

Embrace **Life** Now



**20
21**
ANNUAL
REPORT

SINGER[®]
Bangladesh Limited

20 21 ANNUAL REPORT

SINGER – Embrace Life Now

Singer's long-standing history in Bangladesh started more than a century back as a sewing machine company. Today, Singer has grown to be one of the pioneers in the consumer durable market - a household name in Bangladesh. As a company it caters to customers from all walks of life and has enjoyed unparalleled success over the years. SINGER has lately revealed its renewed vision to enrich and improve lives in Bangladesh.

2021 was the year for the Brand SINGER for identifying and understanding the fast changing consumer behavior. The Brand was being critically revisited and the target market was redefined to expand the consumer base.

In addition to this, SINGER equipped itself as a brand to appeal to the new generation of consumers. Under the guidance of Arcelik Headquarters, a number of studies such as 'Brand Health' have been conducted. Brand Key exercises had been done. The core objective was to find out ways to become a more "Consumer-Centric Brand".

In addition to the Brand's strong presence in above the Line Communications, there was a significant increase in SINGER's activities in the digital platform with the communication objective of inspiring consumers to improve their lifestyle right away with SINGER.

With the considerably increasing health and hygiene concerns, the Brand focused the products that have more health and hygiene relevance such as Hygiene Shield Appliances by Beko.

Cooking shows on TV and digital media, community engagement demo programs and other digital entertainment content helped the consumers to connect to the brand in addition to increasing the brand affinity.

Corporate Social Responsibility

SINGER Sewing Machines have been used as an effective means for training and empowering underprivileged women across the country. Singer Sewing School is a key CSR initiative of Singer Bangladesh Limited which provides free or subsidized sewing training to the targeted women thus meaningfully contributing to the improvement of their living standards and general quality of life.

As part of SINGER's continuous efforts to stand by the people of this society, Singer Bangladesh Limited in association with Arçelik, Turkey, donated Medical Ventilators to three hospitals in and outside Dhaka with a view to saving lives of critical Covid-19 patients under its 'Singer for Society' program.

The hospitals are Holy Family Red Crescent Hospital, Police Central Hospitals in Dhaka and TMSS Rafatullah Community Hospital at Bogura. In addition to this, SINGER donated its products to facilitate Covid-19 patients and the front liners committed to treating Covid-19 infected patients.



 **European Design & Technology**

 **Buy Now Pay Later**

 **Free Delivery & Installation**
*Conditions Apply

 **Superior After Sales Service**



SINGER®

EMBRACE

LIFE

NOW

Not in your imagination,
Not in the distant future,
Your cherished life yours now.



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Singer Bangladesh Limited | Annual Report 2021



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Despite the pandemic, Bangladesh was set to good GDP growth in terms of world rate according to the International Monetary Fund.

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

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2021 at a Glance

437 retail outlets
1092 dealers & 1697 employee

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Comprises having diverse and professional expertise and experiences

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The Audit Committee acts as an effective forum in assisting the Board of Directors



44 Management Discussion & Analysis from MD's Desk
 Hopefully, 2022 will allow us to accelerate our growth trajectory with the world economy and domestic demand returning to near normalcy.

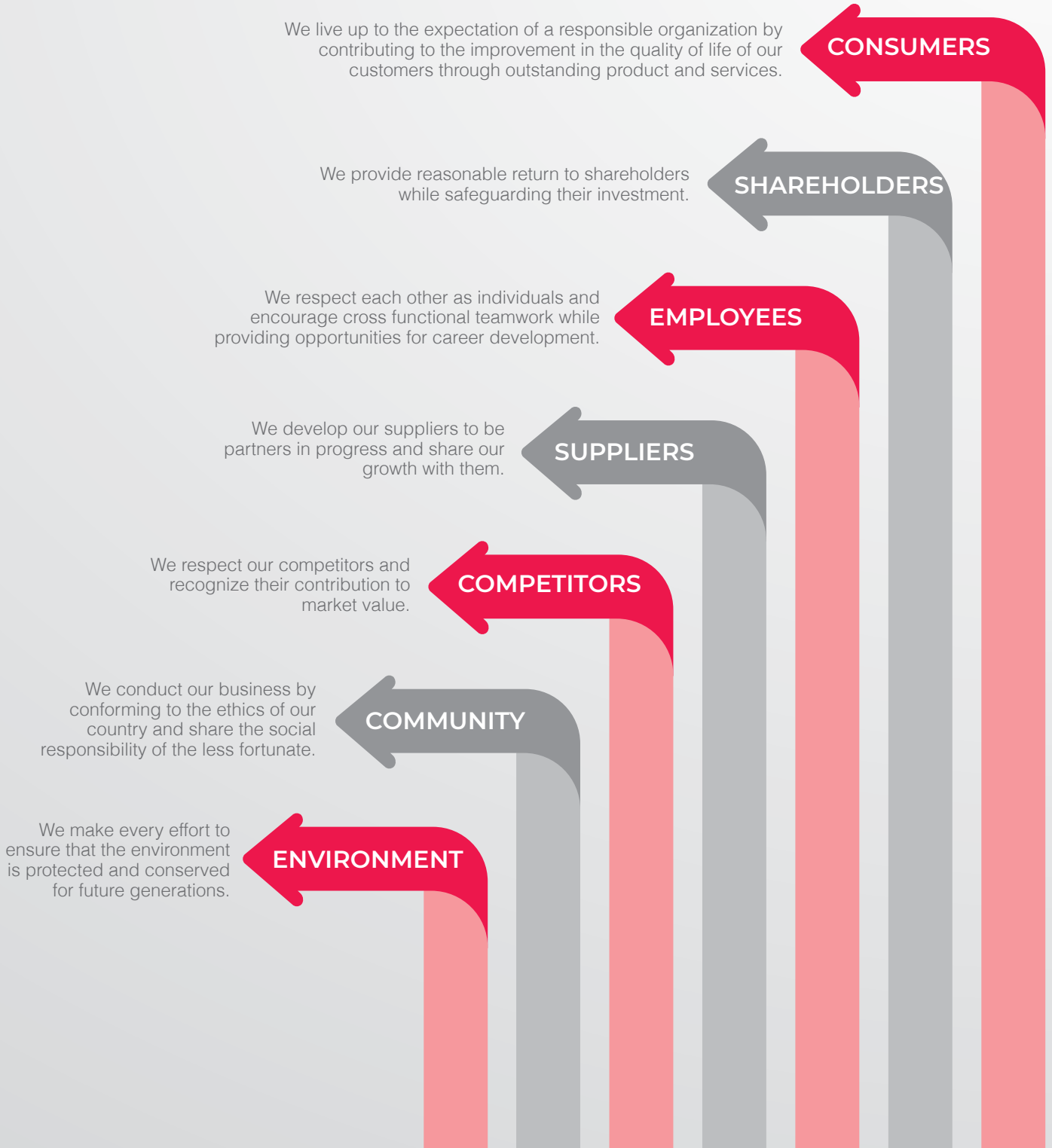
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VISION

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

VALUES

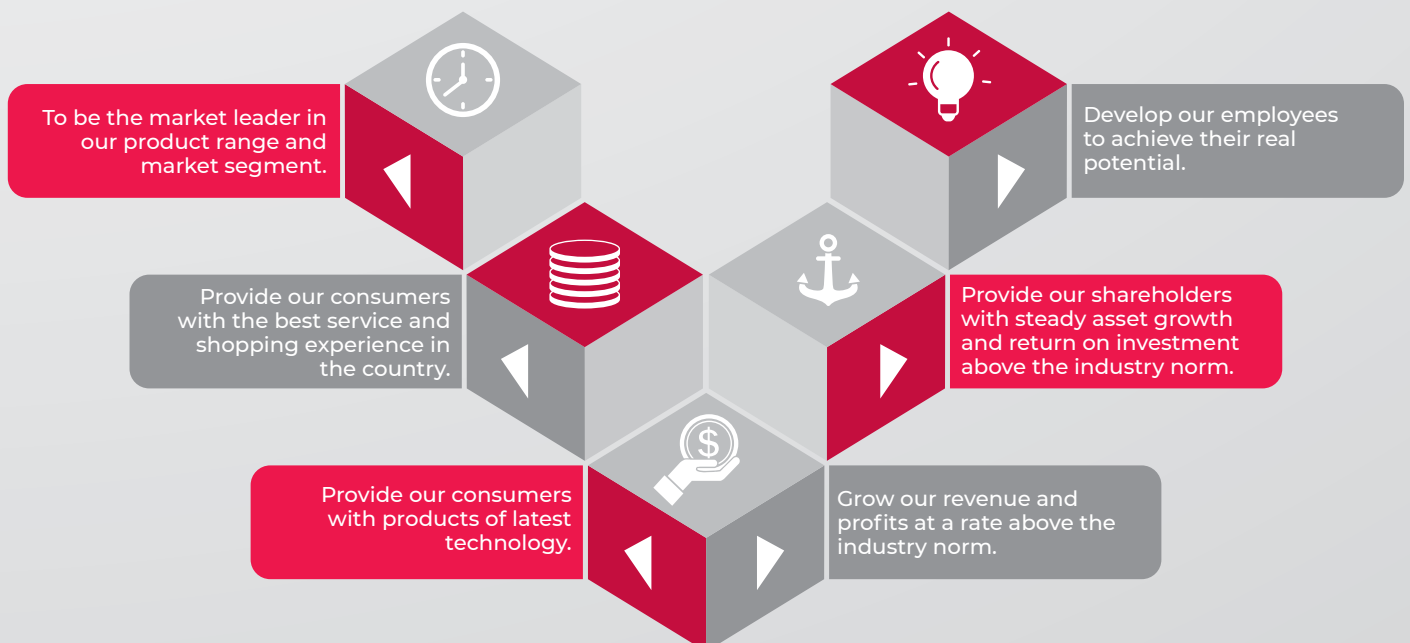


MISSION

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



OBJECTIVES



CORPORATE DIRECTORY

Board of Directors

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

Audit Committee

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

Nomination & Remuneration Committee

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

Management Committee

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

Auditors

KPMG (Rahman Rahman Huq)
Chartered Accountants

Corporate Governance Compliance Auditor

Itrat Husain & Associates
Chartered Secretaries

Legal Counsel

Dr. Kamal Hossain and Associates

Legal Retainer

Advocate Md. Motiur Rahman

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
Hongkong and Shanghai Banking Corporation
Dutch Bangla Bank Limited

Registered Office

39 Dilkusha Commercial Area
Dhaka-1000

Corporate Office

5B, Road No. -126
Gulshan-1, Dhaka-1212

Singer Manufacturing Complex (SMC)

Rajfulbaria, Jhamur, Savar, Dhaka-1347

Singer Refrigerator Manufacturing Unit

Koulashur, Hemayetpur, Savar, Dhaka-1348

Website

www.singerbd.com

Email

iro@singerbd.com

COMPANY PROFILE

Singer Bangladesh Limited, established in 1905, proudly owns more than a century-long legacy of conducting business operations successfully among multinational companies in Bangladesh. Singer's parent company is Arcelik A.S., Turkey's largest home appliances company and a subsidiary of Koc Holding, Turkey's leading investment holding company. Koc Holding is the only Turkish company listed in the Global Fortune 500.

The name SINGER has been synonymous with Sewing Machines as it had only been marketing this single product until 1985. Since then Singer has been on a journey towards transforming itself into a leading consumer durables company in Bangladesh through executing its successful multi-brand strategy. The company has also been enhancing its manufacturing capabilities with state-of-the-art local production facilities. This, in turn, has increased the local value-addition component contributing immensely to the national economy, especially in terms of its economic impact on the supporting downstream industries. Today, Singer is a large, well-diversified company with an unmatched presence across Bangladesh.

Singer, a marketer of products ensuring value for money, has also developed innovative hire purchase schemes to facilitate the purchase of essential appliances through easy and flexible installments. These unique hire purchase schemes have helped the country's widely existing middle-class families to expand their purchasing capacity thereby providing comfort and convenience to the lives of millions of consumers and therefore positively impacting the socio-economic status of the country.

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

Singer has also been a remarkable contributor to the development of Bangladesh's Electrical and Electronics Industry. The company has been investing heavily in the training and development of its human resources to help them to acquire the necessary skills and stay abreast in this dynamic Industry. These skills have diffused throughout the rest of the industry and now provide a strong base for further development in this field.



2021 AT A GLANCE



(January, February, March)

- Board, Audit Committee and NRC Meeting held
- Singer Branded 32" Basic TV was Introduced
- 218L & 243L 50 Years Special Addition, Bijoy Refrigerator was Introduced
- Dell Laptop with Intel 11 Gen Processor range has been Launched
- New shop opened in Cumilla
- Singer Plus shops in Dinajpur, Nilphamari Renovated



(April, May & June)

- Annual General Meeting held through digital platform
- Board and Audit Committee Meeting held
- Dealers Exclusive 25 Liter Grill Oven has started their journey at Singer Oven Range
- 1, 1.5 and 2 Ton Beko Branded H&C with UVC AC Introduced
- Made in Turkey 313L Bottom Mounted and 558L SBS Beko branded No-Frost Refrigerators with Harvest Fresh Technology introduced
- Beko branded hygiene Product Range including Refrigerator & Washing Machine was introduced
- Singer 40" FHD TV was included in TV Line
- New shop opened in Dhaka, Kishorgonj & Rangpur
- Singer Plus shops in Gazipur, Jamalpur, Dhaka, Noakhali, Barishal, Sylhet, Sherpur, Kushtia Renovated
- Singer Plus shops in Dhaka, Cumilla Relocated



(July, August & September)

- Board, Audit Committee and NRC Meeting held
- Dell Laptop with AMD Ryzen Processor was introduced
- 640L and 635L Glass Door Beko branded Updated SBS Refrigerator made in Turkey with HarvestFresh Technology was added in SBS Refrigerator Line.
- Online Channel Exclusives 7.5 kg washing machine was introduced
- With 2 New Technologies like Smart Inverter and Blue Light 521L Singer branded NF SBS Refrigerator was introduced.
- Covering all Capacity 1, 1.5 and 2 Ton Singer Branded H&C AC was introduced
- 25 Liter Grill Oven, Chic Looking for Retail Channel introduced.
- With 24 Unique Stich Program Electric Sewing Machine was introduced
- New shop opened in Barishal, Noakhali, Sylhet, Kishoregonj
- Singer Plus shops in Kushtia, Brammonbaria, Ishawrdi, Renovated
- Singer Plus shops in Rajshahi Relocated
- Singer Plus shops in Barishal, Patuakhali, Chottogram, Satkhira Extended.



(October, November & December)

- Board and Audit Committee Meeting held
- Rechargeable Stick-Type Vacuum Cleaner was added
- With 33 Built-In Recipes, 30 Liter Convection Oven was included
- New shop opened in Jamalpur, Joshore, Natore
- Singer Plus shops in Barisal, Sylhet, Sherpur, Bogra, Moulavi Bazar, Sylhet, Khulna, Dhaka Renovated
- Singer Plus shops in Dhaka, Chottogram Relocated
- Singer Plus shops in Brammonbaria, Tangail Extended



SINGER PARTICIPATED

Singer Bangladesh Limited's magnificent participation in the International Investment Summit 2021 organized by Bangladesh Investment Development Authority (BIDA) on November 28 and 29, 2021 was a great event. Honorable Prime Minister Sheikh Hasina, joining virtually from her official residence Gono Bhaban, inaugurated the summit and addressed the opening ceremony of the two-day International Investment Summit-2021, Bangladesh arranged at a hotel in Dhaka.

Prime Minister's Private Industry and Investment Advisor Salman Fazlur Rahman, Saudi Arabia's Minister of Transport and Logistics Saleh bin Nasser Al-Jasser, and the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Jashim Uddin, among others, also spoke. Japanese Ambassador to Bangladesh Ito Naoki read out the message of Parliamentary Vice-Minister for Foreign Affairs Honda Taro.

Video messages of Indian Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Piyush Goyal, Chinese Vice Minister for Commerce Ren Hongbin, World Economic Forum Managing Director Jeremy Jurgens, Regional Vice President for Asia and Pacific of International Finance Corporation Alfonso Garcia Mora and President of Consumer Durables of Koc Holding AS Turkey and Chairman of Singer Bangladesh Dr. Fatih Kemal Ebiçlioğlu were communicated.

It was a great event for Singer Bangladesh Limited that its Chairman Dr. Fatih was lone from the investor's part whose video message was played in the Prime Minister's scission. Others were either government representatives or trade bodies. A video message of Mr. Gökhan Tezel, Chief Executive Officer of Aygaz, subsidiary of Koc Holding was also disseminated in the closing ceremony. Mr. M H M Fairuz, Managing Director & CEO, Singer Bangladesh Limited also participated as a panelist in the business session on Electrical, Electronics Manufacturing & Plastic Goods.

Singer also coordinated the participation of delegates of the Turkish Foreign Economic Relations Board of Turkey (DEIK) in the investment summit to be the development partner of emerging Bangladesh. Singer's association with the summit was much appreciated by BIDA and the business community.



COMPANY AT A GLANCE



RETAIL OUTLETS

437

SINGER MEGA AND SINGER PLUS



SINGER EMPLOYEES

1697

MEMBERS



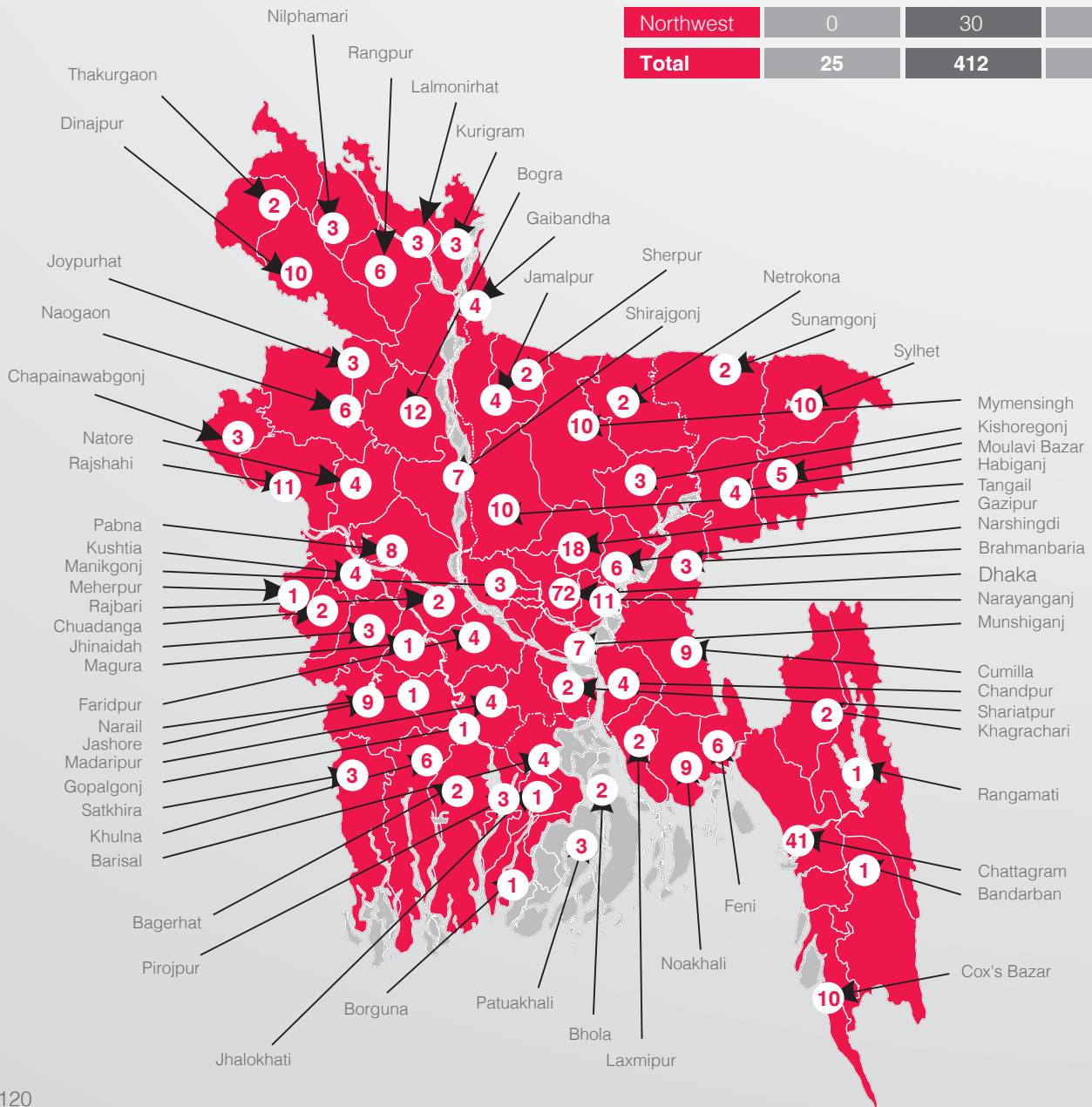
DEALERS

1092

SINGER PRO

Our Retail Presence

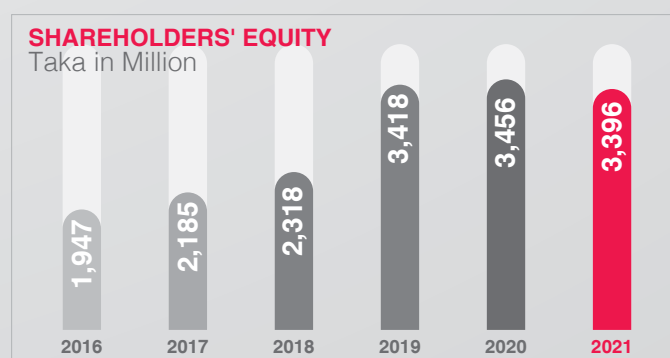
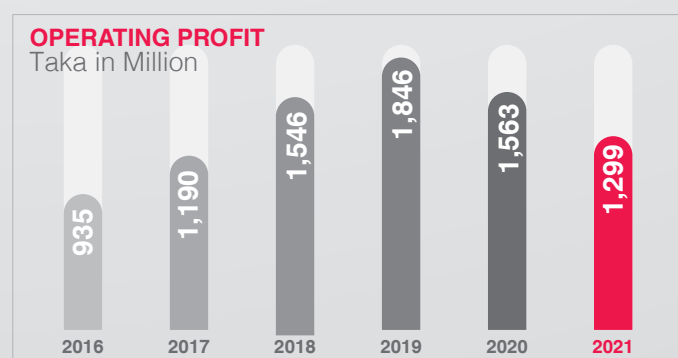
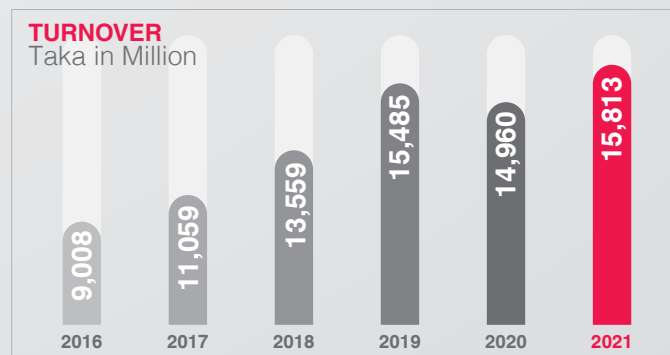
Area	Singer MEGA	Singer Plus	Total
Central A	6	40	46
Central B	4	39	43
Central C	0	41	41
East	4	47	51
Southeast	3	47	50
Northeast	2	42	44
South	1	35	36
Southwest	2	33	35
West	1	30	31
North	2	28	30
Northwest	0	30	30
Total	25	412	437



6 YEAR FINANCIAL HIGHLIGHTS

Taka in Million

	2021	2020	2019	2018	2017	2016
Turnover	15,812.9	14,959.8	15,485.2	13,559.2	11,059.1	9,007.5
Operating profit before Interest & Tax	1,298.5	1,562.8	1,846.4	1,545.8	1,190.2	935.1
Profit before Tax	875.9	1,112.3	1,431.1	1,227.1	1,043.3	779.6
Profit after Tax	518.5	803.6	1,034.6	900.2	775.1	546.3
Paid up Capital	997.0	997.0	997.0	766.9	766.9	766.9
Number of ordinary shares outstanding	99,702,838	99,702,838	99,702,838	76,694,491	76,694,491	76,694,491
Revenue Reserve	1,836.0	1,893.0	1,851.3	977.9	893.7	594.7
Revaluation Reserve	544.4	547.1	550.3	554.3	559.1	566.6
Capital Reserve	18.2	18.2	18.2	18.2	18.2	18.2
Shareholders' Equity	3,396.2	3,455.9	3,417.5	2,317.9	2,184.5	1,947.0
Property, Plant & Equipment	1,638.3	1,082.5	1,088.6	1,051.0	1,046.5	1,034.1
Investments	4.2	650.9	650.9	355.9	355.9	288.3
Net Current Assets	3,189.5	3,030.7	2,786.4	2,192.2	1,918.4	1,781.2
Dividend per share (Taka)	6.0	3.0	7.7	3.0	10.0	7.0
Gross Dividends	598.2	299.1	767.7	230.1	766.9	536.9
Earnings Per Share (Taka)	5.2	8.1	10.4	11.7	10.1	7.1
Price Earning Ratio (Times)	32.7	21.8	17.4	18.8	19.3	27.0
Net Asset per Share including revaluation reserve (Taka)	34.1	34.7	34.3	30.2	28.5	25.4
Net Asset per Share except revaluation reserve (Taka)	28.6	29.2	28.8	23.0	21.2	18.0
Net cash from operating activities	(2,131.0)	1,021.6	912.6	40.9	256.3	(673.8)
Net operating cash flow per share (NOCFPS) (Taka)	(21.4)	10.3	9.2	0.5	3.3	(8.8)
Market value per share at year end (Taka)	169.9	175.6	180.4	221.2	195.5	192.5
Net Income to Net Turnover (%)	3.3	5.4	6.7	6.6	7.0	6.1
Return on Average Net Assets (%)	15.1	23.4	36.1	40.0	37.5	32.5
Debt Equity Ratio (%)	1.4	0.5	0.5	0.9	0.7	0.6
Interest Cover	3.3	3.8	5.2	5.8	8.0	9.0
Current Ratio	1.5	1.8	1.7	1.6	1.6	1.8
Acid Ratio	0.6	0.8	0.7	0.7	0.8	0.8
Number of Shareholders	9,761	10,185	9,886	9,273	11,788	11,549
Number of Employees	1,697	1,432	1,348	1,224	1,152	1,084



Singer Bangladesh Limited proudly introduced the new series of Refrigerators with unique features to keep fruits and vegetables fresh as well as to preserve vitamins for a longer period under

“Fresh-O-Logy” and “NutriLock” technology. These unique features were introduced to the Bangladesh consumers by SINGER for the very first time with Arcelik Research & Development (R&D) support. These unprecedented features and technologies have already been certified by international quality assurance provider **Intertek (UK)**.



FRESH-LOGY™

KEEPS FRUITS AND VEGETABLES FRESH

FRESH
UPTO
20
DAYS
& LONGER
NUTRITION

NUTRIlock™

PRESERVES VITAMIN A & C LONGER



CHAIRMAN'S STATEMENT



Dr. Fatih Kemal Ebiçlioğlu
Chairman

Dear Shareholders,

I greet you with respect of the Annual Report for 2021. Across the globe, we have left behind a year where the impact of COVID-19 was felt deeply nationally and globally. The intensity of the second and third waves of COVID-19 has overwhelmed health systems, devastating lives and livelihoods. Since a massive vaccination program is going on, hopefully, we shall get rid of the crisis soon but still, these ongoing uncertainties are putting pressure on growth numbers COVID-19 pandemic forced supply chains, production capacities and economic actors into a challenging process of transformation and posed a tangible threat to the health and safety of our employees, customers, and other stakeholders thereby have impacted our business significantly. The pandemic resulted in muted consumer demand along with

disruptions in production, supply chain and retail networks. Besides, it has also taught us some important lessons on business continuity during spells of uncertainty.

Business Overview

The year 2021 was a challenging year not only for Singer Bangladesh Limited but also for the whole globe because of the adverse effects of the COVID-19. In terms of business performance, the first quarter of 2021 went well, the economy operated close to normal pace even in the pandemic. Singer Bangladesh Limited was successful in utilizing the opportunities towards growth at its sales channels during the first quarter. Our capability for quick adaptation and proper risk management allowed us to minimize losses in the market, and maintain our revenues in Bangladesh.

On the other hand, from the beginning of the second quarter, the higher



“ Despite the pandemic, Bangladesh was set to good GDP growth in terms of world rate according to the International Monetary Fund ”

Corporate Governance Excellence 2020 from the Institute of Chartered Secretaries of Bangladesh (ICSB) under the Engineering sector. Singer Bangladesh Limited is also awarded AAA Long Term rating from Emerging Credit Rating Agency with the report citing, amongst other key strengths, the Company's strong financial position, experienced management, trusted brand, and quality assurance.

Looking ahead

In 2020 and 2021, global governments' responded with different measures, such as strict lockdowns, border closures, and social distancing measures. All the measures reduced labor mobility and factory closures or severe declines in production. These, in turn, interrupted the global supply chain, interrupting the global trade and business adversely which contributed to skyrocketing trade costs which impacted us adversely. According to World Economic Outlook, IMF, all these contributed to a substantial contraction of global GDP in 2020 by around 3.3% and this adversity continued in 2021 also.

Despite the pandemic, the good news is that Bangladesh was set to good GDP growth in terms of world rate according to the International Monetary Fund. The reopening of the economy was a bold move and proved to be a prudent one. The global economy started to regain in 2021 and 2021 ended with the height ever of freight cost which remains crucial to trade costs.

Despite such a high degree of future uncertainty, I hope 2022 will get us back to a sustainable growth track with

the world economy and domestic demand turning around.

Conclusion

On behalf of the Board of Directors, I would like to express my sincerest thanks and respect to you all our esteemed shareholders, business partners we have cooperated with during this difficult period, devoted colleagues who have supported us even under the pressure pandemic and our customers who stayed loyal our brand. Moreover, I would also like to take this opportunity to thank the Government of Bangladesh for their support during the pandemic situation. I am grateful for your continued support and for standing beside us in times of prosperity and adversities. We remain sincere and committed to our efforts to keep delivering better value to you.

I am full of appreciation towards the Management team as well as all our employees for their relentless efforts and resilience in maintaining the company's operations during this unprecedented pandemic situation along with delivering greater value to our shareholders and would like to convey my heartfelt thanks to the Board members for their prudent guidance.

Dr. Fatih Kemal Ebiçioğlu
Chairman

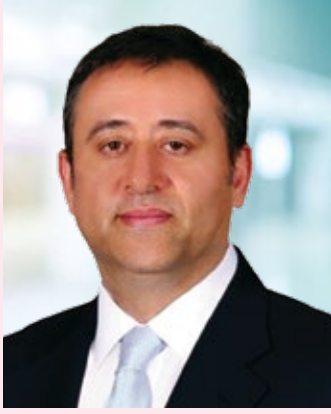
infection rate of coronavirus affected our business greatly. There were, effectively no sales for seventy-three days in 2021 as the country-wide lockdowns declared by the government from time to time. Consequently, we missed to seasonal sales of Summer, Eid-ul-Fitr, and Eid-ul-Adha.

Our revenue in this year was Tk. 15.8 billion compared to Tk. 15.0 billion in 2020 during this pandemic. Operating profit was Tk. 1.3 billion which was 20.4% lower than the previous year's operating profit of Tk. 1.6 billion. Profit before tax for the year stood at Tk. 876 million which was 27.0% lower than the previous year's net profit of Tk. 1.1 billion. Different aspects of this Annual Report are elaborately described in the business and financial sections.

Awards and Recognition

Singer Bangladesh Limited is awarded National Award (Gold Award) for

BOARD OF DIRECTORS



Dr. Fatih Kemal Ebiçlioğlu
Chairman

Joined the Board on April 3, 2019.

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. Fatih Ebiçlioğlu is also a Member of the Board of Directors of Arçelik. He also serves as Chair of the Board of Directors and Member of the Board of Directors of some other Koç Group companies. He is also a Member of the Board of Directors of Turkish Industry & Business Association (TÜSİAD) and Turkish Exporters Assembly (TİM).



M. H. M. Fairoz
Managing Director & CEO

Joined the Board on September 6, 2016.

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

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

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

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

BOARD OF DIRECTORS



Masud Khan
Independent Director

Joined the Board on April 28, 2020.

Mr. Masud Khan is the Chairman of Unilever Consumer Care Ltd. (ex GSK) and currently working as the Chief Adviser of the Board of M. I. Cement Factory Ltd. (Crown Cement Group). He is a seasoned professional with 42 years' work experience in leading multinational and local companies in Bangladesh. Prior to joining M. I. Cement Factory Ltd. (Crown Cement Group), he worked in LafargeHolcim Bangladesh as Chief Financial Officer for 18 years. Earlier, he worked for British American Tobacco in finance and related fields for 20 years both at home and abroad.

He is also an Independent Director of Berger Paints Bangladesh Limited, Community Bank and Viyellatex Limited. His articles on professional and industry issues regularly feature in newspapers and international and local magazines. He regularly features on electronic media on talk shows and interviews and is often in the news for comments on industry and professional issues. He also does public speaking on professional issues in educational institutions and all the Professional Institutes such as Institute of Chartered Accountants of Bangladesh, ACCA and ICMA Bangladesh. He is also a lecturer in the Institute of Chartered Accountants of Bangladesh for the past 42 years.

He did his Bachelor of Commerce with Honours from St Xaviers' College under University of Kolkata. Thereafter, he qualified with distinction both as a Chartered as well as a Cost and Management Accountant from the Indian Institutes being a silver medalist at all India level in the Chartered Accountancy Examination in the year 1977.



Reazul Haque Chowdhury
Independent Director

Joined the Board on March 1, 2021.

Mr. Chowdhury is the Managing Director of Runner Automobiles Limited. He is also the Independent Director of Unilever Consumer Care Limited, Hemas Bangladesh Limited and Non Executive Director of Evercare Hospitals Group.

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

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

BOARD OF DIRECTORS



Hakan Hamdi Bulgurlu
Director

Joined the Board on April 3, 2019.

Hakan Bulgurlu, who completed his undergraduate education in the Department of Economics and Mechanical Engineering at the University of Texas, received his master's degree from Northwestern University, Kellogg School of Management, and Hong Kong University of Science and Technology. Bulgurlu, who started his career at Koç Holding in 1995, worked in different positions in the Asia-Pacific region and led the Asia-Pacific foreign trade and supply operations of the Holding for 13 years in Hong Kong. Bulgurlu, who was the General Manager of Arçelik-LG, which has the largest air conditioner production facility in Europe and the Middle East between 2007 and 2010, joined Arçelik in 2010 and has been the CEO of Arçelik since 2015. Bulgurlu, a member of the Climate Leaders CEO Alliance within the World Economic Forum (WEF), is among the founding members of Amstel Dialogue, which was established to accelerate the innovation process in Europe, in addition to his duty as a Member of the Executive Committee of the European Association of Home Appliance Manufacturers (APPLiA). Bulgurlu is a Member of the Board of the Turkish Foreign Trade Association (TURKTRADE) and is the Deputy Chairman of the Foreign Economic Relations Board (DEIK) Turkey - China Business Council.



Cemal Can Dinçer
Director

Joined the Board on April 3, 2019.

Can Dinçer completed his undergraduate degree at Istanbul Technical University, Department of Mechanical Engineering in 1989, and his master's degree at the US Stevens Institute of Technology, Department of Business Administration in 1993. He completed the Harvard Business School Advanced Management Program in 2017. Dinçer, who started his career in 1993 as a Training Staff in the Finance Department of Arçelik A.Ş. worked as a Regional Sales Officer in the Export Department in 1995. He worked as an International Sales Manager between 2000-2005 for CIS and Other Countries, International Sales Director between 2005-2009 for Non-European Markets and Sales Director between 2009-2012 for Europe, America, Asia-Pacific and between 2012-2015 for Subsidiaries, America, Asia-Pacific, Assistant General Manager - Commercial Turkey between 2015-2017. Can Dinçer has been working as Chief Commercial Officer - Turkey, Pakistan, Bangladesh, India- since January 2018. In addition to this role, he was appointed as the General Manager of Arçelik Pazarlama A.Ş. as of 30 December 2016. Can Dinçer is married and has two children.

BOARD OF DIRECTORS



Polat Şen
Director

Joined the Board on April 3, 2019.

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



Kazi Ashiqur Rahman
Secretary to the Board

Joined as the Company Secretary to the Board on October 11, 2020.

He is the General Manager, Corporate Affairs of Singer Bangladesh Limited, with 24 years' experience in the areas of internal audit, finance and corporate affairs. He is a Qualified Chartered Secretary and fellow member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He completed his Graduation and Post-graduation in Management from the University of Dhaka. He also did Master of Business Administration with Marketing specialization from North South University. He is having experience in internal audit, finance, company secretarial functions, board management & governance, company meetings, taxation matters, treasury functions, investors relations, company legal and compliance issues etc.

He is an adjunct faculty of ICSB and involves in different activities of ICSB.

MANAGEMENT COMMITTEE MEMBERS



Chandana Aravinda Samarasinghe
M. H. M. Fairuz
Akram Uddin Ahmed
Kazi Rafiqul Islam
Md. Monzur Murshed
Abu Zafor Md. Kibria

Shahed Al-Mahmud Chowdhury
Syed Zahidul Islam
Hakan Altinisik
Kazi Ashiqur Rahman
Mohammad Ashgar Hossain
Md. Anisur Rahman

** from left to right (first seating)*

MANAGEMENT TEAM



SALES TEAM

Md. Fazle Rabbani
Mutakabbir Ibna Kobir Choudhry
Md. Ismail Hossain
Md. Obaydul Hoque

Kazi Rafiqul Islam
Md. Shihab Uddin Bhuiyan
Mohammad Ashgar Hossain
Md. Rafiqul Islam

Md. Arif Hossain
Dewan Masood Bin Malique
Matiur Rahman
Md. Farhad Habib

** From left to right*



CORPORATE AFFAIRS, HR,
IT & INTERNAL AUDIT TEAM

Golam Nur Baksh Chowdhury
Abu Zafor Md. Kibria
Shahed Al-Mahmud Chowdhury
Md. Anisur Rahman

Kazi Ashiqur Rahman
Syed Zahidul Islam
Pranojit Biswas

** from left to right (first seating)*

MANAGEMENT TEAM



MARKETING TEAM

Farhan Azhar
Abrarur Rahman
Md. Raziur Rahman

Md. Zahidul Hasan
Chandana Aravinda Samarasinghe
Abubakar Rahil

** From left to right*



FINANCE & CREDIT TEAM

Mahmud Hasan
Akram Uddin Ahmed
Md. Monzur Murshed
Md. Anisul Islam

Md. Shafiquzzaman
Mohammad Mojibur Rahman
Md. Moshir Rahman
Md. Mehedi Hassan

** from left to right (first seating)*

MANAGEMENT TEAM



MANUFACTURING TEAM

Md. Abdul Quadir
Shabbir Mahmud Rizwan
Helal Uddin
Hakan Altinisik

Gour Chandra Ghosh
Saygin Yurtseven
Mohammed Ahsanul Kabir

** From left to right*



SUPPLY CHAIN TEAM

Md. Robqul Islam
Joyanta Kumar Roy
Md. Masud Habib

Maruf Sobhan
Mohammad Shah Moazzem

** From left to right*

DIRECTORS' REPORT

The Directors have the pleasure of presenting to the members their annual report together with the audited financial statements of the Company for the year ended on December 31, 2021.

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 03 June 2018.

Principal Activities

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

Management Discussion and Analysis of Business

Like 2020, the year 2021 was a challenging one not only for the Company but also for the whole globe as affected by the Coronavirus (COVID-19). The COVID-19 outbreak greatly impacted the macroeconomic performance of the country as well as its operations and financial position. There were virtually very fewer sales or no sales for 73 days in 2021 as the country-wide general holidays were declared by the government from time to time and extended further. Besides, location-wise lock-downs took place in different cities and localities.

Owing to COVID-19 impact, during the year under review, your Company achieved revenue amounting Tk. 15.8 billion which was 5.7% higher than the previous year's revenue of Tk. 15.0 billion. Operating profit (excluding other income) amounting Tk. 1.3 billion was 20.4% lower than the previous year's operating profit of Tk. 1.6 billion. Net profit before tax for the year stood Tk. 876 million which was 27.0% lower than the previous year's net profit of Tk. 1.1 billion.

The Chairman's Statement on-page 16 and the Management Discussion and Analysis by Managing Director and Chief Executive Officer on page 44 state the Company's affairs and

highlight important events that occurred during the year. The Financial Review on pages 54 to 57 elaborates on the financial results of the Company. These reports are an integral part of the Directors' Report.

Integration of Business

During the year, the Hon'ble High Court Division of the Supreme Court of Bangladesh sanctioned a scheme of amalgamation under which International Appliances Limited was amalgamated with Singer Bangladesh Limited. The amalgamation came into effect on March 14, 2021 and International Appliances Limited was thus amalgamated with Singer Bangladesh Limited.

According to the order of the Hon'ble High Court Division, International Appliances Limited was dissolved and its assets and liabilities were transferred to the Transferee Company, i.e. Singer Bangladesh Limited, and Singer Bangladesh Limited became the legal successor of the dissolved Company. This means all contractual rights and obligations of the dissolved Company will automatically be transferred to the transferee Company.

International Appliances Limited's operation will continue under Singer Bangladesh Limited as its manufacturing unit.

Property, Plant, and Equipment

During the year under review, the Company invested a sum of 544.6 million as regular addition in properties, plants, and equipment and also a sum of Tk. 485.7 million added from amalgamation of subsidiary. Movement in properties, plants and equipment during the year is disclosed under note 3 and Annexure-I of the Financial Statements.

Market Value of Freehold Properties

All freehold lands of the Company revalued by an Independent Assessor are reflected in the Financial Statements. Total appreciation in value was credited to revaluation reserve after providing for tax as required by IFRS.

The last valuation was carried out as of December 31, 2016. The details of the

valuation are given in the Auditors' Report on page 84 and Note 12.1 to the Financial Statements.

The machinery of the Refrigerator Manufacturing Unit (previously International Appliances Limited) valued by an Independent Assessor, has been reflected in the Financial Statements. The last valuation was carried out as of October 16, 2017.

Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for financial statements is given on page 41 of this report.

Corporate and Financial Reporting Framework

In accordance with the Corporate Governance Code 2018 issued by the Bangladesh Securities and Exchange Commission, the Directors are pleased to confirm the following:

Industry Outlook and Possible Future Development

In a highly competitive business environment in the household appliances market, competitors continuously pursue market shares with various activities including price adjustment, quality improvement, new product lines and other incentives. Singer continued retaining its leading position by offering superior quality products at competitive prices and a wide range of after-sales services as well.

In the early part of 2021, the economy started operating as normal and was on track. The Company was successful in utilizing the opportunities towards growth at its sales channels. But from the opening of April 2021, the higher infection rate of Coronavirus affected our business greatly. The government declared a general holiday to protect the spread of the virus and for seventy-three days there had been effectively no sale. We missed seasonal sales of Summer, Eid-ul-Fitr, and Eid-ul-Adha due to strict lockdowns. The situation being normal from September, the Company went for a different promotional offer which resulted in positive output but could not catch the missed sales.

With different promotions and discounts on offer, we could manage 5.7% growth in sales. Consumer electronics started to pick back up from September but not significantly, as consumers did not purchase such products unless they felt it necessary because of the uncertainty looming large.

Both exports and imports declined and were anticipated to decrease consumption and investment demand. There are also increased costs of international trade now, especially for those industries where supply chains are integrated across borders and those involved in moving goods and people. Freight reached to the pick, highest ever and in some cases, 5 to 10 times than usual and raw material cost also increased substantially. The outbreak of the COVID-19 pandemic created uncertain circumstances for households, businesses, and governments around the world including Bangladesh.

Despite the uncertainty in the global economy, the government of Bangladesh has been making sincere endeavors to restore the economic activities and has gone for different stimulus packages which will certainly help the industry to minimize the loss during the pandemic. We hope that the situation will return to normalcy in 2022 and sales in the post-pandemic era will be adequate.

Besides, economic growth in Bangladesh is much higher among the south Asian countries and the GDP rate is above the economic growth forecast provided for Bangladesh by International Monetary Fund at 3.8% percent which at the end reached 4.6%. According to the Bangladesh Bureau of Statistics, Bangladesh's GDP grew by 5.0% from 2020 to 2021 registering a growth of the GNI per capita income by US\$ 2,591. International Monetary Fund also projected GDP 6.5% and 7.1% respectively for the years 2022 and 2026. There is an implicit message that the economy is not only trekking back to pre-pandemic levels but also will surpass that.

Though the penetration levels of most of the consumer durables in Bangladesh remain very low, Bangladesh has elevated herself from a Least Developed Country to a Developing

“2021 was a challenging year not only for the company but for the whole globe due to the Coronavirus”

Country which will enhance demand for durables and will have a positive impact on modern living and higher demand for Singer products.

Besides, the population of Bangladesh is young and expanding. Currently, only 15 percent of almost 170 million people of Bangladesh belong to the middle class and are therefore classified as affluent customers (MAC). This MAC population of Bangladesh is projected to triple by 2025. These MAC consumers will have enough affordability to purchase durables that offer convenience and luxury. Hopefully, these predictions will be in place if the pandemic does not exist for long.

Bangladesh has already been included in the list of countries in South Asia that have brought 100% of people under electricity coverage. This is likely to accelerate the demand for consumer durables in the days to come.

Increasing population, electrification and urbanization will support the growth of the country and are expected to fuel the income level of the people, thereby enhancing their purchasing ability. We believe that we are well-positioned to benefit from our wide presence in almost every corner of the country. Bangladesh has already been included in the list of countries in South Asia that brought 100% of people under electricity coverage in 2021. Our long presence in the home appliances sector gives us confidence that we will be able to capitalize on the electricity coverage for 100% of people of Bangladesh in the year 2022 as well as in the future.

Segment Information

The segment information for the purpose of evaluating performance is presented in notes 38 R to the Financial Statements in this report and is consistent with the total sales value.

Products were sold through our own sales centers, such as Singer Mega, Singer Plus, and also through the wholesale dealers (Singer Pro) as well as corporate sales channels.

Risk and Concern

Our business might also be affected by risks and uncertainties presently not known to us or that we currently believe to be immaterial. However, the supply chain might pose some challenges if the health crisis in China persists. Details of Risk Factors and the ways of determining how best we can handle such events are given on the Risk Management report on pages 60 & 61 of this report.

Margin Analysis

The cost of goods sold for the year 2021 was Tk. 11.9 billion and it was 7.3 % higher than that of the previous year's. The gross profit margin was 25% for the year 2021 and the previous year's gross margin was 26%. The net profit margin for the year 2020 was 3.3%. Details are discussed on the Financial Review on pages 54 to 57 of this report.

Extraordinary Events

During the period, profit after tax had been reduced to Taka 518 million from Taka 803 million in 2020 reflecting a de-growth of 35.5% over the previous year. The main reason was COVID-19 pandemic circumstances and additional charges on account of port and shipping expenses resulting from mainly supply chain disruptions. Besides, the full-scale checking of imported refrigerators' raw materials by the customs rather than sample checking and the incremental rentals of storage space had further hollowed out the deleterious impact. In addition, the

effective tax rate was much higher than the nominal tax rate due to the minimum tax provision of tax laws which fetched the impact from mainly change in the achievement of sales mix between the trade goods and the produced goods and had given a sizeable rise in the current tax provision.

Related Party Transaction

There were no materially significant Related Party Transactions made by the Company which might have a potential conflict with the interests of the Company at large. All the transactions/contracts/arrangements of nature as specified under the provisions of IAS 24 entered by the Company during the year under review with a related party(ies) were in the ordinary course of business. Disclosure of all related party transactions, including the basis for such transaction, has been provided in note 33 of the notes to the Financial Statements on page 100.

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 Notes 21.3 of the notes to the Financial Statements on page 91 regarding the "Directors Fees and Remuneration" mentioning figures concerning the remuneration of the Managing Director including fees for the Independent Directors' attendances at meetings.

Fairness of Financial Statements

The Financial Statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and the 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's Corporate Governance Code 2018, the Chief Executive Officer and the Chief Financial Officer gave their declarations about the fairness of the Financial Statements which are shown on page 31 of the report.

Books of Accounts

Proper books of accounts of the Company were maintained.

Accounting Policies

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

Application of IAS and IFRS

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

Internal Control

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

Minority Shareholders

The Company believes in equal rights of all shareholders irrespective of the number of shares they hold. All the shareholders are provided with quarterly Financial Statements, half-yearly Financial Statements and annual reports and are welcomed to participate at the shareholders' meeting. At the Annual General Meeting, the adoption of the Annual Financial Statements and the Directors' Report, the election of the Board members, appointment of the Auditors, appointment of Managing Director and other matters which require shareholders' participation, are decided

upon with the participation of the shareholders.

Going Concern/Forward-Looking Statement

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

We are confident that we are in a prime position to generate stable returns and remain the industry leader, leveraging our strengths and outperforming our competitors. In 2021, we expected to roll out a new product range to cater to various segments in this emerging market.

Significant Deviations from the Last Year's Operating Result

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

Key Operating and Financial Data for last Six Years

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

Dividends

Dividend Distribution Policy

Pursuant to Bangladesh Securities and Exchange Commission directives, the

Financial Results and Appropriations

The Directors are pleased to report the financial results for the year 2021 and recommend the following appropriations:

Particulars	Taka in '000	
	2021	2020
Profit before taxation	875,925	1,112,272
Less: Provision for tax	357,450	308,648
Profit after tax	518,474	803,624
Add: Unappropriated profit brought forward	1,593,914	1,083,619
Adjustment for amalgamation	(262,581)	--
Other comprehensive income	(17,392)	1,437
Prior year's adjustment	3,599	4,343
Profit available for distribution	1,836,015	1,893,023
Less: Appropriations (Dividend)	598,217	299,109
Unappropriated profit C/F	1,237,798	1,593,914

Board adopted a Dividend Distribution Policy, which was placed on the website of the Company and also on the page 52 of this report.

Declaration and payment of dividends

Based on the performance of the Company, the Board of Directors is pleased to recommend a dividend @ 60% for the year 2021. The said dividend on shares outstanding is subject to the approval of the Shareholders at the ensuing Annual General Meeting scheduled to be held on Wednesday, April 13, 2022. Based on the approval the dividend would be distributed within 30 days after the Annual General Meeting.

No stock dividend has been recommended by the Board of Directors for the year 2021.

Unclaimed dividends

Details of outstanding and unclaimed dividends previously declared and paid by the Company are shown on the page 112 of this report.

Board and Committee Meetings and Attendance

During the year, the Board of Directors met seven times. The Audit Committee met four times and the Nomination and Remuneration Committee met three times.

The attendance records of the Directors are shown in Annexure-II of this report. The Directors who could not attend the meetings were granted leaves of absence.

Secretarial Standards

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

Pattern of Shareholding

The pattern of shareholding is provided on page 38 in Annexure-I.

Corporate Governance Compliance Report

Singer Bangladesh Limited adhered to the appropriate good Corporate Governance principles, as described on pages 47 to 50.



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

Further in compliance with the requirement of the Corporate Governance Code 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC), Itrat Husain & Associates., Chartered Secretaries in Practice, issued the Corporate Governance Compliance Certificate which is shown on page 32 of the report.

Contribution to the National Exchequer

During the year under review, the Company paid Taka 5,585 million to the National Exchequer in the form of corporate income tax, customs duties, and value-added taxes.

Credit Rating

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

Reserves

The total Reserves of the Company stood at Tk. 563 million, details of which are given in Note 12 and the Statement of Changes in Equity in the Financial Statements.

Events subsequent to Balance Sheet

The Board of Directors in their meeting held on January 25, 2022,

recommended 60% cash dividend for the year 2021.

Statutory Payments

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

Share Information

The authorized capital is Taka 2,500,000,000 (two billion & five hundred million) and the paid-up capital is Taka 997,028,380 (nine hundred ninety seven million and twenty eight thousand three hundred eighty). The distribution of shareholding and market value of shares are given on page 113 of this report.

Earnings per share, dividend per share and net assets per share are shown in the Financial Highlights section on page 13 of the Annual Report.

Directors

A brief profile of all Directors of the Company is provided in the section of "Board of Directors" of this report on pages from 18 to 21.

Appointment of Independent Director

Dr. Syed Ferhat Anwar, Independent Director of the company, retired after completion of two terms, expired on February 28, 2021. According to the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Reazul Haque Chowdhury as Independent Director of the Company for three years with effect from March 1, 2021. Mr. Haque has 29 years' work experience in different

multinational and listed companies as Managing Director and Chief Executive Officer with different multinational companies both at home and abroad.

Re-election of Directors

Mr. Cemal Can Dincer and Mr. Polat Sen retired from the office under Article 81 of the Articles of Association of the Company. Being eligible, Mr. Cemal Can Dincer and Mr. Polat Sen have offered themselves for reelection. The Board recommends their reappointment.

Appointment of Managing Director

As per Article 67(b) of the Company's Articles of Association and Section 110 of the Companies Act 1994, the terms of the office of Mr. Mohamed Haniffa Mohamed Fairoz as Managing Director expired on September 5, 2021. The Board has re-appointed Mr. Mohamed Haniffa Mohamed Fairoz as the Managing Director for a further period of five years subject to consent from the Shareholders in the Annual General Meeting.

Shareholdings of Directors and Senior Executives

Shareholdings of Directors at the beginning of the year and the end of the year 2021 are shown in Annexure-I of this report.

Appointment of Auditors

a) As per Section 210 of the Companies Act 1994, the Company's Statutory Auditors Rahman Rahman Haq, Chartered Accountants retired at the 42nd Annual General Meeting as Auditors of the Company.

Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) order No. SEC/CMRRCD/2009-193/104/

Admin dated July 27, 2011, the retiring Auditors Rahman Rahman Haq, Chartered Accountants are eligible for reappointment as Statutory Auditors for 2022.

The Audit Committee has recommended appointing Rahman Rahman Haq, Chartered Accountants as the Auditors of the Company for the year 2022.

The Directors have endorsed the recommendation of the Audit Committee for the appointment of Rahman Rahman Haq, Chartered Accountants as the Auditors of the Company for the year 2022.

b) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) order No. SEC/CMRRCD/2009-193/104/ Admin dated July 27, 2011, the retiring Corporate Governance Auditors Itrat Husain & Associates, Chartered Secretaries are eligible for reappointment as Corporate Governance Auditors for 2022.

The Audit Committee has recommended appointing Itrat Husain & Associates., Chartered Secretaries as the Corporate Governance Compliance Auditors of the Company for the year 2022. The Directors have endorsed the recommendation of the Audit Committee for the appointment of Itrat Husain & Associates., Chartered Secretaries as the Corporate Governance Compliance Auditors of the Company for the year 2022.

Human Resources

The Company recognizes employees as the primary source of its competitiveness and continues to focus on its development. It believes in equal opportunity in the workplace irrespective of race, religion, gender

and color. Singer believes in competency while hiring the best workforce. As far as the working environment and employee facilities are concerned, Singer is one of the leading and oldest companies in the country.

The relationship between the Management and the employees in the Company was excellent throughout the year under review

Compliance with Laws and Regulations

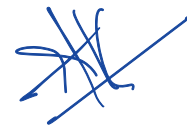
The Company was not engaged in any activities contravening the laws and regulations. All those responsible for ensuring compliance in line with the provisions in various laws and regulations were able to do so within the stipulated time.

Environmental Protection

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

Conclusion

The Board would like 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.



M. H. M. Fairoz
Managing Director



Kazi Ashiqur Rahman
Company Secretary

Dhaka, January 25, 2022

ANNEXURE-A

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

DECLARATION BY CEO AND CFO

January 25, 2022

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

Subject: Declaration on Financial Statements for the year ended on December 31, 2021

Dear Sirs,

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

- (1) The Financial Statements of Singer Bangladesh Limited for the year ended on December 31, 2021 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, 2021 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours



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



Akram Uddin Ahmed
Chief Financial Officer (CFO)

ANNEXURE - B

ITRAT HUSAIN & ASSOCIATES
CHARTERED SECRETARIES IN PRACTICE**Report to the Shareholders of
Singer Bangladesh Limited
on
Compliance of Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Singer Bangladesh Limited for the year ended 31 December 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

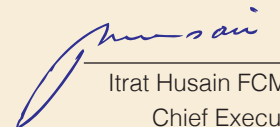
We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

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

Dhaka, 25 January 2022



For: **Itrat Husain & Associates**


Itrat Husain FCMA, FCS
Chief Executive

“THE GLASS HOUSE” (13TH FLOOR), SE(B)-2, 38 GULSHAN AVENUE, GULSHAN-1, DHAKA-1212, BANGLADESH
CELL: 01713092222, 01819259703, EMAIL: itratsahed@gmail.com

ANNEXURE - C

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

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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.1	Board Size (number of Directors - minimum 5 and maximum 20)	√		
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) can not remain vacant for more than 90 (ninety) days.	√		
1.2 (e)	Tenure of office of an Independent Director (for a period of 3 years, may be extended for 1 term only);	√		
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 nad 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;	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(5)(xxvii)	Report as well as certificate regarding compliance of conditions of this Code as required under condition no. 9 shall be disclosed;	√		
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.			Not Applicable
2 (b)	At least 1 Independent Director of holding company also be a director of the subsidiary company.			Not Applicable
2 (c)	Minutes of subsidiary to be placed in the following meeting of holding company.			Not Applicable
2 (d)	Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.			Not Applicable
2 (e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.			Not Applicable
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.			Not Applicable
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.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
5 (2) (d)	When the term of service of the Committee member expires, Board shall appoint new Committee member immediately or not later than 1 month of vacancy.	√		
5 (2) (e)	The Company Secretary shall act as the Secretary of the Audit Committee	√		
5 (2) (f)	Quorum shall not constitute without at least 1 independent director.	√		
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 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.	√		
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 these attached, in the directors report whether the company has complied with conditions.	√		

ANNEXURE - I

The Pattern of Shareholding

Name of Shareholders	Status	Shares Held at 31 Dec'21	Shares Held at 31 Dec'20
i) Parent / Subsidiary/Associate Companies			
Retail Holdings Bhold B.V. - (Including 20% Nonremittable shares)	57%	56,819,337	56,819,337
ii) Directors, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children			
Dr. Fatih Kemal Ebiçlioglu	Chairman	-	-
Mr. M. H. M. Fairoz	Managing Director	-	-
Mr. Masud Khan	Independent Director	-	-
Reazul Haque Chowdhury	Independent Director	-	-
Mr. Hakan Hamdi Bulgurlu	Nominee Director	-	-
Mr. Cemal Can Dincer	Nominee Director	-	-
Mr. Polat Sen	Nominee Director	-	-
Mr. Kazi Ashiqur Rahman	Company Secretary	2036	-
Mr. Akram Uddin Ahmed	Chief Financial Officer	1085	-
Mr. Shahed Al Mahmud Chowdhury	Head of Internal Audit	1122	-
Ms. Arifa Salzana	W/o. Mr. Akram Uddin Ahmed	590	-
iii) Executives			
None		-	-
iv) Shareholders Holding Ten Percent or More Voting Interest			
Retail Holdings Bhold B.V. - (Including 20% Nonremittable shares)	57%	56,819,337	56,819,337

ANNEXURE - II

Board and Committee Attendance 2021

The Board met a total of seven times during the year Board and Committee attendance for the meetings during the year are shown below:

Board and Committee Attendance	Attended out of Meetings Held					
	Board		Audit Committee		Nomination & Remuneration Committee	
Mr. Fatih Kemal Ebiçlioglu	6	7	-	-	-	-
Mr. Mohamed Haniffa Mahamed Fairoz	7	7	-	-	-	-
Dr. Syed Ferhat Anwar (1)	2	2	1	1	1	1
Mr. Masud Khan	7	7	4	4	3	3
Mr. Reazul Haque Chowdhury (2)	4	5	2	2	2	2
Mr. Hakan Hamdi Bulgurlu	7	7	-	-	-	-
Mr. Polat Sen	7	7	4	4	-	-
Mr. Cemal Can Dincer	7	7	-	-	3	3

(1) Dr. Syed Ferhat Anwar retired from the Board on February 28, 2021.

(2) Mr. Reazul Haque Chowdhury joined the Board on March 1, 2021.

AUDIT COMMITTEE REPORT

Preamble

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

Composition of the Audit Committee

The Audit Committee consists of the following:

- | | |
|-------------------------------|-----------|
| 1. Mr. Masud Khan | Chairman |
| Independent Director | |
| 2. Mr. Reazul Haque Chowdhury | Member |
| Independent Director | |
| 3. Mr. Polat Sen | Member |
| Director | |
| 4. Mr. Kazi Ashiqur Rahman | Secretary |

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

Role and responsibilities of the Committee

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

Meetings and Attendance

During the year 2021, four meetings of the Audit Committee were held. The details of attendance of the members have been shown in the Annexure- III of Directors' Report. The Members who could not attend the meetings were granted leave of absence.

Summary of Activities

The following activities were carried out by the Audit Committee during the financial year ended on December 31, 2021.

Financial Reporting

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

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

External Audit

- The Committee met the external auditors after the annual audit held in absence of the

Management and the findings and their observation if any, and the Management's response thereto was reviewed.

- Their audit scopes, audit strategies, audit plans and performance of the external auditors for the year as well as their proposed fees for the statutory audit reviewed.
- The Audit Committee recommendation to the Board of Directors regarding Rahman Rahman Huq, Chartered Accountants be appointed as auditors for the financial year ending on December 31, 2022 subject to the approval of the members at the 42nd Annual General Meeting of the Company.
- The Audit Committee recommended to the Board of Directors regarding

Itrat Husain & Associate, Chartered Secretaries to be appointed as corporate governance compliance auditors for the financial year ending on December 31, 2022, subject to the approval of the members at the 42nd Annual General Meeting of the Company.

- Reviewed the external auditors' reports and highlighted in the Management letter including the Management's responses thereto.
- The statement of the related party transaction as discussed in the financial statements reviewed in order to ensure that all transactions are in compliance with IAS & IFRS.

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

Internal Control and Risk Management System

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

On behalf of the Audit Committee



Masud Khan

Chairman, Audit Committee

Dhaka, January 25, 2022

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 2020, 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 2020 and the Listing Regulations of the Dhaka/Chittagong Stock Exchanges. They are also responsible for taking reasonable measures to safeguard the assets of the Company, and in that context to have proper regard to the establishment of

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

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

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

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

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

Rahman Rahman Haq, Chartered Accountants of the Company, have examined the financial statements made available by the Board of Directors together with all relevant financial records, related data, minutes of shareholders and Directors meetings and expressed their opinion in their report in page 65 of the Annual Report.



M. H. M. Fairoz
Managing Director



Kazi Ashiqur Rahman
Company Secretary

Dhaka, January 25, 2022

NOMINATION AND REMUNERATION COMMITTEE REPORT

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

Composition of the Committee

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

1. Mr. Reazul Haque Chowdhury	Chairman
Independent Director	
2. Mr. Masud Khan	Member
Independent Director	
3. Mr. Cemal Can Dincer	Member
Director	
4. Mr. Kazi Ashiqur Rahman	Secretary
Company Secretary	

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

The Nomination and Remuneration Committee's jurisdiction, responsibilities and specific duties have been defined in

the "Terms of Reference (ToR)" of Nomination and Remuneration Committee in line with the Corporate Governance Code 2018.

Major Responsibilities of NRC

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

Meetings and Attendance

The Committee met thrice during the year under review. The attendance record of the Members is shown in Annexure II of this report. The Members who could not attend the meetings were granted leave of absence.

Activities of the NRC carried out during the reporting period

The NRC carried out the following activities during the year:

- Reviewed and recommended the compensation package of the Chief Executive Officer, Executive Directors and Senior Management of the Company;
- The Committee also reviewed the policies pertaining to the remuneration and perquisites of the Executive Directors and Senior Management of the Company;
- Executive Performance Bonus to the Chief Executive Officer, Executive Directors and Senior Management of the Company;
- Recommended to the Board for non-resident employment.
- Recommended to the Board for appointment of Independent Director.

On behalf of the Remuneration Committee



Reazul Haque Chowdhury
Chairman
Nomination & Remuneration Committee

Dhaka, January 25, 2022



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MANAGEMENT DISCUSSION AND ANALYSIS FROM MD'S DESK



M. H. M. Fairoz
Chief Executive Officer

COVID-19

2021 was a challenging year for the company as the continuation of COVID-19 pandemic not only posed a health challenge but also significantly impacted businesses and the economies across the world with disruptions in supply chain and retail networks. The company was not immune to these headwinds as these severely impacted its performance for the period

2021 Overview

In the early 2021, economic conditions were positive and the firm was on track to reach the projected growth using available opportunities. But from mid of April 2021, the coronavirus outbreak had a significant toll on our business with virtually no sales for nearly two and a half months due to lockdowns as well as country-wide general holidays declared by the government.

During uncertain times, typical consumer behaviour is to defer purchases unless it

is absolutely necessary. Muted demand along with lockdowns and holidays impacted the company's operations and along with this, its financial performance as well.

Business Performance

After returning to growth in the first quarter of 2021, the company witnessed a sharp decline in sales in the second and third quarter. Understandably this impacted on company's overall financial performance. We responded quickly and decisively to the situation with attractive promotions and managed to achieve revenue growth. The summarized comparisons are set out in the Financial Highlights and Financial Review. I would limit my comments only to the salient features.

Even with the negative impact of COVID-19, the company achieved a commendable revenue of Tk. 15.8 billion which was 5.7% higher than the previous year's revenue of Tk. 15.0 billion. However, the operating profit of Tk. 1.3

“ **Hopefully, 2022 will allow us to accelerate our growth trajectory with the world economy and domestic demand returning to near normalcy** ”

they continue to ascend the economic ladder in greater numbers. More people will be added to the middle class providing us with tremendous opportunities to expand our business.

Bangladesh has a fairly high rate of electrification in South Asia. Further expansion in this area will, no doubt, accelerate the demand for consumer durables which opens up immediate business opportunities in our segment.

Overall, growth in 2021 shows the robustness and resilience of the Bangladesh economy. This along with the measures taken by the Government to spur back growth makes us very optimistic about the future.

As a positive outcome of the Coronavirus pandemic, e-commerce becomes a potential sales channel that can enlarge Singer's customer base quickly and exponentially. Arcelik team is supporting Singer to capitalize on this opportunity.

Technology and Innovation

Post acquisition, an important objective of Arcelik was to innovate new technology to spur growth. Arcelik has 30 Research & Development (R&D) centers worldwide with more than 1600 researchers. The key focus of these initiatives is to drive innovation and then deliver diversified products to meet the changing needs and lifestyles of Bangladeshi consumers.

These initiatives are already bearing fruits. Singer Bangladesh Limited introduced a new series of Refrigerators with unique features to keep fruits and vegetables fresh and to preserve vitamins for a longer period under "Fresh-O-Logy" and "NutriLock" technology. With European design and technology, these refrigerators seamlessly fit into the modern household, making everyday life easier and better. These unique features were introduced to the Bangladesh consumers by SINGER for the very first time. More importantly, this new series of Refrigerators with unprecedented

features and technologies have already been certified by international quality assurance provider Intertek (UK) thus paving way for further enhancing our product profile and performance

Integration of Business

During the year, International Appliances Limited was formally amalgamated with Singer Bangladesh Limited.

International Appliances Limited's operations will now continue as a manufacturing unit under Singer Bangladesh Limited as its manufacturing unit.

Manufacturing Facilities

Singer's continuing emphasis on local value addition has been reinforced with nearly 52% of our sales revenue generated from products manufactured in Bangladesh which was only about 10% ten years earlier. This trend will also help us to tailor products to meet local customer expectations and to provide value for money thereby opening up further job opportunities

Utilising Arcelik's strong manufacturing background and global expertise, we have already started improving the processes which will enhance the quality of our products at our Refrigerators, TV, and AC manufacturing Units. Our consumers will see significant improvements in the quality of our products as these changes get imbedded into the manufacturing process.

Accounting Policies and Estimation of Financial Statements

The preparation of consolidated financial statements is based on judgments, estimates and assumptions that affect the application of accounting policies and the reported

billion was down by 20.4% compared to that of the previous year's amounting Tk. 1.6 billion. Operational expenses were affected by additional charges incurred on port and shipping charges resulting from pandemic related disruptions and related incremental storage space rentals. Net profit before tax for the year at Tk. 876 million was 27.0% lower than the previous year's figure of Tk. 1.1 billion.

Opportunities

Bangladesh is the next big frontier of opportunity as its per-capita income touched US\$ 2,554 in a pandemic affected 2021 from US\$ 2,227 in 2020. According to the Bangladesh Bureau of Statistics, Bangladesh achieved GDP growth of 4.6% during this period which was well above the regional countries. IMF projects 6.5% GDP growth for Bangladesh in 2022.

The expansion of economic opportunities, implementation of megaprojects, and development of infrastructure will ensure a visible change in people's lifestyles as

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 recognized in the period in which the estimate is revised provided that the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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

Changes in Accounting Policies and Estimation of Financial Statements

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

Comparative Analysis of Financial Performance

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

Peer Industry Comparison

Singer Bangladesh Limited had been the only quoted company in the home appliances and consumer electronics sector until Walton Hi-tech Industry was enlisted in September 2020. However, the operational and business models of companies are different. The activities of Singer Bangladesh Limited involve both manufacturing and retailing whereas Walton Hi-tech Industry limits itself mainly to manufacturing. The retailing part of their operations are channelled through Walton Plaza, a non-listed company. In the absence of complete information, peer industry comparison will not be meaningful.

Global Economy Overview

The demand and supply shock caused by the COVID-19 pandemic triggered a substantial contraction in GDP. In 2020, global GDP fell by 3.3%, the most severe recession since World War II. Global economic growth is projected to recover to 5.9% in 2021 followed by 4.9% in 2022.

Freight and transport services are always crucial for trade including manufacturing. During the COVID-19 crisis, maritime and land transport remained largely functional but registered considerable delays at times mainly resulting from strict port logistics protocols, port closures and crew-change restrictions. Additional

documentation requirements and physical examinations of vessels and crew members further disrupted shipping services. These, in turn, impacted the global supply chain, affecting global trade and business adversely. All these together contributed to skyrocketing trade costs dampening the global business in general

Global Monetary Agencies are projecting much better global trade forecasts but also warns of a high degree of uncertainty as improved outcomes heavily depend on the pandemic easing up and things returning to normalcy

Bangladesh Economy Overview

Bangladesh has been among the fastest-growing economies in the world with a stable economic performance that has helped to reduce poverty and social inequalities. Moreover, human development outcomes have improved along many dimensions.

Bangladesh, like most countries, faces the daunting challenge of fully recovering from the COVID-19 pandemic which constrained economic activities and reversed some of the gains achieved in the last decade. The pandemic slowed economic growth in 2020. The pace of poverty reduction slowed down, exports declined, inequality increased across several dimensions and the poverty rate in 2020 went up. Nevertheless, strong remittance inflows and a rebound in the export market have helped the economy to start recovering gradually to achieve GDP growth of 4.6% in 2021 reflecting, to a great extent, a post-pandemic economic recovery in Bangladesh

Although availability and high rate of vaccination provide an optimistic outlook, there is still a degree of uncertainty as to the return of stability. Global supply chain disruptions continue to interrupt global trade and this factor will impact the country and business climate for some time.

Just as the economy started to regain traction after the effects of the coronavirus pandemic, the potential crisis in Ukraine is likely to limit trade opportunities in the region with possible spillover adversities for Bangladesh's economy, both directly and indirectly. The most likely immediate impact on the economy might be energy prices which can have serious repercussions on the economy.

Risk and Concern

Details of risk factors and management of these factors are presented on the Risk Management Report on pages 60 & 61 of this report.

Our Plan

Bangladesh's stable economic growth over the past two decades along with its gradual integration into the global economy has made it a model for economic development. Despite the pandemic, Bangladesh achieved impressive GDP growth in 2021 and is expected to grow even faster at 6.5% to 7.% over the next 5 years.

Overall, 2021 growth shows the robustness and resilience of the Bangladesh economy. This along with the measures taken by the Government to spur back growth makes us very optimistic about the future. The planned expansion of electrification into rural areas will accelerate the demand for consumer durables. Increased vaccination levels should also bring an atmosphere of normalcy. We plan to take advantage of these improving conditions to tap into the expanding purchasing power of the middle class by using our status as the largest retailer in the home appliances and consumer electronics market in Bangladesh.

We believe 2022 will allow us to speed up our growth trajectory with the world economy and domestic demand returning to near normalcy.

Conclusion

I would like to thank the members of the Board for their valuable support and guidance during the year. The shareholders also deserve thanks for placing their continued trust and confidence in the Board of Directors and the Management.

Finally, I also wish to thank all our employees for their dedication and commitment which immensely contributed towards the performance of the company under these difficult circumstances.



M. H. M. Fairoz
Chief Executive Officer
March 1, 2022

CORPORATE GOVERNANCE

The Company believes in adopting not only the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission but also 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 following the highest ethical standards to the best interest of all stakeholders and also to the preservation of the environment.

Board Composition

The Board comprises seven 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 18 to 21.

Board Committees

The responsibility for good governance rests with the Board. The Board retains certain matters at its disposal; other specific responsibilities are delegated to its principal Committees, namely the Audit Committee, the Nomination and Remuneration Committee. Each of these Committees operates within defined terms of reference. The Board has also delegated to a subcommittee certain matters which are routine or which have been agreed in principle by the Board.

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

Audit Committee

The Company's control mechanism is overseen by the Board's Audit Committee which comprises three members including two Independent Directors of the Company. Independent Director Mr. Masud Khan is the Chairman of the Audit Committee. His long career with multinational companies as well as his extensive experience has been a great benefit to the Company.

The Audit Committee monitors

- the integrity of the financial statements of the Company, including annual, half-yearly,

Board of Directors

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

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

Audit Committee

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

Nomination and Remuneration Committee

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

quarterly and other formal announcements relating to its financial performance and reviewing and reporting to the Board on significant financial reporting issues and judgments.

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

Nomination and Remuneration Committee

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

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

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

Responsibilities of the Board

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

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

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

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 Director have been defined by the Board of Directors.

Independent Director

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

Board and Committee Meetings

The Board and its Sub Committee meet regularly to discharge their duties effectively. Seven Board Meetings were held during the year 2021 and the gap between the two meetings did not exceed three months. Besides the Audit

Committee and the Nomination and Remuneration Committee met 4 and 3 times respectively. Bangladesh Secretarial Standards (BSS) issued by the Institute of Chartered Secretaries of Bangladesh (ICSB) were followed in conducting the meetings as well as keeping records of the meetings of Board and those of its Committees. Annexure-II shows the attendance records for the Board and Committee meetings held during the year.

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 are undertaken by the Committee concerned.

Management Committee

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

Responsibilities to the Customers

Our success depends, in part, on the quality of our products and also on our broad as well as strong after-sales service. Besides, the Company maintains a country-wide marketing network and provides a wide choices of products and brands to its customers at competitive prices. Easy payment options are also available to the customers. The Company extends a warranty on its products and has made appropriate provisions to meet the warranty expenses. It maintains a countrywide network of service 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 International Financial Reporting Standards (IFRS). Financial data is

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

Internal Controls

Directors are responsible for instituting a system of internal controls to ensure the effective implementation of all policies and decisions of the Board. The Board ensures that the Directors maintain full and effective control of all significant strategic, financial, organizational and compliance issues. The Directors have delegated to the Management Committee the responsibility of establishing and implementing a system of internal control appropriate to the business environment in which the Company operates. The Company has an Internal Audit Department headed by the Head of Internal Audit & Compliance. The internal control system is maintained and reviewed by an internal audit function that operates throughout the Company and reports to the Management and the Audit Committee. The work of the Internal Auditors is focused on the areas of risk to the basis of a Risk Management approach to be audited. 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 M/s. Itrat Husain & Associates, Chartered Secretaries was appointed by the Board to conduct Corporate Compliance Certification as per the requirement of the Bangladesh Securities & Exchange Commission (BSEC). Accordingly, M/s. Itrat Husain & Associates, Chartered Secretaries upon examination, issued a Compliance Certificate which has been shown on page 32 of the Annual Report.

Good corporate reputation is directly linked to uncompromising compliance with applicable laws, regulations and internal guidelines

Directors Code of Conduct

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

Corporate Code of Conduct

Arcelik A.S. (ultimate parent of Singer Bangladesh Limited) updated its Global Code of Conduct in 2021. In this context, the Company adopted the Arcelik Global Code of Conduct, which explains how we should behave, what we should pay attention to and what behaviors we should avoid in business in order to adapt the Code to our ever-growing and expanding structure. In line with Arcelik's corporate vision of "Respecting the World, Respected Worldwide", it is our responsibility to strengthen this awareness further to make our business even better without compromising the principle of honesty and to create a reliable value chain.

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 bridle them as or where they occur. Details are provided in the section entitled "Risk Management" on pages 60 & 61.

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. 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 as well as the other stakeholders. The quarterly and half-yearly results of the Company are published in the newspapers. Annual Reports are furnished in the soft form to the shareholders and are also sent to the email addresses of the shareholders



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available in their beneficial owner (BO) accounts with the depository. The Company shall also print a 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 if any shareholder requires it in writing beforehand. These reports are also available on the Company's website - www.singerbd.com.

Shareholders Information

The Company

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

Split and Bonus Issue

In 2010, shares of Taka 100 each of the Company were subdivided into shares of Taka 10 and accordingly, the current face value of the shares is Taka 10 each. Detail of bonus shares is provided on page 111.

Transfer to Capital Market Stabilization Fund (CMSF)

Pursuant to the applicable provisions of the Capital Market Stabilization Fund Rules 2021 and subsequent directives of Bangladesh Securities and Exchange Commission, all unclaimed dividends of the Company were transferred to the Capital Market Stabilization Fund after completion of three years from the date of the Annual General Meeting. Details are in page 112.

Unclaimed Dividend

During the year 2021, the Company transferred unclaimed cash dividends of Taka 26 million to CMSF pertaining to

2010 to 2017. Details of shares/shareholders in respect of which cash dividends were not claimed are provided on the website of the Company.

Shares transferred to CMSF

As per CMSF Rules, the shares in respect of the stock dividend which has not been claimed by the shareholders for more than three years are also transferred to the CMSF Authority. During the year 2021, the Company transferred 439,245 shares in accordance with CMSF rules. Details of shares/shareholders in respect of the stock dividend which was not claimed are provided on the website of the Company.

The claim of Unclaimed Dividend transferred to CMSF

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

Annual General Meeting

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

In view of the continuing COVID-19 pandemic, the Bangladesh Securities and Commission permitted the holding of the Annual General Meeting through digital platform to vide directive No. SEC/SRMIC/94-231/91 dated March 31,

2021 without the physical presence of the Members at a common venue. In compliance with the provisions of the BSEC directive, the AGM of the Company is being held through digital platform. For details please refer to the Notice of the 42nd AGM.

e-Voting before/during the AGM

Pursuant to the provisions of the Bangladesh Securities and Exchanges Commission directive/notification the Company is providing the facility of e-Voting to its Members in respect of the business to be transacted at the AGM. Members of the Company holding shares either in physical form or in electronic form as on the record date February 16, 2022 may cast their vote by e-Voting. A person who is not a Member as on the Record date should treat this notice for information purposes only.

Company's Corporate Website

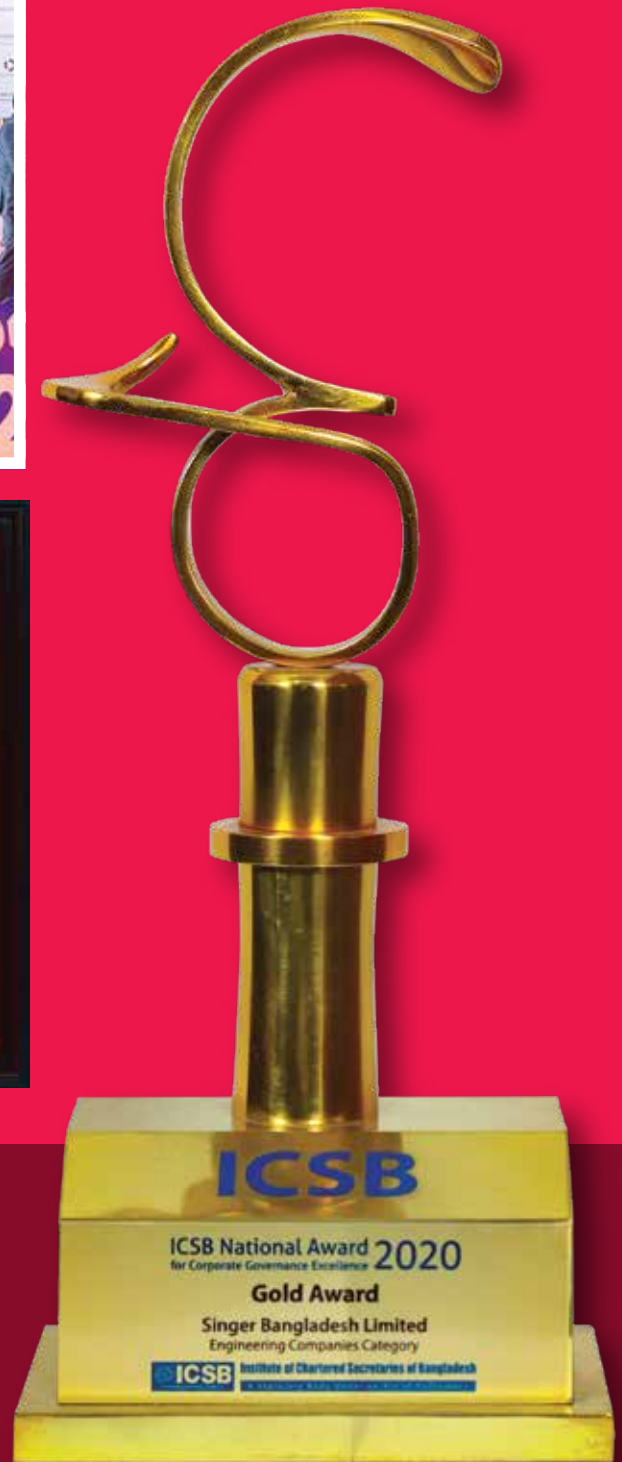
The Company's website is a comprehensive reference on Singer Bangladesh Limited's management, vision, mission, investor relations, sales network, products, promotions and events. The section on 'Investors Relations' serves to inform the investors/shareholders/stakeholders. The Members can access the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

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

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DIVIDEND DISTRIBUTION POLICY

B **background and applicability**

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

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

Definition

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

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

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

Objectives

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

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

Parameters for declaration of dividend

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

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

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

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

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

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

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

Entitlement of Dividend

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

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

Disclosures

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

Modification of this Policy

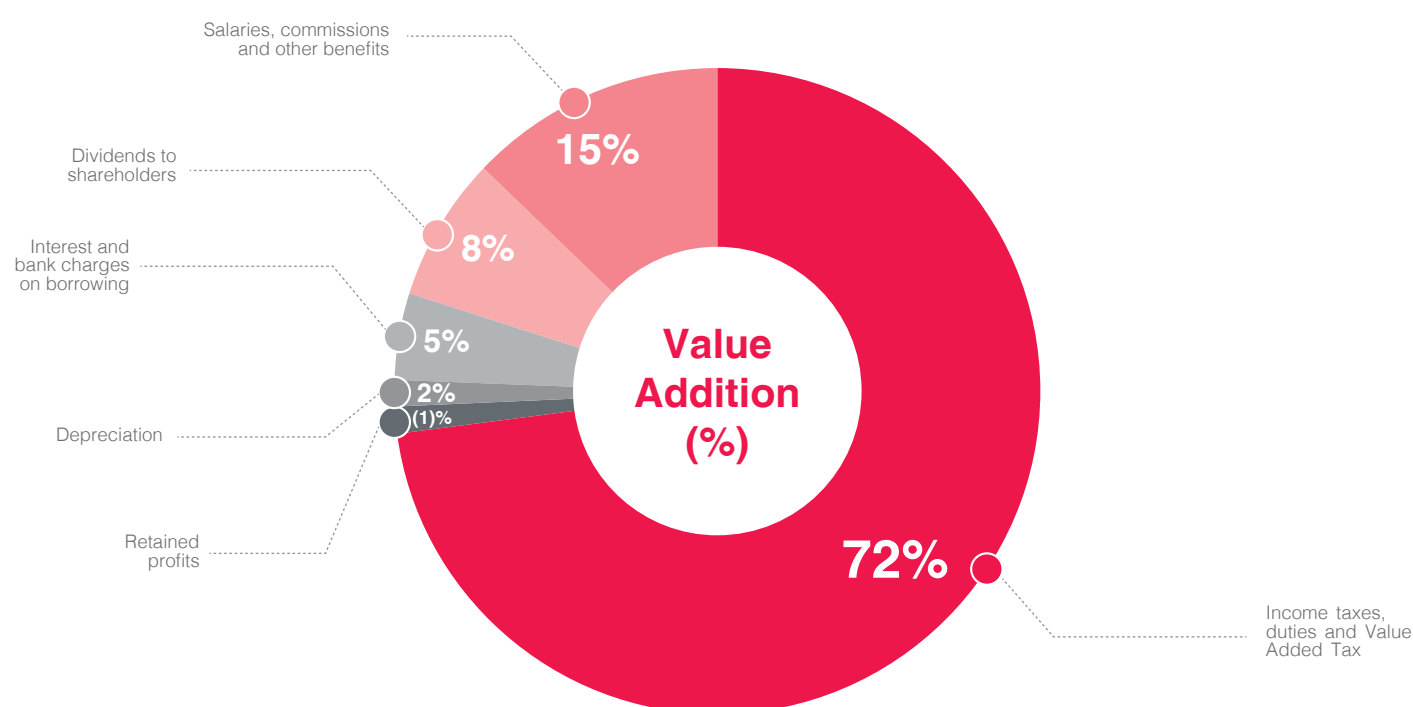
The Board is authorized to change or modify this Policy from time to time at its sole discretion and/or in pursuance of any amendments made by any relevant law for the time being in force.

Disclaimer

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

STATEMENT OF VALUE ADDED

	2021 Taka		2020 Taka	
Turnover - Gross	15,812,989,406		14,959,810,754	
Other Income	67,392,231		143,993,667	
	<u>15,880,381,637</u>		<u>15,103,804,421</u>	
Less: Cost of Materials & Services	8,092,762,220		7,469,617,230	
Value Added	<u>7,787,619,417</u>		<u>7,634,187,191</u>	
Distribution of Value Added				
To Employees and Dealers				
Salaries, Commission and other Benefits	1,155,445,504	15%	1,196,793,218	16%
To Government				
Income Taxes, Duties and Value Added Tax	5,585,055,367	72%	5,199,420,753	68%
To Banks and other Lenders				
Interest & Bank Charges on Borrowing	376,430,601	5%	339,298,242	4%
To Suppliers of Capital				
Dividends to Shareholders	598,217,028	8%	299,108,514	4%
Retained for Reinvestment and Future Growth				
Depreciation	152,213,524	2%	116,286,663	2%
Retained Profits	(79,742,607)	-1%	483,279,801	6%
	<u>7,787,619,417</u>	100%	<u>7,634,187,191</u>	100%



FINANCIAL REVIEW 2021

The following discussion and analysis should be read in concurrence with the Audited Financial Statements of Singer Bangladesh Limited (the Company) for the year ended on 31 December 2021.

International Appliances Limited (IAL), a fully owned subsidiary of the Company, was amalgamated on the acquisition date of March 14, 2021 in line with the judgment and order passed by the Hon'ble High Court Division of the Supreme Court of Bangladesh.

Basis of preparation and comparative figures

The Company's financial statements for the year ended on 31 December 2021 have been prepared, including the comparative figures for the year ended on 31 December 2020, in compliance with the requirements of the International Financial Reporting Standards (IFRSs), 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 following the provisions of section-69 of The Financial Reporting Act, 2015 (FRA). Details of the basis of preparation and comparative figures are disclosed in Note 2 & 37 of the Financial Statements on page 74 & 102.

Preface

The second wave of ongoing COVID-19 pandemic adversely impacted on the macroeconomic performance of the country as well as the Company's operations and its financial position. In response to the second wave of COVID-19 pandemic which started during April, the government imposed various restrictions, including lockdown. This lockdown continued by stages up to mid of August 2021 and adversely affected all the business activities. Restrictions (lockdown/shutdown) were imposed in different districts of the country, especially in the districts near the Indian border to prevent the spread of Delta (Indian) variant of COVID-19. Businesses were coming back to their new normal environment and positive customer behaviour was noticed in the market after the relaxation of the restrictions. However, overall economy of the country was passing tough time in view of COVID-19 pandemic circumstances, whereas the threat of the new variant (i.e. Omicron) of COVID-19 again created uncertainties worldwide as indicated by locally increase of energy prices, increasing trend of inflation (both food and non-food items) and lower foreign remittance flow. Along with the rising trend of inflation in Bangladesh, prices of most of the commodities rocketed in the global markets because of demand recovery, an unprecedented level of shipping charges and supply chain constraints.

Locally increase of energy prices created pressure on commuting expenses than before. Consumer spending on home appliance products decreased under this tight situation of the economy, where people were mostly spending their earnings to satisfy their basic needs like food, housing, medical treatment etc. Sales result had fallen short of the Management expectation and target for the remaining 3 quarters of 2021 (i.e. Q2-Q4) due the national and international factors explained above.

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

To consolidate and effectively manage the business of manufacturing and marketing of refrigerators, televisions, air conditioners, sewing machines, computers, washing machines and other consumer electronics and household appliances, the Company amalgamated its fully owned subsidiary (IAL) during the year, as per the Judgment and order passed by the Hon'ble High Court Division of the Supreme Court of Bangladesh and the acquisition date was March 14, 2021.

Although, the Company's revenue increased by 5.7% in 2021 over the previous year, net income had a de-growth of 35.5%. These results demonstrate the adverse impact of COVID-19 pandemic in Singer's operation. In 2021 and beyond, the company planned to further increase its retail space, dealer numbers and include more institutional entity's to capitalize on the opportunities available in this growing and competitive sector.

In the year 2021, the Company achieved a turnover of Taka 15.8 billion despite the presence of strong competitive forces in the market and the prevailing circumstances of COVID-19 pandemic which affected the economic activities of the country as well as normal business activities. The Company's online sales platform greatly helped a lot to stay operational for sales activities during the pandemic situation. The Company remained one of the leading appliance corporate in Bangladesh and continued to uphold efforts to strengthen its position and the brand image in the consumer durable market through businesses in retail, wholesale and corporate channels.

Net profit at the end of the year decreased by Taka 285 million over the previous year which resulted in corresponding decrease of earnings per share to Taka 5.20 as opposed to Taka 8.06 in 2020. Considering its usual history of robust dividend policy, the company announced 60% cash dividend. The company has retained its profit to support the demand of growth and investment in 2022 and beyond and also to manage financial costs to facilitate space for better profitability.

Extensive distribution networks being continued to expand further, backed by strong above-the-line (ATL) and below-the-line (BTL) advertising and promotional campaigns during the whole year helped the Company to realize a nominal growth despite the prevailing Covid19 circumstances and deep impact on the overall economy and the business activities in particular. Due to increase in online usage for various activities by mass people, the Company emphasised more importance to cover its presence on digital and social media like Facebook, YouTube etc for advertising and promotional activities and to keep attracting potential customers. The broad range of product portfolio represented by widely known and well accepted "Singer" brand image supported by other world reputed Brand names facilitated to capitalize on the prevailing business opportunities. The Company continues to look forward to overcoming the subdued performance of 2021 in 2022.

Turnover

The Company's revenue in 2021 increased by 5.7% amounting to Taka 15,813 million over the prior year of 2020. Due to the pandemic, the Company faced volume de-growth for its main product line i.e. Refrigerators by 5.1%. On the other hand, Air Conditioner grew by 15.6% compared to that of the prior year (2020). De-growth resulted from Television by 26.6%, from MWO and Oven by 6.5% and Washing Machines by 13.6% respectively compared to those of the prior year (2020). However, volume increase in other traditional product lines in the period were sewing machines by 10.4%, PC (computer) by 11.7% and other small domestic appliances by more than 40%. The combination of de-growth and growth of different products categories as mentioned above finally resulted in total turnover of the Company to end up with Taka 15,813 million with an insignificant growth of 5.7% over the year 2020.

Despite Covid-19 circumstances, the business environment continued to find itself competitive throughout the year considering increasingly strong presence of the local large competitors backed by

“The Board of Directors has recommended a higher rate of dividend in 2021 (60%) compared to 2020 (30%)”

modern or state-of-art manufacturing facilities. The Company experienced a surge in demand of sales through online platform during pandemic and dealt with consumers' upbeat buying patterns on digital platform rather than traditional sales methods during the pandemic time. The Company could achieve more sales using digital platform which was fully supportive considering various practical constraints

Despite the pandemic effect, efforts were continued to identify opportunities to introduce new products, to expand distribution channels further, renovate and upgrade the existing showrooms and add up new showrooms and customer service centers during the year. In addition, the Company continued to exert efforts to yield market opportunities not only through the traditional sales promotions but also through increased penetration on digital and social media such as SMS promotions, Facebook (fan page) promotions etc.

Gross profit

Gross margin percentage decreased to 24.7% from 25.8% over the prior year mainly due to increase in costs in terms of raw materials, trade goods, freight etc. which could not be fully adjusted with selling prices. As a result, the Company had to remain prudent in case of review of selling price adjustments while taking due weigh of competition and market dynamics along with customer perception. Decrease in income from earned carrying charges (ECC) also contributed to decrease in GP%. The gross profit of the Company was Taka 3,905 million as against Taka 3,857 million in the previous year, an increase of 1.3%. Amalgamation of business caused certain costs to increase compared to that of the last year.

The gross margin percentage of the Company was further impacted by higher mix of high margin product lines, especially the significant de-growth of higher margin products - refrigerators, panel televisions, MWOs and ovens and washing machines as compared to better performance of other traditional high margin product lines such as air conditioners, sewing machines etc.

The de-growth of these higher margin products contributed downward in addition to discounts being offered to flush out slow moving inventory and provision for excess and damaged inventory which also contributed to creating pressure on the percentage margins. However, there was gradual improvement in margin as a result of the better performance of some of the high margin products, price adjustments and product mixes. Due to current pandemic circumstances and in compliance with the government directives the manufacturing facility had to remain closed which triggered idle time cost impacting the gross profit negatively. It was increasingly challenging to protect the product margins in the competitive market conditions that the Company faced in the period under review having the pandemic effect and while matching market expectation driven by customer perception. The Company had all the efforts and plans being blended with necessary initiatives in retaining and expanding market share with the aim of realizing benefits in the long-term.

Operating expenses

The Company continued its focus on managing operating expenses, which was 16.9% of the revenue in 2021 as opposed to 16.3% of the revenue in the prior year. In absolute term, the operating expenses rose from Taka 2,438 million in 2020 to Taka 2,674 million in 2021.

Along with the impact of amalgamation which resulted in increase in different operating expense heads, demurrage cost was the main factor behind the 9.7% increase in operating expenses in 2021 compared to that of 2020. Demurrage cost (shipping and port) incurred mainly on account of importing raw materials for refrigerators. The Company suffered additional port and shipping charges as demurrage costs. In addition, Covid-19 restrictions also had an impact on clearing efforts and support and further constraints of warehouse space due to lower sales had also created some adverse impact on storing raw materials and CBUs at

warehouses. These additional demurrage expenses caused the Company's operating expenses to increase which could not be balanced with costs of products and spread over periods to realize through sales.

Managing costs in a dynamic business environment coupled with a business environment triggered by Covid-19 circumstances was a challenge for the Management while maintaining a balanced approach on operational efficiency as well as catering to the growth of business prospects. The Company farsightedly managed costs without affecting existing business needs and sacrificing expansion need of the business to grab future prospects. These expenses were incurred along with much crucial additional expenses for precautionary measures related to COVID-19 like- staff shuttle services, cleaning and disinfectant items purchases, doctor appointments etc. Among the expenses increase in salaries and alliances, utilities, ROU asset's depreciation, office administration expenses, insurance expenses rose as a result of amalgamation effect along with normal course of business terms. Royalty expenses increased as sale of locally produced goods increased compared to that of the last year. Rents and occupancy expenses increased due to higher rents under non-IFRS 16 expenses for temporary warehouses rents together with the amalgamation effect and ordinary course of business. Other items of operating expenses were controlled with nominal impacts.

Advertisement and sales promotion expenses for above-the-line (ATL) and below-the-line (BTL) were made at a feasible level throughout the year to sustain and expand market share. The mix of advertising expenses was also catered in the light of conventional and digital media using various online platforms. Advertisement and sales promotion, shop operating expenses, bad debts, repairs and maintenance, professional and technical fees decreased compared to the last year's along with decrease of selling expenses and meeting as well as conference expenses due to pandemic which resulted from lower growth of sales. Shop operating expenses and repairs and maintenance expenses were lower due to pandemic causing lockdown situations which resulted in very limited or no movement of people. Consequently, business faced drastic decrease in demand of appliance products resulted in extremely lower sales, no/few productions, low use of utility as shops/factories/offices were shut down lowering these expenses. Professional and technical fees were lower during the year as the amalgamation

scheme was completed during the year. Bad debt expenses were significantly lower as provisions for bad debt were lower as calculated under IFRS 9 using Expected Credit Loss (ECL) method considering pandemic effect.

The credit was used as an effective tool to stay effectively penetrated in the market as well as in competitions, though some difficulties were faced in case of ensuring timely collections. Steps were taken to improve the efforts of overall collections drive to reduce aging. Increase in bank charges was in line with the growth of the business and customers' choices of payment methods (i.e. use credit cards).

Warranty expenses increased to maintain higher warranty periods to be aligned with market competitions and to attract potential customers and increase the retention of more customers with the network. The Company has been continuously increasing its awareness and focus on improving products quality further in order to reduce warranty service calls in future. With all these challenges under the current pandemic situation, as a percentage of turnovers, operating expenses increased from 16.3% to 16.9%.

Operating profit

The Company's operating profit decreased to Taka 1,298 million from Taka 1,562 million of 2020. In terms of percentage, the Company achieved 8.2% against 10.5% of the last year. Additional operating expenses especially, demurrage costs contributed to reduce the operating profits and operating margins. However, better management of other operating expenses favorably contributed to prevent any further reduction of operating profit.

Net finance cost

Net finance costs decreased by Taka 15.5 million which represented 2.4% of revenue as opposed to 2.6% of revenue in 2020. One of the major components of net finance costs is interest expenses on leases under IFRS 16 which increased by Taka 10.8 million due to newly added leases. Despite utilization of higher borrowings, the bank finance costs decreased 8.9% from the last year's mainly due to lower interest rates. During this ongoing COVID-19 pandemic, collection of receivables from customers was lower and delayed, payment of regular operating expenses continued, payments for imported goods were made regularly etc. On the other hand, operating cash flow was also affected due to extremely low sales which resulted in higher utilization of borrowings. Lower interest rates and loans under government stimulus package were made to support expansion and growth of business for managing working capital to finance specially increased trade and other

receivables and inventory to recover the loss caused by the continuing pandemic.

Income tax expense

Income tax expense of the Company was Taka 357 million as against Taka 308 million in 2020. Current year's income tax expenses on ordinary activities of the Company increased due to change in sales mix of trade goods and produced goods (after the amalgamation the products being manufactured at the former subsidiary plant have been considered as produced goods while selling to customers and this is the major reason of change in sales mix between trade goods and produced goods. Thus, trade goods were reported in lower proportion compared to that of the last year). As a result, lower profit was achieved from trade goods which was not enough to absorb the adjustment of tax deducted at the port as minimum tax and on the other hand, minimum tax could not be carried forward for the next year due to relevant provision of tax laws. This led the effective tax to be reflected exorbitantly higher in the end.

The Company's effective tax rate for the year was 40.8% vs. 27.8% in 2020. The effective tax rate increased mainly due to reason explained above and besides, increase in employees' excess perquisites, provision for bad debts and other temporary differences and the release of deferred tax assets. Although as a result of amalgamation the company gets benefit of adjusting unabsorbed depreciation, tax associated with other components was resulted higher to materialize this benefit.

Profit for the year

The Company reported the annual profit of Taka 518 million after tax in 2021 as opposed to Taka 803 million in 2020 which was lower than 2020 by Taka 285 million and represented a de-growth of 35.5% over the previous year. The main reason was COVID-19 pandemic circumstances which caused the overall lower profitability along with the impact of higher effective tax rate.

Other comprehensive income

Other comprehensive loss for the year 2021 was limited to actuarial loss of retirement benefit obligation reported as Taka 17.4 million (net of related tax) at the cut-off date for re-measurement of defined benefit liability.

Comprehensive income for the year

The Company's total comprehensive income for the year was Taka 501 million and Taka 805 million in the previous year, a decrease of Taka 303 million due to the

reasons explained in the earlier paragraphs.

Earnings per share

Earnings per share of the Company was Taka 5.20 in 2021 vs. Taka 8.06 in 2020. The EPS significantly went down due to decrease in attributable net income for the year.

Price earnings ratio

The price-to-earnings ratio of the Company as on 31 December 2021 was 32.67 times against 21.79 times as on 31 December 2020. During the year under review, the Company's share price ranged between Taka 160.1 and Taka 214.9. Closing price for the year was Taka 169.9. Respective figures for 2020 were Taka 130.6, Taka 187.4 and Taka 175.6.

Dividend

As a continued part of Company's stable dividend policy, the Board of Directors of the Company recommended higher rate of dividend in 2021 compared to that of 2020 with 60% (Tk. 6 per share of Tk. 10 each) cash dividend amounting to Taka 598.2 million for the year ended on 31 December 2021. For the year ended on 31 December 2020, 30% cash dividend was declared as final dividend.

Events after the reporting period

The proposed final dividend subsequent to the reporting date is not accounted for in the Financial Statements as on 31 December 2021.

Return on equity

Return on equity of the Company for the year under review decreased significantly due to lower financial results which was 15.1% compared to 23.4% in the previous year. Return on equity is computed by dividing the profit after tax for the year by the average total equity at the beginning and end of each financial year.

Non-current assets

Though Non-current assets of the Company decreased from Taka 3,161 million to Taka 3,114 million, the Company made new investments largely in increasing and improving the capability and capacity of manufacturing facility which amounted to Taka 389.8 million mainly in property, plant and equipment. In addition to actual investment in the property, plant and equipment, ROU assets and deposit and prepayments increased as a result of amalgamation. On the other hand, investment in subsidiary was eliminated as a result of amalgamation which caused significant decrease in investment. Deferred tax asset also decreased. However, items like- property, plant and equipment,

intangibles, ROU assets, deposit and prepayments decreased in their value individually with normal course of life expiration of those assets.

Current assets

Current assets of the Company increased by 43.4% over the last year and rose to Taka 9,683 million compared to Taka 6,752 million in 2020. All items increased significantly than the previous year. Current tax assets resulted due to significant addition of the former subsidiary's current tax assets value for amalgamation. The year-end inventories were significantly higher due to the very sales growth in 2021 caused by COVID-19 pandemic circumstances which resulted in retaining of higher sales at the year end. Moreover, during low effect of Covid-19, the demand of appliance products was not evident at the expected level which could have contributed to lower the inventory holding further. Advances, deposits and prepayment also increased significantly for prepayments, specifically-advance VAT at import stage made during the year against which expected sales were not materialized and thus, remained unadjusted. In addition, trade and other receivables which were higher than that of the last year also caused overall increase of current assets compared to the last year. Increase of trade receivables at the year ended on 2021 compared to that of the year 2020 was mainly for lower collection from customers which was caused by the pandemic along with credit extension to various large institutions and also retail customers in order to boost sales and remain competitive in the competitions.

Total assets

Total assets of the Company increased by 29.1% and rose to Taka 12,797 million compared to Taka 9,913 million in the last year. The increase in total assets was mainly caused by amalgamation and other effects as explained above.

Total equity

The Company's equity decreased by Taka 60 million compared to the last year's and stood at Taka 3,396 million at the yearend of 2021. Share capital remained the same. Decrease in retained earnings due to mainly lower current year's profit over the prior year led to the decrease in total equity.

Non-current liabilities

Non-current liabilities of the Company stood at Taka 2,907 million compared to Taka 2,736 million in the last year. Increase in lease liabilities and other items of liabilities like- non-remittable accounts, security deposits from branch managers,

agents and dealers caused the increase of non-current liability.

Current liabilities

The Company's current liabilities increased by Taka 2,773 million compared to that of the year 2020. Due to significant increase in short-term borrowings as a result of higher requirement for working capital financing was the main reason for the increase in current liabilities from 2020. Lease liabilities mainly increased due to amalgamation effect. Trade and other payables decreased by Taka 215 million and stood at Taka 1,690 million in 2021 against Taka 1,905 million in 2020.

Operating cash flow

The Company's gross operating cash flows before working capital changes, finance costs and tax was Taka 18,098 million in 2021 compared to Taka 17,483 million in 2020. Adverse net operating cash outflows resulted from higher payment for costs and expenses as well as the income tax paid during the year. Collections from turnover had a marginal growth of 3.5% as opposed to the growth of 24.2% in payments for costs and expenses. Due to Covid-19, the company witnessed hardly a growth of 6.1% which resulted in lower cash flow. Interest payment on borrowing and leases (under IFRS 16) and payments to workers' profit participation fund decreased due to lower interest rates and lower profit respectively.

Investing cash flow

During the year, the Company made investments largely in increasing and improving the capability and capacity of manufacturing facility which amounted to Taka 394.2 million mainly in property, plant and equipment. The cash outflow for the investment was nominally off-set by cash inflows from dividend of Taka 1.4 million (received from the associate Central Depository Bangladesh Limited-CDBL) and disposal of property, plant and equipment worth Taka 1.4 million.

Financing cash flow

Net cash outflow from financing activities was of Taka 515.2 million as opposed to Taka 814 million mainly lower payment of dividend. Besides, principal repayment of lease liability and repayment of long term loan were made during the year causing cash outflow.

Cash and cash equivalents

As on 31 December 2021, cash and cash equivalents of the Company decreased by Taka 4.8 million and stood at Taka 173 million compared to Taka 178 million in 2020.

PEOPLE IN SINGER

Employees are the key source of competitiveness of Singer. They contribute to SINGER with their beliefs, talents, variety and knowledge, ensuring to remain the market leader in the consumer durables industry. Employee's passion, expertise and performance, and the senior management team's excellence solidify the company's position as the industry leader. Resulting in a reflection in the company's business philosophy prioritizing the development of human resources.

Strategy

Singer has been focusing on internal and external recruiting, as well as increasing the competencies of existing employees through a management development program, to accomplish the company's goals and growth plans at a constant rate. Recruiting a competent workforce, identifying and fostering a solid pipeline of competent individuals, building capabilities, consistently engaging talent, and assisting employees with their career objectives are among the strategic efforts.

Singer fosters talent development through creating strategic succession planning at all levels and evaluating the performance. Singer is progressing in the development of talent by nurturing and improving employee productivity and keeping highly competent personnel.

Singer continues to invest in improving its human resources, building good connections with employees, and establishing a strong brand in the marketplace to recruit and retain qualified employees. Singer recruits the most qualified candidates from the open employment market.

Performance Management

We implemented a weighted base target with a defined timeline for each employee, allowing us to track real performance results and efficacy. We provide and assist our employees with

customized development programs, both on and off the job, based on strategic growth plans, and we assure an unbiased assessment.

Learning & Development

Singer focuses heavily on employee skill development programs. As part of Arçelik, we focus on a growth mindset, developing employees' competencies and performance. However, due to the pandemic crisis, the traditional classroom training method has become a challenging part. Therefore, we have concentrated more on virtual learning facilities for our employees so that they can easily adapt to the changing realities, learning and development are a constant process. As a result, our employees played an active role in virtual learning sessions that were organized by Human Resource Team. Singer implemented online training to sustain sales consistency and keep employees motivated in their roles. Overall, 436 training sessions were held in 2021, with a total of 9,826 participants. To keep the training content handy for the front line sales team we have introduced android-based learning management system. Our new normal business adaptation training along with several virtual learning programs made us more competent in these trying times.

Employee Compliance

Employee benefits are compliant with all regulatory obligations, and remuneration and rewards are commensurate with performance. SINGER has a strong no-tolerance policy when it comes to underage labor. All appointments and contracts are in line with Bangladesh Labor law. In the event of disciplinary action, we follow all legal processes in terms of workers' rights.

Working Environment & Industrial Relations

Singer Bangladesh Limited has a long history of providing and maintaining a positive working environment & industrial relations. The Human



Fresh Start Program



World Diabetes Day & Health Checkup



Victory Day 2021 Celebration

Singer enhances gender balance in the workforce and empowers women across the entire value chain

Resources Department serves as a guide for employees, counseling and supporting them in resolving disputes. Singer values long-term relationships with its employees, reflecting a lower turnover rate.

Equal Employment Opportunity

Singer promotes that people of all races, religions, sexes, and ages have equal opportunities in the workplace. We place a high value on competencies when it comes to recruiting the top talents. Singer is one of the leading companies in the nation when it comes to the workplace environment and employee benefits. Singer ensures that all employees have a healthy positive working environment, regardless of gender.

Recognition and Motivation

Singer is dedicated to creating equitable remuneration and benefit programs for all its workforce. We ensure qualified employees get recognition; receive monetary rewards, non-monetary rewards, and other intangible benefits to boost their motivation and performance.

Employee contributions are consistently acknowledged by the company, and long service awards are given to personnel who have stayed with the company journey for more than a decade. Singer also implemented a "thank you note" for employees who have been an assist to the company in a time of crisis, which includes a letter of appreciation from the Managing Director.

Employee engagement became increasingly essential during the COVID19 epidemic, especially during lockdowns and limited mobility times. To enhance team spirit, senior leadership frequently spoke at virtual town halls. More notably, the Managing Director held virtual conference sessions for employees to share EID greetings during the lockdown, which also included family members.

Women Empowerment

Singer enhances gender balance in our workforce and empowers women across the entire value chain. To maintain a healthy and safer workplace, we organize workshops on women's empowerment and self-assurance. By expanding the number of female employees in management and operations, we want to reduce the gender gap in the overall number of employments. We also conduct a specialized event for women as part of strengthening the position of women and celebrate International Women's Day as a symbol of recognition, respect, and commitment. Singer always encourages female employees to participate actively in the workplace and support them in career progression.

Occupational Safety & Health

To SINGER, employees are the most valued assets and their safety is a top priority. SINGER is determined to

implement all the health & safety precautions to reduce health hazards and prevent workplace accidents. Even though accidents are uncertain but still SINGER employees are ready to respond rapidly in the case of any emergencies. Fire drills and safety training are mandatory sessions that occurred periodically to make sure the employees are more cautious and prepared to deal with any emergency.

Responses to COVID-19

The Company's approach to dealing with the unprecedented change the pandemic brought was employee well-being was challenged in both instability and uncertainty of the business. The first and foremost step to deal with the pandemic also was to ensure that all employees in every part of the organization were safe and healthy. The utmost care and precaution were taken when resuming workplaces. People over business is the approach that was adopted, be it in regards to the resumption of services, like offices, manufacturing units, showrooms, warehouses and service centers. The company encouraged remote working and maintained constant communication with internal and external stakeholders during this time.

We followed Arcelik HR Teams guidelines to avoid virus exposure and to ensure the safety of our employees. Implementation of safety protocol for managing COVID-19 pandemic at all work locations including deep cleaning, disinfection and fumigation of the premises. A periodic review on prevention and preparedness to handle COVID-19 related challenges was also undertaken by Arcelik to make sure that both employees and customers remain safe.



Health Hygiene Training



Hygiene Program Everyday

MANAGING RISK

Every company faces the risk of unforeseen, harmful events that could cost it money or shut it down. A risk, in a business context, something that threatens the ability of an organization to make a profit within the target level; In the long run, risks can threaten the sustainability of an organization. Risk analysis programs are designed to help an organization to deal with the existing or potential threats as effectively as possible. Risk Management is the process of identifying, evaluating and controlling threats to an organization's capital, profitability and stability.

The Company maintains a system of Risk Management and Internal Control aimed at protecting the investments of the shareholders and the assets of the Company. It is designed to identify, evaluate and manage risks that may interfere with the Company's objectives. It could not be completely eradicated and was not designed. The system is therefore reasonably, not absolutely, providing assurance against material errors or damages. Risks are inherent in every environment and business. These are unavoidable and therefore, must be managed in order to minimize their effects. The first step in managing risks is to identify the risks involved in coming up with a Risk Management strategy.

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

Identification of Risk

The purpose of the risk identification process is to ensure that all potential risks are identified. Prepare a list of potential risks by citing relevant business critical information from various reporting lines and considering various non-financial factors related to the current political and economic situation.

Categorize Risks

All the identified risks are divided into categories to create a structure that ensures every risk is responded and every opportunity is utilized within an appropriate level of efficiency and quality.

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 on various strategies to embed the culture at all levels of employees.

Recommendation - The responsibility of implementing the designed system is delegated to the different department heads.

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

Evaluation – The Management always monitors the effectiveness of the designed systems through receiving various reports from different departments and if necessary, reanalyzing those reports.. The Board's choice of strategies in Risk Management is affected by the following factors:

Risk Attitude of Directors – The Board of Directors continually evaluate their risk attitudes based on varying circumstances. They essentially strike a right balance between being risk-averse and risk-takers as demanded by the circumstances.

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

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

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

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

Operational Risks - The risk is deeply dependent on the human factor. Operational risks address the risks associated with fraud, forgery, unauthorized activities, error omission, system failure and external events, among others. Field Supervisor's Checklist, Credit Inspection Report, Hire Financing Documentation Checklist etc. are in place covering all probable risks associated with the 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 Risks - There are many factors that can converge to create business risk. It results from change of government regulations, overall economic climate, market condition, customer behavior or technological development from budgeted situation. Singer recognizes that good

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

Technological Risks - Technology is a key business enabler and requires an appropriate level of control to ensure that the most significant technology risks are effectively managed. The Company has implemented ERP system. Most of the business units are being operated under ERP. All transactions including inventory management are available in Singer Information. In this era of highly changing environment of IT, the Company has implemented numerous types of information security controls to ensure physical and virtual security to the critical information and information systems. In addition, the Company has established IT Audit function to minimize the technological risks.

Foreign Exchange Risks - The Company is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risks arise from the future commercial transaction, recognized assets and liabilities. To get the competitive exchange rate towards management of foreign exchange risks against functional currency, the Commercial Department deals with several banks for each transaction.

Price Risks - Price risks represent the risks in which the fair value of future cash flows of a financial statement fluctuates because of a change in market prices. The Finance Department estimates the product cost and the Marketing Department, on comparing other similar industries, determines the market price of a product after adding reasonable profit to make it competitive.

Political Risks - Though it seems stable political environment is present in Bangladesh, Singer Bangladesh is familiar with political instabilities inherent here and it is 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 and promotional initiatives are already in progress to cover up the short fall of revenue because of those risks.

Products - Products may prove defective or inappropriate for the market in terms of price, functionality or perceived value. They are also liable to be rendered obsolete. In addition to that, price competition, availability of variety of products and change of customers' choices also have an exposure to indirect product risks. A thorough market research and feedback from field supervision is always obtained in case of placing an order for a new product and quality control checking and product assurance

system are already implemented before launching a new product. For the 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 migrated 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 are already added to each product line which, we expect, will definitely continue to lead the market in future. Moreover, Corona Virus pandemic hit the global economy hard and global supply chain was interrupted badly. This was a challenge for the Company to keep sufficient products available in the outlets and this challenge was managed through proper planning and teamwork. Our robust manufacturing process and efficient planning are also in place to handle this kind of situation in favor of the Company.

Interest Rate - The Government set a cap for the highest ceiling of interest rate to help businesses but overall turbulence in the banking sector due to loan scams and low confidence in the market might change the situation. 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 risks. 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 entrusted separate department to negotiate with treasury function while execution rested with other departments in terms of investment and utilization.

Credit Risks - A Credit Risk represents the risk in which one counterparty to a financial instrument causes a financial loss to the other party by failing to discharge a contractual obligation. Credit risks mainly arise from trade debtors, advances and prepayments. Credit risks are managed in the combination of supervision by field Management and the Supervisory team consisting of the Credit and Finance Department. Credit Management reports are prepared based on various aspects of credit operation to monitor and follow up credit performance.

The report facilitates early identification of risks and thus, it allows the Management to step in time with necessary actions. In 2021, credit business was again affected by the 2nd wave of COVID-19 pandemic and arrearage increased significantly. However, through timely actions and credit promotions to customers to realize the dues helped the Company to reduce the exposure.

Liquidity Risks- A Liquidity Risk is the risk where an entity will not be able to honor its financial obligations as they fall due. In order to meet financial obligations 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 at the year end, The Management considers the liquidity risk to be low.

Risk Management in Special Scenario - COVID-19 pandemic had a great effect on business worldwide. The pandemic situation created an unseen and unpredictable environment in business. SBL was in no exception. New variant of the viruses looming one after another delayed the complete recovery of business to pre-pandemic situation. This had direct impact on credit business, supply chain specifically import, sales, cash inflow, arrearage and overall operations. It was such an unthinkable circumstance for everyone how the first shock wave hit businesses badly and new variants also made it difficult to maintain spontaneous business operation. During this year, ensuring timely shipping and availability of imported products and raw materials was a big challenge for businesses and the challenge was very similar for SBL too. However, with every obstacle there comes a solution and hence, the Management took in every possible way through managing time, adapting right business policies, sales strategy and supply chain method according to adverse situations. Emphasis on online sales, local purchase and use of online transactions were the outcome of overcoming those issues. By the end of 2021, risks were dealt positively and budgeted goal and stability were ensured as much as possible.

Caveat - With general risks and all other categories of risks discussed above, it may be deemed that the Company is in almost a 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.

Activity Calendar



Auditors' Report and Financial Statements

as at and for the year ended 31 December 2021

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70	Statement of Profit or Loss and other Comprehensive Income
71	Statement of Changes in Equity
72	Statement of Cash Flows
73	Notes to the Financial Statements

41st Annual General Meeting

Singer Bangladesh Limited


CDIB's Name: FARHAN AZHAR
Logout

41st Annual General Meeting (Virtual Platform) || ৪১তম বার্ষিক সাধারণ সভা (ভার্চুয়াল প্ল্যাটফর্ম)

সরাসরি সম্প্রচার / Live Streaming



শেয়ারহোল্ডারগণের মোট উপস্থিতি
Total Attendance of Shareholders

170

উপস্থিত শেয়ারহোল্ডারগণের মোট শেয়ার সংখ্যা
Total Shares of Attended Shareholders

63636084

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আলোচ্যসূচী / Agenda

Agenda 01

To receive and adopt the Directors' and Auditors' reports and the Audited Accounts of the Company for the year ended December 31, 2020.

RESOLVED that the Audited Financial Statements of the Company for the year ended December 31, 2020 and the Reports of Directors' and Auditors' thereon be and are hereby received and adopted.

Vote

I am in favor of passing this proposal	I am not in favor of passing this proposal
58037537	1045584

প্রশ্ন এবং মন্তব্য / Questions and Comments

Name : Prodip Kumar Das

Thanks everybody and Management for 41 Toms Annual general meeting and pay Handsome good dividend.Ami Prodip Kumar Das.

Name : BISHWAJIT GHOSH.

Thanks everybody and Management for 41 Toms Annual general meeting and pay Handsome good dividend.Agamita dividend barba kina janaban abong A.G.M next 6 months ar business performance aktu Jodi Bolan.Ami Bishwajit Ghosh.B.o.1202050004256108.


CDIB's Name: FARHAN AZHAR
Logout

41st Annual General Meeting (Virtual Platform) || ৪১তম বার্ষিক সাধারণ সভা (ভার্চুয়াল প্ল্যাটফর্ম)

সরাসরি সম্প্রচার / Live Streaming



শেয়ারহোল্ডারগণের মোট উপস্থিতি
Total Attendance of Shareholders

190

উপস্থিত শেয়ারহোল্ডারগণের মোট শেয়ার সংখ্যা
Total Shares of Attended Shareholders

65817892

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আলোচ্যসূচী / Agenda

Agenda 06

To confirm appointment of the Independent Director.

RESOLVED that Mr. Reazul Haque Chowdhury appointed by the Board of Directors in their meeting held on January 25, 2021 for a period of 3 years effective from March 1, 2021. His appointment be and is hereby confirmed.

Vote

I am in favor of passing this proposal	I am not in favor of passing this proposal
58045837	1042083

Special Business:

প্রশ্ন এবং মন্তব্য / Questions and Comments

Name : Prodip Kumar Das

Thanks everybody and Management for 41 Toms Annual general meeting and pay Handsome good dividend.Ami Prodip Kumar Das.

Name : BISHWAJIT GHOSH.

Thanks everybody and Management for 41 Toms Annual general meeting and pay Handsome good dividend.Agamita dividend barba kina janaban abong A.G.M next 6 months ar business performance aktu Jodi Bolan.Ami Bishwajit Ghosh.B.o.1202050004256108.



Rahman Rahman Huq

Chartered Accountants

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Independent Auditor's Report to the Shareholders of Singer Bangladesh Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the financial statements of Singer Bangladesh Limited ("the Company"), which comprise the statement of financial position as at 31 December 2021, 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 2021, and of its financial performance and its cash

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

1. Revenue recognition See note 19 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>Revenue recognition has significant and wide influence on financial statements.</p> <p>Revenue is recognised when amounts and the related costs of goods are reliably measured, and performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognised at the time when the goods are dispatched for delivery to the distributor or handed over to the customers. The Company makes sales on cash, credit and installment basis.</p> <p>A substantial part of the Company's revenue is derived from retail sales through a large number of outlets and comprises high volume of individually small transactions which increase the risk of revenue being recognised inappropriately.</p> <p>Revenue recognition has been identified as a key audit matter because revenue is one of the key performance indicators of the Company and thus there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>The company has reported total revenue of BDT 15,813 million (31 December 2020: BDT 14,960 million) in current year.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> Evaluation of design and implementation of key internal financial controls with respect to the revenue recognition and testing the operating effectiveness of such controls. Substantive testing of revenue recorded over the period using sampling techniques, by examining the relevant supporting documents including sales invoices, agreements and outbound delivery notes. Testing sales transactions recognised shortly before and after the reporting date, including the sales returns recorded after that date, to test whether sales transactions were recorded in the correct reporting period. Through testing of IT application controls checking that all invoices are sequential.

Rahman Rahman Huq, a partnership firm registered in Bangladesh and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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Rahman Rahman Huq
Chartered Accountants

Independent Auditor's Report (continued)

2. Recoverability of trade receivables
See note 9 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company had trade receivables of BDT 2,547 million (31 December 2020: BDT 2,347 million) at 31 December 2021.</p> <p>The recent economic turmoil due to the impact of COVID 19 cast doubt on customers' ability to repay their outstanding account balances.</p> <p>When management determines expected credit loss rate and the expected recoverable amount of receivables, they consider the internal historical credit loss experience, current status, and forward-looking information, which involves significant accounting estimates and judgments, and the amount of impact is significant. Furthermore, allowance for doubtful debt is processed manually using voluminous data extracted from the Company's IT systems.</p> <p>Due to the high level of judgment and estimation uncertainty involved, as well as the manual process in estimating the provision, this has been considered as a key audit matter.</p>	<p>Our audit procedures around recoverability of receivables included:</p> <ul style="list-style-type: none"> ▪ Evaluation of design and implementation of key control of reviewing, assessing and determining the impairment of receivables and testing the operating effectiveness of such controls. ▪ Evaluation of appropriateness of management's method for classifying receivables into different categories for impairment testing. ▪ Evaluation of appropriateness of expected credit loss model used by management to determine provision with reference to historical credit loss experience and forward-looking information. ▪ Recalculation of provision of doubtful debt. ▪ Test of invoices/agreements on sample basis to ensure the completeness and accuracy of receivables ageing.

3. Valuation of inventory
See note 8 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company manufactures and sells goods that are subject to changing consumer demands.</p> <p>A significant degree of judgment is required to assess provision of the inventories. Such judgment includes considering the Company's expectations for future sale volumes and prices.</p> <p>Due to the high level of judgment and estimation uncertainty involved, inventory provision has been considered as a key audit matter.</p> <p>The Company has recognised a total inventory provision of BDT 119 million (31 December 2020: BDT 116 million) at 31 December 2021.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> ▪ Evaluation of methodology and management judgement to determine the provision for inventories. ▪ Recalculation of provision for inventory on sample basis and comparison with management calculation. ▪ Evaluation, on a sample basis, whether inventories were stated at the lower of cost or net realisable value at the reporting date by comparing sales prices of inventories sold subsequent to that date.

4. Amalgamation of Business
See note 1.3 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>Singer Bangladesh Limited had a wholly-owned subsidiary, International Appliance Limited, which has been amalgamated into Singer Bangladesh Limited during the year as per the order passed by Hon'ble High Court Division of the Supreme Court of Bangladesh in the Company Matter No. 167 of 2020.</p> <p>We have identified the amalgamation of International Appliance Limited with Singer Bangladesh Limited as a key audit matter because:</p> <ul style="list-style-type: none"> - All assets and liabilities may not be accounted for in the books of accounts of Singer Bangladesh Limited as per court order. - Complex manual journal entries may not be properly identified by management. 	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> ▪ Reviewing of the court order of the amalgamation. ▪ Checking that all assets and liabilities of International Appliance Limited have been transferred to the books of Singer Bangladesh Limited in line with the court order. ▪ Substantive testing of manual journal entries relating to the amalgamation. ▪ Recalculation of current tax assets of International Appliance Limited at amalgamation date and matching the same in the books of Singer Bangladesh Limited.



Rahman Rahman Huq

Chartered Accountants

Independent Auditor's Report (continued)

Other Matter

The financial statements of the Company as at and for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on 25 January 2021.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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



Rahman Rahman Huq
Chartered Accountants

Independent Auditor's Report (continued)

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, actions taken to eliminate threats or safeguards applied;

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

Report on Other Legal and Regulatory Requirements

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

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

with the books of account and returns; and

- d) the expenditure incurred was for the purposes of the Company's business.

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

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

Dhaka, 25 January 2022

DVC: **2202060509AS654291**

Singer Bangladesh Limited

Statement of Financial Position

<i>In BDT</i>	<i>Note</i>	31 December 2021	31 December 2020
Assets			
Property, plant and equipment	3	1,638,340,756	1,082,453,237
Intangible assets	4	23,185,096	23,878,992
Right-of-use (ROU) assets	5	1,370,847,349	1,299,332,072
Investments	6	4,199,450	650,998,506
Deferred tax assets	13	47,986,028	81,110,569
Deposits and prepayments	7	29,370,808	23,092,798
Non-current assets		3,113,929,487	3,160,866,174
Inventories	8	5,749,679,119	3,884,336,529
Trade and other receivables	9	2,794,108,225	2,538,977,929
Advances, deposits and prepayments	7	514,960,924	150,436,499
Current tax assets	18	451,034,014	-
Cash and cash equivalents	10	173,389,682	178,148,480
Current assets		9,683,171,964	6,751,899,437
Total assets		12,797,101,451	9,912,765,611
Equity			
Share capital	11	997,028,380	997,028,380
Reserves	12	563,177,930	565,877,314
Retained earnings		1,836,014,515	1,893,022,627
Total equity		3,396,220,825	3,455,928,321
Liabilities			
Retirement benefit obligations	14	5,310,705	-
Lease liabilities	5	901,271,493	821,749,098
Other liabilities	15	2,000,639,212	1,913,955,202
Non-current liabilities		2,907,221,410	2,735,704,300
Unclaimed dividend		12,421,891	37,021,212
Trade and other payables	16	1,689,648,228	1,904,755,423
Short-term borrowings - secured	17	4,644,314,297	1,611,518,744
Lease liabilities	5	147,274,800	117,621,805
Current tax liabilities	18	-	50,215,806
Current liabilities		6,493,659,216	3,721,132,990
Total equity and liabilities		12,797,101,451	9,912,765,611
Net Asset Value (NAV) per share	34	34.06	34.66

The notes and annexures on pages 73 to 111 are an integral part of these financial statements.



Mohamed Haniffa Mohamed Fairoz
Managing Director



Masud Khan
Director



Kazi Ashiqur Rahman
Company Secretary

As per our report of same date



Auditor

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

Dhaka, 25 January 2022



DVC: 2202060509AS654291

Singer Bangladesh Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

<i>In BDT</i>	<i>Note</i>	31 December 2021	31 December 2020
Sales		15,776,359,213	14,872,279,900
Earned carrying charges		36,630,193	87,530,854
	19	15,812,989,406	14,959,810,754
Cost of sales	20	(11,907,653,919)	(11,102,914,457)
Gross profit		3,905,335,487	3,856,896,297
Operating expenses	21	(2,674,270,695)	(2,438,136,917)
Other income	23	67,392,231	143,993,667
Operating profit		1,298,457,023	1,562,753,047
Finance income		203,837	90,034
Finance costs		(376,634,438)	(392,030,488)
Net finance costs	22	(376,430,601)	(391,940,454)
Profit before contribution to workers' profit participation fund		922,026,422	1,170,812,593
Contribution to workers' profit participation fund	24	(46,101,321)	(58,540,630)
Profit before taxation		875,925,101	1,112,271,963
Income tax expense	25	(357,450,680)	(308,648,431)
Profit after tax		518,474,421	803,623,532
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability	14	(22,441,495)	1,915,862
Related tax	25.2	5,049,336	(478,966)
		(17,392,159)	1,436,897
Total comprehensive income for the year		501,082,262	805,060,429
Earnings per share (EPS)	30	5.20	8.06

The notes and annexures on pages 73 to 111 are an integral part of these financial statements.



Mohamed Haniffa Mohamed Fairoz
Managing Director



Masud Khan
Director



Kazi Ashiqur Rahman
Company Secretary

As per our report of same date



Auditor

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

Dhaka, 25 January 2022



DVC: 2202060509AS654291

Singer Bangladesh Limited

Statement of Changes in Equity

For the year ended 31 December 2021

In BDT	Note >	Share capital	Revaluation reserve	Capital reserve	Non-remittable special capital reserve		Non-distributable special reserve		Retained earnings	Total equity
					12.1	12.2	12.3	12.4		
Balance at 1 January 2020		997,028,380	550,340,462	18,190,942	370,178	232,847	1,851,331,233	3,417,494,042		
Total comprehensive income										
Profit		-	-	-	-	-	-	803,623,532		803,623,532
Other comprehensive income		-	-	-	-	-	-	1,436,897		1,436,897
Total comprehensive income for the year		-	-	-	-	-	-	805,060,429		805,060,429
Transaction with owners of the Company										
Contributions and distributions										
Dividends:										
Cash dividend - 2019		-	-	-	-	-	-	(767,711,855)		(767,711,855)
Total contributions and distributions		-	-	-	-	-	-	(767,711,855)		(767,711,855)
Adjustment for deferred tax arising from revaluation of property, plant and equipment		-	-	-	-	-	-	1,085,705		1,085,705
Transfer of depreciation on revaluation surplus		-	(3,257,115)	-	-	-	-	3,257,115		-
		-	(3,257,115)	-	-	-	-	4,342,820		1,085,705
Balance at 31 December 2020		997,028,380	547,083,347	18,190,942	370,178	232,847	1,893,022,627	3,455,928,321		
Balance at 1 January 2021		997,028,380	547,083,347	18,190,942	370,178	232,847	1,893,022,627	3,455,928,321		
Adjustment for Amalgamation										
Total comprehensive income										
Profit		-	-	-	-	-	-	518,474,421		518,474,421
Other comprehensive income		-	-	-	-	-	-	(17,392,159)		(17,392,159)
Total comprehensive income for the year		-	-	-	-	-	-	501,082,262		501,082,262
Transaction with owners of the Company										
Contributions and distributions										
Dividends:										
Cash dividend 2020		-	-	-	-	-	-	(299,108,515)		(299,108,515)
Total contributions and distributions		-	-	-	-	-	-	(299,108,515)		(299,108,515)
Adjustment for deferred tax arising from revaluation of property, plant and equipment		-	-	-	-	-	-	900,002		900,002
Transfer of depreciation on revaluation surplus		-	(2,699,384)	-	-	-	-	2,699,384		-
		-	(2,699,384)	-	-	-	-	3,599,386		900,002
Balance at 31 December 2021		997,028,380	544,383,963	18,190,942	370,178	232,847	1,836,014,515	3,396,220,825		

The notes and annexures on pages 73 to 111 are an integral part of these financial statements.



Singer Bangladesh Limited Statement of Cash Flows

For the year ended 31 December 2021

<i>In BDT</i>	<i>Note</i>	31 December 2021	31 December 2020
Cash flows from operating activities			
Collections from turnover and other income		18,097,677,105	17,482,925,756
Payments for costs and expenses		(19,272,386,414)	(15,515,361,740)
Interest paid on borrowings/lease		(383,730,601)	(469,502,976)
Payments to workers' profit participation fund		(58,540,556)	(75,321,513)
Income tax paid	18.1	(514,048,421)	(401,148,596)
Net cash from/(used in) operating activities	35	(2,131,028,887)	1,021,590,931
Cash flows from investing activities			
Acquisition of property, plant and equipment		(394,176,446)	(82,300,802)
Dividend received from CDBL	23	1,427,952	856,772
Proceeds from sale of property, plant and equipment	Annex-1	1,400,585	6,911,590
Net cash from/(used in) investing activities		(391,347,909)	(74,532,440)
Cash flows from financing activities			
Term loan received/repayment		(14,214,569)	-
Lease liability (principal repayment)		(237,054,792)	(209,608,190)
Dividends paid		(263,908,194)	(604,539,512)
Net cash from/(used in) financing activities		(515,177,555)	(814,147,702)
Net increase/(decrease) in cash		(3,037,554,351)	132,910,789
Cash and cash equivalents at 1 January		(1,433,370,264)	(1,566,281,053)
Cash and cash equivalents at 31 December		(4,470,924,615)	(1,433,370,264)
Closing cash and cash equivalents have been arrived at as follows:			
Cash and cash equivalents	10	173,389,682	178,148,480
Short-term borrowings - secured (bank overdrafts)	17	(4,644,314,297)	(1,611,518,744)
		(4,470,924,615)	(1,433,370,264)
Net operating cash flow per share (NOCFPS)	35.1	(21.37)	10.25

The notes and annexures on pages 73 to 111 are an integral part of these financial statements.



Singer Bangladesh Limited

Notes to the Financial Statements

1 Reporting entity

1.1 Company profile

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

1.2 Nature of business

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

1.3 Amalgamation with International Appliances Limited (IAL)

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

i) Name and description of acquirer

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

SBL was incorporated for the purpose of carrying on the business of manufacturing of panel televisions, air conditioners, washing machine and grinder and marketing of refrigerators, televisions, air conditioners, sewing machines, computers, washing machines and other consumer electronics and household appliances. The manufacturing plant of the Company is situated at Rajfulbaria, Jhamur, Savar, Dhaka 1340.

ii) Name and description of acquiree

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

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

iii. Acquisition date

As per the Judgment and order dated 01.02.2021 passed by Hon'ble High Court Division of the Supreme Court of Bangladesh in the Company Matter No. 167 of 2020, acquisition date was March 14, 2021.

iv. Percentage of voting equity interest acquired

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



Notes to the Financial Statements (continued)

v. Primary reason for amalgamation

To consolidate and effectively manage the business of manufacturing and marketing of refrigerators, televisions, air conditioners, washing machines and other consumer electronics and household appliances. It is intended that the Transferee Company has been amalgamated with the Transferor Company. The amalgamation of Transferee Company with the Transferor Company would inter alia have the following benefits:

- a) The combination of Transferee Company and Transferor Company would further enhance the strengths of Transferee Company in order to develop the potential for further growth and expansion of the market and to improve synergies, optimize resources and increase fund raising capabilities.
- b) The Transferor Company's business is manufacturing and selling of refrigerators of different capacities, models and types with a brand of "Singer" for exclusive marketing by Singer Bangladesh Limited. This scheme of Amalgamation intends to merge the operations of the Transferor Company with that of the Transferee Company to achieve larger product portfolios, economies of scale, efficiency, optimisation of logistics and distribution network and other related economies by consolidating the business operations by introduction of vertical integration.
- c) The Transferee Company will have the benefit of the combined resources of Transferor Company and Transferee Company. The Transferee Company would be in a position to carry on consolidated operations through optimum utilisation of resources, minimisation of common costs, administrative, managerial and other expenditure and better financial strength, whilst improving operational rationalisation, organisational efficiency, and optimal utilisation of various resources.
- d) The Transferee Company will have potentials to increase earnings per share resulting in maximising shareholders wealth.
- e) The proposed amalgamation will create greater value for the shareholders, creditors and employees than could be delivered as separate companies.
- f) The interest of the existing employees of the Transferor Company shall be protected with continuity of employment, better utilisation of manpower and an opportunity for enhancement of technical knowledge and expertise being provided.

vi. Method of amalgamation

The Amalgamated Company includes in its financial statements the assets, liabilities, income, and expenses of the Amalgamating Company at book value prospectively from the combination date (14 March 2021), without restating pre-combination information. Comparative figures are presented on standalone basis to make it more meaningful to the users of financial statements to understand the increase of assets and liabilities due to amalgamation.

2 Basis of preparation

2.1 Statement of compliance

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council are yet to be issued for public interest entities such as listed entities.

As the FRS are yet to be issued by FRC hence as per the provisions of the FRA (section-69), the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

The Company also complied with the requirements of following laws and regulations from various Government bodies:

- i. Bangladesh Securities and Exchange Ordinance, 1969;
- ii. Bangladesh Securities and Exchange Rules, 2020;
- iii. The Income Tax Ordinance, 1984;
- iv. The Value Added Tax and Supplementary Duty Act, 2012;
- v. Listing Regulations of Dhaka and Chittagong Stock Exchange; and
- vi. Other relevant local laws as applicable.



Notes to the Financial Statements (continued)

These financial statements have been prepared on going concern basis. Unless otherwise specifically mentioned, historical cost principle has been followed for the purpose of these financial statements.

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

Date of authorisation

The management has authorised these financial statements on 25 January 2022.

2.2 Going concern

The Company has adequate resources to continue in operation for foreseeable future and hence, these financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions (specifically COVID 19) which may cast significant doubt upon the Company's ability to continue as a going concern.

2.3 Impact of COVID-19

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

Owing to COVID-19 circumstances, preparation of reliable forecast information is challenging as this can have a pervasive impact across multiple elements of financial statements due to adverse impact which started to get reflected from late March and continued up to middle of August. Thus, entity uses forecast information for multiple purposes such as, the impairment of non-financial assets, expected credit losses (ECL), fair value of assets and liabilities, change in net realisable value of inventory, the recoverability of deferred tax assets and the entity's ability to continue as a going concern.

Sales exceed expectation as positive customer behavior was experienced during the first quarter of 2021. The 2nd wave of COVID-19 pandemic has struck again during April and the government has imposed various restrictions, including lockdown which was continuing up to mid of August 2021, on stage by stage which adversely affected all the business activities. The government has imposed restrictions (lockdown/shutdown) in different districts of the country, specially in the districts nearer to Indian border to prevent the spread of Delta (Indian) variant of COVID-19. As a result of this second wave of COVID-19 pandemic, macroeconomic performance of the country as well as the Company's operations and its financial position have impacted unfavorably.

Businesses were tended to return to their normal environment and positive customer behavior was noticed in the market after the relaxation of the restrictions. However, overall economy of the country is passing through the threat of new variant (i.e. Omicron) of COVID-19 which has again created uncertainties worldwide, indicated by locally increase of energy prices, increasing trend of inflation (both food and non-food items) and lower foreign remittance flow for last couple of months. Along with rising trend of inflation in Bangladesh, prices of most of the commodities rocketed in the global markets because of demand recovery, an unprecedented level of shipping charges and supply chain constraints. Locally increase of energy prices has created pressure on commuting expenses than before. Consumer spending on appliance products has decreased under this pressurised situation of the economy, where people are mostly prioritising the spending of their earnings to satisfy their basic needs like- food, housing, medical treatment etc.

Despite all these factors mentioned above, the management of the Company strongly believes that, there is no need to re-evaluate/re-measure for the impairment of non financial assets, fair value of assets and liabilities, any potential decrease in net realisable value of inventory, any adverse impact on employee benefits and employer obligations and the entity's ability to continue as a going concern except for some impact of expected credit losses. For this impact of expected credit losses (ECL), management has been continuously evaluating for measurement and recognition of any excess losses on a monthly basis. However, there are improvements in the context of overdue receivable collections which are supporting the consideration of the reduction of any unusual incremental impact from the ECL point of view. Assessment for ECL is described in Note-31.1.2.

2.4 Functional and presentational currency

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



Notes to the Financial Statements (continued)

2.5 Use of judgements and estimates

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

(a) Judgements

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

Note 5 Right-of-use assets

Note 5 Lease liabilities

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 3 Property, plant and equipment

Note 8 Inventories

Note 9.3 Provision for doubtful debts

Note 13 Deferred tax assets

Note 14 Employee benefits

Note 18 Current tax liabilities

Note 26 Contingent liabilities

2.6 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when it is:

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

The company classifies all other liabilities as non-current.



Notes to the Financial Statements (continued)

3 Property, plant and equipment

See accounting policy in Note 38 (F)

Reconciliation of carrying amount

In BDT	Land		Building		Leasehold improvements			Plant and machinery	Vehicles	Furniture and fixtures	Equipment and tools	CWIP (Note 3.1)	Total
	Office	Factory	Office	Shops	Shops								
Cost													
Balance at 1 January 2020	561,180,000	87,714,677	221,377,967	-	22,646,717	542,612,911	67,228,012	116,517,320	24,843,067	228,506,986	1,051,441	1,873,679,097	
Additions	-	-	-	-	61,300	46,776,971	-	11,791,178	1,842,065	22,376,469	324,260	83,172,243	
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	
Disposals/transfers	-	-	-	-	-	(8,849,106)	(25,581,421)	(3,450,000)	(228,450)	(9,556,028)	(1,051,441)	(48,716,446)	
Balance at 31 December 2020	561,180,000	87,714,677	221,377,967	-	22,708,017	580,540,776	41,646,591	124,858,498	26,456,682	241,327,427	324,260	1,908,134,894	
Balance at 1 January 2021	561,180,000	87,714,677	221,377,967	-	22,708,017	580,540,776	41,646,591	124,858,498	26,456,682	241,327,427	324,260	1,908,134,894	
Amalgamation of business	-	-	-	16,449,852	-	-	435,807,162	9,126,494	6,303,005	17,976,848	-	485,663,361	
Additions	-	-	-	-	-	40,314,139	164,327,043	38,040,926	537,500	20,594,649	280,815,835	544,630,092	
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	
Disposals/transfers	-	-	-	-	-	(4,057,850)	-	(2,065,000)	(23,256)	(4,443,242)	(154,830,969)	(165,420,317)	
Balance at 31 December 2021	561,180,000	87,714,677	221,377,967	16,449,852	22,708,017	616,797,065	641,780,796	169,960,918	33,273,931	275,455,682	126,309,126	2,773,008,030	
Accumulated depreciation													
Balance at 1 January 2020	-	52,926,307	195,590,684	-	12,966,659	250,377,625	45,587,446	78,383,817	11,547,398	137,718,055	-	785,097,991	
Depreciation for the year	-	3,478,837	5,157,460	-	1,452,666	30,212,617	4,328,112	9,768,497	1,411,551	19,629,648	-	75,439,388	
Adjustment for disposal/transfers	-	-	-	-	-	(4,575,407)	(18,667,193)	(3,153,647)	(123,613)	(8,335,862)	-	(34,855,722)	
Balance at 31 December 2020	-	56,405,144	200,748,144	-	14,419,325	276,014,835	31,248,365	84,998,667	12,835,336	149,011,841	-	825,681,657	
Balance at 1 January 2021	-	56,405,144	200,748,144	-	14,419,325	276,014,835	31,248,365	84,998,667	12,835,336	149,011,841	-	825,681,657	
Amalgamation of business	-	-	-	6,423,345	-	-	162,772,735	3,040,227	1,889,933	5,307,903	-	179,434,143	
Depreciation for the year	-	3,130,953	4,125,965	4,125,965	1,310,976	31,269,158	61,564,100	11,662,355	1,718,903	22,110,215	-	138,254,491	
Adjustment for disposal/transfers	-	-	-	-	-	(2,716,353)	-	(1,877,470)	(4,403)	(4,104,791)	-	(8,703,017)	
Balance at 31 December 2021	-	59,536,097	204,874,109	7,785,211	15,730,301	304,567,640	255,585,200	97,823,779	16,439,769	172,325,168	-	1,134,667,274	
Carrying amounts													
At 1 January 2020	561,180,000	34,788,370	25,787,283	-	9,680,058	292,235,286	21,640,566	38,133,503	13,295,669	90,788,931	1,051,441	1,088,581,106	
At 31 December 2020	561,180,000	31,309,533	20,629,823	-	8,288,692	304,525,941	10,398,226	39,859,831	13,621,346	92,315,586	324,260	1,082,453,237	
At 31 December 2021	561,180,000	28,178,580	16,503,858	8,664,641	6,977,716	312,229,425	386,195,596	72,137,139	16,834,162	103,130,514	126,309,126	1,638,340,756	



Notes to the Financial Statements (continued)

3.1 Capital work in progress (CWIP)

<i>In BDT</i>	Leasehold improvements	Building	Total
Cost			
Balance at 1 January 2020	1,051,441	-	1,051,441
Additions	324,260	-	324,260
Disposals/transfers	(1,051,441)	-	(1,051,441)
Balance at 31 December 2020	324,260	-	324,260

<i>In BDT</i>	Leasehold improvements	Building	Total
Cost			
Balance at 1 January 2021	324,260	-	324,260
Additions	280,815,835	-	280,815,835
Disposals/transfers	(154,830,969)	-	(154,830,969)
Balance at 31 December 2021	126,309,126	-	126,309,126

3.2 Allocation of depreciation

<i>In BDT</i>	Note	For the year ended 31 December	
		2021	2020
Cost of sales	20	72,208,228	12,168,040
Operating expenses	21	66,046,263	63,271,348
		138,254,491	75,439,388

4 Intangible assets

See accounting policy in Note 38 (G)

Reconciliation of carrying amount

<i>In BDT</i>	Software	
	2021	2020
Cost		
Balance at 1 January	75,942,406	75,762,406
Amalgamation of business	620,174	-
Additions	4,275,390	180,000
Disposals/transfers	-	-
Balance at 31 December	80,837,970	75,942,406
Accumulated amortisation		
Balance at 1 January	52,063,414	46,097,416
Amalgamation of business	73,873	-
Amortisation for the year	5,515,587	5,965,998
Adjustment for disposal/transfers	-	-
Balance at 31 December	57,652,874	52,063,414

Carrying amounts

<i>In BDT</i>	2021	2020
Balance at 31 December	23,185,096	23,878,992

Notes to the Financial Statements (continued)

5 Leases

See accounting policy in Note 38 (V)

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

<i>In BDT</i>	<i>Note</i>	2021	2020
Right-of-use assets	5.1	1,370,847,349	1,299,332,072
Lease liabilities	5.2	1,048,546,293	939,370,903

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

5.1 Right-of-use assets**Reconciliation of carrying amount**

<i>In BDT</i>	2021	2020
Cost		
Balance at 1 January	1,713,335,006	1,552,623,417
Amalgamation of business	139,548,531	-
Additions	309,192,420	216,558,304
Disposals/adjustments	(27,865,209)	(55,846,715)
Balance at 31 December	2,134,210,748	1,713,335,006
Accumulated depreciation		
Balance at 1 January	414,002,934	212,555,103
Amalgamation of business	69,398,194	-
Depreciation for the year	295,364,110	238,732,256
Disposals/adjustments	(15,401,839)	(37,284,424)
Balance at 31 December	763,363,399	414,002,934
Carrying amounts	2021	2020
At 31 December	1,370,847,349	1,299,332,072

5.2 Lease liabilities

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

<i>In BDT</i>	2021	2020
Current	147,274,800	117,621,805
Non-current	901,271,493	821,749,098
Lease liabilities included in the statement of financial position at 31 December	1,048,546,293	939,370,903

Amounts recognised in profit or loss

<i>In BDT</i>	2021	2020
Interest on lease liabilities	106,512,108	95,662,522
	106,512,108	95,662,522

Amounts recognised in the statement of cash flows

<i>In BDT</i>	2021	2020
Total cash outflow for leases	343,566,900	305,270,712
	343,566,900	305,270,712



Notes to the Financial Statements (continued)

6 Investments

See accounting policy in Note 38 (M)

<i>In BDT</i>	<i>Note</i>	2021	2020
Investment in subsidiary	6.1	-	646,799,056
Investment in term deposit		2,630,000	2,630,000
Investment in Central Depository Bangladesh Limited (CDBL)		1,569,450	1,569,450
		4,199,450	650,998,506

6.1 Investment in subsidiary

International Appliances Limited (IAL) was a fully owned subsidiary of Singer Bangladesh Limited ("the Company"). Subsequently, IAL has been amalgamated with the Company in the current year on 14 March 2021.

The detail of investment in IAL:

<i>In BDT</i>		
Investment up to 2018		351,787,595
Investment in 2019		295,011,461
Total		646,799,056

7 Advances, deposits and prepayments

See accounting policy in Note 38 (H)

<i>In BDT</i>	2021	2020
Advances	-	-
Security deposits	29,370,808	23,092,797
Deposits	29,370,808	23,092,797
Prepayments	514,960,924	150,436,500
Prepayments	514,960,924	150,436,500
Total	544,331,732	173,529,297
<i>In BDT</i>	2021	2020
Non-current portion of deposits and prepayments	29,370,808	23,092,798
Current portion of advances, deposits and prepayments	514,960,924	150,436,499
Total	544,331,732	173,529,297

8 Inventories

See accounting policy in Note 38 (E)

<i>In BDT</i>	2021	2020
Finished goods	4,809,718,430	3,247,122,506
Non-Trade goods	20,341,512	11,649,809
Raw materials	760,659,208	102,504,365
Goods in transit	277,736,823	638,836,703
	5,868,455,973	4,000,113,383
Provision for inventory obsolescence	(118,776,854)	(115,776,854)
	5,749,679,119	3,884,336,529

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)

9 Trade and other receivables

See accounting policy in Note 38 (H)

<i>In BDT</i>	<i>Note</i>	2021	2020
Trade receivables	9.1	2,546,852,527	2,347,210,524
Other receivables	9.2	247,255,698	191,767,405
		2,794,108,225	2,538,977,929

9.1 Trade receivables

<i>In BDT</i>	<i>Note</i>	2021	2020
Hire customer receivables	9.1.1	2,238,678,962	2,153,043,022
Trade and dealer receivables	9.1.2	308,173,565	194,167,502
		2,546,852,527	2,347,210,524

9.1.1 Hire customer receivables

<i>In BDT</i>	<i>Note</i>	2021	2020
Hire receivable from customers		2,585,847,449	2,530,757,114
Unearned carrying charges		(296,435,033)	(304,849,928)
		2,289,412,416	2,225,907,186
Provision for doubtful debts	9.3.1	(50,733,454)	(72,864,164)
		2,238,678,962	2,153,043,022

9.1.2 Trade and dealer receivables

<i>In BDT</i>	<i>Note</i>	2021	2020
Trade receivables		148,077,548	131,377,636
Receivables from dealers		183,219,776	91,265,444
		331,297,324	222,643,080
Provision for doubtful debts	9.3.1	(23,123,759)	(28,475,578)
		308,173,565	194,167,502

9.2 Other receivables

<i>In BDT</i>	<i>Note</i>	2021	2020
Receivable from Shop Managers		49,066,034	24,890,323
Receivable from Retail Holdings Bhold B.V., The Netherlands		2,158,465	2,158,465
Receivable from employees		6,121,374	6,233,871
Receivable from others	9.2.1	241,588,871	186,145,792
Employees provident fund		406,603	2,266,275
Retirement benefit	14	-	10,878,328
		299,341,347	232,573,054
Provision for doubtful debts	9.3.1	(52,085,649)	(40,805,649)
		247,255,698	191,767,405

9.2.1 Receivable from others includes BDT 110,000,000 in respect of insurance claim regarding inventories of Chottogram warehouse which were burnt due to fire on 20 March 2019. Total value of inventories burnt was BDT 126,752,760. Out of this, BDT 110,000,000 had been covered by insurance. Insurance company had appointed the independent surveyor for an independent report to acknowledge the loss suffered by Singer. Inventory had been fully adjusted for this incident and receivables had been recognised because it is virtually certain that the claim will be recoverable.



Notes to the Financial Statements (continued)

9.3 Provision for doubtful debts

<i>In BDT</i>	<i>Note</i>	2021	2020
Opening balance		142,145,391	84,388,268
Provision for the year		22,051,844	85,838,216
		164,197,235	170,226,484
Written-off during the year		(38,254,373)	(28,081,093)
Closing balance	9.3.1	125,942,862	142,145,391

9.3.1 Provision for doubtful debts-Closing balance

<i>In BDT</i>	<i>Note</i>	2021	2020
Hire customer receivables	9.1.1	50,733,454	72,864,164
Trade and dealer receivables	9.1.2	23,123,759	28,475,578
Other receivables	9.2	52,085,649	40,805,649
		125,942,862	142,145,391

9.4 Ageing of hire receivables from customers

<i>In BDT</i>	<i>Note</i>	2021	2020
Due within 3 months		1,072,685,556	1,077,801,115
Due over 3 months but within 6 months		851,462,442	856,696,578
Due over 6 months but within 9 months		464,805,148	445,265,852
Due over 9 months but within 12 months		160,750,205	135,292,146
Over 12 months		36,144,098	15,701,423
	9.5	2,585,847,449	2,530,757,114

9.5 Particulars of hire receivables from customers

<i>In BDT</i>	2021	2020
Secured - considered good:		
Debts due within 6 months	1,873,414,544	1,861,633,529
Debts due over 6 months	661,699,451	596,259,421
	2,535,113,995	2,457,892,950
Secured - considered doubtful:	50,733,454	72,864,164
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	-	-
	2,585,847,449	2,530,757,114

10 Cash and cash equivalents

See accounting policy in Note 38 (H)

<i>In BDT</i>	2021	2020
Cash in hand	75,892	91,993
Cash at bank	166,901,713	168,930,076
Cash in transit	6,412,077	9,126,411
	173,389,682	178,148,480



Notes to the Financial Statements (continued)

11 Share capital

<i>In BDT</i>	2021	2020
Authorised:		
250,000,000 ordinary shares of Taka 10 each	2,500,000,000	2,500,000,000
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
99,574,588 ordinary shares of Taka 10 each issued as fully paid-up bonus shares	995,745,880	995,745,880
	997,028,380	997,028,380

Shareholding position:	2021		2020	
	No. of share	Value (BDT)	No. of share	Value (BDT)
Name of shareholder				
Retail Holdings Bhold B.V., The Netherlands	36,886,123	368,861,230	36,886,123	368,861,230
Retail Holdings Bhold B.V., The Netherlands - non-remittable shares	19,933,214	199,332,140	19,933,214	199,332,140
Local shareholders	42,883,501	428,835,010	42,883,501	428,835,010
	99,702,838	997,028,380	99,702,838	997,028,380

Beneficial percentage of holdings	2021	2020
	Name of shareholder	
Retail Holdings Bhold B.V., The Netherlands	37.00%	37.00%
Retail Holdings Bhold B.V., The Netherlands - non-remittable shares	20.00%	20.00%
Local shareholders	43.00%	43.00%
	100.00%	100.00%

Classification of shareholders by holding:	Number of shareholders		Total holding (%)	
	2021	2020	2021	2020
Shareholding range				
Less than 500 shares	6,581	6,509	1.02	1.02
500 to 5,000 shares	2,651	3,041	4.18	4.76
5,001 to 10,000 shares	226	255	1.61	1.80
10,001 to 20,000 shares	120	155	1.76	2.28
20,001 to 30,000 shares	54	47	1.38	1.18
30,001 to 40,000 shares	19	37	0.69	1.33
40,001 to 50,000 shares	16	23	0.74	1.07
50,001 to 100,000 shares	31	53	2.32	3.92
100,001 to 1,000,000 shares	54	56	15.14	14.17
Over 1,000,000 shares	9	9	71.16	68.47
	9,761	10,185	100.00	100.00

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

12 Reserves

<i>In BDT</i>	<i>Note</i>	2021	2020
Revaluation reserve	12.1	544,383,963	547,083,347
Capital reserve	12.2	18,190,942	18,190,942
Non-remittable special capital reserve	12.3	370,178	370,178
Non-distributable special reserve	12.4	232,847	232,847
		563,177,930	565,877,314



Notes to the Financial Statements (continued)

12.1 Revaluation reserve

The land of the Company was revalued as of 14 December 2016 by independent professional valuer, 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.

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 is not allowed having remaining economic life of less than 50% of its total useful life as estimated at construction. Apropos this clause, no upward revaluation was accounted for 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". Based on management assessment the revaluation is not required during this year as the fair value of revalued assets is not materially differed from last revaluation.

12.2 Capital reserve

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

12.3 Non-remittable special capital reserve

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

12.4 Non-distributable special reserve

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

13 Deferred tax assets/(liabilities)

See accounting policy in Note 38 (D)

<i>In BDT</i>	<i>Note</i>	2021	2020
Opening balance		81,110,569	43,667,319
Amalgamation of business		(26,558,458)	-
		54,552,111	43,667,319
Released/(expense) during the year		(7,466,085)	36,357,545
Transferred to retained earnings		900,002	1,085,705
		(6,566,083)	37,443,250
Closing balance	13.1	47,986,028	81,110,569

13.1 Closing balance

<i>In BDT</i>	<i>Note</i>	2021	2020
Deferred tax assets	13.1.1	106,484,796	102,618,606
Deferred tax liabilities	13.1.2	(58,498,768)	(21,508,037)
		47,986,028	81,110,569

13.1.1 Deferred tax assets

<i>In BDT</i>	2021	2020
Reserve against inventories	27,956,595	28,944,213
Reserve for warranty	32,958,532	29,502,987
Provision for bad debts	28,337,144	35,536,348
Property, plant and equipment	-	1,354,042
Leases	17,232,525	7,281,016
	106,484,796	102,618,606

13.1.2 Deferred tax liabilities

<i>In BDT</i>	2021	2020
Revaluation of land and building	(19,169,118)	(21,508,037)
Property, plant and equipment	(39,329,650)	-
	(58,498,768)	(21,508,037)

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



Notes to the Financial Statements (continued)

14 Employee benefit**Gratuity**

See accounting policy in Note 38 (O)

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

<i>In BDT</i>	2021	2020
Amounts recognised in the statement of financial position		
Defined benefit obligation	(151,567,088)	(132,449,159)
Fair value of plan assets	146,256,383	143,327,487
Net defined benefit plan assets	(5,310,705)	10,878,328
Change in benefit obligation		
Benefit obligation at end of prior year	(132,449,159)	(127,228,827)
Service cost	(9,831,936)	(8,324,868)
Interest expense	(9,933,687)	(10,814,450)
Benefit payments from plan assets	9,090,131	18,048,707
Experience gain/(loss)	(8,442,437)	(4,129,721)
Defined benefit obligation at end of year	(151,567,088)	(132,449,159)
Change in fair value of plan assets		
Fair value of plan assets at end of prior year	143,328,328	132,081,487
Interest income	10,748,784	11,226,926
Employer contributions	15,268,460	12,023,039
Benefit payments from plan assets	(9,090,131)	(18,048,707)
Actuarial gains/(losses) on plan assets	(13,999,058)	6,045,583
Fair value of plan assets at end of year	146,256,383	143,328,328
Fair value of plan assets		
Investment	143,416,343	135,479,654
Accrued interest on investment	2,774,178	3,931,641
Cash at bank	65,860	3,917,033
	146,256,381	143,328,328
Components of Defined Benefit Cost (DBO)		
Service cost	9,831,936	8,324,868
Interest expense on DBO	9,933,687	10,814,450
Interest (income) on plan assets	(10,748,784)	(11,226,926)
Defined benefit cost included in profit or loss	9,016,839	7,912,392
Remeasurements (recognised in other comprehensive income-OCI)		
Experience gain/(loss)	(8,442,437)	(4,129,721)
Actuarial gains/(losses) on plan assets	(13,999,058)	6,045,583
Total remeasurements in OCI	(22,441,495)	1,915,862
Total defined benefit cost recognised in profit or loss and OCI	31,458,334	5,996,530

15 Other liabilities

<i>In BDT</i>	<i>Note</i>	2021	2020
Non-remittable accounts	15.1	1,622,235,133	1,562,435,491
Security deposits from branch managers, agents and dealers		338,472,051	312,186,330
Warranty - long term portion		39,932,028	39,333,381
		2,000,639,212	1,913,955,202



Notes to the Financial Statements (continued)

15.1 Non-remittable accounts

<i>In BDT</i>	2021	2020
Current account	(78)	(78)
Dividend account:		
Opening balance	1,561,955,579	1,408,469,831
Dividend for the year	59,799,642	153,485,748
Closing balance	1,621,755,221	1,561,955,579
Capital gain on sale of land	479,990	479,990
	1,622,235,133	1,562,435,491

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

As per directive of Bangladesh Bank, the balance of 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.

16 Trade and other payables

See accounting policy in Note 38 (H)

<i>In BDT</i>	Note	2021	2020
Trade payables	16.1	451,693,441	673,528,013
Other payables	16.2	1,237,954,787	1,231,227,410
		1,689,648,228	1,904,755,423

16.1 Trade payables

<i>In BDT</i>	2021	2020
Trade payable	393,228,925	619,827,572
Freight and carriage and technicians bills payable	58,464,516	53,700,441
	451,693,441	673,528,013

16.2 Other payables

<i>In BDT</i>	Note	2021	2020
Payable for expenses	16.2.1	787,003,809	809,656,488
Royalty		354,380,337	314,648,015
Payable for other finance	16.2.2	96,361,641	94,105,042
Leasehold improvements against new shops		209,000	12,817,865
		1,237,954,787	1,231,227,410

16.2.1 Payable for expenses

<i>In BDT</i>	2021	2020
Advertisement and sales promotion	294,326,778	252,793,207
Reserve for early closing of hire sales	216,797,083	262,265,321
Shop rent	13,527,461	20,422,400
Warranty expenses	79,876,045	78,678,565
Reserve for allowable loss	50,155,128	51,969,978
Workers' profit participation and welfare fund	46,101,321	58,540,556
Duty and freight	9,958,156	9,958,156
Utilities	5,000,000	5,000,000
Interest	10,800,000	18,100,000
Transacting & collecting commission/bonuses	3,110,073	8,994,559
Salary and benefits	28,694,137	26,746,448
Statutory audit fee	1,380,000	1,150,000
Selling expenses	1,040,095	1,033,311
Professional and technical fees	4,916,000	7,835,000
Insurance and other	21,321,532	6,168,987
	787,003,809	809,656,488



Notes to the Financial Statements (continued)

16.2.2 Payable for other finance

<i>In BDT</i>	2021	2020
VAT payable - realised from customers	5,964,979	7,440,343
Withholding taxes	24,297,195	21,289,318
Advances from customers	8,266,047	17,360,384
Others	57,833,420	48,014,997
	96,361,641	94,105,042

17 Short-term borrowings - secured

See accounting policy in Note 38 (H)

<i>In BDT</i>	2021	2020
Bank overdrafts/Short-term loan	4,644,314,297	1,611,518,744

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

<i>In BDT</i>		2021	2020
Commercial Bank of Ceylon Plc	Bank overdraft	231,691,693	110,789,571
Pubali Bank Ltd.	Bank overdraft	211,230,155	109,944,575
HSBC	Bank overdraft	300,670,122	109,661,063
Bank-Al-Falah	Bank overdraft	296,788,391	271,190,155
Standard Chartered Bank Ltd.	Bank overdraft	278,334,016	46,494,229
Eastern Bank Ltd.	Bank overdraft	23,124,954	35,264,762
Mutual Trust Bank Ltd.	Bank overdraft	3,753,860	5,049,995
City Bank Ltd.	Bank overdraft	48,675,646	56,735,395
Dhaka Bank Ltd.	Bank overdraft	45,459	-
Commercial Bank of Ceylon Plc	Short-term loan	1,190,000,000	516,000,000
HSBC	Short-term loan	350,000,000	60,389,000
Standard Chartered Bank Ltd.	Short-term loan	400,000,000	120,000,000
Bank-Al-Falah	Short-term loan	100,000,000	100,000,000
Pubali Bank Ltd.	Short-term loan	110,000,000	40,000,000
Eastern Bank Ltd.	Short-term loan	500,000,000	-
City Bank Ltd.	Short-term loan	100,000,000	-
Dutch Bangla Bank Ltd.	Short-term loan	500,000,000	-
Trust Bank Ltd.	Short-term loan	-	30,000,000
		4,644,314,297	1,611,518,744

18 Current tax assets/(liabilities)

See accounting policy in Note 38 (D)

<i>In BDT</i>	Note	2021	2020
Advance income tax	18.1	2,596,873,524	1,667,739,997
Provision for income tax	18.2	(2,145,839,510)	(1,717,955,803)
		451,034,014	(50,215,806)

18.1 Advance income tax

<i>In BDT</i>	2021	2020
Opening balance	1,667,739,997	1,266,591,401
Amalgamation of business	415,085,106	-
	2,082,825,103	1,266,591,401
Add: Advance income tax paid during the year	514,048,421	401,148,596
Closing balance	2,596,873,524	1,667,739,997



Notes to the Financial Statements (continued)

18.2 Provision for income tax

<i>In BDT</i>	2021	2020
Opening balance	1,717,955,803	1,372,949,827
Amalgamation of business	77,899,112	-
	1,795,854,915	1,372,949,827
Provision during the year	390,884,595	345,005,976
Adjustment for prior year	(40,900,000)	-
	2,145,839,510	1,717,955,803

19 Turnover

See accounting policy in Note 38 (A)

A. Revenue streams

<i>In BDT</i>	2021	2020
Revenue from contracts with customers	15,776,359,213	14,872,279,900
Earned carrying charges	36,630,193	87,530,854
	15,812,989,406	14,959,810,754

B. Disaggregation of revenue from contracts with customers

<i>In BDT</i>	2021	2020
Home appliances	10,707,008,863	10,028,124,122
Consumer electronics	3,657,823,147	2,555,594,164
Sewing machines	1,149,577,110	758,719,059
Other appliances	261,950,093	1,529,842,555
	15,776,359,213	14,872,279,900

Previous year's figures have been rearranged for the purpose of current year's presentation.

C. Contract balances

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

<i>In BDT</i>	Note	2021	2020
Receivables, which are included in 'trade and other receivables'	9	2,546,852,527	2,347,210,524
		2,546,852,527	2,347,210,524

D. Performance obligations and revenue recognition policies

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

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



Notes to the Financial Statements (continued)

20 Cost of sales

<i>In BDT</i>	<i>Note</i>	2021	2020
Opening inventory of raw materials		741,341,068	1,068,414,900
Purchased during the year		13,339,071,604	8,053,008,938
Closing inventory of raw materials		(1,038,396,031)	(741,341,068)
Raw materials consumption	20.1	13,042,016,641	8,380,082,770
Factory salaries and wages		144,147,513	81,262,868
Freight and carriage		43,975,589	158,719,941
Rent		450,000	-
Depreciation	3.2	72,208,228	12,168,040
Depreciation of right-of-use assets		25,951,340	-
Repairs and maintenance		11,421,705	391,612
Utilities		14,570,681	3,695,481
Bonus		8,243,030	5,191,212
Consumable stores		4,990,421	3,161,403
Gratuity		3,025,000	2,170,318
Employee benefits and recreation		9,167,908	4,372,899
Contribution to provident fund		3,093,206	2,253,366
Fuel and car maintenance		5,070,024	5,599,914
Insurance		6,629,083	1,437,573
Stationery		1,771,776	1,508,947
Conveyance and travelling		371,620	372,293
Postage & communication		19,250	-
Miscellaneous		7,403,006	2,959,214
		362,509,380	285,265,081
Works cost (materials + manufacturing expenses)		13,404,526,021	8,665,347,851
Opening work-in-process		-	-
Closing work-in-process		-	-
Cost of production		13,404,526,021	8,665,347,851
Opening inventory of finished goods		3,258,772,315	2,819,790,144
Purchase/production of finished goods		74,415,525	2,876,548,777
		3,333,187,840	5,696,338,921
Closing inventory of finished goods	20.2	(4,830,059,942)	(3,258,772,315)
Cost of sales		11,907,653,919	11,102,914,457

20.1 Raw materials consumption

<i>In BDT</i>	Balance at 1 January 2021	Purchases during the year	Balance at 31 December 2021	Consumption during the year
Imported				
Television	82,005,618	1,835,223,505	(83,291,248)	1,833,937,875
Air conditioner	18,667,945	1,085,675,820	(11,752,839)	1,092,590,926
Washing Machine	-	180,988,700	(19,155,724)	161,832,976
Grinder	-	61,834,153	(22,618,366)	39,215,787
Refrigerator		3,708,635,612	(623,857,721)	3,084,777,891
Others	640,667,505	6,466,713,815	(277,720,134)	6,829,661,186
	741,341,068	13,339,071,605	(1,038,396,032)	13,042,016,641



Notes to the Financial Statements (continued)

20.2 Closing stock of finished goods

<i>In BDT</i>	2021	2020
Home appliance	3,256,526,174	2,374,965,626
Consumer electronic	1,001,755,992	308,596,588
Sewing	362,712,136	110,275,380
Furniture	336,743	1,690,788
Other	208,728,896	463,243,933
	4,830,059,941	3,258,772,315

21 Operating expenses

<i>In BDT</i>	Note	2021	2020
Advertisement and sales promotion	21.1	431,996,454	457,688,280
Shop operating expenses		408,132,664	470,748,035
Salaries and allowances		430,287,151	412,977,866
Rent and occupancy		83,060,643	35,913,868
Royalty	21.2	174,101,723	144,082,480
Warranty		228,667,030	223,687,845
Utilities		62,127,961	53,322,903
Depreciation	3.2	66,046,263	63,271,347
Depreciation of right-of-use assets		254,010,925	238,732,256
Bad debts		22,051,844	85,838,216
Office administration		63,866,587	56,880,279
Repairs and maintenance		47,521,677	52,386,235
Directors' fee and remuneration	21.3	27,821,955	28,666,716
Travelling		35,183,895	31,620,965
Amortisation	4	5,515,587	5,965,998
Bank charge		30,125,384	25,334,278
Insurance		17,166,446	7,238,251
Fuel and car maintenance		3,009,523	2,832,399
Professional and technical fees	21.4	4,367,446	9,767,724
Entertainment		4,126,651	4,043,140
Statutory audit fee		1,380,000	1,150,000
Dues and subscription		502,177	590,260
Demurrage cost**		273,200,709	25,397,576
		2,674,270,695	2,438,136,917

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

21.1 Advertisement and sales promotion

<i>In BDT</i>	2021	2020
Advertisement	203,049,590	172,256,344
Selling expenses	197,947,204	233,379,830
Sales promotion	25,574,660	27,198,293
Meeting & conference expenses	5,425,000	24,853,813
	431,996,454	457,688,280



Notes to the Financial Statements (continued)

21.2 Royalty

See accounting policy in Note 38 (K)

Retail Holdings Bhold B.V.

Manufactured products <i>In BDT</i>	Turnover from manufacturing units		Royalty charge for the year	
	2021	2020	2021*	2020
Audio-video sets (television)	2,249,630,566	2,382,254,538	78,737,070	89,334,545
Air conditioner	1,868,624,763	1,456,301,886	65,401,867	54,611,321
Furniture	-	3,643,033	-	136,614
Refrigerator	2,996,278,650	-	29,962,787	-
	7,114,533,979	3,842,199,457	174,101,723	144,082,480
Refrigerator*	702,395,980	-	7,023,960	-
Amalgamation of business*	7,816,929,959	3,842,199,457	181,125,683	144,082,480

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

Royalty was charged on the net annual invoice price of products manufactured by Singer Bangladesh Limited @ 3.75% (Approx.) on audio-video sets, air conditioner and furniture for the year 2020.

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

Manufactured products <i>In BDT</i>	Turnover from manufacturing units 2020	Royalty charge for the year 2020
Refrigerator**	2,652,172,729	29,173,900

**Consolidated amount is presented for refrigerator category in comparative year (2020) for necessary information of concerned authority.

21.3 Director's fee and remuneration

<i>In BDT</i>	2021	2020
Remuneration	24,802,018	25,725,755
Housing	1,181,728	1,051,512
Medical and welfare	1,403,509	1,604,824
Fees	434,700	284,625
	27,821,955	28,666,716

21.4 Professional and technical fees

<i>In BDT</i>	2021	2020
Legal and technical services fees	2,551,083	2,970,974
Audit and other consultancy	1,816,363	6,796,750
	4,367,446	9,767,724

22 Net finance costs

See accounting policy in Note 38 (B)

<i>In BDT</i>	2021	2020
Finance income	203,837	90,034
Interest expenses on borrowings	(270,122,330)	(296,367,966)
Interest expenses on leases	(106,512,108)	(95,662,522)
Foreign exchange gain/(loss)	-	-
Finance costs	(376,634,438)	(392,030,488)
	(376,430,601)	(391,940,454)



Notes to the Financial Statements (continued)

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>	2021	2020
Sale of scrapped inventories and others	39,363,437	266,000
Dividend income from CDBL	1,427,952	856,772
Gain/(loss) on sale of fixed assets	(485,748)	(5,897,693)
Fire loss of inventory	(120,005,185)	-
Hire agreement fees	110,358,919	118,307,541
Reverts product sale	20,774,163	19,168,668
Income from financial & related services	1,627,822	2,704,894
Foreign exchange gain/(loss)	8,402,211	6,303,122
Other	5,928,660	2,284,363
	67,392,231	143,993,667

24 Contribution to workers' profit participation fund

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

25 Income tax expense

<i>In BDT</i>	<i>Note</i>	2021	2020
Current tax expense	18.2	390,884,595	345,005,976
Adjustments in the period for current tax of prior periods		(40,900,000)	-
Deferred tax expense/(income) relating to origination and reversal of temporary differences		7,466,085	(36,357,545)
Deferred tax expense/(income) relating to changes in tax rates or the imposition of new taxes		-	-
		357,450,680	308,648,431

25.1 Reconciliation of effective tax rate

<i>In BDT</i>	2021		2020	
	Percentage	BDT	Percentage	BDT
Profit before tax		875,925,101		1,112,271,963
Tax using the Company's tax rate	22.50%	197,083,148	25.00%	278,067,991
Tax effect of:				
Provision for non-deductible expenses	3.21%	28,125,000	1.94%	21,560,000
Adjustments / provision released during the year	-4.67%	(40,900,000)	1.30%	14,439,281
Other components of tax as per Income Tax Ordinance 1984	25.25%	221,188,162	2.78%	30,938,704
Temporary differences	0.85%	7,466,085	-3.27%	(36,357,545)
Adjusted unabsorbed depreciation	-6.34%	(55,511,714)	0.00%	-
	40.81%	357,450,680	27.75%	308,648,430



Notes to the Financial Statements (continued)

25.2 Related tax

<i>In BDT</i>	2021		
	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurement of defined benefit liability	(22,441,495)	5,049,336	(17,392,159)
	(22,441,495)	5,049,336	(17,392,159)

<i>In BDT</i>	2020		
	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurement of defined benefit liability	1,915,862	(478,966)	1,436,897
	1,915,862	(478,966)	1,436,897

26 Contingencies and commitments**26.1 Commitments**

<i>In BDT</i>	2021	2020
Letters of credit	2,659,131,055	2,357,296,504
	2,659,131,055	2,357,296,504

The letters of credit were outstanding as at 31 December 2021 against which the Company is committed to purchase products from different companies.

26.2 Contingent liabilities

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

	2021	2020
(i) Claims against the Company not acknowledged as debts	5,006,676	5,006,676
(ii) Uncalled liability on partly paid shares/ arrears of fixed cumulative dividends on preference shares	-	-
(iii) Aggregate amount of contracts for capital expenditure remaining to be executed and not provided for	-	-
(iv) Aggregate amount of any guarantees given by the Company on behalf of directors, managing directors, or other officers of the company	-	-
(v) Money for which the Company is contingently liable for any guarantees given by banks	22,468,456	22,756,169
	27,475,132	27,762,846

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



Notes to the Financial Statements (continued)

27 Capacity utilisation

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

28 Number of employees

	2021	2020
The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 and above.	1,697	1,432

29 Remittance in foreign currency

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

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

30 Earnings per share (EPS)

See accounting policy in Note 38 (Q)

30.1 Basic earnings per share

	Company	
	2021	2020
Earnings attributable to the ordinary shareholders	518,474,421	803,623,532
Weighted average number of ordinary shares outstanding	99,702,838	99,702,838
Basic earnings per share	5.20	8.06

Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2021 in terms of International Accounting Standard (IAS-33). For comparative year (i.e. 2020) the same no of ordinary shares outstanding were used to compute basic EPS, as 30% cash dividend was declared for the year ended 31 December 2020. Details of shares issue have been shown in Annexure - 2.

30.2 Diluted earnings per share

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



Notes to the Financial Statements (continued)

31 Financial risk management

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

- Credit risk (note 31.1)
- Liquidity risk (note 31.2)
- Market risk (note 31.3)

31.1 Credit risk

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

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

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

31.1.1 Exposure to credit risk

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

<i>In BDT</i>	<i>Note</i>	2021	2020
Trade and other receivables	9	2,794,108,225	2,538,977,929
Deposits	7	29,370,808	23,092,797
Cash and cash equivalents	10	173,389,682	178,148,480
		2,996,868,715	2,740,219,206

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

<i>In BDT</i>	<i>Note</i>	2021	2020
Domestic	9	2,794,108,225	2,538,977,929
		2,794,108,225	2,538,977,929

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

<i>In BDT</i>	<i>Note</i>	2021	2020
Retail customers	9.1.1	2,238,678,962	2,153,043,022
Wholesale and corporate customers	9.1.2	308,173,565	194,167,502
Others	9.2	247,255,698	191,767,405
		2,794,108,225	2,538,977,929



Notes to the Financial Statements (continued)

31.1.2 Impairment loss

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

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

<i>In BDT</i>	Gross 2021	Impairment 2021
0 to 30	2,409,802,180	1,375,740
31 to 60	147,487,148	3,569,225
61 to 180	174,139,769	10,465,039
181 to 360	108,935,732	37,084,663
> 360	79,577,417	21,362,546
	2,919,942,246	73,857,213

<i>In BDT</i>	Gross 2020	Impairment 2020
0 to 30	2,423,838,060	2,085,853
31 to 60	54,681,686	725,041
61 to 180	120,020,120	9,678,536
181 to 360	112,712,755	46,702,740
> 360	42,147,573	42,147,573
	2,753,400,194	101,339,742

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

<i>In BDT</i>	2021	2020
Opening balance	142,145,391	84,388,268
Allowance recognised for the year	22,051,844	85,838,216
	164,197,235	170,226,484
Allowance written off for the year	(38,254,373)	(28,081,093)
Closing balance	125,942,862	142,145,391



Notes to the Financial Statements (continued)

Expected credit loss (ECL) assessment

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

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

Step 1: Analyse the collection of receivables and find out the unpaid amount within each ageing bucket

Step 2: Calculate the historical loss rates for each ageing bucket

Step 3: Incorporate forward-looking information to find out adjusted loss rate for each ageing bucket

Step 4: Apply the adjusted loss rates to the current trade receivables portfolio to find out the ECL amount

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

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

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

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

Due to COVID-19 pandemic, collections have been slowed down during the nation wide lockdown period and showing signs of improvement after that (i.e. during the 3rd and 4th quarter of the year). Despite the improvement of collections, owing to COVID-19 pandemic, the unemployment rate has increased and economic activities have been affected with evidence of starting of a slow recovery. These have triggered the risks of increased default losses and the Company assumes the loss can be increased by 30% (from its historical loss rate), because of the reasons explained above.

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

<i>In BDT</i>	For the year ended 31 December 2021		
	Amounts outstanding	Adjusted loss rate	Expected credit loss
0 to 30	2,409,802,180	0.1%	1,375,740
31 to 60	147,487,148	2.4%	3,569,225
61 to 180	174,139,769	6.0%	10,465,039
181 to 360	108,935,732	34.0%	37,084,663
> 360	79,577,417	26.8%	21,362,546
Total	2,919,942,246		73,857,213

<i>In BDT</i>	For the year ended 31 December 2020		
Ageing bucket (days)	Amounts outstanding	Adjusted loss rate	Expected credit loss
0 to 30	2,423,838,060	0.1%	2,085,853
31 to 60	54,681,686	1.3%	725,041
61 to 180	120,020,120	8.1%	9,678,536
181 to 360	112,712,755	41.4%	46,702,740
> 360	42,147,573	100.0%	42,147,573
Total	2,753,400,194		101,339,742

The ECL method is applied prospectively from 2020.



Notes to the Financial Statements (continued)

31.2 Liquidity risk

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

The 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 2021							
Non-derivative financial liabilities:							
Bank overdrafts/Short-term loan	4,644,314,297	4,700,629,921	4,077,988,921	622,641,000	-	-	-
Trade and other payables	1,689,648,228	1,689,648,228	1,515,546,505	174,101,723	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	6,333,962,525	6,390,278,149	5,593,535,426	796,742,723	-	-	-
As at 31 December 2020							
Non-derivative financial liabilities:							
Bank overdrafts/Short-term loan	1,611,518,744	1,648,269,333	1,011,161,129	637,108,205	-	-	-
Trade and other payables	1,904,755,423	1,904,755,423	1,760,672,943	144,082,480	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	3,516,274,167	3,553,024,756	2,771,834,072	781,190,685	-	-	-

31.3 Market risk

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

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



Notes to the Financial Statements (continued)

31.3.1 Interest rate 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.

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

<i>In BDT</i>	<i>Note</i>	2021	2020
Fixed rate instruments			
Fixed rate deposits at financial institution		-	-
Fixed rate loans and receivable (net hire receivable)	9.1.1	2,289,412,416	2,225,907,186
Other fixed rate instruments (assets)		-	-
Financial assets		2,289,412,416	2,225,907,186
Financial liabilities			
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	17	4,644,314,297	1,611,518,744
Variable rate loans		-	-
Variable rate debentures		-	-
Variable rate promissory notes		-	-
Other variable rate liabilities		336,228,801	308,169,540
Financial liabilities		4,980,543,098	1,919,688,284

31.3.2 Foreign Currency risk

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

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

<i>In USD</i>	2021	2020
Accounts payable trade	1,391,780	3,347,549.14
<i>In EUR</i>	2021	2020
Accounts payable trade	44,653	-

The following significant exchange rates are applied during the year:

<i>In BDT</i>	2021	2020
US Dollar	87.00	84.95
EURO	112.00	0.00



Notes to the Financial Statements (continued)

31.3.3 Foreign exchange rate sensitivity analysis for foreign currency expenditures

Foreign exchange rate sensitivity is calculated on the basis of impact of change of 100 basis points in foreign exchange rates. This analysis presents the probable weakening of BDT against US Dollar and 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	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2021				
Expenditures denominated in USD & EUR	(1,260,859)	1,260,859	(1,260,859)	1,260,859
Exchange rate sensitivity	(1,260,859)	1,260,859	(1,260,859)	1,260,859

<i>In BDT</i>	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2020				
Expenditures denominated in USD	(2,843,743)	2,843,743	(2,843,743)	2,843,743
Exchange rate sensitivity	(2,843,743)	2,843,743	(2,843,743)	2,843,743

32 Capital management

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

33 Related parties

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

33.1 Parent and ultimate controlling party

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

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

33.2 Transactions with key management personnel

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

<i>In BDT</i>	Note	2021	2020
Remuneration		24,802,018	25,725,755
Housing		1,181,728	1,051,512
Medical and welfare		1,403,509	1,604,824
Board meeting fees		434,700	284,625
a) Short-term employee benefit	21.3	27,821,955	28,666,716
b) Post employment benefit		-	-
c) Other long-term benefit		-	-
d) Termination benefit		-	-
e) Share-based payment		-	-
		27,821,955	28,666,716



Notes to the Financial Statements (continued)

33.3 Other related party transactions

Name of related parties	Relationship	Nature of transaction	2021	2020
Arcelik A.S.	Ultimate parent	Procurement of products	183,871,786	69,282,825
BEKO Electrical Appliances Co. Ltd.	Subsidiary of ultimate parent	Procurement of products	-	-
BEKO Thai Co. Ltd.	Subsidiary of ultimate parent	Procurement of products	188,125,770	199,750,888
Defy Appliances (pvt) Ltd	Subsidiary of ultimate parent	Procurement of products	-	17,669,252
Dawlance (Private) Limited	Subsidiary of ultimate parent	Procurement of products	13,417,077	2,914,726
Retail Holdings Bhold B.V., The Netherlands	Parent Company	Royalty expense	181,125,683	144,082,480
International Appliances Limited	Former Subsidiary	Procurement of products	-	2,652,172,729
International Appliances Limited	Former Subsidiary	Current account	-	17,130,477

33.3.1 Related party receivable/(payable)

Name of related parties	Relationship	Nature of transaction	2021	2020
Arcelik A.S.	Ultimate parent	Payable for inventory	(4,543,738)	-
Arcelik A.S.	Ultimate parent	Other payable	(21,321,533)	(6,168,987)
Arcelik A.S.	Ultimate parent	Other receivable	-	-
BEKO Thai Co. Ltd.	Subsidiary of ultimate parent	Payable for inventory	-	-
Retail Holdings Asia B.V.	Subsidiary of former ultimate parent	Royalty payable Current account	-	(30,547,822)
Retail Holdings Bhold B.V., The Netherlands	Parent company	Royalty payable Current account	(354,380,337)	(284,100,193)
Retail Holdings Bhold B.V., The Netherlands	Parent company	Current account	2,158,465	2,158,465
International Appliances Limited	Former Subsidiary	Procurement of products	-	(240,680,360)
International Appliances Limited	Former Subsidiary	Current account	-	59,127,375

Notes to the Financial Statements (continued)

34 Net asset value (NAV) per share

<i>In BDT</i>	2021	2020
Total assets	12,797,101,451	9,912,765,611
Total liability	(9,400,880,626)	(6,456,837,290)
Net assets value	3,396,220,825	3,455,928,321
Number of shares used to compute NAV	99,702,838	99,702,838
Net asset value (NAV) per share	34.06	34.66

35 Reconciliation of net income with cashflows from operating activities

<i>In BDT</i>	2021	2020
Net income	518,474,421	803,623,532
Add/(deduct) for noncash items:		
Depreciation & amortization	423,732,343	320,137,642
(Gain) / loss on sale of property, plant and equipment	485,748	5,897,693
Deferred tax expenses/(income)	7,466,085	36,357,545
Tax expenses	357,450,680	308,648,431
Finance expenses/(Income)	376,634,438	392,030,488
Other provisions	22,051,844	-
Changes in:		
(Increase)/Decrease in deposits and prepayments	(6,278,010)	67,500
(Increase)/Decrease in inventories	(2,037,291,365)	(104,452,573)
(Increase)/Decrease in trade and other receivables	(306,098,768)	(25,431,456)
(Increase)/Decrease in Advances, deposits and prepayments	(522,704,368)	5,783,159
Increase/(Decrease) in other liabilities	55,024,508	99,681,953
Increase/(Decrease) in accounts payables	(122,197,421)	49,898,589
Tax paid	(514,048,421)	(401,148,596)
Interest paid	(383,730,601)	(469,502,976)
Increase/(Decrease) in short term liability	-	-
	(2,649,503,308)	217,967,399
Net cash flows from operation activities	(2,131,028,887)	1,021,590,931

35.1 Net operating cash flow per share (NOCFPS)

<i>In BDT</i>	2021	2020
Net cash from operating activities	(2,131,028,887)	1,021,590,931
Number of ordinary shares outstanding	99,702,838	99,702,838
Net operating cash flow per share (NOCFPS)	(21.37)	10.25

36 Events after the reporting period

The Board of Directors of the Company has recommended 60% (Tk. 6 per share of Tk. 10 each) cash dividend in its 257th board meeting held on 25 January 2022.

37 Others

- Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.
- Previous year's figures have been regrouped and/or rearranged wherever considered necessary for the purpose of current year's presentation.



Notes to the Financial Statements (continued)

37.1 Basis of measurement

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

37.2 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

- a) Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- b) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- c) Other standards

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

- Annual Improvements to IFRS Standards 2018–2020.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

38 Significant accounting policies

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

- A. Revenue
- B. Finance income and finance costs
- C. Foreign currency transactions
- D. Income tax
- E. Inventories
- F. Property, plant and equipment
- G. Intangibles
- H. Financial instruments
- I. Impairment
- J. Provisions
- K. Royalty
- L. Warranty costs
- M. Investments
- N. Workers' profit participation fund
- O. Employee benefit
- P. Reporting period
- Q. Earnings per share
- R. Segment reporting
- S. Statement of cash flows
- T. Events after the reporting period
- U. Offsetting
- V. Leases



Notes to the Financial Statements (continued)

A. Revenue from contracts with customers**Type of product / service**

Consumer electronics and household appliances.

Nature and timing of satisfaction of performance obligations

Customers obtain control of products at point of delivery or over time. Invoices are generated at fair value of the consideration received or receivable, net of returns and allowances and trade discounts at the time of delivery of goods. Invoices are usually paid instantly in case of cash sales or payable as per credit terms offered by the Company.

Performance obligation is satisfied when the control of the goods is transferred, rather than just the risk and reward.

Revenue recognition

Revenue is recognised when (or as) control of goods is transferred to customer. Control may be transferred either at a point in time or over time. First, the entity assesses whether it transfers control over time by following the prescribed criteria for satisfying performance obligation. If none of the criteria for recognising revenue over time is met, then the entity recognises revenue at the point in time at which it transfers control of the goods to the customer.

Performance obligation is satisfied when the control of the goods is transferred, rather than just the risk and reward.

B. Finance income and finance costs

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

C. Foreign currency transactions

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

The financial statements are presented in BDT, which is company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into BDT at the exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss shall be recognised in profit or loss.

D. Income Tax

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

Current tax

The Company qualifies as a "Publicly Traded Company", as defined in income tax law. The applicable tax rate for the Company is 22.5%. Provision for taxation has been made on this basis which is compliant with the Finance Act 2021.

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 excess inventories. Net realisable value is estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The Company assesses the NRV by giving consideration to future demand and condition of the inventory and make adjustments to the value by making required provisions. Inventories consist of raw materials, work-in-process, goods in transit and finished goods. The Company uses weighted average cost model in valuing its inventory.

F. Property, plant and equipment**Recognition and measurement**

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

If significant parts of an item of property, plant & 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 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 10% to 20% depending on the estimated useful lives of assets. No depreciation is charged for work-in-progress.

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

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



Notes to the Financial Statements (continued)

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	The Company
Computer Software	20% (5 years)

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

H. Financial instruments

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

Financial assets

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

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

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

Accounts receivables

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

Allowances for accounts receivables are calculated applying the rates under ECL method for different ageing buckets (in days) for the current year are as follows:

Ageing bucket (days)	2021	2020
0 to 30	0.1%	0.1%
31 to 60	2.4%	1.3%
61 to 180	6.0%	8.1%
181 to 360	34.0%	41.4%
> 360	26.8%	100.0%

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.



Notes to the Financial Statements (continued)

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 Bhold B.V. @ 3.5% of net annual invoice price of sale of audio-video sets (radio cassette, recorders and televisions), air conditioner and @ 1% on refrigerator assembled and manufactured in Bangladesh for the year 2021 (note 21.2).

The Company is authorised to use the name "SINGER" as part of its corporate name.

L. Warranty costs

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

M. Investments**Investment in Central Depository Bangladesh Limited (CDBL)**

Investment in CDBL is recorded at cost and represents insignificant holding.

Investment in term deposit

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

Investment in short term deposit

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

N. Workers' profit participation fund

The Company provides 5% of its net profit as a contribution to workers' profit participation fund before tax and charges such expense in accordance with The Bangladesh Labour Act 2006 (as amended in 2018).

O. Employee benefit

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



Notes to the Financial Statements (continued)

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. These financial statements were prepared for twelve months from 1 January to 31 December 2021.

Q. Earnings per share

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

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

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

R. Segment reporting

Segment reporting is not applicable for the Company as it does not meet the criteria required for segment reporting specified in IFRS 8: "Operating Segments".

S. Statement of cash flows

Statement of Cash Flows (Cash Flow Statement) is prepared under direct method in accordance with IAS-7 "Statement of Cash Flows" as required by the Bangladesh Securities and Exchange Rules 2020.

T. Events after the reporting period

Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Material events after the balance sheet date that are not adjusting events are disclosed in the note 36.

U. Offsetting

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



Notes to the Financial Statements (continued)

V. Leases

The Company has initially applied IFRS 16 from 1 January 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

i. As a lessee

The Company recognises a right-of-use asset and a lease liability (for its retail stores / showrooms, warehouses, service centers, factories and other offices facilities) at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

Currently the Company has no such short-term lease or lease of low value asset. The Company will not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company will recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term as applicable.

ii. As a lessor

There is no such lease for which the Company is a lessor.



Singer Bangladesh Limited
Details of Disposal of Property, Plant and Equipment

(ANNEXURE - I)

For the year ended 31 December 2021

Particulars	Original cost	Accumulated depreciation	Net book value	Sales proceed	Gain/(Loss)	Mode of disposal
Computer	2,096,788	1,916,110	180,678	32,224	(148,454)	Adjustment/sold
Equipment	2,346,455	2,188,508	157,947	72,000	(85,947)	Adjustment/sold
Furniture	23,256	4,576	18,680	-	(18,680)	Adjustment/sold
Leasehold improvements	4,057,851	2,716,353	1,341,498	540,735	(800,763)	Adjustment/sold
Vehicles	2,065,000	1,877,470	187,530	755,626	568,096	Auction sale
	10,589,350	8,703,017	1,886,333	1,400,585	(485,748)	



Singer Bangladesh Limited

Details of Share Issue

(ANNEXURE - II)

Date of Issue	Basis of Issue of Shares	Total Share & Share Capital		
		No. of Shares Issued	No. of Shares after Bonus	Share Capital Taka 10 each
1983	2567 ordinary shares of Taka 10 each issued for cash	25,670	25,670	256,700
1983	10,258 ordinary shares of Taka 10 each issued for consideration other than cash	102,580	102,580	1,025,800
Total ordinary shares issued		128,250	128,250	1,282,500
Bonus share				
18/04/1985	100%	128,250	256,500	1,282,500
16/04/1987	60%	153,900	410,400	1,539,000
16/08/1989	100%	410,400	820,800	4,104,000
12/07/1992	100%	820,800	1,641,600	8,208,000
12/07/1993	100%	1,641,600	3,283,200	16,416,000
01/06/1994	50%	1,641,600	4,924,800	16,416,000
28/05/1995	50%	2,462,400	7,387,200	24,624,000
21/05/1996	50%	3,693,600	11,080,800	36,936,000
16/04/1997	50%	5,540,400	16,621,200	55,404,000
28/04/2008	35%	5,817,420	22,438,620	58,174,200
27/04/2011	75%	16,828,960	39,267,580	168,289,600
08/05/2013	25%	9,816,895	49,084,475	98,168,950
28/04/2014	25%	12,271,118	61,355,593	122,711,180
30/04/2015	25%	15,338,898	76,694,491	153,388,980
23/04/2019	30%	23,008,347	99,702,838	230,083,470
Total bonus shares issued		99,574,588		995,745,880
Total shares issued		99,702,838		997,028,380



Unclaimed Dividend

for the year ended December 31, 2021

Unclaimed Dividend Transferred to Capital Market Stabilization Fund	
Cash Dividend	
Particulars	Amount in Taka
Dividend for 2010	8,353,182
Dividend for 2011	1,387,154
Interim Dividend for 2012	2,362,094
Final Dividend for 2012	1,726,101
Dividend for 2013	1,158,504
Interim Dividend for 2014	1,160,336
Final Dividend for 2014	742,731
Interim Dividend for 2015	1,081,624
Final Dividend for 2015	562,559
Dividend for 2016	2,911,803
Dividend for 2017	4,592,133
Total	26,038,221
Stock Dividend	
Particulars	No. of Shares
Dividend for 2007	44,170
Dividend for 2010	123,680
Dividend for 2012	69,387
Dividend for 2013	87,474
Dividend for 2014	114,534
Total	439,245
Unclaimed Dividend Remains with the Company as at December 31, 2021	
Cash Dividend	
Particulars	Amount in Taka
Stock Dividend Fraction for 2018 (To be transferred this year)	126,894
Dividend for 2019	9,015,530
Dividend for 2020	3,279,467
Total at 31 December 2021	12,421,891
Stock Dividend	
Particulars	No. of Shares
Dividend for 2018 (To be transferred this year)	170,656
Total at 31 December 2021	170,656

Share Information

Singer Bangladesh Limited

1. General

Authorised Share Capital	:	Tk. 2,500,000,000
Issued & Fully Share Capital	:	Tk. 997,028,380
Class of Share	:	Ordinary Share of Tk. 10 each
Voting Rights	:	One vote per ordinary Share

2. Stock Exchange Listing

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

3. Distribution of Shareholdings-31st December 2021

No. of shares held	31 December 2021			31 December 2020		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 500	6,581	1,016,874	1.02	6,509	1,013,169	1.02
501 - 5000	2,651	4,164,909	4.18	3,041	4,743,629	4.76
5001 - 10000	226	1,602,815	1.61	255	1,796,154	1.80
10001 - 20000	120	1,752,669	1.76	155	2,269,006	2.28
20001 - 30000	54	1,372,364	1.38	47	1,174,944	1.18
30001 - 40000	19	687,452	0.69	37	1,327,276	1.33
40001 - 50000	16	739,840	0.74	23	1,066,183	1.07
50001 - 100000	31	2,315,121	2.32	53	3,904,458	3.92
100001 - 1000000	54	15,101,829	15.15	56	14,138,530	14.18
Over - 1000000	9	70,948,965	71.16	9	68,269,489	68.47
Total	9,761	99,702,838	100.00	10,185	99,702,838	100.00

Categories of Shares	31 December 2021		31 December 2020	
	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders
Individuals	13,673,657	9,353	25,492,350	9,817
Institutions	86,029,181	408	74,210,488	368
	99,702,838	9,761	99,702,838	10,185

4. Market Value per Share

	2021		2020
	Taka	Date	Taka
Highest During the year	214.90	September 12, 2021	187.40
Lowest During the year	160.10	April 04, 2021	130.60
Closing of the year	169.90	December 30, 2021	175.60

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 42nd Annual General Meeting

Singer Bangladesh Limited

Notice is hereby given that the **42nd Annual General Meeting** of **Singer Bangladesh Limited** will be held on **Wednesday, April 13, 2022** at **11.00 a.m.** by using **Digital Platform** to transact the following business:

AGENDA

1. To receive and adopt the Directors' and Auditors' Report and the Audited Financial Statements of the Company for the year ended December 31, 2021.
2. To declare dividend for the year ended December 31, 2021.
3. To elect Directors under rotation.
4. To appoint Statutory Auditors and to fix their remuneration.
5. To appoint Corporate Governance Compliance Auditors and to fix their remuneration.
6. To confirm the re-appointment of the Managing Director for a period of five years.

By order of the Board



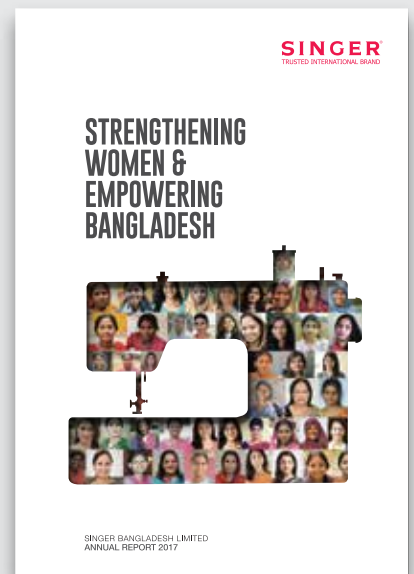
Kazi Ashiqur Rahman
Company Secretary
March 9, 2022

Registered Office
39, Dilkusha C/A
Dhaka-1000

Notes

- Members whose names appeared in the Members'/Depository Register on Record Date i.e. February 16, 2022 will be eligible to join/participate and vote in the Annual General Meeting through Digital Platform and to receive the dividend.
- A Member entitled to join/participate and vote in the Annual General Meeting may appoint a proxy in his stead. A scanned copy of the duly stamped proxy form must be sent to the email "iro@singerbd.com" not later than 48 hours before the meeting.
- Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy (PDF format) of the Annual Report 2021 will be sent to the Members' respective email addresses as available with us. The Annual Report 2021 will also be available on the Company's website at: www.singerbd.com.
- The link for joining the Digital Platform (audio-visual meeting) is <https://singer.bdvirtualagm.com> which will also be sent to the respective Members' email addresses and SMS to their mobile number as available with us in due course of time. The Members need to put their 16-digit Beneficial Owner (BO) ID number as proof of their identity for log-in to the system.
- This link <https://singer.bdvirtualagm.com> will be opened 24 hours before the commencement of the AGM for questions/comments and vote electronically by the members.
- Members who have so far not encashed their dividend warrants from 2018 to 2020 are requested to communicate to the Registered Office of the company.

Glimpse of Annual Reports
Singer Bangladesh Limited



Singer Bangladesh Limited

Proxy Form



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 **42nd Annual General Meeting** of the Company to be held on April 13, 2022 and at any adjournment thereof.

As witness my hand this Day of April 13, 2022

Signature of Proxy

Signature of Member

Register Folio no./BO ID of Member



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