

Singer Bangladesh Limited

Independent Auditors' Report and
Financial Statements as at and for
the year ended 31 December 2023



Rahman Rahman Huq

Chartered Accountants

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Independent Auditors' Report

To the Shareholders of Singer Bangladesh Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singer Bangladesh Limited ("the Company"), which comprise the statement of financial position as at 31 December 2023, 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 material accounting policy information.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

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

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 completed 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>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 orders, invoices and outbound delivery notes.



Independent Auditors' Report (continued)

<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 17,033 million in current year (31 December 2022: BDT 17,097 million).</p>	<ul style="list-style-type: none"> • 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.
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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 auditors' 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.

Independent Auditors' Report (continued)

Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.



Rahman Rahman Huq
Chartered Accountants

Independent Auditors' Report (continued)

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.

Ali Ashfaq, Partner, Enrolment number: 509
Rahman Rahman Huq, Chartered Accountants
Firm Enlistment Number: CAF-001-080

Dhaka, **07 FEB 2024**

DVC: **2402070509AS203375**



Singer Bangladesh Limited
Statement of financial position

In BDT	Note	31 December 2023	31 December 2022
Assets			
Property, plant and equipment	3	5,196,163,145	1,927,647,142
Intangible assets	4	15,258,050	19,072,563
Right-of-use (ROU) assets	5	2,799,702,899	2,707,602,753
Investments	6	80,259,043	4,199,450
Deferred tax assets	13	64,949,787	39,882,238
Advances, deposits and prepayments	7	31,648,983	30,574,208
Non-current assets		8,187,981,907	4,728,978,354
Inventories	8	5,259,197,271	5,875,357,332
Trade and other receivables	9	3,678,034,607	3,033,961,864
Advances, deposits and prepayments	7	1,089,636,677	734,407,422
Current tax assets	18	794,043,316	651,246,061
Cash and cash equivalents	10	454,480,100	213,334,001
Current assets		11,275,391,971	10,508,306,680
Total assets		19,463,373,878	15,237,285,034
Equity			
Share capital	11	997,028,380	997,028,380
Reserves	12	686,140,671	689,176,068
Retained earnings		1,710,028,250	1,302,309,329
Total equity		3,393,197,301	2,988,513,777
Liabilities			
Defined benefit obligations	14	23,068,484	6,754,010
Lease liabilities	5	1,099,875,609	962,808,317
Other liabilities	15	2,183,248,198	2,150,133,311
Non-current liabilities		3,306,192,291	3,119,695,638
Unclaimed dividend		9,616,416	17,660,681
Trade and other payables	16	4,398,138,690	3,069,805,587
Short-term borrowings - secured	17	8,142,332,768	5,837,248,081
Lease liabilities	5	213,896,412	204,361,270
Current liabilities		12,763,984,286	9,129,075,619
Total equity and liabilities		19,463,373,878	15,237,285,034
Net Asset Value (NAV) per share	34	34.03	29.97

The notes and annexures on pages 9 to 52 are an integral part of these financial statements.


Mohamed Haniffa Mohamed Fairouz
Managing Director


Masud Khan
Director


Kazi Ashiqur Rahman
Company Secretary

As per our report of same date


Auditor

Dhaka, 07 FEB 2024

Ali Ashfaq Partner
Enrolment Number: 509
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Enlistment Number: CAF-001-080



DVC: 2402070509AS203375

Singer Bangladesh Limited

Statement of profit or loss and other comprehensive income

For the year ended 31 December
In BDT

	Note	2023	2022
Sales		17,005,175,558	17,056,944,338
Earned carrying charges		27,907,601	39,746,085
Turnover	19	17,033,083,159	17,096,690,423
Cost of sales	20	(12,131,080,139)	(13,166,298,013)
Gross profit		4,902,003,020	3,930,392,410
Operating expenses	21	(3,602,371,455)	(3,169,801,323)
Other income	22	178,591,910	181,998,785
Operating profit		1,478,223,475	942,589,872
Finance income		1,665,906	4,791,341
Finance costs		(604,135,180)	(549,336,171)
Net finance costs	23	(602,469,274)	(544,544,830)
Profit before contribution to workers' profit participation fund		875,754,201	398,045,042
Contribution to workers' profit participation fund	24	(43,787,710)	(19,902,252)
Profit before taxation		831,966,491	378,142,790
Income tax expense	25	(309,878,695)	(305,034,630)
Profit after tax		522,087,796	73,108,160
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability, net of tax	14 & 25.3	(18,582,678)	(11,588,093)
Gain on revaluation of Land and Buildings, net of tax		-	128,316,765
Other comprehensive income/(expense) for the year, net of tax		(18,582,678)	116,728,672
Total comprehensive income for the year		503,505,118	189,836,832
Earnings per share (EPS)	30	5.24	0.73

The notes and annexures on pages 9 to 52 are an integral part of these financial statements.



Mohamed Haniffa Mohamed Fairouz
Managing Director



Masud Khan
Director



Kazi Ashiqur Rahman
Company Secretary

As per our report of same date



Auditor

Dhaka,

07 FEB 2024

Ali Ashfaq Partner
Enrolment Number: 509
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Enlistment Number: CAF-001-080

DVC: 2402070509AS203375



Singer Bangladesh Limited
Statement of changes in equity

For the year ended 31 December 2023

In BDT	Share capital	Revaluation reserve	Capital reserve	Non-remittable special reserve		Retained earnings	Total equity
				12.1	12.2		
	11						
<i>Note ></i>							
Balance at 1 January 2022	997,028,380	544,383,963	18,190,942	370,178	232,847	1,836,014,514	3,396,220,824
Total comprehensive income							
Profit for the year	-	-	-	-	-	73,108,160	73,108,160
Other comprehensive income	-	128,316,765	-	-	-	(11,588,093)	116,728,672
Total comprehensive income for the year		128,316,765	-	-	-	61,520,067	189,836,832
Transaction with owners of the Company							
Contributions and distributions							
Dividends:							
Cash dividend- 2021	-	-	-	-	-	(598,217,030)	(598,217,030)
Total contributions and distributions						(598,217,030)	(598,217,030)
Adjustment for deferred tax arising from revaluation of Land and Buildings	-	673,151	-	-	-	-	673,151
Transfer of depreciation on revaluation surplus	-	(2,991,778)	-	-	-	2,991,778	-
	-	(2,318,627)	-	-	-	2,991,778	673,151
Balance at 31 December 2022	997,028,380	670,382,101	18,190,942	370,178	232,847	1,302,309,329	2,988,513,777
Balance at 1 January 2023	997,028,380	670,382,101	18,190,942	370,178	232,847	1,302,309,329	2,988,513,777
Total comprehensive income							
Profit for the year	-	-	-	-	-	522,087,796	522,087,796
Other comprehensive income	-	-	-	-	-	(18,582,678)	(18,582,678)
Total comprehensive income for the year						503,505,118	503,505,118
Transaction with owners of the Company							
Contributions and distributions							
Dividends:							
Cash dividend- 2022	-	-	-	-	-	(99,702,838)	(99,702,838)
Total contributions and distributions						(99,702,838)	(99,702,838)
Adjustment for deferred tax arising from revaluation of Land and Buildings	-	881,244	-	-	-	-	881,244
Transfer of depreciation on revaluation surplus	-	(3,916,641)	-	-	-	3,916,641	-
	-	(3,035,397)	-	-	-	3,916,641	881,244
Balance at 31 December 2023	997,028,380	667,346,704	18,190,942	370,178	232,847	1,710,028,250	3,393,197,301

The notes and annexures on pages 9 to 52 are an integral part of these financial statements.



Singer Bangladesh Limited
Statement of cash flows

For the year ended 31 December

In BDT

	Note	2023	2022
Cash flows from operating activities			
Collections from turnover and other income		19,384,783,182	19,685,285,330
Payments for costs and expenses		(16,619,244,414)	(17,322,575,018)
Payments to workers' profit participation fund		(19,902,252)	(46,101,321)
Income tax paid	18.1	(476,862,255)	(503,416,315)
Net cash from operating activities	35	2,268,774,261	1,813,192,676
Cash flows from investing activities			
Acquisition of property, plant and equipment		(3,226,261,987)	(331,161,275)
Acquisition of ROU assets		(123,896,188)	(1,378,254,616)
Acquisition of intangible assets		-	(656,250)
Dividend received from CDBL	22	1,142,362	1,427,952
Proceeds from sale of property, plant and equipment	Annex-1	2,537,105	3,675,942
Net cash used in investing activities		(3,346,478,708)	(1,704,968,247)
Cash flows from financing activities			
Interest paid on borrowings/lease		(519,969,273)	(498,644,830)
Lease liability (principal repayment)		(378,450,979)	(289,190,108)
Dividends paid		(87,813,889)	(473,378,956)
Net cash used in financing activities		(986,234,141)	(1,261,213,894)
Net increase/(decrease) in cash		(2,063,938,588)	(1,152,989,465)
Cash and cash equivalents at 1 January		(5,623,914,080)	(4,470,924,615)
Cash and cash equivalents at 31 December		(7,687,852,668)	(5,623,914,080)
Closing cash and cash equivalents have been arrived at as follows:			
Cash and cash equivalents	10	454,480,100	213,334,001
Short-term borrowings - secured (bank overdrafts/short-term loan)	17	(8,142,332,768)	(5,837,248,081)
		(7,687,852,668)	(5,623,914,080)
Net operating cash flow per share (NOCFPS)	35.1	22.76	18.19

The notes and annexures on pages 9 to 52 are an integral part of these financial statements.



Notes to the financial statements

1 Reporting entity

1.1 Company profile

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

1.2 Nature of business

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

2 Basis of preparation

2.1 Statement of compliance

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

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

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

Date of authorisation

The Board of Directors of the Company has authorised these financial statements on 29 January 2024.

2.2 Going concern

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

2.3 Functional and presentational currency

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



Notes to the financial statements (Continued)

2.4 Use of judgements and estimates

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

(a) Judgements

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

Note: 5.1 Right-of-use assets

Note: 5.2 Lease liabilities

(b) Assumptions and estimation uncertainties

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

Note: 3 Property, plant and equipment

Note: 8 Inventories

Note: 9 Trade and other receivables

Note: 14 Defined benefit obligations

Note: 26.2 Contingent liabilities

2.5 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when it is:

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

All other liabilities are classified as non-current.



Notes to the financial statements (Continued)

2.6 Standards, amendments and interpretations that are issued but not effective as at 31 December 2023

A. Amendments to IAS 1: Classification of debt with covenants as current or non-current

On 31 October 2022, the IASB issued Non-current Liabilities with Covenants to clarify the amendments specify that the classification of a liability as current or non-current is only affected by covenants that an entity must comply with on or before the end of the reporting period.

They also require disclosure of information that allows users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within 12 months.

The amendments are effective for reporting periods beginning on or after 1 January 2024.

B. IFRS S2 climate-related disclosures

The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.

These are climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.

An entity is required to apply IFRS S2 for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

It is anticipated that these changes will not materially affect the Company's financial statements or

C. Other standards

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

- IFRS 17 *Insurance Contracts* and amendments to IFRS 17 *Insurance Contracts*.
- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice Statement 2)*.
- *Definition of Accounting Estimates (Amendments to IAS 8)*.



Notes to the financial statements (continued)

3 Property, plant and equipment

See accounting policy in Note 38 (F)

Reconciliation of carrying amount

In BDT	Land		Buildings		Leasehold improvements			Plant and machinery	Vehicles	Furniture and fixtures	Equipment and tools	CWIP (Note 3.1)	Total
	Office	Factory	Office	Factory	Office	Shops	Shops						
Cost													
Balance at 1 January 2022	561,180,000	87,714,677	221,377,967	16,449,852	22,708,017	616,797,065	641,780,796	169,960,918	33,273,931	275,455,681	126,309,126	2,773,008,030	
Additions	-	-	-	-	-	31,616,359	235,333,990	-	4,660,087	19,018,982	294,723,458	585,352,876	
Revaluation	115,415,000	14,220,287	5,628,055	-	-	(3,283,689)	-	(9,686,108)	-	(11,757,747)	-	135,263,342	
Disposals/transfers	-	-	-	-	-	-	-	-	-	-	-	(258,039,913)	
Balance at 31 December 2022	676,595,000	101,934,964	227,006,022	16,449,852	22,708,017	645,129,735	877,114,786	160,274,810	37,934,018	282,716,916	187,720,215	3,235,584,335	
Balance at 1 January 2023	676,595,000	101,934,964	227,006,022	16,449,852	22,708,017	645,129,735	877,114,786	160,274,810	37,934,018	282,716,916	187,720,215	3,235,584,335	
Additions	-	-	-	-	8,279,369	72,550,859	111,680,284	4,514,000	501,214	16,993,544	3,358,283,339	3,572,802,609	
Disposals/transfers	-	-	-	-	(10,711,773)	(15,033,510)	(2,453,519)	(2,453,519)	-	(1,148,599)	(101,658,975)	(131,006,375)	
Balance at 31 December 2023	676,595,000	101,934,964	227,006,022	16,449,852	30,987,386	706,968,821	973,761,560	162,335,291	38,435,232	298,561,861	3,444,344,579	6,677,380,569	
Accumulated depreciation													
Balance at 1 January 2022	-	59,536,097	204,874,109	7,785,211	15,730,301	304,567,640	255,585,200	97,823,779	16,439,769	172,325,168	-	1,134,667,274	
Depreciation for the year	-	2,817,858	3,300,772	866,464	697,772	32,630,168	115,048,745	14,258,569	1,870,156	22,269,785	-	193,760,289	
Adjustment for disposal/transfers	-	-	-	-	-	(2,006,247)	-	(8,767,018)	-	(9,717,105)	-	(20,490,370)	
Balance at 31 December 2022	-	62,353,955	208,174,881	8,651,675	16,428,073	335,191,561	370,633,945	103,315,330	18,309,925	184,877,848	-	1,307,937,193	
Balance at 1 January 2023	-	62,353,955	208,174,881	8,651,675	16,428,073	335,191,561	370,633,945	103,315,330	18,309,925	184,877,848	-	1,307,937,193	
Depreciation for the year	-	3,958,101	3,766,228	779,818	1,011,562	32,626,006	115,597,849	11,536,072	1,990,340	21,158,342	-	192,424,318	
Adjustment for disposal/transfers	-	-	-	-	-	(6,441,581)	(9,571,767)	(2,198,856)	-	(931,883)	-	(19,144,087)	
Balance at 31 December 2023	-	66,312,056	211,941,109	9,431,493	17,439,635	361,375,986	476,660,027	112,652,546	20,300,265	205,104,307	-	1,481,217,424	
Carrying amounts													
At 1 January 2022	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	103,130,513	126,309,126	1,638,340,756	
At 31 December 2022	676,595,000	39,581,009	18,831,141	7,798,177	6,279,944	309,938,174	506,480,841	56,959,480	19,624,093	97,839,068	187,720,215	1,927,647,142	
At 31 December 2023	676,595,000	35,622,908	15,064,913	7,018,359	13,547,751	345,592,835	497,101,533	49,682,745	18,134,967	93,457,554	3,444,344,579	5,196,163,145	



Notes to the financial statements (continued)

3.1	Capital work in progress (CWIP)	In BDT					Total
		Plant and machinery	Leasehold improvements	Furniture and fixtures	Equipment and tools		
	Cost						
	Balance at 1 January 2022	126,309,126	-	-	-	-	126,309,126
	Additions	234,426,021	57,734,644	1,660,072	902,721	902,721	294,723,458
	Transfers	(230,749,576)	-	(1,660,072)	(902,721)	(902,721)	(233,312,369)
	Balance at 31 December 2022	129,985,571	57,734,644	-	-	-	187,720,215
	Balance at 1 January 2023	129,985,571	57,734,644	-	-	-	187,720,215
	Additions	1,216,087,745	2,142,195,594	-	-	-	3,358,283,339
	Transfers	(101,658,975)	-	-	-	-	(101,658,975)
	Balance at 31 December 2023	1,244,414,341	2,199,930,238	-	-	-	3,444,344,579

3.2	Allocation of depreciation	For the year ended 31	
		Note	December
	In BDT	2023	2022
	Cost of sales	20	124,275,900
	Operating expenses	21	68,148,417
			193,760,289
			124,162,719
			69,597,570
			192,424,317



Notes to the financial statements (continued)

4 Intangible assets

See accounting policy in Note 38 (G)

Reconciliation of carrying amount

<i>In BDT</i>	Software	
	2023	2022
Cost		
Balance at 1 January	81,494,220	80,837,970
Additions	-	656,250
Disposals/transfers	-	-
Balance at 31 December	81,494,220	81,494,220
Accumulated amortisation		
Balance at 1 January	62,421,657	57,652,874
Amortisation for the year	3,814,513	4,768,783
Adjustment for disposals/transfers	-	-
Balance at 31 December	66,236,170	62,421,657

Carrying amounts

<i>In BDT</i>	2023	2022
Balance at 31 December	15,258,050	19,072,563



Notes to the financial statements (continued)

5 Lease liabilities and Right-of-use assets

See accounting policy in Note 38 (U)

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

<i>In BDT</i>	<i>Note</i>	2023	2022
Right-of-use assets	5.1	2,799,702,899	2,707,602,753
Lease liabilities	5.2	1,313,772,021	1,167,169,587

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>	<i>Note</i>	Land	Buildings	Total
Cost				
Balance at 1 January 2022		-	2,134,210,748	2,134,210,748
Additions	5.1.1	1,288,075,404	422,609,071	1,710,684,475
Disposals/adjustments		-	(13,177,797)	(13,177,797)
Balance at 31 December 2022		1,288,075,404	2,543,642,022	3,831,717,426
Balance at 1 January 2023		1,288,075,404	2,543,642,022	3,831,717,426
Additions		-	531,622,965	531,622,965
Disposals/adjustments		-	(407,726,769)	(407,726,769)
Balance at 31 December 2023		1,288,075,404	2,667,538,218	3,955,613,622
Accumulated depreciation				
Balance at 1 January 2022		-	763,363,399	763,363,399
Depreciation for the year		21,467,923	349,709,809	371,177,732
Disposals/adjustments		-	(10,426,458)	(10,426,458)
Balance at 31 December 2022		21,467,923	1,102,646,750	1,124,114,673
Balance at 1 January 2023		21,467,923	1,102,646,750	1,124,114,673
Depreciation for the year		25,761,504	374,573,811	400,335,315
Disposals/adjustments		-	(368,539,265)	(368,539,265)
Balance at 31 December 2023		47,229,427	1,108,681,296	1,155,910,723
Carrying amounts				
At 1 January 2022		-	1,370,847,349	1,370,847,349
At 31 December 2022		1,266,607,481	1,440,995,272	2,707,602,753
At 31 December 2023		1,240,845,977	1,558,856,922	2,799,702,899



Notes to the financial statements (continued)

5.1.1 Land

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

5.1.2 Allocation of depreciation

<i>In BDT</i>	Note	For the year ended 31 December	
		2023	2022
Cost of sales	20	40,963,836	33,027,262
Operating expenses	21	359,371,479	327,724,013
		400,335,315	360,751,275

5.2 Lease liabilities

<i>In BDT</i>	2023	2022
Balance at 1 January	1,167,169,587	1,048,546,293
Lease obligation made during the year	434,195,093	332,429,859
Payment of lease obligation	(372,756,183)	(313,341,600)
Lease liabilities termination/adjustments	(25,015,732)	(8,119,461)
Interest on lease liabilities	110,179,256	107,654,496
Balance at 31 December	1,313,772,021	1,167,169,587

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>	2023	2022
Current	213,896,412	204,361,270
Non-current	1,099,875,609	962,808,317
Lease liabilities included in the statement of financial position at 31 Decemb	1,313,772,021	1,167,169,587



Notes to the financial statements (continued)

6 Investments

See accounting policy in Note 38 (M)

<i>In BDT</i>	2023	2022
Investment in term deposit	78,689,593	2,630,000
Investment in Central Depository Bangladesh Limited (CDBL)	1,569,450	1,569,450
Total	80,259,043	4,199,450

7 Advances, deposits and prepayments

See accounting policy in Note 38 (H)

<i>In BDT</i>	2023	2022
Employees Advance	7,499,215	1,798,086
Advances	7,499,215	1,798,086
Security deposits	31,648,983	30,574,208
Deposits	31,648,983	30,574,208
Value Added Tax (VAT)	59,855,280	462,979,398
Supplier Advance	846,055,467	220,361,545
Other	176,226,715	49,268,393
Prepayments	1,082,137,462	732,609,336
Total	1,121,285,660	764,981,630

<i>In BDT</i>	2023	2022
Current	1,089,636,677	734,407,422
Non-current	31,648,983	30,574,208
Total	1,121,285,660	764,981,630

8 Inventories

See accounting policy in Note 38 (E)

<i>In BDT</i>	Note	2023	2022
Finished goods		3,338,985,970	4,259,168,207
Non-trade goods		12,218,266	13,128,266
	8.1	3,351,204,236	4,272,296,473
Raw materials	20	1,536,894,139	1,115,193,952
Goods in transit		481,875,750	606,643,761
		5,369,974,125	5,994,134,186
Provision for inventory obsolescence	8.1	(110,776,854)	(118,776,854)
		5,259,197,271	5,875,357,332

8.1 Finished goods (including non-trade goods)

<i>In BDT</i>	Note	2023	2022
Home appliance		2,058,166,866	3,197,289,254
Consumer electronic		508,861,147	611,574,853
Sewing		227,258,650	225,746,807
Furniture		-	139,508
Other		556,917,573	237,546,051
	8	3,351,204,236	4,272,296,473
Provision for inventory obsolescence	8	(110,776,854)	(118,776,854)
	20	3,240,427,382	4,153,519,619

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>	2023	2022
Trade receivables	9.1 & 19-C.	3,471,912,224	2,900,662,337
Other receivables	9.2	206,122,383	133,299,527
		3,678,034,607	3,033,961,864

9.1 Trade receivables

<i>In BDT</i>	<i>Note</i>	2023	2022
Hire customer receivables	9.1.1	2,992,835,067	2,634,170,826
Trade and dealer receivables	9.1.2	479,077,157	266,491,511
		3,471,912,224	2,900,662,337

9.1.1 Hire customer receivables

<i>In BDT</i>	<i>Note</i>	2023	2022
Hire receivable from customers	9.4 & 9.5	3,451,598,526	3,010,402,751
Unearned carrying charges		(403,113,066)	(340,469,947)
		3,048,485,460	2,669,932,804
Provision for doubtful debts		(55,650,393)	(35,761,978)
		2,992,835,067	2,634,170,826

9.1.2 Trade and dealer receivables

<i>In BDT</i>		2023	2022
Trade receivables		162,032,019	178,812,095
Receivables from dealers		345,801,690	113,920,671
		507,833,709	292,732,766
Provision for doubtful debts		(28,756,552)	(26,241,255)
		479,077,157	266,491,511

9.2 Other receivables

<i>In BDT</i>		2023	2022
Receivable from Shop Managers		67,882,013	51,831,220
Receivable from Retail Holdings Bhold B.V., The Netherlands		2,468,719	2,467,719
Receivable from employees		7,776,058	8,032,294
Receivable from others		161,041,421	129,913,943
Employees provident fund		32,659,821	-
		271,828,032	192,245,176
Provision for doubtful debts		(65,705,649)	(58,945,649)
		206,122,383	133,299,527

9.3 Provision for doubtful debts

<i>In BDT</i>	<i>Note</i>	2023	2022
Opening balance		120,948,882	125,942,862
Provision for the year		88,663,863	40,372,644
		209,612,745	166,315,506
Written-off during the year		(59,500,151)	(45,366,624)
Closing balance	9.3.1	150,112,594	120,948,882

9.3.1 Provision for doubtful debts-Closing balance

<i>In BDT</i>	<i>Note</i>	2023	2022
Hire customer receivables	9.1.1	55,650,393	35,761,978
Trade and dealer receivables	9.1.2	28,756,552	26,241,255
Other receivables	9.2	65,705,649	58,945,649
		150,112,594	120,948,882



Notes to the financial statements (continued)

9.4 Ageing of hire receivables from customers

<i>In BDT</i>	<i>Note</i>	2023	2022
Due within 3 months		1,304,341,219	1,238,260,514
Due over 3 months but within 6 months		1,051,005,092	968,479,482
Due over 6 months but within 9 months		644,415,687	540,040,785
Due over 9 months but within 12 months		302,860,095	199,266,126
Over 12 months		148,976,433	64,355,844
	9.1.1 & 9.5	3,451,598,526	3,010,402,751

9.5 Particulars of hire receivables from customers

<i>In BDT</i>	<i>Note</i>	2023	2022
Secured - considered good:			
Debts due within 6 months		2,299,695,918	2,170,978,018
Debts due over 6 months		1,096,252,215	803,662,755
		3,395,948,133	2,974,640,773
Secured - considered doubtful:		55,650,393	35,761,978
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		-	-
	9.1.1 & 9.4	3,451,598,526	3,010,402,751

10 Cash and cash equivalents

See accounting policy in Note 38 (H)

<i>In BDT</i>	2023	2022
Cash in hand	66,215	73,762
Cash at bank	450,175,638	208,705,749
Cash in transit	4,238,247	4,554,490
	454,480,100	213,334,001

11 Share capital

<i>In BDT</i>	2023	2022
Authorised:		
250,000,000 ordinary shares of BDT 10 each	2,500,000,000	2,500,000,000
Issued, subscribed and paid up:		
25,670 ordinary shares of BDT 10 each issued for cash	256,700	256,700
102,580 ordinary shares of BDT 10 each issued for consideration other than cash	1,025,800	1,025,800
99,574,588 ordinary shares of BDT 10 each issued as fully paid-up bonus shares	995,745,880	995,745,880
	997,028,380	997,028,380

Shareholding position:	2023		2022	
	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	2023	2022
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%



Notes to the financial statements (continued)

Classification of shareholders by holding:

Shareholding range	Number of shareholders		Total holding (%)	
	2023	2022	2023	2022
Less than 500 shares	7,603	7,395	1.11	1.15
500 to 5,000 shares	2,677	2,653	4.14	4.11
5,001 to 10,000 shares	218	221	1.56	1.59
10,001 to 20,000 shares	106	99	1.54	1.44
20,001 to 30,000 shares	53	52	1.33	1.32
30,001 to 40,000 shares	21	22	0.75	0.79
40,001 to 50,000 shares	18	17	0.84	0.80
50,001 to 100,000 shares	37	36	2.71	2.64
100,001 to 1,000,000 shares	54	56	14.13	14.64
Over 1,000,000 shares	8	8	71.89	71.52
	10,795	10,559	100.00	100.00

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

12 Reserves

In BDT	Note	2023	2022
Revaluation reserve	12.1	667,346,704	670,382,101
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
		686,140,671	689,176,068

12.1 Revaluation reserve

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

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

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

12.2 Capital reserve

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

12.3 Non-remittable special capital reserve

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

12.4 Non-distributable special reserve

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



Notes to the financial statements (continued)

13 Deferred tax assets/(liabilities)

See accounting policy in Note 38 (D)

<i>In BDT</i>	Note	2023	2022
Opening balance		39,882,238	47,986,028
Released/(expense) during the year		24,186,305	(8,776,940)
Transferred to retained earnings		881,244	673,150
Closing balance	13.1	64,949,787	39,882,238

13.1 Closing balance

<i>In BDT</i>	Note	2023	2022
Deferred tax assets	13.1.1 & 13.1.3	115,125,016	105,126,078
Deferred tax liabilities	13.1.2 & 13.1.4	(50,175,228)	(65,243,840)
	13.1.2 & 13.1.4	64,949,788	39,882,238

13.1.1 Deferred tax assets

<i>In BDT</i>	Note	Carrying amount on reporting date	Tax base	2023 Deductible/ (Taxable) temporary differences
Leases		1,485,930,879	1,619,980,972	134,050,093
Provision for inventory		110,776,854	-	110,776,854
Provision for doubtful debt		150,112,594	-	150,112,594
Provision for warranty		110,163,601	-	110,163,601
Provision for expenses		6,563,594	-	6,563,594
				511,666,736
Tax rate				22.50%
Deferred tax asset/(liability)	13.1			115,125,016

13.1.2 Deferred tax liabilities

<i>In BDT</i>	Note	Carrying amount on reporting date	Tax base	2023 Deductible/ (Taxable) temporary differences
Property, plant and equipment excluding CWIP		1,038,092,660	907,177,346	(130,915,315)
Tax rate				22.50%
Deferred tax asset/(liability)				(29,455,946)
				Taxable/ (deductible) temporary differences
Revaluation portion			Tax rate	Deferred tax asset/(liability)
Land		676,595,000	2%-6%	(16,895,000)
Building		40,744,885	22.5%, 2%-6%	(3,824,282)
Deferred tax asset/(liability)	13.1			(50,175,228)
Net deferred tax asset/(liability)	13.1			64,949,788

13.1.3 Deferred tax assets

<i>In BDT</i>	Note	Carrying amount on reporting date	Tax base	2022 Deductible/ (Taxable) temporary differences
Leases		1,540,687,333	1,645,544,467	104,857,134
Provision for inventory		118,776,854	-	118,776,854
Provision for doubtful debt		120,948,882	-	120,948,882
Provision for warranty		116,368,386	-	116,368,386
Provision for expenses		6,275,758	-	6,275,758
				467,227,014
Tax rate				22.50%
Deferred tax asset/(liability)	13.1			105,126,078



Notes to the financial statements (continued)

13.1.4 Deferred tax liabilities				2022
<i>In BDT</i>	Note	Carrying amount on reporting date	Tax base	Deductible/ (Taxable) temporary differences
Property, plant and equipment excluding CWIP		1,018,177,726	824,440,579	(193,737,147)
Tax rate				22.50%
Deferred tax asset/(liability)				(43,590,858)
		Taxable/ (deductible)		Deferred tax
Revaluation portion		temporary	Tax rate	asset/(liability)
Land		676,595,000	2%-3%	(14,011,578)
Building		59,221,657	22.5%, 2%-3%	(7,641,404)
Deferred tax asset/(liability)	13.1			(65,243,840)
Net deferred tax asset/(liability)	13.1			39,882,238

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

14 Defined benefit obligations

Gratuity

See accounting policy in Note 38 (O)

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

<i>In BDT</i>	2023	2022
Amounts recognised in the statement of financial position		
Defined benefit obligations	(172,333,276)	(159,757,012)
Fair value of plan assets	149,264,792	153,003,002
Net defined benefit plan obligations	(23,068,484)	(6,754,010)
Change in benefit obligation		
Benefit obligation at end of prior year	(159,757,012)	(151,271,531)
Service cost	(12,576,264)	(10,171,263)
Interest expense	(11,981,776)	(11,345,365)
Benefit payments from plan assets	41,250,048	22,248,261
Experience gain/(loss)	(29,268,272)	(9,217,114)
Defined benefit obligation at end of year	(172,333,276)	(159,757,012)
Change in fair value of plan assets		
Fair value of plan assets at end of prior year	153,003,002	146,257,224
Interest income	11,475,225	10,969,292
Employer contributions	20,745,990	23,760,011
Benefit payments from plan assets	(41,250,048)	(22,248,261)
Actuarial gain/(loss) on plan assets	5,290,623	(5,735,264)
Fair value of plan assets at end of year	149,264,792	153,003,002
Fair value of plan assets		
Investment	143,804,285	139,166,480
Accrued interest on investment	4,675,076	2,917,434
Cash at bank	785,431	10,919,088
	149,264,792	153,003,002
Components of Defined Benefit Cost (DBO)		
Service cost	12,576,264	10,171,263
Interest expense on DBO	11,981,776	11,345,365
Interest (income) on plan assets	(11,475,225)	(10,969,292)
Defined benefit cost included in profit or loss	13,082,815	10,547,336
Remeasurements (recognised in other comprehensive income-OCI)		
Experience gain/(loss)	(29,268,272)	(9,217,114)
Actuarial gain/(loss) on plan assets	5,290,623	(5,735,264)
Total remeasurements in OCI	(23,977,649)	(14,952,378)
Total defined benefit cost recognised in profit or loss and OCI	37,060,464	25,499,714



Notes to the financial statements (continued)

15 Other liabilities

<i>In BDT</i>	Note	2023	2022
Non-remittable accounts	15.1	1,761,767,631	1,741,834,417
Security deposits from branch managers, agents and dealers		388,015,979	371,558,586
Warranty - long term portion		33,464,588	36,740,308
		2,183,248,198	2,150,133,311

15.1 Non-remittable accounts

<i>In BDT</i>	2023	2022
Current account	(78)	(78)
Dividend account:		
Opening balance	1,741,354,505	1,621,755,221
Dividend for the year	19,933,214	119,599,284
Closing balance	1,761,287,719	1,741,354,505
Capital gain on sale of land	479,990	479,990
	1,761,767,631	1,741,834,417

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

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

16 Trade and other payables

See accounting policy in Note 38 (H)

<i>In BDT</i>	Note	2023	2022
Trade payables		2,231,618,022	1,479,594,412
Other payables	16.1	2,166,520,668	1,590,211,175
		4,398,138,690	3,069,805,587

16.1 Other payables

<i>In BDT</i>	Note	2023	2022
Payable for expenses	16.1.1	1,148,288,180	874,412,327
Royalty		595,964,140	543,152,031
Payable for other finance	16.1.2	181,985,841	162,927,711
Leasehold improvements against new shops		240,282,507	9,719,106
		2,166,520,668	1,590,211,175

16.1.1 Payable for expenses

<i>In BDT</i>	2023	2022
Advertisement and sales promotion	247,786,238	257,469,501
Reserve for early closing of hire sales	431,934,102	268,165,437
Shop rent	8,488,747	20,568,021
Warranty - short term portion	66,939,217	73,491,643
Reserve for allowable loss	24,270,838	39,332,027
Workers' profit participation and welfare fund	41,821,736	17,924,883
Bank guarantee	-	9,958,156
Utilities	5,000,000	5,000,000
Interest	146,500,000	64,000,000
Transacting and collecting commission/bonuses	5,780,892	3,833,755
Salary and benefits	4,156,617	3,384,617
Statutory audit fee	1,380,000	1,380,000
Selling expenses	1,192,745	1,209,232
Professional and technical fees	4,056,470	4,397,180
Freight and carriage bills payable	21,940,588	33,840,537
Technicians bills payable	20,338,426	12,623,421
Management fee	18,016,249	-
Insurance and other	98,685,315	57,833,918
	1,148,288,180	874,412,327



Notes to the financial statements (continued)

16.1.2 Payable for other finance

<i>In BDT</i>	2023	2022
VAT payable - realised from customers	14,181,172	8,291,368
Withholding taxes	69,607,351	21,455,526
Advances from customers	6,540,032	7,458,076
Employees provident fund	-	1,329,781
Others	91,657,286	124,392,960
	181,985,841	162,927,711

17 Short-term borrowings - secured

See accounting policy in Note 38 (H)

<i>In BDT</i>	2023	2022
Bank overdrafts/Short-term loan	8,142,332,768	5,837,248,081

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>		2023	2022
Commercial Bank of Ceylon Plc	Bank overdraft	121,550,412	51,659,481
Pubali Bank Ltd.	Bank overdraft	456,724,741	304,571,044
HSBC	Bank overdraft	-	41,784,428
Bank-AI-Falah	Bank overdraft	71,003,733	181,353,230
Standard Chartered Bank Ltd.	Bank overdraft	38,673,023	21,445,972
Eastern Bank Ltd.	Bank overdraft	126,566,986	60,427,910
Mutual Trust Bank Ltd.	Bank overdraft	38,866,310	16,859,145
City Bank Ltd.	Bank overdraft	2,032,797	13,546,612
Dhaka Bank Ltd.	Bank overdraft	35,923,555	8,847,436
Dutch Bangla Bank Ltd.	Bank overdraft	332,164,343	170,902,661
Prime Bank Ltd.	Bank overdraft	244,285,949	72,869,306
Bank-AI-Falah	Short-term loan	150,000,000	200,000,000
Dhaka Bank Ltd.	Short-term loan	500,000,000	-
HSBC	Short-term loan	-	545,610,000
Dutch Bangla Bank Ltd.	Short-term loan	1,500,000,000	2,397,970,856
Prime Bank Ltd.	Short-term loan	2,490,000,001	1,749,400,000
Pubali Bank Ltd.	Short-term loan	1,000,000,000	-
Eastern Bank Ltd.	Short-term loan	1,000,000,000	-
City Bank Ltd.	Short-term loan	34,540,918	-
		8,142,332,768	5,837,248,081

18 Current tax assets/(liabilities)

See accounting policy in Note 38 (D)

<i>In BDT</i>	Note	2023	2022
Advance income tax	18.1	3,558,886,112	3,082,023,857
Provision for income tax	18.2	(2,764,842,796)	(2,430,777,796)
		794,043,316	651,246,061

18.1 Advance income tax

<i>In BDT</i>	2023	2022
Opening balance	3,082,023,857	2,596,873,524
Advance income tax paid during the year	476,862,255	503,416,315
AIT release for prior years (2013-15)	-	(18,265,982)
Closing balance	3,558,886,112	3,082,023,857

18.2 Provision for income tax

<i>In BDT</i>	Note	2023	2022
Opening balance		2,430,777,796	2,145,839,511
Provision during the year	25	334,065,000	351,204,267
Adjustment for prior year	25	-	(48,000,000)
Provision release for prior years (2013-15)		-	(18,265,982)
		2,764,842,796	2,430,777,796



Notes to the financial statements (continued)

19 Turnover

See accounting policy in Note 38 (A)

A. Revenue streams

<i>In BDT</i>	2023	2022
Revenue from contracts with customers	17,005,175,558	17,056,944,338
Earned carrying charges	27,907,601	39,746,085
	17,033,083,159	17,096,690,423

B. Disaggregation of revenue from contracts with customers

<i>In BDT</i>	2023	2022
Home appliances	12,010,178,979	11,827,107,685
Consumer electronics	3,583,894,508	3,698,578,198
Sewing machines	801,665,715	1,173,484,552
Other appliances	609,436,356	357,773,903
	17,005,175,558	17,056,944,338

C. Contract balances

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

<i>In BDT</i>	Note	2023	2022
Receivables, which are included in 'trade and other receivables'	9	3,471,912,224	2,900,662,337
		3,471,912,224	2,900,662,337

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>	Note	2023	2022
Opening inventory of raw materials		1,115,212,360	1,038,396,031
Purchased during the year	20.1	9,716,965,424	11,260,932,261
Closing inventory of raw materials	8	(1,536,894,139)	(1,721,837,713)
Raw materials consumption	20.1	9,295,283,645	10,577,490,579
Factory salaries and wages		198,714,297	172,670,189
Freight and carriage		112,834,919	99,992,430
Rent		450,000	600,000
Depreciation	3.2	124,275,900	124,162,081
Depreciation of right-of-use assets	5.1.2	40,963,836	33,027,262
Repairs and maintenance		27,201,904	19,664,606
Utilities		31,920,236	21,647,846
Bonus		11,117,370	10,256,128
Consumable stores		17,501,945	14,043,438
Gratuity		9,440,000	5,640,000
Employee benefits and recreation		12,707,099	9,621,006
Contribution to provident fund		4,411,968	3,861,201
Fuel and car maintenance		10,063,394	7,517,050
Insurance		1,414,457	2,331,266
Stationery		1,633,638	1,189,885
Conveyance and travelling		694,450	505,543
Postage and communication		115,634	17,903
Miscellaneous		11,933,282	9,770,523
		617,394,329	536,518,357
Works cost (materials+manufacturing expenses)		9,912,677,974	11,114,008,936
Opening work-in-process		-	-
Closing work-in-process		-	-
Cost of production		9,912,677,974	11,114,008,936
Opening inventory of finished goods		4,153,501,210	4,830,059,942
Purchase/production of finished goods		1,305,328,338	1,494,525,608
		5,458,829,548	6,324,585,550
Closing inventory of finished goods	8.1	(3,240,427,382)	(4,272,296,473)
Cost of sales		12,131,080,139	13,166,298,013

20.1 Raw materials consumption

2023

<i>In BDT</i>	Balance at 1 January 2023	Purchases during the year	Balance at 31 December 2023	Consumption during the year
<u>Imported</u>				
Television	63,115,678	1,621,558,753	(23,185,642)	1,661,488,788
Micro Oven	-	216,180,800	(43,071,731)	173,109,069
Air conditioner	23,133,365	1,088,787,928	(37,184,358)	1,074,736,934
Washing Machine	4,401,969	529,068,420	(24,442,440)	509,027,949
Grinder	35,391,602	166,187,631	(10,197,705)	191,381,529
Refrigerator	986,498,009	6,094,277,599	(1,395,688,381)	5,685,087,228
Others	2,671,737	904,293	(3,123,882)	452,148
	1,115,212,360	9,716,965,424	(1,536,894,139)	9,295,283,645
Goods in transit	606,625,353	-	(481,875,749)	-
	1,721,837,713	9,716,965,424	(2,018,769,888)	9,295,283,645

2022

<i>In BDT</i>	Balance at 1 January 2022	Purchases during the year	Balance at 31 December 2022	Consumption during the year
<u>Imported</u>				
Television	83,291,248	1,242,222,942	(62,938,280)	1,262,575,910
Air conditioner	11,752,839	1,320,608,028	(23,133,364)	1,309,227,503
Washing Machine	19,155,724	3,763,883,367	(989,169,746)	2,793,869,345
Grinder	22,618,366	65,904,054	(4,401,969)	84,120,451
Refrigerator	623,857,721	68,644,185	64,386,800	756,888,706
Others	277,720,133	4,799,669,685	(706,581,154)	4,370,808,664
	1,038,396,031	11,260,932,261	(1,721,837,713)	10,577,490,579



Notes to the financial statements (continued)

21 Operating expenses

<i>In BDT</i>	Note	2023	2022
Advertisement and sales promotion	21.1	630,365,543	504,771,188
Shop operating expenses		762,726,489	729,237,403
Salaries and allowances		537,426,326	472,818,550
Rent and occupancy		77,779,973	90,077,418
Royalty	21.2	225,931,875	188,771,694
Warranty		247,818,537	252,116,925
Utilities		79,320,633	70,446,887
Depreciation	3.2	68,148,417	69,597,570
Depreciation of right-of-use assets	5.1.2	359,371,479	327,724,013
Bad debts	9.3	88,663,863	40,372,644
Office administration		106,243,158	76,526,734
Repairs and maintenance		119,289,890	66,423,609
Directors' fee and remuneration	21.3	35,886,874	26,013,379
Management fee		18,016,249	-
Travelling	21.4	55,050,210	50,405,928
Amortisation	4	3,814,513	4,768,783
Bank charge		34,972,922	34,221,651
Insurance		55,552,357	46,168,362
Fuel and car maintenance		4,727,237	3,561,364
Professional and technical fees	21.5	19,423,257	13,589,191
Entertainment		12,060,197	8,459,963
Dues and subscription		593,158	651,431
Demurrage cost**		54,719,484	82,975,495
Research and Development		4,468,814	10,101,141
		3,602,371,455	3,169,801,323

**Demurrage cost (shipping and port) incurred mainly on account of importing refrigerators raw materials. Due to some mismatch in the raw materials with the documents, full scale checking has been conducted by the customs authority instead of sample checking. Therefore, the Company has suffered additional port and shipping charges as demurrage costs during current year.

21.1 Advertisement and sales promotion

<i>In BDT</i>	2023	2022
Advertisement	313,775,957	293,294,184
Selling expenses	236,980,719	165,808,923
Sales promotion	59,008,867	37,000,783
Meeting and conference expenses	20,600,000	8,667,298
	630,365,543	504,771,188

21.2 Royalty

See accounting policy in Note 38 (K)

Retail Holdings Bhold B.V.

<i>In BDT</i>	Turnover from manufacturing units		Royalty charge for the year	
	2023	2022	2023	2022
Manufactured products				
Audio-video sets (television)	2,951,646,781	2,589,690,135	88,549,405	77,690,704
Air conditioner	2,468,085,614	2,058,232,431	74,042,568	61,746,973
Refrigerator	6,333,990,237	4,933,401,704	63,339,902	49,334,017
	11,753,722,632	9,581,324,270	225,931,875	188,771,694

Royalty was charged on the net annual invoice price of products manufactured by Singer Bangladesh Limited @ 3% on audio-video sets, air conditioner, and @1% on refrigerator for the year 2022 and 2023.



Notes to the financial statements (continued)

21.3 Director's fee and remuneration

<i>In BDT</i>	2023	2022
Remuneration	28,577,646	18,912,925
Housing	2,975,868	2,755,428
Medical and welfare	3,856,360	3,724,026
Fees	477,000	621,000
	35,886,874	26,013,379

21.4 Travelling

<i>In BDT</i>	2023	2022
Local Travel	49,953,938	47,554,212
Foreign Travel	5,096,272	2,851,716
	55,050,210	50,405,928

21.5 Professional and technical fees

<i>In BDT</i>	Note	2023	2022
Audit and consultancy fees for statutory auditor	21.5.1	2,628,426	2,369,000
Other Professional services fees		14,015,051	8,134,446
Legal and technical services fees		2,779,780	3,085,745
		19,423,257	13,589,191

21.5.1 Audit and consultancy fees for statutory auditor

<i>In BDT</i>	2023	2022
Statutory audit fee	1,380,000	1,380,000
Group reporting fee	977,500	920,000
Other fees for non-audit services	270,926	69,000
	2,628,426	2,369,000

22 Other income/(loss)

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

<i>In BDT</i>	2023	2022
Sale of scrapped inventories and others	48,804,128	41,541,849
Dividend income from CDBL	1,142,362	1,427,952
Gain/(loss) on sale of fixed assets	(7,667,048)	(560,602)
Fire loss of inventory	-	(19,923,687)
Hire agreement fees	117,827,156	120,203,665
Reverts product sale	17,469,433	12,350,166
Income from financial and related services	1,015,879	1,339,194
Other	-	25,620,248
	178,591,910	181,998,785

23 Net finance costs

See accounting policy in Note 38 (B)

<i>In BDT</i>	Note	2023	2022
Interest income		1,665,906	170,421
Foreign exchange gain	23.1	-	4,620,920
Finance income		1,665,906	4,791,341
Interest expenses on borrowings		(479,653,379)	(441,681,675)
Interest expenses on leases	5.2	(110,179,256)	(107,654,496)
Foreign exchange loss	23.1	(14,302,545)	-
Finance costs		(604,135,180)	(549,336,171)
		(602,469,274)	(544,544,830)



Notes to the financial statements (continued)

23.1 Foreign exchange gain/(loss)

<i>In BDT</i>	2023	2022
Realized gain/(loss)	77,663,335	24,299,730
Unrealized gain/(loss)	(91,965,880)	(19,678,810)
Total exchange gain/(loss)	(14,302,545)	4,620,920

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>	Note	2023	2022
Current tax expense	18.2	334,065,000	351,204,267
Provision release from prior years	18.2	-	(48,000,000)
Deferred tax expense/(income) relating to origination and reversal of	25.2	(24,186,305)	1,830,363
		309,878,695	305,034,630

25.1 Reconciliation of effective tax rate

<i>In BDT</i>	2023		2022	
	Percentage	BDT	Percentage	BDT
Profit before tax		831,966,491		378,142,790
Tax using the Company's tax rate	22.50%	187,192,460	22.50%	85,082,128
Tax effect of:				
Non-deductible expenses	7.45%	62,022,179	14.02%	53,022,281
Excess tax paid for minimum tax	7.66%	63,711,906	50.52%	191,035,458
Other components of tax as per ITA 2023/ ITO 1984	2.54%	21,138,455	5.83%	22,064,400
Adjusted unabsorbed depreciation	0.00%	-	0.00%	-
Adjustments/provision released during the year	0.00%	-	-12.69%	(48,000,000)
Temporary differences	-2.91%	(24,186,305)	0.48%	1,830,363
	37.25%	309,878,695	80.66%	305,034,630

25.2 Deferred tax expense/(income)

<i>In BDT</i>	Note	2023	2022
Deferred tax expense during the year	13	(24,186,305)	8,776,940
Deferred tax related to revaluation gain recognised in OCI		-	6,946,577
Deferred tax expense/(income) recognised in profit and loss accounts		(24,186,305)	1,830,363

25.3 Tax related to remeasurement of employee benefit obligations

<i>In BDT</i>	2023		
	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurement of defined benefit liability	(23,977,649)	5,394,971	(18,582,678)
	(23,977,649)	5,394,971	(18,582,678)
<i>In BDT</i>	2022		
	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurement of defined benefit liability	(14,952,378)	3,364,285	(11,588,093)
	(14,952,378)	3,364,285	(11,588,093)



Notes to the financial statements (continued)

26 Contingencies and commitments

26.1 Commitments

<i>In BDT</i>	2023	2022
Letters of credit*	2,127,120,863	1,657,506,005
Bank guarantees	5,319,000	5,119,000
	2,132,439,863	1,662,625,005

*The letters of credit were outstanding as at 31 December 2023 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.

	2023	2022
(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	4,264,718	17,628,250
	9,271,394	22,634,926

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



Notes to the financial statements (continued)

27 Capacity utilisation

2023		In units				
Production	Measurement unit	Annual installed capacity	Utilisation during the period	Over/(Under) utilisation	% of utilisation	
Panel television	Number	213,750	120,830	(92,920)	56.5	
Air conditioner	Sets	51,300	26,783	(24,517)	52.2	
Refrigerator	Number	273,600	217,427	(56,173)	79.5	
Washing Machine	Number	71,250	28,459	(42,791)	39.9	
Micro Oven	Number	71,250	21,049	(50,201)	29.5	
Grinder	Number	71,250	60,601	(10,649)	85.1	

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

28 Number of employees

	2023	2022
The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 and above*	1,749	1,670
*Above mentioned number of employees includes Retail Store Managers.		

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.

2023	Name of party	Amount (BDT)	Equivalent (USD)
Dividend for the year 2022 (final)	Retail Holdings Bhold B.V.	33,197,511	310,170
Royalty for the year 2020	Retail Holdings Bhold B.V.	155,807,789	1,430,744
		189,005,300	1,740,915

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

30 Earnings per share (EPS)

See accounting policy in Note 38 (Q)

30.1 Basic earnings per share

	2023	2022
Earnings attributable to the ordinary shareholders	522,087,796	73,108,160
Weighted average number of ordinary shares outstanding	99,702,838	99,702,838
Basic earnings per share	5.24	0.73

Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2023 in terms of International Accounting Standard (IAS-33). For comparative year (i.e. 2022) the same no of ordinary shares outstanding were used to compute basic EPS, as 10% cash dividend was declared for the year ended 31 December 2022. Details of shares issue have been shown in Annexure - 2.

30.2 Diluted earnings per share

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

Notes to the financial statements (continued)

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

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

31 December 2023	Note	Carrying amount					Total amount	
		Fair value hedging instruments	Mandatorily at fair value	FVOCI instruments	FVOCI equity instruments	Financial assets at amortised cost		Other financial liabilities
Financial assets not measured at fair value								
Trade and other receivables	9	-	-	-	-	3,678,034,607	-	3,678,034,607
Cash and cash equivalents	10	-	-	-	-	454,480,100	-	454,480,100
		-	-	-	-	4,132,514,707	-	4,132,514,707
Financial liabilities not measured at fair value								
Trade and other payables	16	-	-	-	-	-	4,398,138,690	4,398,138,690
		-	-	-	-	-	4,398,138,690	4,398,138,690
31 December 2022								
Financial assets not measured at fair value								
Trade and other receivables	9	-	-	-	-	3,033,961,864	-	3,033,961,864
Cash and cash equivalents	10	-	-	-	-	213,334,001	-	213,334,001
		-	-	-	-	3,247,295,865	-	3,247,295,865
Financial liabilities not measured at fair value								
Trade and other payables	16	-	-	-	-	-	3,069,805,587	3,069,805,587
		-	-	-	-	-	3,069,805,587	3,069,805,587

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



Notes to the financial statements (continued)

31.2 Financial risk management

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

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

31.2.1 Credit risk

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

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

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

31.2.1.1 Exposure to credit risk

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

<i>In BDT</i>	<i>Note</i>	<i>2023</i>	<i>2022</i>
Trade and other receivables	9	3,678,034,607	3,033,961,864
Deposits	7	31,648,983	30,574,208
Cash and cash equivalents	10	454,480,100	213,334,001
		4,164,163,690	3,277,870,073

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>	<i>2023</i>	<i>2022</i>
Domestic	9	3,678,034,607	3,033,961,864
		3,678,034,607	3,033,961,864

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>	<i>2023</i>	<i>2022</i>
Retail customers	9.1.1	2,992,835,067	2,634,170,826
Wholesale and corporate customers	9.1.2	479,077,157	266,491,511
Others	9.2	206,122,383	133,299,527
		3,678,034,607	3,033,961,864



Notes to the financial statements (continued)

31.2.1.2 Impairment loss

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

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

<i>In BDT</i>	Note	Gross 2023	Impairment 2023
0 to 30		3,199,819,620	457,709
31 to 60		303,763,163	1,328,121
61 to 180		247,588,923	4,805,238
181 to 360		98,611,128	18,652,315
> 360		109,649,401	59,163,562
	9.1.1 & 9.1.2	3,959,432,235	84,406,945

<i>In BDT</i>	Note	Gross 2022	Impairment 2022
0 to 30		2,782,225,555	801,898
31 to 60		164,844,709	218,605
61 to 180		188,709,197	3,358,600
181 to 360		74,855,453	11,566,515
> 360		92,500,603	46,057,615
	9.1.1 & 9.1.2	3,303,135,517	62,003,233

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

<i>In BDT</i>	Note	2023	2022
Opening balance		120,948,882	125,942,862
Allowance recognised for the year	9.3	88,663,863	40,372,644
Allowance written off for the year	9.3	209,612,745	166,315,506
Closing balance		(59,500,151)	(45,366,624)
		150,112,594	120,948,882

Expected credit loss (ECL) assessment

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



Notes to the financial statements (continued)

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

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

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

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

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

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

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

In BDT	For the year ended 31 December 2023		
	Amounts outstanding	Adjusted loss rate	Expected credit loss
Ageing bucket (days)			
0 to 30	3,199,819,620	0.0%	457,709
31 to 60	303,763,163	0.4%	1,328,121
61 to 180	247,588,923	1.9%	4,805,238
181 to 360	98,611,128	18.9%	18,652,315
> 360	109,649,401	54.0%	59,163,562
Total	3,959,432,235		84,406,945

In BDT	For the year ended 31 December 2022		
	Amounts outstanding	Adjusted loss rate	Expected credit loss
Ageing bucket (days)			
0 to 30	2,782,225,555	0.0%	801,898
31 to 60	164,844,709	0.1%	218,605
61 to 180	188,709,197	1.8%	3,358,600
181 to 360	74,855,453	15.5%	11,566,515
> 360	92,500,603	49.8%	46,057,615
Total	3,303,135,517		62,003,233



Notes to the financial statements (continued)

31.2.2 Liquidity risk

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

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

<i>In BDT</i>	Note	Carrying amount	Contractual cash flows	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
As at 31 December 2023								
Non-derivative financial liabilities:								
	17	8,142,332,768	(8,288,832,769)	(2,205,256,700)	(6,083,576,069)	-	-	-
	16	4,398,138,690	(4,398,138,690)	(2,657,803,461)	(1,740,335,229)	-	-	-
	5	1,313,772,021	(1,949,009,371)	(48,879,238)	(230,842,060)	(512,331,240)	(709,428,731)	(447,528,101)
		13,854,243,479	(14,635,980,830)	(4,911,939,399)	(8,054,753,358)	(512,331,240)	(709,428,731)	(447,528,101)
As at 31 December 2022								
Non-derivative financial liabilities:								
	17	5,837,248,081	(5,930,961,671)	(2,009,429,879)	(3,921,531,792)	-	-	-
	16	3,069,805,587	(3,069,805,587)	(2,482,557,962)	(587,247,625)	-	-	-
	5	1,167,169,587	(3,580,855,551)	(68,173,228)	(333,059,619)	(350,243,909)	(572,978,810)	(2,256,399,985)
		10,074,223,255	(12,581,622,809)	(4,560,161,069)	(4,841,839,036)	(350,243,909)	(572,978,810)	(2,256,399,985)

31.2.3 Market risk

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

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



Notes to the financial statements (continued)

31.2.3.1 Interest rate risk

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

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

In BDT	Note	2023	2022
Fixed rate instruments			
Fixed rate deposits at financial institution		-	-
Fixed rate loans and receivable (excluding UCC)	9.1.1	3,048,485,460	2,669,932,804
Other fixed rate instruments (assets)		-	-
Financial assets		3,048,485,460	2,669,932,804
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	8,142,332,768	5,837,248,081
Variable rate loans		-	-
Variable rate debentures		-	-
Variable rate promissory notes		376,288,977	368,765,932
Other variable rate liabilities		8,518,621,745	6,206,014,013
Financial liabilities		8,518,621,745	6,206,014,013



Notes to the financial statements (continued)

33 Related parties

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

33.1 Parent and ultimate controlling party

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

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

In BDT	Note	2023	2022
Remuneration		28,577,646	18,912,925
Housing		2,975,868	2,755,428
Medical and welfare		3,856,360	3,724,026
Board meeting fees		477,000	621,000
a) Short-term employee benefit	21.3	35,886,874	26,013,379
b) Post employment benefit		-	-
c) Other long-term benefit		-	-
d) Termination benefit		-	-
e) Share-based payment		-	-
		35,886,874	26,013,379

33.3 Other related party transactions

Name of related parties	Relationship	Nature of transaction	2023	2022
Arcelik A.S.	Ultimate parent	Procurement of products	24,881,082	47,347,344
Arcelik A.S.	Ultimate parent	Other payable	34,440,435	38,324,783
BEKO Thai Co. Ltd.	Subsidiary of ultimate parent	Procurement of products	163,100,846	10,017,836
Voltbek Home Appliances Private Ltd.	Subsidiary of ultimate parent	Procurement of products	59,285,670	-
Retail Holdings Bhold B.V., The Netherlands	Parent Company	Royalty expense	225,931,875	188,771,694
Retail Holdings Bhold B.V., The Netherlands	Parent Company	Management fee	18,016,249	-
Retail Holdings Bhold B.V., The Netherlands	Parent Company	Current account	1,000	-

33.3.1 Related party receivable/(payable)

Name of related parties	Relationship	Nature of transaction	2023	2022
Arcelik A.S.	Ultimate parent	Payable for inventory	-	(11,694,265)
Arcelik A.S.	Ultimate parent	Other payable	(94,086,751)	(59,646,317)
Arcelik A.S.	Ultimate parent	Other receivable	881,511	881,511
BEKO Thai Co. Ltd.	Subsidiary of ultimate parent	Payable for inventory	(7,835,338)	(8,608,996)
Voltbek Home Appliances Private Ltd.	Subsidiary of ultimate parent	Procurement of products	(2,217,780)	-
Retail Holdings Bhold B.V., The Netherlands	Parent company	Royalty payable	(595,964,140)	(543,152,031)
Retail Holdings Bhold B.V., The Netherlands	Parent company	Current account	2,468,719	2,467,719
Retail Holdings Bhold B.V., The Netherlands	Parent company	Management fee	(18,016,249)	-

Notes to the financial statements (continued)

34 Net asset value (NAV) per share

34.1 NAV per share after revaluation

<i>In BDT</i>	2023	2022
Total assets	19,463,373,878	15,237,285,034
Total liability	(16,070,176,577)	(12,248,771,257)
Net assets value	3,393,197,301	2,988,513,777
Number of shares used to compute NAV	99,702,838	99,702,838
Net asset value (NAV) per share	34.03	29.97

34.2 NAV per share before revaluation

<i>In BDT</i>	2023	2022
Total assets	19,463,373,878	15,102,021,692
Total liability	(16,070,176,577)	(12,248,771,257)
Net assets value	3,393,197,301	2,853,250,435
Number of shares used to compute NAV	99,702,838	99,702,838
Net asset value (NAV) per share	34.03	28.62

35 Reconciliation of net income with cashflows from operating activities

<i>In BDT</i>	2023	2022
Net income	522,087,796	73,108,160
Add/(deduct) for noncash items:		
Depreciation & amortization	596,574,145	559,280,347
(Gain)/loss on sale of property, plant and equipment	7,667,048	560,602
Deferred tax expenses/(income)	(24,186,305)	8,776,940
Tax expense	309,878,695	305,034,630
Finance costs	604,135,180	549,336,171
Other provisions	60,434,621	40,372,644
Changes in:		
(Increase)/Decrease in deposits and prepayments	(1,074,775)	(1,203,400)
(Increase)/Decrease in inventories	616,160,061	(125,678,213)
(Increase)/Decrease in trade and other receivables	(644,072,743)	(287,417,454)
(Increase)/Decrease in Advances, deposits and prepayments	(354,154,480)	(215,613,610)
Increase/(Decrease) in other liabilities	33,114,887	29,894,815
Increase/(Decrease) in accounts payables	1,019,072,386	1,380,157,359
Tax paid	(476,862,255)	(503,416,315)
Net cash flows from operating activities	2,268,774,261	1,813,192,676

35.1 Net operating cash flow per share (NOCFPS)

<i>In BDT</i>	2023	2022
Net cash from operating activities	2,268,774,261	1,813,192,676
Number of ordinary shares outstanding	99,702,838	99,702,838
Net operating cash flow per share (NOCFPS)	22.76	18.19

36 Events after the reporting period

The Board of Directors of the Company has recommended 35% (BDT 3.50 per share of BDT 10 each) cash dividend in its 271st board meeting held on 29 January 2024.

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.



37.1 Basis of measurement

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

38 Material accounting policies

Set out below is an index of the Material 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. Statement of cash flows
- S. Events after the reporting period
- T. Offsetting
- U. Leases



A. Revenue from contracts with customers

Type of product/service

Consumer electronics and household appliances.

Nature and timing of satisfaction of performance obligations

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

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

Revenue recognition

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

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

B. Finance income and finance costs

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

C. Foreign currency transactions

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

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

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



D. Income Tax

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

Current tax

The Company qualifies as a "Publicly Traded Company", as defined in income tax law. The applicable tax rate for the Company is 22.5%. Provision for taxation has been made on this basis which is compliant with the Finance Act 2023.

Deferred tax

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

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

E. Inventories

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

F. Property, plant and equipment

Recognition and measurement

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

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

Cost model

The Company applies cost model to property, plant and equipment except for land and buildings.



Notes to the financial statements (continued)

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 and equipment, since this most closely reflected the expected pattern of consumption of the future economic benefits embodied in the asset. A change in the depreciation method is a change in a technique used to apply the entity's accounting policy to recognise depreciation as an asset's future economic benefits are consumed. Therefore it is deemed to be a change in an accounting estimate.

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

Depreciation is charged at the rates varying from 10% to 20% depending on the estimated useful lives of assets. No depreciation is charged for work-in-progress.

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

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



G. Intangibles

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

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

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

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

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

<u>Intangible assets</u>	
Computer Software	20%

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.



Notes to the financial statements (continued)

Accounts receivable

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

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

Ageing bucket (days)	2023	2022
0 to 30	0.0%	0.0%
31 to 60	0.4%	0.1%
61 to 180	1.9%	1.8%
181 to 360	18.9%	15.5%
> 360	54.0%	49.8%

Cash and cash equivalents

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

Financial liability

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

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

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

Accounts payable

The Company recognises a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits.

I. Impairment

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



J. Provisions

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

K. Royalty

Royalty is payable to Retail Holdings Bhold B.V. @ 3% of net annual invoice price of sale of audio-video sets (radio cassette, recorders and televisions), air conditioner and @ 1% on refrigerator assembled and manufactured in Bangladesh for the year 2023 (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 and Prime Bank Limited which are renewable.

Investment in short term deposit

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

N. Workers' profit participation fund

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



O. Employee benefits

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

Defined contribution plan (provident fund)

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognised Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 12.5% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognised by the National Board of Revenue (NBR), under the second Schedule, Part 3 of Income Tax Act 2023.

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

Defined benefit obligation (gratuity)

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

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

Short-term employee benefits

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

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 2023.

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.



Notes to the financial statements (continued)

R. 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.

S. 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.

T. 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.

U. 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

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.



Details of disposal of property, plant and equipment (Annexure - 1)

For the year ended 31 December 2023

Particulars	Original cost	Accumulated depreciation	Net book value	Sales proceed	Gain/(Loss)	Mode of disposal
Computer	465,407	292,902	173,203	165,618	(7,584)	Sold/write off
Equipment	683,193	639,139	44,353	85,097	40,744	Sold/write off
Leasehold improvements	10,711,772	6,441,581	4,270,191	1,313,270	(2,956,921)	Sold/write off
Plant & Machinery	15,033,510	9,571,767	5,461,743	359,840	(5,101,903)	Sold as scrap
Vehicles	2,453,519	2,198,856	254,663	613,280	358,617	Auction sale
	29,347,401	19,144,245	10,204,154	2,537,105	(7,667,048)	



Details of share issue (Annexure - 2)

Date of Issue	Basis of Issue of Shares	Total Share & Share Capital		
		No. of Shares Issued	No. of Shares after Bonus	Share Capital BDT 10 each
1983	2567 ordinary shares of BDT 10 each issued for cash	25,670	25,670	256,700
1983	10,258 ordinary shares of BDT 10 each issued for consideration other than cash	102,580	102,580	1,025,800
Total ordinary shares issued		128,250	128,250	1,282,500
Bonus share				
18-Apr-85	100%	128,250	256,500	1,282,500
16-Apr-87	60%	153,900	410,400	1,539,000
16-Aug-89	100%	410,400	820,800	4,104,000
12-Jul-92	100%	820,800	1,641,600	8,208,000
12-Jul-93	100%	1,641,600	3,283,200	16,416,000
01-Jun-94	50%	1,641,600	4,924,800	16,416,000
28-May-95	50%	2,462,400	7,387,200	24,624,000
21-May-96	50%	3,693,600	11,080,800	36,936,000
16-Apr-97	50%	5,540,400	16,621,200	55,404,000
28-Apr-08	35%	5,817,420	22,438,620	58,174,200
27-Apr-11	75%	16,828,960	39,267,580	168,289,600
08-May-13	25%	9,816,895	49,084,475	98,168,950
28-Apr-14	25%	12,271,118	61,355,593	122,711,180
30-Apr-15	25%	15,338,898	76,694,491	153,388,980
23-Apr-19	30%	23,008,347	99,702,838	230,083,470
Total bonus shares issued		99,574,588		995,745,880
Total shares issued		99,702,838		997,028,380

