



**SINGER**  
TRUSTED EXCELLENCE  
Singer Bangladesh Limited  
Annual Report 2014



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

Today, Singer Bangladesh Limited is a large, diversified company and remains a member of the worldwide franchise of Singer. It is one of the largest and most successful companies in Bangladesh in the consumer durable sector. Singer's success over the years is attributed to its uncompromised focus on service excellence and the extensive country-wide presence. With over 375 retail outlets, more than 372 dealers and extensive service network, people of Bangladesh are assured of a speedy and reliable pre and after sales service.

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



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**Company at a Glance**

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

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**Financial Highlights**

**10%**

Turnover increased by 9.94% over 2013

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**Chairman's Message**



Despite unfavorable environments, we were able to expand the scope of business operations both in Retail and Wholesale.

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**Chief Executive Officer's Review**



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

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**2014 Results in Perspective**



Gross profit reached Taka 1,839.7 million which was higher by 3% over the previous years gross profit of Taka 1,785.5 million

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**Protecting Ourselves**

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



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## Vision

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

## Mission

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



## VALUES

### Consumers

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

### shareholders

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

### employees

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

### suppliers

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

### Competitors

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

### Community

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

### environment

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

## OBJECTIVES

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

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

Provide our consumers with products of latest technology.

Develop our employees to achieve their real potential.

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

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

## Corporate Directory

### Board of Directors

#### Chairman

Mahbub Jamil

#### Managing Director

A. M. Hamim Rahmatullah

#### Independent Directors

Akhtar Imam  
C. K. Hyder  
Masud Khan  
Dr. Syed Ferhat Anwar

#### Directors

Gavin J. Walker  
Gelmart M. Gellecnao  
Mohammad Sanaullah  
Akram Uddin Ahmed  
Mokbul Ahmed

#### Company Secretary

Mohammad Sanaullah

#### Audit Committee

C. K. Hyder (Chairman)  
Akhtar Imam  
A. M. Hamim Rahmatullah  
Gelmart M. Gellecnao

#### Remuneration Committee

C. K. Hyder (Chairman)  
Akhtar Imam  
Gavin J. Walker

#### Nomination Committee

Gavin J. Walker (Chairman)  
Akhtar Imam  
C. K. Hyder

#### Management Committee

A. M. Hamim Rahmatullah (Chairman)  
Mohammad Sanaullah  
Akram Uddin Ahmed  
Mokbulla Huda Chowdhury  
M. H. M. Fairoz  
Kazi Rafiqul Islam  
Md. Anisur Rahman  
Tanyem Quarrar  
M. M. Ferdous  
Abu Zafor Md. Kibria  
Md. Ashgar Hossain  
Mokbul Ahmed (Member Secretary)

#### Chief Financial Officer

Akram Uddin Ahmed

#### Head of Internal Audit

Abu Zafor Md. Kibria

#### Auditors

S. F. Ahmed & Co.  
Chartered Accountants

#### Legal Retainer

Advocate Md. Matiur Rahman

#### Corporate Governance Compliance Auditor

Itrat Husain & Associates  
Chartered Secretaries in practice

#### Bankers

Trust Bank Ltd.  
Pubali Bank Ltd.  
Dhaka Bank Ltd.  
Bank Alfalah Ltd.  
Eastern Bank Ltd.  
The City Bank Ltd.  
Mutual Trust Bank Ltd.  
Commercial Bank of Ceylon PLC.  
Standard Chartered Bank  
The Hongkong and Shanghai Banking Corporation (HSBC)

#### Registered Office

39 Dilkusha Commercial Area  
Dhaka-1000

#### Corporate Office

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

#### Audit and Wholesale Office

H. S. Bhaban  
Cha-75/A, Bir Uttam Rafiqul Islam Avenue  
Pragati Sarani, Dhaka-1212

#### Singer Manufacturing Complex (SMC)

Rajfulbaria, Jhamur, Savar, Dhaka-1340

# YEAR AT A GLANCE

## OPERATING HIGHLIGHTS AND SIGNIFICANT EVENTS

### JANUARY

Opened SINGER PLUS Showroom at Boyra, Khulna  
Renovated Hobigong Singer Plus Showroom was opened to public  
Chagolnaiyan Singer Plus was extended to give a wider space for consumers shopping convenience.  
Board meeting held

### MARCH

Renovation work of the following Singer Plus showroom were done:  
Gopalgong  
Jamalpur  
Remuneration committee meeting held

### MAY

Opened a new Singer Plus Showroom at Dinajpur Kumarkhali Showroom was renovated for providing shopping convenience

### JULY

Bhulta, Narayanganj Showroom was relocated to a new premises  
Board and Audit committee meeting held

### SEPTEMBER

Opened a new Singer Showroom in Branhambaria  
Board meeting held

### NOVEMBER

Launched Grundig Small Appliances  
Opened a new showroom at Naogaon  
Board meeting held

### FEBRUARY

Renovation of Fulbaria, Mymensingh Singer Plus Show room was completed  
The Singer Plus Showroom at Fulpur, Mymensingh was relocated to a more convenient location  
The Annual Sales Conference was held at Bashudhara Convention Centre  
Singer Annual Dealers Conference was held at Basundhara Convention Centre  
Board and Audit Committee meeting held

### APRIL

Renovated the following Singer Plus Showroom for providing Shopping Convenience:  
Madaripur  
Rajbari  
Valuka  
Pabna  
Commenced production of Air Conditioner at own factory  
Hold 34th Annual General Meeting  
Board and Audit Committee meeting held

### JUNE

Two Singer Plus Shops in Rajshahi and Brahmonbaria were renovated  
Formal launch of BEKO and GRUNDIG

### AUGUST

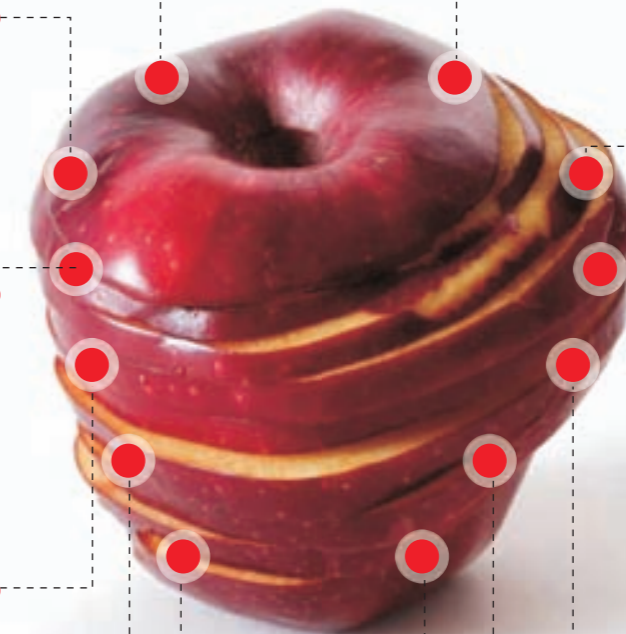
Opened a new SINGER MEGA Showroom at Uttara

### OCTOBER

Extended the Singer Plus Showroom at Subhanighat, Syhlet  
Board, Audit and Remuneration committee meeting held

### DECEMBER

Board meeting held





# COMPANY AT A GLANCE

## FINANCIAL HIGHLIGHTS

Our Retail Presence

	Singer MEGA	Singer Plus	Total
Central A	5	36	41
Central B	4	34	38
Central C	-	32	32
Eastern	1	38	39
Southeast	1	46	47
Northeast	3	35	38
Southwest	2	48	50
West	1	40	41
Northwest	1	48	49
<b>Total</b>	<b>18</b>	<b>357</b>	<b>375</b>

	2014 Taka Million	2013 Taka Million	2012 Taka Million	2011 Taka Million	2010 Taka Million
Turnover	7,261.76	6,605.08	6,703.36	5,461.23	4,829.02
Operating profit before Interest & Tax	600.44	586.42	762.25	503.03	498.17
Profit before Tax	501.31	527.57	668.10	526.70	2,267.33
Profit after Tax	362.34	382.13	490.37	399.60	1,973.76
Paid up Capital	613.56	490.84	392.68	392.68	224.39
Revenue Reserve	518.23	1,732.76	1,720.74	1,528.48	2,623.51
Revaluation Reserve	376.57	390.40	407.37	259.02	274.06
Capital Reserve	18.79	18.79	18.79	18.56	18.56
Shareholders' Equity	1,527.15	2,632.79	2,539.58	2,198.74	3,140.52
Property, Plant & Equipment	917.61	871.67	877.47	656.77	655.89
Investments	15.20	11.20	3.20	1.57	4.42
Net Current Assets	1,772.57	2,608.11	2,401.70	2,215.16	2,884.54
Gross Dividends	1,349.83	613.55	589.02	117.80	1,514.63
Dividend per share (Taka) *	22.00	12.50	15.00	3.00	67.50
Earnings Per Share (Taka)	5.91	7.79	12.49	10.18	87.98
Price Earning Ratio (Times)	37.08	23.99	13.13	28.24	8.15
Net Asset per Share (Taka)	24.89	53.63	64.67	55.99	139.96
Market value per share at year end (Taka)	219.00	186.80	164.00	287.40	716.90
Net Income to Net Turnover (%)	4.99	5.79	7.32	7.32	40.87
Return on Average Net Assets (%)	13.39	10.95	14.94	13.91	55.68
Debt Equity Ratio (%)	72.88	28.33	48.32	37.74	19.57
Interest Cover	8.08	14.14	N/A	N/A	N/A
Current Ratio	2.59	4.50	2.996	3.75	6.02
Acid Ratio	1.22	2.82	1.13	2.02	4.27
Number of Shareholders	14,582	14,185	11,459	11,623	8,518
Number of Employees	1,020	947	969	926	799

\* Includes 195% cash & 25% stock



**375 Retail Outlets**

Singer Mega and Singer Plus

**372 Dealers**

Singer Pro

**1,020 members**

Singer Staff

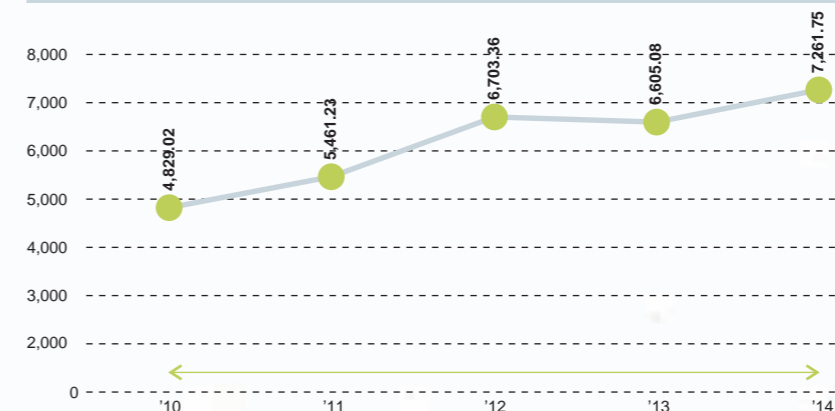
### Turnover

**7,262**

2014

millions

**+ 9.94%**





# CHAIRMAN'S MESSAGE



## Dear Shareholders,

It is my pleasure to place the Annual Report of Singer Bangladesh Limited along with the audited Financial Statements and Auditors' Report thereon for the year ended December 31, 2014.

## Business Condition

The year 2014 was not a good year for the Bangladesh economy. The first quarter of the year was uncertain and the impact of the unprecedented political strike and unrest, adversely affected the business as a whole. These factors and the generally depressed economy, affected not only our company, but also most of the business houses.

Despite these unfavorable environments, we were able to expand the scope of business operations both in Retail and Wholesale.

## The Highlights of the Year are as Follows :

- The company maintained the market leadership in the country's household appliances;
- Sales / turnover amounted to TK. 7,262 Million increased by 9.94 % over 2013;
- Net Income declined by 5.18% compared to last year;
- Air conditioners assembly unit went into commercial production and the initial response in the market is encouraging;
- Distribution network further extended with the inclusion of 6 new Retail shops in various locations throughout the country;
- Contributed to the National Exchequer in the form of duties, VAT and corporate tax of Tk. 2,671 Million.
- Expansion and Diversification

Despite unfavorable environments, we were able to expand the scope of business operations both in Retail and Wholesale.

You would be happy to know that your company acquired 40% equity participation in the International Appliances Limited (IAL), a joint venture refrigerator manufacturing company for manufacturing Singer branded refrigerators and freezer and other appliances. Future dividends from this investment will also contribute to the profitability of the company.

## Equity and Shares

During the year under review the paid up capital of the Company increased to Tk. 613 million after issuing bonus shares for 2013.

There was a downward trend of share price in the capital market during the year due to economic slowdown. These influenced the share price of most of the leading companies, Singer was also not an exception. However, your company's share price was comparatively better than others. During the year the highest share value was Tk. 272 and the lowest was Tk. 172. The closing share price was Tk. 219 having a face value of TK. 10.

## Dividend

The Board of Directors of your Company recommended final dividend of Tk. 35 (cash) per Ordinary share and issuing of one bonus share for every four ordinary shares. Therefore, total dividend for the year 2014 would be 220% including interim dividend of 160%.

## Directorate

Mr. Masud Khan and Dr. Syed Ferhat Anwar joined the Board on February 28, 2015 as Independent Directors. I welcome both of them to the Board.

Our longest serving non-executive director Mr. C. K. Hyder having spent more than 18 years with us will leave the Board after this Annual General Meeting; I would like to thank Mr. Hyder for his outstanding contribution and in particular for his role as Chairman of the Audit Committee and Remuneration Committee since inception of the Committees.

I should retire after the Annual General Meeting, having served the Company for 33 years and as your Chairman for 28 years. During this period I have tried with utmost commitment and endeavor to bring the Company as one of the best and top consumer and household appliances companies in Bangladesh.

## Awards and Recognition

Singer Bangladesh received the following awards and recognitions for its business successes:

- Achieved (Gold Award) National Award for Corporate Governance Excellence 2013 from the Institute of Chartered Secretaries of Bangladesh (ICSB) under service sector;
- Adjudged the ICAB National Award (Second Prize) from the Institute of Chartered Accountants of Bangladesh (ICAB) under manufacturing sector for "Best Presented Annual Report 2013";
- Adjudged the ICMAB Best Corporate Award 2014 (Third Position) from the Institute of Cost and Management Accountants of Bangladesh (ICMAB) under Multinational Category;
- Certificate of Merit from the South Asian Federation of Accountants (SAFA) in the manufacturing sector for "Best Published Accounts and Reports for the Annual Report 2013".

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

## Conclusion

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

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

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

**Mahbub Jamil**  
Chairman  
March 31, 2015



## SINGER BANGLADESH LIMITED PROFILE



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

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

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

Singer Bangladesh Limited was incorporated as a private limited company on 4 September 1979 under Companies Act 1913. It was converted into a public limited company in 1983 when it offered its shares to the public with the requisite permission from the Government.

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

Today, Singer Bangladesh Limited is a large, diversified company with unmatched presence throughout Bangladesh. Beginning with the sewing machine, Singer's product portfolio has diversified to encompass

a highly successful multi-brand strategy combining products of top world marques with the Company's own products across a range of electrical home appliances.

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

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



## BEST ANNUAL REPORT IN 2013



ICAB National Award 2013  
Best Presented Annual Report

ICMAB Best Corporate Award 2014  
Best Corporate Award in  
Multinational Category

ICSB National Award 2013  
Best in Corporate Governance  
Excellence





# BOARD OF DIRECTORS



**Mahbub Jamil**  
Chairman

Joined the Board of Singer Bangladesh Limited on September 1984.

Served as Managing Director of Singer Bangladesh Limited for more than 24 years. Has been serving as Chairman since October 4, 1987. Former Senior Vice President, Singer Asia and Retail Holdings N.V. Promoter and Board member of International Leasing and Financial Services Limited (ILFSL) from March 5, 1996 and elected its Chairman on June 21, 2000. He is the Chairman of ICE Retail Initiative Limited and Chairman of IL Capital Limited. He is an Advisor to the Board of Robi Axiata Limited. Served as Special Assistant to the Chief Adviser of the Caretaker Government of Bangladesh in 2008, with a rank of Cabinet Minister. He was in charge of Ministry of Industries, Ministry of Civil Aviation & Tourism and Ministry of Youth & Sports. Presently Mr. Jamil is the Board Member of International Chamber of Commerce – Bangladesh, Member of the Trustee Board of Bishwa Sahittaya Kendro (World Literature Center) and Member of Eisenhower Fellowship Committee – Bangladesh. Former Director of Micro Industries Development Assistance Services (MIDAS), President of the Foreign Investors' Chamber of Commerce and Industry, President of the Metropolitan Chamber of Commerce and Industry and former Member of Academic Council of BRAC University, Committee Member of Bangladesh Employers' Federation. Founder member and Executive Director of American Chamber of Commerce. Mr. Jamil received Sir Jagadis Chandra Bose Gold Medal in 1984 for Business Management and in 1995 Bangladesh Education Management Trust Gold Medal for Management Excellence. Received the Industry Southeast Bank Award for Management Excellence and Life Time Achievement Award by Arthokatha and Rapport Award for Excellence in Human Resources in 2012.



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

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

Mr. A.M. Hamim Rahmatullah has been appointed as the Managing Director of Singer Bangladesh Limited on February 1, 2009, he was appointed as the Vice President of Singer Asia Limited. Prior to that, he served as Director and Chief Operating Officer of Singer Bangladesh Limited. Mr. Hamim was the past President of Foreign Investors Chambers of Commerce & Industry (FICCI) and has also been nominated as a Commercially Important Person (CIP) by the Government of Bangladesh. He has an MBA degree specialized in Marketing from the Institute of Business Administration (IBA), University of Dhaka. He started his professional career in 1985 with Philips Bangladesh Limited in their Consumer Electronic Division and joined Singer Bangladesh Limited in 1988. Mr. Hamim has been with the Company for over 26 years.



**Akhtar Imam**  
Independent Director

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

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



**C. K. Hyder**  
Independent Director

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

Mr. Hyder served the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) and Bangladesh Employers' Federation (BEF) for more than 44 years as the Secretary-General. Till 31st December 2011, he was the Adviser to the Committee (Board) of the MCCI and BEF, with the status of a member of the Committee. With his long experience on trade and employment related issues, Mr. Hyder was on many government advisory/implementation committees relating to trade and commerce and industrial relations. He was a Member of successive Pay and Service Commissions and Wages and Productivity Commissions of the Government of Bangladesh. Mr. Hyder holds postgraduate degrees in Commerce and Law. He also obtained postgraduate diplomas from several renowned institutions like London School of Economics, Harvard Business School, Australian Graduate School of Management, International Institute for Labour Studies. Mr. Hyder represented the Bangladesh Employers in over 22 annual conferences of the International Labour Organization (ILO) and headed several Technical Committees of the same.



**Gavin J. Walker**  
Director

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

Mr. Walker is the President and Chief Executive Officer of Singer Asia Limited and was appointed to this position in August 2005. Prior to joining the Company, Mr. Walker held offices as Managing Director and Chief Executive Officer of public quoted and private companies in the United Kingdom and South Africa. Mr. Walker served as Chief Executive Officer of a multi-brand retailer of electrical appliances and furniture with operations in 16 African countries and Australia (including SINGER brand electrical appliances under licence). Mr. Walker serves on the Board of a number of Singer Asia subsidiaries.



# BOARD OF DIRECTORS



**Gelmart M. Gellecanao**  
Director

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

Mr. Gellecanao was appointed as a Vice President of the Company in July 2009 and Head of Credit of the Company in January 2009. He is also responsible for the overall planning and risk management for the Internal Audit Department. He joined the old Singer in May 1994 as an International Auditor and was responsible for the audits of various Singer companies and affiliates in Americas, Europe, Asia, Australia and Africa. He has also worked as Controller in a number of Singer locations. Prior to this, Mr. Gellecanao spent 10 years at a member firm of Ernst & Young in the Philippines. He is a Certified Public Accountant (Philippines) and a Certified Internal Auditor. He has been with the Company and old Singer for over 20 years.



**Mohammad Sanaullah**  
Director

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

Mr. Sanaullah is the Corporate Affairs Director and Company Secretary of Singer Bangladesh Limited, with over 29 years' exposures in business, corporate management and governance. Immediate Past President & Council Member, Institute of Chartered Secretaries of Bangladesh (ICSB). Former Director, Bangladesh Institute of Capital Market (BICM), Former Vice President, Intellectual Property Association of Bangladesh (IPAB). The Fellow and Founder Member of the Institute of Chartered Secretaries of Bangladesh (ICSB), Fellow of the Institute of Personnel Management Bangladesh and Member of the Institute of Internal Auditors, USA. Mr. Sanaullah holds B. Com (Hon's), M. Com in Accounting from University of Dhaka. MBA in Marketing and Post Graduate Diploma in Personnel Management.



**Akram Uddin Ahmed**  
Director

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

Mr. Akram is the Chief Financial Officer of Singer Bangladesh Limited. He joined Singer Bangladesh in 2002 and since then he has held several senior management positions. He is a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB). He started his professional career as a public accountant with various Audit and accounting firms including the representative of former Arthur Andersen Worldwide, SC. Throughout his 29 years professional career, he has performed in different roles, in some occasions as an Auditor, in other as a Management Specialist, Financial Consultant and sometimes as a trainer.



**Mokbul Ahmed**  
Director

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

Mr. Mokbul Ahmed is the Manufacturing Director of Singer Bangladesh Limited. He joined Singer Bangladesh Limited in 1993 and worked in several senior management positions. Mr. Mokbul Ahmed did his graduation in Electronics and Electrical Communication Engineering from Indian Institute of Technology with Indian Government scholarship and also MBA from Institute of Business Administration, University of Dhaka. He started his professional career in 1981 as Quality Control Manager with Bangladesh Electrical Industries Ltd., a sister concern of Philips Bangladesh Limited. He visited different countries and reputed Electronic Industries in India, China, Korea & Japan.



**Masud Khan**  
Independent Director

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

Mr Masud Khan is the Finance Director of Lafarge Surma Cement Limited, a unique cross border joint venture project between Bangladesh and India sponsored by Lafarge of France and Cementos Molins of Spain. He is a seasoned professional with 35 years work experience in leading multinational companies in Bangladesh. He did his Bachelor of Commerce with Honours from St Xaviers' College under University of Kolkata and thereafter qualified with distinction both as a Chartered as well as a Cost and Management Accountant from the Indian Institutes. Prior to joining Lafarge Bangladesh as Finance Director in the year 1999, he worked for British American Tobacco for 20 years at both home and abroad. He worked in various fields of finance and business improvement such as Management Accountant, Plant Controller, Finance Chief in BAT Liberia, Chief Accountant, Audit Manager and MRP/II Programme Manager. Mr Khan has continued to hone his professional skills by involving himself in his spare time as a lecturer at the Institute of Chartered Accountants of Bangladesh for the past 35 years. He is an independent director of Glaxo Smith Kline, Bangladesh and Marico Bangladesh.



**Dr. Syed Ferhat Anwar**  
Independent Director

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

Dr. Ferhat is a Professor at the Institute of Business Administration (IBA), University of Dhaka; the leading business school of the country. He is in the teaching profession for almost 30 years. He is the Founder Director of Kotler Center for Marketing Excellence, University of Dhaka; Chief Advisor of Bangladesh Brand Forum; President of Marketing Society Bangladesh; Chairman of Insight Institute of Learning; Adviser to the BGMEA Board; and Board Member representing Bangladesh of Asian Marketing Federation. He is also the founder member of Institute of Management Consultants, Bangladesh which is an affiliate of global IMC and Bangladesh Marketing and Social Research Forum. Dr. Ferhat completed his PhD in Marketing Systems, jointly under University of New Brunswick Canada and University of Dhaka; and Post Graduate Diploma in University Teaching from University of New Brunswick Canada. Prior to his PhD he completed his MBA from IBA, University of Dhaka and B.Sc. (Honors) and M.Sc. in Biochemistry from University of Dhaka. He has more than 60 publications in international and national journals and writer of 3 major books on business management.



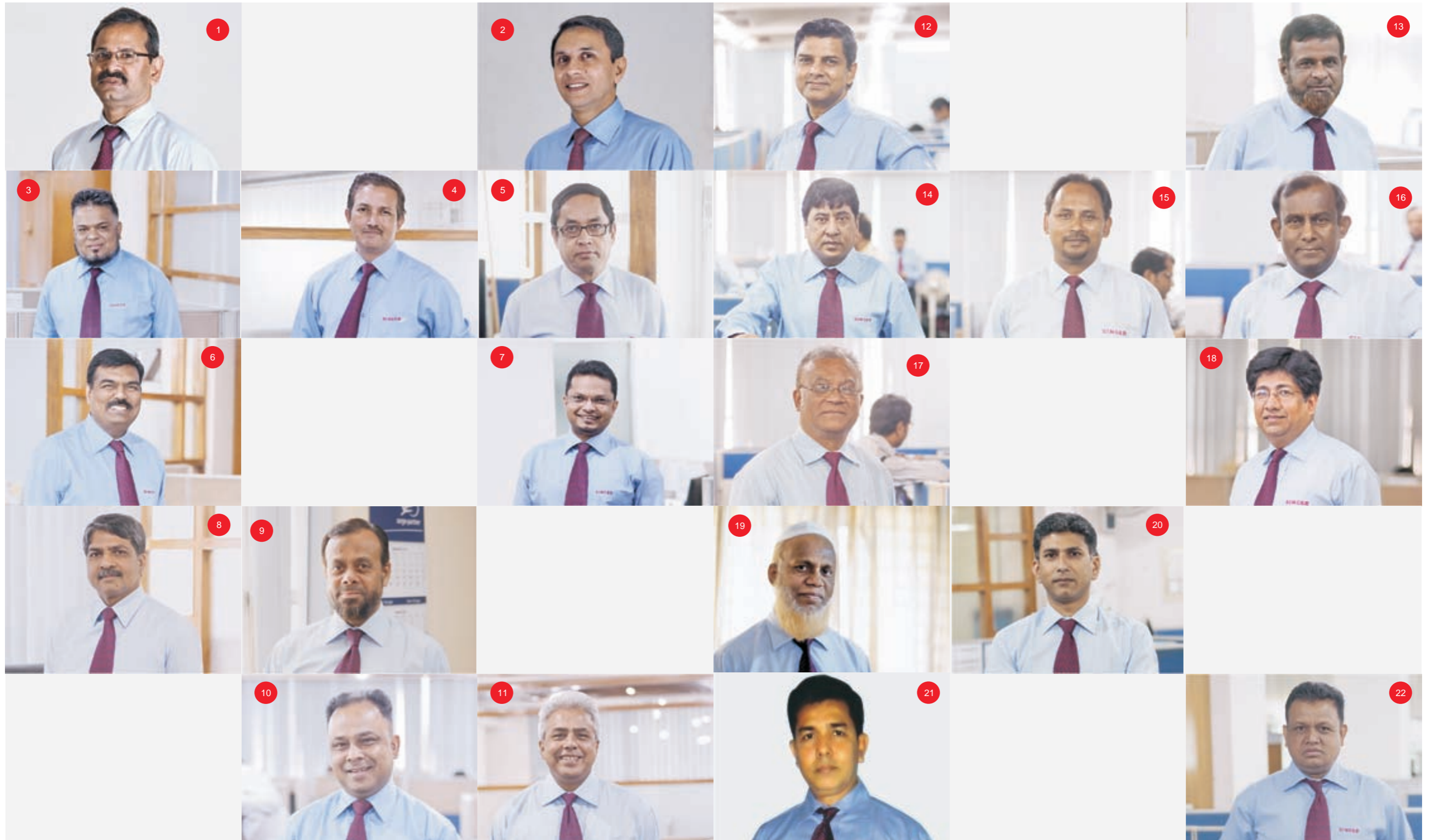


# FURNITURE:

Designed to inspire your life style and comfort

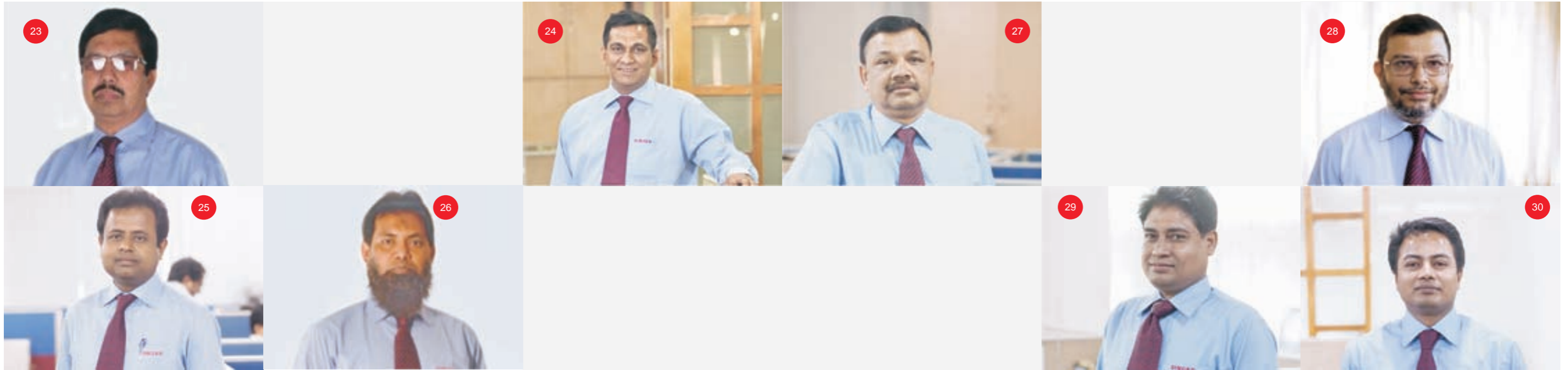


# MANAGEMENT TEAM





# MANAGEMENT TEAM



1. Mokbulla Huda Chowdhury - Sales Director
2. M. H. M. Fairoz - Marketing Director
3. Kazi Rafiqul Islam - General Manager - Wholesale
4. Md. Anisur Rahman - Head of IT
5. Tanyeem Quarrar - Marketing Services Director

6. M. M. Ferdous - Head of Human Resources
7. Abu Zafor Md. Kibria - Head of Internal Audit
8. Md. Ashgar Hossain - General Manager - Credit
9. Ahmed Muztaba - Commercial and Logistics Manager
10. Md. Monzur Murshed - General Manager - Finance

11. A.F.M. Zahid - Regional Sales Manager
12. Abrarur Rahman - Merchandising Manager
13. Md. Nurul Kabir - Manager - Personnel Services
14. G.N.B. Chowdhury - Techno Services Manager
15. Md. Raziur Rahman - Marketing Communication Manager

16. Gour Chandra Ghosh - Factory Manager - A/V
17. Salim Ahmed - Manager - Distribution
18. Joyanto Kumar Roy - Manager - Commercial Services
19. Md. Masud Habib - Manager - Internal Audit
20. Kazi Ashiqur Rahman - Corporate Affairs Manager

21. Md. Syduzzaman - Area Manager
22. Md. Rafiqul Hasan - Area Manager
23. Md. Mashiur Rahman - Area Manager
24. Mahmudur Rahman Khan - Area Manager
25. M. Shihabuddin Bhuiyan - Territory Manager

26. M. Ismail Hossain - Territory Manager
27. Md. Obaydul Hoque - Territory Manager
28. Shabbir Mahmud Rizwan - Manager - Q.C & Maintenance
29. Mahmud Hasan - Manager - Law & Admin
30. Monzur Murshed Chowdhury - Manager - IT



# STEERING AHEAD ON TARGET

## OUR BRAND POWER

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

## SINGER – Trusted Excellence

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

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

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

## SAMSUNG – Turn on Tomorrow

Recognised as number one electronic brand in the world, SAMSUNG is a global giant in Smart phones and LED televisions. Samsung employees around 307,000 people across 84 countries with an annual turnover of US \$ 196 billion.

Singer offers Samsung Panel Television from its outlets.



## HUAWEI

Huawei is globally recognised as a leader in cutting-edge consumer technology. With a brand promise to 'make it possible', Huawei is determined to empower consumers with devices that break new boundaries. Huawei products and solutions have been deployed in over 140 countries, serving more than one-third of the world's population. The Company is committed to providing innovative and customized products, services and solutions to create long-term value and growth potential for its customers. Today Huawei ranked among the world's best Smart Phone manufacturers, having spearheaded customer-focused innovations.

## BEKO

BEKO is a leading European manufacturer of domestic appliances. They hold number 1 position in UK and are steering to be number 1 in of rest Europe. As a global brand, BEKO provides smart solutions to cater the needs of different people, different cultures and different ways of life in more than 100 countries.

## GRUNDIG

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

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

## SINGER MEGA

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

## SINGER CALL CENTRE

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



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







# REFRIGERATOR:

Fresh & Cool!



# DIRECTORS' REPORT

The Directors have the pleasure in presenting to the members their report together with the audited financial statements of the Company for the year ended December 31, 2014. This report has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No. SEC/CMRCD/2006-158/134/Admin/44 dated 7 August 2012.

## Principal Activities

The principal activities of the Company continued to be marketing and in some cases also manufacturing of household consumer durable products including consumer electronics, home appliances, sewing machines, furniture and some other allied products.

## Review of Business

The Chairman's Message on page 10 and the CEO's Review on pages 42 to 44 state the Company's affairs and highlight important events that occurred during the year. The Financial Review on pages 45 to 47 elaborates the financial results of the Company. These reports form an integral part of the Directors' Report.

## Property, Plant and Equipment

During the year under review, the Company invested a sum of Tk 164.09 million in property, plant and equipment. Movement in property, plant and equipment during the year is disclosed under note 3 and annexure -I of the financial statements.

## Market Value of Freehold Properties

All freehold land and buildings of the company revalued by an Independent Valuer were reflected in the accounts. Total appreciation in value was credited to Revaluation Reserve after providing for withholding tax as required by IFRS.

The last valuation was carried out as on December 31, 2012. The details of the valuation are given in Note 13.1 to the Financial Statements on page 74 in this report.

## Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for financial statements is given on page 57 of this report.

## Corporate and Financial Reporting Framework

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

### Industry Outlook

The year 2014 began with political unrest. Though the unrest for first few weeks, the nation was scared and business uncertainty continued for long. Besides, the consequential effect of 2013's political unrest also affected the 1st quarter of the business. Despite political unrest we were able to create demand for our products. We were successful in both our core businesses i.e. retail and wholesale. This gives us confidence that both the channels will be able to perform well in 2015.

During the year revenue reached Tk. 7,262 million which was higher by 9.94% over the previous year's revenue of Tk. 6,605 million. Operating profit (profit before taxes excluding other income) at Tk. 529.66 million was lower by 3.04 % over the previous year's operating profit of Tk. 546.26 million. Net profit for the year at Tk. 362.34 million was lower by 5.2 % over the previous year's net profit of Tk. 382.13 million.

We started manufacturing air conditioners in 2014 and the initial response was encouraging. We remained the country's largest retail company selling household consumer durable products. We believe we are well positioned to benefit from wide

presence in almost every corner of the country. Despite political disturbance since the beginning of 2015, we have been making all our efforts to grow the business.

### Segment Information

The segment information is presented in the notes 19 and 27 to the financial statements in this report which is consistent with the total sales value for the purposes of evaluating performance. Products were sold through our own sales centers i.e. Singer Mega, Singer Plus and also through Dealers named Singer Pro.

### Risk and Concern

Like others, our business may also be affected by risks and uncertainties not presently known to us or that we currently believe to be immaterial. Detail of risk factors along with determining how to best handle such event is given on Risk Management report on page 53 of this report.

### Margin Analysis

Cost of goods sold for the year 2014 was Tk. 5,422 million and it was higher by 12.50 % over the previous year's cost of goods. Despite negative growth revenue, gross profit margin was 25.33 % for the year 2014 and previous year's gross margin was 27.03 %. Net profit margin for the year 2014 was 6.9%.

### Extra-Ordinary Events

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



Board Meeting in progress

## Related Party Transaction

Related Party Transactions are disclosed in the notes 35 of the notes to the financial statements on page 84.

## Variance within the Financial Year

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

## Remuneration to Directors

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

## Fairness of Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.

In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) notification dated August 7, 2012, Chief Executive Officer and Chief Financial Officer has given the declaration about the fairness of the financial statements which is shown on page 58 of the report

## Books of Accounts

Proper books of accounts of the Company were maintained.

## Accounting Policies

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

## Application of BAS & IFRS

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

## Internal Control

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

## Going Concern/Forward Looking Statement

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



Audit Committee Meeting in progress

## Significant Variance over the Last Year's Operating Result

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

## Five Year's Financial Highlights

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

## Dividend

The Board of Directors recommended final cash dividend of Tk. 3.50 per share and issue of one bonus share for every four ordinary shares held by the shareholders at the record date. Therefore total dividend Tk. 22 i.e. 220% for the year ended December 31, 2014 including 25% Bonus Share.

## Board and Committee Meetings and Attendance

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

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

## Pattern of Shareholding

The pattern of shareholding is provided on page 87.

## Corporate Governance Compliance Report

Singer Bangladesh Limited adheres to appropriate good Corporate Governance principles, as described on pages 31 to 35.

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

Further in compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) notification dated August 7, 2012, M/S Itrat Husain & Associates, Chartered Secretaries in Practice issued the Corporate Governance Compliance Certificate which is shown on page 36 of the report.

## Financial Results and Appropriations:

The Directors are pleased to report the financial results for the year 2014 and recommend the following appropriations:

	Taka in '000	
	2014	2013
Profit before taxation	501,306	527,568
Less: Provision for tax	138,963	145,439
Profit after tax	362,343	382,129
Add: Un-appropriated profit brought forward	1,096,643	1,328,069
Prior year's adjustment	18,374	22,564
<b>Profit available for distribution</b>	<b>1,477,360</b>	<b>1,732,762</b>
Less: Appropriations		
Interim Dividend	981,689	-
Final Dividend	368,133	613,555
Total Appropriation	1,319,145	613,555
<b>Un-appropriated profit C/F</b>	<b>127,538</b>	<b>1,096,643</b>



### Contribution to the National Exchequer

During the year under review, your Company paid Taka 2,671 million to the national exchequer in the form of corporate income tax, customs duties and value added tax.

### Credit Rating

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

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

### Reserves

The total Reserves of the Company stood at Tk. 395 million, details of which are given in Notes 13 and in the Statement of Changes in Equity in the Financial Statements.

### Events subsequent to Balance Sheet

The Board of Directors in their meeting held on February 28, 2014 has recommended a cash dividend of BDT 3.50 (35% per share of BDT 10 each) amounting to BDT 214,744,576 and a stock dividend (bonus) of BDT 2.5 (25% per share of BDT 10 each) amounting to Taka 153,388,983 in its 210th board meeting dated 28 February 2015.

### Statutory Payments

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

### Share Information and Substantial Shareholdings

The distribution of shareholding and market value of shares are given on page 87 of this report.

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

### Directors

Name of the Directors of the company and their biographical details are shown on pages 14 to 17.

### Appointment of Independent Directors

In accordance with Article 68 of the Articles Association of the company, the Board of Directors appointed Mr. Masud Khan and Dr. Syed Ferhat Anwar as Independent Directors of the Company for a period of one term (three years) subject to approval of the Shareholders at the upcoming annual general meeting.

### Recommendations for Re-election

Mr. Mahbub Jamil and Mr. Gavin J. Walker retire under Article 81 of the Articles of Association of the Company, Mr. Mahbub Jamil and Mr. Gavin J. Walker both remained eligible for re-election. However, Mr. Mahbub Jamil expressed his unwillingness to continue in the office.

Mr. Gavin J Walker offered himself for re-election. The Board recommends his re-appointment.

Mr. C. K. Hyder, Independent Director of the Company submitted his resignation effective immediately after the next annual general meeting of the Company. The Board accepted the resignation of Mr. C. K. Hyder as per his desire.

Members of the Board gratefully acknowledged the valuable contributions of Mr. Mahbub Jamil and Mr. C. K. Hyder for the growth and welfare of the company during their long tenure.

Shareholdings of Directors at the beginning of the year and at the end of the year 2014 are shown in annexure II of this report.

### Contribution to CSR

During the year, the Company donated Taka 1.4 million to Fareea Lara as part of CSR program.

### Appointment of Auditors

As per section 210 of the Companies Act 1994, the Company's statutory Auditors Messrs. S F Ahmed & Co., Chartered Accountants retires at the 35th Annual General Meeting as auditors of the Company.

As per the Bangladesh Securities and Exchange Commission (BSEC) order no SEC/CMRRCD/2009-193/104/Admin dated July 27, 2011 the retiring Auditors M/S S F Ahmed & Co, Chartered Accountants are not eligible for reappointment as Statutory Auditors for 2015.

The Audit Committee recommended to appoint Messer's Rahman Rahman Huq, Chartered Accountants as the auditors of the Company for the year 2015 at a fee of Tk. 400,000 (Taka Four Lakh) plus VAT.

The Directors endorsed the recommendation of the Audit Committee for re-appointment of Messer's Rahman Rahman Huq, Chartered Accountants as the auditors for the year 2015 at a fee of Taka 400,000 (Four Lakh) plus VAT.

### Human Resources

Frequently changing business environment requires having a well trained work force, therefore, the Company has given more emphasis on developing management skills to suit

today's business environment. Various training programs and workshops were carried out during the year.

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

### Going Concern

The Board of Directors has reviewed the Company's business plan and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly the Financial Statements are prepared based on the going concern concept.

### Compliance with Laws and Regulations

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

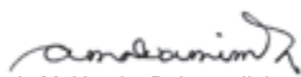
### Environmental Protection

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

### Conclusion

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

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



A. M. Hamim Rahmatullah  
Managing Director



Mohammad Sanaullah  
Director & Company Secretary  
Dhaka, February 28, 2015

# THE WAY WE MANAGE

## Corporate Governance

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

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

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

## Board Composition

The Board comprises eleven members, a good blend of executives and non-executives and Independent Directors having diverse and professional expertise and experiences. The non-executives and Independent Directors are from varied businesses and other backgrounds and their experience enables them to execute independent judgments on the Board where their views carry substantial weight in the decision making. They contribute to the Company's strategy and policy formulation in addition to maintaining its performance as well as its executive management. The profiles of all members of the Board are given on page 14 to 17.

## Responsibilities of the Board

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

The Company Secretary calls the meetings of the Board and Board Committees, prepares the agenda in consultation with the Chairman of the Board of Directors, the Chairman of various Committees and the Managing Director. The Agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, are circulated well in advance of the meetings. All Board members are entitled to raise other issues

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

## Chairman and Managing Director

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

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

In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) guidelines, the roles of Chairman and Managing Director have been clearly defined by the Board of Directors.

## Independent Director

Presently the Company has eleven Directors on its Board, four of whom are Independent Directors. The Company has complied with the notification of the Bangladesh Securities and Exchange Commission with regard to composition of the Board.

Mr. C. K. Hyder, Mr. Akhtar Imam, Mr. Masud Khan and Dr. Syed Ferhat Anwar

are Independent Directors, they are free from any business or other relationships with the company which can materially interfere with or affect the exercise of their independent judgment.

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

## Board Meetings

The Board meets regularly to discharge its duties effectively. 9 (nine) Board Meetings were held during the year 2014 and the gap between two meetings did not exceed three months. The annexure-III shows the attendance record for the Board meetings held during the year.

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

## Board Committees

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

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

## Audit Committee:

The company's control mechanism is overseen by the Board's Audit Committee which comprises one Executive Director and two Non-Executive Directors of the Company. The Chairman of the Audit Committee is an Independent Director, Mr. C. K. Hyder. His long career with Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) and Bangladesh Employers' Federation and extensive experience have been of great benefit to the Company over the years. His





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presence on the Audit Committee is seen as a strength.

The committee's role is to ensure and maintain a direct link between the Board and the internal and external audit functions of the Company which are broadly as follows:

- To review compliance with internal control systems;
- To review the findings of the Internal Auditor relating to various functions of the Company;
- To hold periodic discussions concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors with the Statutory Auditors and Internal Auditors of the Company
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- To make recommendations to the Board on any matter relating to the financial management of the Company, including Statutory & Internal Audit Reports;
- Recommending the appointment of statutory auditors and fixation of their remuneration.

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

#### Remuneration Committee:

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

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

- Reviews the performance of the CEO / Executive Directors, Senior Management and continues to determine individual remuneration packages.
- Recommends to the Board on remuneration including salary and perquisites of the CEO, Executive Directors and Senior Management.
- Finalize the perquisites package of

the CEO, Executive Directors and Senior Management within the ceiling fixed by the Board.

- Recommends to the Board, regarding retirement benefits to be paid to the CEO, Executive Directors and Senior Management under the Retirement Benefit Scheme.

#### Nomination Committee:

To adhere to good corporate governance practice in the Company, the Nomination Committee works for identifying Directors to be inducted to the Board from time to time and to take steps to refresh the constitution of the Board with a view to enabling the Board of Directors to discharge the responsibilities of proposing candidates for appointment to the Board with regard to the balance and structure of the Board.

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

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

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

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

#### Reporting by the Committees to the Board

Each committee regularly reports on their work to the Board. As a minimum, the report includes a summary of the matters addressed and the measures undertaken by the committee.

#### Management Committee

The Managing Director and the Management Committee are entrusted with the day-to-day management of the Company. The Management Committee is chaired by the Managing Director and

comprises twelve key senior executives. The Management Committee, as the Company's management body, is committed to serving the interests of the Company and achieving sustainable growth in Company value. The members of the Management Committee are jointly accountable for the entire management of the Company and decide on the basic issues of business policy and corporate strategy. The Committee meets at regular intervals to review the business performance of the Company and take decisions as deemed appropriate.

#### Responsibilities to Customers

Our success depends, in part, on the quality of our products and also on wide as well as strong after-sales service. Besides, the Company maintains a country-wide marketing network and provides a wide choice of products and brands to its customers at competitive prices. Easy payment options are also available to the customers.

The Company extends a warranty on its products and has made appropriate provisions to meet the warranty expenses. It maintains countrywide network of service centers and franchise agents to facilitate product repairs. Customer grievances, if any, are handled promptly and solutions thereof are provided.

#### Financial Reporting and Transparency

Financial statements have been prepared in line with the International Financial Reporting Standards / Bangladesh Financial Reporting Standards.

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

The timely publication of quarterly, half yearly and annual financial statements with comprehensive details beyond the statutory requirements has been a salient feature of the financial reporting system. The financial statements included in this annual report have been audited by Messrs. S. F. Ahmed & Co., Chartered Accountants.

#### Internal Controls

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

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

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

#### The Company's internal controls are highlighted as follows:

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

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

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

Company operations are also subject to be reviewed by the Corporate Internal Audit Division of the parent Company of Singer Bangladesh Limited.

#### Compliance with the Law

Ethical business conduct and compliance with applicable laws and regulations are fundamental aspects of Singer Bangladesh Limited. To this end, the Company has established procedures to ensure compliance with all applicable statutory and regulatory requirements. Relevant officials are responsible for ensuring proper

compliance with applicable laws and regulations and this is being followed by the Company.

Independent Corporate Compliance Auditor M/s. Itrat Husain & Associates, Chartered Secretaries in Practice was appointed by the Board to conduct Corporate Compliance Certification as per requirement of Bangladesh Securities & Exchange Commission (BSEC). Accordingly, M/s. Itrat Husain & Associates after their examination issued a Compliance certificate which has been shown in page 36 of the Annual Report.

#### Code of Ethics

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

#### Risk Management

A properly functioning risk management system is necessary for responsible governance. The risk management system at Singer Bangladesh Limited is geared towards meeting the practical requirements of our business. It is designed to highlight risks at an early stage and to help avoid or limit them, as or where they occur. Details are provided in the section entitled "Risk Management" on pages 53 and 54.

#### Communication with Shareholders

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

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

exclusively at the Annual General Meeting and are implemented by the Board.

#### Quarterly/ Half Yearly/Yearly Results

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

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

These reports are also available on the Company's website - [www.singerbd.com](http://www.singerbd.com).

#### Company's Corporate Website

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

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

#### Dematerialization of Shares as on December 31, 2014

The Company's shares are compulsorily traded in dematerialized form and are available for trading on Central Depository Bangladesh Limited (CDBL). 48,917,179 Ordinary Shares of the Company representing 79.33 % of the Company's share capital are dematerialized as on December 31, 2014.

#### Going Concern

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



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

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

# ITRAT HUSAIN & ASSOCIATES

CHARTERED SECRETARIES IN PRACTICE

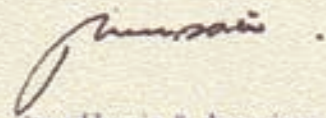
## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

1. We have examined the compliance of conditions of Corporate Governance by **SINGER BANGLADESH LIMITED** ("the Company") for the year ended 31 December, 2014 as per the Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) vide Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the BSEC notification mentioned above.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.



Itrat Husain & Associates  
Chartered Secretaries in Practice

Signed by : Itrat Husain FCMA, FCS  
Chief Executive

Dhaka, 28 February, 2015



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

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



## The pattern of shareholding

### Annexure-II

Name of Shareholders	Status	Shares Held at 31 Dec'14	Shares Held at 01 Jan' 14
<b>i) Parent / Subsidiary/Associate Companies</b>			
Singer Bhold B.V. (Including 20% Non-remittable Shares)	75%	46,012,171	36,809,737
<b>ii) Directors, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children</b>			
Mr. Mahbub Jamil	Chairman	1,687	1,350
Mr. A. M. Hamim Rahmatullah	Managing Director	265	212
Mr. Akhtar Imam	Independent Director	1,983	1,525
Mr. C. K. Hyder	Independent Director	125	125
Mr. Mohammad Sanaullah	Director	452	362
Mr. Akram Uddin Ahmed	Director	156	125
Mr. Mokbul Ahmed	Director	125	100
Mr. Masud Khan	Independent Director	-	-
Dr. Syed Ferhat Anwar	Independent Director	-	-
Ms. Nahar Jamil	W/o. Mr. Mahbub Jamil	7,733	6,187
Ms. Humayra Hamim	W/o. Mr. A. M. Hamim Rahmatullah	1,171	937
Ms. Perveen Ahmed	W/o. Mr. Akhtar Imam	373	275
Ms. Salma Akhtar	W/o. Mr. Mohammad Sanaullah	375	300
Ms. Arifa Salzana Hemon	W/o. Mr. Akram Uddin Ahmed	3,281	2,625
<b>iv) Shareholders Holding Ten Percent or More Voting Interest</b>			
Singer Bhold B.V. (Including 20% Non-remittable Shares)	75%	46,012,171	36,809,737

### Annexure -III

## Board Meeting and Attendance during the Year Ended 31 December 2014

Name of Directors	Meeting held while a member	No. of meetings attended in person/alternates
Mr. Mr. Mahbub Jamil	9	8
Mr. A. M. Hamim Rahmatullah	9	9
Mr. Akhtar Imam	9	9
Mr. C. K. Hyder	9	7
Mr. Gavin J. Walker	9	1
Mr. Gelmart M. Gellecano	9	2
Mr. Mohammad Sanaullah	9	9
Mr. Akram Uddin Ahmed	9	9
Mr. Mokbul Ahmed	6	6*
Mr. Sajudur Rahman Khan	2	2*

\* Mr. Mokbul Ahmed was appointed as Director on April 3, 2014 in place of Mr. Sajidur Rahman Khan.

## Audit Committee Meeting and Attendance during the Year Ended 31 December 2014

Name of Members	Meeting held while a member	No. of meetings attended
Mr. C. K. Hyder	4	3
Mr. Akhtar Imam	4	4
Mr. A. M. Hamim Rahmatullah	4	4
Mr. Gelmart M. Gellecano	4	2

## Remuneration Committee Meeting and Attendance during the Year Ended 31 December 2014

Name of Members	Meeting held while a member	No. of meetings attended
Mr. C. K. Hyder	2	2
Mr. Akhtar Imam	2	2
Mr. Gavin J. Walker	2	0

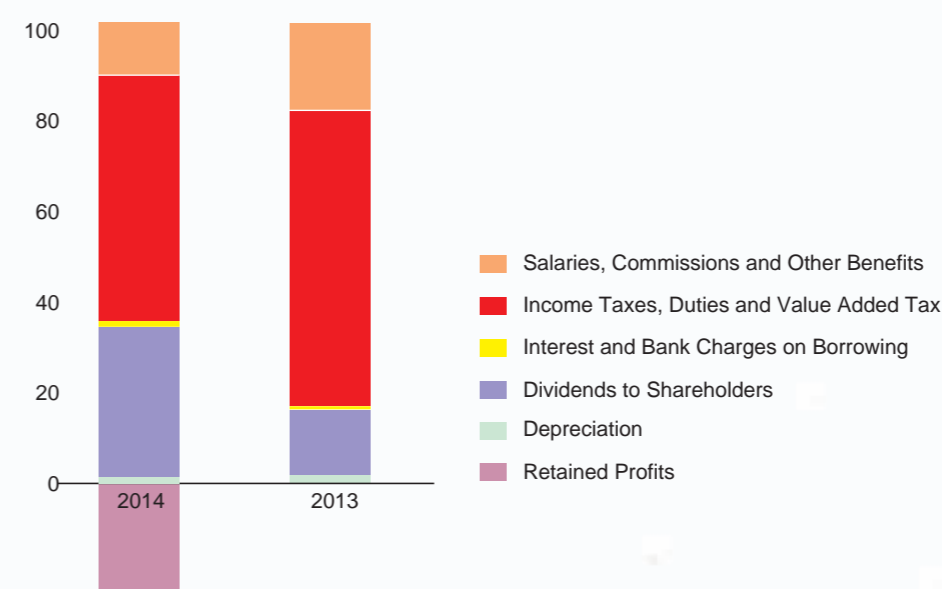
## STATEMENT OF VALUE ADDED

	2014 Taka	2013 Taka
Turnover - Gross	7,261,758,870	6,605,076,254
Other Income	(1,968,050)	9,076,848
	7,259,790,820	6,614,153,102
Less: Cost of Materials & Services	3,525,649,192	3,786,656,678
Value Added	<b>3,734,141,628</b>	<b>2,827,496,424</b>

### Distribution of Value Added

To	2014	2013
<b>To Employees and Dealers</b>		
Salaries, Commission and other Benefits	544,174,930 <b>15%</b>	528,114,096 <b>19%</b>
<b>To Government</b>		
Income Taxes, Duties and Value Added Tax	2,670,635,677 <b>71%</b>	1,805,192,382 <b>64%</b>
<b>To Banks and other Lenders</b>		
Interest & Bank Charges on Borrowing	70,778,327 <b>2%</b>	40,156,752 <b>1%</b>
<b>To Suppliers of Capital</b>		
Dividends to Shareholders	1,595,245,418 <b>43%</b>	392,675,800 <b>14%</b>
<b>Retained for Reinvestment and Future Growth</b>		
Depreciation	67,834,711 <b>2%</b>	71,807,492 <b>2%</b>
Retained Profits	(1,214,527,435) <b>-33%</b>	(10,450,098) <b>0%</b>
	<b>3,734,141,628</b> <b>100%</b>	<b>2,827,496,424</b> <b>100%</b>

### Statement of Value Added (%)





# CHIEF EXECUTIVE OFFICER'S REVIEW

## The Environment

National parliamentary elections in January 2014 were preceded by a year of unprecedented political violence and uncertainty, which adversely affected the business and investment climate. The political turbulence subsided after the election, and the return to stability helped restore business confidence to some extent.

During the year manufacturing sector operated below capacity due to inadequate import of machinery and raw materials, resulting from the credit crunch. Import of rice – the main food of the country was up by eight percent from last year. The electricity tariff was increased significantly. This in turn squeezed the consumer spending.

It was a very active year for politics – with the parliamentary elections in January and local body election in February and May. The elections disrupted consumer activities since they were not conducted peacefully. The country was rocked by street protests during the last quarter indicating a return to the same scenario as in 2013.

## Our Strategies and Action

Defensive measures were taken to counter the adverse business environment, especially in the first and last quarters of the year.

- Import of product was restricted and confined to only the fast selling products and models
- A cost control program was implemented in every sphere of our activities.

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

c. Collection drive was geared up by utilizing the strong system and culture at Singer which was supplemented by utilizing the call centre for reminders together with the traditional collection methods.

d. Cleaning drive to reduce slow and obsolete products

In a difficult environment, control of arrears, control of slow moving inventory, as well as sales helped us in doing better than the industry and thereby helped us to emerge stronger than before.

## Products, Brands and Sourcing

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

The current year saw the further strengthening of its brand portfolio with introduction of SYMPHONY.

In the current year, all segments recorded growth except the IT and Instant Power Sector.

The largest segment - White Goods saw revenue increasing by 9% due to increase in the sale of refrigerators and washing machines. Sale of refrigerator and washing machines increased by 9% due to marketing campaigns and promotions. Growth was also recorded in air conditioners, evaporative air coolers, and microwave ovens.

The second largest segment brown Goods saw revenue growth by 23%. Sale of panel televisions in unit term increased by 76%. However, since CRT Televisions units declined due to lack of reliable global suppliers, total television unit sales grew 24%.

The third largest segment – the Communication and Digital Media consisting of computers and smart phones grew by 4% in terms of revenue.

The main driver here was smart phones. In unit terms, Smart Phones sales increased by 417% with the introduction of SYMPHONY.

Sale of sewing segment increased by 35% due to a strong presence in the dealer market.

The furniture sale grew due to increase in distribution, introduction of bedroom and dining furniture.

The Singer Lifestyle Exhibition which showcased the vast array of our products and brands was held at the Dhaka International Trade Fair (DITF-2015).

By using our strength and breath in sourcing of products, the company was able to provide high quality products at a reasonable price. Effort to introduce new product line and new models continued. We continued to bring the latest models and latest technology within each product line.

## Channels and Distribution

Singer continued to strengthen its distribution channels.

Singer Plus Channel opened 5 new outlets, renovated 28 showrooms and SINGER MEGA opened 5 Showrooms. This took the total number of shops of Singer to 375. The renovated shops were provided with a complete uplift to reach the high merchandising standards practiced by the company.

The wholesale network too continued to strengthen with 372 dealers.



### Financial Services and Credit

Under Financial Services, customers can enjoy following services at almost all Singer Shops:

- Pay utility bills
- Obtain mobile reloads
- Collect funds remitted through Western Union
- Upload funds and withdraw funds using Bio-Metric Smart Card

Payment of utility bill in value term (Taka 99.11 million in 2014) increased by 53% and the number of transactions (62,399 nos.) grew by 37%. More than 2,500 transactions were carried out through Western Union valuing Taka 61.42 million.

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

### Human Resources

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

### After Sales Service

Singer continued to render the best after sales support service. During the year steps were taken to enhance the skills of our service technicians by imparting trainings.

### Manufacturing

The manufacturing division of the company consists of television, furniture and air conditioner factory. During the

year under review manufacturing of air conditioners started in our own factory and initial response was satisfactory.

Besides, manufacturing of bedroom and dining furniture was initiated from our own factory for catering to the growing needs of the consumers.

### ERP System

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

### Corporate Social Responsibility

Singer believes that it has a moral obligation to carry out Social Responsibility Projects which are detailed out on page 52.

### The Financial Results of the Year

A detail analysis of the financial result is in the Financial Report. The following highlights are mentioned:

- Company's revenue was Taka 7,261.76 million representing a 9.94 % increase.
- Selling and Administrative expenses increased by 12.5% due to inflation, expansion of shops and increase in electricity cost.
- Singer's income for the year was 529.7 million which declined by 3.04% in comparison to last year.
- Singer declared a total cash dividend for 2014 of Tk. 1,350 million which was a 120 % increase on the total dividend payout in the 2013 financial year.

### Change in Board and Management

Mr. Mahbub Jamil, Chairman of Singer Bangladesh Limited will retire after the Annual General Meeting.

Mr. Mahbub Jamil began his career in Singer Bangladesh as Marketing Manager in 1983. He was appointed as Managing Director in 1984 and Non-Executive Chairman in 2009.

Mr. Mahbub Jamil amongst other achievements expanded the product portfolio of Singer, made it a multi branded and multi channel retailer and set up manufacturing complexes.

I thank Mr. Mahbub Jamil for his immense and valuable contribution to Singer Bangladesh Limited.

Mr. C. K. Hyder will retire from the Board and also take this opportunity to thank Mr. C. K. Hyder for his active contribution to the Board.

### Conclusion

I would like to thank the members of the Board for their valuable support and guidance which helped in achieving these results.

The shareholders also deserve thanks for their continued trust and confidence in the Board of Directors and the Management.

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

  
A. M. Hamim Rahmatullah  
Managing Director

Dhaka, February 28, 2015

# 2014 RESULTS IN PERSPECTIVE

### FINANCIAL REVIEW

The following discussion and analysis should be read in concurrence with the Audited Financial Statements of the Company for the year ended 31st December 2014.

### Preamble

In the year under review, Singer Bangladesh managed to grow its turnover at 9.94 % over the prior year despite the adverse economic conditions and antagonistic political environment, which affected consumer sentiments and demands, resulting in a shift of spending priority. Singer remained amongst the leading corporates in Bangladesh and sustained its position again in the consumer durable market while strengthening its brand image in its retail business.

The political disquiet during 2014 inauspiciously affected the consumers' purchasing power. However, widely spread distribution network, backed by aggressive above-the-line (ATL) and below-the-line (BTL) advertising and promotional campaigns helped Singer achieve a turnover growth of 9.94% over 2013. The wide range of product portfolio, backed by a strong brand name "Singer", and other world reputed Brand names marketed by professional and aggressive sales teams, contributed to this achievement. Singer recorded its historically highest ever turnover of Taka 7.3 billion this way. However, correspondingly, the Company could not reciprocate a growth of the bottom line in proportion to the growth of turnover. The Company recorded a decline of 5.2% in the bottom line, over prior year, to arrive at an after tax profit of Taka 362.3 million mainly due to lower gross margin percentage and higher interest expenses, as part of the contributing factors.

### Basis of Preparation and Comparative Figures

The Company's Financial Statements represent the Financial Statements of Singer Bangladesh Limited only for 2014.

The financial statements have been prepared in compliance with the requirement of the Bangladesh Financial Reporting Standards

(BFRS)/Bangladesh Accounting Standards (BAS) issued by The Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 1987, Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws as applicable. Comparative figures were not restated and presented in line with the presentation made in the Financial Statements for the year ended 31st December 2013 which was presented in year 2013 Annual Report. Details of the basis of preparation are disclosed in Note 2 of the Financial Statements on page 66.

### Bangladesh Economic Outlook

The economy is gradually recovering from prolonged disruptions, aided by political and macroeconomic stability. The challenge now is to consolidate this by accelerating economic growth in an inclusive and sustainable manner. Economic activities in Financial Year (FY) 2014 suffered a setback due to political turmoil, declines in remittance and in private investment. Bangladesh Bureau of Statistics (BBS) has estimated a 6.1 percent GDP growth for 2014, compared to 6 percent last year (2013).

Food prices were high for much of FY2014 because political unrest disrupted supply, and pushing inflation up for the year. Strong expansion in exports outweighed a more moderate rise in imports to narrow the trade deficit in FY2014. Workers' remittances declined slightly but were sufficient to offset the trade deficit and push the current account to a state of surplus. Monetary management was challenged by fast reserve accumulation. Bangladesh Bank (BB), Central Bank of the country, managed to keep reserve and broad money growth within target by stepping up sterilization operations. BB's net domestic assets and reserve money targets were met. Private sector credit growth remained subdued. BB increased Cash reserve ratio (CRR) from 6.0% to 6.5% in June 2014. Financial sector is not out of the woods yet. Credit and risk management status is unsatisfactory in the banking sector. Asset quality in the state-owned commercial banks (SCB) deteriorated in FY2014 due to political unrest, poor lending decisions and change in loan classification standards.

BB started implementing the new provisions related to lending and reducing the banking sector's exposure to stock markets. This should prevent excessive risk taking by the banks. Fiscal policy is affected by revenue collection and development budget implementation shortfalls. However, there is little improvement in the quality of the Annual Development Plan (ADP) expenditures. Yet, the size of ADP in FY2015 is envisaged to increase relative to the FY2014 revised ADP.

Overall pace of structural reforms is slow, but there has been significant progress in the garments industry towards improving working conditions for factory workers, amending the labor and the Export Processing Zone (EPZ) laws, increasing the government's capacity in assessing factory safety and reaching common standards to assess buildings' structural safety. Speedier progress is needed in the implementation of the new VAT law, liberalization of exchange regulations, infrastructure management, and financial supervision.

Macroeconomic stability, improved governance in banking system, market development for long term financing, trade liberalization, and stronger attention to efficient implementation of infrastructure investments remain key factors in this process. World Bank views that priority should be on completing the ongoing projects, i.e. Dhaka-Chittagong and Dhaka-Mymensingh highway; Double Tracking of Dhaka-Chittagong Railway; the Padma Bridge; Dhaka metro rail; and the two Bibiyana gas field based power plants. Immediate emphasis action should be placed to enact the Public Private Partnership (PPP) law, and awarding contracts for building Special Economic Zones (SEZs).

### Turnover

Turnover for the Company increased by 9.94% compared to prior year and reach Taka 7.3 billion. The moderate growth was generated from higher sales of Refrigerator, Flat Panel TV, Washing Machine, Sewing Machine and Sofas. The turnover was pushed high due to higher sales of Air Conditioner which was aided by recent excessive summer heat. The higher sales of Smart Phones also contributed to achieve overall organic growth of turnover. The business environment continued to be competitive





throughout the year despite political uneasiness and slow growth in the economy which affected the consumer demands. In spite of the political environmental adversities in the form of country-wide uneasiness, economic and the market conditions in general can be described as better relative to the prior year. The Company experienced enthusiastic consumer buying patterns and increasing trend in demand in the latter part of the year especially in the months of June, July, September and October.

Singer managed to sustain its volume growth in traditional products lines and there were major gains due to significant volume growth in the mobile phones, furniture and air conditioner segments.

Turnover growth in each channel (Retail and Wholesale) recorded at normal growth over prior year where Retail had growth of 7.5% as opposed to staggering growth of 30.7% in Wholesale. In terms of sales growth on geographical basis, except a few areas which posted single digit growth, all other areas had reported moderate double digit growth compared to last year. This was supplemented by the higher sales in the other areas which were gained by capitalising the prevailing market opportunities during the year under review. The opportunities would be identified as introduction of new products, expansion of distribution channels, renovation and upgrading of existing showrooms and adding up new showrooms and customer service centres. In addition, the Company continued with an aggressive approach to yield market opportunities not only through the traditional sales promotions but also through digital and social media such as SMS promotions, Facebook (fan page) promotions etc.

#### Gross Profit

Gross profit of the Company for the year under review reached Taka 1,839.7 million compared with Taka 1,785.5 million in the previous year, an increase of 3.0%. The Company's gross margin percentage marginally decreased from the prior year. Gross margin percentage of the Company was 25.3% (2014) vs 27.03% (2013), a decrease of 1.73% mainly owing to lower ECC (Earned Carrying Charges) income. In absolute terms, gross margin of Company increased over prior year mainly due to growth in turnover.

Gross margin percentage of the Company is also impacted by lower mix of high margin product lines and discounts to flush out slow moving product. In addition, an increase in product margins was not a favorable strategy in challenging and the current difficult market conditions and instead the Company focused more on retaining

and expanding market share as a long terms strategic measure.

#### Operating Expenses

Operating expenses of the Company increased over prior year by 3.4% from Taka 1,199.1 million in 2013 to Taka 1,239.2 million in 2014.

Managing costs in a dynamic business environment is a challenge since the management needs to maintain a balanced approach on operational efficiency as well as catering to the growth of business prospects. The Company carefully managed costs without sacrificing expansion of the business for future prospects. At the Company level, operating expenses grew over prior year mainly due to growth of rent and utility, royalty and warranty expenses. These expenses are related to sales and have grown exceeding the sales growth mainly due to exponential growth rate of rental expenses (higher demand of rental space in economically feasible or prime locations has been driving force for higher escalation of rental expenses). But royalty expenses have grown in line with the growth of production/assembly of air conditioner and furniture locally at the factory. Period expenses such as rent, renovation costs and some components of staff cost increased due to expansion of operations. Advertising and promotional costs remained lower than that of last year despite aggressive marketing plans ATL and BTL advertising and promotional campaigns to sustain and expand market share. Impairment on hire purchase and other receivables at Company level increased moderately year-on-year due to collection difficulties as a result of a challenging economy and adverse environmental conditions. Despite all the challenges, as a percentage of turnover, Company operating expenses decreased from 18.2% to 17.1%.

#### Operating Profit

The operating profit increased to Taka 600.4 million in 2014 from Taka 586.4 million in 2013. The operating profit marginally decreased to 8.3% of turnover against 8.9% of the same in last year. Operating profit was adversely impacted by increase in rent and occupancy, royalty and warranty expenses which eroded the operating profit margin.

#### Interest Expenses

Net interest expenses of the Company sharply increased from Taka 40.2 million in the previous year to Taka 70.8 million in 2014, a staggering increase of 76.3%. Company borrowings grew over prior year by Taka 192.9 million to fund business expansions, working capital growth and payment of large interim

dividend. The Company has taken some corrective and cautious action to reduce inventory level. Further, the Company utilised borrowings to strengthen balance sheet position and to fund growth in inventories. Inventory growth was mainly due to an overall decrease in demand causing higher level of inventory at the year end.

#### Non-operating Income

At the Company level, non-operating income decreased from an income of Taka 9.1 in 2013 million to a loss of Taka 2.0 million in 2014, due to lower dividend income from CDBL (Central Depository Bangladesh Limited) and loss on disposal of discarded fixed assets as opposed to gain in 2013 and decrease in income from scrap inventories as well.

#### Income Tax Expense

Income tax expense for the Company decreased from Taka 145.4 million to Taka 139.0 million. Effective tax rate was 27.7% in 2013. The decrease in current year income tax expense due to lower for lower profit before tax from ordinary business in the current year compared to last year. Currently, Singer Bangladesh is liable to income tax at 27.5% on taxable profits and entitled to 10% tax rebate if dividend is declared at a rate exceeding 30%.

The effective tax rate increased due to mainly add-back of royalty expenses exceeding allowable limit and perquisites in excess of allowable threshold.

#### Profit for the Year

The Company recorded a profit of Taka 362.3 million after tax for the year 2014. This represents a drop of Taka 19.8 million or 5.2% over last year mainly due to higher interest expenses. In the Company, profit attributable to equity holders was Taka 362.3 million vs. Taka 382.1 million in 2013.

#### Comprehensive Income for the Year

There was no other Comprehensive Income for the year 2014.

The Company recorded a total comprehensive income of Taka 362.3 million after tax for the year vs. Taka 382.1 million which was lower than prior year by Taka 19.8 million. In the Company, total comprehensive income attributable to equity holders was Taka 362.3 million vs. Taka 382.1 million in 2013.

#### Earnings per Share

Earnings per share (EPS) of the Company were for the period under review was Taka 5.91 vs. Taka 6.23 in year 2013.

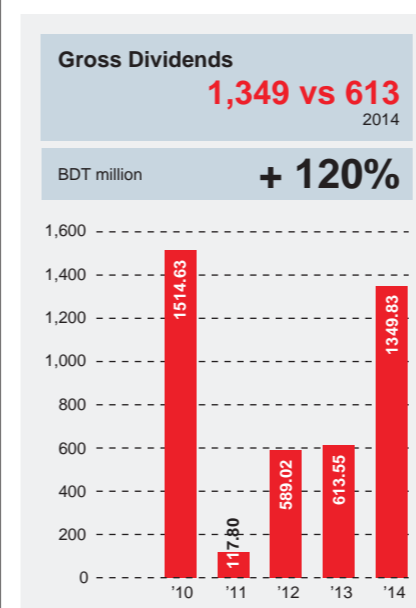
#### Price Earnings Ratio

The price-to-earnings ratio of the Company as at 31st December 2014 was 37.08 times against 23.99 times as at 31st December 2013. During the year under review, the Company's share price ranged between Taka 272 and Taka 172, closing the year at Taka 219. Respective figures for 2013 were Taka 243, Taka 119 and Taka 187.

#### Dividend

Company paid a final dividend of Taka 12.50 per share (Cash Taka 10.0 per share and Scrip Taka 2.5 per share) amounting to Taka 614 million during the year in respect of the year ended 31st December 2013. In addition, the Company also paid an interim dividend of Taka 16.0 per share amounting to total Taka 982 million during the year in respect of the year 2014.

The Directors recommended a final dividend of Taka 6.0 per share (Cash Taka 3.5 per share and Scrip Taka 2.5 per share) amounting to Taka 368 million for the year ended 31st December 2014. Under the BAS-10 'Events after the Reporting Period', the proposed final dividend subsequent to the reporting date is not recognized as a liability in the Financial Statements as at 31st December 2014. The Company has access to necessary funds to finance the payment of the final dividend.



#### Return on Equity

Return on equity of the Company was 23.7% compared to 14.5% in the previous year. Return on equity has been computed by dividing the profit for the year by the average total equity as at the beginning and end of each financial year.

#### Non-Current Assets

Non-current assets of the Company increased from Taka 882.9 million to Taka 935.7 million, an increase of Taka 52.8 million. An increase in Property, Plant & Equipment by Taka 45.9 million for the Company was mainly due to capital expenditure to improve leasehold premises, shop renovations, expansions and install machineries for Air Conditioning assembling plant and manufacturing of furniture products in the year 2014.

#### Current Assets

Current assets of the Company decreased by Taka 468.8 million from Taka 3353.4 million in 2013 to Taka 2885.4 million in 2014. Despite increase in inventories level which was commensurate with expansion of business, the overall decrease of current assets is attributable to encashment of investment in short term deposit, lower accounts receivable and disposal of assets (cables machineries) classified as held for sale. Accounts receivables decreased mainly due to timing difference on account of festival sales resulting in lower hire purchase receivables at the year end 2014 compared to the year 2013.

#### Total Assets

Total assets of the Company decreased by Taka 415.0 million representing a 9.8% decrease over the prior year mainly due to encashment of short term investment despite increase in property, plant & equipment and inventories.

#### Total Equity

Total Company equity decreased by Taka 1,105.6 million over 2013 to stand at Taka 1,527.2 million as at 31st December 2014. The sharp decrease was mainly due to decrease in retained earnings over the prior year on account of payment of higher amount of interim dividend.

#### Non-Current Liabilities

Non-current liabilities of the Company increased from Taka 858.2 million to Taka 1,181.2 million. The increase was largely due to increase in non-remittable dividend account reported under other liabilities owing to addition of non-remittable portion of interim dividend.

#### Current Liabilities

At Company level, current liabilities increased by Taka 367.6 million compared to 31st December 2013. Current liabilities of the Company increased mainly due to increase in short-term borrowings and accounts

payable. Accounts payable of the Company increased by Taka 225.3 million to reach Taka 892.8 million in 2014 from Taka 667.5 million in 2013 mainly due to increase in payable for supplies, expenses and other payables (notably, security deposits from agents and dealers, unclaimed dividend etc).

#### Operating Cash Flow

Company gross operating cash flow before working capital changes, finance costs and tax was Taka 8,358.5 million compared to Taka 6,604.7 million in 2013. However, net operating cash inflow decreased by Taka 490.4 million to reach Taka 985.7 million in 2014 from Taka 1,476.1 million in 2013 mainly due to higher cash outflow on account of payment for costs and expenses due to higher amount of year-end Inventories and higher interest expenses.

#### Investing Cash Flow

During the year under review, the Company made investments amounting to Taka 124.3 million. This figure includes cash out flow to acquire Property, Plant & Equipment and investment in newly formed associate International Appliances Limited (IAL). This cash out-flow was off-set by cash inflow from dividend received from CDBL of Taka 1.4 million, encashment of short-term deposits of Taka 700.0 million and disposal of Property, Plant & Equipment of Taka 22.0 million. During the year, the Company's net cash inflow from investment activities was Taka 599.1 million as opposed to cash outflow of Taka 702.9 million.

#### Financing Cash Flow

Gross Cash inflow from financing activities at Company level was Taka 192.9 million from short-term borrowing and Gross outflow was Taka 1,792.8 million on account of payment for dividend as opposed to Taka 232.1 million during the same period in prior year under review. Net cash outflow from financing activities in the Company was Taka 1,600.0 million, due to same reasons as explained above, which was higher by Taka 899.2 million compared to prior year.

#### Cash and Cash Equivalents

As at 31st December 2014, cash and cash equivalents of the Company decreased from Taka 167.8 million to Taka 152.7 million.





**IT:**  
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# PEOPLE IN SINGER

In Singer, employees are identified as "SINGERIAN". SINGERIANS are recognized as the primary source of its competitiveness. They bring values, skills, diversity and expertise to SINGER that make us the market leader in the consumer durables industries in the country. It is the dedication, dynamism, knowledge and performance of the employees and excellence of the senior management team that consolidate its position as the market leader in the consumer durables industries. Accordingly, human resources development will remain the center piece of its corporate policy.

## HR Strategy

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

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

## Recruitment

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

## Learning and Development

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

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

During the year under review 695 trainees completed training which mainly addressed the business need of building competencies and fulfilling the demand of the Company. On skill development front, focus has shifted towards more hands on training. Many of the programs were structured keeping in view the needs of tomorrow.

## Singer Retail Academy (SRA)

Singer Bangladesh Limited, a multinational company with a 164-year

history, established the Singer Retail Academy in 2009, an HR initiative that seeks to significantly enhance the training and career development of staff employed at the company's retail shops as well as field supervisory personnel and staff in other related areas as part of continuous improvement and investment in our single most important asset 'our-people'. It has developed consistent human resource standards such as hiring, orientation, career planning and remuneration applicable to our people ranging from the management staff to shop assistants. Graduates from the Academy will receive a Singer Retail Diploma, a Diploma for Call Centre Staff or Diplomas in Shop Management, Service Centre Administration, Accounts Verification, Retail Internal Audit, Retail District Management or Retail Area Management, depending on their areas of training.

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

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

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

## Human Capital Strength:

We have an excellent structured human capital in the Company. Naturally the structure is pyramid shaped. Here is a table of our strength as on December 31, 2014:

Position	2014	2013	2012	2011	2010
Key & Sr. Management	19	14	11	11	10
Middle Management	32	36	40	37	33
Junior Management	87	88	69	61	54
Non Management	864	793	849	784	702

## Performance Management & Employee Benefit

Our performance evaluation depends on prefixed objectives. Individual performance and business success are the key factors that determine the Singer employees' remuneration policy. Based on the MBO i.e., business targets as well as job tasks and competencies, each employee is evaluated once a year. Building on defined development goals, we offer and support our employees with the target development activities, both on and off the job.

## Recognition and Motivation

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

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

## Long Service Award

Singer belongs to a history of 164 years and bears legacy of good name and

fame. There is nothing to wonder that people who work in Singer possess strong bondage. Singer honours its family members recognizing their long service. The Long Service Award winners receive long awaited award in the Family Day (Annual Picnic) and also in the Annual Sales Conference. Long Service Award winners list for 2014 indicates employer-employee bondage.

Length of Service	Number of Award Winner
25 years	3
20 years	35
15 years	5
10 years	27

## Compliance with the Law

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

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

## Equal Employment Opportunity

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

## Gender Analysis

Singer Bangladesh believes in gender equality and treats female not based on

gender but on competency. Female employees are contributing a lot in the growth of your company.

## Occupational Safety & Health

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

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

We have a corporate agreement with Apollo Hospitals & United Hospitals in Dhaka for giving instant Medical Treatment upon request for our Employees in case of emergency.

## Working Environment & Industrial Relations

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

Now Singer Bangladesh Limited is an example of industrial harmony and peace. During the year under review industrial relations remained normal at all locations.



Residential Training



Dress as You Like event for the Children of Singer Family in Annual Picnic



A Group of Long Service Award Receivers in Annual Picnic



# CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) was once regarded as corporate philanthropy but now a days it has become a crucial part of any large company's long term strategy. CSR activities in Singer Bangladesh are not taken for public relation purposes or for keeping pace with the recent social trend. It is a part and parcel of who we are and how we work which is practiced across all the value chain. People have a right to expect ethical, responsible behavior from one another and the company is nothing but an accumulation of people.

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

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

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

In selecting a project the company believes in taking a long term view for maximizing its effectiveness but also believes that Singer will be an integral

part of the Bangladesh picture for generations to come.

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

## MOTHER AND CHILD CARE AWARENESS PROGRAM

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

- Training the traditional birth attendants in order to ensure safe birth;
- Encouraging traditional birth attendants to refer complicated cases to medical centre located in the capital city Dhaka. The company bridged the foundation with Community Hospital in Dhaka to provide free or charge minimum treatment of such complicated cases;
- Making mothers aware about immunizable diseases and their prevention through the traditional birth attendants;
- Providing awareness training on diabetics;
- Providing Eye Care Facilities;
- Educating on appropriate food nutritional needs for mother and children through Village Health Workers;
- Raising awareness about the hazards of improper hygienic

practices, environmental contamination, drinking and using surface water through the Village Health Workers.

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

## SINGER SEWING ACADEMY

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

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

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



# PROTECTING OURSELVES

## Risk Management

Risk is an integral part of any business. The management has overall responsibility of the establishment and oversight of the Singer Bangladesh Limited's (SBL's) risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company so that company can set appropriate risk limits and controls. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. Our overall risk management process is summarized as below:

**IDENTIFY RISKS** - Prepare a list of potential risks by referring to the relevant business critical information which is obtained from Singer Information System (SIS) and also by taking into consideration of various non financial factors which are identified at different management level and considering the current political and economical situation.

**ANALYSIS** - Prioritise the potential risks by considering the possible likelihood and impact on the Company's current and future prospects.

**DESIGN POSSIBLE SOLUTIONS** - Prepare avoidance and contingency plans by establishing control s at different levels of business and also deciding of various strategies to embed the culture at all levels of employees.

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

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

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

Over our long existence in Bangladesh we have managed to significantly enhance and achieve a very robust and matured stage for our risk management process.

Singer Information System (SIS) has been critical in the identification and reporting of business critical data which enables us to adequately identify, analyze and prioritize the risks that the company is facing.

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

**Risk attitude of directors** - Board of Directors continually evaluate their risk attitude based on varying circumstances. They essentially strike a right balance between being risk averse and risk takers demanded by the circumstances.

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

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

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





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

**Operational Risk**

Operational risk addresses the risks associated with fraud, forgery, unauthorized activities, error omission, system failure and external events among others. Field Supervisor's Checklist, Credit Inspection Report, Hire Financing Documentation Checklist etc. are in place covering all probable risks associated with company's business and operations. Surprise audits and frequent inspections are also made on a regular basis to make sure that all control tools are functioning properly.

**Business Risk**

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

**Technological Risk**

Technology is a key business enabler and requires an appropriate level of control to ensure that the most significant technology risks are effectively managed. The company has implemented ERP system. Most of the business units are being operated under ERP. All transactions including inventory management are available in Singer Information System (SIS).

**Foreign Exchange Risk**

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

**Price Risk**

Price risk represents the risk that the fair value of future cash flows of a financial statement will fluctuate because of a change in market prices. Finance department estimates the product cost and the marketing department, on comparing other similar industries determines the market price of a product after adding reasonable profit to make it competitive.

**Cash Flow and Fair Value Interest Rate Risk**

As the Company has no long term interest bearing assets or liabilities, the Company's income and operating cash flows are substantially independent of changes in market interest rate. However, operating cash flow is affected to some extent by the interest rate of short term overdraft facility. In order to

secure low cost interest rates, overdraft facility management has entrusted separate department to negotiate with treasury function while execution lies with other departments in terms of investment and utilization.

**Credit Risk**

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

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

**Liquidity Risk**

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

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

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

**Caveat**

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

**REMUNERATION COMMITTEE REPORT**

**Composition of the Remuneration Committee**

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

**Role of the Committee**

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

**Meetings and Attendance**

The Committee met twice during the year 2014. Its deliberations are mentioned in the summary of activities.

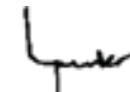
**Summary of Activities**

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

**Conclusion**

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

On behalf of the Remuneration Committee



C. K. Hyder  
Chairman, Remuneration Committee  
February 28, 2015

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



## AUDIT COMMITTEE REPORT

### Composition of the Audit Committee

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

### Role and responsibilities of the Committee

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

### Meetings and Attendance

During the financial year ended on December 31, 2014, four meetings of the Audit Committee were held. The details of attendance of the members have been shown in the ANNEXTURE-III of page 40 of the annual report.

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

### Summary of Activities

The following activities were carried out by the Audit Committee during the financial year ended on December 31, 2014.

### Financial Reporting

- Reviewed the quarterly, half yearly and interim financial results of the Company and the relevant announcements to the Stock Exchanges by the Board of Directors.
- Reviewed the annual financial statements of the Company prior to submission to the Board of Directors for approval. The review was to ensure that the financial reporting and disclosures were

in compliance with the Securities Laws, provisions of the Companies Act 1994, applicable Financial Reporting Standards (IFRS), any conflict of interest and other relevant legal and regulatory requirements.

### Internal Audit

- Reviewed the annual audit Plans including the audit methodology in assessing and rating risks of auditable areas to ensure adequate scope and comprehensive coverage on the audit activities of the Company.
- Reviewed the effectiveness of the audit process, resource requirements for the year and assessed the performance of the Internal Audit Department. The competency and performance of the Head of Internal Audit were also reviewed.
- Reviewed the Internal Audit reports which encompassed the audit issues, audit recommendations and Management's responses to these recommendations. Improvement actions in the areas of internal controls, systems and efficiency enhancements suggested by the internal auditors were discussed together with Management.
- Reviewed the implementation of these recommendations through follow-up audit reports to ensure all key areas were addressed.
- Suggested additional improvement opportunities in the areas of internal control, systems and efficiency improvement.

### External Audit

- The Committee met with external auditors at the conclusion of the annual audit in the absence of the Management and also reviewed their findings of observation and the Management's response thereto

- Reviewed with the external auditors about their audit scopes, audit strategies and audit plans for the year and their proposed fees for the statutory audit and reviewed the Statement of Internal Control.
- Reviewed the external audit reports and areas of concern highlighted in the Management letter including the Management's responses to the findings of the external auditors.
- Reviewed the performance of the external auditors and made recommendations to the Board on their appointment and fees.

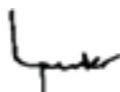
### Internal Control and Risk Management System

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

### Recommendation

The Audit Committee recommended to the Board of Directors that M/s. Rahman Rahman Huq, Chartered Accountants be appointed as auditors for the financial year ending on December 31, 2015 subject to the approval of the members at the 35th Annual General Meeting of the Company.

On behalf of the Audit Committee



**C. K. Hyder**  
Chairman of the Audit Committee  
February 28, 2015

## DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

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

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

The Directors are also required to ensure that the financial statements have been prepared and presented in accordance with the International Financial Reporting Standards (IFRS) and BFRS as applicable in Bangladesh and provided as required by the Companies Act 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Commission Rules 1987 and the regulations of the Dhaka/Chittagong Stock Exchanges. They are also responsible for taking reasonable measures to safeguard the assets of the Company, and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to preventing and detecting fraudulent activities and other irregularities.

The Directors are of the view that these financial statements have been prepared under the generally accepted accounting principles and in accordance with the Bangladesh Accounting Standards as laid down by the Institute of Chartered Accountants of Bangladesh.

The Directors endeavor to ensure that the Company maintains sufficient records to be able to disclose, with reasonable accuracy, the financial position of the Company and to be able to ensure that the financial statements of the Company meet the requirements of the Companies Act, Bangladesh Accounting Standards and the regulations of the Dhaka/Chittagong Stock Exchanges.

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

Messrs. S. F. Ahmed & Co., Auditors of the Company, have examined the financial statements made available by the Board of Directors together with all relevant financial records, related data, minutes of shareholders and Directors meetings and expressed their opinion in their report in page 57 of the Annual Report.

By order of the Board  
Singer Bangladesh Ltd.



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



**Mohammad Sanaulah**  
Director & Company Secretary

Dhaka, March 31, 2015




**CEO & CFO'S CERTIFICATION  
To the Board of Directors  
Singer Bangladesh Limited**

In accordance with the condition no. 6 of the Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012, we do hereby certify that:

- (i) We have reviewed financial statements for the year ended December 31, 2014 and that to the best of our knowledge and belief:
- a) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
- b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) To the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code conduct.

  
**A.M. Hamim Rahmatullah**  
Chief Executive Officer

Dhaka, February 28, 2015

  
**Akram Uddin Ahmed**  
Chief Financial Officer

## Singer Bangladesh Limited Financial Reports

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<b>Annual Report 2013</b> 12 April, 2014	<b>Annual Report &amp; Annual General Meeting</b> Annual Report 2014 Approved 28th February 2015
<b>Thirty Forth Annual General Meeting</b> 28th April 2014 Dividend Paid 20th May 2014	<b>Thirty Fifth Annual General Meeting</b> 30th April 2015 Dividend Payable May 2015
<b>Interim Financial Statements to SEC, Dhaka &amp; Chittagong Stock Exchange</b> For the Three Months ended 31 March 2014 (unaudited) April 2014 For the Half Year ended 30 June 2014 (unaudited) July 2014 For the Nine Months ended 30 September 2014 (unaudited) October 2014	<b>Proposed Financial Calendar - 2015/16</b> For the Three Months ending 31 March 2015 (unaudited) April 2015 For the Half Year ended 30 June 2015 (unaudited) July 2015 For the Nine Months ending 30 September 2015 (unaudited) October 2015 Thirty Sixth Annual General Meeting May 2016





Partial view of Shareholders at the 34th Annual General Meeting

**Singer Bangladesh Limited**  
**Auditors' Report to the Shareholders**  
**For the year ended 31 December 2014**

We have audited the accompanying financial statements of Singer Bangladesh Limited (the company), which comprise the statement of financial position (balance sheet) as at 31 December 2014, statement of comprehensive income (profit and loss statement), statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

**Management's responsibility for the financial statements**

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

**Auditors' responsibility**

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

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

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


**Opinion**

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards and Bangladesh Accounting Standards, give a true and fair view of the state of the company's affairs as at 31 December 2014 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of Companies Act 1994, Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

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

Dhaka, Bangladesh  
Dated, 31 March 2015

  
**S. F. AHMED & CO**  
Chartered Accountants



## Statement of Financial Position (Balance Sheet)

As at 31 December 2014

	Notes	2014 BDT	2013 BDT
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	917,608,862	871,666,925
Investments	5	15,199,450	11,199,450
Deferred tax assets	14	2,940,207	-
<b>Total non-current assets</b>		<b>935,748,519</b>	<b>882,866,375</b>
<b>Current assets</b>			
Inventories	6	1,522,208,959	1,254,086,045
Accounts receivable, net	7	880,603,714	945,872,531
Advances, deposits and prepayments	8	329,926,408	264,538,560
Investment in short term deposit	9	-	700,000,000
Cash and cash equivalents	10	152,668,534	167,815,909
Assets classified as held for sale	11	-	21,038,170
<b>Total current assets</b>		<b>2,885,407,615</b>	<b>3,353,351,215</b>
<b>Total assets</b>		<b>3,821,156,134</b>	<b>4,236,217,590</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	12	613,555,930	490,844,750
Reserves	13	395,362,253	409,189,200
Retained earnings		518,234,357	1,732,761,792
<b>Shareholders' equity</b>		<b>1,527,152,540</b>	<b>2,632,795,742</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	14	-	748,846
Retirement benefit obligations (gratuity)	15	120,160,000	120,866,000
Other liabilities	16	1,061,008,537	736,569,106
<b>Total non-current liabilities</b>		<b>1,181,168,537</b>	<b>858,183,952</b>
<b>Current liabilities</b>			
Accounts payable	17	892,782,071	667,547,677
Short-term borrowings - secured	18	218,425,520	25,547,124
Provision for income tax	19	1,627,466	52,143,095
<b>Total current liabilities</b>		<b>1,112,835,057</b>	<b>745,237,896</b>
<b>Total equity and liabilities</b>		<b>3,821,156,134</b>	<b>4,236,217,590</b>

These financial statements should be read in conjunction with annexed notes

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

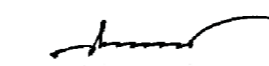
  
A. M. Hamim Rahmatullah  
Managing Director

  
Akhtar Imam  
Director

  
Mohammad Sanullah  
Company Secretary

See annexed report of the date

Dhaka, Bangladesh  
Dated, 31 March 2015

  
S. F. AHMED & CO  
Chartered Accountants

## Statement of Comprehensive Income (Profit and Loss Statement)

For the year ended 31 December 2014

	Notes	2014 BDT	2013 BDT
<b>Turnover</b>			
Sales	20	7,138,267,722	6,424,319,576
Earned carrying charges		123,491,148	180,756,676
		7,261,758,870	6,605,076,252
Cost of sales	21	(5,422,091,405)	(4,819,605,734)
<b>Gross profit</b>		<b>1,839,667,465</b>	<b>1,785,470,518</b>
Operating expenses	22	(1,239,230,614)	(1,199,055,513)
<b>Operating profit</b>		<b>600,436,851</b>	<b>586,415,005</b>
Interest income/(expense)	23	(70,778,327)	(40,156,752)
		529,658,524	546,258,253
Non-operating income/(loss)	24	(1,968,050)	9,076,848
		527,690,474	555,335,101
Contribution to workers' profit participation fund	25	(26,384,524)	(27,766,755)
<b>Profit before taxation</b>		<b>501,305,950</b>	<b>527,568,346</b>
Income tax expense	26	(138,962,647)	(145,439,207)
<b>Profit after taxation</b>		<b>362,343,303</b>	<b>382,129,139</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>362,343,303</b>	<b>382,129,139</b>
<b>Earnings per share (EPS)</b>	31	<b>5.91</b>	<b>6.23</b>

These financial statements should be read in conjunction with annexed notes

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

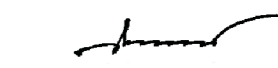
  
A. M. Hamim Rahmatullah  
Managing Director

  
Akhtar Imam  
Director

  
Mohammad Sanullah  
Company Secretary

See annexed report of the date

Dhaka, Bangladesh  
Dated, 31 March 2015

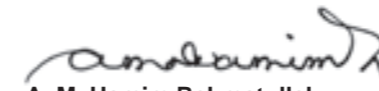
  
S. F. AHMED & CO  
Chartered Accountants



**Statement of Cash Flows**  
For the year ended 31 December 2014

	2014 BDT	2013 BDT
<b>Cash flows from operating activities</b>		
Collections from turnover and other income	8,358,549,806	6,604,719,248
Payments for costs and expenses	(7,085,699,351)	(4,892,718,413)
Interest received/(paid) on deposits/(borrowings)	(70,778,327)	(43,482,244)
Payments to workers' profit participation fund	(27,766,755)	(35,163,382)
Income tax paid	(188,619,596)	(157,231,073)
<b>Net cash from operating activities</b>	<b>985,685,777</b>	<b>1,476,124,136</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(119,317,266)	(88,834,964)
Encash/(investment) in short term/term deposits	700,000,000	(620,000,000)
Investment in associate	(5,027,100)	-
Dividend received from CDBL	1,427,952	3,141,496
Proceeds from sale of property, plant and equipment	21,985,140	2,757,400
<b>Net cash from/(used in) investing activities</b>	<b>599,068,726</b>	<b>(702,936,068)</b>
<b>Cash flows from financing activities</b>		
Receipt/(repayment) of short-term loan	192,878,396	(468,648,531)
Dividends paid	(1,792,780,274)	(232,060,372)
<b>Net cash used in financing activities</b>	<b>(1,599,901,878)</b>	<b>(700,708,903)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(15,147,375)</b>	<b>72,479,165</b>
Opening cash and cash equivalents	167,815,909	95,336,744
<b>Closing cash and cash equivalents</b>	<b>152,668,534</b>	<b>167,815,909</b>

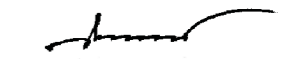
for and on behalf of the Board of Directors of Singer Bangladesh Limited

  
A. M. Hamim Rahmatullah  
Managing Director

  
Akhtar Imam  
Director

  
Mohammad Sanaulah  
Company Secretary

See annexed report of the date

  
S. F. AHMED & CO  
Chartered Accountants

Dhaka, Bangladesh  
Dated, 31 March 2015

**Statement of Changes in Equity**  
For the year Ended 31 December 2014

Particulars	Share Capital BDT	Revaluation Reserve BDT	Capital Reserve BDT	Other Reserves BDT	Retained Earnings BDT	Total BDT
<b>Year 2013</b>						
Balance at 01 January 2013	392,675,800	407,374,851	18,190,942	603,025	1,720,744,177	2,539,588,795
Profit for the year	-	-	-	-	382,129,139	382,129,139
Payment of dividend (cash) - 2012	-	-	-	-	(294,506,850)	(294,506,850)
Payment of dividend (bonus share) - 2012	98,168,950	-	-	-	(98,168,950)	-
"Adjustment for deferred tax arising from revaluation of property, plant and equipment"	-	-	-	-	5,584,658	5,584,658
Transfer of depreciation on revaluation surplus	-	(16,979,618)	-	-	16,979,618	-
<b>Balance at 31 December 2013</b>	<b>490,844,750</b>	<b>390,395,233</b>	<b>18,190,942</b>	<b>603,025</b>	<b>1,732,761,792</b>	<b>2,632,795,742</b>
<b>Year 2014</b>						
Balance at 01 January 2014	490,844,750	390,395,233	18,190,942	603,025	1,732,761,792	2,632,795,742
Profit for the year	-	-	-	-	362,343,303	362,343,303
Payment of dividend (cash) - 2013	-	-	-	-	(490,844,750)	(490,844,750)
Payment of interim dividend (cash) - 2014	-	-	-	-	(981,689,488)	(981,689,488)
Payment of dividend (bonus share) - 2013	122,711,180	-	-	-	(122,711,180)	-
"Adjustment for deferred tax arising from revaluation of property, plant and equipment"	-	-	-	-	4,547,733	4,547,733
Transfer of depreciation on revaluation surplus	-	(13,826,947)	-	-	13,826,947	-
<b>Balance at 31 December 2014</b>	<b>613,555,930</b>	<b>376,568,286</b>	<b>18,190,942</b>	<b>603,025</b>	<b>518,234,357</b>	<b>1,527,152,540</b>

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

  
A. M. Hamim Rahmatullah  
Managing Director

  
Akhtar Imam  
Director

  
Mohammad Sanaulah  
Company Secretary

See annexed report to the date



## Notes to Financial Statements for the year ended 31 December 2014

### 1. Company and Its Activities

#### 1.1 Company profile

Singer Bangladesh Limited (the Company) was incorporated in Bangladesh as a private limited company on 04 September 1979 under Companies Act 1913. It was converted into a public limited company in 1983 when it offered its shares to the public with the requisite permission from the Government. It has been a direct subsidiary of The Singer Bhold BV, The Netherlands since 2003. The shares of the Company are publicly-traded on the floors of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The address of the registered office of the Company is 39 Dilkusha Commercial Area, Dhaka 1000, Bangladesh.

#### 1.2 Nature of business

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

### 2. Basis of preparation

#### 2.1 Statement of compliance

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

#### Date of authorisation

The board of directors has authorised these financial statements on 28 February 2015.

#### 2.2 Basis of measurement

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

#### 2.3 Functional and presentational currency

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

#### 2.4 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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

Note 6	Inventories
Note 7.4	Provision for doubtful debts
Note 14	Deferred tax assets/(liabilities)
Note 17	Accounts payable
Note 19	Provision for income tax

#### 2.5 Reporting period

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

### 3. Significant Accounting Policies

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

#### 3.1 Foreign currency transactions

Foreign currency transactions are recorded in BDT at applicable rates of exchange ruling at the dates of transactions in accordance with BAS-21 "The Effects of Changes in Foreign Exchange Rates." Exchange rate difference at the statement of financial position date are charged / credited to statement of comprehensive income, 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.

#### 3.2 Financial instruments

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

## Notes to Financial Statements for the year ended 31 December 2014

### 3.2.1 Financial assets

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

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

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

#### (a) Accounts receivable

Accounts receivable 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.

#### (b) Cash and cash equivalents

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

### 3.2.2 Financial liability

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

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

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

#### Accounts payable

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

### 3.3 Property, plant and equipment

#### 3.3.1 Recognition and measurement

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

#### 3.3.2 Subsequent costs

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

#### 3.3.3 Depreciation

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

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

	2014	2013
Building - Office	10%	10%
Building - Factory	20%	20%
Leasehold improvements	10%	10%
Plant and machinery	20%	20%
Vehicles	20%	20%
Furniture and fixtures	10%	10%
Equipment and tools	20%	20%

### 3.4 Investments

#### 3.4.1 Investment in Central Depository Bangladesh Limited (CDBL)

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



**3.4.2 Investment in associate**

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

**3.4.3 Investment in term deposit**

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

**3.5 Inventories**

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

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

**3.6 Impairment**

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

**3.7 Investment in short term deposit**

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

**3.8 Provisions**

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

**3.8.1 Royalty**

Royalty is payable to The Singer Asia Ltd @ 6% of net annual invoice price of sale of audio-video sets (radio cassette recorders and televisions), air conditioner and furnitures assembled and manufactured in Bangladesh (note 22.1).

**3.8.2 Warranty costs**

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

**3.9 Income tax**

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

**3.9.1 Current tax**

The Company qualifies as a "Publicly Traded Company", as defined in income tax law. The applicable tax rate for the Company is 27.5%. However, the effective rate of taxation is 24.75% considering 10% tax rebate for declaring dividend of more than 30% of the paid up capital. Provision for taxation has been made on this basis which is compliant with the Finance Act 2014.

**3.9.2 Deferred tax**

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

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

**3.10 Workers' profit participation fund**

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

**3.11 Employee benefit**

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

**3.11.1 Defined contribution plan (provident fund)**

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

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

**3.11.2 Retirement benefit obligation (gratuity)**

Defined benefit plan is a retirement benefit plan under which amounts to be paid as retirement benefits are determined by reference to employees' earnings and/or years of service. The Employees' Gratuity Fund is being considered as defined benefit plan as it meets the recognition criteria. Company operates an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary.

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

**3.11.3 Short-term employee benefits**

This relates to leave encashment and is measured on an undiscounted basis and expensed as the related service is provided. Provision is made for the amount of annual leave encashment based on the latest basic salary. This benefit is applicable for employees as per service rules.

**3.12 Revenue recognition****3.12.1 Hire sale**

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

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

**3.12.2 Cable sale**

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

**3.12.3 Extended warranty**

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

**3.13 Finance expenses**

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

**3.14 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.

**3.15 Segment reporting**

Segment reporting is not applicable for the Company this year as the Company does not meet the criterias required for segment reporting specified in BAS-14: "Segment Reporting". A segment is a distinguishable



## Notes to Financial Statements for the year ended 31 December 2014

component of the entity that is engaged in providing products within a particular economic environment which is subject to risks and rewards that are different from those of other segments. The entity's primary format for segment reporting is based on business segments. The business segments i.e., Appliance/Electronics, Cables and Furniture are determined based on entity's management and internal reporting structure. The Cable division's operation has been discontinued from previous year and its assets which were classified as held for sale have been sold during the year.

### 3.16 Statement of cash flows

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

### 3.17 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.

## 4 Property, plant and equipment

### a) Cost

Particulars	COST				Rate	DEPRECIATION				Net book value at 31 Dec 14
	Balance at 01 Jan 2014	Additions during the year	Adjustment/ Disposal during the year	Balance at 31 Dec 2014		Balance at 01 Jan 2014	Charge for the year	Adjustment/ disposal during the year	Balance at 31 Dec 14	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	
1	2	3	4	2+3-4=5	6	7	8	6+7-8=9	5-9=10	
Land	25,588,545	-	-	25,588,545	-	-	-	-	-	25,588,545
Building:	-	-	-	-	-	-	-	-	-	-
Office	35,349,739	2,515,328	-	37,865,067	10%	21,470,465	1,471,772	-	22,942,237	14,922,830
Factory	88,429,608	2,921,872	-	91,351,480	20%	76,177,408	2,760,960	-	78,938,368	12,413,112
Leasehold improvements:	-	-	-	-	-	-	-	-	-	-
Office	15,063,208	107,000	-	15,170,208	10%	8,914,330	622,021	-	9,536,351	5,633,857
Factory	331,914,313	48,851,137	(11,959,134)	368,806,316	10%	134,919,177	21,071,753	(7,057,216)	148,933,714	219,872,602
Plant and machinery	40,365,785	18,885,556	(4,822,895)	54,428,446	20%	35,934,968	1,845,023	(4,488,147)	33,291,844	21,136,602
Vehicles	88,239,945	15,285,000	(3,096,000)	100,428,945	20%	42,248,186	9,696,524	(2,593,520)	49,351,190	51,077,755
Furniture and fixtures	20,243,039	824,990	(151,524)	20,916,505	10%	11,801,846	880,675	(127,406)	12,555,115	8,361,390
Equipment and tools	121,779,683	74,694,452	(935,687)	195,538,448	20%	87,281,461	11,111,303	(826,512)	97,566,252	97,972,196
Capital work in progress (Note 4.1)	51,945,389	68,721,279	(113,157,527)	7,509,141	-	-	-	-	-	7,509,141
<b>Sub-total at 31 Dec 2014</b>	<b>818,919,254</b>	<b>232,806,614</b>	<b>(134,122,767)</b>	<b>917,603,101</b>		<b>418,747,841</b>	<b>49,460,031</b>	<b>(15,092,801)</b>	<b>453,115,071</b>	<b>464,488,030</b>
<b>Sub-total at 31 Dec 2013</b>	<b>833,050,978</b>	<b>145,414,018</b>	<b>(159,545,742)</b>	<b>818,919,254</b>		<b>449,638,509</b>	<b>49,344,861</b>	<b>(80,235,529)</b>	<b>418,747,841</b>	<b>400,171,413</b>

### b) Revaluation

Particulars	Revaluation				Rate	DEPRECIATION				Net book value at 31 Dec 14
	Balance at 01 Jan 2014	Additions during the year	Adjustment/ Disposal during the year	Balance at 31 Dec 2014		Balance at 01 Jan 2014	Charge for the year	Adjustment/ disposal during the year	Balance at 31 Dec 14	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	
1	2	3	4	2+3-4=5	6	7	8	6+7-8=9	5-9=10	
Land	365,075,455	-	-	365,075,455	-	-	-	-	-	365,075,455
Building:	-	-	-	-	-	-	-	-	-	-
Office	37,564,586	-	-	37,564,586	10%	8,471,270	2,909,332	-	11,380,602	26,183,984
Factory	127,660,704	-	-	127,660,704	20%	50,333,963	15,465,348	-	65,799,311	61,861,393
<b>Sub-total at 31 Dec 2014</b>	<b>530,300,745</b>	<b>-</b>	<b>-</b>	<b>530,300,745</b>		<b>58,805,233</b>	<b>18,374,680</b>	<b>-</b>	<b>77,179,913</b>	<b>453,120,832</b>
<b>Sub-total at 31 Dec 2013</b>	<b>530,300,745</b>	<b>-</b>	<b>-</b>	<b>530,300,745</b>		<b>36,240,957</b>	<b>22,564,276</b>	<b>-</b>	<b>58,805,233</b>	<b>471,495,512</b>
<b>Total at 31 Dec 2014 (a+b)</b>	<b>1,349,219,999</b>	<b>232,806,614</b>	<b>(134,122,767)</b>	<b>1,447,903,846</b>		<b>477,553,074</b>	<b>67,834,711</b>	<b>(15,092,801)</b>	<b>530,294,984</b>	<b>917,608,862</b>
<b>Total at 31 Dec 2013 (a+b) (Note 4.2)</b>	<b>1,363,351,723</b>	<b>145,414,018</b>	<b>(159,545,742)</b>	<b>1,349,219,999</b>		<b>485,879,466</b>	<b>71,909,137</b>	<b>(80,235,529)</b>	<b>477,553,074</b>	<b>871,666,925</b>

Allocation of depreciation to:

Cost of sales (note 20)	22,489,234
Operating expenses (note 22)	45,345,477
	<b>67,834,711</b>

## Notes to Financial Statements for the year ended 31 December 2014

### 4.1 Capital work-in-progress

Particulars	Balance at 01 Jan 2014	Additions during the year	Adjustment/Disposal during the year	Balance at 31 Dec 2014
	BDT	BDT	BDT	BDT
1	2	3	4	2+3-4=5
Leasehold improvements	54,694	33,020,442	(25,863,484)	7,211,652
Air conditioner	1,937,877	6,329,538	(8,267,415)	-
Furniture	-	13,060,334	(13,060,334)	-
Enterprise resource planning (hardware portion)	49,952,818	16,310,965	(65,966,294)	297,489
<b>Total</b>	<b>51,945,389</b>	<b>68,721,279</b>	<b>(113,157,527)</b>	<b>7,509,141</b>

### 4.2 Property, plant and equipment

#### a) Cost

Particulars	COST				Rate	DEPRECIATION				Net book value at 31 Dec 13
	Balance at 01 Jan 2013	Additions during the year	Adjustment/ Disposal during the year	Balance at 31 Dec 2013		Balance at 01 Jan 2013	Charge for the year	Adjustment/ disposal during the year	Balance at 31 Dec 13	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	
1	2	3	4	2+3-4=5	6	7	8	6+7-8=9	5-9=10	
Land	25,588,545	-	-	25,588,545	-	-	-	-	-	25,588,545
Building:	-	-	-	-	-	-	-	-	-	-
Office	35,349,739	-	-	35,349,739	10%	19,928,323	1,542,142	-	21,470,465	13,879,274
Factory	85,949,108	2,480,500	-	88,429,608	20%	73,114,358	3,063,050	-	76,177,408	12,252,200
Leasehold improvements:	-	-	-	-	-	-	-	-	-	-
Office	13,893,773	1,169,435	-	15,063,208	10%	8,231,121	683,209	-	8,914,330	6,148,878
Shops	274,402,356	57,511,957	-	331,914,313	10%	113,030,828	21,888,349	-	134,919,177	196,995,136
Plant and machinery	127,230,144	2,980,195	(89,844,554)	40,365,785	20%	104,650,081	1,107,703	(69,822,816)	35,934,968	4,430,817
Vehicles	75,912,722	20,470,557	(8,143,334)	88,239,945	20%	37,290,237	11,497,940	(6,539,991)	42,248,186	45,991,759
Furniture and fixtures	19,740,939	502,100	-	20,243,039	10%	10,863,936	937,910	-	11,801,846	8,441,193
Equipment and tools	120,266,831	6,491,652	(4,978,800)	121,779,683	20%	82,529,625	8,624,558	(3,872,722)	87,281,461	34,498,222
Capital work in progress (Note 4.2.1)	54,716,821	53,807,622	(56,579,054)	51,945,389	-	-	-	-	-	51,945,389
<b>Sub-total at 31 Dec 2013</b>	<b>833,050,978</b>	<b>145,414,018</b>	<b>(159,545,742)</b>	<b>818,919,254</b>		<b>449,638,509</b>	<b>49,344,861</b>	<b>(80,235,529)</b>	<b>418,747,841</b>	<b>400,171,413</b>

#### b) Revaluation

Particulars	Revaluation				Rate	DEPRECIATION				Net book value at 31 Dec 13
	Balance at 01 Jan 2013	Additions during the year	Adjustment/ Disposal during the year	Balance at 31 Dec 2013		Balance at 01 Jan 2013	Charge for the year	Adjustment/ disposal during the year	Balance at 31 Dec 13	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	
1	2	3	4	2+3-4=5	6	7	8	6+7-8=9	5-9=10	
Land	365,075,455	-	-	365,075,455	-	-	-	-	-	365,075,455
Building:	-	-	-	-	-	-	-	-	-	-
Office	37,564,586	-	-	37,564,586	10%	5,238,679	3,232,591	-	8,471,270	29,093,316
Factory	127,660,704	-	-	127,660,704	20%	31,002,278	19,331,685	-	50,333,963	77,326,741
<b>Sub-total at 31 Dec 2013</b>	<b>530,300,745</b>	<b>-</b>	<b>-</b>	<b>530,300,745</b>		<b>36,240,957</b>	<b>22,564,276</b>	<b>-</b>	<b>58,805,233</b>	<b>471,495,512</b>

### 4.2.1 Capital work-in-progress

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



## Notes to Financial Statements for the year ended 31 December 2014

	2014 BDT	2013 BDT
<b>5. Investments</b>		
Investment in Central Depository Bangladesh Limited (CDBL)	1,569,450	1,569,450
Investment in associate (note 5.1)	4,000,000	-
Investment in term deposit	9,630,000	9,630,000
	<b>15,199,450</b>	<b>11,199,450</b>
<b>5.1</b> Singer Bangladesh Limited holds 40% stake in International Appliance Limited (IAL), making IAL an associate of the company.		
<b>6. Inventories</b>		
Finished goods	1,373,493,201	1,136,321,064
Raw materials:		
In hand	61,868,453	53,894,967
In transit	150,329,095	129,589,487
	<b>212,197,548</b>	<b>183,484,454</b>
Work-in-process	-	4,666,932
	<b>1,585,690,749</b>	<b>1,324,472,450</b>
Less: Provision for inventory obsolescence	(63,481,790)	(70,386,405)
	<b>1,522,208,959</b>	<b>1,254,086,045</b>
In view of numerous items of inventories and diversified units of measurement, it is not feasible to disclose quantities against each item.		
<b>7. Accounts receivable, net</b>		
Hire customer receivable (note 7.1)	798,444,442	869,173,998
Trade and dealer receivable (note 7.2)	18,914,779	38,324,365
Other receivable (note 7.3)	63,244,493	38,374,168
	<b>880,603,714</b>	<b>945,872,531</b>
<b>7.1 Hire customer receivable</b>		
Hire receivable from customers (note 7.1(a,b))	971,094,831	1,140,405,399
Unearned carrying charges	(143,910,519)	(227,933,081)
	<b>827,184,312</b>	<b>912,472,318</b>
Less: Provision for doubtful debts (note 7.4)	(28,739,870)	(43,298,320)
	<b>798,444,442</b>	<b>869,173,998</b>
<b>7.2 Trade and dealer receivable</b>		
Trade receivable	6,046,964	12,810,630
Receivable from dealers	28,506,768	42,208,005
	<b>34,553,732</b>	<b>55,018,635</b>
Less: Provision for doubtful debts (note 7.4)	(15,638,953)	(16,694,270)
	<b>18,914,779</b>	<b>38,324,365</b>
<b>7.3 Other receivable</b>		
Receivable from employees	16,033,802	6,599,940
Receivable from shop Managers	26,573,531	26,555,873
Receivable from Singer Asia Limited	9,513,478	9,370,457
Receivable from others	24,480,989	10,044,881
	<b>76,601,800</b>	<b>52,571,151</b>
Less: Provision for doubtful debts (note 7.4)	(13,357,307)	(14,196,983)
	<b>63,244,493</b>	<b>38,374,168</b>
<b>7.4 Provision for doubtful debts</b>		
Opening balance	74,189,573	88,242,512
Add: Provision for the year	37,092,273	22,377,064
	<b>111,281,846</b>	<b>110,619,576</b>
Less: Written-off during the year	53,545,716	36,430,003
Closing balance:	<b>57,736,130</b>	<b>74,189,573</b>
Hire customer receivable (note 7.1)	28,739,870	43,298,320
Trade and dealer receivable (note 7.2)	15,638,953	16,694,270
Other receivable (note 7.3)	13,357,307	14,196,983

## Notes to Financial Statements for the year ended 31 December 2014

	2014 BDT	2013 BDT
<b>7.1(a) Ageing of hire receivable from customers</b>		
Due within 3 months	424,216,082	494,041,605
Due over 3 months but within 6 months	323,223,951	386,190,074
Due over 6 months but within 9 months	167,962,931	203,285,420
Due over 9 months but within 12 months	49,982,996	53,322,588
Over 12 months	5,708,872	3,565,712
	<b>971,094,831</b>	<b>1,140,405,399</b>
<b>7.1(b) Particulars of trade debtors</b>		
Secured - considered good:		
Debts due within 6 months	747,440,033	880,231,679
Debts due over 6 months	194,914,928	303,472,040
	<b>942,354,961</b>	<b>1,183,703,719</b>
Secured - considered doubtful:	28,739,870	(43,298,320)
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	-	-
	<b>971,094,831</b>	<b>1,140,405,399</b>
<b>8. Advances, deposits and prepayments</b>		
Advances to:		
Employees against expenses	1,388,087	859,959
Others (note 8.1)	19,863,296	9,721,012
	<b>21,251,383</b>	<b>10,580,971</b>
Deposits - Security deposits	12,888,594	11,853,394
Prepayments	295,786,431	242,104,195
	<b>329,926,408</b>	<b>264,538,560</b>
<b>8.1. Advances to others</b>		
L/C margins, charges and insurance against traded goods	19,853,029	9,710,719
Postage franking machine	10,267	10,293
	<b>19,863,296</b>	<b>9,721,012</b>
<b>9. Investment in short term deposit</b>		
Dhaka Bank Limited	-	300,000,000
Mutual Trust Bank Limited	-	300,000,000
Pubali Bank Limited	-	100,000,000
	-	<b>700,000,000</b>
<b>10. Cash and cash equivalents</b>		
Cash in hand	25,718	486,360
Cash at bank	97,660,253	118,878,820
Cash in transit	54,982,563	48,450,729
	<b>152,668,534</b>	<b>167,815,909</b>
<b>11. Assets classified as held for sale</b>		
Costs	-	94,312,756
Accumulated depreciation	-	73,274,586
	-	<b>21,038,170</b>
Cable machineries and equipments that have been classified as assets held for sale in previous year, were all sold during the year.		
<b>12. Share capital</b>		
<b>Authorised:</b>		
100,000,000 ordinary shares of Taka 10 each	<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b>Issued, subscribed and paid up:</b>		
25,670 ordinary shares of Taka 10 each issued for cash	256,700	256,700
102,580 ordinary shares of Taka 10 each issued for consideration other than cash	1,025,800	1,025,800
61,227,343 ordinary shares of Taka 10 each issued as fully paid-up bonus shares	612,273,430	489,562,250
	<b>613,555,930</b>	<b>490,844,750</b>



## Notes to Financial Statements for the year ended 31 December 2014

	Number of shares	
	2014	2013
<b>Shareholdings:</b>		
Singer Bhold BV, The Netherlands	33,745,577	26,996,462
Singer Bhold BV, The Netherlands - Non-remittable shares	12,266,594	9,813,275
Local shareholders	15,343,422	12,274,738
	<b>61,355,593</b>	<b>49,084,475</b>

### Percentage and value of shareholdings:

	Percentage of shareholdings		Value in BDT	
	2014	2013	2014	2013
Singer Bhold BV, The Netherlands	55	55	337,455,770	269,964,620
Singer Bhold BV, The Netherlands - Non-remittable shares	20	20	122,665,940	98,132,750
Local shareholders	25	25	153,434,220	122,747,380
	<b>100</b>	<b>100</b>	<b>613,555,930</b>	<b>490,844,750</b>

### Classification of shareholders by holding:

Shareholding range	Number of holders		Total holding (%)	
	2014	2013	2014	2013
Less than 500 shares	10,696	10,781	2.64	3.48
500 to 5,000 shares	3,510	3,095	8.28	8.84
5,001 to 10,000 shares	214	182	2.54	2.64
10,001 to 20,000 shares	91	73	2.07	2.10
20,001 to 30,000 shares	25	23	1.04	1.14
30,001 to 40,000 shares	13	6	0.77	0.42
40,001 to 50,000 shares	6	6	0.46	0.53
50,001 to 100,000 shares	13	9	1.40	1.14
100,001 to 1,000,000 shares	12	8	5.80	4.71
Over 1,000,000 shares	2	2	75.00	75.00
	<b>14,582</b>	<b>14,185</b>	<b>100.00</b>	<b>100.00</b>

### 13. Reserves

	2014 BDT	2013 BDT
Revaluation reserve (note 13.1)	376,568,286	390,395,233
Capital reserve (note 13.2)	18,190,942	18,190,942
Non-remittable special capital reserve (note 13.3)	370,178	370,178
Non-distributable special reserve (note 13.4)	232,847	232,847
	<b>395,362,253</b>	<b>409,189,200</b>

#### 13.1. Revaluation reserve

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

#### 13.2. Capital reserve

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

#### 13.3. Non-remittable special capital reserve

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

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

## Notes to Financial Statements for the year ended 31 December 2014

	2014 BDT	2013 BDT
<b>14. Deferred tax assets/(liabilities)</b>		
Opening balance	(748,846)	(20,380,285)
Add: Deferred tax on revaluation of property, plant and equipment	-	-
	<b>(748,846)</b>	<b>(20,380,285)</b>
Less: Released/(expense) during the year	(858,680)	14,046,781
Transferred to retained earnings	4,547,733	5,584,658
	3,689,053	19,631,439
Closing balance (note 14.1)	<b>2,940,207</b>	<b>(748,846)</b>
<b>14.1 Closing balance</b>		
Deferred tax assets (note 14.1.1)	79,517,913	81,251,899
Deferred tax liabilities (note 14.1.2)	(76,577,706)	(82,000,745)
	<b>2,940,207</b>	<b>(748,846)</b>
<b>14.1.1 Deferred tax assets</b>		
Provision for bad debts	14,289,692	18,361,919
Reserve against inventories	15,711,743	17,420,635
Property, plant and equipment	3,978,629	-
Provision for gratuity	29,739,600	29,914,335
Reserve for warranty	15,798,249	15,555,010
	<b>79,517,913</b>	<b>81,251,899</b>
<b>14.1.2 Deferred tax liabilities</b>		
Property, plant and equipment	-	(900,462)
Revaluation of land and building	(76,577,706)	(81,100,283)
	<b>(76,577,706)</b>	<b>(82,000,745)</b>

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

### 15. Retirement benefit obligations (gratuity)

Opening balance	120,866,000	70,000,000
Add: Provision for the year	19,664,924	52,993,179
	<b>140,530,924</b>	<b>122,993,179</b>
Less: Payments during the year	20,370,924	2,127,179
Closing balance	<b>120,160,000</b>	<b>120,866,000</b>

### 16. Other liabilities

Current account	(78)	(78)
Dividend account:		
Opening balance	710,807,311	651,927,661
Add: Dividend for the year	294,398,250	58,879,650
Closing balance	1,005,205,561	710,807,311
Interest on non-remittable account:		
Opening balance	25,281,883	-
Add: Addition for the year	30,041,181	25,281,883
Closing balance	55,323,064	25,281,883
Capital gain on sale of land	479,990	479,990
	<b>1,061,008,537</b>	<b>736,569,106</b>

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

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



## Notes to Financial Statements for the year ended 31 December 2014

	2014 BDT	2013 BDT
<b>17. Accounts payable</b>		
Royalty (note 3.10.1 and 22.1)	78,020,655	59,853,497
Payable for supplies (note 17.1)	123,432,921	107,018,030
Payable for expenses (note 17.2)	401,810,285	290,733,079
Payable for other finance (note 17.3)	289,518,210	209,943,071
	<b>892,782,071</b>	<b>667,547,677</b>
<b>17.1. Payable for supplies</b>		
Trade payable	92,987,242	91,982,185
Freight and carriage and technicians bills payable	15,659,924	15,035,845
Leasehold improvements against new shops	14,785,755	-
	<b>123,432,921</b>	<b>107,018,030</b>
<b>17.2. Payable for expenses</b>		
Reserve for early closing of hire sales	67,451,990	50,471,066
Reserve for allowable loss	20,071,926	17,147,607
Advertisement and sales promotion	150,802,711	82,090,257
Warranty expenses	63,831,310	62,848,524
Workers' profit participation and welfare fund allocation	26,384,524	27,766,755
Provision against duty	21,969,053	16,671,650
Shop rent	36,365,845	17,994,326
Selling commission	2,700,932	5,284,932
Salary and benefits	1,486,074	1,403,050
Professional and technical fees	2,142,500	2,750,000
Utilities	3,000,000	3,050,000
Collecting commission	5,303,420	3,004,912
Statutory audit fee (note 22)	300,000	250,000
	<b>401,810,285</b>	<b>290,733,079</b>
<b>17.3. Payable for other finance</b>		
Security deposits from agents and dealers	160,164,918	139,367,444
Unclaimed dividend	56,339,468	30,491,682
Advance from customers	9,737,103	11,616,181
VAT payable - realised from customers	8,519,523	9,405,657
Extended warranty, etc.	696,960	3,378,274
Withholding taxes	4,522,629	2,432,578
Employees provident fund	36,831,770	3,457,986
Others	12,705,839	9,793,269
	<b>289,518,210</b>	<b>209,943,071</b>
<b>18. Short-term borrowings - secured</b>		
Bank overdrafts	218,425,520	25,547,124
	<b>218,425,520</b>	<b>25,547,124</b>
These overdrafts are secured by hypothecation of Company's inventories, plant and machinery and receivables.		
<b>19. Provision for income tax</b>		
Opening balance	52,143,095	49,888,180
Less: Payments during the year	188,619,596	157,231,073
Prior year adjustment	6,448,336	5,081,607
	195,067,932	162,312,680
	(142,924,837)	(112,424,500)
Add: Provision for the year	144,552,303	164,567,595
Closing balance	<b>1,627,466</b>	<b>52,143,095</b>
The closing balance represents income tax payable, net of advance income tax (AIT) paid during the year.		
<b>20. Turnover</b>		
Sewing machine	360,646,104	288,972,622
White goods	5,038,273,787	4,628,947,769
Brown goods	1,700,684,022	1,378,558,197
Furniture	26,597,900	7,604,446
Other consumer durables	135,557,057	300,993,218
	<b>7,261,758,870</b>	<b>6,605,076,252</b>

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

## Notes to Financial Statements for the year ended 31 December 2014

	2014 BDT	2013 BDT		
<b>20.1 Turnover includes the following :</b>				
Air conditioner under white goods	765,340,606	580,292,681		
Television under brown goods	1,558,006,976	1,226,179,487		
Furniture	26,597,900	7,604,446		
	<b>2,349,945,482</b>	<b>1,814,076,614</b>		
<b>21. Cost of sales</b>				
Opening inventory of raw materials	183,484,453	208,056,259		
Purchased during the year	1,816,258,370	1,467,599,489		
Closing inventory of raw materials	(212,197,548)	(183,484,453)		
Raw materials consumption (note 21.1)	<b>1,787,545,275</b>	<b>1,492,171,295</b>		
Freight and carriage	78,592,883	69,003,117		
Factory salaries and wages	37,912,881	35,760,687		
Depreciation expense (note 4)	22,489,234	26,294,216		
Utilities	2,879,428	3,082,283		
Bonus	2,595,041	2,327,373		
Consumable stores	3,002,647	866,169		
Repairs and maintenance	3,701,952	2,811,822		
Employee benefits and recreation	3,439,196	2,030,807		
Contribution to provident fund	1,509,628	1,526,708		
Fuel and car maintenance	1,619,954	1,280,729		
Gratuity	2,069,995	1,045,000		
Insurance	806,930	599,018		
Conveyance and travelling	242,679	481,088		
Rates and taxes	48,308	39,574		
Stationery	16,442	63,287		
Miscellaneous expenses	1,540	34,077		
	<b>160,928,738</b>	<b>147,245,955</b>		
Works cost (materials + manufacturing expenses)	1,948,474,013	1,639,417,250		
Opening work-in-process	4,666,932	17,436,442		
Closing work-in-process	-	(4,666,932)		
Cost of production	1,953,140,945	1,652,186,760		
Add: Opening inventory of finished goods	1,136,321,064	2,047,747,063		
Purchase/production of finished goods	3,706,122,598	2,255,992,975		
	4,842,443,662	4,303,740,038		
Less: Closing inventory of finished goods (Note 21.2)	1,373,493,201	1,136,321,064		
Cost of sales	<b>5,422,091,405</b>	<b>4,819,605,734</b>		
<b>21.1. Raw materials consumption</b>				
	Balance at 01 Jan 2014 BDT	Purchases during the year BDT	Balance at 31 Dec 2014 BDT	Consumption during the year BDT
<b>Imported</b>				
Television	41,867,726	415,286,329	28,346,159	428,807,896
Air conditioner	-	49,464,077	25,005,546	24,458,531
Cables	175,350	-	-	175,350
Others	129,589,486	1,338,296,190	150,329,095	1,317,556,581
	<b>171,632,562</b>	<b>1,803,046,596</b>	<b>203,680,800</b>	<b>1,770,998,358</b>
<b>Locally procured</b>				
Furniture	-	13,211,774	8,516,748	4,695,026
Television	10,589,511	-	-	10,589,511
Cables	1,262,380	-	-	1,262,380
	11,851,891	13,211,774	8,516,748	16,546,917
	<b>183,484,453</b>	<b>1,816,258,370</b>	<b>212,197,548</b>	<b>1,787,545,275</b>
<b>21.2. Closing stock of finished goods</b>			2014 BDT	2013 BDT
Sewing machine			44,788,245	34,709,368
White goods			847,557,406	582,146,135
Brown goods			351,812,389	329,378,292
Furniture			12,338,064	9,563,842
Other consumer durables			116,997,097	180,523,427
			<b>1,373,493,201</b>	<b>1,136,321,064</b>



## Notes to Financial Statements for the year ended 31 December 2014

	2014 BDT	2013 BDT
<b>22. Operating expenses</b>		
Advertisement and sales promotion	241,596,678	286,749,033
Shop operating expenses	224,678,080	217,084,468
Salaries and allowances	178,175,203	187,052,554
Rent and occupancy	140,515,595	116,564,316
Utilities	41,704,475	35,576,907
Depreciation (note 4)	45,345,477	45,614,920
Bad debts	37,126,364	32,361,035
Office administration	51,794,895	44,591,404
Travelling	27,693,533	22,860,590
Royalty (notes 3.10.1 and 22.1)	78,020,655	59,853,496
Warranty	76,555,753	56,221,381
Directors' fee and remuneration (note 22.2)	32,610,627	29,634,025
Repairs and maintenance	32,656,544	40,035,603
Bank charge	9,770,393	7,388,719
Insurance	7,806,308	8,205,804
Professional and technical fees (note 22.3)	4,928,474	3,271,483
Fuel and car maintenance	4,213,438	3,619,769
Entertainment	3,485,806	1,910,997
Dues and subscription	207,316	114,008
Statutory audit fee	345,000	345,000
	<b>1,239,230,614</b>	<b>1,199,055,513</b>
<b>22.1. Royalty</b>		
	<b>Turnover from manufacturing units</b>	<b>Royalty charge for thr year</b>
	<b>2014</b>	<b>2013</b>
<b>Manufactured products</b>	<b>BDT</b>	<b>BDT</b>
	<b>2014</b>	<b>2013</b>
	<b>BDT</b>	<b>BDT</b>
Audio-video sets (television)	1,153,493,208	846,480,131
Motor cycle	-	62,968,058
Air conditioner	120,294,267	-
Furniture	26,556,751	-
Cables	-	88,110,073
	<b>1,300,344,226</b>	<b>997,558,262</b>
	<b>69,209,594</b>	<b>50,788,808</b>
	<b>-</b>	<b>3,778,084</b>
	<b>7,217,656</b>	<b>-</b>
	<b>1,593,405</b>	<b>-</b>
	<b>-</b>	<b>5,286,604</b>
	<b>78,020,655</b>	<b>59,853,496</b>
Royalty was charged on the net annual invoice price of products manufactured by Singer Bangladesh Limited @ 6% on audio-video sets, air conditioner and furnitures for the year 2014. Cable and motor cycle's operation have been discontinue from 2014.		
<b>22.2. Directors' fee and remuneration</b>		
Fees	342,000	250,000
Remuneration	22,519,940	20,339,051
Retirement benefit scheme	2,810,189	2,617,857
Medical and welfare	1,034,381	1,019,827
Housing	5,904,117	5,407,290
	<b>32,610,627</b>	<b>29,634,025</b>
<b>22.3. Professional and technical fees</b>		
Legal and technical services	3,898,474	2,241,483
IFRS audit fees	1,000,000	1,000,000
Audit fees for provident fund, workers' profit participation fund, etc	30,000	30,000
	<b>4,928,474</b>	<b>3,271,483</b>
<b>23. Interest income/(expense)</b>		
Interest income/(expense)	(31,982,612)	(38,675,820)
Interest on non-remittable account	(30,041,181)	-
Interest on security deposits of shop Managers, agents and others	(9,709,568)	(4,766,889)
Foreign exchange gain/(loss)	955,034	3,285,957
	<b>(70,778,327)</b>	<b>(40,156,752)</b>
<b>24. Non-operating income/(loss)</b>		
Other income/(loss) (Note 24.1)	(1,968,050)	9,076,848
	<b>(1,968,050)</b>	<b>9,076,848</b>

## Notes to Financial Statements for the year ended 31 December 2014

	2014 BDT	2013 BDT
<b>24.1 Other income</b>		
This represents following items of income from other operations, not directly connected with principal activities of the Company:		
Sale of scrapped inventories, etc	1,197,644	4,870,940
Dividend income from CDBL	1,427,952	3,141,496
Gain/(loss) on sale of disposal of cable machinery	(749,228)	-
Gain/(loss) on sale of discarded fixed assets (Annex I)	(3,844,418)	1,064,412
	<b>(1,968,050)</b>	<b>9,076,848</b>
<b>25. Contribution to workers' profit participation fund</b>		
This is made in terms of section 234(1)(b) of Bangladesh Labour Act 2006 (as amended in 2013) 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10. The remaining 10% of the amount of net profit shall be paid by the Company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act, 2006. Of the 80% being transferred to the participation fund, two-third has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third has to be invested in accordance with the manner as stated in section 242 of that Act.		
<b>26. Income tax expense</b>		
Current tax expense	144,552,303	164,567,595
Prior year's adjustments	(6,448,336)	(5,081,607)
Deferred tax (income)/expense	858,680	(14,046,781)
	<b>138,962,647</b>	<b>145,439,207</b>
<b>27. Contingent liabilities</b>		
(i) Letters of credit	421,911,677	473,326,525
(ii) Claims against the Company not acknowledged as debts	5,696,542	6,756,587
(iii) Uncalled liability on partly paid shares/ arrears of fixed cumulative dividends on preference shares	-	-
(iv) Aggregate amount of contracts for capital expenditure remaining to be executed and not provided for	-	-
(v) Aggregate amount of any guarantees given by the company on behalf of directors, managing directors, or other officers of the company	-	-
(vi) Money for which the Company is contingently liable for any guarantees given by banks	11,038,941	9,229,641
	<b>438,647,160</b>	<b>489,312,753</b>
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.		
<b>28. Capacity utilisation</b>		
	<b>Measurement</b>	<b>Units</b>
	<b>unit</b>	<b>Annual installed</b>
	<b>Utilisation</b>	<b>Over/(Under) utilisation</b>
	<b>% of utilisation</b>	
Colour television	Number	35,000
Panel television	Number	50,000
Air conditioner	Sets	6,000
Furniture	Sets	1,200
		33,616
		17,013
		3,695
		1,005
		(1,384)
		(32,987)
		(2,305)
		(195)
		96
		34
		62
		84
<b>29. Number of employees</b>		
The number of employees engaged for the whole year or part thereof who received a total remuneration of Taka 36,000 and above were 1,020 (2013: 947).		
<b>30. Remittance in foreign currency</b>		
The Company remitted the following amounts in foreign exchange during the year to Singer Bhold BV, The Netherlands, a non-resident shareholder of the Company.		
	Amounts	Equivalent
	BDT	USD
Dividend, net for the year 2014 (interim)	485,936,309	6,249,985
Dividend, net for the year 2013	242,968,158	3,116,974
Royalty, net for the year 2013	44,890,121	576,585



## Notes to Financial Statements for the year ended 31 December 2014

	2014 BDT	2013 BDT
<b>31. Earnings per share (EPS)</b>		
<b>31.1. Basic earnings per share</b>		
Earnings attributable to the ordinary shareholders	362,343,302	382,129,139
Weighted average number of ordinary shares outstanding	61,355,593	61,355,593
Basic earnings per share	5.91	6.23

Earning per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding as of 31 December 2014 in terms of BAS-33 "Earnings Per Share." According to BAS-33, basic EPS for the year ended 31 December 2013 was restated for the issues of bonus share in 2013.

### 31.2. Diluted earnings per share

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

## 32. Financial risk management

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

- Credit risks (note 32.1)
- Liquidity risks (note 32.2)
- Market risks (note 32.3)

### 32.1 Credit risk

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

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

The maximum exposure to credit risk (note 32.1.1) is represented by the carrying amount of each financial asset in the statement of financial position.

#### 32.1.1. 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:

	2014 BDT	2013 BDT
Loans and receivables	860,663,741	945,872,531
Cash and cash equivalents	152,668,534	167,815,909
	<b>1,013,332,274</b>	<b>1,113,688,440</b>

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

	2014 BDT	2013 BDT
Domestic	860,663,741	945,872,531
	<b>860,663,741</b>	<b>945,872,531</b>

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

	2014 BDT	2013 BDT
Wholesale customers	18,914,779	38,324,365
Retail customers	798,444,442	869,173,998
Other	43,304,520	38,374,168
	<b>860,663,741</b>	<b>945,872,531</b>

## Notes to Financial Statements for the year ended 31 December 2014

### 32.1.2. Impairment loss

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

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

The aging of receivables at the reporting date was:

	Gross 2014 BDT	Impairment 2014 BDT	Gross 2013 BDT	Impairment 2013 BDT
Not past due	987,891,432	13,538,517	1,090,827,497	-
Past due 0-30 days	28,532,826	-	24,632,394	-
Past due 31-120 days	25,546,148	7,727,941	73,944,981	9,518,864
Past due 121-365 days	17,396,032	12,609,943	27,230,062	36,491,471
More than one year	22,883,924	23,859,729	31,360,251	28,179,238
	<b>1,082,250,362</b>	<b>57,736,130</b>	<b>1,247,995,185</b>	<b>74,189,573</b>

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

	2014 BDT	2013 BDT
Opening balance	74,189,573	88,242,512
Add: Allowance recognised for the year	37,092,273	22,377,064
	111,281,846	110,619,576
Less: Allowance written off for the year	53,545,716	36,430,003
Closing balance	<b>57,736,130</b>	<b>74,189,573</b>

### 32.2 Liquidity risk

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

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

	Carrying amount BDT	Contractual cash flows BDT	6 months or less BDT	6-12 months BDT	1-2 years BDT	2-5 years BDT	More than 5 years BDT
<b>As at 31 December 2014</b>							
Non-derivative financial liabilities:							
Bank overdraft	218,425,520	239,306,500	21,748,050	217,558,450	-	-	-
Secured bank loans	-	-	-	-	-	-	-
Trade and other payables	892,782,071	892,782,071	722,922,945	8,492,956	25,478,869	50,957,738	84,929,563
Derivative financial liabilities	-	-	-	-	-	-	-
	<b>1,111,207,591</b>	<b>1,132,088,571</b>	<b>744,670,995</b>	<b>226,051,406</b>	<b>25,478,869</b>	<b>50,957,738</b>	<b>84,929,563</b>



## Notes to Financial Statements for the year ended 31 December 2014

	Carrying amount BDT	Contractual cash flows BDT	6 months or less BDT	6-12 months BDT	1-2 years BDT	2-5 years BDT	More than 5 years BDT
<b>As at 31 December 2013</b>							
<b>Non-derivative financial liabilities:</b>							
Bank overdraft	25,547,124	27,802,164	12,908,160	14,894,004	-	-	-
Secured bank loans	-	-	-	-	-	-	-
Trade and other payables	667,547,677	667,547,677	451,043,291	10,825,219	32,475,658	64,951,316	108,252,193
Derivative financial liabilities	-	-	-	-	-	-	-
	<b>693,094,801</b>	<b>695,349,841</b>	<b>463,951,451</b>	<b>25,719,223</b>	<b>32,475,658</b>	<b>64,951,316</b>	<b>108,252,193</b>

### 32.3 Market risk

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

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

#### 32.3.1. Interest rate risk

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

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

	2014 BDT	2013 BDT
<b>Fixed rate instruments</b>		
Fixed rate deposits at financial institution	-	-
Fixed rate loans and receivable (net hire receivable)	827,184,312	912,472,318
Other fixed rate instruments (assets)	-	-
<b>Financial assets</b>	<b>827,184,312</b>	<b>912,472,318</b>
<b>Financial liabilities</b>	<b>-</b>	<b>-</b>
<b>Variable rate instruments</b>		
Variable rate deposits at financial institution	-	-
Variable rate loans and receivable	-	-
Other variable rate instruments (assets)	-	-
<b>Financial assets</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>		
Variable rate bank overdraft	218,425,520	25,547,124
Variable rate loans	-	-
Variable rate debentures	-	-
Variable rate promissory notes	-	-
Other variable rate liabilities	158,468,560	138,655,700
<b>Financial liabilities</b>	<b>376,894,080</b>	<b>164,202,824</b>

#### 32.3.1.1. Cash flow sensitivity analysis for variable rate instruments 2014

A change of 200 basis points in interest rates for other variable rate liabilities which comprise the security deposit from employees and shop managers, in 2014 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

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

## Notes to Financial Statements for the year ended 31 December 2014

#### 32.3.1.2. Cash flow sensitivity analysis for variable rate instruments 2013

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

	Profit or loss		Equity	
	200 bp increase BDT	200 bp decrease BDT	200 bp increase BDT	200 bp decrease BDT
<b>31 December 2013</b>				
Other variable rate liabilities	(2,773,114)	2,773,114	(2,773,114)	2,773,114
Cash flow sensitivity	(2,773,114)	2,773,114	(2,773,114)	2,773,114

#### 32.3.2 Foreign Currency risk

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

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

	2014 USD	2013 USD
Accounts payable trade	843,590	1,075,988

The following significant exchange rates are applied during the period:

	2014 BDT	2013 BDT
US Dollar	77.95	77.76

#### 32.3.2.1. Foreign exchange rate sensitivity analysis for foreign currency expenditures

Foreign exchange rate sensitivity is calculated on the basis of impact of change of 500 basis points in foreign exchange rates. This analysis presents the probable weakening of Taka against US Dollar and the possibility that the profit or loss and the equity would have increased (decreased) assuming all other variables, in particular interest rates remain constant. As per current practice, foreign exchange rate sensitivity analysis is done once at the end of the year. Result of the assessment is summarised below.

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

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

### 33. Determination of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement



## Notes to Financial Statements for the year ended 31 December 2014

and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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

### Fair values versus carrying amounts

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

	Carrying amount 2014 BDT	Fair value 2014 BDT	Carrying amount 2013 BDT	Fair value 2013 BDT
<b>Assets carried at fair value</b>				
Available-for-sale financial assets	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets held for trading	-	-	-	-
<b>Assets carried at amortised cost</b>				
Held-to-maturity investment	-	-	-	-
Loans and receivables	860,663,741	787,454,196	945,872,531	864,201,160
Cash and cash equivalents	152,668,534	152,668,534	167,815,909	167,815,909
	<b>1,013,332,274</b>	<b>940,122,730</b>	<b>1,113,688,440</b>	<b>1,032,017,069</b>
<b>Liabilities carried at fair value</b>				
Interest rate swaps used for hedges	-	-	-	-
Forward exchange contracts used for hedging	-	-	-	-
<b>Liabilities carried at amortised cost</b>				
Secured bank loans	-	-	-	-
Trade and other payables	892,782,071	N/A*	667,547,677	N/A*
Bank overdraft	218,425,520	218,425,520	25,547,124	25,547,124
	<b>1,111,207,591</b>	<b>218,425,520</b>	<b>693,094,801</b>	<b>25,547,124</b>

### Interest rates used for determining fair value

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

	2014		2013	
	From %	To %	From %	To %
Derivatives	-	-	-	-
Receivable under hire purchase	-	-	-	-
Loans and borrowings	-	-	-	-
Finance lease liabilities	-	-	-	-

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

### 34. Capital Management

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

### 35. Related party disclosure under BAS-24

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

## Notes to Financial Statements for the year ended 31 December 2014

### 35.1. Other related party transactions

Name of related parties	Relationship	Nature of transaction	2014 BDT	2013 BDT
Singer Bhold BV, The Netherlands	Parent company	Dividend payment	728,904,467	161,978,775
The Singer Asia Ltd	Subsidiary of ultimate parent	Royalty payment	44,890,121	71,737,393
Singer Asia Sourcing Ltd	Subsidiary of ultimate parent	Procurement of products	210,617,070	121,329,000
Singer India Ltd	Subsidiary of ultimate parent	Procurement of products	50,114,400	-

### 35.2. Related party receivable/(payable)

Name of related parties	Relationship	Nature of transaction	2014 BDT	2013 BDT
The Singer Asia Ltd	Subsidiary of ultimate parent	Royalty payable Current account	(78,020,655)	(59,853,497)
The Singer Asia Ltd	Subsidiary of ultimate parent	Current account	9,513,477	9,370,456
Singer Asia Sourcing Ltd	Subsidiary of ultimate parent	Procurement of products	-	(21,392,280)

### 36. Events after the reporting period

The Board of Directors of the company has recommended a cash dividend of BDT 3.50 (35% per share of BDT 10 each) amounting to BDT 214,744,576 and a stock dividend (bonus share) of BDT 2.5 (25% per share of BDT 10 each) amounting to Taka 153,388,983 in its 210th board meeting dated 28 February 2015.

### 37. Others

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

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

  
A. M. Hamim Rahmatullah  
Managing Director

  
Akhtar Imam  
Director

  
Mohammad Sanaulah  
Company Secretary

Dhaka, Bangladesh  
Dated, 31 March 2015



## Details of disposal of property, plant and equipment for the year ended 31 December 2014

Particulars	Original cost	Accumulated depreciation	Net book value	Disposal/ Addition	Gain/(Loss)	Mode of disposal
Plant & machinery	4,822,895	4,488,147	334,748	-	(334,748)	Write off
Equipment	935,687	826,513	109,175	37,480	(71,695)	Adjustment/ Sold
Furniture	151,524	127,406	24,118	39,109	14,991	
Lease hold improvements	11,590,442	7,020,347	4,570,095	-	(4,570,095)	
Vehicles	3,096,000	2,593,520	502,480	1,619,609	1,117,129	Auction
<b>Total</b>	<b>20,596,548</b>	<b>15,055,933</b>	<b>5,540,616</b>	<b>1,696,198</b>	<b>(3,844,418)</b>	

## Share Information

## 1. General

Authorised Share Capital	:Tk. 1,000,000,000
Issued and Fully Paid Capital	:Tk. 613,555,930
Class of Shares	:Ordinary Share of Tk. 10 each
Voting Rights	:One vote per Ordinary Share

## 2. Stock Exchange Listing

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

## 3. Distribution of Shareholdings - 31st December 2014

No. of Shareholders : 31st December 2014 - 14,582 nos. (31st December 2013 - 14,185 nos.)

No. of Shares held	31 December 2014			31 December 2013		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 500	10,696	1,621,020	2.64	10,781	1,710,245	3.48
501 - 5000	3,510	5,336,768	8.28	3,095	4,336,638	8.84
5001 - 10000	214	1,678,929	2.54	182	1,297,663	2.64
10001 - 20000	91	1,364,722	2.07	73	1,030,329	2.10
20001 - 30000	25	714,677	1.04	23	561,098	1.14
30001 - 40000	13	421,727	0.77	6	205,874	0.42
40001 - 50000	6	235,450	0.46	6	257,787	0.53
50001 - 100000	13	876,461	1.40	9	554,099	1.14
100001 - 1000000	12	3,093,668	5.80	8	2,321,005	4.71
Over 1000000	2	46,012,171	75.00	2	36,809,737	75.00
<b>Total</b>	<b>14,582</b>	<b>61,355,593</b>	<b>100</b>	<b>14,185</b>	<b>49,084,475</b>	<b>100.00</b>

Categories of Shares	31 December 2014		31 December 2013	
	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders
Individuals	10,763,366	14,060	10,918,629	13,923
Institutions	50,592,227	522	38,165,846	262
	<b>61,355,593</b>	<b>14,582</b>	<b>49,084,475</b>	<b>14,185</b>

## 4. Dividends

Dividend 220 % (195% cash & 25% stock)

## 5. Market Value per Share

	2014		2013 Taka
	Taka	Date	
Highest during the year	272.00	22nd February	243.00
Lowest during the year	172.00	22nd June	119.00
Closing of the year	219.00	30th December	186.80



## A Decade in Perspective

Taka in Million

YEAR ENDED DECEMBER	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Trading Result</b>										
Turnover	7,261.76	6605.08	6,703.36	5,461.23	4,829.02	4,391.26	4,436.13	3,556.41	2,547.87	1,708.74
Operating Profit	600.44	586.42	762.25	503.03	498.17	414.29	357.48	255.62	200.72	100.57
Profit Before Tax	501.31	527.57	668.10	526.70	2,267.33	479.84	242.80	139.22	133.81	76.37
Taxation	138.96	145.44	177.73	127.10	293.57	83.05	62.80	37.40	17.16	27.90
<b>Profit After Tax</b>	<b>362.34</b>	<b>382.13</b>	<b>490.37</b>	<b>399.60</b>	<b>1,973.76</b>	<b>396.79</b>	<b>180.00</b>	<b>101.82</b>	<b>116.65</b>	<b>48.41</b>
<b>Property, Plant &amp; Equipment</b>										
Investment	15.20	11.20	3.20	1.57	4.42	328.58	345.13	84.75	86.00	34.84
Deffered Tax Assets	2.94	0.00	0.00	0.00	0.00	0.00	0.00	7.69	10.18	0
Other Non-Current Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.64	26.44
	<b>935.74</b>	<b>882.87</b>	<b>880.67</b>	<b>658.34</b>	<b>660.31</b>	<b>801.04</b>	<b>828.62</b>	<b>419.51</b>	<b>427.55</b>	<b>228.29</b>
<b>Current Assets</b>										
Current Assets	2,885.41	3,353.35	3,612.53	3,021.93	3,458.77	1,388.59	2,131.24	1,873.80	1,364.28	1,120.41
Current Liabilities	1,112.84	745.24	1,210.82	806.77	574.23	674.25	1,629.04	1,526.28	1,108.43	782.21
<b>Net Current Assets</b>	<b>1,772.57</b>	<b>2,608.11</b>	<b>2,401.71</b>	<b>2,215.16</b>	<b>2,884.54</b>	<b>714.34</b>	<b>502.20</b>	<b>347.52</b>	<b>255.85</b>	<b>338.20</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>										
Term Loan	0.00	0.00	0.00	0.00	0.00	80.20	127.21	78.11	53.08	47.29
Other Liabilities	1,061.00	736.57	652.41	589.60	320.44	306.98	266.61	266.41	256.97	253.65
Deffered Tax Liabilities	0.00	0.75	20.38	22.95	40.38	6.28	4.91	0	0	0
Retirement Benefit Obligations/Gratuity	120.16	120.87	70.00	62.19	43.51	41.09	46.11	49.53	44.01	36.24
<b>NET ASSETS</b>	<b>1,527.15</b>	<b>2,632.79</b>	<b>2,539.59</b>	<b>2,198.76</b>	<b>3,140.52</b>	<b>1,080.83</b>	<b>885.98</b>	<b>372.98</b>	<b>329.34</b>	<b>229.31</b>
<b>Share Capital and Reserve</b>										
Paid up Capital	613.56	490.84	392.68	392.68	224.39	224.39	224.39	166.21	166.21	166.21
Capital Reserves	18.79	18.79	18.79	18.79	18.79	18.56	18.56	18.19	18.19	18.19
Revaluation Reserve	376.57	390.40	407.37	259.02	274.06	120.81	120.81	26.98	26.98	26.98
Revenue Reserves	518.23	1732.76	1,720.74	1,528.25	2,623.28	717.07	522.22	161.60	117.96	17.93
<b>SHAREHOLDERS FUND</b>	<b>1,527.15</b>	<b>2,632.79</b>	<b>2,539.58</b>	<b>2,198.74</b>	<b>3,140.52</b>	<b>1,080.83</b>	<b>885.98</b>	<b>372.98</b>	<b>329.34</b>	<b>229.31</b>
<b>Financial Analysis</b>										
<b>Profitability</b>										
Operating Profit to Turnover (%)	8.27	8.88	11.37	9.21	10.32	9.43	8.06	7.19	7.88	5.89
Net Income to Turnover (%)	4.99	5.79	7.32	7.32	40.87	9.04	4.06	2.86	4.58	2.83
Annual Sales Growth (%)	9.94	-1.47	22.74	13.09	9.97	-1.01	24.74	39.58	49.11	22.38
Earning per Share - Taka	5.91	7.79	12.49	10.18	87.96	17.68	8.02	6.13	7.02	2.91
Net Assets per Share - Taka	24.89	53.64	64.67	55.99	139.96	48.17	39.48	22.44	19.81	13.80
Return on Average Net Assets (%)	13.38	10.95	14.94	13.91	55.68	26.18	13.53	13.27	17.07	8.55
Return on Shareholders' Equity (%)	23.73	14.51	19.31	18.17	62.85	36.71	20.32	27.30	35.42	21.11
<b>Dividends</b>										
Amount - Taka	1,349.83	613.55	589.02	117.80	1,514.63	201.95	67.32	58.17	58.17	49.86
Rate (%)	220.00*	125	150.00	30.00*	675.00	90.00	30.00*	35.00	35.00	30.00
Effective Dividend Rate (%)	372.53	160.56	120.12	29.48	76.74	50.90	37.40	57.13	49.87	103.00\
<b>Others</b>										
Market Price per Share at year end (Taka)	219.00	186.8	164.00	287.40	7,169.00	1,982.25	1,982.25	1,900.00	774.50	1,007.50
Market Citalization (Taka)	1,343,696	916,889	643,995	1,128,562	1,608,652	444,797	444,797	315,799	128,730	167,457
Price Earning Ratio (Times)	37.08	23.99	13.13	28.24	81.50	112.10	247.11	310.15	110.36	345.91
Current Ratio (Times)	2.59	4.50	2.98	3.75	6.02	2.06	1.31	1.23	1.23	1.43
Debt Equity Ratio (%)	72.87	28.33	48.48	37.74	19.57	70.38	198.78	430.15	352.68	361.74

\* Includes 195% cash & 25% stock

## Glossary of Financial Terms

### Accounting Policies

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

### Borrowings

All interests bearing liabilities.

### Capital/Revaluation Reserves

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

### Contingents Liabilities

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

### Current Ratio

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

### Deferred Taxation

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

### Debt Equity Ratio

Current plus long term liabilities divided by average shareholders fund.

### Effective Dividend Rate/Dividend Cover

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

### Earnings Per Share

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

### Equity

Shareholders' fund.

### Gearing

Proportion of borrowings to capital employed.

### Gross Dividend

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

### Interest Cover

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

### Market Capitalization

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

### Net Assets per Share

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

### Price Earnings Ratio

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

### Return on Average Net Assets

Attributable profits divided by average assets.

### Revenue Reserves

Reserves considered as being available for distributions and investments.

### Value Addition

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

### Working Capital

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



# SINGER BANGLADESH LIMITED

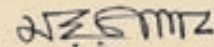
## Notice of Annual General Meeting

Notice is hereby given that the 35<sup>th</sup> Annual General Meeting of Singer Bangladesh Limited will be held on Thursday, April 30, 2015 at 10:00 a.m. at the Spectra Convention Centre, House-19, Road-7, Gulshan-1, Dhaka - 1212 to transact the following business.

### AGENDA

1. To receive and adopt the Directors' and Auditors' Reports and the Audited Accounts of the Company for the year ended December 31, 2014.
2. To declare Dividend for the year ended December 31, 2014.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.
5. To approve the appointment of the Independent Directors.

By order of the Board



**Mohammad Sanaulah**  
Director & Company Secretary  
March 31, 2015

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

### Notes:

- i) March 15, 2015 is the record date. Shareholders whose names will appear in the Members' Register of the Company or in the Depository Register on that date will be eligible to attend the Annual General Meeting and receive dividend.
- ii) A member entitled to attend and vote at the Annual General Meeting may appoint a proxy in his stead. The proxy form, duly stamped with a revenue stamp of Tk. 20 must be deposited at the Registered Office of the Company not later than 48 hours before the meeting.
- iii) Admission to the hall will be only on production of the attendance slip sent with the notice.

- Shareholders bearing BO ID are requested to update their respective BO ID with 12 Digits Taxpayer's Identification Number (e-TIN) and address through their Depository Participant (DP); and
- Shareholders bearing Folio Numbers are requested to submit their 12 digits eTIN certificate to the Share Department of the Company latest by March 12 2015; failing which Income Tax at Source will be deducted from cash dividend @15% instead of 10%.
- As per directive of Bangladesh Securities and Exchange Commission (BSEC), no food or gift will be arranged at the AGM.

# SINGER BANGLADESH LIMITED

## Proxy Form

Revenue  
Stamp  
of  
Tk. 20.00

I/We .....  
of .....  
being a Member of Singer Bangladesh Limited, hereby appoint  
Mr./Ms. ....  
of .....  
as my proxy in my/our absence to attend and vote for me/us and on my/our behalf at the **35<sup>th</sup> Annual General Meeting** of the Company to be held on April 30, 2015 and at any adjournment thereof.

As witness my hand this ..... Day of April 2015

Signature of Proxy .....

Signature of Member .....

Register Folio no./BO ID of Member

## Attendance Slip

Name of Member .....

Name of Proxy .....

Register Folio No. /BO ID of Member

I/we hereby record my/our presence at the **35<sup>th</sup> Annual General Meeting** of **Singer Bangladesh Limited** on Thursday, April 30, 2015 at 10.00 a.m. at Spectra Convention Centre, House-19, Road-7, Gulshan-1, Dhaka-1212.

Signature of Member .....

Signature of Proxy .....

### N. B.

- The Member attending the meeting is requested to mention the registered name and Folio no./BO ID on this slip and present the same at the registration counter on or before 10.00 a.m.
- As per directive of Bangladesh Securities and Exchange Commission (BSEC), no food or gift will be arranged at the AGM.

