTYLE



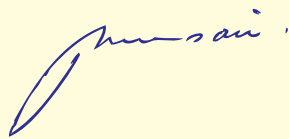
CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

1. We have examined the compliance of conditions of Corporate Governance by **SINGER BANGLADESH LIMITED** (“the Company”) for the year ended 31 December, 2015 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, 01 March, 2016

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 is or was 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	

Condition No.	Title	Compliance Status	Remarks (if any)
1.5 (xi)	Fairness of financial statements;	Complied	
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 concerns (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:		
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	

Condition No.	Title	Compliance Status	Remarks (if any)
3.3 (ii)	Monitor choice of accounting policies and principles;	Complied	
3.3 (iii)	Monitor internal control risk management process;	Complied	
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	

The pattern of Shareholding

Name of Shareholders	Status	Shares Held at 31 Dec'15	Shares Held at 01 Jan' 15
i) Parent / Subsidiary/Associate Companies			
Singer Bhold B. V. (Including 20% Non-remittable Shares)	72.77%	55,805,293	46,012,171
ii) Directors, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children			
Mr. Gavin J. Walker	Chairman	-	-
Mr. A. M. Hamim Rahmatullah	Managing Director	331	265
Mr. Masud Khan	Independent Director	-	-
Dr. Syed Ferhat Anwar	Independent Director	-	-
Mr. Gelmart M. Gellecano	Director	-	-
Mr. Stephen H. Goodman	Director	195	156
Mr. Peter James O'Donnell	Director	-	-
Mr. Kan Yat Cho Joe	Director	-	-
Mr. Mohammad Sanaulah	Company Secretary	565	452
Mr. Akram Uddin Ahmed	CFO	195	156
Ms. Humayra Hamim	W/o. Mr. A. M. Hamim Rahmatullah	1,463	1,171
Ms. Salma Akhtar	W/o. Mr. Mohammad Sanaulah	468	375
Ms. Arifa Salzana Hemon	W/o. Mr. Akram Uddin Ahmed	4,101	3,281
iii) Executives			
Mr. Mokbul Ahmed		156	125
iv) Shareholders Holding Ten Percent or More Voting Interest			
Singer Bhold B. V. (Including 20% Non-remittable Shares)	72.77%	55,805,293	46,012,171

Board Meeting and Attendance during the Year Ended 31 December 2015

Name of Directors	Meeting held while a member	No. of meetings attended
Mr. Gavin J. Walker	8	5
Mr. A. M. Hamim Rahmatullah	8	8
Mr. Masud Khan	7	7
Dr. Syed Ferhat Anwar	7	7
Mr. Gelmart M. Gellecano	8	3
Mr. Stephen H. Goodman	0	0
Mr. Peter James O'Donnell	0	0
Mr. Kan Yat Cho Joe	0	0
Mr. Mahbub Jamil	3	3
Mr. Akhtar Imam	3	3
Mr. C. K. Hyder	3	3
Mr. Mohammad Sanaulah	8	8
Mr. Akram Uddin Ahmed	8	8
Mr. Mokbul Ahmed	8	8

Audit Committee Meeting and Attendance during the Year Ended 31 December 2015

Name of Members	Meeting held while a member	No. of meetings attended
Mr. Masud Khan	2	2
Dr. Syed Ferhat Anwar	2	2
Mr. A. M. Hamim Rahmatullah	4	4
Mr. Gelmart M. Gellecano	4	2
Mr. C. K. Hyder	2	2
Mr. Akhtar Imam	2	2

Remuneration Committee Meeting and Attendance during the Year Ended 31 December 2015

Name of Members	Meeting held while a member	No. of meetings attended
Mr. Gavin J. Walker	2	1
Mr. Masud Khan	1	1
Dr. Syed Ferhat Anwar	1	1
Mr. C. K. Hyder	1	1
Mr. Akhtar Imam	1	1

STATEMENT OF VALUE ADDED

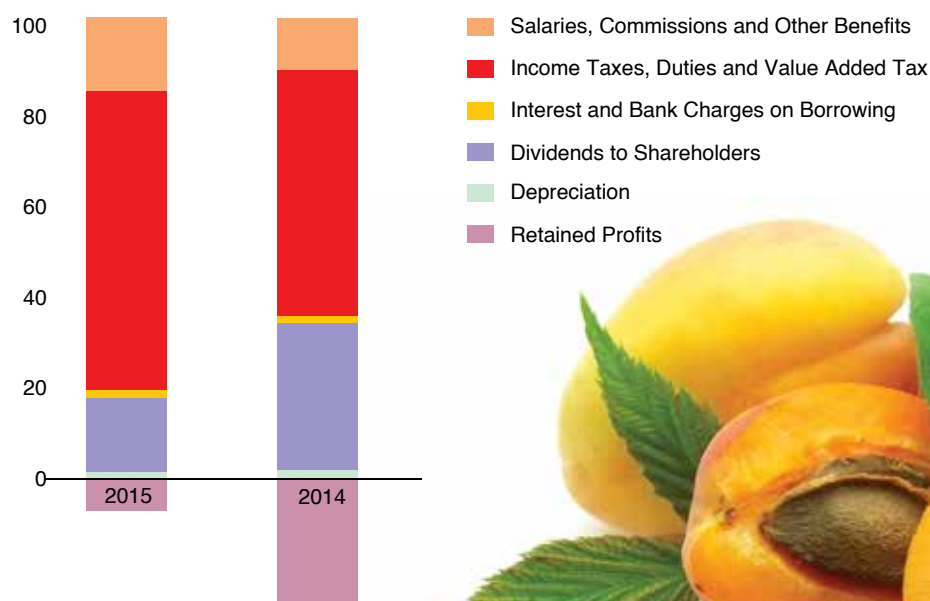
	2015 Taka	2014 Taka
Turnover - Gross	6,910,736,918	7,261,758,870
Other Income	65,682,651	(1,968,050)
	<u>6,976,419,569</u>	<u>7,259,790,820</u>
Less: Cost of Materials & Services	3,559,821,450	3,525,649,192
Value Added	<u>3,416,598,119</u>	<u>3,734,141,628</u>

%

Distribution of Value Added

To Employees and Dealers				
Salaries, Commission and other Benefits	562,572,779	16%	544,174,930	15%
To Government				
Income Taxes, Duties and Value Added Tax	2,342,156,498	69%	2,670,635,677	72%
To Banks and other Lenders				
Interest & Bank Charges on Borrowing	64,248,955	2%	70,778,327	2%
To Suppliers of Capital				
Dividends to Shareholders	498,514,193	15%	1,595,245,418	43%
Retained for Reinvestment and Future Growth				
Depreciation	79,035,930	2%	67,834,711	2%
Retained Profits	(129,930,236)	-4%	(1,214,527,435)	-33%
	<u>3,416,598,119</u>	<u>100%</u>	<u>3,734,141,628</u>	<u>100%</u>

Statement of Value Added (%)



CHIEF EXECUTIVE

2015 overview and strategy

The early part of 2015 witnessed extensive civil unrest which disrupted our business operations accordingly. Whilst this situation improved as the year progressed, we still found the trading environment difficult for most of the year. Thankfully, trading conditions have started to improve more recently and 2016 is expected to be much better.

The company took precautionary measures to counter the adverse business environment in the early part of 2015, these included:

- Strict control of inventory by reducing purchases, whilst focusing on fast moving products;
- Clearance sales of slow moving, obsolete and damaged products;
- Emphasis on receivable collections and control of arrears;
- Cost control wherever possible but without unduly disrupting business activities.

As the business environment improved, the following strategies were implemented

- Increase the range of small and kitchen appliances;
- Focus on increasing market share of washing machines;
- Commence e-commerce by creating a transactional e-commerce Singer website;
- Significantly increase the sales of furniture items by expanding the furniture production capacity, related marketing and staff training;
- 1 new retail store was opened and 33 new dealers appointed;
- 10 stores were renovated, which usually also involved increasing the size of the store to allow display of more products.

However, the main focus throughout the year was progressing with setting up the refrigerator factory, which will become fully operational in 2016.

Singer continued to position itself as the most preferred consumer durable retailer/wholesaler for meeting the growing needs of the consumers in particular with the Singer brand which is cherished and trusted by Bangladeshi consumers.

Once again, home appliances was the dominant contributor to the sales mix, comprising 70.4% of the sales. Air conditioner sales performed particularly well in this category.

Consumer electronics was the second largest contributor, being 20.6% of sales, with sewing products contributing 5.1%, furniture 1.1% and other products the balance of 2.8%. Although currently a relatively small contributor, the furniture segment increased rapidly in 2015, with sales nearly 3 times that of 2014.

A particularly encouraging initiative in 2015 was our transactional financial services, customers can enjoy following services at almost all Singer Shops:

- Pay utility bills
- Obtain mobile phone reloads
- Western Union remittances
- BKash transactions

The total number of transactions under these services increased by 45% during the year, whilst the value of these transactions increased 173%. The additional footfall generated by these services in the stores will underpin sales growth in the months and years ahead.

The company continued to offer a wide range of easy payment plans through its own hire purchase plans and through credit cards.

The Financial Results for the Year

A detail explanation of the financial performance is provided in the Financial Review, the following significant matters are highlighted:

- Company's revenue was Taka 6.91 billion.
- The gross margin increased to 26.7% from 25.8% in 2014

MAIN FOCUS
THROUGHOUT
THE YEAR WAS
PROGRESSING
WITH SETTING
UP THE
REFRIGERATOR
FACTORY,
WHICH WILL
BECOME FULLY
OPERATIONAL
IN 2016.

OFFICER'S REVIEW



- Singer's net income for the year was Taka 368.58 million, increasing 1.69% compared to 2014.

Change in Board and Management

The Board of Directors recommended to the shareholders, the appointment of Mr. Stephen H. Goodman, Mr. Peter James O'Donnell and Mr. Kan Yat Cho Joe to the board.

Mr. Goodman is the chairman of the Retail Holdings N.V. which is the ultimate parent company of Singer Bangladesh Limited. Mr. O'Donnell is the Director of UCL Asia Limited and Mr. Kan is the Vice President and CFO of Singer Asia Limited.

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 Management.

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

A handwritten signature in blue ink, appearing to read 'A. H. Hamim Rahmatullah'. The signature is fluid and cursive.

A. H. Hamim Rahmatullah
Chief Executive Officer

March 21, 2016





2015 RESULTS IN PERSPECTIVE

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 2015.

Preamble

In the year under review, Singer Bangladesh suffered a decrease in sales and experienced a negative growth of 5.4 % over the prior year in spite of the adverse economic conditions and confrontational political environment. It affected consumer outlooks which resulted in shifting of spending priority. Despite the adverse impact, Singer remains among the leading corporate in Bangladesh and exerts efforts to strengthen its position and brand image in retail business and in the consumer durable market.

The political unrest during the year, especially in the 1st quarter, miserably affected the consumers' purchasing power. However, widely spread distribution network, backed by aggressive above-the-line (ATL) and below-the-line (BTL) advertising and promotional campaigns in the later part of the year helped the Company to bridge the under-performance of 1st quarter sales and achieve a turnover close to 2014. The wide range of product portfolio represented by widely known and well accepted "Singer" brand image supported by otherworld reputed Brand names helps to mitigate the political discomfort. Though the Company recorded turnover of Taka 6.8 billion with a negative growth of 5.4% over prior year, the Company posted a growth at the bottom line by 1.7% over prior year, to arrive at Taka 368.6 million mainly due to higher gross margin percentage and lower interest expenses, as part of the contributing factors.

Basis of Preparation and Comparative Figures

The Company's Financial Statements represent the Financial Statements of Singer Bangladesh Limited only for 2015.

The financial statements have been prepared in compliance with the requirement of the Bangladesh Financial Reporting Standards (BFRS)/Bangladesh Accounting

Standards (BAS) issued by The Institute of Chartered Accountants of Bangladesh (ICAB), 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. Comparative figures were not restated and presented in line with the presentation made in the Financial Statements for the year ended 31st December 2014 which was presented in year 2014 Annual Report. Details of the basis of preparation and comparative figures are disclosed in Note 36 of the Financial Statements on page 81.

Bangladesh Economic Outlook

Bangladesh's economy is on a stable path with a positive near-term macroeconomic outlook. The latest Bangladesh Development Update notes declining inflation, rising reserves, contained fiscal deficit and stable public debt. Both domestic and external factors pose downside risk for the economy. International competitiveness on both demand and supply side shows a declining trend. Growth momentum is expected to be regained with political stability. FY15 GDP growth could not have accounted for losses due to political disruptions and there is some disconnect with proxy indicators like private credit, NBR revenue growth and imports. Though, growth in consumption dominated, the real private investment growth declined. Agriculture growth is slower and the private investment rate is stagnant. Public insecurity and political uncertainty can also hurt growth prospects.

The GDP growth forecast for FY2016 is revised somewhat higher still with the expectation that exports will grow with continued economic recovery in the US and the euro area. Strong expansion in remittances will boost consumption demand. Private and public investment will pick up as the business climate improves under a stabilizing political situation, and spending will increase under the annual development program. The Asian Development Outlook (ADO) 2015 update retains the ADO 2015 projection for average inflation in FY2016, which matches the central

bank's monetary policy statement. The rural-urban gap in food inflation also reduced. But, non-food inflation increased as political unrest caused supply disruptions. Aggregate demand management limited inflation volatility while declining international commodity prices helped reduce inflation.

Bangladesh needs to have plan in place to tackle macro slippages such as the large current account deficit and exchange rate volatility and strive to stem financial sector insolvency and prioritize the completion of ongoing reform initiatives. Financial sector vulnerability includes increase in non-performing loans to total loans, problematic corporate governance in banking, and restricted access to credit for doing business. Export growth in FY2016 is projected to improve as economic growth in the euro area and the US strengthens. Imports are projected to increase, mainly for capital goods, industrial raw materials, and food grains.

Turnover

Turnover for the Company decreased by 5.4% compared to prior year and reach Taka 6.8 billion. The company suffered negative growth of sales owing of lower sales of Refrigerator and CRT Television despite growth in sales of Flat Panel TV, Washing Machine, Micro oven, Sewing Machine and Furniture. As a result the turnover was pushed downward and could not achieve and maintain an overall organic growth. The business environment continued to be competitive throughout the year at the advent of new local large competitors backed by modern manufacturing facility. In spite of the political environmental adversities and country-wide uneasiness economic and the market conditions in general can be described as better relative to the prior year. The Company experienced enthusiastic consumer buying patterns and increasing trend in demand in the latter part of the year especially in the months of June, July and September. The Company managed to sustain its volume growth in traditional products lines such as sewing machines, washing machines, micro oven and panel televisions etc. and there were major gains due to significant volume growth in the

furniture and air conditioner segments. Turnover growth in Retail channel recorded at negative growth of 5.2% over prior year while Wholesale posted a minimal growth of 2.9%. In terms of sales growth on geographical basis, except a few areas which posted a marginal growth, all other areas had suffered lower sales compared to prior year and reported moderately negative growth compared to last year. However, sales in other areas could not capitalize prevalent market opportunities to pull overall sales in order to make a turn towards positive growth in the year 2015 under review. The opportunities would be identified as introduction of new products, expansion of distribution channels, renovation and upgrading of existing showrooms and adding up new showrooms and customer service centres. In addition, The Company continued to exert efforts to yield market opportunities not only through the traditional sales promotions but also through digital and social media such as SMS promotions, Facebook (fan page) promotions etc.

Gross Profit

Gross profit of the Company for the year under review reached Taka 1,843 million compared with Taka 1,840 million in the previous year, an ordinary increase of 0.2%. The Company's gross margin percentage increased from the prior year. Gross margin percentage of the Company was 26.7% (2015) vs. 25.3% (2014), an increase of 1.4% mainly owing to higher ECC (Earned Carrying Charges) income. Despite lower sales compared to last year the gross margin of the Company increased marginally in absolute terms over prior year mainly due to higher ECC.

Gross margin percentage of the Company is impacted favourably by higher mix of high margin product lines despite discounts to flush out slow moving and provision for excess inventory. In addition, an increase in product margins was not a favourable strategy in challenging and difficult market conditions and instead the Company focused more on retaining and expanding market share as a long terms strategic measure.

Operating Expenses

Operating expenses of the Company increased over prior year by 3.8% from Taka 1,239.2 million in 2014 to Taka 1,286.3 million in 2015.

Managing costs in a dynamic business environment is a challenge since the management needs to maintain a balanced approach on operational efficiency as well as catering to the growth of business prospects. The Company carefully managed costs without sacrificing expansion of the business for future prospects. At the Company level, operating expenses grew over prior year mainly due to growth of rent and occupancy, royalty and utilizes expenses. These expenses are related to sales and have grown exceeding the sales growth mainly due to exponential growth rate of rental expenses (higher demand of rental space in economically feasible or prime locations has been the driving force behind higher escalation of rental expenses). But royalty expenses have grown in line with the growth of production/assembly of air conditioner and furniture locally at the factory. Period expenses such as rent, renovation costs and some components of staff cost increased due to expansion of operations. Advertising and promotional costs remained flat compared to that of last year considering marketing plans, above-the-line (ATL) and below-the line (BTL) advertising and promotional campaigns to sustain and expand market share. Impairment on hire and other receivables at Company level moderately increased year-on-year due to difficulties faced in collections as a result of a challenging economy and adverse environmental conditions. In spite of all the challenges, as a percentage of turnover, Company operating expenses increased from 17.1% to 18.6%.

Operating Profit

The operating profit has increased to Taka 595.2 million in 2015 from Taka 572.1 million in 2014. The operating profit increased to 8.6% of turnover against 7.9% of the same in the last year. Operating profit was favourably contributed by significant increase in other income mainly due to reversal of accrued or charged interest on non-remittable fund in prior years. However, increase in expenses of rent & occupancy, royalty and utilities expenses which eroded the operating profit margin.

Interest Expenses

Net interest expenses of the Company decreased from Taka 70.8 million in the previous year to Taka 64.2 million, a decrease of 9.2%. Company

borrowings contracted by Taka 199 million compared to prior year despite financing business expansions, working capital growth and payment of large interim dividend. There was a favorable bearing from the managing inventory level at lower level. Company has taken some corrective and cautious action to maintain inventory level at optimum level without affecting the sales. Further, the Company utilised borrowings judiciously to strengthen balance sheet position as well as funding the business operations and inventories to support and realize better sales. Close monitoring of sales and forecast based on the trend of demand in the competition led the planning to help building inventory at a desirable level to give a proper lift to boost sales.

Share of Loss of Equity-Accounted Investee (Net of Income tax)

The share of loss of Equity-accounted Investee after tax is applicable only to Singer Bangladesh results and share of loss for the period is Taka 13.9 million in 2015 as opposed to no prior loss or profit in comparative year. An Equity-accounted investment in the Company is limited to International Appliances Limited.

Income Tax Expense

Income tax expense for the Company increased from Taka 139.0 million to Taka 148.4 million. The Current year income tax expense on ordinary activities of Company has dropped due to record/account for lower profit before tax from ordinary business in the current year compared to last year but due higher amount disallowances the total tax expenses slightly jumped. Currently, Singer Bangladesh is liable to income tax at 25%.

The Company's effective tax rate for the year was 28.7% vs. 27.7% in 2014. The effective tax rate increased due to mainly higher disallowances on account of royalty expenses exceeding allowable limit coupled with perquisites in excess of allowable threshold.

Profit for the Year

The Company recorded a profit of Taka 368.6 million after tax for the year 2015. This represents a favourable growth of Taka 6.2 million or 1.7% over last year mainly due to reversal of interest expenses accrued on non-remittable shares. The profit grew despite higher growth in operational expense but higher ECC which resulted in increased

contribution of operating profit compared to the previous year. In the Company, profit attributable to equity holders was Taka 368.6 million vs. Taka 362.3 million in 2014.

Comprehensive Income for the Year

There was no other Comprehensive Income for the year 2015.

The Company recorded a total comprehensive income of Taka 368.6 million after tax for the year. Taka 362.3 million which was higher than prior year by Taka 6.2 million. In the Company, total comprehensive income attributable to equity holders was Taka 368.6 million vs. Taka 362.3 million in 2014.

Earnings per Share

Earnings per share (EPS) of the Company were for the period under review was Taka 4.81 vs. Taka 4.72 in 2014.

Price Earnings Ratio

The price-to-earnings ratio of the Company as at 31st December 2015 was 37.46 times against 46.4 times as at 31st December 2014. During the year under review, the Company's share price ranged between Taka 140 and Taka 232, closing the year at Taka 180 respective figures for 2014 were Taka 172, Taka 272 and Taka 219.

Dividend

Company paid a final dividend of Taka 3.5 per share (Cash Taka 10 per share and 25% Scrip dividend) amounting to Taka 368 million during the year in respect of the year ended 31st December 2014. In addition, the Company also paid an interim dividend of Taka 4.0 per share amounting to total Taka 307 million during the year in respect of the year 2015.

The Directors have approved a final dividend of Taka 2.5 per share (25%) amounting to Taka 192 million for the year ended 31st December 2015. Events after the Reporting Period' the proposed final dividend subsequent to the reporting date is not recognized as a liability in the Financial Statements as at 31st December 2015. The Company has access to necessary funds to finance the payment of the final dividend.

Return on Equity

Return on equity of the Company was 26.0% compared to 23.7% in the previous year. Return on equity has been computed by dividing the profit

for the year by the average total equity as at the beginning and end of each financial year.

Non-Current Assets

Non-current assets of the Company increased from Taka 1,128.3 million to Taka 1,269.3 million, an increase of Taka 141.0 million. Investment in newly formed Associate Company, International Appliances Limited (IAL), mainly contributed increase in non-current assets.

Current Assets

Current assets of the Company decreased by Taka 309 million from Taka 2,692.9 million in 2014 to Taka 2,383.6 million in 2015. The Company's inventories had been managed and maintained at controlled level to prevent from cropping up excess or higher amount of inventories. The overall decrease of current assets is attributable to lower level of inventories and advances, deposits & prepayments despite higher accounts receivable. Increase of Accounts receivables at the year end 2015 compared to the year 2014 is mainly due to extended cash conversion period as part of promotion in order to boost sales.

Total Assets

Total assets of the Company decreased by Taka 168 million representing 4.4% decrease over the prior year mainly due to lower level of inventories despite increase in accounts receivable and investment in newly formed Associate.

Total Equity

Total Company equity decreased by Taka 109.8 million over 2014 to stand at Taka 1,417.3 million as at 31st December 2015. The sharp decrease was mainly due to decrease in retained earnings over the prior year on account of payment of higher amount of interim dividend.

Non-Current Liabilities

Non-current liabilities of the Company increased from Taka 1,341.3 million to Taka 1,412.5 million. The increase was largely due to increase in non-remittable dividend account reported under other liabilities owing to addition of non-remittable portion of interim dividend.

Current Liabilities

At Company level, current liabilities decreased by Taka 129.6 million

compared to 31st December 2014. Current liabilities of the Company decreased mainly due to decrease in short-term borrowings despite increase in accounts payable. Accounts payable of the Company increased by Taka 71.7 million to reach Taka 804.3 million in 2015 from Taka 732.6 million in 2014 mainly due to increase in payable for supplies, payable for expenses and payable for other finance (notably, security deposits from agents and dealers, unclaimed dividend etc).

Operating Cash Flow

Company gross operating cash flow before working capital changes, finance costs and tax was Taka 6,838.5 million compared to Taka 8,358.5 million in 2014. However, net operating cash inflow decreased by Taka 215.1 million to reach Taka 770.6 million in 2015 from Taka 985.7 million in 2014 mainly due to higher cash outflow on account of payment for costs and expenses and higher interest expenses.

Investing Cash Flow

During the year under review, the Company made investments amounting to Taka 163.6 million. This figure includes cash out flow to make investment in newly formed associate International Appliances Limited (IAL). This cashout-flow was off-set by cash inflow from dividend received from CDBL of Taka 1.4 million. During the year, the Company's net cash outflow from investment activities was Taka 203.8 million as opposed to cash inflow of Taka 599.1 million.

Financing Cash Flow

Gross Cash outflow from financing activities at Company level was Taka 199.7 million from short-term borrowing and gross outflow was Taka 415.9 million on account of payment for dividend as opposed to Taka 1,792.8 million during the same period in prior year under review. Net cash outflow from financing activities in the Company was Taka 415.9 million, due to same reasons as explained above, which was lower by Taka 1,376.9 million compared to prior year.

Cash and Cash Equivalents

As at 31st December 2015, cash and cash equivalents of the Company decreased from Taka 152.7 million to Taka 103.9 million.

PEOPLE IN SINGER

In Singer, employees are recognized as the primary source of its competitiveness. They bring values, skills, diversity and expertise to SINGER that make us the market leader in the consumer durables industries in the country. It is the dedication, dynamism, knowledge and performance of the employees and excellence of the senior management team that 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 Strategy

The strategic initiatives include developing competencies, identifying and nurturing a strong pipeline of competent employees, continually engaging talent and helping employees in their career aspirations. This has helped the Company build a culture where people are respected and performance is rewarded.

Singer continued to invest in developing its human resources, building strong relationships with the people and establishing its brand in the market to attract and retain the talent. Singer hires the best and most competent resources from the open job market. Excellent blend of young and experienced people ensure their best efforts towards development of business. Singer Bangladesh Limited practices this blend since long. Every year, improvisation is added to meet new techniques & challenges to reach a new height.

Recruitment

We 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.

Learning and Development

As Singer is in its growth path, it has been continually focusing on the means to achieve the company's goals and growth targets through external recruitment and by improving the capabilities of existing employees through people development initiatives.

Initially new employees have to go through an orientation program for 2 weeks before engaging themselves in their responsibilities. Regular classroom based internal and external trainings, technology enabled learning, internal certifications, on-the-job and off-the-job trainings both local and overseas, were arranged to build employees' strength, improve their skills and to help them overcome their own challenges.

During the year under review 1,565 trainees completed training which mainly addressed the business need of building competencies and fulfilling the demand of the Company. On skill development front, focus has shifted towards more hands on training. Many of the programs were structured keeping in view the needs of tomorrow.

Singer Retail Academy (SRA)

Singer Bangladesh Limited, a multinational company with a 164-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, Internal Audit, Retail District Management or Retail Area Management, depending on their area of training.

Through Singer Retail Academy guidance we formulate Balance scorecard (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 scorecard 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 scorecard is a performance evaluation tool as well as a training need identification and post training effectiveness measurement tool.



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, 2015:

Position	2015	2014	2013	2012	2011
Key & Sr. Management	20	19	14	11	11
Middle Management	27	32	36	40	37
Junior Management	96	87	88	69	61
Non Management	921	882	793	849	784

Performance Management & Employee Benefit

Our performance evaluation depends on prefixed objectives. Individual performance and business success are the key factors that determine the Singer employees' compensation policy. 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 best performers 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.

Singer Bangladesh recognizes the Veteran at huge gathering of Singer Family like Annual Picnic or Annual Conference formally honoring their Service Contribution to the Company. It is a wonderful event for the Awardees and the others.

Long Service Award

Singer belongs to a history of 165 years and bears legacy of good name and fame. There is nothing to wonder that people who work in Singer possess strong bondages. 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 2015 indicates employer-employee bondages.

Length of Service	Number of Award Winner
25 years	10
20 years	19
15 years	18
10 years	42

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 and longevity.

The Company has a strict zero tolerance policy on child labor & compulsory labor. At Singer, all employees are above the age of 18. All appointments and contracts are in compliance with the Labor 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 and age. 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.

Gender Analysis

Singer Bangladesh believes in gender equality and treats female not based on gender but on competency. Female employees are contributing a lot in the growth of your company.

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.

As safety has the highest priority, all protective measures have been taken to avoid accidents in the workplace. Fire drills and trainings for fire fighting are organized under supervision of HRD Training Unit periodically at Offices and Factory premises. Though accidents are unwanted, first aid boxes and trained staffs are made available at all the locations for immediate response to any emergency.

We have a corporate attachment with some renowned hospitals for giving instant Medical Treatment upon request for our employees in case of emergency.

Working Environment & Industrial Relations

Historically Singer Bangladesh Limited has been offering and maintaining a very good working environment in workplace. Human Resources Department is working as an advisory role 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 and its employees have been working for decades. Transparent relation between management & employees makes Singer a comfortable workplace. Now Singer Bangladesh Limited is an example of industrial harmony and peace. During the year under review industrial relations remained normal at all locations.



CORPORATE SOCIAL RESPONSIBILITY

In Singer Bangladesh, Corporate Social Responsibility (CSR) is taken very seriously. CSR activities are not undertaken purely for public relations, it is a part and parcel of who we are and how we have worked for decades. People have a right to expect ethical, responsible behavior from one another and the company is 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.

Singer, being a compassionate and family orientated company receives many requests for assistance from institutions and the general public. These are evaluated by the Management Committee.

In selecting worthy projects, the company believes in taking a long term view for maximizing its effectiveness. We know that that Singer will be an integral part of the Bangladesh way of life for generations to come.

The principal CSR project is the Singer Sewing Academy. This is an embodiment of Singer's social commitment. The Academy

- Trains young women to allow them to earn an income
- Helps the numerous staff of the academy's earn a reasonable income
- Creates an opportunity for students to open their own academy's in their local community, thereby keeping the cycle of sewing and income generation alive

The Singer sewing training of disadvantaged women is an on-going process which provides them a means to earn a living and helps them provide for their families. At the end of training session, these ladies are provided Singer Sewing Machine absolutely free of cost.



PROTECTING OURSELVES

RISK MANAGEMENT

Risk is defined as “the chance of exposure to the adverse consequences of uncertain future events”. This is an integral part of any business. Over our long existence in Bangladesh we have managed to significantly enhance and achieve a very robust and matured stage for our risk management process.

The SBL’s risk management process is featured to estimate the likelihood of any uncertain events and provide adequate responses for eliminating the consequence of that event. The overall risk management process is summarized as below:

IDENTIFICATION OF RISK - Prepare a list of potential risks by referring to the relevant business critical information which is obtained from various reporting line and also by taking into consideration of various non-financial factors relating to current political and economic situations.

ANALYSIS OF THE OUTCOME - Priorities the potential risks by considering the possible likelihood and impact on the Company’s current and future prospects.

DESIGN POSSIBLE SOLUTIONS - Prepare avoidance and contingency plans by establishing controls at different levels of business and also deciding of various strategies to embed the culture at all levels of employee

RECOMMEND - The responsibility to implement the designed system is delegated to the different department heads.

IMPLEMENT - The department heads then take all the necessary initiatives for the implementation of the designed system.

EVALUATE - The management always monitors the effectiveness of the designed systems through receiving various reports from different departments and if necessary then reanalyze.

The Board’s choice of strategies in risk management is affected by the following factors:

Risk attitude of directors - Board of Directors continually evaluate their risk attitude based on varying circumstances.

They essentially strike a right balance between being risk averse and risk takers demanded by the circumstances.

Risk attitude of other stakeholders - The Board also considers the views of major shareholders and investors before establishing an effective risk strategy.

Risk capacity - The Company’s risk capacity is determined by considering the sustainability in worst case scenario and its available resources towards the achievement of desired business objectives.

Risk appetite - All the above factors are contributing towards the establishment of proper risk appetite for the current business environment.

Upside risk - Risk applies equally to good news. The upside risks are managed just as much as the downside risks. For example the company accepts some uncertainty in order to gain better benefits and higher rewards associated with higher risks. Risk management is used to identify risks associated with new opportunities leading to an increase in profitability and maximized returns

Operational Risk

Operational risk addresses the risks associated with fraud, forgery, unauthorized activities, error omission, system failure and external events among others. Field Supervisor’s 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 change of market condition, customer behavior, or technological development from budgeted situation. Singer recognizes

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OUR RISK
MANAGEMENT
PROCESS.



that good information is the key to forecast, assess and manage the risk.

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, on comparing other similar industries determines the market price of a product after adding reasonable profit 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 counter party 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 reports are prepared

based on various aspects of credit operation in order to monitor and follow up credit performance. The report facilitates early identification of risks and thus, it allows the management to step in timely with necessary action.

Liquidity Risk

Liquidity risk is the risk that an entity will not be able to honor 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 forego 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.

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. The 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 on December 31, 2015, four meetings of the Audit Committee were held. The details of attendance of the members have been shown in the ANNEXTURE- III of page 38 of the annual report.

The Company's external auditors were present at one 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 on December 31, 2015.

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, International Financial Reporting Standards (IFRS) as applicable in Bangladesh, 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 Internal Audit reports which encompassed the audit issues, audit recommendations and Management's responses to these recommendations. Improvement actions in the areas 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 reviewed 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 is adequately managed.

Recommendation

The Audit Committee recommended to the Board of Directors that M/s. Rahman Rahman Huq, Chartered Accountants be appointed as auditors for the financial year ending on December 31, 2016 subject to the approval of the members at the 36rd Annual General Meeting of the Company.

On behalf of the Audit Committee


Masud Khan

Chairman, Audit Committee

February 28, 2016

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 provided as required by the Companies Act 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Commission Rules 1987 and the Listing Regulations of the Dhaka/Chittagong Stock Exchanges. They are also responsible for taking reasonable measures to safeguard the assets of the Company, and in that context to have proper regard to the establishment of appropriate systems of internal control with a view

to preventing and detecting fraudulent activities and other irregularities.

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

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

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

Messrs. Rahman Rahman Huq, 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 Limited



A. M. Hamim Rahmatullah
Managing Director



Mohammad Sanullah
Company Secretary

Dhaka, March 1, 2016

CEO & CFO'S CERTIFICATION

Board of Directors
Singer Bangladesh Limited

Dear Sirs,

Pursuant to Condition No 6 of the Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012, we do hereby certify that:

- (i) We have reviewed financial statements for the year ended December 31, 2015 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) To the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code conduct.



A.M. Hamim Rahmatullah
Chief Executive Officer



Akram Uddin Ahmed
Chief Financial Officer

Dhaka, February 28, 2016

SINGER BANGLADESH LIMITED

AUDITORS' REPORT AND FINANCIAL STATEMENTS

as at and for the year ended 31 December 2015

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Annual Report 2014

15 April 2015

Thirty Fifth Annual General Meeting

30 April 2015

Dividend Paid

20 May 2015

Interim Financial Statements to BSEC, Dhaka & Chittagong Stock Exchange

For the Three Months ended

31 March 2015 (unaudited)

April 2015

For the Half Year ended

30 June 2015 (unaudited)

July 2015

For the Nine Months ended

30 September 2015 (unaudited)

October 2015

Annual Report & Annual General Meeting

Annual Report 2015 Approved

1 March 2016

Thirty Sixth Annual General Meeting

5 May 2016

Dividend Payable

May 2016

Proposed Financial Calendar - 2016/17

For the Three Months ending

31 March 2016 (unaudited)

May 2016

For the Half Year ended

30 June 2015 (unaudited)

July 2016

For the Nine Months ending

30 September 2015 (unaudited)

October 2016

Thirty Seventh Annual General Meeting

May 2017



35TH ANNUAL GENERAL MEETING



Partial view of Shareholders at the 35th Annual General Meeting



Rahman Rahman Huq
Chartered Accountants
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Bangladesh

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SINGER BANGLADESH LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Singer Bangladesh Limited (the 'Company') which comprise the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 our judgment, 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 of the financial statements that give a true and fair view 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 give a true and fair view of the financial position of Singer Bangladesh Limited as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Other matter

The financial statements of Singer Bangladesh Limited for the year ended 31 December 2014, were audited by another auditor who expressed an unmodified opinion on those statements on 31 March 2015.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred and payments made were for the purpose of the business of the company.

Rahman Rahman Huq
Dhaka, 1 March 2016

RRH

Rahman Rahman Huq

SINGER BANGLADESH LIMITED
STATEMENT OF FINANCIAL POSITION

<i>In BDT</i>	<i>Notes</i>	31 December 2015	31 December 2014
Assets			
Property, plant and equipment	3	828,954,308	862,534,097
Intangible assets	4	45,041,154	55,074,765
Investments	5	183,882,558	15,199,450
Deferred tax assets	12	29,056,261	2,940,207
Deposits and prepayments	6	182,373,130	192,542,376
Non-current assets		1,269,307,411	1,128,290,895
Inventories	7	1,127,463,294	1,522,208,959
Trade and other receivables	8	1,042,142,492	880,603,714
Advances, deposits and prepayments	6	107,900,404	137,384,032
Current tax assets	17	2,210,492	-
Cash and cash equivalents	9	103,885,107	152,668,534
Current assets		2,383,601,789	2,692,865,239
Total assets		3,652,909,200	3,821,156,134
Equity			
Share capital	10	766,944,910	613,555,930
Reserves	11	421,897,695	395,362,253
Retained earnings		228,490,099	518,234,357
Total equity		1,417,332,704	1,527,152,540
Liabilities			
Retirement benefit obligations (gratuity)	13	129,507,000	120,160,000
Other liabilities	14	1,283,006,853	1,221,173,455
Non-current liabilities		1,412,513,853	1,341,333,455
Trade and other payables	15	804,293,657	732,617,153
Short-term borrowings - secured	16	18,768,986	218,425,520
Current tax liabilities	17	-	1,627,466
Current liabilities		823,062,643	952,670,139
Total equity and liabilities		3,652,909,200	3,821,156,134

The notes on pages 7 to 39 are an integral part of these financial statements.



A. M. Hamim Rahmatullah
Managing Director



Masud Khan
Director



Mohammad Sanaulah
Company Secretary



Auditor

Dhaka, 1 March 2016



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In BDT	Notes	For the year ended 31 December	
		2015	2014
Sales		6,753,779,686	7,138,267,722
Earned carrying charges		156,957,232	123,491,148
Turnover	18	6,910,736,918	7,261,758,870
Cost of sales	19	(5,067,717,595)	(5,422,091,405)
Gross profit		1,843,019,323	1,839,667,465
Operating expenses	20	(1,286,312,149)	(1,239,230,614)
Other income/ (loss)	22	65,682,651	(1,968,050)
Contribution to workers' profit participation fund	23	(27,211,220)	(26,384,524)
Operating profit		595,178,605	572,084,277
Finance income		1,902,163	40,862,448
Finance costs		(66,151,118)	(111,640,775)
Net finance costs	21	(64,248,955)	(70,778,327)
Share of loss of equity-accounted investees, net of tax	24	(13,916,492)	-
Profit before taxation		517,013,158	501,305,950
Income tax expense	25	(148,429,201)	(138,962,647)
Profit after taxation		368,583,957	362,343,303
Other comprehensive income		-	-
Total comprehensive income		368,583,957	362,343,303
Earnings per share (EPS)	30	4.81	4.72

The notes on pages 7 to 39 are an integral part of these financial statements.



A. M. Hamim Rahmatullah
Managing Director



Masud Khan
Director



Mohammad Sanaulah
Company Secretary



Auditor

Dhaka, 1 March 2016



SINGER BANGLADESH LIMITED
STATEMENT OF CHANGES IN EQUITY

	For the year ended 31 December 2015						
	Share Capital	Revaluation Reserve	Capital Reserve	Non-remittable special Reserves	Non-distributable special Reserves	Retained Earnings	Total Equity
<i>In BDT</i>							
Balance at 1 January 2015	613,555,930	376,568,286	18,190,942	370,178	232,847	518,234,357	1,527,152,540
Total comprehensive income							
Profit	-	-	-	-	-	368,583,957	368,583,957
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	368,583,957	368,583,957
Transaction with owners of the Company							
Contributions and distributions Dividends:							
Cash dividend - 2014	-	-	-	-	-	(214,744,576)	(214,744,576)
Cash dividend (interim) - 2015	-	-	-	-	-	(306,777,965)	(306,777,965)
Stock dividend - 2014	153,388,980	-	-	-	-	(153,388,980)	-
Total contributions and distributions	153,388,980	-	-	-	-	(674,911,521)	(521,522,541)
Adjustment for deferred tax arising from revaluation of property, plant and equipment	-	37,815,926	-	-	-	5,302,822	43,118,748
Transfer of depreciation on revaluation surplus	-	(11,280,484)	-	-	-	11,280,484	-
Balance as at December 2015	766,944,910	403,103,728	18,190,942	370,178	232,847	228,490,099	1,417,332,704
<i>In BDT</i>							
Balance at 1 January 2014	490,844,750	390,395,233	18,190,942	370,178	232,847	1,732,761,792	2,632,795,742
Total comprehensive income							
Profit	-	-	-	-	-	362,343,303	362,343,303
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	362,343,303	362,343,303
Transaction with owners of the Company							
Contributions and distributions Dividends:							
Cash dividend - 2013	-	-	-	-	-	(490,844,750)	(490,844,750)
Cash dividend (interim) - 2014	-	-	-	-	-	(981,689,488)	(981,689,488)
Stock dividend - 2013	122,711,180	-	-	-	-	(122,711,180)	-
Total contributions and distributions	122,711,180	-	-	-	-	(1,595,245,418)	(1,472,534,238)
Adjustment for deferred tax arising from revaluation of property, plant and equipment	-	-	-	-	-	4,547,733	4,547,733
Transfer of depreciation on revaluation surplus	-	(13,826,947)	-	-	-	13,826,947	-
Balance as at December 2014	613,555,930	376,568,286	18,190,942	370,178	232,847	518,234,357	1,527,152,540

The notes on pages 7 to 39 are an integral part of these financial statements.

SINGER BANGLADESH LIMITED
STATEMENT OF CASH FLOWS

<i>In BDT</i>	<i>Notes</i>	For the year ended 31 December	
		2015	2014
Cash flows from operating activities			
Collections from turnover and other income		6,838,469,275	8,358,549,806
Payments for costs and expenses		(5,746,635,124)	(7,085,699,351)
Interest paid on borrowings		(159,438,908)	(70,778,327)
Payments to workers' profit participation fund		(26,384,524)	(27,766,755)
Income tax paid		(135,422,876)	(188,619,596)
Net cash from operating activities		770,587,843	985,685,777
Cash flows from investing activities			
Acquisition of property, plant and equipment		(40,863,852)	(119,317,266)
Encash in short term/term deposits		-	700,000,000
Investment in associate		(168,683,108)	(5,027,100)
Dividend received from CDBL		1,427,953	1,427,952
Proceeds from sale of property, plant and equipment		4,318,598	21,985,140
Net cash from/(used in) investing activities		(203,800,409)	599,068,726
Cash flows from financing activities			
Dividends paid		(415,914,327)	(1,792,780,274)
Net cash used in financing activities		(415,914,327)	(1,792,780,274)
Net increase/(decrease) in cash		150,873,107	(208,025,771)
Cash and cash equivalents at 1 January		(65,756,986)	142,268,785
Cash and cash equivalents at 31 December		85,116,121	(65,756,986)
Closing cash and cash equivalents have been arrived at as follows:			
Cash and cash equivalents	9	103,885,107	152,668,534
Short-term borrowings - secured (bank overdraft)	16	(18,768,986)	(218,425,520)
		85,116,121	(65,756,986)

The notes on pages 7 to 39 are an integral part of these financial statements.

SINGER BANGLADESH LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

1.1 Company profile

Singer Bangladesh Limited (the Company) was incorporated in Bangladesh as a private limited Company on 4 September 1979 under 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 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, air conditioners and furniture and marketing of refrigerators, televisions, air conditioners, furniture, sewing machines 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 requirements of the Bangladesh Financial Reporting Standards (BFRS) and 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 1 March 2016.

2.2 Going concern

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

2.3 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 3	Depreciation on property, plant and equipment
Note 7	Inventories
Note 8.3	Provision for doubtful debts
Note 12	Deferred tax assets
Note 15	Trade and other payables
Note 25	Income tax expense

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Property, plant and equipment
See accounting policy in Note 39 (F)

In BDT	Building		Leasehold improvements		Plant and machinery	Vehicles	Furniture and fixtures	Equipment and tools	CWIP (Note 3.1)	Total
	Land	Office	Factory	Office						
Cost										
Balance at 1 January 2014	390,664,000	72,914,325	216,090,312	15,063,208	331,914,313	40,365,785	88,239,945	20,243,039	121,779,683	1,349,219,999
Additions	-	2,515,328	2,921,872	107,000	48,851,137	18,885,556	15,285,000	824,990	16,747,995	174,860,157
Disposals/transfers	-	-	-	-	(11,959,134)	(4,822,895)	(3,096,000)	(151,524)	(935,687)	(134,122,767)
Balance at 31 December 2014	390,664,000	75,429,653	219,012,184	15,170,208	368,806,316	54,428,446	100,428,945	20,916,505	137,591,991	1,389,957,389
Balance at 1 January 2015	390,664,000	75,429,653	219,012,184	15,170,208	368,806,316	54,428,446	100,428,945	20,916,505	137,591,991	1,389,957,389
Additions	-	-	319,395	1,173,000	29,700,851	229,598	3,518,653	150,340	19,304,911	11,461,756
Disposals/transfers	(1,406,000)	(1,057,900)	-	-	(13,768,503)	-	(1,408,005)	(361,995)	(3,240,500)	(39,893,282)
Balance at 31 December 2015	389,258,000	74,371,753	219,331,579	16,343,208	384,738,664	54,658,044	102,539,593	20,704,850	153,656,402	1,415,922,611
Accumulated depreciation										
Balance at 1 January 2014	-	29,941,735	126,511,371	8,914,330	134,919,177	35,934,968	42,248,186	11,801,846	87,281,461	477,553,074
Depreciation for the year	-	4,381,104	18,226,308	622,021	21,071,753	1,845,023	9,696,524	880,675	8,239,611	64,963,019
Adjustment for disposal/transfers	-	-	-	-	(7,057,216)	(4,488,147)	(2,593,520)	(127,406)	(826,512)	(15,092,801)
Balance at 31 December 2014	-	34,322,839	144,737,679	9,536,351	148,933,714	33,291,844	49,351,190	12,555,115	94,694,560	527,423,292
Balance at 1 January 2015	-	34,322,839	144,737,679	9,536,351	148,933,714	33,291,844	49,351,190	12,555,115	94,694,560	527,423,292
Depreciation for the year	-	4,079,022	14,865,547	651,360	22,946,153	4,252,323	10,720,032	844,608	9,645,298	68,004,343
Adjustment for disposal/transfers	-	(598,847)	-	-	(3,703,134)	-	(1,216,918)	(303,017)	(2,637,416)	(8,459,332)
Balance at 31 December 2015	-	37,803,014	159,603,226	10,187,711	168,176,733	37,544,167	58,854,304	13,096,706	101,702,442	586,968,303
Carrying amounts										
At 1 January 2014	390,664,000	42,972,590	89,578,941	6,148,878	196,995,136	4,430,817	45,991,759	8,441,193	34,498,222	871,666,925
At 31 December 2014	390,664,000	41,106,814	74,274,505	5,633,857	219,872,602	21,136,602	51,077,755	8,361,390	42,897,431	862,534,097
At 31 December 2015	389,258,000	36,568,739	59,728,353	6,155,497	216,561,931	17,113,877	43,685,289	7,608,144	51,953,960	828,954,308

Land and building have been revalued, detailed are provided in note 11.1.

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.1 Capital work in progress (CWIP)

<i>In BDT</i>	Leasehold improvements	Air conditioner	Furniture	ERP (hardware portion)	Total
Cost					
Balance at 1 January 2014	54,694	1,937,877	-	49,952,818	51,945,389
Additions	33,020,442	6,329,538	13,060,334	16,310,965	68,721,279
Disposals/transfers	(25,863,484)	(8,267,415)	(13,060,334)	(65,966,294)	(113,157,527)
Balance at 31 December 2014	7,211,652	-	-	297,489	7,509,141

<i>In BDT</i>	Leasehold improvements	Air conditioner	Furniture	ERP (hardware portion)	Total
Cost					
Balance at 1 January 2015	7,211,652	-	-	297,489	7,509,141
Additions	10,761,273	-	-	700,483	11,461,756
Disposals/transfers	(17,652,407)	-	-	(997,972)	(18,650,379)
Balance at 31 December 2015	320,518	-	-	-	320,518

Allocation of depreciation

<i>In BDT</i>	<i>Note</i>	2015	2014
Cost of sales	19	21,078,256	22,489,234
Operating expenses	20	46,926,087	42,473,785
		68,004,343	64,963,019

4. Intangible assets

<i>In BDT</i>	Software	
	2015	2014
Cost		
Balance at 1 January	57,946,457	-
Additions	997,975	57,946,457
Disposals/transfers	-	-
Balance at 31 December	58,944,432	57,946,457

Accumulated amortisation

Balance at 1 January	2,871,692	-
Amortisation for the year	11,031,586	2,871,692
Adjustment for disposal/transfers	-	-
Balance at 31 December	13,903,278	2,871,692
Carrying amounts	2015	2014
At 31 December	45,041,154	55,074,765

5. Investments

See accounting policy in Note 39 (M)

<i>In BDT</i>	<i>Note</i>	2015	2014
Equity-accounted investee	5.1	172,683,108	4,000,000
Investment in term deposit		9,630,000	9,630,000
Investment in Central Depository Bangladesh Limited (CDBL)		1,569,450	1,569,450
		183,882,558	15,199,450

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.1 Equity-accounted investee

<i>In BDT</i>	2015	2014
Investment in IAL	186,599,600	4,000,000
Share of loss of IAL	(13,916,492)	-
	172,683,108	4,000,000

Singer Bangladesh Limited (SBL) has invested 73.85% (2014: 40%) in the equity of International Appliances Limited (IAL); SBL treated the investment as investment in associate instead of subsidiary. For the reasons stated below.

As per shareholders agreement (dated 7 December 2014) relating to IAL, SBL will hold 40%, Sunman Corporation Limited (Sunman) will hold 40% and Shanghai Sonlu Shangling Enterprise Group Co. Limited (Sonlu) will hold the remaining 20% of the shares of IAL.

The amended agreement (dated 27 October 2015) changed the shareholding as follows: SBL will hold 73.85% (40% plus 33.85% of the shares previously held by Sunman), Sunman will hold 6.15% and Sonlu will hold 20% of the shares of IAL. SBL granted Sunman an irrevocable and continuing call option to acquire 33.85% of IAL's share, exercisable in one tranche only for the full amount of 33.85%, from SBL, effective and enforceable up to 1 March 2023, with 60 days written notice. The exercise price for the call option will be equal to face value of the 33.85% shares plus 12% compounded annually less any dividend or distribution received in respect to the shares.

As per BFRS 10 (B50) "Substantive potential voting rights alone, or in combination with other rights, can give an investor the current ability to direct the relevant activities." So in light with BFRS, by exercising the call option any time, will give Sunman increased voting rights by reducing the voting rights of SBL. Thus SBL will no longer have the current ability to direct the relevant activities of IAL.

In light of BFRS 10, SBL has not prepared consolidated financial statements for IAL the year ended 31 December 2015 and going forward, SBL will not prepare and present any consolidated financial statements up to 1 March 2023.

In view of above, SBL has accounted for IAL by following BAS 28 "Investment in Associates and Joint Ventures" in the financial statements and treated IAL as an equity-accounted investee.

6. Advances, deposits and prepayments

See accounting policy in Note 39 (H)

<i>In BDT</i>	Note	2015	2014
Employees against expenses		4,271,936	1,388,087
Advances to others	6.1	10,303,097	19,863,296
Advances		14,575,033	21,251,383
Security deposits		12,068,594	12,888,594
Deposits		12,068,594	12,888,594
Prepayments		263,629,907	295,786,431
Prepayments		263,629,907	295,786,431
	6.2	290,273,534	329,926,408

6.1 Advances to others

<i>In BDT</i>	2015	2014
L/C margins, charges and insurance against traded goods	10,250,034	19,853,029
Postage franking machine	53,063	10,267
	10,303,097	19,863,296

6.2 Non-current portion of deposits and prepayments	182,373,130	192,542,376
Current portion of advances, deposits and prepayments	107,900,404	137,384,032
	290,273,534	329,926,408

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

See accounting policy in Note 39 (E)

<i>In BDT</i>	2015	2014
Finished goods	900,432,874	1,373,493,201
Goods in transit	204,925,379	150,329,095
Raw materials	92,427,908	61,868,453
	1,197,786,161	1,585,690,749
Provision for inventory obsolescence	(70,322,867)	(63,481,790)
	1,127,463,294	1,522,208,959

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

8. Trade and other receivables

See accounting policy in Note 39 (H)

<i>In BDT</i>	Note	2015	2014
Trade receivables	8.1	983,202,279	817,359,221
Other receivables	8.2	58,940,213	63,244,493
		1,042,142,492	880,603,714

8.1 Trade receivables

<i>In BDT</i>	Note	2015	2014
Hire customer receivable	8.1.1	949,764,502	798,444,442
Trade and dealer receivable	8.1.2	33,437,777	18,914,779
		983,202,279	817,359,221

8.1.1 Hire customer receivables

<i>In BDT</i>	Note	2015	2014
Hire receivable from customers		1,132,830,621	971,094,831
Unearned carrying charges		(163,031,119)	(143,910,519)
		969,799,502	827,184,312
Provision for doubtful debts	8.3	(20,035,000)	(28,739,870)
		949,764,502	798,444,442

8.1.2 Trade and dealer receivable

<i>In BDT</i>	Note	2015	2014
Trade receivable		21,514,653	6,046,964
Receivable from dealers		14,981,031	28,506,768
		36,495,684	34,553,732
Provision for doubtful debts	8.3	(3,057,907)	(15,638,953)
		33,437,777	18,914,779

8.2 Other receivables

<i>In BDT</i>	Note	2015	2014
Receivable from shop managers		26,549,973	26,573,531
Receivable from Singer Asia Limited		26,178,909	9,513,478
Receivable from employees		9,038,547	16,033,802
Receivable from others		15,708,531	24,480,989
		77,475,960	76,601,800
Provision for doubtful debts	8.3	(18,535,747)	(13,357,307)
		58,940,213	63,244,493

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8.3	Provision for doubtful debts			
	<i>In BDT</i>	<i>Note</i>	2015	2014
	Opening balance		57,736,130	74,189,573
	Provision for the year		43,378,458	37,092,273
			101,114,588	111,281,846
	Written-off during the year		(59,485,934)	(53,545,716)
	Closing balance:	8.3.1	41,628,654	57,736,130
8.3.1	<i>In BDT</i>	<i>Note</i>	2015	2014
	Hire customer receivable	8.1.1	20,035,000	28,739,870
	Trade and dealer receivable	8.1.2	3,057,907	15,638,953
	Other receivable	8.2	18,535,747	13,357,307
			41,628,654	57,736,130
8.4	Ageing of hire receivable from customers			
	<i>In BDT</i>		2015	2014
	Due within 3 months		493,772,156	424,216,081
	Due over 3 months but within 6 months		369,879,939	323,223,951
	Due over 6 months but within 9 months		200,668,021	167,962,931
	Due over 9 months but within 12 months		65,976,657	49,982,996
	Over 12 months		2,533,847	5,708,872
			1,132,830,620	971,094,831
8.5	Particulars of hire receivable from customers			
	<i>In BDT</i>		2015	2014
	Secured - considered good:			
	Debts due within 6 months		863,652,095	747,440,033
	Debts due over 6 months		249,143,525	194,914,928
			1,112,795,620	942,354,961
	Secured - considered doubtful:		20,035,000	28,739,870
	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		-	-
			1,132,830,620	971,094,831
9.	Cash and cash equivalents			
	See accounting policy in Note 39 (H)			
	<i>In BDT</i>		2015	2014
	Cash in hand		33,803	25,718
	Cash at bank		72,321,177	97,660,253
	Cash in transit		31,530,127	54,982,563
			103,885,107	152,668,534
10.	Share capital			
	See accounting policy in Note 39 (H)			
	<i>In BDT</i>		2015	2014
	Authorised:			
	100,000,000 ordinary shares of Taka 10 each		1,000,000,000	1,000,000,000
	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
	76,566,241 ordinary shares of Taka 10 each issued as fully paid-up bonus shares		765,662,410	612,273,430
			766,944,910	613,555,930

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Shareholding position:	2015		2014	
	No. of share	Value (Tk.)	No. of share	Value (Tk.)
<u>Name of shareholder</u>				
Singer Bhold BV, The Netherlands	40,472,051	404,720,510	33,745,577	337,455,770
Singer Bhold BV, The Netherlands-non-remittable shares	15,333,242	153,332,420	12,266,594	122,665,940
Local shareholders	20,889,198	208,891,980	15,343,422	153,434,220
	76,694,491	766,944,910	61,355,593	613,555,930

Beneficial percentage of holdings	2015	2014
	<u>Name of shareholder</u>	
Singer Bhold BV, The Netherlands	52.77%	55.00%
Singer Bhold BV, The Netherlands - non-remittable shares	20.00%	20.00%
Local shareholders	27.23%	25.00%
	100.00%	100.00%

Classification of shareholders by holding:	Number of share holders		Total holding (%)	
	2015	2014	2015	2014
<u>Shareholding range</u>				
Less than 500 shares	10,973	10,696	2.40	2.64
500 to 5,000 shares	4,836	3,510	9.65	8.28
5,001 to 10,000 shares	331	214	3.05	2.54
10,001 to 20,000 shares	171	91	3.08	2.07
20,001 to 30,000 shares	64	25	2.09	1.04
30,001 to 40,000 shares	18	13	0.82	0.77
40,001 to 50,000 shares	9	6	0.53	0.46
50,001 to 100,000 shares	23	13	2.22	1.40
100,001 to 1,000,000 shares	11	12	3.39	5.80
Over 1,000,000 shares	2	2	72.77	75.00
	16,438	14,582	100.00	100.00

11. Reserves

<i>In BDT</i>	Note	2015	2014
Revaluation reserve	11.1	403,103,728	376,568,286
Capital reserve	11.2	18,190,942	18,190,942
Non-remittable special capital reserve	11.3	370,178	370,178
Non-distributable special reserve	11.4	232,847	232,847
		421,897,695	395,362,253

11.1 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. 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.

11.2 Capital reserve

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

11.3 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.

11.4 Non-distributable special reserve

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

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Deferred tax assets

See accounting policy in Note 39 (D)

<i>In BDT</i>	<i>Note</i>	2015	2014
Opening balance		2,940,207	(748,846)
		2,940,207	(748,846)
Released/(expense) during the year		(16,844,283)	(858,680)
Adjustment for changes of rate		39,011,712	-
Adjustment on disposal of revalued PPE		238,432	-
Transferred to retained earnings		3,710,193	4,547,733
		26,116,054	3,689,053
Closing balance	12.1	29,056,261	2,940,207

12.1 Closing balance

<i>In BDT</i>	<i>Note</i>	2015	2014
Deferred tax assets	12.1.1	71,301,947	79,517,913
Deferred tax liabilities	12.1.2	(42,245,686)	(76,577,706)
-		29,056,261	2,940,207

12.1.1 Deferred tax assets

<i>In BDT</i>	2015	2014
Provision for gratuity	32,376,750	29,739,600
Reserve against inventories	17,580,717	15,711,743
Reserve for warranty	10,937,317	15,798,249
Provision for bad debts	10,407,163	14,289,692
Property, plant and equipment	-	3,978,629
	71,301,947	79,517,913

12.1.2 Deferred tax liabilities

<i>In BDT</i>	2015	2014
Revaluation of land and building	(33,617,369)	(76,577,706)
Property, plant and equipment	(8,628,317)	-
	(42,245,686)	(76,577,706)

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

13. Retirement benefit obligations (gratuity)

See accounting policy in Note 39 (O)

<i>In BDT</i>	<i>Note</i>	2015	2014
Opening balance		120,160,000	120,866,000
Provision for the year		13,056,893	19,664,924
		133,216,893	140,530,924
Payments during the year		(3,709,893)	(20,370,924)
Closing balance	13.1	129,507,000	120,160,000

13.1 Closing balance

	Defined benefit obligation	
	2015	2014
Balance at 1 January	120,159,000	120,866,000
Included in profit or loss		
Current service cost	8,509,000	8,092,000
Interest cost (income)	12,016,000	12,087,000
	20,525,000	20,179,000
Measurements loss (gain):	(7,467,000)	(672,000)
Other		
Contributions paid by the employer	-	-
Benefits paid	(3,710,000)	(20,214,000)
	(3,710,000)	(20,214,000)
Balance at 31 December	129,507,000	120,159,000

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Other liabilities

<i>In BDT</i>	<i>Note</i>	2015	2014
Non-remittable accounts	14.1	1,109,951,524	1,061,008,537
Security deposits from agents and dealers		173,055,329	160,164,918
		1,283,006,853	1,221,173,455

14.1 Non-remittable accounts

<i>In BDT</i>	<i>Note</i>	2015	2014
Current account		(78)	(78)
Dividend account:			
Opening balance		1,005,205,561	710,807,311
Dividend for the year		104,266,051	294,398,250
Closing balance		1,109,471,612	1,005,205,561
Interest on non-remittable account:			
Opening balance		55,323,064	25,281,883
Addition for the year		-	30,041,181
Reversal of interest	22.1	(55,323,064)	-
Closing balance		-	55,323,064
Capital gain on sale of land		479,990	479,990
		1,109,951,524	1,061,008,537

All the above balances are due to Singer Bhold B.V., The Netherlands and are non-remittable as per directive of Bangladesh Bank and will not be eligible for remittance either as dividend or as capital. As per letter dated 31 January 2016 from the Board of Singer Bhold B.V., it was decided for the time being not to charge interest on advances from Singer Bhold and also to reverse all related interest accruals.

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 non-remittable account.

15 Trade and other payables

See accounting policy in Note 39 (H)

<i>In BDT</i>	<i>Note</i>	2015	2014
Trade payables	15.1	130,331,469	108,647,166
Other payables	15.2	673,962,188	623,969,987
		804,293,657	732,617,153

15.1 Trade payables

<i>In BDT</i>	2015	2014
Trade payable	118,844,441	92,987,242
Freight and carriage and technicians bills payable	11,487,028	15,659,924
	130,331,469	108,647,166

15.2 Other payables

<i>In BDT</i>	<i>Note</i>	2015	2014
Payable for expenses	15.2.1	425,472,731	401,810,285
Royalty		163,277,284	78,020,655
Payable for other finance	15.2.2	83,238,202	129,353,292
Leasehold improvements against new shops		1,973,971	14,785,755
		673,962,188	623,969,987

15.2.1 Payable for expenses

<i>In BDT</i>	2015	2014
Advertisement and sales promotion	140,435,471	150,802,711
Reserve for early closing of hire sales	102,559,316	67,451,990
Shop rent	45,202,441	36,365,845
Warranty expenses	43,749,268	63,831,310
Reserve for allowable loss	34,410,630	20,071,926
Workers' profit participation and welfare fund allocation	27,211,220	26,384,524
Provision against duty	21,238,653	21,969,053
Utilities	3,000,000	3,000,000
Collecting commission	2,838,883	5,303,420
Salary and benefits	1,989,932	1,486,074
Professional and technical fees	1,597,241	2,142,500
Selling commission	839,676	2,700,932
Statutory audit fee	400,000	300,000
	425,472,731	401,810,285

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15.2.2 Payable for other finance

<i>In BDT</i>	2015	2014
Unclaimed dividend	57,681,634	56,339,468
VAT payable - realised from customers	6,964,918	8,519,523
Withholding taxes	6,517,964	4,522,629
Advance from customers	2,865,106	9,737,103
Extended warranty, etc.	-	696,960
Employees provident fund	(7,735,603)	36,831,770
Others	16,944,183	12,705,839
	83,238,202	129,353,292

16. Short-term borrowings - secured

See accounting policy in Note 39 (H)

<i>In BDT</i>	2015	2014
Bank overdrafts	18,768,986	218,425,520
	18,768,986	218,425,520

These overdrafts are secured by hypothecation of Company's inventories, plant and machinery and receivables.

17. Current tax liabilities/(assets)

See accounting policy in Note 39 (D)

<i>In BDT</i>	2015	2014
Opening balance	1,627,466	52,143,095
Provision for the year	140,584,918	144,552,303
	142,212,384	196,695,398
Payments during the year	(135,422,876)	(188,619,596)
Adjustment for previous years	(9,000,000)	(6,448,336)
	(2,210,492)	1,627,466

The closing balance represents income tax payable, net of advance income tax (AIT) paid during the year.

18. Turnover

See accounting policy in Note 39 (A)

<i>In BDT</i>	2015	2014
Home appliances	4,862,958,445	5,039,950,529
Consumer electronics	1,421,815,996	1,558,222,411
Sewing	353,731,269	360,646,104
Furniture	74,813,691	26,597,900
Other	197,417,517	276,341,926
	6,910,736,918	7,261,758,870

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

18.1 Turnover includes the following

<i>In BDT</i>	2015	2014
Television under consumer electronics	1,421,512,393	1,558,006,976
Air conditioner under home appliances	791,997,711	765,340,606
Furniture	74,813,691	26,597,900
	2,288,323,795	2,349,945,482

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Cost of sales

<i>In BDT</i>	<i>Note</i>	2015	2014
Opening inventory of raw materials		212,197,548	183,484,453
Purchased during the year		2,436,929,096	1,816,258,370
Closing inventory of raw materials		(297,353,287)	(212,197,548)
Raw materials consumption	19.1	2,351,773,357	1,787,545,275
Factory salaries and wages		41,369,428	37,912,881
Freight and carriage		33,604,135	78,592,883
Depreciation	3	21,078,256	22,489,234
Repairs and maintenance		3,847,944	3,701,952
Utilities		3,410,392	2,879,428
Bonus		3,004,976	2,595,041
Consumable stores		2,594,433	3,002,647
Gratuity		2,340,275	2,069,995
Employee benefits and recreation		2,080,739	3,439,196
Contribution to provident fund		1,687,046	1,509,628
Fuel and car maintenance		1,131,017	1,619,954
Insurance		754,448	806,930
Stationery		246,434	16,442
Conveyance and travelling		143,367	242,679
Rates and taxes		-	48,308
Miscellaneous expenses		-	1,540
		117,292,890	160,928,738
Works cost (materials + manufacturing expenses)		2,469,066,247	1,948,474,013
Opening work-in-process		-	4,666,932
Closing work-in-process		-	-
Cost of production		2,469,066,247	1,953,140,945
Opening inventory of finished goods		1,373,493,201	1,136,321,064
Purchase/production of finished goods		2,125,591,021	3,706,122,598
		3,499,084,222	4,842,443,662
Closing inventory of finished goods	19.2	(900,432,874)	(1,373,493,201)
Cost of sales		5,067,717,595	5,422,091,405

19.1 Raw materials consumption

<i>In BDT</i>	Balance at 01 Jan 2015	Purchases during the year	Balance at 31 Dec 2015	Consumption during the year
<u>Imported</u>				
Television	28,346,159	795,751,989	(64,915,264)	759,182,884
Air conditioner	25,005,546	287,718,028	(23,331,086)	289,392,488
Others	150,329,095	1,281,654,063	(204,925,379)	1,227,057,779
	203,680,800	2,365,124,080	(293,171,729)	2,275,633,151
<u>Locally procured</u>				
Furniture	8,516,748	63,166,190	(3,505,897)	68,177,041
Television, Refrigerator and Other	-	8,638,826	(675,661)	7,963,165
	8,516,748	71,805,016	(4,181,558)	76,140,206
	212,197,548	2,436,929,096	(297,353,287)	2,351,773,357

19.2 Closing stock of finished goods

<i>In BDT</i>	2015	2014
Home appliances	537,002,294	847,557,406
Consumer electronics	208,888,755	351,812,389
Furniture	38,543,542	12,338,064
Sewing	28,428,253	44,788,245
Other	87,570,030	116,997,097
	900,432,874	1,373,493,201

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Operating expenses

<i>In BDT</i>	<i>Note</i>	2015	2014
Advertisement and sales promotion		246,229,990	241,596,678
Shop operating expenses		225,833,214	224,678,081
Salaries and allowances		176,730,298	178,175,203
Rent and occupancy		155,073,844	140,515,596
Royalty	20.1	101,736,944	78,020,652
Warranty		75,898,244	76,555,753
Utilities		46,934,805	41,704,475
Depreciation	3	46,926,087	42,473,785
Bad debts		43,378,458	37,126,364
Office administration		41,355,557	51,794,895
Repairs and maintenance		30,766,364	32,656,544
Directors' fee and remuneration	20.2	30,194,404	32,610,627
Travelling		26,796,691	27,693,534
Amortisation	4	11,031,586	2,871,692
Bank charge		8,456,473	9,770,393
Insurance		8,193,080	7,806,308
Fuel and car maintenance		3,976,008	4,213,438
Professional and technical fees	20.3	3,439,654	4,928,474
Entertainment		2,653,837	3,485,806
Statutory audit fee		460,000	345,000
Dues and subscription		246,611	207,316
		1,286,312,149	1,239,230,614

20.1 Royalty

<i>In BDT</i>	Turnover from manufacturing units		Royalty charge for the year	
	2015	2014	2015	2014
Audio-video sets (television)	1,069,232,269	1,153,493,208	64,153,936	69,209,594
Air conditioner	556,324,882	120,294,267	33,379,493	7,217,656
Furniture	70,058,577	26,556,751	4,203,515	1,593,405
	1,695,615,728	1,300,344,226	101,736,944	78,020,655

Royalty was charged on the net annual invoice price of products manufactured by Singer Bangladesh Limited @ 6% on audio-video sets, air conditioner and furniture for the year 2015.

20.2 Directors' fee and remuneration

<i>In BDT</i>	2015	2014
Remuneration	20,975,006	22,519,940
Housing	5,486,000	5,904,117
Retirement benefit scheme	2,824,017	2,810,189
Medical and welfare	529,381	1,034,381
Fees	380,000	342,000
	30,194,404	32,610,627

20.3 Professional and technical fees

<i>In BDT</i>	2015	2014
Legal and technical services	2,594,404	3,898,474
IFRS audit fees	805,000	1,000,000
Audit fees for provident fund, workers' profit participation fund etc.	40,250	30,000
	3,439,654	4,928,474

21. Net finance costs

<i>In BDT</i>	2015	2014
Finance income	1,574,678	39,907,414
Foreign exchange gain	327,485	955,034
Finance income	1,902,163	40,862,448
Interest expenses	(66,151,118)	(111,640,775)
	(64,248,955)	(70,778,327)

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. Other income/(loss)

<i>In BDT</i>	<i>Note</i>	2015	2014
Other income/(loss)	22.1	65,682,651	(1,968,050)
		65,682,651	(1,968,050)

22.1 Other income/(loss)

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

<i>In BDT</i>	<i>Note</i>	2015	2014
Reversal of interest accrued on non remittable dividend	14.1	55,323,064	-
Sale of scrapped inventories and others		10,054,360	1,197,644
Dividend income from CDBL		1,427,952	1,427,952
Gain/(loss) on sale of disposal of cable machinery		-	(749,228)
Gain/(loss) on sale of discarded fixed assets (Annex I)		(1,122,725)	(3,844,418)
		65,682,651	(1,968,050)

23. Contribution to workers' profit participation fund

This is made in terms of section 234(1)(b) of Bangladesh Labour Act 2006 (as amended in 2013) 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10. The remaining 10% of the amount of net profit shall be paid by the Company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act, 2006. Of the 80% being transferred to the participation fund, two-third has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third has to be invested in accordance with the manner as stated in section 242 of that Act.

24. Share of loss of equity-accounted investees, net of tax

<i>In BDT</i>	<i>Note</i>	2015	2014
Loss from International Appliances Limited	5.1	(13,916,492)	-
		(13,916,492)	-

25. Income tax expense

<i>In BDT</i>	<i>Note</i>	2015	2014
Current tax expense		140,584,918	144,552,303
Prior year's adjustments		(9,000,000)	(6,448,336)
Deferred tax (income)/expense	12	16,844,283	858,680
		148,429,201	138,962,647

26. Contingent liabilities

<i>In BDT</i>		2015	2014
(i)	Letters of credit	810,305,686	421,911,677
(ii)	Claims against the Company not acknowledged as debts	5,696,542	5,696,542
(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	28,846,014	11,038,941
		844,848,242	438,647,160

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.

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. Capacity utilisation

Production	Measurement unit	Units			% of utilisation
		Annual installed capacity	Utilisation during the year	Over/(Under) utilisation	
Panel television	Number	50,000	35,353	(14,647)	71
CRT television	Number	35,000	28,333	(6,667)	81
Air conditioner	Sets	10,000	10,140	140	101
Furniture	Sets	5,300	5,489	189	104

28. Number of employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 and above were 1,064 (2014: 1,020).

29. Remittance in foreign currency

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

	Amount (BDT)	Equivalent (USD)
Dividend, net for the year 2015 (interim)	145,699,384	1,841,033
Dividend, net for the year 2014	106,298,568	1,361,929

30. Earnings per share (EPS)

30.1 Basic earnings per share

	2015	2014
Earnings attributable to the ordinary shareholders	368,583,957	362,343,303
Weighted average number of ordinary shares outstanding	76,694,491	76,694,491
Basic earnings per share	4.81	4.72

Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2015 in terms of Bangladesh Accounting Standard (BAS-33). According to BAS-33, EPS for the year ended 31 December 2014 was restated for the issues of bonus share for 2014.

30.2 Diluted earnings per share

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

31. 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 31.1)
- Liquidity risks (note 31.2)
- Market risks (note 31.3)

31.1 Credit risk

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

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

The maximum exposure to credit risk (note 31.1.1) is represented by the carrying amount of each financial asset in the statement of financial position.

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31.1.1 Exposure to credit risk

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

<i>In BDT</i>	2015	2014
Loans and receivables	1,042,142,492	880,603,714
Cash and cash equivalents	103,885,107	152,668,534
	1,146,027,599	1,033,272,248

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

<i>In BDT</i>	2015	2014
Domestic	1,042,142,492	880,603,714
	1,042,142,492	880,603,714

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

<i>In BDT</i>	2015	2014
Retail customers	949,764,502	798,444,442
Other	58,940,213	63,244,493
Wholesale customers	33,437,777	18,914,779
	1,042,142,492	880,603,714

31.1.2 Impairment loss

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

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, provision for doubtful debts is made over the amount outstanding from customers, dealers and other debtors. For receivables from customers, dealers and other debtors, provision for doubtful debts is made after analysing the recoverability of the amount from the concerned parties based on analysis of delinquency, arrearage and past due. The provision for doubtful debts is written off when it is proved that the debts is not recoverable at all.

The aging of receivables at the reporting date was:

<i>In BDT</i>	Gross 2015	Impairment 2015	Gross 2014	Impairment 2014
Not past due	1,123,486,745	6,397,167	987,891,432	13,538,517
Past due 1-30 days	44,576,861	595,641	28,532,826	-
Past due 31-120 days	51,413,384	10,185,620	25,546,148	7,727,941
Past due 121-365 days	27,325,275	24,450,226	17,396,032	12,609,943
More than one year	-	-	22,883,924	23,859,729
	1,246,802,265	41,628,654	1,082,250,362	57,736,130

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

<i>In BDT</i>	2015	2014
Opening balance	57,736,130	74,189,573
Allowance recognised for the year	43,378,458	37,092,273
	101,114,588	111,281,846
Allowance written off for the year	(59,485,934)	(53,545,716)
Closing balance	41,628,654	57,736,130

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31.2 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:

<i>In BDT</i>	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 2015							
Non-derivative financial liabilities:							
Bank overdraft	18,768,986	239,306,500	21,748,050	217,558,450	-	-	-
Secured bank loans	-	-	-	-	-	-	-
Trade and other payables	804,293,658	804,293,658	702,556,714	101,736,944	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	823,062,644	1,043,600,158	724,304,764	319,295,394	-	-	-
As at 31 December 2014							
Non-derivative financial liabilities:							
Bank overdraft	218,425,520	239,306,500	21,748,050	217,558,450	-	-	-
Secured bank loans	892,782,071	892,782,071	814,761,419	78,020,652	-	-	-
Trade and other payables	-	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	1,111,207,591	1,132,088,571	836,509,469	295,579,102	-	-	-

31.3 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.

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31.3.1 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:

<i>In BDT</i>	2015	2014
Fixed rate instruments		
Fixed rate deposits at financial institution	-	-
Fixed rate loans and receivable (net hire receivable)	969,799,502	827,184,312
Other fixed rate instruments (assets)	-	-
Financial assets	969,799,502	827,184,312
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	18,768,986	218,425,520
Variable rate loans	-	-
Variable rate debentures	-	-
Variable rate promissory notes	-	-
Other variable rate liabilities	169,663,329	158,468,560
Financial liabilities	188,432,315	376,894,080

31.3.1.1 Cash flow sensitivity analysis for variable rate instruments 2015

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 2015 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

<i>In BDT</i>	Profit or loss		Equity	
	200 bp increase	200 bp decrease	200 bp increase	200 bp decrease
31 December 2015				
Other variable rate liabilities	(3,393,267)	3,169,371	(3,393,267)	3,169,371
Cash flow sensitivity	(3,393,267)	3,169,371	(3,393,267)	3,169,371

31.3.1.2 Cash flow sensitivity analysis for variable rate instruments 2014

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 2014 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

<i>In BDT</i>	Profit or loss		Equity	
	200 bp increase	200 bp decrease	200 bp increase	200 bp decrease
31 December 2014				
Other variable rate liabilities	(3,169,371)	3,169,371	(3,169,371)	3,169,371
Cash flow sensitivity	(3,169,371)	3,169,371	(3,169,371)	3,169,371

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31.3.2 Foreign Currency risk

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

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

<i>In USD</i>	2015	2014
Accounts payable trade	1,187,195	843,590

The following significant exchange rates are applied during the period:

<i>In BDT</i>	2015	2014
US Dollar	78.50	77.95

31.3.2.1 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 BDT 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.

<i>In BDT</i>	Profit or loss		Equity	
	500 bp increase	500 bp decrease	500 bp increase	500 bp decrease
31 December 2015				
Expenditures denominated in USD	(4,659,739)	4,659,739	(4,659,739)	4,659,739
Exchange rate sensitivity	(4,659,739)	4,659,739	(4,659,739)	4,659,739

<i>In BDT</i>	Profit or loss		Equity	
	500 bp increase	500 bp decrease	500 bp increase	500 bp decrease
31 December 2014				
Expenditures denominated in USD	(3,287,892)	3,287,892	(3,287,892)	3,287,892
Exchange rate sensitivity	(3,287,892)	3,287,892	(3,287,892)	3,287,892

32. 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.

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:

<i>In BDT</i>	Carrying amount 2015	Fair value 2015	Carrying amount 2014	Fair value 2014
Assets carried at fair value				
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets held for trading	-	-	-	-
Assets carried at amortised cost				
Loans and receivables	1,042,142,492	965,594,660	880,603,714	787,454,196
Cash and cash equivalents	103,885,107	103,885,107	152,668,534	152,668,534
	1,146,027,599	1,069,479,767	1,033,272,248	940,122,730

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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	804,293,657	N/A*	732,617,153	N/A*
Bank overdraft	18,768,986	18,768,986	218,425,520	218,425,520
	823,062,643	3,281,569	951,042,673	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:

	2015		2014	
	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 BFRS 7: *Financial Instruments: Disclosures* (ref: Para 29). However, fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.

33. Capital management

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

34. Related party disclosure under BAS-24

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

34.1 Related party transactions

Name of related parties	Relationship	Nature of transaction	2015 BDT	2014 BDT
Singer Bhold BV, The Netherlands	Parent company	Dividend payment	251,997,952	728,904,467
Singer India Ltd.	Subsidiary of ultimate parent	Procurement of products	26,140,800	50,114,400
Singer Asia Ltd.	Subsidiary of ultimate parent	Royalty payment	-	44,890,121

34.2 Related party receivable/(payable)

Singer Asia Ltd.	Subsidiary of ultimate parent	Royalty payable Current account	(163,277,284)	(78,020,655)
Singer Asia Ltd.	Subsidiary of ultimate parent	Current account	26,178,908	9,513,477
International Appliances Limited	Associates	Current account	1,460,386	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. Events after the reporting period

The Board of Directors of the company has recommended a cash dividend of BDT 2.50 (25% per share of BDT 10 each) amounting to BDT 191,736,228 in its 218th board meeting dated 1 March 2016.

36. Others

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

37. Standards adopted but not yet effective

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standards and amendments to standards during the year 2015. All previously adopted reporting standards are consistently applied by the Company to the extent relevant for the Company.

New standards	Summary of the requirements	Possible impact on financial statements
BFRS 9 Financial Instruments	BFRS 9, published in July 2014, replaces the existing guidance in BAS 39 " <i>Financial Instruments</i> ": Recognition and Measurement. BFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.	The Company is assessing the potential impact on its financial statements resulting from the application of BFRS 9.
BFRS 14 Regulatory Deferral Accounts	BFRS 14 specify the financial reporting requirements for regulatory deferral account balance that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation. BFRS 14 is effective for annual reporting periods beginning on or after 1 January 2016, with early adoption permitted.	None. The Company does not perform any activity that is subject to rate regulation.
BFRS 15 Revenue from Contracts with Customers	BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including BAS 18 " <i>Revenue</i> ", BAS 11 " <i>Construction Contracts</i> " and BFRIC 13 " <i>Customer Loyalty Programmes</i> ." BFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.	The Company is assessing the potential impact on its financial statements resulting from the application of BFRS 15.
Agriculture: Bearer Plants (Amendments to BAS 16 and BAS 41)	These amendments require a bearer plant, defined as a living plant, to be accounted for as property, plant and equipment and included in the scope of BAS 16 " <i>Property, Plant and Equipment</i> ", instead of BAS 41 <i>Agriculture</i> . The amendments are effective for annual reporting periods beginning on or after 1 January 2016, with early adoption permitted.	None. The Company does not have any bearer plants.

38. 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.

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39. Significant accounting policies

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

A. Revenue	32
B. Finance income and finance costs	33
C. Foreign currency	33
D. Income tax	33
E. Inventories	33
F. Property, plant and equipment	34
G. Intangibles	35
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A. Revenue

Revenue from sale of goods

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 instalments are taken to income as earned carrying charges after the instalments are received/collected.

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.

B. Finance income and finance costs

Finance expenses comprise interest expense on term loan, overdraft, and bank charges. Interest income from fixed deposit and from saving or current account is net off with finance expenses. All finance expenses are recognised in the profit and loss statement.

C. Foreign currency

Foreign currency transactions are recorded in BDT at applicable rates of exchange ruling at the dates of transactions in accordance with BAS-21 "*The Effects of Changes in Foreign Exchange Rates.*" Exchange rate difference at the statement of financial position date are charged / credited to statement of profit or loss and other comprehensive income, to the extent that this treatment does not contradict with the Schedule XI of Companies Act 1994. This Schedule requires all exchange gains and losses arising from foreign currency borrowings, taken to finance acquisition of construction of fixed assets, to be credited/ charged to the cost/value of such assets.

D. Income tax

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

Current tax

The Company qualifies as a "Publicly Traded Company", as defined in income tax law. The applicable tax rate for the Company is 25%. Provision for taxation has been made on this basis which is compliant with the Finance Act 2015.

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. The deferred tax asset/income or liability/expense does not create a legal obligation to, or recoverability from, the income tax authority.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

E. Inventories

Inventories are measured at lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Net realisable value is estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The company assesses the NRV by giving consideration to future demand and condition of the inventory and make adjustments to the value by making required provisions. Inventories consist of raw materials, work-in-process, goods in transit and finished goods.

F. Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated in attached statement of financial position are measured at cost/fair value less accumulated depreciation and any accumulated impairment losses in accordance with BAS-16 "Property Plant and Equipment". Maintenance, renewals and betterments that enhance the economic useful life of the property, plant and equipment or that improve the capacity, quality or reduce substantially the operating cost or administration expenses are capitalised by adding it to the related property, plant and equipment.

If significant parts of an item of property, plant & equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant & equipment. Any gain or loss on disposal of an item of property, plant & equipment is recognised in profit or loss.

Cost model

The company applies cost model to Property, Plant & Equipment except for land and buildings.

Revaluation model

The company applies revaluation model to entire class of freehold land and buildings. A revaluation is carried out when there is a substantial difference between the fair value and the carrying amount of the property and is undertaken by professionally qualified valuers. The company reviews its assets when deemed appropriate considering reasonable interval of years/time.

Increases in the carrying amount on revaluation is recognised in other comprehensive income and accumulated in equity in the revaluation reserve unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances the increase is recognised as income to the extent of the previous write down.

Decrease in the carrying amount on revaluation that offset previous increases of the same individual assets are charged against revaluation reserve directly in equity. All other decreases are recognised in profit and loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day maintenance of property, plant and equipment are recognised in the profit and loss account as incurred.

Depreciation

Depreciation is calculated over the depreciable amount. Depreciation is recognised in profit and loss on a reducing balance method over each part of an item of Property, Plant & Equipment, since this most closely reflected the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated. The method is consistent with the Company's depreciation policy. Depreciation is charged on property plant and equipment from the month of acquisition and no depreciation is charged in the month of disposal.

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

	2015	2014
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%

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

G. Intangibles

An intangible asset is recognized if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably in accordance with BFRS 38 - 'Intangible Assets'. Intangible assets with finite useful lives are measured at cost, less accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally-generated goodwill and brands are recognized in profit or loss as incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Amortization 2015 Annual Report expense on Intangible Assets with finite lives is recognized in profit and loss on a straight-line basis over the estimated useful lives, from the date they are available-for-use.

The estimated useful lives of intangible assets with finite lives are as follows:

<u>The Class of Intangible Assets</u>	<u>Useful Life</u>
Computer Software	10 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit and loss when the asset is derecognised.

H. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the Company becomes a party to the contractual provisions of the transaction.

The Company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include cash and cash equivalents, accounts receivable, and long term receivables and deposits.

Accounts receivables

Accounts receivable is initially recognised at nominal value which is the fair value of the consideration given in return. Accounts receivable represents the amounts due from customers of hire sale, credit sale and also includes receivable from employees and others, net of provision for doubtful debts and unearned carrying charges.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and cash in transit. It also includes fixed deposit with bank maturity of which is not more than three months. There is no significant risk of change in value of the same.

Financial liability

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities include finance lease obligations, loans and borrowings, accounts payable and other payables.

Accounts payables

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.

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

I. Impairment

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each date of Statement of Financial Position. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

J. Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably in accordance with BAS 37- "*Provisions, Contingent Liabilities and Contingent Assets*". The amount recognised is the best estimate of the consideration required to settle the present obligation at the Reporting date, taking into account the risks and uncertainties surrounding the obligation at the date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows.

K. Royalty

Royalty is payable to The Singer Asia Ltd @ 6% of net annual invoice price of sale of audio-video sets (radio cassette, recorders and televisions), air conditioner and furniture assembled and manufactured in Bangladesh (note 20.1). The company is authorised to use the name "SINGER" as part of its corporate name so long as Singer Asia Limited continues to hold, directly and indirectly, the majority of the voting rights of the company.

L. Warranty costs

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes against their associated probabilities.

M. Investments

Investment in Central Depository Bangladesh Limited (CDBL)

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

Investment in associate

An associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investment in associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the investor's share of net assets of the associate since the acquisition date. The statement of profit or loss and other comprehensive income reflects the investor's share of the results of operations of the associate. Any change in other comprehensive income of the investee is presented as part of the investor's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the investor recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the investor and the associate are eliminated to the extent of the interest in the associate.

Investment in term deposit

This represents investment in term deposit with Commercial Bank of Ceylon which is renewable.

Investment in short term deposit

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

N. Workers' profit participation fund

The Company provides 5% of its net profit as a contribution to workers' profit participation fund before tax and charging such expense in accordance with The Bangladesh Labour Act 2006 (as amended in 2013)

SINGER BANGLADESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

O. Employee benefit

The Company maintains both defined contribution plan (provident fund) and a retirement benefit obligation (gratuity fund) for its eligible permanent employees.

Defined contribution plan (provident fund)

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognised Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 12.5% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognised by the National Board of Revenue (NBR), under the First Schedule, Part B of Income Tax Ordinance 1984.

The Company recognises contribution to defined contribution plan as an expense when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligations are created when they are due.

Retirement benefit obligation (gratuity)

The 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.

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 rules.

P. Reporting period

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

Q. Earnings per share

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reserve split.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

R. Segment reporting

Segment reporting is not applicable for the Company this year as the Company does not meet the criteria required for segment reporting specified in BAS-14: "*Segment Reporting*". A segment is a distinguishable component of the entity that is engaged in providing 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., Home appliances, Consumer electronics, Sewing, Furniture and Other are determined based on entity's management and internal reporting structure. The Cable division's operation has been discontinued from previous year and its assets which were classified as held for sale have been sold during the year.

S. Statement of cash flows

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

T. Events after the reporting period

Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Material events after the balance sheet date that are not adjusting events are disclosed in the note 35.

DETAILS OF DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT (ANNEXURE-1)

For the year ended 31 December 2015

Particulars	Original cost	Accumulated depreciation	Net book value	Disposal/ Addition	Gain/(Loss)	Mode of disposal
Land	1,406,000		1,406,000	1,104,348	(301,652)	Acquisition by GoB
Building	1,057,900	598,847	459,053	1,124,773	665,720	Taken by GoB
Equipment	3,240,500	2,637,416	603,084	63,262	(539,822)	Adjustment/Sold
Furniture	361,995	303,017	58,978	-	(58,978)	Adjustment/Sold
Lease hold improvements	6,268,643	3,545,527	2,723,116	1,427,682	(1,295,434)	Adjustment/Sold
Vehicles	1,408,015	1,216,922	191,093	598,533	407,440	Auction
	13,743,053	8,301,730	5,441,323	4,318,598	(1,122,725)	

SINGER BANGLADESH LIMITED
SHARE INFORMATION

1. General

Authorised Share Capital	:	Tk. 1,000,000,000
Issued and Fully Paid Capital	:	Tk. 766,944,910
Class of Shares	:	Ordinary Share of Tk. 10 each
Voting Rights	:	One vote per Ordinary Share

2. Stock Exchange Listing

The issued Ordinary Shares of Singer Bangladesh Limited are listed with the Dhaka and Chittagong Stock Exchanges.

3. Distribution of Shareholdings - 31 December 2015

No. of Shareholders : **31 December 2015-16,438 nos.** (31 December 2014 -14,582 nos.)

No. of Shares held	31 December 2015			31 December 2014		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 500	10,973	1,839,581	2.40	10,696	1,621,020	2.64
501 - 5000	4,836	7,397,732	9.65	3,510	5,336,768	8.28
5001 - 10000	331	2,338,624	3.05	214	1,678,929	2.54
10001 - 20000	171	2,364,043	3.08	91	1,364,722	2.07
20001 - 30000	64	1,602,649	2.09	25	714,677	1.04
30001 - 40000	18	627,939	0.82	13	421,727	0.77
40001 - 50000	9	409,296	0.53	6	235,450	0.46
50001 - 100000	23	1,699,955	2.22	13	876,461	1.40
100001 - 1000000	11	2,609,379	3.39	12	3,093,668	5.80
Over 1000000	2	55,805,293	72.77	2	46,012,171	75.00
Total	16,438	76,694,491	100.00	14,582	61,355,593	100.00

Categories of Shares	31 December 2015		31 December 2014	
	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders
Individuals	17,171,953	16,062	10,763,366	14,060
Institutions	59,522,538	376	50,592,227	522
	76,694,491	16,438	61,355,593	14,582

4. Dividends

Dividend 65% Cash (40% interim & 25% final)

5. Market Value per Share

	2015		2014
	Taka	Date	Taka
Highest during the year	232.00	25 February	272.00
Lowest during the year	140.00	4 May	172.00
Closing of the year	180.00	31 December	219.00

SINGER BANGLADESH LIMITED
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 36th Annual General Meeting of Singer Bangladesh Limited will be held on Thursday, May 5, 2016 at 10:00 a.m. at the Spectra Convention Centre, House-19, Road-7, Gulshan-1, Dhaka - 1212 to transact the following business.

AGENDA

Ordinary Business

1. To receive and adopt the Directors' and Auditors' Reports and the Audited Accounts of the Company for the year ended December 31, 2015.
2. To declare Dividend for the year ended December 31, 2015.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.

Special Business

To consider and if thought fit, pass the following resolution as "Special Resolution".

RESOLVED that Article 75 of the Articles of Association of the Company be amended and substituted as follows:

"75. The Directors may meet together either physical presence or through video/telephone conference or conference/meeting through any electronic or other media for the dispatch of business, adjourn and otherwise regulate their meetings, and proceedings, as they think fit and may determine the quorum necessary for the transaction of business. Until otherwise determined five Directors personally present shall be a quorum."

By order of the Board



Mohammad Sanullah
Company Secretary
March 21, 2016

Registered Office
39, Dilkusha C/A
Dhaka-1000

Notes

- i) March 23, 2016 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.
- ii) 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.
- iii) Admission to the hall will be only on production of the attendance slip.

- Shareholders bearing BO ID are requested to update their respective BO ID with 12 Digits Taxpayer's Identification Number (e-TIN) and address through their Depository Participant (DP); and
- Shareholders bearing Folio Numbers are requested to submit their 12 digits eTIN certificate to the Share Department of the Company latest by March 31 2016; failing which Income Tax at Source will be deducted from cash dividend @15% instead of 10%.
- 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 **36th Annual General Meeting** of the Company to be held on May 5, 2016 and at any adjournment thereof.

As witness my hand this Day of May 5, 2016

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 **36th Annual General Meeting of Singer Bangladesh Limited** on Thursday, May 5, 2016 at 10.00 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 10.00 a.m.
- As per directive of Bangladesh Securities and Exchange Commission (BSEC), no food or gift will be arranged at the AGM.



SINGER
REFLECTION