



2018

A MILESTONE FOR THE BRAND

The brand strategy and efforts over the previous few years resulted an outstanding 2018 for SINGER of the leading brands in Bangladesh. SINGER earned the "Superbrands" status for performing above and beyond other brands in the industry in Bangladesh. SINGER is the first and only brand in the consumer electronics and home appliances industry in Bangladesh.

Superbrands is an international organization, operating in 88 countries, to pay tribute to the world's leading brands, as selected by a council of experts and consumers of the respective countries. The key criteria of becoming a Superbrands are market dominance, longevity, goodwill, customer loyalty and market acceptance.

SINGER has been awarded the 'No. 1 Refrigerator Brand 2018' at the 'Best Brand Award Bangladesh 2018'. Leading global research agency Nielsen conducted a survey across the country on consumer insights. In the survey, people have chosen Singer Refrigerator as the No. 1 Refrigerator brand in Bangladesh.

These achievements reflect that as the "Trusted International Brand" SINGER has been able to win the more mindshare of the consumers through extensive marketing activities supported by quality products.

A number of new television commercial on Hire Purchase Scheme and Washing Machines were released during the year. An extensive campaign was launched during the occasion of FIFA World Cup 2018. New range of No-frost refrigerators was introduced as well.

Product centric field activations, exclusive furniture fairs, shop centric fairs, product demonstrations, free service campaigns resulted significant level of engagement with consumers throughout the year.

SINGER®

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The management always monitors the effectiveness of the designed systems through receiving various reports from different departments

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MANAGEMENT DISCUSSION AND ANALYSIS FROM MD'S DESK

revenue reached Tk 13.7 billion which was higher by 24% over the previous year's revenue of Tk 11 billion

Page **12****CHAIRMAN'S STATEMENT**

Profit after tax increased by 23% to Tk 920 million with earnings per share increasing at the same rate to Tk 12 per share

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VISSION

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



MISSION

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

OBJECTIVES

Provide our consumers with the best service and shopping experience in the country.



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



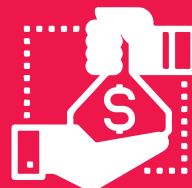
Develop our employees to achieve their real potential.



Grow our revenue and profits at a rate above the industry norm.

Provide our consumers with products of latest technology.

Provide our shareholders with steady asset growth and return on investment above the industry norm.



CORPORATE DIRECTORY

Board of Directors

Chairman

Dr. Fatih Kemal Ebiclioglu (With effect from April 3, 2019)
Gavin J. Walker (Up to April 3, 2019)

Managing Director & CEO

Mohamed Haniffa Mahamed Fairouz

Independent Directors

Dr. Syed Ferhat Anwar
A. F. Nesaruddin

Directors

Hakan Hamdi Bulgurlu (With effect from April 3, 2019)
Polat Sen (With effect from April 3, 2019)
Cemal Can Dincer (With effect from April 3, 2019)
Stephen H. Goodman (Up to April 3, 2019)
Peter James O'Donnell (Up to April 3, 2019)
Gelmart M. Gellecanao (Up to April 3, 2019)
Nayana Jagath Kumar Dissanayake (Up to April 3, 2019)

Company Secretary

Mohammad Sanallah

Audit Committee

A.F. Nesaruddin (Chairman)
Dr. Syed Ferhat Anwar
Polat Sen (With effect from April 3, 2019)
Gelmart M. Gellecanao (Up to April 3, 2019)
Mohamed Haniffa Mahamed Fairouz
Mohammad Sanallah (Secretary)

Nomination & Remuneration Committee

Dr. Syed Ferhat Anwar (Chairman)
A.F. Nesaruddin
Cemal Can Dincer (With effect from April 3, 2019)
Gavin. J. Walker (Up to April 3, 2019)
Mohammad Sanallah (Secretary)

Management Committee

Mohamed Haniffa Mahamed Fairouz (Chairman)
Akram Uddin Ahmed
Mokbulla Huda Chowdhury
Chandana Aravinda Samarasinghe
Kazi Rafiqul Islam
Md. Anisur Rahman
Abu Zafor Md. Kibria
Md. Ashgar Hossain
Md. Monzur Murshed
Mohammad Sanallah (Member Secretary)

Chief Financial Officer

Akram Uddin Ahmed

Head of Internal Audit and Compliance

Abu Zafor Md. Kibria

Auditors

A. Qasem & Co.
Chartered Accountants

Legal Retainer

Advocate Md. Motiur Rahman

Corporate Governance Compliance Auditor

S. F. Ahmed & Co. (SFACO)
Chartered Accountants

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

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

Subsidiary Company

International Appliances Limited
Koulashur, Hemayetpur, Savar, Dhaka-1348

COMPANY PROFILE



SINGER BANGLADESH LIMITED

Singer has been operating in this region (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 is now a member of Arcelik A. S. Turkish largest home appliances company (Part of Koc Holding, Turkey). Retail Holdings Bhold B. V. is the majority shareholder in the company, holding a stake of 57%. The public shareholding accounts for 43%. Singer Bangladesh Limited was listed with the Dhaka Stock exchange in 1983 and Chittagong Stock Exchange in 2001.

2018 AT A GLANCE



JANUARY

- ◆ Participated in the Dhaka International Trade Fair
- ◆ Annual Sales Conference was held
- ◆ Dealers Conference was held at Bashundhara Convention Center
- ◆ Singer Branded Inverter Air Conditioner was Introduced
- ◆ Renovated Singer Plus Shops in Fatulla and Chattogram
- ◆ Relocated Shops in Laxmipur and Dhaka
- ◆ Extended Singer Plus Shop in Chattogram
- ◆ Board meeting held

FEBRUARY

- ◆ Mawna Furniture Fair was held
- ◆ Dhaka, Chuadanga, Gaibandha Shop Centric Furniture Fairs were held
- ◆ New 22" Singer Branded Panel TV was Introduced
- ◆ Renovated Singer Plus Shops in Gaibandha and Munshigonj
- ◆ Extended Singer Plus Shops in Dhaka, Chattogram and Tangail

MARCH

- ◆ Cumilla, Narayangonj, Naogaon and Rangpur Furniture Fairs were held
- ◆ Jhinaidah, Kushtia Shop Centric Furniture Fairs were held
- ◆ 4 Ton Ceiling Type Singer AC was Introduced
- ◆ New Shop Opened in Khagrachari,
- ◆ Renovated Singer Plus Shops in Gazipur, Bandarban, Joypurhat, Rajshahi
- ◆ Relocated Shop in Gazipur
- ◆ Extended Singer Plus Shops in Dhaka & Noakhali
- ◆ Conversion of Singer Plus to Mega Showroom in Cumilla
- ◆ Board, Audit and Remuneration Committee meeting held

•

- ◆ Feni, Faridpur, Shariatpur and Cox's Bazaar Furniture Fairs were held
- ◆ New Shop Opened in Sherpur

APRIL

- ◆ Glass Top Chest Freezer Range was introduced
- ◆ New Shop Opened in Nilphamari
- ◆ Renovated Singer Plus Shops in Kushtia, Bogura, Tongi, Pirojpur & Jhinaidah
- ◆ Relocated Shop in Munshigonj
- ◆ Extended Singer Plus Shops in Gaibandha, Chattogram, Tangail, Kurigram, Dinajpur & Munshigonj
- ◆ Conversion of Singer Plus to Mega Showroom in Chattogram
- ◆ Board, Audit and Remuneration Committee meeting held

MAY

- ◆ New Shop Opened in Narayangonj & Jashore
- ◆ Renovated Singer Plus Shops in Moulvibazar & Magura
- ◆ Relocated Singer Plus Shops in Cox's Bazaar & Monohordi
- ◆ Extended Singer Plus Shops in Munshigonj, Tangail & Rajbari

JUNE

OUR JOURNEY TO GIVE A COMFORTABLE SHOPPING EXPERIENCE

JULY

- ♦ Rajshahi Furniture Fair was held
- ♦ Board and Audit Committee meeting held
- ♦ Renovated Singer Plus Shop in Khulna

AUGUST

- ♦ Relocated Singer Plus Shop in Mymensingh
- ♦ Extended Singer Plus Shops in Dhaka & Kurigram

SEPTEMBER

- ♦ Shop Centric Furniture Fairs were held in Narshigdi & Syedpur
- ♦ Singer Branded Inverter Washing Machine was Introduced
- ♦ Relocated Singer Plus Shops in Dhaka, Kushtia & Lalmonirhat

OCTOBER

- ♦ Furniture Fairs were held in Dinajpur & Chattogram
- ♦ Shop Centric Furniture Fairs were held in 11 Different Locations
- ♦ Board and Audit Committee meeting held

NOVEMBER

- ♦ Furniture Fair was held in Sylhet
- ♦ Shop Centric Furniture Fairs were held in 11 Different Locations
- ♦ New Shop Opened in Narayangonj
- ♦ Relocated Singer Plus Shop in Naogaon

DECEMBER

- ♦ Shop Centric Furniture Fairs were held in 4 Different Locations
- ♦ New 175 Ltr Singer Refrigerator was Introduced
- ♦ New Shops Opened in Cox's Bazaar & Bogura
- ♦ Relocated Singer Plus Shops in Mymensingh, Cumilla, Munshigonj & Chattogram
- ♦ Extended Singer Plus Shops in Dhaka, Jashore, Noakhali, Gaibandha & Chattogram
- ♦ Board meeting held

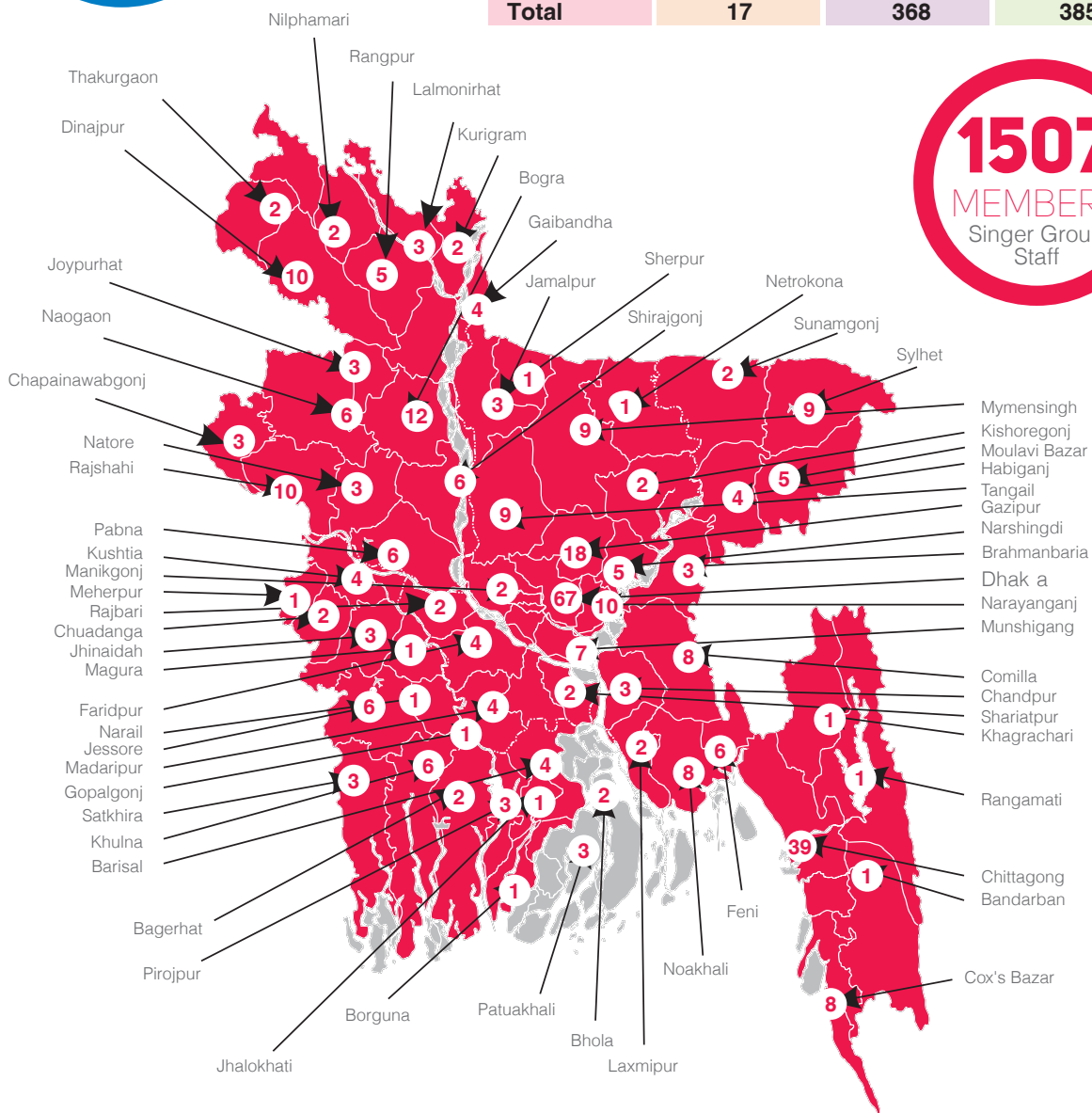
COMPANY AT A GLANCE

385
RETAIL OUTLETS
Singer Mega and
Singer Plus

720
DEALERS
Singer Pro

Our Retail Presence

Area	Singer MEGA	Singer Plus	Total
Central A	5	34	39
Central B	4	37	41
Central C	0	33	33
Eastern	1	41	42
Southeast	1	46	47
Northeast	2	39	41
South	1	27	28
Southwest	2	29	31
West	0	32	32
Northwest	1	50	51
Total	17	368	385

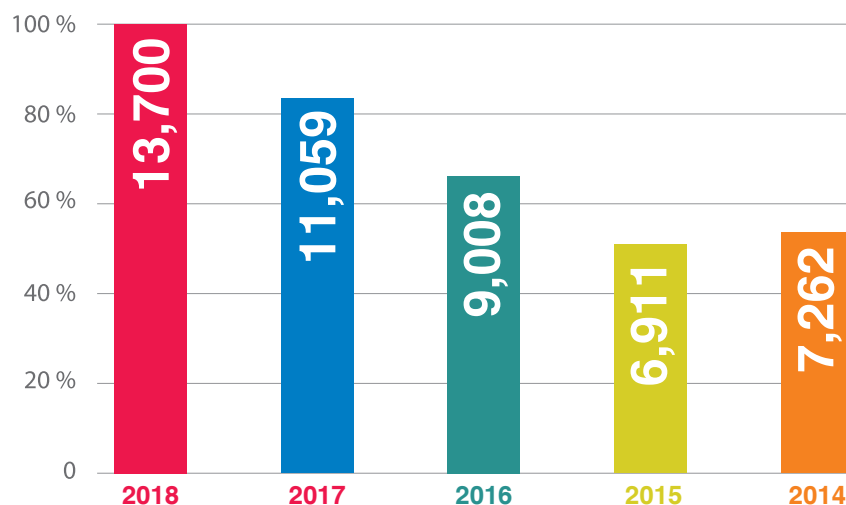


FINANCIAL HIGHLIGHTS

Taka in Million

	2018 Consolidated	2018 Company	2017 Consolidated	2017 Company	2016 Company	2015 Company	2014 Company
Turnover	13,700.9	13,700.9	11,059.1	11,059.1	9,007.5	6,910.7	7,261.8
Operating profit before interest & tax	1,659.3	1,545.8	1,185.3	1,190.2	894.1	595.2	572.1
Profit before tax	1,274.9	1,227.1	1,027.1	1,043.3	779.6	517.0	501.3
Profit after tax	920.9	900.2	746.1	775.1	546.3	368.6	362.3
Paid up capital	766.9	766.9	766.9	766.9	766.9	766.9	613.6
Revenue reserve	971.0	977.9	815.5	839.7	594.7	228.5	518.2
Revaluation reserve	554.3	554.3	559.1	559.1	566.6	403.1	376.6
Capital reserve	18.8	18.8	18.8	18.8	18.8	18.8	18.8
Shareholders' equity	2,377.6	2,317.9	2,223.4	2,184.5	1,947.0	1,417.3	1,527.2
Property, plant & equipment	1,411.2	1,051.0	1,424.4	1,046.5	1,034.1	874.0	917.6
Investments	4.2	356.0	4.2	356.0	288.3	183.9	15.2
Net current assets	2,287.0	2,192.0	1,926.9	1,918.4	1,781.2	1,560.5	1,772.6
Gross dividends	0.0	230.0	0.0	766.9	536.9	498.5	1,349.8
Dividend per share (Taka)	0.0	*30.0	0.0	10.0	7.0	6.5	22.0
Earnings per share (Taka)	11.7	11.7	9.8	10.1	7.1	4.8	4.7
Price earning ratio (Times)	0.0	18.8	0.0	19.3	27.0	37.5	46.4
Net asset per share including revaluation reserve	31.0	30.2	29.0	28.5	25.4	18.5	24.9
Net asset per share excluding revaluation reserve	23.8	23.0	21.7	21.2	18.0	13.2	18.8
Market value per share at year end (Taka)	0	221.2	0	195.5	192.5	180.2	219.0
Net income to net turnover (%)	6.7	6.6	6.7	7.0	6.1	5.3	5.0
Return on average net assets (%)	24.9	25.0	22.2	23.3	17.6	14.1	13.4
Debt equity ratio (%)	184.0	165.3	139.2	136.4	117.5	58.1	62.4
Interest cover	5.0	5.8	7.5	8.0	9.9	9.0	8.1
Current ratio	1.5	1.6	1.6	1.6	1.8	2.9	2.6
Acid ratio	0.6	0.7	0.7	0.8	0.8	1.5	1.2
Number of shareholders	0	9,273	0	11,788	11,549	16,438	14,582
Number of employees	1,507	1,224	1,384	1,152	1,084	1,064	1,020

* Stock Dividend



CHAIRMAN'S STATEMENT



Dear Shareholders,

This is my first communication to you all after the appointment as Chairman of Singer

Bangladesh Limited which has more than 100 years' legacy in Bangladesh. I am writing you at a time of momentous change for your Company.

It is my pleasure to place the Annual Report of Singer Bangladesh Limited along with the audited Financial Statements and Auditors' Report thereon for the year ended December 31, 2018.

Overview

2018 was a successful year for the Company, with record sales in all key product categories. The Singer Bangladesh revenue has doubled over the past three years, with net income increasing 2.5 times in that period. These results demonstrate that Singer has continued to build on its position as the leading international appliance brand in Bangladesh. In 2019 and beyond, we plan to further increase our retail space and dealer numbers to capitalize on the opportunities available in this fast growing and exciting sector.

Profit after tax increased by 23% to Tk 920 million, with earnings per share increasing at the same rate to Tk 12 per share

The Highlights of the Year were as Follows

- 2018 turnover increased by 24% to Tk 13.7 billion.
- Operating profit for the year increased by 40% in 2018, with higher operating margins at 12.1%, versus the prior year of 10.7%.
- Singer continued to focus on managing expenses, which at 16.6% of revenue in 2018 was reduced from 17.7% in the prior year.

- Profit after tax increased by 23% to Tk 920 million, with earnings per share increasing at the same rate to Tk. 12 per share.
- Singer's financial service offerings like Western Union, Bkash, Grameen airtime reloads and utility bill payments increased in value by 13% in 2018 to Tk.1.3 billion, bringing nearly 800,000 additional customer footfall into the stores during the year.
- Singer continued to enjoy significant increases in unit sales, in particular computers by 70%, panel televisions by 28%, washing machines by 24%, kitchen & small appliances by 20% and refrigerators by 17% - boosted by lower prices to customers and increased advertising spend.
- The Singer Refrigerator was recognized in 2018 as the No 1 Refrigerator Brand in Bangladesh. This was awarded after various surveys conducted by A C Nielson, a world renowned research firm along with Bangladesh Brand forum.

Subsidiary Company

You would be happy to know that your Company has purchased 16.1680% share of International Appliances Limited (IAL) from Shanghai Sonlu Shangling Enterprise Group Co. Ltd. (9.9978%) and from Sunman Corporation Limited (6.1702%). As a result, IAL is now 100% owned subsidiary of Singer Bangladesh Limited.

Equity and Shares

There was an up and downward trend of share price in the capital market during the year. These influenced the share price of most of the leading companies; Singer was also not an exception. However, your company's share price was comparatively better than others. During the year the highest share

value was Tk, 248 and the lowest was Tk. 165. The closing share price was Tk. 221 having a face value of TK. 10.

Dividend

The Board of Directors of your Company recommended 30% Stock dividend (3 ordinary shares for every 10 shares) per Ordinary share of taka 10 each.

Board Directorate

After the transfer of Retail Holdings Bhold B.V.'s (holding Company of Singer Bangladesh Limited) shares by Retail Holdings Asia B.V., to a subsidiary of Arçelik A.S. (Ardutch B.V.), a member of Koc Holdings, Turkey, Arçelik A.S. has become the ultimate beneficial owner the Company.

Retail Holdings Bhold B.V. has nominated Fatih Kemal Ebiçlioğlu, Mr. Hakan Hamdi Bulgurlu, Mr. Polat Şen and Mr. Cemal Can Dinçer to the Board of the Singer Bangladesh Limited.

The Board of Directors in their meeting held on April 3, 2019 appointed Dr. Fatih Kemal Ebiçlioğlu, Mr. Hakan Hamdi Bulgurlu, Mr. Polat Şen and Mr. Cemal Can Dinçer as Directors of the Company. All of them are the Senior Management of Arçelik A.S.

At the same meeting the Board accepted resignation of Mr. Gavin J. Walker, Mr. Stephen H. Goodman, Mr. Peter James O'Donnell, Mr. Gelmart M. Gellecanao and Mr. Nayana Jagath Kumar Dissanayake.

Awards and Recognition

Singer Bangladesh Limited received (Gold Award) National Award for Corporate Governance Excellence 2018 from the Institute of Chartered Secretaries of Bangladesh (ICSB) under Engineering sector;

The Company also received consecutive third time AAA Long Term rating from Emerging Credit Rating Agency, the report citing the

Company's strong financial position, experienced management, trusted brand and quality assurance amongst other key strengths.

Conclusion

I would like to thank all our employees whose dedication has helped the Company to grow and to the Board members for their guidance. I would also like to express my gratitude and appreciation to all our customers for their continued confidence and also our stakeholders for their support and confidence which they have shown in the Company.



Fatih Kemal Ebiçlioğlu
Chairman

April 3, 2019

BOARD OF DIRECTORS



DR. FATİH KEMAL EBIÇLIOĞLU
CHAIRMAN

Joined the Board of Singer Bangladesh Limited on April 3, 2019.

President of Consumer Durables, Koç Holding

After graduating from Ankara University, Faculty of Political Science, Department of International Relations, Fatih Ebiçlioğlu received a Master's degree in Finance from the Virginia Commonwealth University, and earned a PhD degree in Finance-Accounting from Ankara University Faculty of Political Science. Between 1989 and 2002, Mr. Ebiçlioğlu worked as Assistant Tax Auditor at the Ministry of Finance, and later as Tax Auditor and Senior Tax Auditor. In addition, he served as a part-time instructor at Hacettepe, Bilkent and Atılım Universities from 1998 to 2002. He

joined Koç Holding in 2002 as Financial Coordinator. Subsequently, he served as Audit Group Coordinator of Koç Holding (2004-2005), and Deputy General Manager of Arçelik (2005-2015). Mr. Ebiçlioğlu has been the President of the Consumer Durables Group at Koç Holding since February 2015.

He is also a Member of the Board of Directors of TÜSIAD and Turkish Exporters Assembly (TİM).



M. H. M. FAIROZ
MANAGING DIRECTOR & CEO

Joined the Board of Singer Bangladesh Limited on September 6, 2016.

Prior to this appointment Mr. Faiz served as the Marketing Director of Singer Bangladesh Limited.

Faiz began his career in marketing nearly 27 years ago with Richard Pieris Group a leading conglomerate in Sri Lanka initially in their FMCG division. In 1997 he moved on their Furniture Division before joining Singer (Sri Lanka) in 2001. Held various positions during the 15 year tenure of exceptional growth of the firm and was Head of the Electronics and Furniture SBU's before joining the Bangladesh operations.

Faiz is also a Director of International Appliances Limited. Director, Sri Lanka

Bangladesh Chamber of Commerce and Industry. Member - Executive Committee, Foreign Investors Chamber of Commerce and Industry (FICCI).

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



DR. SYED FERHAT ANWAR
INDEPENDENT DIRECTOR

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

Dr. Ferhat is the Director of the Institute of Business Administration (IBA), University of Dhaka; the leading business school of the country. He is in the teaching profession for more than 32 years. Prior to joining IBA, he worked for BRAC as Export Manager. He is the Chief Advisor of Bangladesh Brand Forum; Chief Patron of Marketing Society Bangladesh; Chairman of Insight Institute of Learning; Independent Director of Moddhopara Mining Company, and Board Member representing Bangladesh of Asia Marketing Federation. He is also the founder member of Institute of Management Consultants, Bangladesh which is an affiliate of global IMC and founder member of Institutional Council for Small Business (BD).

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), Sri Lankan Institute of Marketing etc. He has been involved in many consulting assignments on marketing and business strategy for various sectors, foremost being pharmaceutical, apparel, ICT, Social Enterprise.

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 65 publications in international and national journals and writer of 3 major books on business management. His most recent contribution has been published as this Introduction Chapter in the book, Strategic Marketing Management in Asia published by Emerald UK in 2016.

Dr. Ferhat is also a Director of International Appliances Limited.



A. F. NESARUDDIN
INDEPENDENT DIRECTOR

Joined the Board of Singer Bangladesh Limited on 25 April 2017.

A. F. Nesaruddin is a chartered accountant and has to his credit more than 35 years of post-qualification professional experience. He is one of the senior partners of Hoda Vasi Chowdhury & Co., Chartered Accountants, a reputed firm in Bangladesh linked with top global professional services firms. He is also a fellow member of the Institute of Chartered Secretaries of Bangladesh. He has long experience in statutory and special audits, group audit for MNCs and listed companies, taxation, corporate services, transaction services including due diligence and valuation exercise and other business advisory services. He did his Master of Commerce in Finance with Honours from University of Dhaka.

Previously, he was the General Manager and Company Secretary of United Insurance Company Limited, a listed entity and associate company of Duncan Brothers, a British holdings in Bangladesh. He is also a nominated director of United Finance, a Non-Banking Financial Institution (NBFI) and a listed company. He is a former director of Sonali Bank Limited and a former Member on the board of Bangladesh Rural Electrification Board.

He has a number of publications in leading national dailies and professional journals on corporate governance, taxation and other professional interests.

Nesaruddin is the President of Institute of Chartered Accountants of Bangladesh (ICAB). Besides, he was and is engaged in a number of social welfare and charitable organizations in various capacities.

BOARD OF DIRECTORS



HAKAN HAMDI BULGURLU
DIRECTOR

Joined the Board of Singer Bangladesh Limited on April 3, 2019.

Chief Executive Officer, Arçelik

Following a bachelor's degree at Economy and Mechanical Engineering Departments of Texas University, Hakan Bulgurlu completed the joint MBA program at North-western University, Kellogg School of Management, and Hong Kong University of Science and Technology. He started his professional life in Ram Foreign Trade Inc. in 1995. He worked as the Sales Manager in Ram Pacific until 1996. He worked as the Far East Representative of Arçelik, Beko Elektronik, Atılım A.Ş. and Beko Ticaret from 1996 to 2000. In 2000, he was assigned as Ram Pacific General Manager. He worked as Arçelik-LG Air-Conditioner General Manager

between 2007-2010. He served as the Deputy General Manager Responsible for Sales in Arçelik A.Ş. Europe, USA, Asia-Pacific in 2010. Hakan Bulgurlu was assigned as Arçelik A.S. General Manager as of February 17, 2015. Bulgurlu is a Board Member of Foreign Trade Association of Turkey (TURKTRADE) and Chairman of Turkey – Thailand Business Council under Economic Relations Board (DEIK) and Member of the Executive Board of European Committee of Domestic Equipment Manufacturers (APPLiA/CECED).



CEMAL CAN DİNÇER
DIRECTOR

Joined the Board of Singer Bangladesh Limited on April 3, 2019.

Chief Commercial Officer – Turkey, Pakistan & Bangladesh, Arçelik

Can Dinçer got his bachelor's degree in Mechanical Engineering Department in Istanbul Technical University in 1989 and master's degree in Department of Business in Stevens Technology Institute, USA in 1993. Having started his professional life as a Trainee in Arçelik A.Ş. Finance Department in 1993, Mr. Dinçer served as the Regional Sales Manager in Export Department in 1995. He worked as International Sales Manager - CIS and Other Countries between 2000-2005, as International Sales Director – European Foreign Markets between 2005-2009 and as Sales Director -

Europe, USA, Asia-Pacific between 2009-2012 and as Sales Director - Subsidiaries, USA, Asia-Pacific between 2012-2015. Can Dinçer has been serving as the Assistant General Manager - Turkey Trade since February 2015. In addition to this role, he was assigned as Arçelik Pazarlama A.Ş. General Manager as of December 30, 2016.



POLAT ŞEN
DIRECTOR

Joined the Board of Singer Bangladesh Limited on April 3, 2019.

Chief Financial Officer, Arçelik

Polat Şen received his bachelor's degree in English Department of Economics in Marmara University in 1998 and master's degree in International Finance Department in Bradford University in 1999. Starting his professional life as Junior Auditor in Koç Holding A.Ş. Control Group Department in 2000, Mr. Şen worked as Senior Auditor in Koç Holding A.Ş. between 2002- 2004. Mr. Şen was assigned as Arçelik A.Ş. Internal Audit Manager in 2004, as Financial Affairs Group Director in Grundig Electronics / Grundig Multimedia B.V. in 2008, and he worked as Grundig Multimedia B.V.

Financial Affairs Director between 2009-2010. He served as the Purchasing Director between 2010-2015 and has been working as Assistant General Manager - Finance and Accounting since February 2015.



MOHAMMAD SANAULLAH
SECRETARY TO THE BOARD

Joined as Secretary to the Board of Singer Bangladesh Limited on March 4, 1997.

Mohammad Sanaullah is the Corporate Affairs Director and Company Secretary of Singer Bangladesh Limited, with over 33 years' exposures in business, corporate management and governance.

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

The Fellow 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.

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



3 YEARS
WARRANTY

SINGER®

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ডিজিটাল সাউন্ডে টিভি চলবে এখন আপনার কথা মতো।

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MANAGEMENT TEAM



M. H. M. Fairoz
Managing Director & CEO



Mohammad Sanaulah
Corporate Affairs Director &
Head of Human Resources



Akram Uddin Ahmed
Finance Director &
Chief Financial Officer



Mokbulla Huda Chowdhury
Sales Director



Chandana Aravinda Samarasinghe
Marketing Director



Kazi Rafiqul Islam
Director - Wholesale Operations



Md. Anisur Rahman
Head of IT



Abu Zafor Md. Kibria
Head of Internal Audit & Compliance



Md. Ashgar Hossain
General Manager - Corporate Sales



Md. Monzur Murshed
General Manager - Finance & Credit



Abrarur Rahman
Senior Manager - Merchandising



Md. Raziur Rahman
Senior Manager - Marketing Communication



Gour Chandra Ghosh
Factory Manager



Kazi Ashiqur Rahman
Senior Manager - Corporate Affairs



G. N. B. Chowdhury
Senior Manager - Services



Mahmudur Rahman Khan
Sales Manager



M. Shihabuddin Bhuiyan
Senior Territory Manager



M. Ismail Hossain
Senior Territory Manager



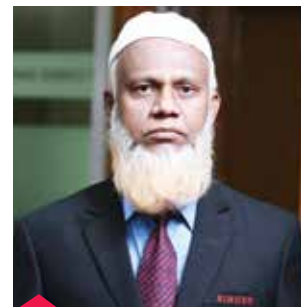
Joyanto Kumar Roy
Commercial & Logistics Manager



Shabbir Mahmud Rizwan
Senior Manager - Production & QC



Matiur Rahman
Sales Manager



Md. Masud Habib
Manager - Logistic Operators

MANAGEMENT TEAM



Md. Syduzzaman
Credit Manager



Mahmud Hasan
Manager - Law & Admin



Md. Obaydul Hoque
Territory Manager



Shahed Al Mahmud Chowdhury
Manager - Internal Audit



Farhad Habib
Manager - Corporate Sales



Farhan Azhar
Manager - Product



Dewan Masood Bin Malique
Senior Area Manager



Md. Mojibur Rahman
Accounts Manager



Md. Mehedi Hasan
Credit Manager



Mutakabbir Ibne Kabir Chowdhury
Senior Area Manager

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 on December 31, 2018.

This report has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

Principal Activities

The principal activities of the company continued to be manufacturing and marketing of home appliances, consumer electronics and furniture with credit and other financial services available to qualified customers.

Management Discussion and Analysis of Business

During the year revenue reached Tk 13.7 billion which was higher by 24% over the previous year's revenue of Tk 11.1 billion. Operating profit (profit before taxes excluding other income) amounting Tk 1.6 billion was higher by 39.9% over the previous year's operating profit of Tk 1.2 billion. Net profit before tax for the year stood Tk 1.3 billion which was higher by 24% over the previous year's net profit of Tk 1 billion.

The Chairman's Statement on page 14 and the Chief Executive Officer's review on page 36 state the company's affairs and highlight important events that occurred during the year. The Financial Review on pages 44 to 47 elaborates on the financial results of the company. These reports are integral part of the Directors' Report.

Our subsidiary company's revenue reached Tk. 2.1 billion which was higher by 49% over the previous year's revenue of Tk 1.4 billion. Net

profit before tax for the year stood Tk 21 million against net profit Tk. 164 million.

Investment in International Appliances Limited (IAL)

During the year International Appliances Limited remains a subsidiary of Singer Bangladesh Limited. The Company has purchased 16.1680% share of International Appliances Limited (IAL) from Shanghai Sonlu Shangling Enterprise Group Co. Ltd. (9.9978%) and from Sunman Corporation Limited (6.1702%). As a result, IAL is now 100% owned subsidiary of Singer Bangladesh Limited.

Separate reports including auditors' report, audited financial statements and directors' report thereon for the subsidiary company are provided at

Market Value of Freehold Properties

All freehold lands of the company revalued by an Independent Valuer are reflected in the financial statements. Total appreciation in value was credited to revaluation reserve after providing for tax as required by BFRS.

The recent valuation was carried out as on December 31, 2016. The details of the valuation are given in the Auditors' Report on page 76 and in Note 11.1 to the Financial Statements.

Machinery of our subsidiary International Appliances Limited valued by an Independent Valuer, has been reflected in the consolidated financial statements. The recent valuation was carried out as on October 16, 2017.

NET PROFIT BEFORE TAX FOR THE YEAR STOOD TK 1.3 BILLION WHICH WAS HIGHER BY 24% OVER THE PREVIOUS YEAR'S NET PROFIT OF TK 1 BILLION

the concerned sections of this report. The financial statements of the subsidiary company have duly been consolidated with Singer Bangladesh Limited as per requirements of the Companies Act 1994, Securities and Exchange Rules 1987 and related notifications and in line with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

Property, Plant and Equipment

During the year under review, the Company invested a sum of Tk 167 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.

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 Code of Corporate Governance, BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, the Directors are pleased to confirm the following:

Industry Outlook and Possible Future Development

In a highly competitive business environment in household appliances market, competitors continuously pursue market shares

with various activities including price reduction, quality improvement, new product line and other incentives. Singer has continued retaining its leading position by offering superior quality products at competitive prices and wide range of after sales service as well.

In 2018 economic growth of Bangladesh was good and most of the economic indicators were positive which contributed to increasing the buying capacity of people. We were successful in utilizing the opportunities towards a significant volume growth both in our retail, wholesale and corporate sales channels. We remained Bangladesh's largest retail company selling home appliances and consumer electronic. Our growth was above the industry rate.

Government of Bangladesh has devoted to ensuring access of affordable and reliable electricity for all by 2021. This will accelerate demand of consumer durables in the coming days.

Besides, most of the consumer durable product penetration levels in Bangladesh remain very low. Bangladesh elevating from Least Developed Country to Developing Country which will have demand for durables and this will have positive impact towards our sector.

In addition, the population of Bangladesh is young and expanding. Currently only 7 percent of Bangladesh's population of 160 million is classified as middle class and affluent customer (MAC). Bangladesh's MAC population is projected to triple by 2025, to about 34 million. These MAC consumers will have enough to afford durables that offer convenience and luxury.

Increasing population, electrification and urbanization will support the country growth and is expected to fuel income level of people which will enhance their buying capacity. We believe we are well positioned to benefit from our wide presence in almost every corner of the country. This gives us confidence that this trend will continue in the year 2019 as well.

Segment Information

The segment information is presented for the purposes of evaluating performance in the notes 2.5 and 40R to the financial statements in this report which is consistent with the total sales value. Products were sold through our own sales centers, such as, Singer Mega, Singer Plus and also through our wholesale dealers and through our corporate sales channel as well.

Risk and Concern

Our business may also be affected by risks and uncertainties presently not known to us or that we currently believe to be immaterial. Details of risk factors and the determining ways of how to best handle such event are given on risk management report on pages 50 & 51 of this report.

Margin Analysis

Cost of goods sold for the year 2018 was Tk 9.8 billion and it was higher by 23.4% over that of the previous year's. Gross profit margin was 28.5% for the year 2018 and the previous year's gross margin was 28.2%. Net profit margin for the year 2018 was 6.7%. Detail are discussed on financial review report on pages 44 to 47 of this report

Extra-Ordinary Events

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

Related Party Transaction

Disclosure of all related party transactions, including basis for such transaction, has been provided in the note 35 of the notes to the financial statements on page no 99.

Variance within the Financial Year

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

Remuneration to Directors

This information is incorporated in the Notes 21.3 of the notes to the financial statements on page 84 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 fairly present 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) Corporate Governance Code dated June 3, 2018, Chief Executive Officer and Chief Financial Officer have given the declaration about the fairness of the financial statements which is shown on page 27 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 IAS and IFRS

International Accounting Standards (IAS) and 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 in design and has been effectively implemented and monitored.

Going Concern/Forward Looking Statement

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

Significant Deviations from 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.

Key Operating and Financial Data of last Five Years

The key operating and financial data for the last five years are annexed on page 11.

Dividend

The Board of Directors of the Company recommends for @ 30% stock dividend for the year 2018, i.e. 3 shares against 10 shares.

- The Company declared stocks dividend with an objective for capital investment in the subsidiary company and also for expansion of manufacturing units;
- Stock dividend was declared out of profit for the year ended December 31, 2018;
- No stock dividend was declared as interim dividend.

Board and Committee Meetings and Attendance

During the year, the Board of Directors met six times. Audit Committee met four times and Remuneration Committee met two times.

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.

Financial Results and Appropriations

The Directors are pleased to report the financial results for the year 2018 and recommend the following appropriations:

	Taka in '000	
	2018	2017
Profit before taxation	1,227,089	1,043,268
Less: Provision for tax	326,935	268,159
Profit after tax	900,153	775,109
Add: Un-appropriated profit brought forward	72,799	57,845
Other comprehensive income	(1,760)	(3,244)
Prior year's adjustment	6,736	10,034
Profit available for distribution	977,928	839,744
Less: Appropriations		
Final dividend (Stock)	230,083	766,945
Un-appropriated profit C/F	747,845	72,799

Nomination and Remuneration Committee

In accordance with the condition 6 of Bangladesh Securities and Exchange Commission's Code of Corporate Governance, BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 the Nomination and Remuneration Committee was formed on December 17, 2018 as a sub-committee under the Board in place of previous Remuneration Committee and Nomination Committee. The committee consist of the following members:

- Dr. Syed Ferhat Anwar, Chairman
- Mr. A. F. Nesaruddin, Member
- Mr. Cemal Can Dinçer, Member

Pattern of Shareholding

The pattern of shareholding is provided on page 34.

Corporate Governance Compliance Report

Singer Bangladesh Limited adheres to appropriate good Corporate Governance principles, as described on pages 39 to 41.

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

Further in compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code dated June 3, 2018, S. F. Ahmed & Co., Chartered Accountants in Practice issued the Corporate Governance Compliance Certificate which is shown on page 28 of the report.

Contribution to the National Exchequer

During the year under review, your Company paid Taka 4,489 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 for consecutive three years with a strong and stable outlook from Emerging Credit Rating Limited.

Reserves

The total Reserves of the Company stood at Tk. 573 million, details of which are given in Note 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 February 28, 2019 recommended stock dividend @ 30% stock dividend for the year 2018.
- The Company has purchased 628,880 (16.1680%) shares of International Appliances Limited (IAL) from Shanghai Sonlu Shangling Enterprise Group Co. Ltd. (240,000 shares representing 9.9978%) and from Sunman Corporation Limited (388,880 shares representing 6.1702%) which was approved by the Board of Directors in their meeting held on February 3, 2019. As a result, IAL is now 100% owned subsidiary of Singer Bangladesh Limited.
- Ardutch B.V., a subsidiary of Arcelik A.S. (a member of Koc Holdings, Turkey) acquired Retail Holdings Bhold B.V. (holding Company of Singer Bangladesh Limited) on April 3,

2019. After the change, Arçelik A.S. has become the ultimate beneficial owner the Company but Retail Holdings Bhold B.V. remains the holding Company of Singer Bangladesh Limited.

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 114 of this report.

Earnings per share, dividend per share and net assets per share are shown in the financial highlights section on page 11 of the annual report.

Directors

A brief profile of all Directors of the company are provided in the section of "Board of Directors" of this report in pages from 16 to 18.

Appointment of Directors

Retail Holdings Bhold B.V. has nominated Dr. Fatih Kemal Ebiçlioğlu, Mr. Hakan Hamdi Bulgurlu, Mr. Polat Şen and Mr. Cemal Can Dinçer to the Board of the Company. The Board of Directors in their meeting held on April 3, 2019 appointed them as Directors of the Company. They will retire from the office in the upcoming Annual General Meeting and are eligible to re-elect under Article 68 of the Articles of Association of the Company.

At the same meeting the Board accepted resignation of Mr. Gavin J. Walker, Mr. Stephen H. Goodman, Mr. Peter James O'Donnell, Mr. Gelmart M. Gellecanao and Mr. Nayana Jagath Kumar Dissanayake. Members of the Board gratefully acknowledged their valuable contributions and services to the Board during their tenure.

Shareholdings of Directors at the beginning of the year and at the end of the year 2018 are shown in Annexure-I of this report.

Appointment of Auditors

- a) As per section 210 of the Companies Act 1994, the Company's Statutory Auditors A. Qasem & Co., Chartered Accountants retires at the 39th Annual General Meeting as auditors of the Company.

Pursuant to Bangladesh Securities and Exchange Commission (BSEC) order no SEC/CMRRCD/2009-193/104/ Admin dated July 27, 2011 the retiring Auditors are eligible for reappointment as Statutory Auditors for 2019.

The Audit Committee recommended to appoint A. Qasem & Co., Chartered Accountants as the auditors of the company for the year 2019.

The Directors endorsed recommendation of the Audit Committee for appointment of A. Qasem & Co., Chartered Accountants as the auditors of the company for the year 2019.

- b) The Board also recommended appointment of existing corporate governance compliance auditors S. F. Ahmed & Co., Chartered Accountants for the year 2019.

CEO and CFO's Declaration to Financial Statements

The Chief Executive Officer and Chief Financial Officer are of the opinion that Financial Statements given on page 27 of this report present true and fair view of the company's affairs.

Human Resources

A dynamic business environment requires having a well trained work force; therefore, the company develops the appropriate management skills to suit the 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 on the going concern basis.

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 were able to do 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 prove harmful to 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.



Mohamed Haniffa Mohamed Fairoz
Managing Director & CEO



Mohammad Sanaulah
Company Secretary

Dhaka, April 4, 2019

DECLARATION BY CEO AND CFO

ANNEXURE-A

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

February 28, 2019

The Board of Directors
Singer Bangladesh Limited

Subject: Declaration on Financial Statements for the year ended on December 31, 2018.

Dear Sirs,

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

- (1) The Financial Statements of Singer Bangladesh Limited for the year ended on December 31, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on December 31, 2018 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.



Mohamed Haniffa Mahamed Fairoz
Chief Executive Officer



Akram Uddin Ahmed
Chief Financial Officer

ANNEXURE - B

S. F. AHMED & CO
Chartered Accountants

____ Established : 1958

House 51 (2nd and 3rd Floors)
Road 9, Block F, Banani
Dhaka 1213, Bangladesh**[Certificate as per condition No. 1 (5) (xxvii) of
Corporate Governance Code]****Report to the Shareholders of Singer Bangladesh Limited (the Company) with compliance with
Corporate Governance Code**

We have examined the compliance with Corporate Governance of Singer Bangladesh Limited for the year ended 31 December 2018. This code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of Bangladesh Securities and Exchange Commission

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

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

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

- (a) the Company has complied with the conditions of Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards as adopted by the Institute of Chartered Secretaries of Bangladesh as required by this Code;
- (c) Proper books and records have been kept by the Company as required by the Companies Act 1994, laws and regulations of Bangladesh Securities and Exchange Commission and other relevant authorities; and
- (d) The Governance of the Company is highly satisfactory.

Dhaka, Bangladesh
Dated, 28 February 2019

S. F. AHMED & CO
Chartered AccountantsMd. Moktar Hossain, FCA
Partner

ANNEXURE - C

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

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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(5)	The Directors' Report to Shareholders			
1.5(i)	Industry outlook and possible future developments in the industry;	√		
1.5(ii)	Segment-wise or product-wise performance;	√		
1.5(iii)	Risks and concerns including internal and external risk factor;	√		
1.5(vi)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin;	√		
1.5(v)	Discussion on continuity of any extra-ordinary activities and their implications;	√		
1.5(vi)	Detail disclosure on related party transactions;	√		
1.5(vii)	Utilization from public issues, rights issues and/or through any others instruments;			Not Applicable
1.5(viii)	Explanation if the financial results deteriorate after going for IPO, RPO, Rights Offer, Direct Listing, etc.;			Not Applicable
1.5(ix)	Significant variance between Quarterly Financial performance and Annual Financial Statements and explanation thereon;	√		
1.5(x)	Remuneration to Directors including Independent Directors;	√		
1.5(xi)	Statement about fairness of financial statements;	√		
1.5(xii)	Maintenance of proper books of account;	√		
1.5(xiii)	Application of appropriate accounting policies and estimates;	√		
1.5(xiv)	Application of International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) as applicable in Bangladesh;	√		
1.5(xv)	Efficiency of Internal control system;	√		
1.5(xvi)	Statement about the interest of minority shareholders have been protected;	√		
1.5(xvii)	Statement about the ability to continue as going concern;	√		
1.5(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.	√		
1.5(xix)	Key operating and financial data of at least preceding 5 (Five) years;	√		
1.5(xx)	Reason for non declaration of dividend;			Not Applicable
1.5(xxi)	Board's statement to the effect that no bonus shares or stock dividend paid as interim dividend.	√		
1.5(xxii)	Number of Board Meetings (no. of Board Meetings held and attendance by each director);	√		
1.5(xxiii)	The pattern of shareholding;			
1.5(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1.5(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details);	√		
1.5(xxiii)(c)	Executives;	√		
1.5(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1.5(xxiv)	Appointment or reappointment of a director, disclosure			
1.5(xxiv)(a)	Brief resume of the Director;	√		
1.5(xxiv)(b)	Nature of his/her expertise in specific functional areas;	√		
1.5(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1.5(xxv)	Management discussion and analysis signed by CEO or MD			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes	√		
1(5)(xxv)(c)	Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons	√		
1(5)(xxv)(d)	Compare financial performance or results and financial position as well as cash flows with the peer industry scenario.	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements;	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(30) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	Report as well as certificate regarding compliance of conditions of this Code as required under condition no. 9 shall be disclosed;	√		

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

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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
6.3	Chairperson of the NRC			
6(3)(a)	Board shall select 1 member of the NRC to be Chairperson of the Committee who shall be an Independent Director.	√		
6(3)(b)	Absence of chairperson, the remaining members may elect one of them and reason of absence to be recorded in the minutes.	√		
6(3)(c)	Chairperson of the NRC shall attend the AGM.	√		
6.4	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	√		
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting.	√		
6(4)(c)	Quorum: presence of 2 or 2/3 members whichever is higher and 1 independent director is must.	√		
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.	√		
6.5	Role of NRC			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders.	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		
6(5)(b)(i)	Formulating the criteria for qualification and remuneration of the directors and top level executives considering the following:	√		
6(5)(b)(i)(a)	Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	√		
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance.	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.	√		
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.	√		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.	√		
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement.	√		
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.			Committee formed on 17.12.2018
7	External or Statutory Auditors			
7(1)	Issuer company shall not engage its external auditors to perform the following services:			
7(1)(i)	Appraisal or valuation services or fairness opinions.	√		
7(1)(ii)	Financial information systems design and implementation.	√		
7(1)(iii)	Book keeping or other service related to the account ion records.	√		
7(1)(iv)	Broker-dealer services	√		
7(1)(v)	Actuarial services	√		
7(1)(vi)	Internal/special audit services.	√		
7(1)(vii)	Any services that the Audit Committee may determine.	√		
7(1)(viii)	Certification services on compliance of corporate governance.	√		
7(1)(ix)	Any other service that may create conflict of interest.	√		
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	√		
7(3)	Representative of External Auditors shall remain present in the AGM.	√		
8	Maintaining a website by the company			
8(1)	The company shall have an official website linked with that of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchanges.	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding compliance of conditions of Corporate Governance	√		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors report whether the company has complied with these conditions.	√		

ANNEXURE - I

The Pattern of Shareholding

Name of Shareholders	Status	Shares Held at 31 Dec'18	Shares Held at 31 Dec'17
i) Parent / Subsidiary/Associate Companies			
Retail Holdings Bhold B.V.- (Including 20% Non-remittable shares)	57%	43,707,183	43,707,183
ii) Directors, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children			
Mr. Gavin J. Walker (Up to April 3, 2019)	Chairman	-	-
Mr. Mohamed Haniffa Mahamed Fairuz	Managing Director	-	-
Mr. A. F. Nesaruddin	Independent Director	-	-
Dr. Syed Ferhat Anwar	Independent Director	-	-
Mr. Stephen H. Goodman (Up to April 3, 2019)	Director	195	195
Mr. Peter James O'Donnell (Up to April 3, 2019)	Director	-	-
Mr. Gelmart M. Gellecanao (Up to April 3, 2019)	Director	-	-
Mr. N. Jagath Kumar Dissanayake (Up to April 3, 2019)	Director	-	-
Mr. Mohammad Sanauallah	Company Secretary	565	565
Mr. Akram Uddin Ahmed	Chief Financial Officer	-	-
Mr. Abu Zafar Md. Kibria	Head of Internal Audit & Compliance	-	-
Ms. Salma Akhtar	W/o. Mr. Mohammad Sanauallah	468	468
Ms. Arifa Salzana Hemon	W/o. Mr. Akram Uddin Ahmed	-	-
iii) Executives			
None			
iv) Shareholders Holding Ten Percent or More Voting Interest			
Retail Holdings Bhold B.V.- (Including 20% Non-remittable shares)	57%	43,707,183	43,707,183

ANNEXURE - II

Board Meeting and attendance during the year 2018

Name of Directors	Meeting held while a member	No. of meetings attended in person/alternates
Mr. Gavin J. Walker	6	5
Mr. Mohamed Haniffa Mahamed Fairuz	6	6
Dr. Syed Ferhat Anwar	6	5
Mr. A F Nesaruddin	6	6
Mr. Gelmart M. Gellecanao	6	3
Mr. Stephen H Goodman	6	1
Mr. Peter James O'Donnell	6	0
Mr. Nayana Jagath Kumar Dissanayake	6	5

Audit Committee Meeting and attendance during the year 2018

Name of Members	Meeting held while a member	No. of meetings attended
Mr. A. F. Nesaruddin	4	4
Dr. Syed Ferhat Anwar	4	3
Mr. Mohamed Haniffa Mahamed Fairuz	4	4
Mr. Gelmart M. Gellecanao	4	2

Remuneration Committee Meeting and attendance during the year 2018

Name of Members	Meeting held while a member	No. of meetings attended
Mr. Gavin J. Walker	2	2
Dr. Syed Ferhat Anwar	2	1
Mr. A. F. Nesaruddin	2	2

Nomination & Remunation Committee (NRC) Meeting and attendance during the year 2018

NRC formed on December 17, 2018

SINGER®

NO FROST REFRIGERATORS

- অপ্রয়োজনীয় বরফ জমে না
- খাবারের স্বাদ-গন্ধ থাকে অটুট

Beautiful Outside
Smart Inside



MANAGEMENT DISCUSSION AND ANALYSIS FROM MD'S DESK



In the previous years I mentioned that our initial focus was to transform the company to be strong competitively. Nearly two and half years into my tenure, Singer believe has made the right moves towards achieving this objective

2018 Overview

In 2018, Bangladeshi economic indicators were positive with visible economic growth across most sectors. Despite increasing competitive intensity in the home appliances and consumer electronics segment, we were successful in tapping on to the increased purchasing capacity to drive significant volume growth in both our retail and wholesale channels. We remain Bangladesh's largest retailer in home appliances and consumer electronics with above average industry growth.

No 1 Refrigerator Brand in Bangladesh

The Singer Refrigerator was recognized in 2018 as the No 1 Refrigerator Brand in Bangladesh. This was awarded based on various surveys conducted by A C Nielson, a world renowned research firm in association with the Bangladesh Brand forum.

REVENUE REACHED TK 13.7 BILLION WHICH WAS HIGHER BY 24% OVER THE PREVIOUS YEAR'S REVENUE OF TK 11 BILLION

Opportunities

Bangladesh is the next big frontier of opportunity as its per-capita incomes reaches an inflection point to drive consumption across the country. Per-capita income currently at US\$ 1,734 is estimated to reach approximately US\$ 2,300 in 2022. In addition, power generation at 18,000 MW in 2019 is expected to significantly increase as well. With

Revenue

Compared to Taka 11.6 billion in 2017



Operating Profit

Compared to Taka 1185 million in 2017



Profit after Tax

Compared to Taka 746 million in 2017



Earnings per Share

Compared to Taka 10 in 2017



expansion of economic opportunities, emphasis on implementation of mega projects and development of infrastructure will ensure an imminent lifestyle change as more and more people rise up the economic ladder. Nearly 30-40 million people will join the middle class. We see a long term opportunity and will continue to invest in growth.

Our Plan

Even though 2018 was a challenging year, I'm confident that we are in a prime position to generate stable returns and remain the industry leader, leveraging our strengths and outperforming our competition

In 2019, we expect to roll out new product range to cater to various segments in this emerging market. Further we will also enable our prospective customers to easily access to our range of products through various means including expansion of our e-commerce channels. Expansion of manufacturing units will enable us sustain the local value addition component and in the process retain

the largest retailer status in the home appliances and consumer electronics market in Bangladesh. We are confident of accelerating business momentum and building platforms for continuous value enhancement for our shareholders and other stakeholders in 2019 and beyond.

Invest in Growth

In line with planned strategy, we continued to invest heavily in brand building programs which included integrated communication campaigns. Shifting the mix to a greater focus on digital avenues has delivered very positive results.

57 of our stores were renovated and were also relocated to spacious premises to provide a comfortable shopping experience to our valued customers.

Maximizing Our Geographic Portfolio

We have the largest retail distribution network in Bangladesh with 385 company owned stores along with 720 wholesale dealers. This enviable geographic footprint in an emerging market has tremendous growth potential. We have already started a corporate sales channel. The exciting potential of e-commerce, can only enlarge Singer's customer base quickly and exponentially.

Allowing customers to utilize financial service products at our retail stores continues to be a very effective way to bring in new consumers into Singer stores. Services like Western Union, bKash, Grameen airtime reloads and utility bill payments on average are

bringing in approximate 800,000 customers to the stores during the year.

Our Subsidiary Company (IAL)

International Appliances Limited (IAL)'s revenue reached Tk 2,146 million in 2018 with Operating profit of Tk 87 million and a net profit before tax of Tk 21 million. The factory capacity provides Singer with flexibility to expand the product portfolio and strengthen its position in the refrigerator market and improve yields even further.

Manufacturing

LED televisions, air conditioners and furniture manufacturing units all had growth supplemented with volumes. The company has also plan for expansion of manufacturing facilities

Leading Multi Brand Retailer

Singer has been in Bangladesh for nearly 114 years. For 52 years it was simply a single product business For the next 48 years it remained a multi product-single brand company. It was only in 2005 that Singer successfully started new initiatives to promote other brands and products including financial services. The company continues to offer a wide range of easy-payment plans on its own, and many more through banks and finance companies as well as credit cards.

Business Performance

2018 revenue increased nearly 24% compared to the previous year with revenues crossing the TK. 13.7 billion milestone. Overall revenues have nearly doubled since I took over as the CEO in 2016. As details of the company's impressive



New Store Opening



Dealers' Night 2018

performance are set out in the Financial Review, I would limit my comments only to the salient features.

Our strategies and initiatives implemented over the last three years have paid off in several ways, Revenue growth has accelerated, operating fundamentals have strengthened and we are now charting out new strategies and moves required to reposition Singer for long-term growth and sustainability.

An important priority for 2018 was to improve growth of our key product categories. Overall category performances improved as well. Computers grew 70%, panel television by 28%, washing machine by 24%, kitchen & small appliances by 20% and refrigerator by 17%.

Risk and Concern

Details of Risk Factors and its management are set out on the Risk

Management Report on pages 50 & 51 of this report.

Empowering Women of Bangladesh

Every day, around the world, women are building better lives for themselves and their families taking on new professions and income generation sources. This has a profound positive impact on them and the community as a whole. As corporate citizen of this country we have a responsibility towards the society where we do business. We continued to provide tailoring skills to underprivileged women in collaboration of BRAC, largest NGO in Bangladesh, so that they can use these new skills to enjoy a better quality of life. This gesture as part of our Corporate Social Responsibility initiative no doubt will make a huge difference to their lives and will remain a source of inspiration and empowerment for women of Bangladesh.

Others

These areas are covered in the Directors' Report from pages 23 to 26 of this report.

Conclusion

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

Finally I also wish to place on record my appreciation to all our staff and employees for their dedication and commitment which contributed immensely towards the company's exceptional growth

I am confident that we have the building blocks to succeed. We have a strong brand image, robust distribution channels and an increasing range of products to sustain the growth momentum.

Mohamed Haniffa Mohamed Fairoz

Chief Executive Officer

March 18, 2019



Super Brand Award



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 adopting and monitoring 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 a valuable 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 long and rich experiences enable 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 17 to 19.

Responsibilities of the Board

The Board is collectively accountable to the company's shareholders as laid down in its Articles of Association and the relevant laws and Regulations. The Board directions are taken at its meetings held as per the Articles of Association.

The company Secretary calls the meetings of the Board and Board Committees, prepares the agenda in consultation with the Chairman of the Board of Directors, the Chairman of 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.

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 Corporate Governance Code with regard to composition of the Board.

Dr. Syed Ferhat Anwar and A. F. Nesaruddin being Independent Directors, they are free from any business or other relationships with the company that might materially interfere with or affect the exercise of their independent judgment.

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

Board Meetings

The Board meets regularly to discharge its duties effectively. Six Board Meetings were held during the

THE BOARD CONSIDERS ITSELF A TRUSTEE OF ALL SHAREHOLDERS AND ACKNOWLEDGES ITS RESPONSIBILITIES TO THE SHAREHOLDERS FOR CREATING AND SAFEGUARDING THEIR ASSETS.

Chairman and Managing Director

The Chairman is responsible for the leadership of the Board, for ensuring its effectiveness in all aspects of its role and also for facilitating the productive contribution of all Directors.

The Managing Director has overall responsibility for ensuring and enhancing the performance of the company's business. He provides leadership to the company to ensure the successful planning and execution of the objectives and strategies.

In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Code, the roles of Chairman and Managing

year 2018 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.

Board Committees

The Board had established three Board Committees to which it has delegated some of its responsibilities as per the Bangladesh Securities and Exchange Commission (BSEC) corporate governance guideline. They were the Audit Committee, the Remuneration Committee and the Nomination Committee. In compliance with the Bangladesh Securities and Exchange Commission corporate governance code 2018 the

Remuneration Committee and the Nomination Committee had been abolished in December 2018 and a new committee has been formed in the name of Nomination and Remuneration 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.

Independent Director Mr. A. F. Nesaruddin is the Chairman of the Audit Committee. His long career with multinational company as well as extensive experience as practicing Chartered Accountant has been a great benefit to the Company for the last year and the years to come.

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

Nomination and Remuneration Committee

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

To adhere to good corporate governance practice in the Company, the Committee works for identifying Directors to be inducted to the Board from time to time and to take steps to refresh the constitution of the Board 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 also discharges the responsibilities of the Board of Directors relating to compensation of the Company's executive directors

and senior management. The committee is also responsible for ensuring motivation and retaining high caliber individuals.

The Committee consists of three members including two Independent Directors. Dr. Syed Farhat Anwar is the Chairman of the Committee.

The Committee will meet as and when required, to consider candidates for appointment as Directors and to fix compensation of the Company's executive directors and senior management.

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 ten 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.

Responsibilities to Customers

Our success depends, in part, on the quality of our products and also on our broad 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 Accounting Standards (IAS) and

Bangladesh Financial Reporting Standards (IFRS). 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 A. Qasem & Co., Chartered Accountants.

Internal Controls

Directors are responsible for instituting a system of internal controls to ensure the effective implementation of all policies and decisions of the Board.

The Board ensures that the Directors maintain full and effective control of all significant strategic, financial, organizational and compliance issues.

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

The company has an Internal Audit Department headed by the Head of Internal Audit & Compliance. The internal control system is maintained and reviewed by an internal audit function that operates throughout the company and reports to the Management and the Audit Committee. The work of the internal auditors is focused on the areas of risk to the 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 process is being followed by the company.

Independent Corporate Compliance Auditor S. F. Ahmed & Co., Chartered Accountants was appointed by the Board to conduct Corporate Compliance Certification as per requirement of Bangladesh Securities & Exchange Commission (BSEC). Accordingly, S. F. Ahmed & Co., upon examination, issued a Compliance certificate which has been shown in page 28 of the Annual Report.

Code of Ethics

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 the shareholders' meeting. Four times each year, Singer Bangladesh Limited reports to its shareholders regarding its business, financial position and earnings.

Annual General Meeting normally takes place within the first five months of each fiscal year. Among other things, the Annual General Meeting decides adoption of annual financial statements and directors', declaration of directors' report, election of the Board members and the appointment of the Auditors.

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 the other stakeholders.

The quarterly and half yearly results of the company are published in the newspapers. Annual reports will be furnished in soft form to the shareholders and also send to the email addresses of the shareholders available in their beneficial owner (BO) accounts with the depository.

The company shall also print sufficient number of annual reports so that any shareholder may collect the printed copy of the annual report from the registered office of the company or its Investors' Relation Department or from the AGM venue if any shareholder requires in writing beforehand.

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 Limited'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, the company regularly publishes through newspapers and its website at www.singerbd.com additional company information that includes information regarding company's management, investor relations, marketing network, product range and other information which is uploaded on a regular basis.

Dematerialization of Shares as on December 31, 2018

The company's shares are compulsorily traded in dematerialized form and are available for trading on Central Depository Bangladesh Limited (CDBL). 64,276,227 Ordinary Shares of the company representing 83.78 % of the company's share capital were in dematerialized form as on December 31, 2018.



Achived ICSB National Award 2017 for Corporate Governance Excellence (Gold Award)

STATEMENT OF VALUE ADDED

	2018 Taka	2017 Taka
Turnover - Gross	13,700,924,231	11,059,139,327
Other Income	27,121,059	28,797,286
	13,728,045,290	11,087,936,613
Less: Cost of materials & services	6,927,169,512	6,070,777,529
Value Added	6,800,875,778	5,017,159,084

Distribution of Value Added**To Employees and Dealers**

Salaries, commission and other benefits	959,975,887	14%	819,478,494	16%
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To Government

Income taxes, duties and Value Added Tax	4,489,423,525	66%	3,178,331,879	63%
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To Banks and other Lenders

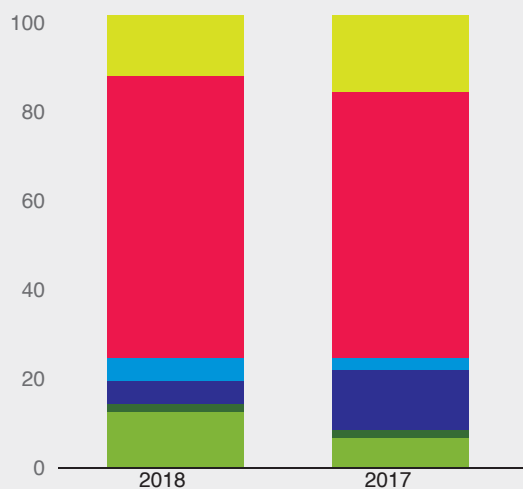
Interest & bank charges on borrowing	319,292,407	5%	162,967,000	3%
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To Suppliers of Capital

Dividends to shareholders	230,083,473	3%	766,944,910	11%
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Retained for Reinvestment and Future Growth

Depreciation	109,663,815	2%	77,725,716	2%
Retained profits	692,436,671	10%	11,711,085	5%
	6,800,875,778	100%	5,017,159,084	100%

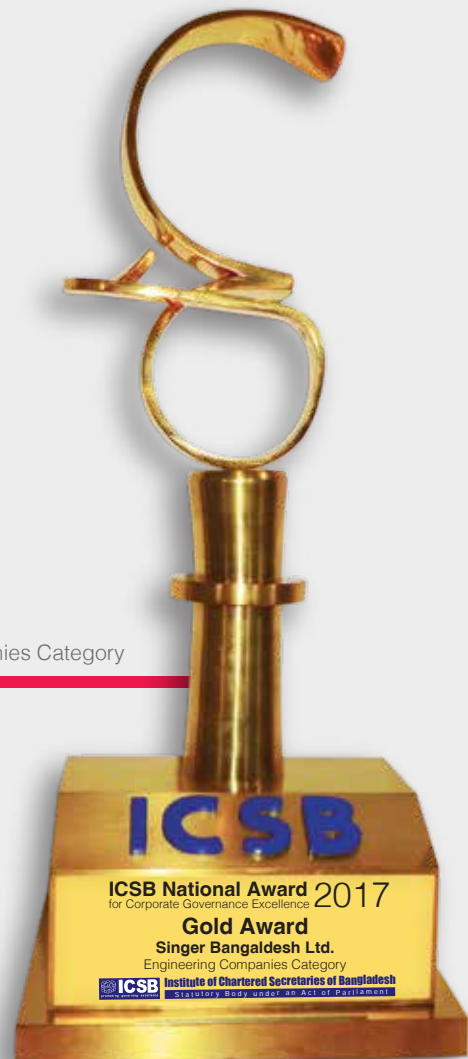
Value Addition (%)

- Salaries, commissions and other benefits
- Income taxes, duties and Value Added Tax
- Interest and bank charges on borrowing
- Dividends to shareholders
- Depreciation
- Retained profits



Singer Refrigerator was recognized in 2018 as the No 1 Refrigerator Brand in Bangladesh. This was awarded based on various surveys conducted by A C Nielson, a world renowned research firm in association with the Bangladesh Brand forum

ICSB National Award 2017 for
Corporate Governance Excellence
Gold Award in Engineering Companies Category



2018 RESULTS IN PERSPECTIVE

Financial Review

The following discussion and analysis should be read in concurrence with the Audited Consolidated Financial Statements of the Group and the Company for the year ended 31 December 2018. In this report, "Group" refers to Singer Bangladesh Limited (SBL) and its subsidiary International Appliances Limited (IAL) and "Company" refers to Singer Bangladesh Limited.

Preamble

SBL's Group as well as company level revenue has increased at an impressive growth of 23.9% in 2018 over last year, with net income growth of 23.4% and 16.1% at Group and company level respectively. These results demonstrate that Singer has continued to build on its position as the leading international appliance brand in Bangladesh. In 2018 and beyond, we plan to further increase our retail space and dealer numbers to capitalize on the opportunities available in this fast growing and exciting sector.

The Company reported strong growth for 2018 with record sales in all key product categories. In the year 2018, The Group as well as the Company achieved its highest ever turnover of Taka 13.7 billion in the backdrop of macroeconomic stability and political quietness. Domestic political calm was seen to affect the confidence in consumers' outlooks positively supported healthy growth in competition in 2018 and thus prevailing economic environment drove the growth momentum. With the positive growth momentum, the Company remains among the leading corporate in Bangladesh and continue to uphold efforts to amplify its position and the brand image in business of retail, wholesale as well as corporate channels and in the consumer durable market. The Group now looks forward to carrying this momentum into 2019.

Singer is an international brand, which consumers in Bangladesh aspire to own. With Singer's long history, considerable trust has built-up in Singer's reliable products and after

sales service. These strengths, combined with competitive prices and extensive distribution network provide very solid foundations for continued future success.

The Group net profit at the end of the year increased by Taka 175.0 million over the previous year resulting in corresponding increase in earnings per share to Taka 11.96 as opposed to 9.79 in 2017. The company announced 30% stock dividend, maintaining its long history of robust dividend payments.

Extensive distribution network, backed by aggressive above-the-line (ATL) and below-the-line (BTL) advertising and promotional campaigns during the whole year helped the Company to realize creditable growth. The wide range of product portfolio represented by widely known and well accepted "Singer" brand image supported by other world reputed Brand names helps to capitalize the politically calm environment.

Bangladesh Economic Outlook

The Bangladesh economy has been able to maintain sustained economic growth. The economy grew at a rate of 7.86 percent in FY2017-18, satisfactorily up from 7.28 percent growth in FY2016-17. The per capita national income reached US\$1,751 in FY2017-18, up by US\$141 a year earlier. Continuing the declining trend since FY2013-14 year-on-year inflation in FY2017-18 slid down to 5.78 percent. A significant portion of domestic labor force is employed in the Middle-East and many other countries of the world. In spite of decreasing the migration rate, Bangladesh has earned huge amount of remittances in FY2017-18. Remittances inflow of US\$14,981.69 million rebounded by 17.33 percent higher than US\$12,769.5 million in the FY2016-17. Foreign exchange reserve still remained steady. During the period, exchange rate broadly remained stable. Private sector credit grew at 16.95 percent. The GDP under the Medium-Term Macroeconomic Framework (MTMF) has been projected to grow at the rate of 7.8 percent in FY2018-19. On the whole, strong domestic demand and

investment activities, aided by strong private sector credit growth and increased inflows from exports, remittances, FDI inflows and medium and long-term foreign loans contributed GDP to grow robustly.

Bangladesh has good potential in several industries and electronics is one of them. These industries could leverage the country's large supply of low-cost labor and advantageous location to garner participation in various stages of global value chains and enter new markets. Promoting labor-intensive manufacturing in general would help expand industry to meet growing demand in the domestic market. Some of these products would enjoy a sizeable domestic market. With a further strengthening of exports and remittances, GDP growth that year is expected to firm to 7.2% though the World Bank has forecasted a growth rate of 7.0 per cent for Bangladesh this fiscal year on the back of robust private investment, increased exports and remittance inflows. Driven by strong domestic demand, Bangladesh's economy remains among the fastest growing economies in the developing world and it would grow at an even faster pace if it implemented economic reforms.

Political stability, private sector investment, food inflation, being on track with respect to achieving Sustainable Development Goals (SDGs by 2030), challenge of growth of exports and remittance, governance issues around the banking sector, the Rohingya refugee influx, rising energy prices in projecting the future growth rates are critical challenges for the Bangladeshi economy in 2019. Despite all these the economy is expected to grow exceeding 7.0% in 2019 as well. The ongoing infrastructure development may help drive growth rates to a higher level in 2019 and beyond.

Basis of Preparation and Comparative Figures

The Group financial statements for the year ended 31 December 2018 include the financial statements of Singer Bangladesh Limited and its subsidiary International Appliances Limited.

The financial statements have been prepared in compliance with the requirements of the International Financial Reporting Standards (IFRS) as adopted in Bangladesh 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.

The financial statements of previous years, including the comparative figures for the year ended 31 December 2017, had been prepared in compliance with the requirements of the Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) as adopted earlier in Bangladesh by the 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. Details of the basis of preparation and comparative figures are disclosed in Note 2 & 37 of the financial statements on page 65 & 99.

Performance in context

Turnover

During the year under review (i.e. 2018), Singer Bangladesh Group's revenue has been grown by an impressive rate of 23.9% to Taka 13.7 billion over prior year (i.e. 2017), whilst revenue of the Company also grew by 23.9% to reach Taka 13.7 billion. The strong growth was supported by the significant growth in the Home Appliances and IT Products segments. Home Appliances segment has been grown by 19.2%, IT products 70%, consumer electronics 25.3%. There was no impact on Group's revenue as revenue of subsidiary company is inter group transaction and therefore, eliminated on consolidation.

The Group managed to sustain its volume growth in traditional product lines such as refrigerators, washing machines, panel televisions, oven etc. This volume growth facilitated the company to realize an impressive growth in sales. The business environment continued to be competitive throughout the year considering increasingly strong local large competitors backed up by the modern state-of-art manufacturing

facilities. The market conditions in general has improved over prior year being the market observed the politically calm environment and relatively positive economic stability. The Company dealt with enthusiastic consumer buying patterns. During the year, Singer continued to build upon the success of its factory operations for refrigerators, panel televisions, air conditioners and furniture, with further substantial increase in output and capacity as planned in 2019 and beyond.

Efforts would continue to identify opportunities to introduce new products, expand distribution channels further, renovate and upgrade existing showrooms and add up new showrooms and customer service centers. 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 Group for the year under review reached Taka 3,902.0 million compared to Taka 3,119.0 million in the previous year, an increase of 25.1%. The Group's gross margin percentage increased from 28.2% to 28.5% over the prior year as a result of increased amount of sales compared to last year. The gross profit of the Company is Taka 3,768.0 million as against Taka 3,122.0 million in the previous year, an increase of 20.7%. Gross margin percentage of the Company was 27.5% (in 2018) vs 28.2% (in 2017), a decrease of 0.7% is the result of decline in income from earned carrying charges (ECC). In absolute terms gross margin of both Group and Company level has increased over prior year which was supported by the revenue growth.

Gross margin percentage of the Company is impacted due to decreased of ECC as early closing of HP accounts trend was significantly high considering extended cash conversion period in the face of competition. Besides, ECC has decreased due to extensive use of EMI being offered by various banks and non-banking financial institutions (NBFIs).

Operating Expenses

Both the Group and the Company continued to focus on managing

operating expenses, which was 16.6% of revenue in 2018 and decreased from 17.7% of revenue in the prior year at Group level. However, in absolute term the operating expenses rose from Taka 1,962.0 million in 2017 to Taka 2,269.6 million in 2018 at the Group level and from Taka 1,957.3 million in 2017 to Taka 2,239.9 million in 2018 at the Company level.

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 at 14.4% over prior year mainly due to growth of advertisement and sales promotion, shop operating expenses, rent and occupancy expenses and royalty expenses. Warranty expenses were decreased by 13.5% based on reassessment of coverage and the amount required to meet the warranty claims. Overall group-wise warranty provision has been provided based on rate of claims and the amount expensed. Royalty expenses grew in line with the sales growth. However, with the growth of production/assembly of air conditioner locally at the factory the royalty expenses increased compared to prior year. Exponential growth rate of rental expenses due to higher demand of rental space in economically feasible or prime locations has been the driving force behind higher escalation of rental expenses. On the other hand, advertisement and sales promotion expenses grew below the growth of sales in spite of aggressive marketing plans for above-the-line (ATL) and below-the-line (BTL) advertising and promotional campaigns in the whole year to sustain and expand market share. Period expenses such as rent, renovation costs and some components of staff cost increased due to expansion of operations. Impairment on hire and other receivables at Company level decreased from last year by a greater margin owing to improvement in overall management of receivable despite difficulties and challenges faced in the process of collections. Warranty expenses increased significantly both at Group and company level as the warranty periods increased due to market competition and to attract and retain more

customers. In spite of all the challenges, as a percentage of turnovers, operating expenses has been decreased from 17.7% to 16.6% at Group level and 17.7% to 16.4% at Company level.

Operating Profit

Group's Operating profit increased to Taka 1,659.3 million against Taka 1,185.3 million of 2017 and Company's Operating profit increased to Taka 1,545.8 million from Taka 1,190.2 million of 2017. In terms of percentage, the Group and the company achieved 12.1% and 11.3% against 10.7% and 10.8% of last year respectively. The growth of revenue and improvement in respect of managing the operating expenses were favorably contributed to the increased operating profit.

Net Finance Cost

Group's net finance cost increased by Taka 161.0 million over the last year and reflected 2.3% of revenue as opposed to 1.4% of revenue in 2017. Similarly, the Company's net finance costs increased by Taka 105.6 million and which represented 1.9% of revenue as opposed to 1.3% of revenue in 2017. Despite negotiated interest rates, higher utilization of bank overdrafts to support expansion and growth of business and managing working capital to finance specially increased trade and other receivable and inventory caused to incur high finance costs. Interest expense of IAL's long term loan also contributes to this high finance cost at Group level.

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

An equity-accounted investment in the Company was limited to International Appliances Limited (IAL) until 16 October 2017. And not applicable in 2018. The share of profit of equity-accounted investee after tax is applicable to Singer Bangladesh prior to take over the associate as subsidiary effective from 16 October 2017 resulted favorable contribution to both Company as well as Group level income and share of profit for the period was Taka 56.4 million in 2017.

Income Tax Expense

Income tax expense of the Group was Taka 354.0 million as against Taka 281.0 million in 2017. Income tax expenses for the Company increased from Taka 268.2 million to Taka 327.0 million. The current year income tax expenses on ordinary activities of both Group and Company have grown due

to the increase in profit from ordinary business. Net tax expenses includes current tax and deferred tax. Currently, the Company is liable to income tax at 25% and the subsidiary IAL is liable to income tax at 35%. Consequently, overall tax expense was higher than the normal tax rates due to disallowances on account of perquisites and royalty expenses (exceeding allowable threshold).

The Group's effective tax rate for the year was 27.8% in 2018 vs. 27.4% in 2017 and the Company's effective tax rate for the year was 26.6% in 2018 vs. 25.7% in 2017. The effective tax at Group level remained almost at same level though the same was increased at the Company level mainly due to higher disallowances of royalty and no share of profit of equity-accounted investees due to subsidiary, as opposed to share of profit of equity-accounted investees in the last year, which is not liable to income tax at both Group and company level as being taxed under associate.

Profit for the Year

The Group recorded a profit after tax of Taka 920.9 million for the year 2018 which represented a growth of 23.4% over last year and by Taka 174.8 million over the last year.

The Company recorded profit of Taka 900.2 million after tax in 2018 compare to Taka 775.1 million in 2017. This represented a favorable growth of 16.1% over last year and by Taka 125.0 million mainly due to growth of revenue and efficiently managed operating expenses resulted in lower percentage of revenue incurred for the purpose.

Other Comprehensive Income

Other comprehensive income for the year 2018 was limited to actuarial loss of retirement benefit obligation reported as loss of Taka 1.8 million (net of related tax) at cut-off re-measurement of defined benefit liability.

Comprehensive Income for the Year

The Group recorded a total comprehensive income of Taka 919.1 million after tax for the year against Taka 742.9 million in last year. The Company's total comprehensive income for the year was Taka 898.4 million vs. Taka 771.9 million in the previous year, an increase of Taka 126.5 million. In the Group, total comprehensive income attributable to equity holders was Taka 915.8 million

vs. 747.6 million in the last year. Total comprehensive income attributable to non controlling interest was Taka 3.4 million vs. negative (i.e. loss) Taka 4.7 million in 2017.

Earnings per Share

Group Earnings was strong and earnings per share (EPS) for the year under review rose to Taka 11.96 vs. Taka 9.79 in 2017. Earnings per share of the Company was Taka 11.74 vs. Taka 10.11 in 2017.

Price Earnings Ratio

The price-to-earnings ratio of the Company as at 31 December 2018 was 18.85 times against 19.38 times as at 31 December 2017. During the year under review, the Company's share price ranged between Taka 164.9 and Taka 248.4. Closing price for the year was Taka 221.2. Respective figures for 2017 were Taka 175.5, Taka 228.9 and Taka 195.9.

Dividend

The Board of Directors has recommended 30% stock dividend as final dividend in respect of the year ended 31 December 2018.

For the year ended 31 December 2017, final dividend of 100% (Taka 10.0 per share), total Taka 766.9 million was paid as continued part of company's robust dividend policy.

Events after the Reporting Period

The proposed final dividend subsequent to the reporting date was not accounted for in the financial statements as at 31 December 2018.

The Company has purchased 16.1680% share of International Appliances Limited (IAL) from Shanghai Sonlu Shangling Enterprise Group Co. Ltd. (9.9978%) and from Sunman Corporation Limited (6.1702%). Associated call option of Sunman Corporation Limited has been cancelled. As a result, IAL is now fully owned subsidiary of the Company.

Return on Equity

Return on Group equity for the year under review is 40.0% whilst in the previous year was 35.8%. Return on equity of the Company was increased to 40.0% compared to 37.5% in the previous year. Return on equity has been computed by dividing the profit after tax 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 Group increased from Taka 1,771.0 million to Taka 1,815.1 million, an increase of Taka 44.1 million due to increase in deferred tax assets and continued growth in prepaid rent.

Current Assets

Current assets of the Group increased by 25.9% over the last year and rose to Taka 6,671.5 million compared to Taka 5,300.6 million in 2017 while the Company's current assets increased to Taka 6,082.1 million from Taka 4,940.2 million in 2017. The yearend Group's as well as the Company's inventories were comparatively higher which were held in excess of optimum level and could have been brought down further as more sales would have realized and thus, controlled it from being ended up high volume. In addition, higher level of trade and other receivables also caused overall increase of current assets compared to the last year. Increase of trade receivables at the yearend 2018 compared to the year 2017 is mainly due to extended cash conversion period as part of continuing promotion and credit extended to various large institutions in order to boost sales and remain competitive in the competition. In addition, the excess margin was claimed back from the IAL which gave a rise to the balance of other receivables.

Total Assets

Total assets of the Group increased by 20.0% and rose to Taka 8,486.6 million compared to Taka 7,071.6 million in 2017 while Company total assets increased by 18.2% and stood at Taka 7,895.9 million against Taka 6,679.3 in the last year. The increase of total assets was caused by increase in deferred tax assets, growth in prepaid rent, higher level of inventories and increased level of trade and other receivables.

Total Equity

The Group equity including non-controlling interest increased by Taka 154.1 million compared to the last year and stood at Taka 2,378.0 million at the yearend 2018. Increase in retained earnings over the prior year has led the increase in total equity. On the other hand, total Company equity increased by Taka 133.4 million over 2017 and stood at Taka 2,317.9 million at the end of 2018. The sharp increase was mainly due to strong growth in current year's retained earnings.

Non-Current Liabilities

Non-current liabilities of the Group stood at Taka 1,725.2 million compared to Taka 1,474.4 million in 2017. On the other hand, non-current liabilities of the Company increased to Taka 1,688.1 million from Taka 1,472.9 million in the last year. Despite reduction of retirement benefit obligation due to transfer of fund to the trust of the same the increase was largely for increase in non-remittable dividend account reported under other liabilities and warranty-long term portion of warranty.

Current Liabilities

Group's current liabilities increased by Taka 1,010.1 million compared to 2017. Current liabilities of the Group increased mainly due to increase in short-term borrowings apart from increase in trade and other payables. Trade and other payables of the Company increased by Taka 138.0 million and stood at Taka 1,646.4 million at the yearend as opposed to Taka 1,508.4 million in 2017. Increase in other payables mainly contributed to the increase in royalty payables cumulatively with last year's payables which is yet to be remitted, despite the decrease in trade payables. In other payables, payable for supplies, payable for expenses and payable for other finance had minimal growth over prior year.

On the other hand, Company's current liabilities increased by Taka 868.1 million compared to the last year 2017. Current liabilities of the Company increased mainly due to increase in short-term borrowings apart from the increase in trade and other payables. Trade and other payables of the Company increased by Taka 189.7 million and stood at Taka 1,712.2 million in 2018 against Taka 1,457.6 million in 2017. Increase in other payables mainly contributed to the increase in royalty payables cumulatively with last year's payables which is yet to be remitted, despite the decrease in trade payables. In other payables, payable for supplies, payable for expenses and payable for other finance had minimal growth over prior year.

Operating Cash Flow

Group operating cash flow before working capital changes, finance costs and tax was Taka 15,225.1 million compared to Taka 10,926.7 million in 2017. Net operating cash outflow after meeting costs and expenses, finance

costs and tax payment in the Group was Taka 464.8 million as opposed to net inflow of Taka 239.1 million in 2017. The net outflow was supported by the business growth (23.9%) of the Group causing increased payment for costs and expenses, interest payment on borrowing and income tax payment.

Company's gross operating cash flow before working capital changes, finance costs and tax was Taka 15,358.7 million compared to Taka 10,873.5 million in 2017. Net operating cash inflow decreased by Taka 215.4 million due to increased payment for costs and expenses, interest payment on borrowing and income tax payment. During the year 2018 business growth of 23.9% supports these increased payments.

Investing Cash Flow

During the year 2018, the Group made investments amounting to Taka 107.2 to acquire property, plant and equipment which was nominally off-set by cash inflows from dividend of Taka 1.4 million received from CDBL and disposal of property, plant and equipment of Taka 2.0 million.

During the year the Company made investments amounting to Taka 87.1 million mainly in property, plant & equipment. The cash outflow for the investment was nominally was off-set by cash inflows from dividend of Taka 1.4 million received from CDBL and disposal of property, plant and equipment of Taka 2.0 million.

Financing Cash Flow

Net cash outflow from financing activities at Group level was Taka 581.5 million and at Company level it was Taka 627.4 million. Long term loan of IAL amounting Taka 45.9 million off-set net cash outflow at Group level. Dividend payment of Taka 627.4 million at Company level is the main factor for cash outflow at both Group & Company level.

Cash and Cash Equivalents

As at 31 December 2018, cash and cash equivalents of the Group was negatively increased by Taka 1,150.0 million and stood at Taka 2,534.1 million compared to Taka 1,384.1 million in 2017. On the other hand, the company's cash and cash equivalents was further pushed negatively by Taka 670.1 million and stood at Taka 1,925.0 million compared to Taka 1,254.9 million in 2017.

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 also the dedication, knowledge and performance of the employees and excellence of the senior management team that consolidate its position as the market leader in the aforesaid field. Accordingly, human resources development remains 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 continues 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 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 has been practicing this blend for a long time.

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.

Employee Compliance

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 and compulsory labor. 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.

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 as they are our precious assets. We invest time, effort and resources to protect all of our employees from harm that might be associated with their work.

As safety is of the highest priority, all protective measures have been taken to avoid accidents in the workplace. Though accidents are unwanted, we have preparations for immediate response to any emergency. Fire drills and trainings for firefighting are organized under supervision of HRD training unit periodically at offices and factory premises.

We have a corporate attachment with some renowned hospitals for giving instant medical treatment upon request to 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 playing an advisory role

for the employees and thereby putting efforts to manage their grievances.

Singer believes in long term bonding with the employees and its employees have been working for decades. Transparent relation between management and 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.

Recruitment

Singer recruits best competent resources from the open job market that help strengthen our core capabilities. Singer follows the rules which exhibits the philosophy of right people in right place and empower people in every possible step to engage them in organizational and personal life success. We ensure smooth succession plans are in place for every senior position. We also have transparent succession plans at all levels. During the year Singer recruited 180 people in different positions.

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 programme for two weeks before engaging themselves in their responsibilities. Regular classroom based internal and external trainings, technology enabled learning, internal certifications,



Tranning Participants



Annual Picnic Events

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 a good number of trainees completed trainings which mainly addressed the business need of building competencies and fulfilling the demand of the company. On skill development front, focus shifted towards more hands on training. Many of the programmes were structured keeping in view the needs of the days to come. Almost 88% of total training sessions have been organized through in-house and 12 sessions have been conducted by external trainer.

Singer Retail Academy (SRA)

Singer Bangladesh Limited, a company with a 168-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. 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, Account Verification, Internal Audit, Retail District Management or Retail Area Management, depending on their areas 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 score card is the tool under the concept of the Singer Retail Academy and this tool 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.

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 await those employees who have worked for at least a decade.

Singer Bangladesh Limited organized a mega event - Singer Inter Department Cricket Tournament 2018 with the participation of all departments. It was not a big tournament; rather it was a big get-together which helped in team building and entertainment as well.

Singer Bangladesh recognizes the veteran at huge gathering of Singer Family like Annual Picnic or Annual Conference formally honoring their contribution to the company. Family members of all employees participate in the annual picnic. It is indeed a wonderful event for the awardees and the others.

Long Service Award

Singer belongs to a history of 168 years and enjoys a legacy of good name and fame. There is nothing to wonder that people who work at Singer possess strong bondage. Singer honors its employees by recognizing their long service. The Long Service Award winners receive the much coveted awards in the Annual Picnic and also in the Annual Sales Conference. Long Service Award winners list for 2018 indicates sound employer-employee bondage.

Length of Service	Number of Award Winner
30	1
25	26
20	7
15	10
10	44

MANAGING RISK

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.

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

THE MANAGEMENT ALWAYS MONITORS THE EFFECTIVENESS OF THE DESIGNED SYSTEMS THROUGH RECEIVING VARIOUS REPORTS FROM DIFFERENT DEPARTMENTS

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

behavior, or technological development from budgeted situation. Singer recognizes 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. In this era of highly changing environment of IT, the company has implemented numerous types of information security controls to ensure physical and virtual security to the critical information and information systems. In addition, the company has established IT Audit function to minimize the technological risks.



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.

Political Risk- Despite of widespread political activities in relation to election in Bangladesh last year we managed to achieve steady growth. Singer Bangladesh is familiar with political instabilities inherent in Bangladesh and was no surprise. Our risk management process is robust and adequate measures are in place to manage such risks. Our experienced management staff is ensuring that the best utilization of the outlet operational hours is made during this crisis and proper marketing & promotional initiatives already in progress to cover up the short fall of revenue because of those risks.

Product- Products may prove defective or inappropriate for the market in terms of price, functionality or perceived value. They are also liable to be rendered obsolete. In addition price competition, availability of variety of products and change of customer's choice also has an exposure to indirect product risks. A thorough market research and feedback from field supervision is always obtained in case of placing an order for new product and quality control checking & product assurance system already implemented before launching a new product. For existing products, the experienced SBL management team has always ensured a right determination and evaluation of product life cycle. Risks associated with product obsolescence are mitigated by provisioning for obsolete products. Provisioning also deals with risks arising out of warranty claims and doubtful debts. A bunch of new featured models and designs already newly added in each product line which we wish will definitely continue to lead the market in future.

Interest Rate: Increase in interest rates impacts the company's earnings, cash flow and overall value and affects product pricing, customer credit arrangements and company's profits. The company's financial strength and brand equity give it access to funds at attractive rates, further reducing interest rate risk. The exposure of high interest expense from fluctuating interest rates is managed through ensuring a right balance between short and long term borrowings.

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

Preamble

The Audit Committee is a committee of the Board. The Audit Committee acts as an effective forum in assisting the Board of Directors in discharging their responsibilities on ensuring the quality of financial reporting, overseeing internal & external audit functions and internal control structure as well as related communications to the shareholders and stakeholders.

Composition of the Audit Committee

The Audit Committee consists of the following:

Nesaruddin Ahmed, Chairman

Dr. Syed Ferhat Anwar, Member

Polat Sen, Member

M. H. M. Fairoz, Member

The Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Directors attend the meetings by invitation. The Company Secretary acts as the Secretary of the Committee.

Role and responsibilities of the Committee

The Audit Committee's jurisdiction, responsibilities and specific duties have been formalized through an "Audit Committee - Terms of Reference (ToR)" in compliance with the Corporate Governance Code 2018. By this the Audit Committee is empowered to consider any matter related to the financial affairs of the Company and to review all internal and external audits, internal control systems and procedures, accounting policies, related party transaction, management letter issued by statutory auditors, determine audit fee 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 as well.

Meetings and Attendance

During the financial year ended on December 31, 2018, four meetings of the Audit Committee were held. The details of attendance of the members

have been shown in the ANNEXTURE-III of page - - of the annual report.

The Company's external auditors were present at one meeting during the financial year where matters related 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, 2018.

Financial Reporting

- The quarterly, half yearly and interim financial results of the Company reviewed and the relevant announcements made to the Stock Exchanges by the Board of Directors.
- The annual financial statements of the Company reviewed prior to submission to the Board of Directors for approval to ensure that the financial reporting and disclosures were in compliance with the relevant laws.

Internal Audit

- The annual and quarterly audit plans including the audit methodology in assessing and rating risks of auditable areas reviewed to ensure adequate scope and comprehensive coverage on the audit activities of the Company.
- The Internal Audit reports encompassing the audit issues, audit recommendations and Management's responses reviewed. Improvement actions suggested by the internal auditors in the areas of internal controls, systems and efficiency enhancements were discussed with Management.
- The implementation of these recommendations through follow-up audit reports reviewed to ensure all key areas were addressed.

External Audit

- The Committee met with external auditors at the conclusion of the annual audit in the absence of the Management and also reviewed

the findings following their observation, if any as well as and the Management's response thereto.

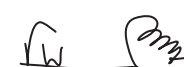
- Their audit scopes, audit strategies, audit plans and performance for the year and their proposed fees for the statutory audit reviewed with the external auditors about.
- The Audit Committee recommended to the Board of Directors that M/s. A, Qasem & Co., Chartered Accountants be appointed as auditors for the financial year ending on December 31, 2019 subject to the approval of the members at the 39th Annual General Meeting of the Company.
- The external audit reports reviewed and areas of concern highlighted in the Management letter including the Management's responses to the findings of the external auditors.
- The committee reviewed statement of related party transaction as discussed in the Financial Statement to ensure all parties were added in compliance with IAS.

The committee also reviewed management's decisions and analysis before disclosing in the Annual Report with an objective that discussions and analysis represents by Financial Statement.

Internal Control and Risk Management System

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

On behalf of the Audit Committee



A F Nesaruddin

Chairman, Audit Committee
Dhaka, February 20, 2019

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

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

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

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

establishment of appropriate systems of internal control with a view to preventing and detecting fraudulent activities and other irregularities.

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

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

The Directors have a reasonable expectation, after making enquiries and following a review of the Company's plan for the ensuing year including cash inflows and borrowing facilities, that the Company has adequate resources to continue in operational existence in the

foreseeable future, and therefore continues to adopt the going concern basis in preparing the accounts.

Messrs. A. Qasem & Co., Auditors of the Company, have examined the financial statements made available by the Board of Directors together with all relevant financial records, related data, minutes of shareholders and Directors meetings and expressed their opinion in their report in page ... of the Annual Report.

By order of the Board

Singer Bangladesh Limited



Mohamed Haniffa Mohamed Fairoz
Chief Executive Officer



Mohammad Sanaullah
Company Secretary

Dhaka, February 20, 2019

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AUDITORS' REPORT AND FINANCIAL STATEMENTS

as at and for the year ended 31 December 2018

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Annual Report 2017

25 April 2018

38th Annual General Meeting

15 May 2018

Dividend Paid

3 June 2018

Interim Financial Statements to BSEC, Dhaka & Chittagong Stock Exchange

For the Three Months Ended

31 March 2018 (unaudited)

May 2018

For the Half Year Ended

30 June 2018 (unaudited)

July 2018

For the Nine Months Ended

30 September 2018 (unaudited)

October 2018

Annual Report & Annual General Meeting

Annual Report 2018 Approved

20 February 2019

39th Annual General Meeting

23 April 2019

Dividend Payable

May 12, 2019

Proposed Financial Calendar - 2019/20

For the Three Months Ending

31 March 2019 (unaudited)

April 2019

For the Half Year Ended

30 June 2019 (unaudited)

July 2019

For the Nine Months Ending

30 September 2019 (unaudited)

October 2019

40th Annual General Meeting

April 2020

38TH ANNUAL GENERAL MEETING Singer Bangladesh Limited



INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Singer Bangladesh Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singer Bangladesh Limited (the Company), and the consolidated financial statements of the Company and its subsidiary (the Group) which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company and of the Group as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for 2018. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

► The impact of the initial application of IFRS 15 on the appropriateness of revenue recognition and related disclosures

The Company has reported a gross revenue of BDT 13,700.92 million for the year ended 31 December 2018. Gross Revenue includes revenue from sales of goods and services amounting to BDT 13,612.9 million and revenue from earned carrying charges on hire sales amounting to BDT 88.1 million. The subsidiary, International Appliances Limited, has reported a revenue of BDT 2146.1

million which comprises entirely of sales made to Singer Bangladesh Limited. The subsidiary's revenue has been appropriately eliminated from Consolidated Revenue and Cost of Sales. Revenue has been disclosed in note 19 of the financial statements.

This material item is subject to considerable inherent risk due to the complexity of the systems necessary for properly recording and reporting revenue and the multiple sources from which revenue is being recognised. Against this background, the proper application of the accounting standards is considered to be complex and thus subject to careful scrutiny.

How our audit addressed the key audit matter

Our audit approach included testing of the controls and substantive audit procedures, including:

- Assessing the environment of the measurement as well as other relevant systems supporting the accounting of revenue.
- Assessing manual as well as application controls supporting revenue recognition.
- Assessing the invoicing and measurement systems up to entries in the general ledger.
- Examining customer invoices and receipts of payment on a test basis.
- Testing the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis.

We obtained reasonable assurance of the appropriateness of the systems, processes, and controls in place and that the estimates and assumptions made by management

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are sufficiently documented and substantiated to ensure that revenue is properly recognized.

With regard to the impact of the initial application of IFRS 15 from the financial year 2018 onward, we assessed the impact determined after the implementation of the new standard. Our audit approach included, among other items:

- ▶ Assessing the design of the processes set up to account for the transactions in accordance with the new standard.
- ▶ Assessing whether the guidelines within the standard, specifically with regards to hire sales and related earned carrying charges, have been properly met.
- ▶ Assessing whether the sufficiency of disclosures as required by the new standard have been met.
- ▶ Assessing whether any adjustments is required to be made to opening balances due to the adoption of the new standard.
- ▶ Related party transactions

The Company has a number of related party transactions, significant amongst which include procurement of products from its subsidiary, payment of dividends to the parent and rental of premises from a non-controlling interest. The subsidiary's significant related party transactions include procurement of products from a non-controlling interest. Related party transactions are subject to the requirements of IAS 24: Related Party Disclosures. Related party transactions and relationships have been disclosed in note 35 of the financial statements.

How our audit addressed the key audit matter

We have gained an understanding of the Company's processes and procedures to account for and report related party transactions and relationships.

Our procedures included among others

- ▶ Obtain a full list of the Company and its subsidiary's transactions with such parties, nature and purpose of such transactions and outstanding balances.
- ▶ Understand the Company and its subsidiary's process for identifying related parties and disclosing related party transactions.
- ▶ Understand the Company and its subsidiary's process for identifying related parties and disclosing related party transactions.
- ▶ Inspect supporting documentation to confirm that related party transactions have taken place on an arms' length basis.
- ▶ Confirm outstanding balances with external confirmations.
- ▶ Assess whether related party relationship exists with parties that have not been disclosed.
- ▶ Review whether intercompany balances have been appropriately eliminated in the consolidated financial statements of the Group.
- ▶ Review whether related party disclosures comply with the requirements of IAS 24.

Other matter

The financial statements of Singer Bangladesh Limited and of the Group for the year ended 31 December 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 15 March 2018.

Other information included in the Company's 2018 Annual Report

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial

Statements and our Auditor's Report thereon.

Our opinion on the Financial Statements of the Company and of the Group does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company and the Group, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company and the Group or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the information read and reviewed, we have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company and the Group in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company and the Group, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either

intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be

thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

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

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- iii) 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 returns; and
- iv) the expenditure incurred was for the purposes of the Company's business.



A. Qasem & Co.
Chartered Accountants

Dhaka, 28 February 2019

STATEMENT OF FINANCIAL POSITION

Singer Bangladesh Limited

In BDT	Note	Consolidated		Company	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
Assets					
Property, plant and equipment	3	1,411,211,583	1,424,361,116	1,051,032,994	1,046,463,051
Intangible assets	4	35,472,985	39,542,064	35,360,822	39,542,064
Investments	5	4,199,450	4,199,450	355,987,045	355,987,045
Deferred tax assets	12	26,507,800	18,871,202	45,639,652	24,836,206
Deposits and prepayments	6	337,712,006	283,998,887	325,807,679	272,258,939
Non-current assets		1,815,103,824	1,770,972,719	1,813,828,192	1,739,087,305
Inventories	7	3,897,325,730	2,968,387,371	3,331,004,600	2,664,943,659
Trade and other receivables	8	2,225,136,036	1,856,060,667	2,343,454,268	1,855,636,074
Advances, deposits and prepayments	6	256,024,530	237,332,959	213,772,718	216,821,832
Current tax assets	18	98,490,242	35,896,460	-	-
Cash and cash equivalents	9	194,532,817	202,934,615	193,843,156	202,786,490
Current assets		6,671,509,355	5,300,612,072	6,082,074,742	4,940,188,055
Total assets		8,486,613,179	7,071,584,791	7,895,902,934	6,679,275,360
Equity					
Share capital	10	766,944,910	766,944,910	766,944,910	766,944,910
Reserves	11	573,075,690	577,857,676	573,075,690	577,857,676
Retained earnings		971,039,498	815,464,263	977,927,706	839,743,865
Equity attributable to owners of the Company		2,311,060,098	2,160,266,849	2,317,948,306	2,184,546,451
Non-controlling interest		66,518,445	63,164,284	-	-
Total equity		2,377,578,543	2,223,431,133	2,317,948,306	2,184,546,451
Liabilities					
Retirement benefit obligations	13	-	3,618,300	-	2,174,000
Long term debt	17	37,150,985	-	-	-
Other liabilities	14	1,688,064,652	1,470,774,961	1,688,064,652	1,470,774,961
Non-current liabilities		1,725,215,637	1,474,393,261	1,688,064,652	1,472,948,961
Trade and other payables	15	1,646,432,946	1,508,412,542	1,712,236,302	1,522,526,822
Short-term borrowings - secured	16	2,728,664,213	1,587,039,816	2,118,835,001	1,457,644,580
Current tax liabilities	18	-	-	58,818,673	41,608,546
Short term liability	17	8,721,840	278,308,039	-	-
Current liabilities		4,383,818,999	3,373,760,397	3,889,889,976	3,021,779,948
Total equity and liabilities		8,486,613,179	7,071,584,791	7,895,902,934	6,679,275,360

The annexed notes are an integral part of these financial statements.



Mohamed Haniffa Mohamed Fairouz
Managing Director



Dr. Syed Ferhat Anwar
Director



Mohammad Sanullah
Company Secretary

Dhaka, 28 February 2019



A. Qasem & Co.
Chartered Accountants

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Singer Bangladesh Limited

In BDT	Note	For the year ended 31 December			
		Consolidated		Company	
		2018	2017	2018	2017
Sales		13,612,859,648	10,967,038,473	13,612,859,648	10,967,038,473
Earned carrying charges		88,064,583	92,100,854	88,064,583	92,100,854
Turnover	19	13,700,924,231	11,059,139,327	13,700,924,231	11,059,139,327
Cost of sales	20	(9,799,164,928)	(7,940,639,289)	(9,932,975,652)	(7,937,421,611)
Gross profit		3,901,759,303	3,118,500,038	3,767,948,579	3,121,717,716
Operating expenses	21	(2,269,575,658)	(1,961,971,433)	(2,239,943,627)	(1,957,341,233)
Other income/(loss)	23	27,121,059	28,797,286	17,767,890	25,866,707
Operating profit		1,659,304,704	1,185,325,891	1,545,772,842	1,190,243,190
Finance income		624,370	563,183	624,370	563,183
Finance costs		(319,292,407)	(158,195,568)	(254,724,883)	(149,016,850)
Net finance costs	22	(318,668,037)	(157,632,385)	(254,100,513)	(148,453,667)
Share of profit/(loss) of equity-accounted investees, net of tax	25	-	56,387,751	-	56,387,751
Profit before contribution to workers' profit participation fund		1,340,636,667	1,084,081,257	1,291,672,329	1,098,177,274
Contribution to workers' profit participation fund	24	(65,702,515)	(56,958,437)	(64,583,616)	(54,908,864)
Profit before taxation		1,274,934,152	1,027,122,820	1,227,088,713	1,043,268,410
Income tax expense	26	(354,035,183)	(280,975,762)	(326,935,300)	(268,158,891)
Profit after tax		920,898,969	746,147,058	900,153,413	775,109,519
Profit attributable to					
Equity holders of the Company (SBL)		917,544,807	750,829,917	-	-
Non-controlling interest		3,354,162	(4,682,859)	-	-
		920,898,969	746,147,058	-	-
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit liability	13.1	(2,347,000)	(4,325,000)	(2,347,000)	(4,325,000)
Related tax	26.1	586,750	1,081,250	586,750	1,081,250
		(1,760,250)	(3,243,750)	(1,760,250)	(3,243,750)
Total comprehensive income for the year		919,138,719	742,903,308	898,393,163	771,865,769
Total comprehensive income attributable to:					
Equity holders of the Company (SBL)					
Profit after tax		917,544,807	750,829,917	-	-
Other comprehensive income		(1,760,250)	(3,243,750)	-	-
		915,784,557	747,586,167	-	-
Non-controlling interest					
Profit after tax		3,354,162	(4,682,859)	-	-
Other comprehensive income		-	-	-	-
		3,354,162	(4,682,859)	-	-
Total comprehensive income for the year		919,138,719	742,903,308	-	-
Earnings per share (EPS)	31	11.96	9.79	11.74	10.11

The annexed notes are an integral part of these financial statements.



Mohamed Haniffa Mohamed Fairoz
Managing Director



Dr. Syed Ferhat Anwar
Director



Mohammad Sanaulah
Company Secretary

Dhaka, 28 February 2019



A. Qasem & Co.
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY-CONSOLIDATED

Singer Bangladesh Limited

In BDT	Attributable to owner of the Company							Total equity
	Share capital	Revaluation reserve	Capital reserve	Non-remittable special reserves	Non-distributable special reserves	Retained earnings	Total	
Balance at 1 January 2017	766,944,910	566,586,093	18,190,942	370,178	232,847	594,705,557	1,947,030,527	1,947,030,527
Total comprehensive income	-	-	-	-	-	775,109,519	775,109,519	838,273,803
Profit	-	-	-	-	-	(24,279,602)	(24,279,602)	(24,279,602)
Acquisition of business	-	-	-	-	-	(3,243,750)	(3,243,750)	(3,243,750)
Other comprehensive income	-	-	-	-	-	747,586,167	747,586,167	810,750,451
Total comprehensive income for the year	-	-	-	-	-	775,109,519	775,109,519	838,273,803
Transaction with owners of the Company	-	-	-	-	-	-	-	-
Contributions and distributions	-	-	-	-	-	-	-	-
Dividends:	-	-	-	-	-	-	-	-
Cash dividend - 2017	-	-	-	-	-	(536,861,437)	(536,861,437)	(536,861,437)
Total contributions and distributions	-	-	-	-	-	(536,861,437)	(536,861,437)	(536,861,437)
Adjustment for deferred tax arising from revaluation of property, plant and equipment	-	-	-	-	-	2,511,592	2,511,592	2,511,592
Transfer of depreciation on revaluation surplus	-	(7,522,384)	-	-	-	7,522,384	-	-
Balance at 31 December 2017	766,944,910	559,063,709	18,190,942	370,178	232,847	815,464,263	2,160,266,849	2,223,431,133
Balance at 1 January 2018	766,944,910	559,063,709	18,190,942	370,178	232,847	815,464,263	2,160,266,849	2,223,431,133
Total comprehensive income	-	-	-	-	-	917,544,807	917,544,807	920,898,968
Profit	-	-	-	-	-	(1,760,250)	(1,760,250)	(1,760,250)
Other comprehensive income	-	-	-	-	-	915,784,557	915,784,557	919,138,718
Total comprehensive income for the year	-	-	-	-	-	917,544,807	917,544,807	920,898,968
Transaction with owners of the Company	-	-	-	-	-	-	-	-
Contributions and distributions	-	-	-	-	-	-	-	-
Dividends:	-	-	-	-	-	-	-	-
Cash dividend - 2017	-	-	-	-	-	(766,944,910)	(766,944,910)	(766,944,910)
Total contributions and distributions	-	-	-	-	-	(766,944,910)	(766,944,910)	(766,944,910)
Adjustment for deferred tax arising from revaluation of property, plant and equipment	-	-	-	-	-	1,953,602	1,953,602	1,953,602
Transfer of depreciation on revaluation surplus	-	(4,781,986)	-	-	-	4,781,986	-	-
Balance at 31 December 2018	766,944,910	554,281,723	18,190,942	370,178	232,847	971,039,498	2,311,060,098	2,377,578,543

The annexed notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY-COMPANY

Singer Bangladesh Limited

In BDT	For the year ended 31 December 2018					
	Share capital	Revaluation reserve	Capital reserve	Non-distributable special reserves	Retained earnings	Total equity
Balance at 1 January 2017	766,944,910	566,586,093	18,190,942	232,847	594,705,557	1,947,030,527
Total comprehensive income	-	-	-	-	775,109,519	775,109,519
Profit	-	-	-	-	(3,243,750)	(3,243,750)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	771,865,769	771,865,769
Transaction with owners of the Company	-	-	-	-	-	-
Contributions and distributions	-	-	-	-	-	-
Dividends:	-	-	-	-	-	-
Cash dividend - 2016	-	-	-	-	(536,861,437)	(536,861,437)
Total contributions and distributions	-	-	-	-	(536,861,437)	(536,861,437)
Adjustment for deferred tax arising from revaluation of property, plant and equipment	-	-	-	-	2,511,592	2,511,592
Transfer of depreciation on revaluation surplus	-	(7,522,384)	-	-	7,522,384	-
Balance at 31 December 2017	766,944,910	559,063,709	18,190,942	232,847	839,743,865	2,184,546,451
Balance at 1 January 2018	766,944,910	559,063,709	18,190,942	232,847	839,743,865	2,184,546,451
Total comprehensive income	-	-	-	-	900,153,413	900,153,413
Profit	-	-	-	-	(1,760,250)	(1,760,250)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	898,393,163	898,393,163
Transaction with owners of the Company	-	-	-	-	-	-
Contributions and distributions	-	-	-	-	-	-
Dividends:	-	-	-	-	-	-
Cash dividend - 2017	-	-	-	-	(766,944,910)	(766,944,910)
Total contributions and distributions	-	-	-	-	(766,944,910)	(766,944,910)
Adjustment for deferred tax arising from revaluation of property, plant and equipment	-	-	-	-	1,953,602	1,953,602
Transfer of depreciation on revaluation surplus	-	(4,781,986)	-	-	4,781,986	-
Balance at 31 December 2018	766,944,910	554,281,723	18,190,942	232,847	977,927,706	2,317,948,306

The annexed notes are an integral part of these financial statements.

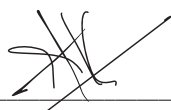
STATEMENT OF CASH FLOWS

Singer Bangladesh Limited

For the year ended 31 December

In BDT	Note	Consolidated		Company	
		2018	2017	2018	2017
Cash flows from operating activities					
Collections from turnover and other income		15,225,152,372	10,926,666,976	15,358,699,740	10,873,473,157
Payments for costs and expenses		(14,883,258,933)	(10,279,047,968)	(14,677,895,970)	(10,196,210,966)
Interest paid on borrowings		(321,027,197)	(157,161,309)	(256,600,513)	(149,913,667)
Payments to workers' profit participation fund		(63,546,177)	(41,030,308)	(54,908,907)	(41,030,308)
Income tax paid		(422,084,817)	(210,365,735)	(328,347,873)	(229,981,099)
Net cash from operating activities		(464,764,752)	239,061,656	40,946,477	256,337,117
Cash flows from investing activities					
Acquisition of property, plant and equipment		(107,203,261)	(151,242,639)	(87,149,225)	(100,459,858)
Encash in short term/term deposits		-	(1,000,000)	-	(1,000,000)
Dividend received from CDBL		1,427,953	1,427,952	1,427,953	1,427,952
Proceeds from sale of property, plant and equipment		2,014,152	3,419,692	2,014,152	3,419,692
Net cash from/(used in) investing activities		(103,761,156)	(147,394,995)	(83,707,120)	(96,612,214)
Cash flows from financing activities					
Term loan received		45,872,825	-	-	-
Dividends paid		(627,373,112)	(436,133,800)	(627,373,112)	(436,133,800)
Net cash used in financing activities		(581,500,287)	(436,133,800)	(627,373,112)	(436,133,800)
Net increase/(decrease) in cash		(1,150,026,195)	(344,467,139)	(670,133,755)	(276,408,897)
Cash and cash equivalents at 1 January		(1,384,105,201)	(978,449,193)	(1,254,858,090)	(978,449,193)
Acquisition of business		-	(61,188,869)	-	-
Cash and cash equivalents at 31 December		(2,534,131,396)	(1,384,105,201)	(1,924,991,845)	(1,254,858,090)
Closing cash and cash equivalents have been arrived at as follows:					
Cash and cash equivalents	9	194,532,817	202,934,615	193,843,156	202,786,490
Short-term borrowings - secured (bank overdrafts)	16	(2,728,664,213)	(1,587,039,816)	(2,118,835,001)	(1,457,644,580)
		(2,534,131,396)	(1,384,105,201)	(1,924,991,845)	(1,254,858,090)

The annexed notes are an integral part of these financial statements.



Mohamed Haniffa Mohamed Fairoz
Managing Director



Dr. Syed Ferhat Anwar
Director



Mohammad Sanullah
Company Secretary

Dhaka, 28 February 2019



A. Qasem & Co.
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

Singer Bangladesh Limited

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 Retail Holdings Bhold B.V., The Netherlands (formerly Singer Bhold B.V., The Netherlands) since 2003. The shares of the Company are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The address of the registered office of the Company is 39 Dilkusha Commercial Area, Dhaka 1000, Bangladesh.

1.2 Nature of business

Principal activities of the Company throughout the year were manufacturing of panel televisions, air conditioners and furniture and marketing of refrigerators, televisions, air conditioners, furniture, sewing machines, computers, washing machines and other consumer electronics and household appliances. The manufacturing plant of the Company is situated at Rajfulbaria, Jhamur, Savar, Dhaka 1340.

1.3 Description of subsidiary

International Appliances Limited (IAL)

International Appliances Limited (the Company) was incorporated in Bangladesh as a private limited company on 23 December 2014 under Companies Act 1994. It has been an associate of Singer Bangladesh Limited since inception. Singer Bangladesh Limited acquired it as subsidiary on 16 October 2017. The address of the registered office of the Company is Mousa Koulashur, Hemayetpur, Savar, Dhaka, Bangladesh. Principal activities of the Company is manufacturing and selling of refrigerators of different capacities, models and types with a brand of "Singer" for exclusive marketing by Singer Bangladesh Limited. The manufacturing plant of the Company is situated at Mousa Koulashur, Hemayetpur, Savar, Dhaka, Bangladesh.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in compliance with the requirements of the International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, 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 28 February 2019.

Details of the Company's accounting policies are included in note 40.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2.4 Use of estimates and judgments

The preparation of consolidated 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 consolidated 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 26 Income tax expense

2.5 Operating segments

IFRS 8 defines an operating segment as a component of an entity that engages in revenue earning business activities, whose operating results are regularly reviewed by the chief operating decision maker and for which discrete financial information is available. In view of the standard, the company has two identified segments namely i. Appliances and ii. Furniture. The furniture segment of the Company does not qualify to be a reportable segment as per the quantitative thresholds of IFRS 8. Therefore, the entity-wide disclosures required by the standard for the only reportable segment i.e. appliances segment are disclosed.

i. Information about products and segments:

Appliances segment includes home appliances, consumer electronics, sewing machines and other appliances. Revenue from external customers from this segment are reported below:

In BDT	2018	2017
Home appliance	9,199,658,414	7,715,020,645
Consumer electronic	2,703,301,335	2,157,260,550
Sewing	486,779,005	422,107,738
Other	1,064,292,214	597,004,509
Appliances segment	13,454,030,968	10,891,393,442

ii. Information about geographical areas:

No revenue from foreign countries is earned by the Company. All the revenue from external customers is generated within the geographical area of Bangladesh.

iii. Information about major customers:

The Company has no customer from whom 10 percent or more of total revenue is earned.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2.6 Initial application of new standards

The Group has initially applied IFRS 15 (see A) and IFRS 9 (see B) from 1 January 2018. These two new standards do not have a material effect on the Group's financial statements.

Due to the transition methods chosen by the Group in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

A. IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

There was no material impact of adopting IFRS 15 on the Group's statement of financial position as at 31 December 2018 and its statement of profit or loss and OCI for the year ended 31 December 2018 and the statement of cash flows for the year then ended.

For additional information about the Group's accounting policies relating to revenue recognition, see Note 19.

B. IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

There was no material impact of adopting IFRS 9 on the Group's statement of financial position as at 31 December 2018 and its statement of profit or loss and OCI for the year ended 31 December 2018 and the statement of cash flows for the year then ended.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments (for derivatives that are used as hedging instruments).

For additional information about the Group's accounting policies relating to financial instruments, see Note 40(H).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 Property, plant and equipment**3.1 Property, plant and equipment-consolidated**

See accounting policy in Note 40 (F)

In BDT	Land	Building		Leasehold improvements		Plant and machinery	Vehicles and fixtures	Equipment and tools	CWIP (Note 3.3)	Total	
		Office	Factory	Office	Shops						
Cost											
Balance at 1 January 2017	561,180,000	74,371,753	219,331,579	16,343,208	409,267,297	67,521,895	107,140,535	20,021,180	174,044,483	8,993,598	1,658,215,528
Acquisition of business	-	-	7,100,209	-	-	356,843,318	2,863,636	3,009,497	9,485,821	5,203,749	384,506,230
Additions	-	4,096,500	3,237,028	85,000	44,726,493	5,182,435	9,535,346	1,672,135	24,739,975	65,517,156	158,792,068
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Disposals/transfers	-	-	-	-	(7,147,443)	(7,421,390)	(3,648,000)	(1,390,911)	(5,853,946)	(22,194,348)	(47,656,038)
Balance at 31 December 2017	561,180,000	78,468,253	229,668,816	16,428,208	446,846,347	422,126,258	115,891,517	23,311,901	202,416,333	57,520,155	2,153,857,788
Balance at 1 January 2018	561,180,000	78,468,253	229,668,816	16,428,208	446,846,347	422,126,258	115,891,517	23,311,901	202,416,333	57,520,155	2,153,857,788
Acquisition of business	-	-	-	-	-	422,126,258	115,891,517	23,311,901	202,416,333	57,520,155	2,153,857,788
Additions	-	9,074,361	1,377,596	4,420,081	50,950,875	63,708,864	177,000	1,295,735	25,469,909	10,662,581	167,137,002
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Disposals/transfers	-	-	-	-	(9,324,711)	(201,308)	(1,150,000)	(3,477,287)	(11,518,333)	(63,699,911)	(89,371,550)
Balance at 31 December 2018	561,180,000	87,542,614	231,046,412	20,848,289	488,472,511	485,633,814	114,918,517	21,130,349	216,367,909	4,482,825	2,231,623,240
Accumulated depreciation											
Balance at 1 January 2017	-	41,459,888	171,548,897	10,803,261	185,020,240	33,066,767	58,338,644	13,183,891	110,713,795	-	624,135,383
Acquisition of business	-	-	1,156,933	-	-	44,516,981	119,686	351,829	906,443	-	47,051,872
Depreciation for the year	-	3,666,699	9,910,152	557,536	24,004,313	12,991,642	10,740,533	773,799	15,081,042	-	77,725,716
Adjustment for disposal/transfers	-	-	-	-	(4,672,830)	(5,463,625)	(3,282,946)	(852,041)	(5,144,857)	-	(19,416,299)
Balance at 31 December 2017	-	45,126,587	182,615,982	11,360,797	204,351,723	85,111,765	65,915,917	13,457,478	121,556,423	-	729,496,672
Balance at 1 January 2018	-	45,126,587	182,615,982	11,360,797	204,351,723	85,111,765	65,915,917	13,457,478	121,556,423	-	729,496,672
Acquisition of business	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	3,939,124	8,027,262	1,949,244	26,695,661	40,566,801	9,901,893	1,083,689	17,500,141	-	109,663,815
Adjustment for disposal/transfers	-	-	-	-	(4,602,893)	(199,435)	(1,109,538)	(2,832,603)	(10,004,361)	-	(18,748,830)
Balance at 31 December 2018	-	49,065,711	190,643,244	13,310,041	226,444,491	125,479,131	74,708,272	11,708,564	129,052,203	-	820,411,657
Carrying amounts											
At 1 January 2017	561,180,000	32,911,865	47,782,682	5,539,947	224,247,057	34,455,128	48,801,891	6,837,289	63,330,688	8,993,598	1,034,080,145
At 31 December 2017	561,180,000	33,341,666	47,052,834	5,067,411	242,494,624	337,014,493	49,975,600	9,854,423	80,859,910	57,520,155	1,424,361,116
At 31 December 2018	561,180,000	38,476,903	40,403,168	7,538,248	262,028,020	360,154,683	40,210,245	9,421,785	87,315,706	4,482,825	1,411,211,583

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.2 Property, plant and equipment-company

See accounting policy in Note 40 (F)

In BDT	Land		Building		Leasehold improvements		Plant and machinery		Furniture and fixtures		Equipment and tools		CWIP (Note 3.3)		Total
		Office	Factory		Shops	Office		Vehicles							
Cost															
Balance at 1 January 2017	561,180,000	74,371,753	219,331,579	16,343,208	409,297,297	67,521,895	107,140,535	20,021,180	174,044,483	8,993,598	1,658,215,528				
Additions	-	4,096,500	668,792	85,000	44,726,493	4,382,436	9,535,346	-	23,733,485	18,751,736	105,979,788				
Revaluation	-	-	-	-	-	-	-	-	-	-	-				
Disposals/transfers	-	-	-	-	(7,147,443)	(7,421,390)	(3,648,000)	(1,030,021)	(5,666,596)	(16,990,599)	(41,904,049)				
Balance at 31 December 2017	561,180,000	78,468,253	220,000,371	16,428,208	446,846,347	64,482,941	113,027,881	18,991,159	192,111,372	10,754,735	1,722,291,267				
Balance at 1 January 2018	561,180,000	78,468,253	220,000,371	16,428,208	446,846,347	64,482,941	113,027,881	18,991,159	192,111,372	10,754,735	1,722,291,267				
Additions	-	9,074,361	1,377,596	2,791,417	50,950,875	2,632,539	177,000	1,108,235	21,518,770	9,743,482	99,374,275				
Revaluation	-	-	-	-	-	-	-	-	-	-	-				
Disposals/transfers	-	-	-	-	(9,324,711)	(201,308)	(1,150,000)	(3,332,939)	(11,518,333)	(16,015,393)	(41,542,684)				
Balance at 31 December 2018	561,180,000	87,542,614	221,377,967	19,219,625	488,472,511	66,914,172	112,054,881	16,766,455	202,111,809	4,482,824	1,780,122,858				
Accumulated depreciation															
Balance at 1 January 2017	-	41,459,888	171,548,897	10,803,261	185,020,240	33,066,767	58,338,644	13,183,891	110,713,795	-	624,135,383				
Depreciation for the year	-	3,666,699	9,567,700	557,536	24,004,313	7,000,465	10,655,674	679,198	14,890,805	-	71,022,390				
Adjustment for disposal/transfers	-	-	-	-	(4,672,830)	(5,463,625)	(3,282,946)	(804,393)	(5,105,763)	-	(19,329,557)				
Balance at 31 December 2017	-	45,126,587	181,116,597	11,360,797	204,351,723	34,603,607	65,711,372	13,058,696	120,498,837	-	675,828,216				
Balance at 1 January 2018	-	45,126,587	181,116,597	11,360,797	204,351,723	34,603,607	65,711,372	13,058,696	120,498,837	-	675,828,216				
Depreciation for the year	-	3,939,124	8,027,262	632,870	26,695,661	6,282,996	9,492,802	648,133	16,277,195	-	71,996,043				
Adjustment for disposal/transfers	-	-	-	-	(4,602,893)	(199,435)	(1,109,538)	(2,818,168)	(10,004,361)	-	(18,734,395)				
Balance at 31 December 2018	-	49,065,711	189,143,859	11,993,667	226,444,491	40,687,168	74,094,636	10,888,661	126,771,671	-	729,089,864				
Carrying amounts															
At 1 January 2017	561,180,000	32,911,865	47,782,682	5,539,947	224,247,057	34,455,128	48,801,891	6,837,289	63,330,688	8,993,598	1,034,080,145				
At 31 December 2017	561,180,000	33,341,666	38,883,774	5,067,411	242,494,624	29,879,334	47,316,509	5,932,463	71,612,535	10,754,735	1,046,463,051				
At 31 December 2018	561,180,000	38,476,903	32,234,108	7,225,958	262,028,020	26,227,004	37,960,245	5,877,794	75,340,138	4,482,824	1,051,032,994				

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.3 Capital work in progress (CWIP)

In BDT	Consolidated			Company			
	Leasehold improvements	Machinery	Building	Total	Leasehold improvements	Building	Total
Cost							
Balance at 1 January 2017	5,896,598	-	3,097,000	8,993,598	5,896,598	3,097,000	8,993,598
Acquisition of business	-	-	5,203,749	5,203,749	-	-	-
Additions	15,924,029	46,765,420	2,827,707	65,517,156	15,924,029	2,827,707	18,751,736
Disposals/transfers	(16,990,599)	-	(5,203,749)	(22,194,348)	(16,990,599)	-	(16,990,599)
Balance at 31 December 2017	4,830,028	46,765,420	5,924,707	57,520,155	4,830,028	5,924,707	10,754,735
In BDT	Leasehold improvements	Machinery	Building	Total	Leasehold improvements	Building	Total
Cost							
Balance at 1 January 2018	4,830,028	46,765,420	5,924,707	57,520,155	4,830,028	5,924,707	10,754,735
Acquisition of business	-	-	-	-	-	-	-
Additions	4,482,825	919,097	-	5,401,922	4,482,825	-	4,482,825
Disposals/transfers	(4,830,028)	(47,684,517)	(5,924,707)	(58,439,252)	(4,830,028)	(5,924,707)	(10,754,735)
Balance at 31 December 2018	4,482,825	-	-	4,482,825	4,482,825	-	4,482,825
Allocation of depreciation							
In BDT	Note	Consolidated		2017	Company		2017
		2018	2017	2018	2017	2018	2017
Cost of sales	20	53,510,981	24,743,922	16,694,616	18,129,224		
Operating expenses	21	55,319,178	52,981,794	55,301,427	52,893,166		
		108,830,159	77,725,716	71,996,043	71,022,390		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Intangible assets

<i>In BDT</i>	Consolidated		Company	
	Software		Software	
	2018	2017	2018	2017
Cost				
Balance at 1 January	70,415,012	58,944,432	70,415,012	58,944,432
Additions	3,910,519	11,470,580	3,790,344	11,470,580
Disposals/transfers	-	-	-	-
Balance at 31 December	74,325,531	70,415,012	74,205,356	70,415,012
Accumulated amortisation				
Balance at 1 January	30,872,948	22,911,509	30,872,948	22,911,509
Amortisation for the year	7,979,598	7,961,439	7,971,586	7,961,439
Adjustment for disposal/transfers	-	-	-	-
Balance at 31 December	38,852,546	30,872,948	38,844,534	30,872,948

Carrying amounts

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
At 31 December	35,472,985	39,542,064	35,360,822	39,542,064

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Investments

See accounting policy in Note 40 (M)

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2018	2017	2018	2017
Investment in subsidiary	5.1	-	-	351,787,595	351,787,595
Investment in term deposit		2,630,000	2,630,000	2,630,000	2,630,000
Investment in Central Depository Bangladesh Limited (CDBL)		1,569,450	1,569,450	1,569,450	1,569,450
		4,199,450	4,199,450	355,987,045	355,987,045

5.1 Investment in subsidiary

On 16 October 2017, SBL acquired further 3,186,920 shares out of 3,789,653 shares newly issued by IAL. The acquisition of new shares entitled SBL to 83.8319% shareholding in IAL including the 33.8500% call option of Sunman. The new shareholding structure gave SBL the power to direct IAL's relevant activities, the ability to use its power over IAL to affect the amount of SBL's returns and gave SBL the rights to variable returns from its involvement with IAL. Therefore, as per IFRS 10 paragraph 7, SBL obtained the control of IAL and was assessed to be the parent company of IAL from the acquisition date, i.e. 16 October 2017.

SBL's interest in IAL shall reduce to 49.9819% if Sunman exercises its call option within 1 March 2023. The Company shall still preserve its control over IAL without having majority of shareholdings.

The following judgements were made in determining that SBL has obtained control over IAL:

- (i) SBL currently holds 83.8319% of total shares;
- (ii) Majority of the board members of IAL are employees of SBL; and
- (iii) IAL can not do any business except for selling its products to SBL without having written approval from SBL.

As IAL was equity accounted investee of SBL so this was a step acquisition as per paragraph 41 of IFRS 3 "an acquirer sometimes obtains control of an acquiree in which it held an equity interest immediately before the acquisition date. This IFRS refers to such a transaction as a business combination achieved in stages, sometimes also referred to as a step acquisition".

The total consideration transferred by Singer Bangladesh Limited for acquisition of such voting interest was BDT 318,692,000. Previously it was reported under share money deposit of IAL. The purchase consideration was measured as per paragraph 37 of IFRS 3 "the consideration transferred in a business combination shall be measured at fair value, which shall be calculated as at the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer".

During capital injection from share money deposit to share capital fair value of the shares of IAL was measured at their cost (face value) as per paragraph 46 (c) of IAS 39 "investments in equity instruments that do not have a quoted price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such equity instruments, which shall be measured at cost".

	No. of share	Face value	Amount (BDT)
Acquirer previously held equity	73,843	100	7,384,300
New share capital injected from share money deposit	3,186,920	100	318,692,000
	3,260,763		326,076,300

The detail of investment in IAL is given below.

<i>In BDT</i>	<i>Note</i>	2017
Investment in year 2014		4,000,000
Investment in year 2015		182,599,600
Investment in year 2016		139,476,700
		326,076,300
Discount on acquisition	23.1	25,711,295
		351,787,595

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Advances, deposits and prepayments

See accounting policy in Note 40 (H)

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Employees against expenses		-	5,897,314	-	4,897,314
Advances to others	6.1	42,977,966	21,002,785	3,708,933	6,489,123
Advances		42,977,966	26,900,099	3,708,933	11,386,437
Security deposits		25,018,340	32,957,562	22,382,393	19,177,367
Deposits		25,018,340	32,957,562	22,382,393	19,177,367
Prepayments		525,740,230	461,474,185	513,489,071	458,516,967
Prepayments		525,740,230	461,474,185	513,489,071	458,516,967
	6.2	593,736,536	521,331,846	539,580,397	489,080,771

6.1 Advances to others

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
L/C margins, charges and insurance against traded goods	42,973,272	20,997,399	3,704,239	6,483,737
Postage franking machine	4,694	5,386	4,694	5,386
	42,977,966	21,002,785	3,708,933	6,489,123

6.2 Non-current portion of deposits and prepayments	337,712,006	283,998,887	325,807,679	272,258,939
Current portion of advances, deposits and prepayments	256,024,530	237,332,959	213,772,718	216,821,832
	593,736,536	521,331,846	539,580,397	489,080,771

7 Inventories

See accounting policy in Note 40 (E)

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Finished goods	2,749,609,720	2,241,450,738	2,662,853,046	2,194,355,907
Raw materials	837,917,926	187,147,662	454,137,042	78,525,895
Goods in transit	420,490,512	634,971,415	324,706,940	487,244,301
Work in progress	4,370,374	-	4,370,374	-
	4,012,388,532	3,063,569,815	3,446,067,402	2,760,126,103
Provision for inventory obsolescence	(115,062,802)	(95,182,444)	(115,062,802)	(95,182,444)
	3,897,325,730	2,968,387,371	3,331,004,600	2,664,943,659

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

7.1 Inventories-consolidated

<i>In BDT</i>	2018		
	SBL	IAL	Total
Finished goods	2,662,853,046	114,438,572	2,777,291,618
Less: Unrealised profit (PURP)		(27,681,898)	(27,681,898)
	2,662,853,046	86,756,674	2,749,609,720
Raw materials	454,137,042	383,780,884	837,917,926
Goods in transit	324,706,940	95,783,572	420,490,512
Work in progress	4,370,374	-	4,370,374
	3,446,067,402	566,321,130	4,012,388,532
Provision for inventory obsolescence	(115,062,802)	-	(115,062,802)
	3,331,004,600	566,321,130	3,897,325,730

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Trade and other receivables

See accounting policy in Note 40 (H)

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Trade receivables	8.1	2,167,789,986	1,813,516,221	2,167,789,990	1,813,516,221
Other receivables	8.2	57,346,050	42,544,446	175,664,278	42,119,853
		2,225,136,036	1,856,060,667	2,343,454,268	1,855,636,074

8.1 Trade receivables

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Hire customer receivable	8.1.1	2,057,441,574	1,718,473,785	2,057,441,574	1,718,473,785
Trade and dealer receivable	8.1.2	110,348,412	95,042,436	110,348,416	95,042,436
		2,167,789,986	1,813,516,221	2,167,789,990	1,813,516,221

8.1.1 Hire customer receivables

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Hire receivable from customers		2,381,068,183	2,014,388,386	2,381,068,183	2,014,388,386
Unearned carrying charges		(292,499,101)	(269,843,049)	(292,499,101)	(269,843,049)
		2,088,569,082	1,744,545,337	2,088,569,082	1,744,545,337
Provision for doubtful debts	8.3.1	(31,127,508)	(26,071,552)	(31,127,508)	(26,071,552)
		2,057,441,574	1,718,473,785	2,057,441,574	1,718,473,785

8.1.2 Trade and dealer receivable

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Trade receivable		85,811,865	80,463,330	85,811,869	80,463,330
Receivable from dealers		31,001,732	20,773,859	31,001,732	20,773,859
		116,813,597	101,237,189	116,813,601	101,237,189
Provision for doubtful debts	8.3.1	(6,465,185)	(6,194,753)	(6,465,185)	(6,194,753)
		110,348,412	95,042,436	110,348,416	95,042,436

8.2 Other receivables

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Receivable from Shop Managers		17,021,814	27,430,313	17,021,814	27,430,313
Receivable from Singer Asia Limited		11,452,755	11,452,755	11,452,755	11,452,755
Receivable from employees		4,796,580	2,631,675	4,796,580	2,631,675
Receivable from others		39,917,104	19,075,450	155,919,282	18,650,857
Retirement benefit	13	1,923,446	-	4,239,496	-
		75,111,699	60,590,193	193,429,927	60,165,600
Provision for doubtful debts	8.3.1	(17,765,649)	(18,045,747)	(17,765,649)	(18,045,747)
		57,346,050	42,544,446	175,664,278	42,119,853

8.3 Provision for doubtful debts

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Opening balance		50,312,052	48,727,109	50,312,052	48,727,109
Provision for the year		29,072,384	32,811,452	29,072,384	32,811,452
		79,384,436	81,538,561	79,384,436	81,538,561
Written-off during the year		(24,026,094)	(31,226,509)	(24,026,094)	(31,226,509)
Closing balance	8.3.1	55,358,342	50,312,052	55,358,342	50,312,052

8.3.1

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Hire customer receivable	8.1.1	31,127,508	26,071,552	31,127,508	26,071,552
Trade and dealer receivable	8.1.2	6,465,185	6,194,753	6,465,185	6,194,753
Other receivable	8.2	17,765,649	18,045,747	17,765,649	18,045,747
		55,358,342	50,312,052	55,358,342	50,312,052

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8.4 Ageing of hire receivable from customers

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Due within 3 months		1,034,915,986	862,236,498	1,034,915,986	862,236,498
Due over 3 months but within 6 months		803,360,548	692,472,666	803,360,548	692,472,666
Due over 6 months but within 9 months		408,341,292	347,627,237	408,341,292	347,627,237
Due over 9 months but within 12 months		125,033,596	107,446,386	125,033,596	107,446,386
Over 12 months		9,416,761	4,605,599	9,416,761	4,605,599
	8.5	2,381,068,183	2,014,388,386	2,381,068,183	2,014,388,386

8.5 Particulars of hire receivable from customers

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Secured - considered good:				
Debts due within 6 months	1,838,276,534	1,554,709,164	1,838,276,534	1,554,709,164
Debts due over 6 months	511,664,141	433,607,670	511,664,141	433,607,670
	2,349,940,675	1,988,316,834	2,349,940,675	1,988,316,834
Secured - considered doubtful:	31,127,508	26,071,552	31,127,508	26,071,552
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	-	-	-	-
	2,381,068,183	2,014,388,386	2,381,068,183	2,014,388,386

9 Cash and cash equivalents

See accounting policy in Note 40 (H)

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Cash in hand	530,156	98,208	38,060	33,137
Cash at bank	173,938,713	158,502,411	173,741,148	158,419,357
Cash in transit	20,063,948	44,333,996	20,063,948	44,333,996
	194,532,817	202,934,615	193,843,156	202,786,490

10 Share capital

See accounting policy in Note 40 (H)

<i>In BDT</i>	2018		2017	
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	765,662,410
			766,944,910	766,944,910
Shareholding position:				
	2018		2017	
	No. of share	Value (BDT)	No. of share	Value (BDT)
<i>Name of shareholder</i>				
Retail Holdings Bhold B.V., The Netherlands	28,373,941	283,739,410	28,373,941	283,739,410
Retail Holdings Bhold B.V., The Netherlands - non-remittable shares	15,333,242	153,332,420	15,333,242	153,332,420
Local shareholders	32,987,308	329,873,080	32,987,308	329,873,080
	76,694,491	766,944,910	76,694,491	766,944,910
Beneficial percentage of holdings				
			2018	2017
<i>Name of shareholder</i>				
Retail Holdings Bhold B.V., The Netherlands			37.00%	37.00%
Retail Holdings Bhold B.V., The Netherlands - non-remittable shares			20.00%	20.00%
Local shareholders			43.00%	43.00%
			100.00%	100.00%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Classification of shareholders by holding:

Shareholding range	Number of shareholders		Total holding (%)	
	2018	2017	2018	2017
Less than 500 shares	6,298	7,742	1.29	1.68
500 to 5,000 shares	2,469	3,477	4.96	7.07
5,001 to 10,000 shares	208	274	1.99	2.59
10,001 to 20,000 shares	116	142	2.18	2.57
20,001 to 30,000 shares	47	43	1.56	1.42
30,001 to 40,000 shares	31	24	1.43	1.10
40,001 to 50,000 shares	18	11	1.08	0.66
50,001 to 100,000 shares	32	34	2.88	3.49
100,001 to 1,000,000 shares	49	33	18.76	10.31
Over 1,000,000 shares	5	8	63.87	69.11
	9,273	11,788	100.00	100.00

11 Reserves

In BDT	Note	2018	2017
Revaluation reserve	11.1	554,281,723	559,063,709
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
		573,075,690	577,857,676

11.1 Revaluation reserve

The land of the Company was revalued as of 14 December 2016 by independent professional valuers, Asian Surveyors Ltd, following "current cost method", which was also revalued previously in years 2005, 2008, 2010 and 2012. The revaluation of 2016 resulted in a revaluation surplus of Taka 171,922,000. As per IAS 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.

The buildings of the Company were revalued along with the lands as of 14 December 2016. As per clause 9 (iii) under Section-A of BSEC notification dated 18 August 2013, upward revaluation of buildings are not allowed having remaining economic life of less than 50% of its total useful life as estimated at construction. Apropos this clause, no upward revaluation was accounted for in the books of Singer Bangladesh Limited for the year ended 31 December 2016.

As per clause 8 of BESC circular # SEC/CMRRCD/2009-193/150/Admin dated 18 August, 2013 "time lag between two valuations for the same class of assets shall not be less than three years; provided that no upward revaluation of an asset shall be made within two years of its acquisition". So in compliance with this notification no revaluation of assets has been made during 2017 and 2018.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Deferred tax assets

See accounting policy in Note 40 (D)

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Opening balance		18,871,202	37,391,385	24,836,206	37,391,385
Acquisition of business		-	6,851,867	-	-
		18,871,202	44,243,252	24,836,206	37,391,385
Released/(expense) during the year		6,042,602	(28,960,762)	19,209,450	(16,143,891)
Adjustment on revaluation of PPE		-	-	-	-
Remeasurement of defined benefit liability		-	1,081,250	-	1,081,250
Transferred to retained earnings		1,593,996	2,507,462	1,593,996	2,507,462
		7,636,598	(25,372,050)	20,803,446	(12,555,179)
Closing balance	12.1	26,507,800	18,871,202	45,639,652	24,836,206

12.1 Closing balance

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Deferred tax assets	12.1.1	105,913,772	105,969,535	70,067,739	60,382,484
Deferred tax liabilities	12.1.2	(79,405,972)	(87,098,333)	(24,428,087)	(35,546,278)
		26,507,800	18,871,202	45,639,652	24,836,206

12.1.1 Deferred tax assets

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Provision for gratuity	810,617	1,049,005	-	543,500
Reserve against inventories	28,765,700	23,795,611	28,765,700	23,795,611
Reserve for warranty	28,742,658	25,916,418	23,422,658	22,384,110
Provision for bad debts	13,839,586	12,578,013	13,839,586	12,578,013
Remeasurement of defined benefit liability	1,477,500	1,081,250	1,477,500	1,081,250
Unabsorbed depreciation	29,715,415	41,549,238	-	-
Property, plant and equipment	2,562,295	-	2,562,295	-
	105,913,772	105,969,535	70,067,739	60,382,484

12.1.2 Deferred tax liabilities

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Revaluation of land and building	(24,428,087)	(26,725,876)	(24,428,087)	(26,725,876)
Property, plant and equipment	(54,977,885)	(60,372,457)	-	(8,820,402)
	(79,405,972)	(87,098,333)	(24,428,087)	(35,546,278)

The amounts of deferred tax assets and liabilities have been netted off as permitted by IAS 12. *Income taxes*.**13 Retirement benefit obligations****Gratuity**

See accounting policy in Note 40 (O)

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Opening balance		3,618,300	109,618,000	2,174,000	109,618,000
Acquisition of business		-	1,263,313	-	-
		3,618,300	110,881,313	2,174,000	109,618,000
Provision for the year		9,164,749	18,219,319	8,293,000	18,038,332
		12,783,049	129,100,632	10,467,000	127,656,332
Payments during the year		(14,706,495)	(125,482,332)	(14,706,496)	(125,482,332)
Closing balance	13.1	(1,923,446)	3,618,300	(4,239,496)	2,174,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13.1 Closing balance

	Consolidated		Company	
	2018	2017	2018	2017
Opening balance	3,618,300	109,618,000	2,174,000	109,618,000
Acquisition of business	-	1,263,313	-	-
	3,618,300	110,881,313	2,174,000	109,618,000
Included in profit or loss				
Current service cost	12,661,750	6,221,319	11,790,000	6,040,332
Interest expense/(income)	(5,844,000)	7,673,000	(5,844,000)	7,673,000
	6,817,750	13,894,319	5,946,000	13,713,332
Measurements loss/(gain)	2,347,000	4,325,000	2,347,000	4,325,000
Other				
Contributions paid by the employer	(14,706,496)	(112,899,534)	(14,706,496)	(112,899,534)
Benefits paid	-	(12,582,798)	-	(12,582,798)
	(14,706,496)	(125,482,332)	(14,706,496)	(125,482,332)
Balance at 31 December	(1,923,446)	3,618,300	(4,239,496)	2,174,000

The Company (SBL) has been maintaining an unfunded gratuity scheme until 16 October 2017. The company has funded the gratuity obligation based on the approval of Board meeting held on 16 October 2017, and reconstituted the Board of Trustees consisting of four members and became functional based on the approval of the National Board of Revenue (NBR). Accordingly, the company has transferred the required fund to the trust in December 2017.

14 Other liabilities

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Non-remittable accounts	14.1	1,408,949,743	1,255,617,323	1,408,949,743	1,255,617,323
Security deposits from branch managers, agents and dealers		241,638,657	215,157,638	241,638,657	215,157,638
Warranty - long term portion		37,476,252	-	37,476,252	-
		1,688,064,652	1,470,774,961	1,688,064,652	1,470,774,961

14.1 Non-remittable accounts

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Current account	(78)	(78)	(78)	(78)
Dividend account:				
Opening balance	1,255,137,411	1,147,804,717	1,255,137,411	1,147,804,717
Dividend for the year	153,332,420	107,332,694	153,332,420	107,332,694
Closing balance	1,408,469,831	1,255,137,411	1,408,469,831	1,255,137,411
Capital gain on sale of land	479,990	479,990	479,990	479,990
	1,408,949,743	1,255,617,323	1,408,949,743	1,255,617,323

All the above balances are due to Retail Holdings Bhold B.V., The Netherlands (formerly 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 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 40 (H)

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Trade payables	15.1	369,864,998	463,027,693	552,355,511	586,453,931
Other payables	15.2	1,276,567,948	1,045,384,849	1,159,880,791	936,072,891
		1,646,432,946	1,508,412,542	1,712,236,302	1,522,526,822

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15.1 Trade payables

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Trade payable	308,613,920	425,645,193	491,104,433	549,571,431
Freight and carriage and technicians bills payable	61,251,078	37,382,500	61,251,078	36,882,500
	369,864,998	463,027,693	552,355,511	586,453,931

15.2 Other payables

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Payable for expenses	15.2.1	800,218,587	753,831,351	775,678,164	715,134,060
Royalty		318,072,839	135,234,085	280,552,145	119,174,918
Payable for other finance	15.2.2	144,186,666	142,682,209	89,560,626	88,126,709
Leasehold improvements against new shops		14,089,856	13,637,204	14,089,856	13,637,204
		1,276,567,948	1,045,384,849	1,159,880,791	936,072,891

15.2.1 Payable for expenses

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Advertisement and sales promotion	209,961,154	176,927,091	209,961,154	176,927,091
Reserve for early closing of hire sales	294,158,151	267,178,559	294,158,151	267,178,559
Shop rent	60,671,636	63,900,612	60,671,636	50,349,151
Warranty expenses	66,914,378	99,464,541	56,214,378	89,372,233
Reserve for allowable loss	32,142,083	45,143,000	32,142,083	45,143,000
Workers' profit participation and welfare fund allocation	65,702,516	63,546,177	64,583,617	54,908,907
Provision against duty and freight	10,458,156	9,958,156	9,958,156	9,958,156
Utilities	7,962,059	6,200,000	5,800,000	5,000,000
Interest	6,123,996	5,233,155	2,500,000	1,750,000
Collecting expenses	8,224,202	6,879,700	8,224,202	6,879,700
Salary and benefits	26,602,066	2,813,612	26,602,066	2,813,612
Professional and technical fees	4,420,553	3,553,097	3,448,000	3,520,000
Selling expenses	862,721	853,651	862,721	853,651
Statutory audit fee	804,979	880,000	552,000	480,000
Repair & maintenance	5,209,937	1,300,000	-	-
	800,218,587	753,831,351	775,678,164	715,134,060

15.2.2 Payable for other finance

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Unclaimed dividend	33,640,394	47,401,016	33,640,394	47,401,016
VAT payable - realised from customers	(365,048)	4,369,604	(199,719)	4,369,603
Withholding taxes	26,280,901	13,692,465	25,821,504	13,678,175
Advance from customers	6,434,984	6,300,124	6,434,984	6,300,124
Employees provident fund	-	(7,523,452)	-	(7,933,112)
Security deposits	250,921	238,036	-	-
Singer Bangladesh Limited	-	-	-	-
Sunman Corporation Limited	12,736,817	-	-	-
Jiangsu Sonlu Import and Export Co. Ltd.	354,675	45,712,905	-	-
Others	64,853,022	32,491,511	23,863,463	24,310,903
	144,186,666	142,682,209	89,560,626	88,126,709

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Short-term borrowings - secured

See accounting policy in Note 40 (H)

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Bank overdrafts	2,728,664,213	1,587,039,816	2,118,835,001	1,457,644,580
	2,728,664,213	1,587,039,816	2,118,835,001	1,457,644,580

Registered hypothecation of inventories, receivables and machineries under pari-passu arrangement with other banks were maintained to obtain bank overdrafts from different banks.

17 Long term debt

Represents long term loan of IAL obtained from Commercial Bank of Ceylon Plc, which will be repaid within six years.

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Non-current portion of long term liability		37,150,985	-	-	-
Current portion of long term liability	17.1	8,721,840	-	-	-
		45,872,825	-	-	-

17.1 Short term liability

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Commercial Bank of Ceylon Plc	17.1	8,721,840	264,254,108	-	-
Dhaka Bank Limited		-	14,053,931	-	-
		8,721,840	278,308,039	-	-

18 Current tax assets/(liabilities)

See accounting policy in Note 40 (D)

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Advance income tax	18.1	1,119,725,295	950,708,275	920,881,202	845,601,127
Provision for income tax	18.2	(1,021,235,053)	(914,811,815)	(979,699,875)	(887,209,673)
		98,490,242	35,896,460	(58,818,673)	(41,608,546)

18.1 Advance income tax

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Opening balance	950,708,275	776,884,854	845,601,127	776,884,854
Acquisition of business	-	105,107,148	-	-
	950,708,275	881,992,002	845,601,127	776,884,854
Add: Advance income tax paid during the year	422,084,818	229,981,099	328,347,873	229,981,099
Adjustment for completion of prior year tax assessment	(253,067,798)	(161,264,826)	(253,067,798)	(161,264,826)
Closing balance	1,119,725,295	950,708,275	920,881,202	845,601,127

18.2 Provision for income tax

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Opening balance	914,811,815	796,459,499	887,209,673	796,459,499
Acquisition of business	-	27,602,142	-	-
	914,811,815	824,061,641	887,209,673	796,459,499
Provision during the year	359,491,035	252,015,000	345,558,000	252,015,000
Adjustment for prior year	-	-	-	-
Adjustment for completion of prior year tax assessment	(253,067,797)	(161,264,826)	(253,067,798)	(161,264,826)
	1,021,235,053	914,811,815	979,699,875	887,209,673

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 Turnover

The effect of initially applying IFRS 15 on the Group's revenue from contracts with customers is described in Note 2.6. Due to the transition method chosen in applying IFRS 15, comparative information has not been restated to reflect the new requirements.

A. Revenue streams

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Revenue from contracts with customers	13,700,924,231	11,059,139,327	13,700,924,231	11,059,139,327

B. Disaggregation of revenue from contracts with customers

See accounting policy in Note 40 (A)

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Home appliance	9,199,658,414	7,715,020,645	9,199,658,414	7,715,020,645
Consumer electronic	2,703,301,335	2,157,260,550	2,703,301,335	2,157,260,550
Sewing	486,779,005	422,107,738	486,779,005	422,107,738
Other	1,064,292,214	597,004,509	1,064,292,214	597,004,509
	13,454,030,968	10,891,393,442	13,454,030,968	10,891,393,442
Furniture	246,893,263	167,745,885	246,893,263	167,745,885
	13,700,924,231	11,059,139,327	13,700,924,231	11,059,139,327

Turnover includes cash sales, wholesale sales, trade sales and earned carrying charges.

Turnover includes the following:

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Television under consumer electronic	2,486,714,519	1,891,207,604	2,486,714,519	1,891,207,604
Air conditioner under home appliance	1,301,114,855	1,019,279,503	1,301,114,855	1,019,279,503
Furniture	246,893,263	167,745,885	246,893,263	167,745,885
	4,034,722,637	3,078,232,992	4,034,722,637	3,078,232,992

C. Contract balances

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

<i>In BDT</i>	Note	31 December	1 January
		2018	2018
Receivables, which are included in 'trade and other receivables'	8	2,167,789,990	1,813,516,221
		2,167,789,990	1,813,516,221

D. Performance obligations and revenue recognition policies

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

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product / service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15 (applicable from 1 January 2018)	Revenue recognition under IAS 18 (applicable before 1 January 2018)
Consumer electronics and household appliances	Customers obtain control of products at point of delivery or over time. Invoices are generated at fair value of the consideration received or receivable, net of returns and allowances and trade discounts at the time of delivery of goods. Invoices are usually paid instantly in case of cash sales or payable as per credit terms offered by the Company. Performance obligation is satisfied when the control of the goods is transferred, rather than just the risk and reward.	Revenue is recognized when (or as) control of goods is transferred to customer. Control may be transferred either at a point in time or over time. First, the entity assesses whether it transfers control over time by following the prescribed criteria for satisfying performance obligation. If none of the criteria for recognizing revenue over time is met, then the entity recognizes revenue at the point in time at which it transfers control of the goods to the customer. Performance obligation is satisfied when the control of the goods is transferred, rather than just the risk and reward.	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 recognized 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 is ordinarily recognized at the time a transaction is completed. The charge to cover interest on unrealized instalments are taken to income as earned carrying charges after the instalments are received/collected.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 Cost of sales

In BDT	Note	Consolidated		Company	
		2018	2017	2018	2017
Opening inventory of raw materials		822,119,077	549,879,061	565,770,196	549,879,061
Acquisition of business		-	324,809,985	-	-
		822,119,077	874,689,046	565,770,196	549,879,061
Purchased during the year		8,492,288,698	2,433,371,731	6,387,588,843	2,254,603,543
Closing inventory of raw materials		(1,258,408,438)	(822,119,077)	(778,843,982)	(565,770,196)
Raw materials consumption	20.1 & 20.2	8,055,999,337	2,485,941,700	6,174,515,057	2,238,712,408
Factory salaries and wages		118,909,214	68,129,424	70,995,730	57,905,643
Freight and carriage		127,609,813	70,101,758	127,501,013	70,090,169
Rent		30,361,963	7,306,340	-	-
Depreciation	3.3	54,330,202	24,743,922	16,694,616	18,129,224
Repairs and maintenance		15,757,365	10,693,755	399,175	6,609,651
Utilities		26,368,060	10,177,062	4,391,823	5,436,319
Bonus		6,554,139	4,252,980	4,629,033	4,252,980
Consumable stores		12,004,495	4,599,831	6,769,131	3,999,330
Gratuity		4,277,274	3,298,488	3,436,364	3,120,000
Employee benefits and recreation		3,507,102	5,456,125	2,276,554	4,536,168
Contribution to provident fund		2,628,799	2,076,610	1,907,037	1,951,082
Fuel and car maintenance		11,471,113	1,999,875	10,619,252	1,780,726
Insurance		2,025,301	626,161	802,382	786,102
Stationery		3,310,277	1,583,813	2,200,863	1,210,639
Conveyance and travelling		2,713,890	350,604	1,049,717	321,596
Travel & entertainment		-	303,717	-	-
Postage & communication		80,218	19,559	-	-
Miscellaneous		2,375,156	418,790	92,129	-
		424,284,381	216,138,814	253,764,819	180,129,629
Works cost (materials + manufacturing expenses)		8,480,283,718	2,702,080,514	6,428,279,876	2,418,842,037
Opening work-in-process		-	-	-	-
Closing work-in-process		(4,370,374)	-	(4,370,374)	-
Cost of production		8,475,913,344	2,702,080,514	6,423,909,502	2,418,842,037
Opening inventory of finished goods		2,241,450,738	1,702,110,048	2,194,355,907	1,702,110,048
Acquisition of business		-	7,947,727	-	-
		2,241,450,738	1,710,057,775	2,194,355,907	1,702,110,048
Purchase/production of finished goods		1,831,410,566	5,769,951,738	3,977,563,289	6,010,825,433
		4,072,861,304	7,480,009,513	6,171,919,196	7,712,935,481
Closing inventory of finished goods	20.3	(2,749,609,720)	(2,241,450,738)	(2,662,853,046)	(2,194,355,907)
Cost of sales		9,799,164,928	7,940,639,289	9,932,975,652	7,937,421,611

20.1 Raw materials consumption-consolidated

In BDT	Balance at 1 Jan 2018	Purchases during the year	Balance at 31 Dec 2018	Consumption during the year
<u>Imported</u>				
Television	40,030,619	1,511,832,408	(96,629,877)	1,455,233,150
Air conditioner	25,288,247	1,304,036,792	(346,636,569)	982,688,470
Refrigerator	256,348,881	2,104,699,854	(479,564,456)	1,881,484,279
Others	487,244,302	3,389,687,395	(324,707,600)	3,552,224,097
	808,912,049	8,310,256,449	(1,247,538,502)	7,871,629,996
<u>Locally procured</u>				
Furniture	13,177,346	182,032,249	(10,840,254)	184,369,341
Television, Refrigerator and Other	29,682	-	(29,682)	-
	13,207,028	182,032,249	(10,869,936)	184,369,341
	822,119,077	8,492,288,698	(1,258,408,438)	8,055,999,337

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20.2 Raw materials consumption-company

<i>In BDT</i>	Balance at 1 Jan 2018	Purchases during the year	Balance at 31 Dec 2018	Consumption during the year
<u>Imported</u>				
Television	40,030,619	1,511,832,408	(96,629,877)	1,455,233,150
Air conditioner	25,288,247	1,304,036,792	(346,636,569)	982,688,470
Others	487,244,302	3,389,687,394	(324,707,315)	3,552,224,381
	552,563,168	6,205,556,594	(767,973,761)	5,990,146,001
<u>Locally procured</u>				
Furniture	13,177,346	182,032,249	(10,840,539)	184,369,056
Television, Refrigerator and Other	29,682	-	(29,682)	-
	13,207,028	182,032,249	(10,870,221)	184,369,056
	565,770,196	6,387,588,843	(778,843,982)	6,174,515,057

20.3 Closing stock of finished goods

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Home appliance	1,897,206,294	1,472,886,911	1,810,449,620	1,425,792,080
Consumer electronic	400,717,618	404,175,087	400,717,618	404,175,087
Sewing	131,765,584	72,692,606	131,765,584	128,508,778
Furniture	86,787,985	128,508,778	86,787,985	72,692,606
Other	233,132,239	163,187,356	233,132,239	163,187,356
	2,749,609,720	2,241,450,738	2,662,853,046	2,194,355,907

21 Operating expenses

<i>In BDT</i>	Note	Consolidated		Company	
		2018	2017	2018	2017
Advertisement and sales promotion		643,144,731	528,290,839	643,144,731	528,378,169
Shop operating expenses		401,379,679	350,503,926	401,379,679	350,503,926
Salaries and allowances		287,981,682	273,353,601	283,897,236	272,691,672
Rent and occupancy		264,320,166	212,021,008	264,320,166	212,021,008
Royalty	21.1 & 21.2	182,838,754	122,526,000	161,377,227	119,174,918
Warranty		138,158,359	159,800,075	138,158,359	159,800,075
Utilities		56,757,507	53,229,475	56,755,192	53,229,475
Depreciation	3.3	55,319,178	52,981,794	55,301,427	52,893,166
Bad debts		29,072,384	32,811,452	29,072,384	32,811,452
Office administration		49,753,614	36,377,149	49,603,973	36,371,135
Repairs and maintenance		44,109,434	43,036,608	44,098,934	43,026,608
Directors' fee and remuneration	21.3	24,295,805	12,143,825	24,259,965	12,143,825
Travelling		42,394,949	37,630,509	42,373,800	37,218,803
Amortisation	4	7,979,598	7,961,439	7,971,586	7,961,439
Bank charge		18,427,258	14,860,616	16,840,012	14,756,667
Insurance		3,655,929	4,273,042	3,655,929	4,273,042
Fuel and car maintenance		4,226,538	3,770,470	4,226,538	4,176,196
Professional and technical fees	21.4	7,933,983	10,127,938	6,442,043	9,712,375
Entertainment		6,140,141	4,828,749	6,140,141	4,828,749
Statutory audit fee		945,500	596,385	552,000	552,000
Dues and subscription		740,469	846,533	372,305	816,533
		2,269,575,658	1,961,971,433	2,239,943,627	1,957,341,233

21.1 Royalty-consolidated

<i>In BDT</i>	Turnover from manufacturing units		Royalty charge for the year	
	2018	2017	2018	2017
Audio-video sets (television)	2,486,714,519	1,839,686,146	99,468,580.76	73,587,446
Air conditioner	1,301,114,855	977,077,810	52,044,594.22	39,083,112
Furniture	246,601,307	162,608,996	9,864,052.30	6,504,360
Refrigerator	2,146,152,722	335,108,280	21,461,527	3,351,082
	6,180,583,404	3,314,481,232	182,838,754	122,526,000

Royalty was charged on the net annual invoice price of products manufactured by Singer Bangladesh Limited @4% on audio-video sets, air conditioner and furniture and International Appliances Limited @ 1% on refrigerator for the year 2018.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21.2 Royalty-company

Manufactured products <i>In BDT</i>	Turnover from manufacturing units		Royalty charge for the year	
	2018	2017	2018	2017
Audio-video sets (television)	2,486,714,519	1,839,686,146	99,468,580.76	73,587,446
Air conditioner	1,301,114,855	977,077,810	52,044,594.22	39,083,112
Furniture	246,601,307	162,608,996	9,864,052.30	6,504,360
	4,034,430,682	2,979,372,952	161,377,227	119,174,918

Royalty was charged on the net annual invoice price of products manufactured by Singer Bangladesh Limited @ 4% on audio-videosets, air conditioner and furniture for the year 2018.

21.3 Director's fee and remuneration

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Remuneration	21,986,767	9,849,096	21,986,767	9,849,096
Housing	1,792,350	1,641,000	1,792,350	1,641,000
Medical and welfare	89,848	170,729	89,848	170,729
Fees	426,840	483,000	391,000	483,000
	24,295,805	12,143,825	24,259,965	12,143,825

21.4 Professional and technical fees

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Legal and technical services	6,519,483	9,087,688	5,246,043	8,672,125
IFRS audit fees	1,351,250	1,000,000	1,150,000	1,000,000
Audit fees for provident fund, workers' profit participation fund etc.	63,250	40,250	46,000	40,250
	7,933,983	10,127,938	6,442,043	9,712,375

22 Net finance costs

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Finance income	624,370	563,183	624,370	563,183
Foreign exchange gain	-	-	-	-
Finance income	624,370	563,183	624,370	563,183
Interest expenses	(319,292,407)	(158,195,568)	(254,724,883)	(149,016,850)
	(318,668,037)	(157,632,385)	(254,100,513)	(148,453,667)

23 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>	Note	Consolidated		Company	
		2018	2017	2018	2017
Sale of scrapped inventories and others		15,468,017	2,930,578	6,114,849	-
Dividend income from CDBL		1,427,953	1,427,952	1,427,953	1,427,952
Gain/(loss) on sale of discarded fixed assets (Annexure - 1)		(4,778,743)	(2,164,290)	(4,778,743)	(2,164,290)
Discount on acquisition of subsidiary	23.1	-	25,711,295	-	25,711,295
Loss on derecognition of associate	23.4	-	(15,390,189)	-	(15,390,189)
Other		15,003,832	16,281,940	15,003,831	16,281,939
		27,121,059	28,797,286	17,767,890	25,866,707

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23.1 Discount on acquisition of subsidiary

As per IFRS 3 (business combination) paragraph 18, the acquirer shall measure the identifiable assets acquired and the liabilities assumed at their acquisition date fair values.

Paragraph 34 states that an acquirer will make a bargain purchase, which is a business combination in which the amount in paragraph 32(b) exceeds the aggregate of the amounts specified in paragraph 32(a). If that excess remains after applying the requirements in paragraph 36, the acquirer shall recognise the resulting gain in profit or loss on the acquisition date. The gain shall be attributed to the acquirer.

Paragraph 32 states that the acquirer shall recognise goodwill as of the acquisition date measured as the excess of (a) over (b) below:

- (a) the aggregate of:
- (i) the consideration transferred measured in accordance with this IFRS, which generally requires acquisition-date fair value.
 - (ii) the amount of any non-controlling interest in the acquiree measured in accordance with this IFRS; and
 - (iii) in a business combination achieved in stages the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.
- (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this IFRS.

Paragraph 36 states that before recognising a gain on a bargain purchase, the acquirer shall reassess whether it has correctly identified all of the assets acquired and all of the liabilities assumed and shall recognise any additional assets or liabilities that are identified in that review.

During the acquisition of International Appliances Limited (IAL), fair value of plant and machineries was measured by Asian Surveyor Limited and fair value of inventories were measured by the Company (SBL) as per IAS 2.

The fair value of identifiable net assets acquired by SBL was higher than the fair value of purchase consideration at the acquisition date. As a result, a gain on acquisition of IAL was recorded in the books of SBL. The details of discount calculation is given below.

Goodwill/(discount)

<i>In BDT</i>	<i>Note</i>	16 October 2017
Net fair value of purchase consideration		318,692,000
Non-controlling interest	23.2	67,846,929
(At 16.1681% of fair value of net assets)		
Fair value of acquirer's previously held equity interest	5.1	7,384,300
		393,923,229
Fair value of identifiable net assets	23.2	(419,634,524)
		(25,711,295)

23.2 Fair value of identifiable net assets of IAL acquired

<i>In BDT</i>	<i>Note</i>	16 October 2017
Share capital		388,964,300
Retained earnings		20,839,796
Fair value increase of plant and machineries	23.3	9,830,428
Identifiable net assets		419,634,524
Non-controlling interest (at 16.1681% of fair value of net assets)		67,846,929

23.3 Fair value increase of plant and machineries

<i>In BDT</i>	16 October 2017
Fair value of plant and machineries	312,326,122
Accounting WDV of plant and machineries	(302,495,694)
	9,830,428

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23.4 Loss on derecognition of associate

International Appliances Limited has been the equity accounted investee of SBL from 23 December 2014 to 16 October 2017 (details in note no. 5.1). When SBL established its control on IAL, it was required to derecognise the equity accounted investee and booked derecognition gain/(loss) in profit or loss statement as per IFRS 3 paragraph 42 "in a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss". The details are given below.

<i>In BDT</i>	<i>Note</i>	16 October 2017
Fair value of acquirer's previously held equity interest at date control obtained	5.1	7,384,300
Carrying amount of associate	23.5	(22,774,489)
		(15,390,189)

23.5 Carrying amount of associate

<i>In BDT</i>	<i>Note</i>	16 October 2017
Cost (share capital previously held by acquirer)	5.1	7,384,300
Share of pre-acquisition retained earnings (BDT 20,839,796 at 73.85%)		15,390,189
		22,774,489

24 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.

25 Share of profit/(loss) of equity-accounted investees, net of tax

<i>In BDT</i>	<i>Note</i>	2018	2017
Profit/(loss) from International Appliances Limited	5.1 & 25.1	-	56,387,751
		-	56,387,751

25.1 Profit/(loss) from International Appliances Limited

<i>In BDT</i>	<i>Note</i>	2017
Profit of equity-accounted investee for the period from 1 January to 16 October 2017, net of tax		76,354,436
Percentage of shareholding on equity-accounted investee		73.85%
		56,387,751

Profit of equity-accounted investees considered up to acquisition date i.e. 16 October 2017.

26 Income tax expense

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2018	2017	2018	2017
Current tax expense	18.2	359,491,035	252,015,000	345,558,000	252,015,000
Prior year's adjustments		-	-	-	-
Deferred tax (income)/expense	12 & 26.1	(5,455,852)	28,960,762	(18,622,700)	16,143,891
		354,035,183	280,975,762	326,935,300	268,158,891

26.1 Related tax

<i>In BDT</i>	<i>Note</i>	2018		
		Before tax	Tax (expense) / benefit	Net of tax
Remeasurement of defined benefit liability	13.1	(2,347,000)	586,750	(1,760,250)
		(2,347,000)	586,750	(1,760,250)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27 Contingencies and commitments**27.1 Commitment**

The letters of credit were outstanding as at 31 December 2018 against which the Company is committed to purchase products from different companies.

<i>In BDT</i>	Consolidated		Company	
	2018	2017	2018	2017
Letters of credit	1,938,434,726	1,503,723,030	1,358,386,137	966,837,544

27.2 Contingent liabilities

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

	Consolidated		Company	
	2018	2017	2018	2017
(i) Claims against the Company not acknowledged as debts	5,006,676	5,696,542	5,006,676	5,696,542
(ii) Uncalled liability on partly paid shares/ arrears of fixed cumulative dividends on preference shares	-	-	-	-
(iii) Aggregate amount of contracts for capital expenditure remaining to be executed and not provided for	-	-	-	-
(iv) Aggregate amount of any guarantees given by the Company on behalf of directors, managing directors, or other officers of the company	-	-	-	-
(v) Money for which the Company is contingently liable for any guarantees given by banks	17,620,041	17,888,541	17,620,041	17,888,541
	22,626,717	23,585,083	22,626,717	23,585,083

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.

28 Capacity utilisation**28.1 Capacity utilisation-consolidated**

Production	Measurement unit	In units			% of utilisation
		Annual installed	Utilisation during the year	Over/(Under) utilisation	
Panel television	Number	170,000	143,826	(26,174)	84.6
Air conditioner	Sets	30,000	28,601	(1,399)	95.3
Furniture	Sets	5,300	5,108	(192)	96.4
Refrigerator	Number	120,000	88,010	(31,990)	73.3

28.2 Capacity utilisation-company

Production	Measurement unit	In units			% of utilisation
		Annual installed	Utilisation during the year	Over/(Under) utilisation	
Panel television	Number	170,000	143,826	(26,174)	84.6
Air conditioner	Sets	30,000	28,601	(1,399)	95.3
Furniture	Sets	5,300	5,108	(192)	96.4

29 Number of employees

	Consolidated		Company	
	2018	2017	2018	2017
The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 and above.	1,507	1,384	1,224	1,152

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 Remittance in foreign currency

The Company remitted the following amounts in foreign exchange during the year to Retail Holdings Bhold B.V. (formerly Singer Bhold B.V.), a non-resident shareholder of the Company and Singer Asia Limited, subsidiary of the ultimate parent.

	Name of party	Amount (BDT)	Equivalent (USD)
Dividend, net for the year 2017 (final)	Retail Holdings Bhold B.V.	255,365,469	3,023,866

31 Earnings per share (EPS)**31.1 Basic earnings per share**

	Consolidated		Company	
	2018	2017	2018	2017
Earnings attributable to the ordinary shareholders	917,544,807	750,829,917	900,153,413	775,109,519
Weighted average number of ordinary shares outstanding	76,694,491	76,694,491	76,694,491	76,694,491
Basic earnings per share	11.96	9.79	11.74	10.11

Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2018 in terms of International Accounting Standard (IAS-33).

31.2 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.

32 Financial risk management**32.1 Financial risk management-consolidated**

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

- Credit risk (note 32.1.1)
- Liquidity risk (note 32.1.2)
- Market risk (note 32.1.3)

32.1.1 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group'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 32.1.1.1) is represented by the carrying amount of each financial asset in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32.1.1.1 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>	2018	2017
Loans and receivables	2,225,136,036	1,856,060,667
Cash and cash equivalents	194,532,817	202,934,615
	2,419,668,853	2,058,995,282

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

<i>In BDT</i>	2018	2017
Domestic	2,225,136,036	1,856,060,667
	2,225,136,036	1,856,060,667

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

<i>In BDT</i>	2018	2017
Retail customers	2,057,441,574	1,718,473,785
Wholesale customers	110,348,412	95,042,436
Others	59,269,496	42,544,446
	2,227,059,482	1,856,060,667

32.1.1.2 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 are not recoverable at all.

The ageing of receivables at the reporting date was:

<i>In BDT</i>	Gross 2018	Impairment 2018	Gross 2017	Impairment 2017
Not past due	1,948,941,745	-	2,008,929,738	1,658,236
Past due 1-30 days	402,330,753	-	50,437,543	1,056,694
Past due 31-120 days	140,700,655	1,309,187	63,313,408	10,464,478
Past due 121-365 days	46,452,691	41,151,409	49,647,983	33,245,548
More than one year	12,163,748	12,897,746	3,887,096	3,887,096
	2,550,589,592	55,358,342	2,176,215,768	50,312,052

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

<i>In BDT</i>	2018	2017
Opening balance	50,312,052	48,727,109
Allowance recognised for the year	29,072,384	32,811,452
	79,384,436	81,538,561
Allowance written off for the year	(24,026,094)	(31,226,509)
Closing balance	55,358,342	50,312,052

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32.1.2 Liquidity risk

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

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

<i>In BDT</i>	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 2018							
Non-derivative financial liabilities:							
Bank overdraft	2,728,664,213	2,847,373,953	1,152,102,791	1,695,271,162	-	-	-
Long-term liability	45,872,825	45,872,825	2,987,736	8,721,840	20,190,048	37,150,985	-
Trade and other payables	1,646,432,946	1,646,432,946	1,463,594,192	182,838,754	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	4,420,969,984	4,539,679,724	2,618,684,719	1,886,831,756	20,190,048	37,150,985	-
As at 31 December 2017							
Non-derivative financial liabilities:							
Bank overdraft	1,587,039,816	1,912,305,268	1,850,340,503	61,964,765	-	-	-
Secured bank loans	-	-	-	-	-	-	-
Trade and other payables	1,508,412,542	1,508,412,542	1,385,886,542	122,526,000	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	3,095,452,358	3,420,717,810	3,236,227,045	184,490,765	-	-	-

32.1.3 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 Group 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 Group does not hold or issue derivative financial instruments for speculative business.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32.1.3.1 Interest rate risk

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

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

<i>In BDT</i>	2018	2017
Fixed rate instruments		
Fixed rate deposits at financial institution	-	-
Fixed rate loans and receivable (net hire receivable)	2,088,569,082	1,744,545,337
Other fixed rate instruments (assets)	-	-
Financial assets	2,088,569,082	1,744,545,337
Financial liabilities	45,872,825	-
Fixed rate bank overdraft	-	-
Fixed rate loans	45,872,825	-
Fixed rate debentures	-	-
Fixed rate promissory notes	-	-
Lease liabilities	-	-
Other fixed rate liabilities	-	-
Variable rate instruments		
Variable rate deposits at financial institution	-	-
Variable rate loans and receivable	-	-
Other variable rate instruments (assets)	-	-
Financial assets	-	-
Financial liabilities	2,728,664,213	1,587,039,816
Variable rate bank overdraft	2,728,664,213	1,587,039,816
Variable rate loans	-	-
Variable rate debentures	-	-
Variable rate promissory notes	-	-
Other variable rate liabilities	240,866,549	215,157,638
Financial liabilities	2,969,530,762	1,802,197,454

32.1.3.2 Cash flow sensitivity analysis for variable rate instruments 2018

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 2018 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 2018				
Other variable rate liabilities	(4,817,331)	4,817,331	(4,817,331)	4,817,331
Cash flow sensitivity	(4,817,331)	4,817,331	(4,817,331)	4,817,331

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32.1.3.3 Cash flow sensitivity analysis for variable rate instruments 2017

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 2017 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 2017				
Other variable rate liabilities	(4,303,153)	4,303,153	(4,303,153)	4,303,153
Cash flow sensitivity	(4,303,153)	4,303,153	(4,303,153)	4,303,153

32.1.3.4 Foreign Currency risk

The Group 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 Group.

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

<i>In USD</i>	2018	2017
Accounts payable trade	2,849,256	4,892,013

The following significant exchange rates are applied during the period:

<i>In BDT</i>	2018	2017
US Dollar	84.50	83.19

32.1.3.5 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 2018				
Expenditures denominated in USD	(12,038,105)	12,038,105	(12,038,105)	12,038,105
Exchange rate sensitivity	(12,038,105)	12,038,105	(12,038,105)	12,038,105

<i>In BDT</i>	Profit or loss		Equity	
	500 bp increase	500 bp decrease	500 bp increase	500 bp decrease
31 December 2017				
Expenditures denominated in USD	(20,348,328)	20,348,328	(20,348,328)	20,348,328
Exchange rate sensitivity	(20,348,328)	20,348,328	(20,348,328)	20,348,328

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32.2 Financial risk management-company

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

- Credit risk (note 32.2.1)
- Liquidity risk (note 32.2.2)
- Market risk (note 32.2.3)

32.2.1 Credit risk

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

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

The maximum exposure to credit risk (note 32.2.1.1) is represented by the carrying amount of each financial asset in the statement of financial position.

32.2.1.1 Exposure to credit risk

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

<i>In BDT</i>	2018	2017
Loans and receivables	2,343,454,268	1,855,636,074
Cash and cash equivalents	193,843,156	202,786,490
	2,537,297,424	2,058,422,564

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

<i>In BDT</i>	2018	2017
Domestic	2,343,454,268	1,855,636,074
	2,343,454,268	1,855,636,074

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

<i>In BDT</i>	2018	2017
Retail customers	2,057,441,574	1,718,473,785
Wholesale customers	110,348,416	95,042,436
Others	175,664,278	42,119,853
	2,343,454,268	1,855,636,074

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32.2.1.2 Impairment loss

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

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 are not recoverable at all.

The ageing of receivables at the reporting date was:

<i>In BDT</i>	Gross 2018	Impairment 2018	Gross 2017	Impairment 2017
Not past due	1,948,941,745	-	2,008,929,738	1,658,236
Past due 1-30 days	402,330,753	-	50,437,543	1,056,694
Past due 31-120 days	140,700,655	1,309,187	62,888,814	10,464,478
Past due 121-365 days	46,452,691	41,151,409	49,647,983	33,245,548
More than one year	12,163,748	12,897,746	3,887,096	3,887,096
	2,550,589,592	55,358,342	2,175,791,174	50,312,052

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

<i>In BDT</i>		
Opening balance	50,312,052	48,727,109
Allowance recognised for the year	29,072,384	32,811,452
	79,384,436	81,538,561
Allowance written off for the year	(24,026,094)	(31,226,509)
Closing balance	55,358,342	50,312,052

32.2.2 Liquidity risk

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

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

<i>In BDT</i>	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 2018							
Non-derivative financial liabilities:							
Bank overdraft	2,118,835,001	2,213,707,748	918,124,604	1,295,583,144	-	-	-
Secured bank loans	-	-	-	-	-	-	-
Trade and other payables	1,712,236,302	1,712,236,302	1,550,859,075	161,377,227	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	3,831,071,303	3,925,944,050	2,468,983,679	1,456,960,371	-	-	-
As at 31 December 2017							
Non-derivative financial liabilities:							
Bank overdraft	1,457,644,580	1,178,689,998	982,169,212	196,520,786	-	-	-
Secured bank loans	-	-	-	-	-	-	-
Trade and other payables	1,522,526,822	1,522,526,822	1,059,784,752	97,935,552	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	2,980,171,402	2,701,216,820	2,041,953,964	294,456,338	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32.2.3 Market risk

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

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

32.2.3.1 Interest rate risk

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

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

<i>In BDT</i>	2018	2017
Fixed rate instruments		
Fixed rate deposits at financial institution	-	-
Fixed rate loans and receivable (net hire receivable)	2,088,569,082	1,744,545,337
Other fixed rate instruments (assets)	-	-
Financial assets	2,088,569,082	1,744,545,337
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	2,118,835,001	1,457,644,580
Variable rate loans	-	-
Variable rate debentures	-	-
Variable rate promissory notes	-	-
Other variable rate liabilities	240,866,549	215,157,638
Financial liabilities	2,359,701,550	1,672,802,218

32.2.3.2 Cash flow sensitivity analysis for variable rate instruments 2018

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 2018 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 2018				
Other variable rate liabilities	(4,817,331)	4,817,331	(4,817,331)	4,817,331
Cash flow sensitivity	(4,817,331)	4,817,331	(4,817,331)	4,817,331

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32.2.3.3 Cash flow sensitivity analysis for variable rate instruments 2017

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 2017 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 2017				
Other variable rate liabilities	(4,303,153)	4,303,153	(4,303,153)	4,303,153
Cash flow sensitivity	(4,303,153)	4,303,153	(4,303,153)	4,303,153

32.2.3.4 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>	2018	2017
Accounts payable trade	2,849,256	2,738,288

The following significant exchange rates are applied during the period:

<i>In BDT</i>	2018	2017
US Dollar	84.50	83.19

32.2.3.5 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 2018				
Expenditures denominated in USD	(12,038,105)	12,038,105	(12,038,105)	12,038,105
Exchange rate sensitivity	(12,038,105)	12,038,105	(12,038,105)	12,038,105

<i>In BDT</i>	Profit or loss		Equity	
	500 bp increase	500 bp decrease	500 bp increase	500 bp decrease
31 December 2017				
Expenditures denominated in USD	(11,389,909)	11,389,909	(11,389,909)	11,389,909
Exchange rate sensitivity	(11,389,909)	11,389,909	(11,389,909)	11,389,909

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33 Determination of fair value**33.1 Determination of fair value-consolidated**

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 2018	Fair value 2018	Carrying amount 2017	Fair value 2017
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	2,225,136,036	2,083,331,938	1,856,060,667	1,702,936,059
Cash and cash equivalents	194,532,817	194,532,817	202,934,615	202,934,615
	2,419,668,853	2,277,864,755	2,058,995,282	1,905,870,674
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	1,646,432,946	N/A*	1,508,412,542	N/A*
Bank overdraft	2,728,664,213	2,728,664,213	1,587,039,816	1,587,039,816
	4,375,097,159	2,728,664,213	3,095,452,358	1,587,039,816

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:

	2018		2017	
	From %	To %	From %	To %
Derivatives	-	-	-	-
Receivable under hire purchase	-	-	-	-
Loans and borrowings	-	-	-	-
Finance lease liabilities	-	-	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33.2 Determination of fair value-company

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 2018	Fair value 2018	Carrying amount 2017	Fair value 2017
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	2,343,454,268	2,083,331,938	1,855,636,074	1,702,936,059
Cash and cash equivalents	193,843,156	193,843,156	202,786,490	202,786,490
	2,537,297,424	2,277,175,094	2,058,422,564	1,905,722,549
<i>In BDT</i>	Carrying amount 2018	Fair value 2018	Carrying amount 2017	Fair value 2017
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	1,712,236,302	N/A*	1,522,526,822	N/A*
Bank overdraft	2,118,835,001	2,118,835,001	1,457,644,580	1,457,644,580
	3,831,071,303	2,118,835,001	2,980,171,402	1,457,644,580

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:

	2018		2017	
	From %	To %	From %	To %
Derivatives	-	-	-	-
Receivable under hire purchase	-	-	-	-
Loans and borrowings	-	-	-	-
Finance lease liabilities	-	-	-	-

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

34 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35 Related party disclosures under IAS-24

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

35.1 Related party transactions

Read this note in conjunction with note no. 21.3.

Name of related parties	Relationship	Nature of transaction	Consolidated		Company	
			2018 (BDT)	2017 (BDT)	2018 (BDT)	2017 (BDT)
Retail Holdings Bhold B.V., The Netherlands (formerly Singer Bhold B.V., The Netherlands)	Parent company	Dividend payment	283,739,410	268,967,587	283,739,410	268,967,587
Retail Holdings Asia B.V.	Subsidiary of ultimate parent	Royalty payment	182,838,754	133,594,138	161,377,227	119,174,918
Singer India Ltd.	Subsidiary of ultimate parent	Procurement of products	35,489,526	150,695,986	35,489,526	150,695,986
International Appliances Limited	Subsidiary of SBL	Procurement of products	-	-	2,146,152,722	1,441,922,016
International Appliances Limited	Subsidiary of SBL	Current account	-	-	112,563,094	3,208,121
Shanghai Sonlu Shangling Enterprise Group Co. Ltd.	Non-controlling interest	Procurement of products	2,096,130,148	45,712,905	-	-
Shanghai Sonlu Shangling Enterprise Group Co. Ltd.	Non-controlling interest	Procurement of plant & machinery	-	165,236,117	-	-
Sunman Corporation Limited	Non-controlling interest	Rent	30,361,963	7,306,340	-	-

35.2 Related party receivable/(payable)

Name of related parties	Relationship	Nature of transaction	Consolidated		Company	
			2018 (BDT)	2017 (BDT)	2018 (BDT)	2017 (BDT)
Retail Holdings Asia B.V.	Subsidiary of ultimate parent	Royalty payable Current account	(319,264,829)	(135,234,085)	(280,552,145)	(119,174,918)
Singer Asia Ltd.	Subsidiary of ultimate parent	Current account	11,452,755	11,452,754	11,452,755	11,452,754
Singer India Ltd.	Subsidiary of ultimate parent	Procurement of products	-	(2,696,048)	-	(2,696,048)
International Appliances Ltd.	Subsidiary of SBL	Procurement of products	-	-	(182,490,513)	(255,455,217)
International Appliances Ltd.	Subsidiary of SBL	Current account	-	-	121,614,273	5,843,058
Shanghai Sonlu Shangling Enterprise Group Co. Ltd.	Non-controlling interest	Procurement of product and plant & machinery	-	(177,241,885)	-	-
Sunman Corporation Limited	Non-controlling interest	Rent	(12,736,817)	(13,551,461)	-	-
Sunman Corporation Limited	Non-controlling interest	Other receivable	3,991,888	6,023,672	-	-

36 Events after the reporting period

- The Board of Directors of the Company has recommended 30% stock dividend in its 236th board meeting dated 28 February 2019.
- The Company has purchased 16.1680% share of International Appliances Limited (IAL) from Shanghai Sonlu Shangling Enterprise Group Co. Ltd. (9.9978%) and from Sunman Corporation Limited (6.1702%). Associated call option of Sunman Corporation Limited has been cancelled. As a result IAL is now fully owned subsidiary of the Company.

37 Others

- These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.
- Previous year's figures have been regrouped and/or rearranged wherever considered necessary for the purpose of current year's presentation.
- The financial statements of previous years had been prepared in compliance with the requirements of the Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh earlier, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38 Standards adopted but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing the financial statements.

Of those standards that are not yet effective, the Group intends to adopt IFRS 16, when it becomes effective, and is expected to have a material impact on the Group's financial statements in the period of initial application.

IFRS 16 Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Although early adoption is permitted, the Group has not early adopted IFRS 16 in preparing these financial statements.

The most significant impact identified is that, the Group will recognise new assets and liabilities for its operating leases of retail stores / showrooms, warehouses, service centers, factories and other offices facilities. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

The Group has no finance leases.

As a lessee, the Group plans to apply IFRS 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

The Group also plans to apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

The Group is currently assessing the impact of initially applying the standard on the elements of financial statements.

39 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.

40 Significant accounting policies

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

- A. Revenue
- B. Finance income and finance costs
- C. Foreign currency transactions
- D. Income tax
- E. Inventories
- F. Property, plant and equipment
- G. Intangibles
- H. Financial instruments

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- I. Impairment
- J. Provisions
- K. Royalty
- L. Warranty costs
- M. Investments
- N. Worker's profit participation fund
- O. Employee benefit
- P. Reporting period
- Q. Earnings per share
- R. Segment reporting
- S. Statement of cash flows
- T. Events after the reporting period
- U. Offsetting
- V. Basis of consolidation

A. Revenue from contracts with customers

Revenue from sale of goods

The Group has initially applied IFRS 15 from 1 January 2018. Information about the Group's accounting policies relating to contracts with customers is provided in Note 2.6 (A). The effect of initially applying IFRS 15 is described in Note 2.6 & 19.

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 transactions

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

D. Income tax

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

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 2018.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 IAS-16 "*Property Plant and Equipment*". Maintenance, renewals and betterments that enhance the economic useful life of the property, plant and equipment or that improve the capacity, quality or reduce substantially the operating cost or administration expenses are capitalised by adding it to the related property, plant and equipment.

If significant parts of an item of property, plant & 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.

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

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

Subsequent costs

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

Depreciation

Depreciation is calculated over the depreciable amount. Depreciation is recognised in profit and loss on a reducing balance method in case of SBL and straight line basis in case of IAL 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. A change in the depreciation method is a change in a technique used to apply the entity's accounting policy to recognise depreciation as an asset's future economic benefits are consumed. Therefore it is deemed to be a change in an accounting estimate.

Land is not depreciated. Depreciation is charged on property plant and equipment from the month of acquisition and no depreciation is charged in the month of disposal.

Depreciation is charged at the rates varying from 2.5% to 25% depending on the estimated useful lives of assets. No depreciation is charged for work-in-progress.

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

Building - Office	10%
Building - Factory	20%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Leasehold improvements	10%
Plant and machinery	20%
Vehicles	20%
Furniture and fixtures	10%
Equipment and tools	20%

The rates of depreciation of IAL, applied on straight line basis, for the current and comparative years are as follows:

Building - Office	2.50%
Building - Factory	2.50%
Leasehold improvements	12.50%
Plant and machinery	8.33%
Vehicles	14%
Furniture and fixtures	10%
Equipment and tools	8.33%
Computer	25%

G. Intangibles

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

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

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

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

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

Intangible Assets	Useful Life	
	Singer	IAL
Computer Software	5 years	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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

Allowances for accounts receivables are calculated applying the rates, based on the ageing of hire receivables from customers for the current and comparative years, are as follows:

Due within 3 months	Nil
Due over 3 months but within 6 months	50%
Due over 6 months but within 9 months	100%
Due over 9 months but within 12 months	100%
Over 12 months	100%

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.

I. Impairment

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

J. Provisions

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

K. Royalty

Royalty is payable to Retail Holdings Asia B.V. @ 4% 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 21.1 & 21.2). The Company is authorised to use the name "SINGER" as part of its corporate name.

L. Warranty costs

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

M. Investments

Investment in Central Depository Bangladesh Limited (CDBL)

Investment in 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 represents fixed deposit with maturity of three months and over.

N. Workers' profit participation fund

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

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 a funded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary.

Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service cost and mutually compatible actuarial assumptions about demographic and financial variables are used.

Short-term employee benefits

This relates to leave encashment and is measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Accordingly, necessary provision is made for the amount of annual leave encashment based on the latest basic salary. This benefit is applicable for employees as per service rules.

P. Reporting period

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 IFRS 8: "Operating Segments". The details are described on note no. 2.5.

S. Statement of cash flows

Statement of Cash Flows (Cash Flow Statement) is prepared under direct method in accordance with IAS-7 "Statement of Cash Flows" as required by the Bangladesh Securities and Exchange Rules 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 36.

U. Offsetting

The Group reports separately both assets and liabilities, and income and expenses, unless required by an applicable accounting standard or offsetting reflects the substance of the transaction and such offsetting is permitted by applicable accounting standard.

V. Basis of consolidation

The Group account for business combination using the acquisition method when control is transferred to the Group (see V (i)). The consideration transferred in the acquisition are generally measured at fair value, as are the identifiable net asset acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

(i) Subsidiaries

Subsidiaries are the entities controlled by the Group. The Group controls an entity when it is exposed to, or has the rights to variable returns from its involvement with the entity and has the ability to affects those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(ii) Non-controlling interests

Non-controlling Interest (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

DETAILS OF DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Singer Bangladesh Limited

(ANNEXURE - 1)

For the year ended 31 December 2018

Particulars	Original cost	Accumulated depreciation	Net book value	Sales proceed	Gain/(Loss)	Mode of disposal
Plant & machinery	201,308	199,435	1,873	-	(1,873)	Adjustment/sold
Equipment	11,518,333	10,004,361	1,513,972	70,342	(1,443,630)	Adjustment/sold
Furniture	3,332,939	2,818,168	514,771	-	(514,771)	Adjustment/sold
Leasehold improvements	9,324,711	4,602,893	4,721,818	1,533,810	(3,188,008)	Adjustment/sold
Vehicles	1,150,000	1,109,538	40,462	410,000	369,538	Auction
	25,527,291	18,734,395	6,792,896	2,014,152	(4,778,744)	

DIRECTORS' REPORT

International Appliances Limited

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, 2018. This report has been prepared in compliance with section 184 of the Companies Act 1994.

Principal Activities

The business of the Company is to manufacture home appliances and related components, which will also include the trading of refrigerators, freezers and other household appliances. The company manufactures refrigerators in "Singer" brand for exclusive marketing by Singer Bangladesh Limited.

Review of Business

During the year revenue reached to Tk 2.1 billion which was higher by 48.9% over the previous year's revenue of Tk 1.4 billion. Operating profit stood Tk. 87 million and net profit before tax for the year stood at Tk 21 million. Despite a very slim profit before tax, still the Company was subject to minimum tax provision as per IT laws due to which the Company has suffered loss of Tk. 5.8 million. Drop of margin compare to previous year and higher finance cost reduced profit of the Company.

Fairness of Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994. These statements present fairly the company's state of affairs, the results of its operations, cash flow and changes in equity.

Books of Accounts

Proper books of accounts of the company were maintained.

Accounting Policies

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

Application of IAS & IFRS

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

Events subsequent to Balance Sheet

Singer Bangladesh Limited purchased 628,880 (16.1680%) shares of International Appliances Limited (IAL) from Shanghai Sonlu Shangling Enterprise Group Co. Ltd. (240,000 shares representing 9.9978%) and from Sunman Corporation Limited (388,880 shares representing 6.1702%) and share transfer was approved by the Board of Directors in their meeting held on February 3, 2019. As a result, IAL is now 100% owned subsidiary of Singer Bangladesh Limited.

Board Meetings

During the year, the Board of Directors met five times.

Appointment of Directors

Singer Bangladesh Limited nominated Mr. Fatih Kemal Ebiçlioğlu, Mr. Hakan Hamdi Bulgurlu, Mr. Polat Şen and Mr. Cemal Can Dinçer to the Board of the Company. The Board of Directors in their meeting held on April 3, 2019 appointed them as Directors of the Company.

At the same meeting the Board accepted resignation of Mr. Gavin J. Walker, Mr. Gelmart M. Gellecanao and Mr. Nayana Jagath Kumar Dissanayake. Members of the Board gratefully acknowledged his valuable contributions and services to the Board during their tenure.

Dividend

The company has generated profit before tax during the year but due to provision of minimum tax, it incurred loss. Therefore, the company didn't recommend dividend for the year ended December 31, 2018.

Appointment of Auditors

A. Qasem & Co., Chartered Accountants have expressed their willingness to be appointed as statutory auditors of International Appliances Limited for the year 2019.

The Board recommends appointment of A. Qasem & Co., Chartered Accountants as statutory auditors of the company for the year 2019 subject to approval of the Shareholders in the 4th Annual General Meeting and to continue till the next Annual General Meeting.

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.

Conclusion

The Board wishes to express its sincere appreciation to all employees of the company for their contribution and at the same time, thanked all the stakeholders for their continued support and confidence. Approved by the Board of Directors and signed, on its behalf, by



Mohamed Haniffa Mohamed Fairoz
Director



Kazi Ashiqur Rahman
Company Secretary

April 3, 2019

INDEPENDENT AUDITORS' REPORT

to the shareholders of International Appliances Limited

Opinion

We have audited the financial statements of International Appliances Limited (the Company), which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Report on Other Legal and Regulatory Requirements

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

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- (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.

A. Qasem & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

International Appliances Limited

<i>In BDT</i>	31 December 2018	31 December 2017
Assets		
Property, plant and equipment	351,167,167	368,067,422
Intangible assets	112,163	-
Deposits and prepayments	11,904,327	11,739,948
Non-current assets	363,183,657	379,807,370
Inventories	594,003,028	358,531,194
Advances, deposits and prepayments	42,251,812	20,511,127
Trade and other receivables	188,448,813	261,722,870
Cash and cash equivalents	689,661	148,125
Current tax assets	157,308,915	77,505,006
Current assets	982,702,229	718,418,322
Total assets	1,345,885,886	1,098,225,692
Equity		
Share capital	388,964,300	388,964,300
Retained earnings	41,124,008	46,964,814
Total equity	430,088,308	435,929,114
Liabilities		
Retirement benefit obligations (gratuity)	2,316,049	1,444,300
Deferred tax liability	19,131,852	5,965,005
Long-term liability	37,150,985	-
Non-current liabilities	58,598,886	7,409,305
Long-term liability Current portion	8,721,840	-
Short-term liability	-	278,308,039
Trade and other payables	238,647,640	247,183,998
Short-term borrowings - secured (bank overdraft)	609,829,212	129,395,236
Current liabilities	857,198,692	654,887,273
Total liabilities	915,797,578	662,296,578
Total equity and liabilities	1,345,885,886	1,098,225,692

The annexed notes are an integral part of these financial statements.



Dr. Syed Ferhat Anwar
Director



Mohamed Haniffa Mohamed Fairouz
Director



Kazi Ashiqur Rahman
Company Secretary

As per our report of same date.



A. Qasem & Co.
Chartered Accountants

Dhaka: 28 February 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

International Appliances Limited

<i>In BDT</i>	For the year ended 31 December	
	2018	2017
Turnover	2,146,152,722	1,441,922,016
Cost of sales	(2,038,928,360)	(1,223,778,438)
Gross profit/(loss)	107,224,362	218,143,578
Operating expenses	(29,632,031)	(17,979,980)
Other income/(loss)	9,353,168	6,084,915
Operating profit	86,945,499	206,248,513
Finance income	-	-
Finance costs	(64,567,524)	(33,503,104)
Net finance costs	(64,567,524)	(33,503,104)
Foreign exchange gain/(loss)	-	-
Profit before contribution to workers' profit participation fund	22,377,975	172,745,409
Contribution to workers' profit participation fund	(1,118,898)	(8,637,270)
Profit/(Loss) before tax	21,259,077	164,108,139
Income tax (expense)/income	(27,099,883)	(61,628,685)
Profit/(Loss) after tax	(5,840,806)	102,479,454
Other comprehensive income	-	-
Total comprehensive income/(loss)	(5,840,806)	102,479,454

The annexed notes are an integral part of these financial statements.



Dr. Syed Ferhat Anwar
Director



Mohamed Haniffa Mohamed Fairoz
Director



Kazi Ashiqur Rahman
Company Secretary

As per our report of same date.



A. Qasem & Co.
Chartered Accountants

Dhaka: 28 February 2019

STATEMENT OF CHANGES IN EQUITY

International Appliances Limited

	For the year ended 31 December 2017		
	Share capital	Retained earnings	Total equity
Balance at 1 January 2017	9,999,000	(55,514,640)	(45,515,640)
Total comprehensive income			
Profit	-	102,479,454	102,479,454
Other comprehensive income	-	-	-
Total comprehensive income	-	102,479,454	102,479,454
Transaction with owners of the Company			
Contributions and distributions			
Issue of ordinary shares	378,965,300	-	378,965,300
Total contributions and distributions	378,965,300	-	378,965,300
Balance at 31 December 2017	388,964,300	46,964,814	435,929,114

	For the year ended 31 December 2018		
	Share capital	Retained earnings	Total equity
Balance at 1 January 2018	388,964,300	46,964,814	435,929,114
Total comprehensive income			
Loss	-	(5,840,806)	(5,840,806)
Other comprehensive income	-	-	-
Total comprehensive income	-	(5,840,806)	(5,840,806)
Transaction with owners of the Company			
Contributions and distributions			
Issue of ordinary shares	-	-	-
Total contributions and distributions	-	-	-
Balance at 31 December 2018	388,964,300	41,124,008	430,088,308

The annexed notes are an integral part of these financial statements.



Dr. Syed Ferhat Anwar
Director



Mohamed Haniffa Mohamed Fairoz
Director



Kazi Ashiqur Rahman
Company Secretary

As per our report of same date.



A. Qasem & Co.
Chartered Accountants

Dhaka: 28 February 2019

STATEMENT OF CASH FLOWS

International Appliances Limited

For the year ended 31 December 2017

<i>In BDT</i>	31 December 2018	31 December 2017
Cash flows from operating activities		
Collections from turnover and other income	2,550,393,506	1,459,745,453
Payments for costs and expenses	(2,889,303,838)	(1,209,443,614)
Interest paid on borrowings	(64,426,684)	(30,019,948)
Income tax paid	(93,736,944)	(90,418,458)
Payments to workers' profit participation fund	(8,637,269)	
Net cash used in operating activities	(505,711,229)	129,863,433
Cash flows from investing activities		
Dividend received from affiliates		
Investment in share		
Acquisition of intangible assets		
Acquisition of property, plant and equipment	(20,054,036)	(60,357,147)
Sales proceeds of property, plant & equipment		
Net cash used in investing activities	(20,054,036)	(60,357,147)
Cash flows from financing activities		
Issue of new shares by using share money deposit		378,965,300
Share money deposit used for issue of new shares		(378,965,300)
Proceeds from Long Term Loan	45,872,825	-
Share money deposit		-
Dividend paid		-
Net cash from financing activities	45,872,825	-
Net increase in cash	(479,892,440)	69,506,286
Cash and cash equivalents at 1 January	(129,247,111)	(198,753,397)
Cash and cash equivalents at 30 June	(609,139,551)	(129,247,111)
Closing cash and cash equivalents have been arrived at as follows:		
Cash and cash equivalents	689,661	148,125
Short-term borrowings - secured (bank overdraft)	(609,829,212)	(129,395,236)
	(609,139,551)	(129,247,111)

The annexed notes are an integral part of these financial statements.



Dr. Syed Ferhat Anwar
Director



Mohamed Haniffa Mohamed Fairouz
Director



Kazi Ashiqur Rahman
Company Secretary

As per our report of same date.



A. Qasem & Co.
Chartered Accountants

Dhaka: 28 February 2019

SHARE INFORMATION

Singer Bangladesh Limited

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 Limited.

3. Distribution of Shareholdings - 31st December 2018

No. of Shareholders : **31st December 2018 - 9,273 nos.** (31st December 2017 -11,788 nos.)

No. of Shares held	31 December 2018			31 December 2017		
	No. of Share-holders	No. of Shares	%	No. of Share-holders	No. of Shares	%
1 - 500	6,298	987,050	1.29	7,742	1,285,463	1.68
501 - 5000	2,469	3,803,308	4.96	3,477	5,418,964	7.07
5001 - 10000	208	1,523,671	1.99	274	1,986,922	2.59
10001 - 20000	116	1,669,772	2.18	142	1,977,444	2.57
20001 - 30000	47	1,195,362	1.56	43	1,086,031	1.42
30001 - 40000	31	1,094,605	1.43	24	847,370	1.10
40001 - 50000	18	832,655	1.08	11	507,655	0.66
50001 - 100000	32	2,208,788	2.88	34	2,673,311	3.49
100001 - 1000000	49	14,387,537	18.76	33	7,422,086	10.31
Over 1000000	5	48,991,743	63.87	8	53,489,245	69.11
Total	9,273	76,694,491	100.00	11,788	76,694,491	100.00

Categories of Shares	31 December 2018		31 December 2017	
	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders
Individuals	15,947,246	8,785	14,218,794	11,366
Institutions	60,747,245	488	62,475,697	422
	76,694,491	9,273	76,694,491	11,549

4. Dividends

Dividend 30% Stock Dividend

5. Market Value per Share

	2018		2017 Taka
	Taka	Date	
Highest during the year	248.4	8th October	228.9
Lowest during the year	164.9	5th June	175.5
Closing of the year	221.2	27th December	195.5

GLOSSARY OF FINANCIAL TERMS

Singer Bangladesh Limited

Accounting Policies

Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting financial statements.

Borrowings

All interests bearing liabilities.

Capital/Revaluation Reserves

Reserves identified for specific purposes and considered not available for distribution.

Contingents Liabilities

Conditions or situations at the Balance Sheet date the financial effect of which are to be determined by future events which may or may not occur.

Current Ratio

Current Assets divided by Current Liabilities. A measure of liquidity.

Deferred Taxation

The net tax effect on items which have been included in the Statement of Income, which would only qualify for inclusion on a tax return at a future date.

Debt Equity Ratio

Current plus long term liabilities divided by average shareholders fund.

Effective Dividend Rate/Dividend Cover

Profit attributable to ordinary Shareholders divided by gross dividend. Measures the number of times dividend is covered by distributable profit.

Earnings Per Share

Profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.

Equity

Shareholders' fund.

Gearing

Proportion of borrowings to capital employed.

Gross Dividend

Portion of profits inclusive of tax withheld, distributed to shareholders.

Interest Cover

Profit before tax plus net finance cost divided by net finance cost. Measure of an entity's debt service ability.

Market Capitalization

Number of Shares in issue multiplied by the market value of a share at the reported date.

Net Assets per Share

Shareholders' equity divided by the weighted average number of ordinary shares in issue. A basis of share valuation.

Price Earnings Ratio

Market price of a share divided by earnings per share as reported at the date.

Return on Average Net Assets

Attributable profits divided by average assets.

Revenue Reserves

Reserves considered as being available for distributions and investments.

Value Addition

The quantum of wealth generated by the activities of the Company measured as the difference between turnover and the cost of materials and services bought in.

Working Capital

Capital required to finance the day-to-day operations computed as the excess of current assets over current liabilities.

NOTICE OF ANNUAL GENERAL MEETING

Singer Bangladesh Limited

Notice is hereby given that the **39th Annual General Meeting** of Singer Bangladesh Limited will be held on **Tuesday, April 23, 2019 at 10:30 a.m.** at Singer Factory, Rajfulbaria, Jhamur, Savar, Dhaka-1347 to transact the following business.

AGENDA

1. To receive and adopt the Directors' and Auditors' Reports and the Audited Accounts of the Company for the year ended December 31, 2018.
2. To declare Dividend for the year ended December 31, 2018.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.

By order of the Board



Mohammad Sanaullah
Company Secretary
March 18, 2019

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

Notes

- i) **March 24, 2019** 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

- Folio Number holders are requested to submit their email address to the Share Department of the Company latest by March 27, 2019.
- 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 **39th Annual General Meeting** of the Company to be held on April 23, 2019 and at any adjournment thereof.

As witness my hand this Day of April 23, 2019

Signature of Proxy

Signature of Member

Register Folio no./BO ID of Member

Singer Bangladesh Limited

ATTENDANCE SLIP

Name of Member

Name of Proxy

Register Folio No. /BO ID of Member

I/we hereby record my/our presence at the **39th Annual General Meeting** of **Singer Bangladesh Limited** on Tuesday, April 23, 2019 at 10.30 a.m. at Singer Factory, Rajfulbaria, Jhamur, Savar, Dhaka-1347.

Signature of Member

Signature of Proxy

N. B.

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

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