



ANNUAL REPORT 2020



SINGER[®]
Bangladesh Limited

2020

A TRUSTED BRAND
FOR GENERATIONS

SINGER continued its journey as a brand that diligently proved it as a Brand for all generations despite the disturbance of pandemic of COVID-19 extending in 2020.

Despite the closures of physical shops, absence of print media and disruptions in all other outdoor activities, SINGER was able to flourish through its high presence and activities in the digital platforms and e-Commerce. Engaging with customers 24/7, looking after the pressing demands for hygiene & home cooking & fashion oriented appliances, SINGER proved to be the most sought after trusted brand for the folks of all walks of life.

Online cooking shows, sewing demo's and other digital entertainment contents encouraged the locked-down customers to spend their quality time in cooking, sewing and home entertainment. SINGER commenced online deliveries all over the country right from the start to serve the customers when they needed the products.

Being contemporary and relevant at the most vulnerable times, SINGER was there from the beginning as they have been in the hearts of customers for the last 116 years.

2020 the Pandemic Year:

SINGER has been with the people of Bangladesh for more than 100 years. SINGER continued its efforts to stand by the people in 2020 under its "SINGER for Society" programme. Soon after the break out of pandemic in Bangladesh, SINGER donated Refrigerators, Washing Machines and Microwave Ovens to a number of hospitals across the country to facilitate the hygiene of doctors and nurses attending COVID-19 patients. We also stood by cyclone "Amphan" affected people in the Southern Part of the country in May 2020 by distributing food aid.

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52	PEOPLE IN SINGER The Company was quick on its feet to prepare offices, manufacturing units, warehouses, and showrooms according to the government protocols & advisories and Arcelik guidelines as well
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CHAIRMAN'S STATEMENT

Reopening of the economy in June was a bold move and proved to be a prudent one. Hopefully 2021 will get us back to a sustainable growth track with the world economy and domestic demand turning around

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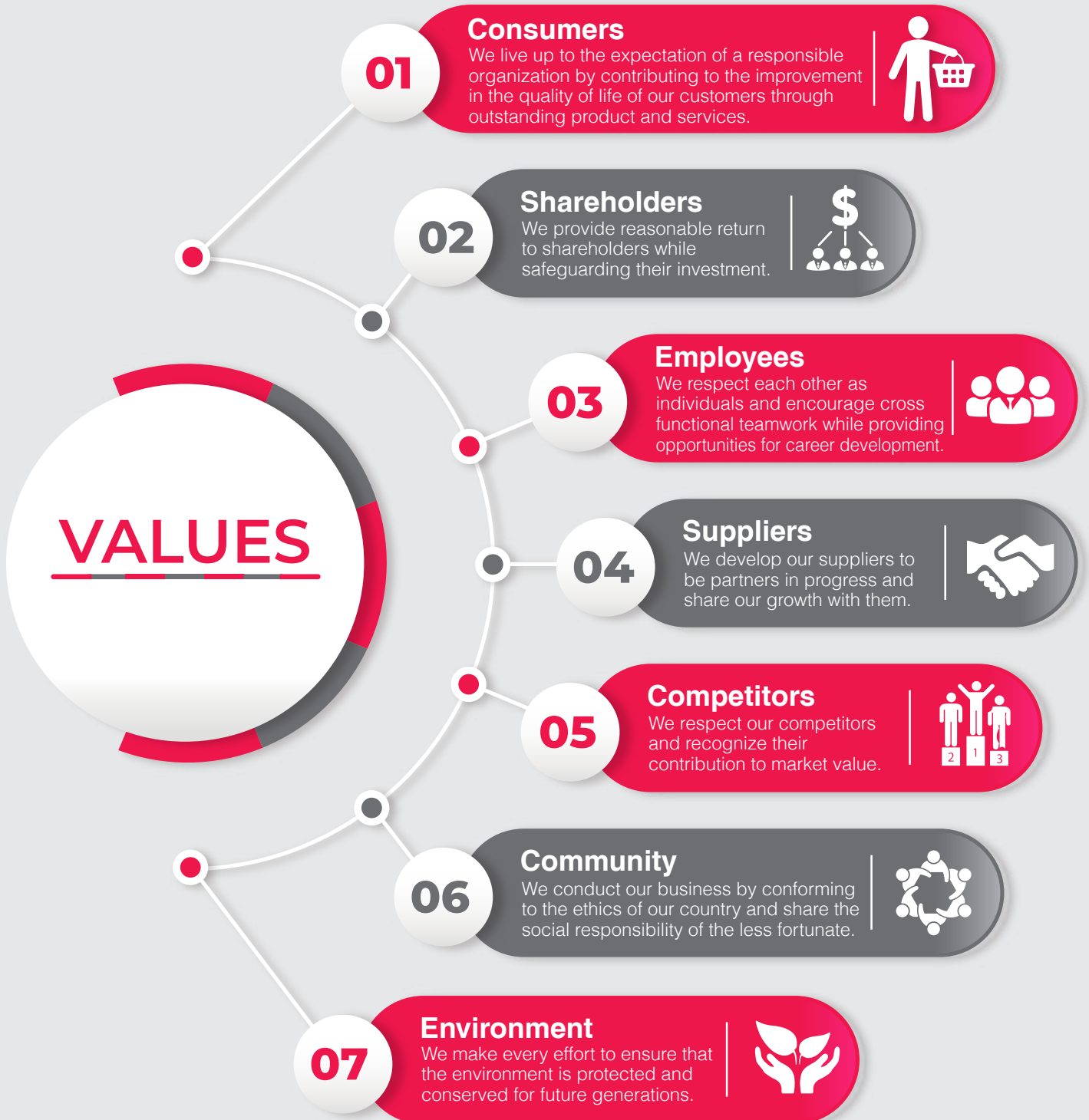
MANAGEMENT DISCUSSION AND ANALYSIS FROM MD'S DESK

2020 will be remembered for the COVID-19 pandemic, which devastated lives and disrupted livelihoods. We responded quickly and returned back to the business from 3rd Quarter.

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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



CORPORATE DIRECTORY

Board of Directors

Chairman

Dr. Fatih Kemal Ebiclioglu

Managing Director & CEO

M. H. M. Fairoz

Independent Directors

Dr. Syed Ferhat Anwar (Up to February 28, 2021)

Masud Khan

Reazul Haque Chowdhury (From March 1, 2021)

Directors

Hakan Hamdi Bulgurlu

Polat Sen

Cemal Can Dincer

Acting Company Secretary

Kazi Ashiqur Rahman

Audit Committee

Masud Khan, Chairman

Dr. Syed Ferhat Anwar (Up to February 28, 2021)

Reazul Haque Chowdhury (From March 1, 2021)

Polat Sen

Kazi Ashiqur Rahman, Secretary

Nomination & Remuneration Committee

Dr. Syed Ferhat Anwar, Chairman (Up to February 28, 2021)

Reazul Haque Chowdhury, Chairman (From March 1, 2021)

Masud Khan

Cemal Can Dincer

Kazi Ashiqur Rahman, Secretary

Management Committee

M. H. M. Fairoz, Chairman

Akram Uddin Ahmed, Member Secretary

Mokbulla Huda Chowdhury

Chandana Aravinda Samarasinghe

Kazi Rafiqul Islam

Erdinc Ayan

Hakan Altinisik

Md. Anisur Rahman

Md. Monzur Murshed

Abu Zafor Md. Kibria

Mohammad Ashgar Hossain

Chief Financial Officer

Akram Uddin Ahmed

In-charge- Head of Internal Audit and Compliance

Shahed Al-Mahmud Chowdhury

Auditors

A Qasem & Co.

Chartered Accountants

Legal Retainer

Advocate Md. Motiur Rahman

Corporate Governance Compliance Auditor

M/s. Itrat Husain & Associates

Chartered Secretaries

Bankers

Trust Bank Limited

Pubali Bank Limited

Dhaka Bank Limited

Bank Alfalah Limited

Eastern Bank Limited

The City Bank Limited

Mutual Trust Bank Limited

Commercial Bank of Ceylon Plc.

Standard Chartered Bank

The Hongkong and Shanghai Banking Corporation Limited

Registered Office

39 Dilkusha Commercial Area

Dhaka-1000

Corporate Office

5B, Road No. -126

Gulshan-1, Dhaka-1212

Audit and Wholesale Office

H. S. Bhaban

Cha-75/A, Bir Uttam Rafiqul Islam Avenue

Pragati Sarani, Dhaka- 1212

Singer Manufacturing Complex (SMC)

Rajfulbaria, Jhamur, Savar, Dhaka-1347

Subsidiary Company

International Appliances Limited

Koulashur, Hemayetpur, Savar, Dhaka-1348

COMPANY PROFILE



SINGER BANGLADESH LIMITED

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

After the partition of the Indian Sub-Continent in 1947, Singer in East Pakistan operated as a branch of Singer Pakistan and the products used to come from West Pakistan. At the initial stage marketing operation was carried out through only 10 shops, which increased to 43 by the late 1960s. In December 16, 1971 Bangladesh emerged as a sovereign state. As a result, the East Pakistan branch office was elevated to a country office and the sewing machines were made available from different Singer overseas sources.

Singer Bangladesh Limited was incorporated as a private limited company on 4 September 1979 under Companies Act 1913. It was converted

into a public limited company in 1983 when it offered its shares to the public with the requisite permission from the Government.

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

Today, Singer Bangladesh Limited is a large, diversified company with an unmatched presence throughout Bangladesh. Beginning with the sewing machine, Singer has diversified its product portfolio 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.

In 2019, Singer Bangladesh Limited became a member of Arcelik A. S., Turkish largest home appliances company (Part of Koc Holding, Turkey). Retail Holdings Bhold B. V. is the majority shareholder in the company, holding a stake of 57%. The public shareholding accounts for 43%. Singer Bangladesh Limited was listed with the Dhaka Stock exchange in 1983 and Chittagong Stock Exchange in 2001.

2020 AT A GLANCE

1st Quarter | January, February & March

- Board, Audit Committee and NRC Committee Meeting held
- Dealers Conference held at Bashundhara Convention Center
- Singer Branded 24" Basic and 32" Frameless TV introduced
- Exclusive Air Conditioner line with SINGER PRO introduced at Dealer Conference
- DELL Branded 9th Generation Process Laptop introduced
- Singer New Product Category Kitchen Hood introduced
- Beko Branded Small Appliances Range included to line
- New SKU of Rice Cooker and Cookware included to line
- Annual Sales Conference held in Cox's Bazar
- New Environment Friendly Air Conditioner Technology Launched naming "Green Inverter"
- Skyworth branded 32" Frameless TV introduced with competitive price
- DELL Branded 10th Generation Laptop introduced
- 50" Google Authorized 4K Television introduced
- New shop opened in Vandaria, Dhaka & Gazipur
- Singer Plus shops in Rajbari, Hobigonj & Chattagram Renovated
- Singer Plus shops in Feni, Hobigong & Comilla Relocated
- Singer Plus shops in Dhaka, Comilla & Shariatpur Extended

2nd Quarter | April, May & June

- Annual General Meeting held through digital platform
- Board, Audit Committee & NRC Committee Meeting held
- Refrigerator, Microwave Oven, Washing Machine and Iron donated to BMC COVID-19 Unit
- 3 New Models of Side-by-Side Refrigerators Production
- Refrigerator, Microwave Oven, Washing Machine & Iron donated to Police Hospital COVID-19 Unit
- Beko Branded 12,000 and 18,000 BTU Hot and Cool Inverter Air Conditioner added to Factory to enrich the Air Conditioner Product Line
- 40" Frameless Television introduced
- New shop opened in Comilla, Kushtia & Tangail
- Singer Plus shops in Naogaon & Jessore Renovated
- Singer Plus shops in Chattagram & Dhaka Relocated

3rd Quarter | July, August & September

- Board, Audit Committee and NRC Committee Meeting held
- 10th Generation HP Branded Laptop Introduced
- Singer Branded New Range of Dry & Steam Iron has introduced
- 2 Models of Singer branded Microwave Oven with Built-in Local Recipes introduced
- New shop opened in Noakhali, Khulna, Mymensingh, Munshigonj, Iswardi, Madaripur, Gopalganj, Faridpur & Dhaka
- Singer Plus shops in Natore, Dhaka & Chattagram Renovated
- Singer Plus shops in Narayangonj, Gazipur, Dhaka Meherpur, Laxmipur & Chattagram Relocated
- Singer Plus shops in Narshingdi, Jamalpur, Nilphamary & Bhola Extended

4th Quarter | October, November & December

- Board and Audit Committee Meeting held
- 2 new 50" 4K Google authorized Television introduced
- 178 Ltr Top Mounted Glass Door Refrigerator introduced with Local Production Facility
- 75" Samsung Branded Television introduced for High End Customers
- New shop opened in Comilla, Bhola, Naogaon, Sylhet & Mymensingh
- Singer Plus shops in Chuadanga, Tangail & Nawabgonj Renovated
- Singer Plus shops in Chapainawabgonj, Dinajpur & Gazipur Relocated
- Singer Plus shops in Naogaon & Narayangonj Extended

SINGER®

Introducing

GREEN INVERTER

Air Conditioners



Saves Electricity
Saves Environment

closer to the nature



Saves Environment



Faster Cooling



Noise Free



Electricity Saving



COMPANY AT A GLANCE

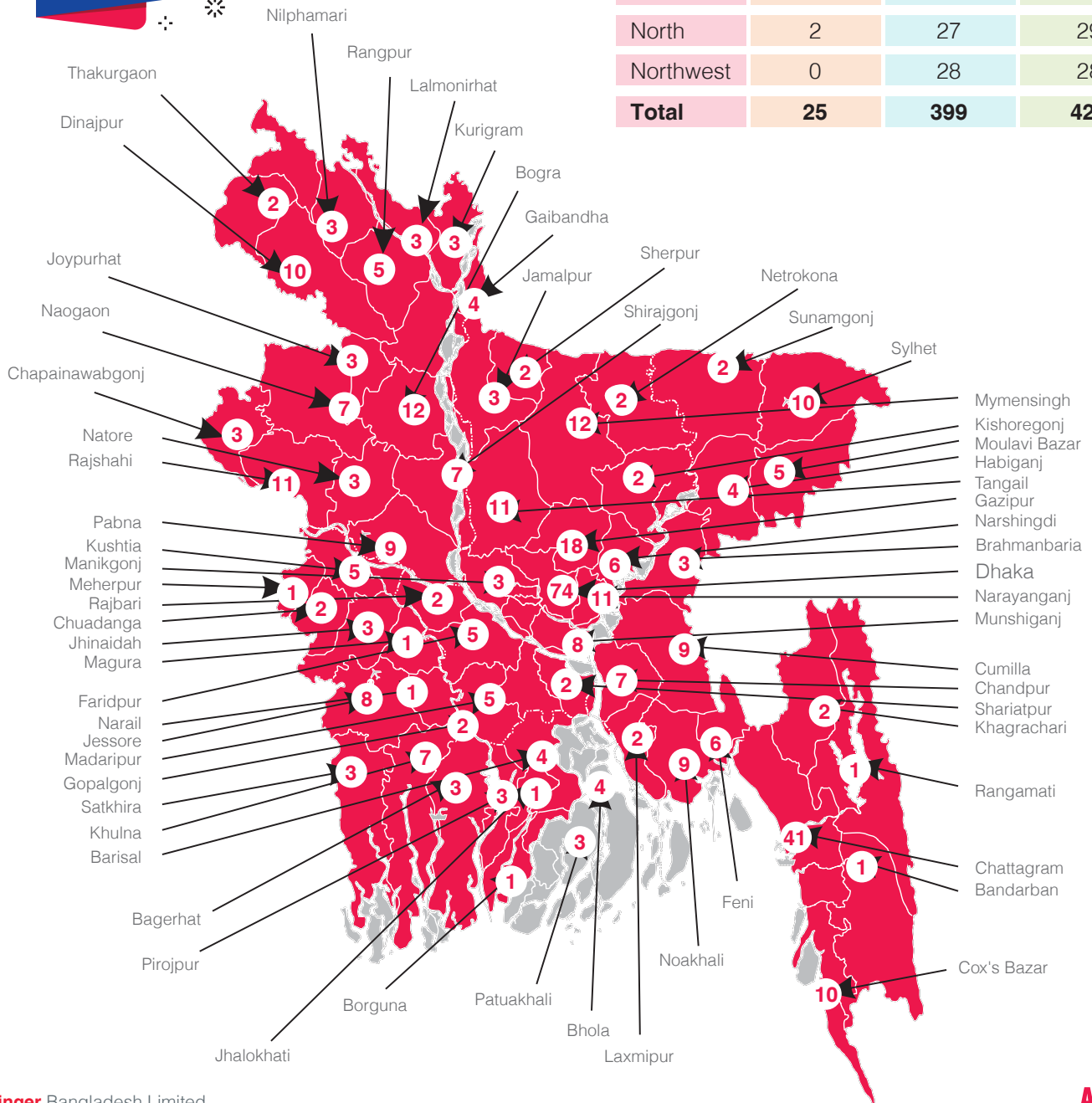
RETAIL OUTLETS
424
SINGER MEGA AND SINGER PLUS

DEALERS
1088
SINGER PRO

SINGER GROUP STAFF
1767
MEMBERS

Our Retail Presence

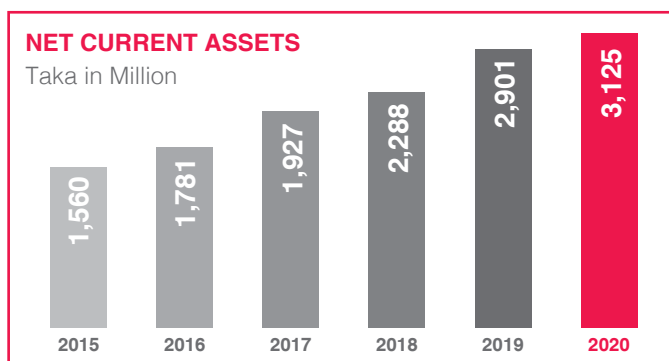
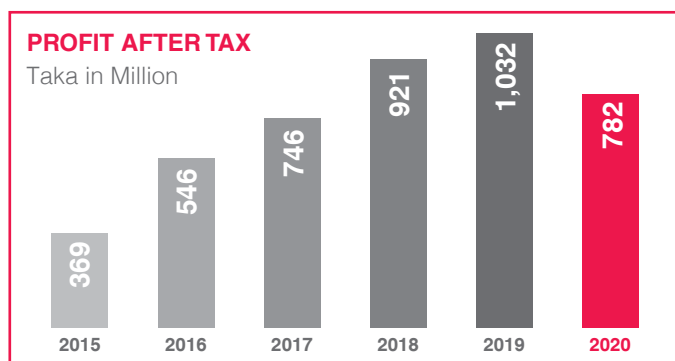
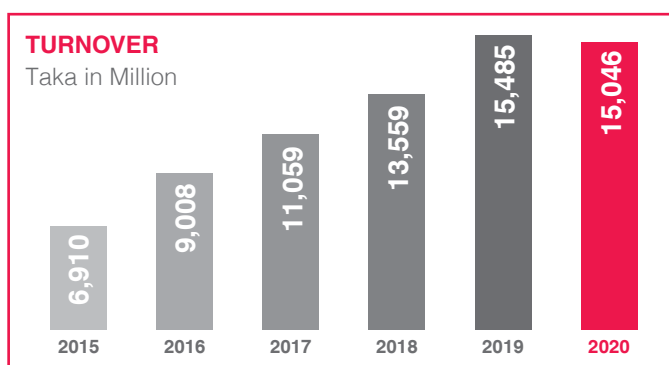
Area	Singer MEGA	Singer Plus	Total
Central A	6	39	45
Central B	4	38	42
Central C	0	39	39
East	4	45	49
Southeast	3	47	50
Northeast	2	39	41
South	1	33	34
Southwest	2	33	35
West	1	31	32
North	2	27	29
Northwest	0	28	28
Total	25	399	424



FINANCIAL HIGHLIGHTS

Taka in Million

	2020 Consolidated	2019 Consolidated	2018 Consolidated	2017 Company	2016 Company	2015 Company
Turnover	15,046.3	15,485.2	13,559.2	11,059.1	9,007.5	6,910.7
Operating profit before Interest & Tax	1,594.4	1,951.0	1,659.3	1,185.3	894.1	595.2
Profit before Tax	1,092.1	1,470.4	1,274.9	1,027.1	779.6	517.0
Profit after Tax	782.4	1,031.8	920.9	746.1	546.3	368.6
Paid up Capital	997.0	997.0	766.9	766.9	766.9	766.9
Number of ordinary shares outstanding	99,702,838	99,702,838	76,694,491	76,694,491	76,694,491	76,694,491
Revenue Reserve	1,646.4	1,625.9	971.0	815.5	594.7	228.5
Revaluation Reserve	547.1	550.3	554.3	559.1	566.6	403.1
Capital Reserve	18.8	18.8	18.8	18.8	18.8	18.8
Shareholders' Equity	3,209.3	3,192.0	2,311.1	2,223.4	1,947.0	1,417.3
Property, Plant & Equipment	1,397.0	1,420.0	1,411.2	1,424.4	1,034.1	874.0
Investments	4.2	4.2	4.2	4.2	288.3	183.9
Net Current Assets	3,125.0	2,901.0	2,288.0	1,926.9	1,781.2	1,560.5
Dividend per share (Taka)	3.0	7.7	3.0	10.0	7.0	6.5
Gross Dividends	299.1	767.7	230.1	766.9	536.9	498.5
Earnings Per Share (Taka)	7.85	10.35	9.24	9.8	7.1	4.8
Price Earning Ratio (Times)	22.4	17.4	23.9	20.0	27.0	37.5
Net Asset per Share including revaluation reserve (Taka)	32.19	32.0	30.1	29.0	25.4	18.5
Net Asset per Share except revaluation reserve (Taka)	26.7	26.5	17.6	21.7	18.0	13.2
Net cash from operating activities	905.3	1,355.0	(464.8)	239.1	(673.8)	770.6
Net operating cash flow per share (NOCFPS) (Taka)	9.08	13.6	(4.7)	3.1	(8.8)	10.0
Market value per share at year end (Taka)	175.6	180.4	221.2	195.5	192.5	180.2
Net Income to Net Turnover (%)	5.2	6.7	6.8	6.7	6.1	5.3
Return on Average Net Assets (%)	24.45	37.50	40.62	35.78	32.48	25.04
Debt Equity Ratio (%)	0.6	0.6	1.2	0.8	0.6	0.0
Interest Cover	3.5	4.6	5.0	7.5	9.0	8.8
Current Ratio	1.7	1.6	1.5	1.6	1.8	2.9
Acid Ratio	0.7	0.7	0.6	0.7	0.8	1.5
Number of Shareholders	10,185	9,886	9,273	11,788	11,549	16,438
Number of Employees	1,767	1,653	1,507	1,384	1,084	1,064



CHAIRMAN'S STATEMENT



Dr. Fatih Kemal Ebiçlioglu
Chairman

Dear Shareholders,

It is my privilege to write to you and present the Annual Report for 2020. Across the globe, we are living through an extraordinary crisis. The Coronavirus (COVID-19) pandemic continues to demonstrate our limitations, but it also establishes what is important for us - health and safety.

As is known, since the second quarter, the COVID-19 outbreak has posed a tangible threat to the health and safety of our employees, customers, and other stakeholders, thereby has impacted our business significantly. In the meantime, it has also taught us some important lessons on business continuity during spells of uncertainty.

Business Overview

The year 2020 was a challenging year not only for Singer Bangladesh Limited, but also for the whole globe by reason of adverse affects of the COVID-19. There were, effectively, no sales during April and May and fewer sales were made during June due to the country-wide lockdown declared by the government.

In terms of business performance, in the early part of 2020, the economy operated at a normal pace and was on track with the projected growth rate of 8.2%. Singer Bangladesh Limited was successful in utilizing the opportunities towards growth at its sales channels. Our revenue this year was Tk. 15.1 billion compared to Tk. 15.5 billion in

2019, primarily due to the impact of COVID-19. Operating profit was Tk. 1.6 billion which was 18% lower than the previous year's operating profit of Tk. 1.9 billion. Profit before tax for the year stood at Tk. 1.1 billion which was 26% lower than the previous year's net profit of Tk. 1.5 billion. Different aspects of this Annual Report are elaborately described in the business and financial sections.

Appointment of Independent Director

Dr. Syed Ferhat Anwar, the Independent Director of Singer Bangladesh Limited, retired from his duty as of February 28, 2021 after completion of six years tenure in two consecutive terms. I extend my gratitude to Dr. Syed Ferhat Anwar for his contribution to Singer



Reopening of the economy in June was a bold move and proved to be a prudent one. Hopefully 2021 will get us back to a sustainable growth track with the world economy and domestic demand turning around

Bangladesh Limited and wish him all the best in his future endeavours. In place of Dr. Syed Ferhat Anwar, I am pleased to announce that Board of Directors of Singer Bangladesh Limited appointed Mr. Reazul Haque Chowdhury as the new Independent Director of the Company for three years with effect from March 1, 2021 subject to your approval in the 41st Annual General Meeting. Mr. Reazul Haque Chowdhury has 29 years' work experience as the Managing Director and Chief Executive Officer with different multinational companies both at home and abroad.

Awards and Recognition

Singer Bangladesh Limited is awarded National Award (Gold Award) for Corporate Governance Excellence 2019 from the Institute of Chartered Secretaries of Bangladesh (ICSB) under the Engineering sector. Singer Bangladesh Limited also received AAA Long Term rating from Emerging Credit Rating Agency with the report citing, amongst other key strengths, the Company's strong financial position, experienced management, trusted

brand, and quality assurance. Besides, Singer Bangladesh Limited is also recognized as a Superbrand in the Air Conditioner category. Superbrand is an international organization, operating in 90 countries, to pay tribute to the world's leading brands, as selected by a council of experts and consumers of the respective countries. The key criteria of becoming a Superbrand are market dominance, longevity, goodwill, customer loyalty and market acceptance.

Looking ahead

Despite the pandemic, the good news is that Bangladesh was set to post the third-highest growth in the world and the highest in Asia in 2020, according to the International Monetary Fund. The reopening of the economy in June was a bold move and proved to be a prudent one. I hope 2021 will get us back to a sustainable growth track with the world economy and domestic demand turning around. WTO forecasts global trade as upwards but warns of "a high degree of future uncertainty". I also agree to the WTO's statement.

As we look ahead over the coming years, we anticipate a good deal of transformation stemming from COVID-19. Consumer behaviour will change in numerous ways, from demanding more integrated digital experiences to prioritizing health and safety features across purchasing decisions. The move to set priorities may shape future demand for home appliances. Besides, environment friendly and energy-efficient appliances will be the priority of the consumers. Singer is well placed to meet the demand opportunities that will arise from these important and fundamental shifts.

Conclusion

On behalf of the Board of Directors, I would like to take this opportunity to thank our bankers and the Government of Bangladesh for their support during the pandemic situation. At the same time, I am grateful for your continued support and for standing beside us in times of prosperity and adversities. We remain sincere and committed to our efforts to keep delivering better value to you.

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

Dr. Fatih Kemal Ebiçlioglu
Chairman

BOARD OF DIRECTORS



DR. FATİH KEMAL EBIÇLIOĞLU
CHAIRMAN

Joined the Board on April 3, 2019.

Fatih Kemal Ebiçlioğlu (Ph.D), Koç Holding AS, President of Consumer Durables

At 1989 Fatih Kemal Ebiçlioğlu started his career at the Ministry of Finance as a Junior Financial Auditor and served as a Financial Auditor and Chief Financial Auditor. He worked as a lecturer in Hacettepe, Bilkent and Atılım Universities between 1998-2002.

He joined the Koç Group in 2002 and worked as the Coordinator of the Finance Group and continued as the Coordinator of Audit Group between 2004-2005. In April 2005 he was assigned as Chief Financial Officer (CFO) of Arçelik AS. From February

2015, he serves as President of Consumer Durables at Koç Holding AS.

He graduated from Ankara University, Faculty of Political Science and Public Administration. He completed his MBA in Finance at Virginia Commonwealth University and has a PhD from Ankara University, Faculty of Business Administration. Mr. Ebiçlioğlu is also a Member of the Board of Directors of TÜSİAD and Turkish Exporters Association (TİM).

His duties undertaken in the last decade are mainly listed above, and he is on the board of some companies in Koç Group.



M. H. M. FAIROZ
MANAGING DIRECTOR & CEO

Joined the Board on September 6, 2016.

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

Fairoz began his career in marketing nearly 32 years ago with Richard Pieris Group a leading conglomerate in Sri Lanka initially in their FMCG division. In 1997 he moved on their Furniture Division before joining Singer (Sri Lanka) in 2001. Held various positions during the 15-year tenure of exceptional growth of the firm and was Head of the Electronics and Furniture SBU's before joining the Bangladesh operations.

Fairoz is also a Director of International Appliances Limited (IAL). Vice

President, Sri Lanka Bangladesh Chamber of Commerce and Industry (SLBCCI). Member - Executive Committee, Foreign Investors Chamber of Commerce and Industry (FICCI) and also Member of Board of Directors, Bangladesh Employers' Federations (BEF).

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

BOARD OF DIRECTORS



DR. SYED FERHAT ANWAR
INDEPENDENT DIRECTOR

Dr. Syed Ferhat Anwar is a Professor and Director at the Institute of Business Administration (IBA), University of Dhaka; the leading business school of the country. He is in the teaching profession for more than 33 years. In December 2018, he was recognized by Asia Marketing Federation for his contribution towards building the Asian Brands. In January of 2019, he was recognized for his contribution to the business community by Kaler Kontho, one of the leading newspapers of the country, as one of the thirty leading academics of the country.

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 67 publications in international and national journals and writer of 3 major books on business management. His most recent academic contribution has been an introduction chapter on "Evolution and Future of Marketing" in the book 'Strategic Marketing Management in Asia, published in 2017 by Emerald from UK.

Dr. Ferhat has visited various international and regional academic institutes as visiting scholar; including, Indiana University, Bloomington (USA), Pennsylvania State University (USA), Harvard Business School (USA), Stern Business School of NYU (USA), Kellogg School of North Western University (USA), Brunel

University (UK), Indian Institute of Management (Ahmadabad), Sri Lankan Institute of Marketing (SLIM), Putra Business School of Universiti Putra Malaysia (Malaysia), Universiti Selangor (Malaysia), Lahore University of Management Sciences (LUMS), etc. He has been involved in many consulting assignments on marketing, social enterprise, and business strategy for various sectors, foremost being education, pharmaceuticals, apparel, ICT, real-estate, and agriculture.

He is also the Chief Advisor of Bangladesh Brand Forum; Chief Patron of Marketing Society Bangladesh; Founder Director of Kotler Center for Marketing Excellence, University of Dhaka; Founder Director of Bangladesh Marketing and Social Research Forum; and Founder member of International Council for Small Business (ICSB), Bangladesh, which is an affiliate of Global ICSB. He has also served as the Pro-Vice Chancellor of East West University.

Dr. Ferhat is also associated with the industry and is an Independent Director of the board of Singer (Bangladesh), the leading multinational electrical and electronic retail outlet. He is also an Independent Director of Bangladesh Diesel Plant, a business support venture of the Bangladesh armed Forces. He is an Adviser to the Board of Center of Excellence for Bangladesh Apparel Industry (CEBAI). He is also the Board member of Asia Marketing Federation (AMF), headquartered in Japan and Vice President of Association of Management Development Institutes of South Asia (AMDISA). He is also associated as member of various academic bodies of Shahjahan University of Science and Technology, Rajshahi University, University of Professionals, East West University, and Eastern University.



MASUD KHAN
INDEPENDENT DIRECTOR

Mr. Masud Khan is the Chairman of Unilever Consumer Care Ltd. (ex GSK) and currently working as the Chief Adviser of the Board of M. I. Cement Factory Ltd. (Crown Cement Group). He is a seasoned professional with 41 years' work experience in leading multinational and local companies in Bangladesh. Prior to joining M. I. Cement Factory Ltd. (Crown Cement Group), he worked in LafargeHolcim Bangladesh as Chief Financial Officer for 18 years. Earlier, he worked for British American Tobacco in finance and related fields for 20 years both at home and abroad.

He is also an Independent Director of Berger Paints Bangladesh Limited, Community Bank and Viyellatex Limited. His articles on professional and industry issues regularly feature in

newspapers and international and local magazines. He regularly features on electronic media on talk shows and interviews and is often in the news for comments on industry and professional issues. He also does public speaking on professional issues in educational institutions and all the Professional Institutes such as Institute of Chartered Accountants of Bangladesh, ACCA and ICMA Bangladesh. He is also a lecturer in the Institute of Chartered Accountants of Bangladesh for the past 41 years.

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

BOARD OF DIRECTORS



HAKAN HAMDİ BULGURLU
DIRECTOR

Joined the Board on April 3, 2019.

After graduating from University of Texas, Austin (Economics & Mechanical Engineering Departments), Hakan Bulgurlu earned his MBA from the joint program of Northwestern University and the Hong Kong University of Science and Technology.

Bulgurlu began his career in 1995 at Koç Holding. He was assigned to key senior management positions in Asia and lived in Hong Kong for 13 years where he led the Asia-Pacific trading and outsourcing operations. Bulgurlu served as the CEO of Arçelik-LG between 2007 and 2010, a joint venture manufacturer of air conditioners, with the largest

facility in Europe and the Middle East before joining Arçelik in 2010. He has been serving as the Chief Executive Officer since 2015. He is also an Executive Board Member of European Committee of Domestic Equipment Manufacturers (APPLiA) and a founding member of Amstel Dialogues, a CEO round table of European leaders that aims to increase the speed of European innovation.

Bulgurlu is a Board Member at The Foreign Trade Association of Turkey (TURKTRADE), Vice Chairman of Turkey China Business Council at The Foreign Economic Relations Board of Turkey (DEİK), and a Commissioner on the High-Level Commission on Carbon Pricing and Competitiveness at The World Bank.



CEMAL CAN DİNÇER
DIRECTOR

Joined the Board on April 3, 2019.

Can Dinçer got his bachelor's degree in Mechanical Engineering Department in Istanbul Technical University in 1989 and master's degree in Department of Business in Stevens Technology Institute, USA in 1993.

Having started his professional life as a Trainee in Arçelik A.Ş. Finance Department in 1993, Mr. Dinçer served as the Regional Sales Manager in Export Department in 1995. He worked as International Sales Manager - CIS and Other Countries between 2000-2005, as International Sales

Director – European Foreign Markets between 2005-2009 and as Sales Director - Europe, USA, Asia-Pacific between 2009-2012 and as Sales Director - Subsidiaries, USA, Asia-Pacific between 2012-2015. Can Dinçer is the Deputy General Manager for Commercial - Turkey & Pakistan since January 2018.

In addition to this role, he was assigned as Arçelik Pazarlama A.Ş. General Manager as of December 30, 2016.

BOARD OF DIRECTORS



POLAT ŞEN
DIRECTOR

Joined the Board on April 3, 2019.

Polat Şen received his bachelor's degree in English Department of Economics in Marmara University in 1998 and master's degree in International Finance Department in Bradford University in 1999.

Starting his professional life as Junior Auditor in Koç Holding A.Ş. Control Group Department in 2000, Mr. Şen worked as Senior Auditor in Koç Holding A.Ş. between 2002-2004. Mr. Şen was assigned as Arçelik A.Ş. Internal Audit Manager in 2004, as

Financial Affairs Group Director in Grundig Electronics / Grundig Multimedia B.V. in 2008, and he worked as Grundig Multimedia B.V. Financial Affairs Director between 2009-2010.

He served as the Purchasing Director between 2010- 2015 and has been working as Chief Financial Officer since February 2015.



KAZI ASHIQUR RAHMAN
SECRETARY TO THE BOARD

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

He is the Senior Manager, Corporate Affairs of Singer Bangladesh Limited, with 23 years' experience in the areas of internal audit, finance and corporate affairs. He is a Qualified Chartered Secretary and fellow member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He completed his Graduation and Post-graduation in Management from the University of Dhaka. He also did Master of Business Administration with Marketing specialization from North South University. He is having experience in

internal audit, finance, company secretarial functions, board management & governance, company meetings, taxation matters, treasury functions, investors relations, company legal and compliance issues etc.

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MANAGEMENT TEAM



M. H. M. Fairoz
Managing Director & CEO



Akram Uddin Ahmed
Finance Director & CFO



Mokbulla Huda Chowdhury
Sales Director



Chandana A. Samarasinghe
Marketing Director



Kazi Rafiqul Islam
Director - Wholesale Operations



Erdinc Ayan
Integration Director



Hakan Altinisik
Technology & Innovation Director



Md. Anisur Rahman
Head of IT



Md. Monzur Murshed
Financial Controller & Head of Credit



Abu Zafor Md. Kibria
Head of Consumer Service



Mohammad Ashgar Hossain
GM - Corporate Sales



Syed Zahidul Islam
GM - Human Resources



Reaz A. Choudhury
GM - Supply Chain Management



Kazi Ashiqur Rahman
Sr. Manager - Corporate Affairs



Shahed Al-Mahmud Chowdhury
In-charge - Head of Internal Audit



Abrarur Rahman
Senior Manager - Merchandising



Md. Raziur Rahman
Sr. Manager - Marketing Communication



Gour Chandra Ghosh
Factory Manager



G. N. B. Chowdhury
Senior Manager - Services



Md. Shihab Uddin Bhuiyan
Sales Manager - Wholesales



Md. Ismail Hossain
Sales Manager - Wholesales



Joyanta Kumar Roy
VAT & Custom Manager



Shabbir Mahmud Rizwan
Senior Manager - Production & QC



Matiur Rahman
Sales Manager



Md. Masud Habib
Sr. Manager - Logistics Operations



Md. Farhad Habib
Senior Manager - Corporate Sales



Farhan Azhar
Senior Manager - Product



Mahmud Hasan
Manager - Legal Affairs



Md. Obaydul Hoque
Territory Manager



Dewan Masood Bin Malique
Senior Area Manager



Md. Mojibur Rahman
Manager - Accounts



Md. Mehedi Hassan
Manager - Credit



Mutakabbir Ibna K. Choudhry
Senior Area Manager



Md. Arif Hossain
Senior Area Manager



Md. Shahjahan Khan
Senior Area Manager



Md. Moshir Rahman
Manager - Finance & Accounts



Md. Fazle Rabbani
Senior Area Manager



Pranojit Biswas
Manager - IT



Md. Rafiqul Islam
Territory Manager

DIRECTORS' REPORT

The Directors have the pleasure of presenting to the members their annual report together with the audited financial statements of the Company for the year ended on December 31, 2020.

This report has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

Principal Activities

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

Management Discussion and Analysis of Business

The year 2020 was a challenging year not only for the company, but for the whole globe as affected by the Coronavirus (COVID-19). The COVID-19 outbreak has greatly impacted the macroeconomic performance of the country as well as its operations and financial position. There were, effectively, no sales during April and May and fewer sales were made during June due to the country-wide general holidays declared by the government from March 26 which was extended up to June 30 (after May 30 the declarations came as location-wise lock-downs in different major cities and localities).

Owing to COVID-19 impact, during the year under review, your Company achieved revenue amounting Tk. 15.1 billion which was 2.8% lower than the previous year's revenue of Tk. 15.5 billion. Operating profit (excluding other income) amounting Tk. 1.4 billion was 22% lower than the previous year's operating profit of Tk. 1.8 billion. Net profit before tax for the year stood Tk. 1.1 billion which was 26% lower than the previous year's net profit of Tk. 1.5 billion.

The Chairman's Statement on-page 12 and the Chief Executive Officer's review on page 38 state the company's affairs and highlight important events that occurred during the year. The Financial Review on pages 48 to 51 elaborates on the financial results of the company. These reports are an integral part of the Directors' Report.

Our subsidiary company's revenue reached Tk. 2.7 billion which was 4% higher over the previous year's revenue of Tk. 2.6 billion. Net loss before tax for the year stood Tk. 7.6 million and suffered a loss of Tk. 8.7 million after income tax being charged. This was also the outcome of the COVID-19 impact.

Investment in International Appliances Limited

During the year, International Appliances Limited (IAL) remained a subsidiary of Singer Bangladesh Limited (SBL). However, in September 2020, the Board of Directors proposed to amalgamate IAL with SBL, whereby SBL shall be the surviving entity. Accordingly, in September 2020 an application was made to the Honorable High Court Division of the Supreme Court of Bangladesh, for approving the Scheme of Amalgamation of IAL with SBL. As directed by the Honorable High Court Division, meetings of the Shareholders and Creditors were called for considering and approving the Scheme of Amalgamation. The Shareholders and the Creditors of the Company at the Extraordinary General Meeting and Creditors meetings held on November 26, 2020, approved the Scheme of Amalgamation. The share capital of the Company will not be increased for the acquisition. Investment of SBL in equity shares of IAL shall be eliminated/negated. At the end of the reporting period, the same has been awaiting the hearing at the High Court.

Separate reports including Auditors' Report, audited financial statements, and Directors' Report thereon for the subsidiary company are provided at the concerned sections of this report. The financial statements of the subsidiary company have duly been consolidated with those of Singer Bangladesh Limited as per requirements of the Companies Act 1994, Securities and Exchange Rules 1987 along with related notifications and also in line with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

Governance of Board of Directors of Subsidiary Company

The Company's representation in the subsidiary company's board was in line with the Corporate Governance Code and accordingly there was an Independent Director of Singer Bangladesh Limited on the Board of the subsidiary company, International Appliances Limited. Minutes of the Board

meetings of the subsidiary company were placed before the Board of Singer Bangladesh Limited and were then duly reviewed and recorded. The Board of Directors of Singer Bangladesh Limited also reviewed the periodical and annual financial statements of the subsidiary.

Property, Plant, and Equipment

During the year under review, the Company invested a sum of Tk. 109.5 million in properties, plants, and equipment. Movement in properties, plants, and equipment during the year is disclosed under note 3 and Annexure-I of the financial statements.

Market Value of Freehold Properties

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

The last valuation was carried out as of December 31, 2016. The details of the valuation are given in the Auditors' Report on-page 83 and Note 12.1 to the Financial Statements.

The machinery of the subsidiary, International Appliances Limited, valued by an Independent Assessor, has been reflected in the consolidated financial statements. The last valuation was carried out as of October 16, 2017.

Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for financial statements is given on-page 58 of this report.

Corporate and Financial Reporting Framework

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

Industry Outlook and Possible Future Development

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

In the early part of 2020, the economy operated as normal and was on track with a projected growth rate of 8.2%. The company was successful in utilizing the opportunities towards growth at its sales channels. But from the Middle of March 2020, the coronavirus outbreak affected our business greatly. The government declared a general holiday to protect the spread of the virus and for two months there had been effectively no sale. The situation being normal, company went for a different promotional offer which resulted in positive output.

With different promotions and discounts on offer, we could manage to remain very close to 2019 achievements. Consumer electronics started to pick back up from June but not significantly, as consumers did not purchase such products unless they felt it necessary because of the uncertainty looming large. Consumer electronics could not even achieve its sales target during this year's Eid-ul-Fitr and Eid-ul-Azha.

Both exports and imports have declined and are anticipated to decrease consumption and investment demand. There are also increased costs of international trade now, especially for those industries where supply chains are integrated across borders and those involved in moving goods and people i.e., trade and air transport. The outbreak of the COVID-19 pandemic has created uncertain circumstances for households, businesses, and governments around the world including Bangladesh.

Despite the uncertainty in the global economy, the government of Bangladesh has been making sincere endeavours to restore the economic activities and has gone for different stimulus package which will certainly help the industry to minimize the loss during the pandemic. We hope that the situation will return to normalcy in 2021 and sales in the post-pandemic era will be adequate.

Besides, economic growth in Bangladesh is much higher among the south Asian countries and the GDP rate is above the economic growth forecast provided for Bangladesh by the World Bank at 1.6%, International Monetary Fund at 3.8% percent, and Asian Development Bank at 4.5% for the year 2020. According to the Bangladesh Bureau of Statistics, Bangladesh's GDP grew by 5.24% during the period of 2019-2020 registering a growth of the per capita income by US\$ 155 resulting in a total to US\$ 2,064. There is an implicit message that the economy is not only trekking back to pre-pandemic levels but also will surpass that.

Though the penetration levels of most of the consumer durables in Bangladesh remain very low, Bangladesh has elevated herself from a Least Developed Country to a Developing Country which will enhance demand for durables and will have a positive impact on modern living and higher demand for Singer products.

Besides, the population of Bangladesh is young and expanding. Currently, only 15 per cent of almost 170 million people of Bangladesh belong to the middle class and are therefore classified as affluent customers (MAC). This MAC population of Bangladesh is projected to triple by 2025, reaching about 34 million. These MAC consumers will have enough affordability to purchase durables that offer convenience and luxury.

The government is committed to make affordable and reliable electricity accessible to all by the year 2021. This is likely to accelerate the demand for consumer durables in the days to come.

Increasing population, electrification, and urbanization will support the growth of the country and are expected to fuel the income level of the people, thereby enhancing their purchasing ability. We believe that we are well-positioned to benefit from our wide presence in almost every corner of the country. Our sound business position gives us confidence that this trend will continue in the year 2021 as well.

Segment Information

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

Risk and Concern

Our business may also be affected by risks and uncertainties presently not known to us or that we currently believe to be immaterial. However, the supply chain may pose some challenges if the health crisis in China persists. Details of risk factors and the ways of determining how best we can handle such events are given on the risk management report on pages 54 & 55 of this report.

Margin Analysis

The cost of goods sold for the year 2020 was Tk. 11.1 billion and it was 1.3 % lower than that of the previous year's. The gross profit margin was 27% for the year 2020 and the previous year's gross

DESPITE COVID-19 IMPACT COMPANY ACHIEVED REVENUE AMOUNTING TK. 15.1 BILLION WHICH WAS CLOSE TO 2020 REVENUE OF TK. 15.5 BILLION EVEN AFTER 2ND QUARTER WAS MOSTLY STROKED BY GENERAL HOLIDAY.

margin was 28.1%. The net profit margin for the year 2019 was 5.2%. Details are discussed on the financial review report on pages 48 to 51 of this report.

Extraordinary Events

No events of extraordinary gain or loss which would require adjustment or disclosure in the financial statements occurred during the reported period.

Related Party Transaction

All the transactions/contracts/arrangements of nature as specified under the provisions of IAS 24 entered by the Company during the year under review with a related party(ies) are in the ordinary course of business. Disclosure of all related party transactions, including the basis for such transaction, has been provided in note 35 of the notes to the financial statements on-page106.

Variance within the Financial Year

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

Remuneration to Directors

This information is incorporated in Notes 22.4 of the notes to the financial statements on page 91 regarding the "Directors fees and remuneration" mentioning figures concerning the remuneration of the Managing Director including fees for the Independent Directors' attendance to meetings.

Fairness of Financial Statements

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

In compliance with the requirement of the Bangladesh Securities and Exchange Commission's Corporate Governance

Code 2018, the Chief Executive Officer and the Chief Financial Officer have given their declarations about the fairness of the financial statements which is shown on-page 27 of the report.

Books of Accounts

Proper books of accounts of the Company were maintained.

Accounting Policies

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

Application of IAS and IFRS

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

Internal Control

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

Minority Shareholders

The company believes in equal rights of all shareholders irrespective of the number of shares they hold. All the shareholders are provided with quarterly financial statements, half-yearly financial statements, and annual reports and are welcomed to participate at the shareholders' meeting. At the Annual General Meeting, adoption of the annual financial statements and the Directors' report, the election of the Board members, and the appointment of the Auditors are decided upon with the participation of the shareholders.

Going Concern/Forward-Looking Statement

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

We are confident that we are in a prime position to generate stable returns and remain the industry leader, leveraging our strengths and outperforming our competitors. In 2020, we expect to roll out a new product range to cater to various segments in this emerging market.

Significant Deviations from the Last Year's Operating Result

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

Key Operating and Financial Data of last Six Years

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

Dividend

Based on the performance of the Company, the Board of Directors recommends dividends @30 % for the year 2020.

According to the directive of Bangladesh Securities and Exchange Commission, Board approved the Dividend Distribution Policy. Dividend Distribution Policy and summary of Unclaimed Dividend is show in the page 35 and 36 of this report.

Board and Committee Meetings and Attendance

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

The attendance record of the Directors is shown in Annexure-E of this report. The Directors who could not attend the meetings were granted a leave of absence.

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

Pattern of Shareholding

The pattern of shareholding is provided on-page 34.

Corporate Governance Compliance Report

Singer Bangladesh Limited adhered to the appropriate good Corporate Governance principles, as described on pages 41 to 44.

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

Further in compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code 2018, Itrat Husain & Associates., Chartered Secretaries in Practice, issued the Corporate Governance Compliance Certificate which is shown on-page 28 of the report.

Contribution to the National Exchequer

During the year under review, the Company paid Taka 5,199 million to the national exchequer in the form of corporate income tax, customs duties, and value-added taxes.

Credit Rating

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

Financial Results and Appropriations

The Directors are pleased to report the financial results for the year 2020 and recommend the following appropriations:

	Taka in '000	
	2020	2019
Profit before taxation	1,112,272	1,431,110
Less: Provision for tax	308,648	396,536
Profit after tax	803,624	1,034,574
Add: Unappropriated profit brought forward	1,083,619	747,845
Adjustment for IFRS 16	-	63,471
Other comprehensive income	1,437	(570)
Prior year's adjustment	4,343	6,011
Profit available for distribution	1,893,023	1,851,331
Less: Appropriations		
Dividend	299,109	767,712
Unappropriated profit C/F	1,593,914	1,083,619

Reserves

The total Reserves of the Company stood at Tk. 566 million, details of which are given in Note 12 and the Statement of Changes in Equity in the Financial Statements.

Events subsequent to Balance Sheet

The Board of Directors in their meeting held on January 25, 2021, recommended 30 % cash dividend for the year 2020.

Statutory Payments

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

Share Information

The authorized capital was raised from Taka 1,000,000,000 (one billion) to Taka 2,500,000,000 (two billion & five hundred million) in line with the business volume of the company.

The distribution of shareholding and market value of shares are given on-page 123 of this report.

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

Directors

A brief profile of all Directors of the company is provided in the section of "Board of Directors" of this report on pages from 14 to 17.

Reelection of Directors

Dr. Fatih Kemal Ebiclioglu and Mr. Hakan Hamdi Bulgurlu will retire from the office under Article 81 of the Articles of Association of the company. Being eligible, Dr. Fatih Kemal Ebiclioglu and Mr. Hakan Hamdi Bulgurlu have offered themselves for reelection. The Board recommends their reappointment.

Appointment of Independent Director

Dr. Syed Ferhat Anwar, Independent Director of the company, shall retire after completion of two terms, shall expire on February 28, 2021. According to the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Reazul Haque Chowdhury as Independent Director of the Company for three years with effect from March 1, 2021 subject to the approval of the shareholders in the 41st Annual General Meeting.

Mr. Chowdhury is the Managing Director of Runner Automobiles Limited. He is also the Independent Director of Unilever Consumer Care Limited, Hemas

Bangladesh Limited and Non Executive Director of Evercare Hospitals Group. Mr. Haque has 29 years' work experience in different multinational and listed companies as Managing Director and Chief Executive Officer with different multinational companies both at home and abroad. In the past Mr. Chowdhury held the position of Managing Director at Reckitt Benckiser in Sri Lanka, Bangladesh and Thailand Cluster. He also held senior management position at Avery Dennison RBIS South Asia, Avery Dennison Bangladesh, Unilever Bangladesh Limited and British American Tobacco Bangladesh. Mr. Chowdhury completed his Graduation & Post Graduation in Marketing (obtained First Class) from University of Dhaka. He is also a Graduate in Advanced Management from INSEAD Fonteinblue, France.

Shareholdings of Directors and Senior Executives

Shareholdings of Directors and Senior Executives at the end of the year 2020 are shown in Annexure-D of this report.

Appointment of Auditors

- As per section 210 of the Companies Act 1994, the company's Statutory Auditors A. Qasem & Co., Chartered Accountants retires at the 41st Annual General Meeting as auditors of the Company.

Pursuant to Bangladesh Securities and Exchange Commission (BSEC) order no SEC/CMRRCD/2009-193/104/ Admin dated July 27, 2011, the retiring Auditors A. Qasem & Co., Chartered Accountants are not eligible for reappointment as Statutory Auditors for 2021.

The Audit Committee has recommended appointing Rahman Rahman Haq, Chartered Accountants as the auditors of the company for the year 2021.

The Directors have endorsed the recommendation of the Audit Committee for the appointment of Rahman Rahman Haq, Chartered Accountants as the auditors of the company for the year 2021.

- Pursuant to Bangladesh Securities and Exchange Commission (BSEC) order no SEC/CMRRCD/2009-193/104/ Admin dated July 27, 2011, the retiring Corporate Governance Auditors Itrat Husain & Associates, Chartered Secretaries are eligible for reappointment as Corporate Governance Auditors for 2021.

The Audit Committee has recommended appointing Itrat Husain & Associates., Chartered Secretaries as the Corporate Governance Compliance Auditors of the company for the year 2021. The Directors have endorsed the recommendation of the Audit Committee for the appointment of Itrat Husain & Associates., Chartered Secretaries as the auditors of the company for the year 2021.

Human Resources

The Company recognizes employees as the primary source of its competitiveness and continues to focus on their development. It believes in equal opportunity in the workplace irrespective of race, religion, sex, and colour. Singer believes in competency while hiring the best workforce. As far as the working environment and employee facilities are concerned, Singer is one of the leading and oldest companies in the country.

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

Compliance with Laws and Regulations

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

Environmental Protection

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

Conclusion

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



M. H. M. Fairoz
Managing Director & CEO



Kazi Ashiqur Rahman
Acting Company Secretary

Dhaka, January 25, 2021

ANNEXURE-A

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

DECLARATION BY CEO AND CFO

January 25, 2021

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

Subject: Declaration on Financial Statements for the year ended on December 31, 2020

Dear Sirs,

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

- (1) The Financial Statements of Singer Bangladesh Limited for the year ended on December 31, 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on December 31, 2020 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours



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



Akram Uddin Ahmed
Chief Financial Officer (CFO)

ANNEXURE - B

ITRAT HUSAIN & ASSOCIATES
CHARTERED SECRETARIES IN PRACTICE

**Report to the Shareholders of
Singer Bangladesh Limited
on
compliance of Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Singer Bangladesh Limited for the year ended 31 December 2020. This code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

For **Itrat Husain & Associates**



Itrat Husain FCMA, FCS

Chief Executive

Dated, 25 January 2021

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

ANNEXURE - C

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

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

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

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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(5)(xxvii)	Report as well as certificate regarding compliance of conditions of this Code as required under condition no. 9 shall be disclosed;	√		
1(6)	Meeting of the Board of Directors			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS).	√		
1(7)	Code of Conduct for the Chairperson, other Board Members and Chief Executive Officer			
1 (7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC)	√		
1 (7) (b)	The code of conduct as determined by the NRC shall be posted on the website	√		
2	Governance of Board of Directors of Subsidiary Company			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary.	√		
2 (b)	At least 1 Independent Director of holding company also be a director of the subsidiary company.	√		
2 (c)	Minutes of subsidiary to be placed in the following meeting of holding company.	√		
2 (d)	Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.	√		
2 (e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.	√		
3	Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3.1	Appointment			
3 (1) (a)	Board shall appoint MD or CEO, CS, CFO, and HIAC.	√		
3 (1) (b)	The positions of the MD,CEO,CS,CFO & HIAC shall be filled by different individuals.	√		
3 (1) (c)	MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time.	√		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√		
3 (1) (e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and exchange.			Not Applicable
3.2	Requirement to attend Board of Directors' Meetings			
3.2	MD or CEO,CS,CFO and HIAC shall attend the meetings of the Board and CS, CFO & HIAC shall not attend such part of which involves their personal matters..	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3.3 (a)	MD or CEO and CFO to certify that they have reviewed financial statements to the best of their knowledge.	√		
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance	√		
3(3)(b)	MD or CEO and CFO to certify on due diligence in the Report.	√		
3(3)(c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee- Board shall have at least:			
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee	√		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5 (i) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	√		
5 (i) (b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	√		
5 (i) (c)	Audit Committee shall report on its activities to the Board of Directors.	√		
5.2	Constitution of the Audit committee			
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5 (2) (b)	Board shall appoint members of the Audit Committee who shall be non-executive director.	√		
5 (2) (c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial.	√		

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

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

ANNEXURE - D

The Pattern of Shareholding

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

ANNEXURE - E

Board and Committee Attendance 2020

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

Board and Committee Attendance	Attended out of Meetings Held					
	Board		Audit Committee		Nomination & Remuneration Committee	
Mr. Fatih Kemal Ebiclioglu	6	7	-	-	-	-
Mr. M. H. M. Fairoz	7	7	-	-	-	-
Dr. Syed Ferhat Anwar	5	7	5	5	3	3
Mr. A F Nesaruddin ¹	0	2	1	1	-	1
Mr. Masud Khan ²	4	4	3	3	1	1
Mr. Hakan Hamdi Bulgurlu	7	7	-	-	-	-
Mr. Polat Sen	7	7	5	5	-	-
Mr. Cemal Can Dincer	7	7	-	-	3	3

¹ Mr. A F Nesaruddin retired from the Board on April 25, 2020.

² Mr. Masud Khan joined the Board on April 28, 2020.

DIVIDEND DISTRIBUTION POLICY

Background and applicability

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

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

Definition

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

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

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

Objectives

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

The Board will consider the Policy while proposing dividend on behalf of the

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

Parameters for declaration of dividend

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

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

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

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

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

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

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

Entitlement of Dividend

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

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

Disclosures

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

Modification of this Policy

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

Disclaimer

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

UNCLAIMED DIVIDEND

Particulars	Amount in Taka
Dividend for 2010	8,367,689
Dividend for 2011	1,481,915
Interim Dividend for 2012	2,424,235
Final Dividend for 2012	1,728,661
Dividend for 2013	1,169,976
Interim Dividend for 2014	1,393,027
Final Dividend for 2014	795,956
Interim Dividend for 2015	1,160,086
Final Dividend for 2015	645,664
Dividend for 2016	2,929,350
Dividend for 2017	4,860,468
Stock Dividend Fraction for 2018	127,035
Dividend for 2019	9,937,150
Total at 31 December 2020	37,021,212

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MANAGEMENT DISCUSSION AND ANALYSIS FROM MD'S DESK



M. H. M. Fairoz
Chief Executive Officer

2020 Overview

In the early 2020, economic conditions were positive and on track to reach the projected growth. The company was successfully utilizing these opportunities towards sales growth

But from mid-March 2021, the coronavirus outbreak had a significant toll on our business with virtually, no sales during April and May, and sales were curtailed during June due to lockdowns as well as the country-wide general holidays declared by the government.

The rest of 2020 was full of challenging circumstances not just for the company but for the entire world too. The COVID-19 pandemic has slowed down the overall macroeconomic performance of the country. It has impacted the Company's operations and along with this, its financial position as well.

Under conditions and situations considered close to normal, the company went for various promotional offers that resulted in good outcomes. Consumer electronics started to pick

back up since June, but not in significant numbers. In uncertain times, consumer behaviour is to defer purchases unless it is absolute necessary.

The year 2020 will be remembered for the COVID-19 pandemic, which devastated lives and disrupted livelihoods. This inevitably impacted sales from the second quarter onwards which ultimately affected both revenue growth and profitability for the year.

Business Performance

With one quarter of 2020 witnessing sharp decline in sales, understandably the company's financial performance could not reach the desired levels. We responded quickly and decisively to the pandemic, with attractive promotions and discounts, and managed commendably to achieve revenue figures close to 2019 levels. The summarized comparisons are set out in the Financial Highlights and Financial Review. I would limit my comments only to the salient features.

Owing to the onslaught of COVID-19, during the year we achieved a revenue of Tk. 15.1 billion which was lower by 2.8% against the previous year's

revenue of Tk. 15.5 billion. Operating profit (excluding other income) at Tk. 1.4 billion was lower by 22% compared to the previous year's operating profit of Tk. 1.8 billion. Net profit before tax for the year at Tk. 1.1 billion was 26% lower than the previous year's net profit of Tk. 1.5 billion.

Our strategies and initiatives implemented over the last few years have also paid off with a return to normalcy within the shortest possible time. Capitalizing on Arcelik's Global expertise, we are now charting out new strategies and moves required to position Singer towards long-term growth and sustainability.

Opportunities

Bangladesh is the next big frontier of opportunity as its per-capita income reached US\$ 1970 in a pandemic situation in the year 2020 from US\$ 1828 in 2019. Even in 2020, the GDP growth of Bangladesh was 3.8%, the highest in the Asia-Pacific region, while most other countries showed negative growth as per IMF's estimates. IMF projects a 4.4% GDP growth for Bangladesh in 2021, whereas other regional countries are expected to show only marginal improvements.

The expansion of economic opportunities, implementation of megaprojects, and development of infrastructure will ensure a visible change in people's lifestyles as they continue to ascend the economic ladder in greater numbers. Annually almost 30-40 million More people will be added to the middle class providing us with tremendous opportunities to expand our business.

Electrification of new locations opens up immediate business opportunities. Inhabitants of Nunertek Char of Sonargaon Upazilla under Narayanganj District got access to the grid in December 2020, under 100% electrification Programme of Narayanganj district. Only boat transportation connects them to the main locality. Singer responded immediately to this opportunity with shipments of appliances including refrigerators through their corporate channel partners.

As a positive outcome of Coronavirus outbreak, e-commerce appears as a potential sales channel that can enlarge Singer's customer base quickly and exponentially. Arcelik team will support Singer in capitalizing on the opportunity of e-commerce expansion in Bangladesh.

Maximizing Our Geographic Portfolio

We have the largest retail distribution network in Bangladesh with 424 company-owned stores along with 1088 wholesale dealers. This enviable geographic footprint in an emerging market has tremendous growth potential. The corporate sales channel is also doing well. As mentioned earlier, e-commerce appears as a potential sales channel to grow quickly in the present context.

Subsidiary Company (IAL)

International Appliances Limited (IAL)'s revenue reached Tk. 2,652 million in 2020 with an operating profit of Tk. 44 million and ultimately a net loss before tax of Tk. 7.6 million mainly due to significant demurrage costs incurred at port due to disruptions during a long lock-down period.

The factory capacity is a positive factor that provides Singer with the flexibility to expand the product portfolio and strengthen its position in the refrigerator market. Additional volumes can improve yields even further.

In September 2020, an application was made to the Honorable High Court Division of the Supreme Court of Bangladesh for approving the Amalgamation of International Appliances Limited with Singer

Bangladesh Limited. Honorable High Court approved the Scheme of Amalgamation after the reporting period and we received the order on March 2, 2021. We shall give the effect of amalgamation as per the order.

Manufacturing Facilities

LED televisions, air conditioners, and refrigerator manufacturing units were all impacted by production disruptions but still achieved reasonable volumes. With the emphasis on local value addition, local production now accounts for nearly 44% of our sales revenue from about 10% ten years earlier. This trend will help us to tailor products to meet our local customer expectations and provide value for money.

Using Arcelik's strong manufacturing background and global expertise, we have already started to enhance the quality of our products made by our Refrigerator, TV and AC manufacturing Units. Our consumers will see significant improvements in the quality of our products in due course. Ultimately, this will add more value to the shareholders.

New Service Experience

Singer is committed towards excellence. The Management has taken several initiatives to improve the quality of after-sales service to our customers. Most of these were expected to be rolled out in 2020. But due to the Coronavirus outbreak, we are planning to roll out the remaining initiatives in 2021. We have already started transforming this important service component. More service centres will be established in different regions to

2020 WILL BE REMEMBERED FOR THE COVID-19 PANDEMIC, WHICH DEVASTATED LIVES AND DISRUPTED LIVELIHOODS. WE RESPONDED QUICKLY AND RETURNED BACK TO THE BUSINESS FROM 3RD QUARTER.

extend coverage supplemented with dedicated after-sales-service call centers. We want our front-line force to focus on sales while we internally take care of our customer service and service quality.

Leading Multi-Brand Retailer

For long 15 years, Singer successfully has adopted a multi-brand strategy on its products including financial services. With Arcelik's global expertise, this retailing concept will be even more expansive as the Company introduces more exciting products to its range.

Accounting Policies and Estimation of Financial Statements

The preparation of consolidated financial statements is based on judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised 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.

Details of accounting policies and estimation are set out on notes 2.4 and 40 of the financial statements.

Changes in Accounting Policies and Estimation of Financial Statements

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





Comparative Analysis of Financial Performance

The key operating and financial performances of the company for the last six years are annexed on page 11.

Peer Industry Comparison

Singer Bangladesh Limited was the lone listed company in the industry of home appliances and consumer electronics until September 2020 and as such, it was not possible to provide industry comparison.

Global Economy Overview

The year 2020 started off with rising trade tensions between the world's two largest economies - the USA and China. Together they account for 40% of the global GDP and the trade disputes between them hurt the global economy and overall sentiments.

Then the outbreak of the COVID-19 pandemic took over. Lockdown on manufacturing units across the world placed challenges on the demand and supply side, resulting in the harsh impact on the availability of goods and services along with logistics. The world economy experienced a contraction in 2020. The IMF argues that recovery of the global economy could be weaker than projected as a result of lingering uncertainty about possible contagion, multiple waves of the pandemic, and permanent closure of many businesses, and shifts in the behaviour of households. As per WTO, the overall volume of trade in goods across the world fell by 9.2% in 2020, with a projected rise of 7.2 percent in 2021. WTO also projects much better global trade forecasts for the years to come but warns of "a high degree of future uncertainty" as well.

Bangladesh Economy Overview

The economy of Bangladesh stepped in the year 2020 on a cautious note, owing to the ongoing liquidity crisis with the Government setting up a cap on the interest rate i.e. 9%. Although there were conditions attached to this rate, businesses started enjoying the benefit of the lower rate and was expected to spur investments in the economy before the pandemic stuck.

Bangladesh was one of the fastest growing economies in the world in the past few years with a stable economic performance that has helped to reduce poverty and social inequalities. GDP growth was 8.2% in 2019 and remained positive at 3.8% in 2020 despite the grim effect of the COVID-19 pandemic felt internationally. According to the updated IMF forecasts it is projected to pick up to 4.4% in 2021 and then recover to 7.9% in 2022. The post-pandemic global economic recovery and the private consumption boosted by strong remittance flows from Bangladeshi workers overseas are expected to be the key drivers of growth in 2021.

However, the outbreak of COVID-19 as well as the post pandemic situation poses a unique challenge to personal lives and business activities. Although availability of vaccines gives a positive outlook, it is uncertain when things will stabilize. There can still be disruptions in the supply chain and market liquidity. The market demand remains contingent on the management of the pandemic and steps taken to get back to a state of normalcy.

Risk and Concern

Details of risk factors and management of these are set out on the Risk

Management Report on pages 54 & 55 of this report.

Our Plan

Bangladesh's stable economic growth over the past two decades along with its gradual integration into the global economy has made it a model for economic development. The GDP of Bangladesh in 2019 was 8.2% and still managed a noteworthy 3.8% growth in 2020 even after the severe impact of COVID-19. According to International Monetary Fund, this is the third-highest growth in the world and the highest in Asia in 2020.

The government has taken several steps to counter the backward slide in growth. It has initiated 19 stimulus packages totaling US\$ 12 billion, worth about 3.7% of GDP. These packages are designed to help export-oriented industries, shipment credit, agricultural sector, and low-income groups, including farmers and micro and small enterprises to survive these difficult times. The bulk of the support is being disbursed in the form of loans which should see positive results in the short to medium term.

Overall, the 2020 growth shows the robustness and resilience of the Bangladesh economy. This along with the measures taken by the Government to spur back growth makes us very optimistic about the future. We plan to take advantage of these improving conditions to tap on to the expanding purchasing power of the middle class by using our status as the largest retailer in the home appliances and consumer electronics market in Bangladesh.

Conclusion

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

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

M. H. M. Fairoz

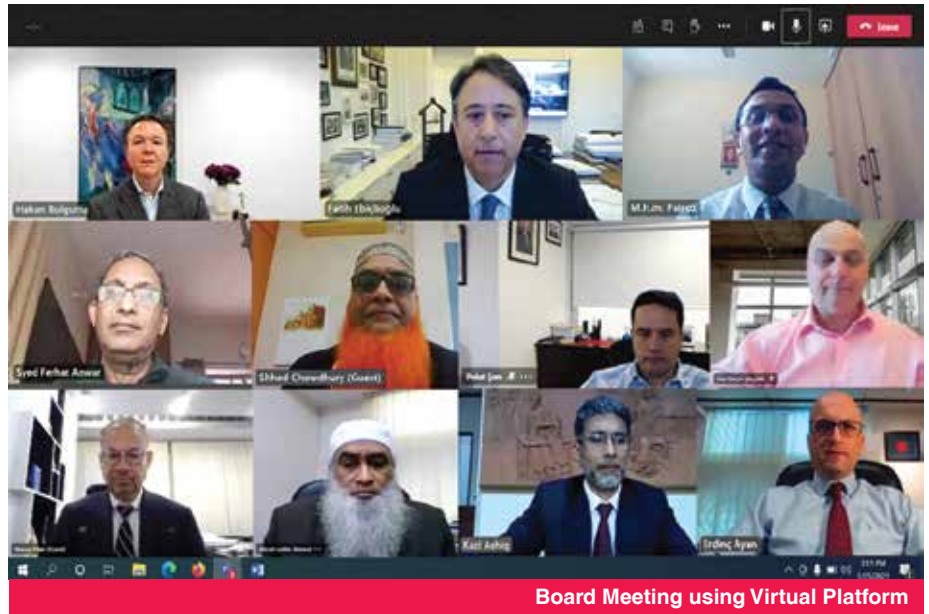
Chief Executive Officer
March 8, 2021

CORPORATE GOVERNANCE

The company believes in adopting not only the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission but also the best practices in the area of Corporate Governance and follows the principles of transparency and accountability, thereby protecting the interests of its stakeholders. The Board considers itself a trustee of all shareholders and acknowledges its responsibilities to the shareholders for creating and safeguarding their assets.

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

The Board also believes that a good corporate reputation is a valuable asset of a company. It is directly linked to uncompromising compliance with applicable laws, regulations, and internal guidelines. Compliance is thus a central pillar of Singer's management and corporate culture and, at the same time, an integral part of all of its business processes. The Board of Directors ensures that the activities of the company are always conducted



following the highest ethical standards to the best interest of all stakeholders and also to the preservation of the environment.

Board Composition

The Board comprises seven members including two Independent Directors having diverse and professional expertise and experiences. The Directors are from varied businesses and other backgrounds and their long and rich experiences enable them to execute independent judgments on the Board where their views carry

substantial weight in decision making. They contribute to the company's strategy and policy formulation in addition to maintaining its performance as well as its executive management. The profiles of all members of the Board are given on pages 14 to 17.

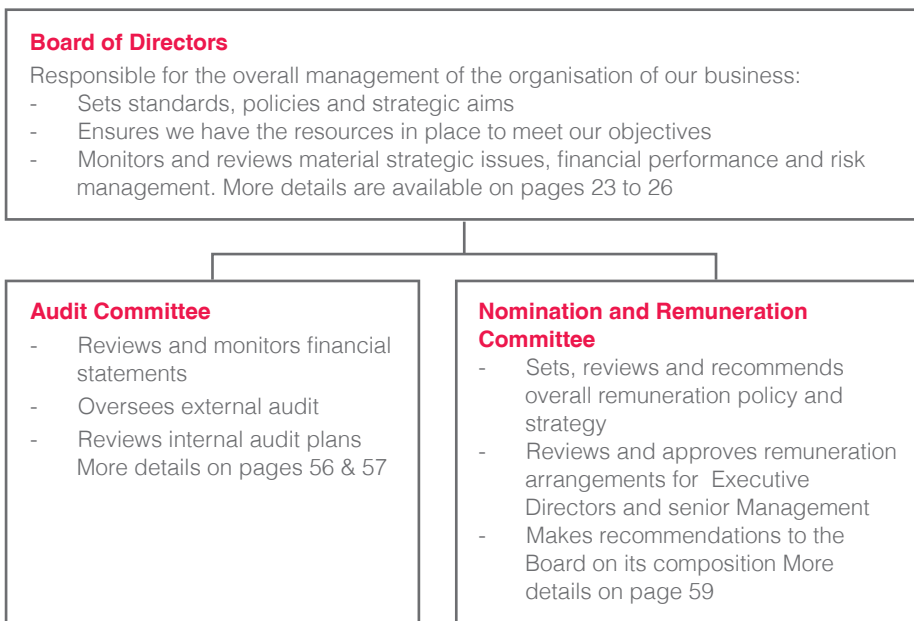
Board Committees

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

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

Audit Committee

The company's control mechanism is overseen by the Board's Audit Committee which comprises three Members including two Independent Directors of the Company. Independent Director Mr. Masud Khan is the Chairman of the Audit Committee. His long career with a multinational company



as well as extensive experiences has been a great benefit to the Company.

The Audit Committee monitors:

- the integrity of the financial statements of the company, including annual, half-yearly, quarterly and other formal announcements relating to its financial performance, and reviewing and reporting to the

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



Board on significant financial reporting issues and judgments.

- the relationship with the company's external Auditor, including consideration of fees, audit scope, and terms of engagement.
- the effectiveness and objectivity of the external audit and the Auditor's independence. - the company's internal control and risk management systems.
- reviewing the effectiveness of the company's Internal Audit function. - compliance with laws, regulations, ethical and other issues including those until being transferred to the Board.

Nomination and Remuneration Committee

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

The Committee also discharges the responsibilities of the Board of Directors relating to compensation of the Company's Executive Directors and Senior Management. The Committee is also responsible for ensuring motivation and retaining individuals of high calibre. The Committee consists of three members including two Independent Directors. Dr. Syed Farhat Anwar is the Chairman of the Committee. After the end of his tenure, Mr. Reazul Haque Chowdhury will be the Chairman of the Committee. His long career with a multinational company as well as extensive experience at home and abroad will be a great benefit to the Company. The Committee meets, as and when required, to consider candidates for appointment as Directors and to fix the compensation of the Company's Executive Directors and senior Management.

Responsibilities of the Board

The Board is collectively accountable to the company's shareholders as laid down in its Articles of Association and the relevant laws and Regulations. The

CORPORATE REPUTATION IS VALUABLE ASSET OF A COMPANY WHICH IS DIRECTLY LINKED TO UNCOMPROMISING COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS, AND INTERNAL GUIDELINES.

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

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

Chairman and Managing Director

The Chairman is responsible for the leadership of the Board, for ensuring its effectiveness in all aspects of its role, and also for facilitating the productive contribution of all Directors. The Managing Director has overall responsibility for ensuring and enhancing the performance of the company's business. He provides leadership to the company to ensure the successful planning and execution of the objectives and strategies. In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Code, the roles of Chairman and Managing Director have been clearly defined by the Board of Directors.

Independent Director

The company has complied with the notification of the Bangladesh Securities and Exchange Commission Corporate Governance Code concerning the composition of the Board. Dr. Syed

Ferhat Anwar and Mr. Masud Khan, being Independent Directors, are free from any business or other relationships with the company that might materially interfere with or affect the exercise of their independent judgments. The Board believes that their experience and knowledge will enable them to provide constructive as well as effective contributions to the company.

Board and Committee Meetings

The Board and its Sub Committees meet regularly to discharge their duties effectively. Seven Board Meetings were held during the year 2020 and the gap between the two meetings did not exceed three months. Besides, the Audit Committee and the Nomination and Remuneration Committee met five and three times accordingly. Bangladesh Secretarial Standards (BSS) issued by the Institute of Chartered Secretaries of Bangladesh (ICSB) were followed in conducting the meetings as well as record keeping of the Board and those of its Committees. Annexure-E shows the attendance record for the Board and committee meetings held during the year.

Reporting by the Committees to the Board

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

Management Committee

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

Responsibilities to the Customers

Our success depends, in part, on the quality of our products and also on our

broad as well as strong after-sales service. Besides, the company maintains a country-wide marketing network and provides a wide 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 a countrywide network of service centers and franchise agents to facilitate product repairs. Customer grievances, if any, are handled promptly and solutions thereof are provided.

Financial Reporting and Transparency

Financial statements have been prepared in line with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). Financial data is circulated as appropriate within and outside the organization. The timely publication of the quarterly, half-yearly, and annual financial statements with comprehensive details beyond the statutory requirements has been a salient feature of the financial reporting system. The financial statements included in this annual report have been audited by A. Qasem & Co., Chartered Accountants.

Internal Controls

Directors are responsible for instituting a system of internal controls to ensure the effective implementation of all policies and decisions of the Board. The Board ensures that the Directors maintain full and effective control of all significant strategic, financial, organizational, and compliance issues. The Directors have delegated to the Management Committee the responsibility of establishing and implementing a system of internal control appropriate to the business environment in which the Company operates. The Company has an Internal Audit Department headed by the Head of Internal Audit & Compliance. The internal control system is maintained and reviewed by an internal audit function that operates throughout the company and reports to the Management and the Audit Committee. The work of the internal auditors is focused on the areas of risk on the basis of a risk management approach

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

Compliance with the Law

Ethical business conduct and compliance with applicable laws and regulations are fundamental aspects of Singer Bangladesh Limited. To this end, the company has established procedures to ensure compliance with all applicable statutory and regulatory requirements. Relevant officials are responsible for ensuring proper compliance with applicable laws and regulations and this process is being followed by the company. Independent Corporate Compliance Auditor M/s. Itrat Husain & Associates, Chartered Secretaries was appointed by the Board to conduct Corporate Compliance Certification as per the requirement of the Bangladesh Securities & Exchange Commission (BSEC). Accordingly, M/s. Itrat Husain & Associates, Chartered Secretaries upon examination, issued a Compliance Certificate which has been shown on page 28 of the Annual Report.

Directors' Code of Conduct

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

Corporate Code of Conduct

Arcelik A.S. (ultimate parent of Singer Bangladesh Limited) has updated its Global Code of Conduct in 2019. In this context, the Company adopted the Arcelik Global Code of Conduct, which explains how we should behave, what we should pay attention to, and what behaviors we should avoid in business, to adapt the Code to our ever-growing and expanding structure. In line with Arcelik's corporate vision of "Respecting the World, Respected Worldwide", it is our responsibility to strengthen this awareness even further, to make our business even better without compromising the principle of honesty and to create a reliable value chain.

Risk Management

A properly functioning risk management system is necessary for responsible

governance. The risk management system at Singer Bangladesh Limited is geared towards meeting the practical requirements of our business. It is designed to highlight risks at an early stage and to help avoid or bridle them, as or where they occur. Details are provided in the section entitled "Risk Management" on pages 54 & 55.

Communication with Shareholders

The company encourages communications with shareholders throughout the year and welcomes their participation at the shareholders' meetings. Four times each year, Singer Bangladesh Limited reports to its shareholders regarding its business, financial position, and earnings. Shareholders are provided with Quarterly Financial Statements, Half Yearly Financial Statements and the Annual Report, which the company considers as its principal communication with them as well as the other stakeholders. The quarterly and half-yearly results of the company are published in the newspapers. Annual reports are furnished in the soft form to the shareholders and are also sent to the email addresses of the shareholders available in their beneficial owner (BO) accounts with the depository. The company shall also print adequate number of annual reports so that any shareholder may collect the printed copy of the annual report from the registered office of the company or its Investors' Relation Department or the AGM venue if any shareholder requires in writing beforehand. These reports are also available on the company's website - www.singerbd.com.

Annual General Meeting

The Board considers the Company's AGM as the main means of communication with the shareholders and welcomes their participation. The Annual General Meeting normally takes

place within the first five months of each fiscal year. Among other things, the Annual General Meeting decides adoption of annual financial statements and the directors' declaration in the Directors' Report, the election of the Board members, and the appointment of the Auditors. All shareholders are entitled to attend the AGM, at which the Board members are present. The Board views the AGM as a good opportunity to meet with its shareholders. All shareholders present can question the Chairman, the Committee Chairs, and the rest of the Board during the meeting.

Company's Corporate Website

The company's website is a comprehensive reference on Singer Bangladesh Limited's management, vision, mission, value statement, investor relations, sales network, products, promotions, and events. The section on 'Shareholders' Information' serves to inform the shareholders, by

giving complete financial details, shareholding patterns, corporate benefits, and by providing answers to frequently asked questions. In addition to information, the company regularly publishes through newspapers and its website at www.singerbd.com additional company information including information regarding the company's management, investor relations, marketing network, product range, and other information which is uploaded regularly.

Dematerialization of Shares as of December 31, 2020

The company's shares are compulsorily traded in dematerialized form and are available for trading on Central Depository Bangladesh Limited (CDBL). 87,299,874 Ordinary Shares of the company representing 87.6 % of the company's share capital were in dematerialized form as of December 31, 2020.



Achived ICSB National Award 2019 for Corporate Governance Excellence (Gold Award)

SINGER[®]

Refrigerators

No.  Choice for
Generations



SIDE BY SIDE
NO FROST
DIRECT COOL
FREEZER

SINGER[®]
TRUSTED INTERNATIONAL BRAND

STATEMENT OF VALUE ADDED

	2020 Taka	2019 Taka
Turnover - Gross	15,046,310,754	15,485,235,479
Other Income	167,903,143	154,708,430
	<u>15,214,213,897</u>	<u>15,639,943,909</u>
Less: Cost of Materials & Services	7,580,026,706	8,475,318,955
Value Added	7,634,187,191	7,164,624,954

Distribution of Value Added

To Employees and Dealers

Salaries, Commission and other Benefits	1,196,793,218	16%	1,029,836,129	14%
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To Government

Income Taxes, Duties and Value Added Tax	5,199,420,753	68%	4,714,407,508	66%
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To Banks and other Lenders

Interest & Bank Charges on Borrowing	339,298,242	4%	314,889,517	4%
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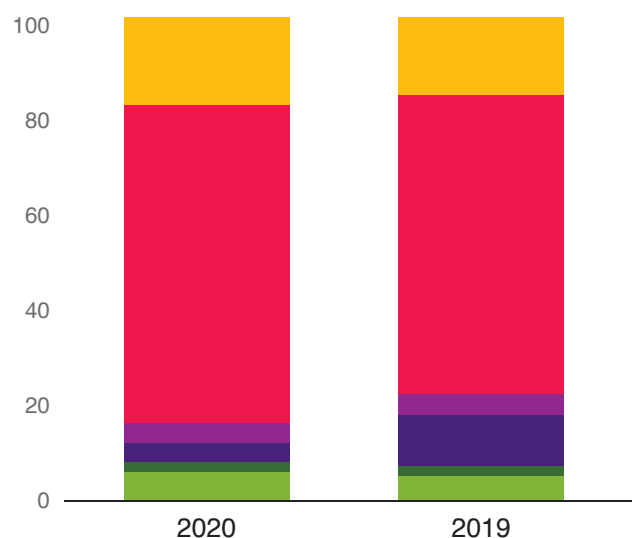
To Suppliers of Capital

Dividends to Shareholders	299,108,514	4%	767,711,853	11%
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Retained for Reinvestment and Future Growth

Depreciation	116,286,663	2%	73,692,247	1%
Retained Profits	483,279,801	6%	264,087,700	4%
	7,634,187,191	100%	7,164,624,954	100%

Value Addition (%)



Retained profits

Depreciation

Interest and bank charges on borrowing

Dividends to shareholders

Salaries, commissions and other benefits

Income taxes, duties and Value Added Tax

AWARDS AND RECOGNITION



Super Brands Award 2020-21
for Best Air Conditioners



e-Commerce Movers Award 2020
for contribution towards e-Commerce during pandemic



ICSB National Award 2019
for Corporate Governance Excellence

FINANCIAL REVIEW 2020

The following discussion and analysis should be read in concurrence with the Audited Consolidated Financial Statements of the Group and the Company for the year ended on 31 December 2020. In this report, “Group” refers to Singer Bangladesh Limited (SBL) and its fully owned subsidiary International Appliances Limited (IAL), and “Company” refers to Singer Bangladesh Limited.

Basis of preparation and comparative figures

The Group's financial statements for the year ended on 31 December 2020 have been prepared, including the comparative figures for the year ended on 31 December 2019, in compliance with the requirements of the International Financial Reporting Standards (IFRSs), the Companies Act 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 1987, Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws as applicable. Details of the basis of preparation and comparative figures are disclosed in Note 2 & 39 of the financial statements on page 71 & 108.

Preface

The current COVID-19 pandemic has adversely impacted the macroeconomic performance of the country as well as the Company's operations and its financial position too. In response to the COVID-19 pandemic, the Government of Bangladesh (GoB) declared a special “general leave” from 26 March in the name of “lockdown” and extended it up to 30 May 2020 in different time slots (later, extended up to 30 June 2020 because of location-based measures in different major cities and localities). This general leave caused the company effectively to lose almost the entire projected/budgeted sales during April and significantly low sales during May and June. However, slowly businesses returned to their normal pace and demand started improving month by month with the gradual revival of the country's economic activities. All these helped the company to bounce back strongly in the second half of the year 2020 due to improved business activities and positive customer sentiments.

Singer is an international brand, which consumers in Bangladesh aspire to own. With Singer's long history, considerable trust has built up in Singer's reliable products and after-sales services. These strengths, combined with competitive prices and an extensive distribution network have continued to provide very solid foundations for overcoming any adversity and achieving sustainable long-haul results.

The Group's, as well as the company level revenue, decreased at 2.8% in 2020 over the previous year, with net income de-growth of 24.2% and 22.3% at Group and company levels respectively. These results demonstrate the adverse impact of the COVID-19 pandemic on Singer's operation. In 2021 and beyond, the company plans to further increase its retail space, dealer numbers and include more spirit of institutional entity to capitalize on the opportunities available in this growing and competitive sector.

The Company reported a de-growth of sales in key product categories (i.e. refrigerator and air conditioner). In the year 2020, the Group, as well as the Company, achieved a turnover of Taka 15.0 billion despite the presence of strong competitive forces in the market and prevailing circumstances of the COVID-19 pandemic which affected the economic activities of the country as well as normal business pursuits. The company's online sales platform greatly helped a lot to stay operational for sales activities during the pandemic situation. The Company has remained one of the leading appliance corporates in Bangladesh and continued to uphold efforts to strengthen its position and the brand image in the consumer durable market through businesses in retail, wholesale and corporate channels.

The Group's net profit at the end of the year decreased by Taka 249 million over the previous year resulted in a corresponding decrease in earnings per share to Taka 7.85 as opposed to Taka 10.35 in 2019. The company announced 30% cash dividend which has been lower being compared to earlier year's and it is a trivial departure from its usual history of robust dividend policy. The company has retained much of its profit to support the demand of growth and investment and to manage financial

CAREFULLY MANAGED COSTS WITHOUT SACRIFICING EXPANSION OF THE BUSINESS FOR PROSPECTS ALONG WITH INCURRING ADDITIONAL EXPENSES FOR PRECAUTIONARY MEASURES RELATED TO COVID-19.

costs to facilitate space for better profitability in 2021 and beyond.

Extensive distribution network having continued to expand further, backed by strong above-the-line (ATL) and below-the-line (BTL) advertising and promotional campaigns during the whole year helped the Company to realize creditable growth. Due to the increase in online usage for various activities by mass people, the company has been emphasizing more to cover its presence on digital and social media like Facebook, YouTube, etc for advertising and promotional activities and thus to keep attracting potential customers. The wide range of product portfolio represented by widely known and well accepted “Singer” brand image supported by other world reputed Brand names facilitates to capitalize on the prevailing business opportunities. The Group continues looking forward to overcoming the subdued performance of 2020 in 2021.

Turnover

The Group's revenue in 2020 decreased by 2.8% amounting to Taka 15,046 million over the prior year 2019, whilst revenue of the Company also decreased by 2.8% to Taka 15,046 million. Due to the pandemic, the Group faced volume de-growth for its main product line i.e. Refrigerators by 9.1% and Air Conditioner by 25.0%, whereas other traditional product lines that grew in the period were sewing machine by 22.5%, MWO & Oven by 30.3%, Washing Machines by 50.0% and PC (computer) by 39.7%. Television had a slight growth by 3.2% compared to that of the prior year (2019). The result of these ups and downs of different product categories culminated in the total turnover of the

company to Taka 15,046 million. There was no impact on the Group's revenue as revenue of the subsidiary company is an intergroup transaction and therefore, eliminated on consolidation.

The business environment continued to be competitive throughout the year considering increasingly strong local large competitors having modern manufacturing facilities. The Company felt a surge in demand for sales through the online platform during the pandemic and dealt with consumers' upbeat buying patterns on the digital platform rather than traditional sales methods during this time.

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

Gross profit

Gross profit of the Group for the year under review reached Taka 4,063 million compared to Taka 4,353 million in the previous year, indicating a decrease of 6.7%. The Group's gross margin percentage decreased to 27.0% from 28.1% over the prior year as a result of a decline of sales compared to the last year. The gross profit of the Company was Taka 3,943 million as against Taka 4,224 million in the previous year, a decrease of 6.6%. The gross margin percentage of the Company was 26.2% (in 2020) vs 27.3% (in 2019), a decrease of 1.1% due to the drop of income from earned carrying charges (ECC). In absolute terms, the gross margin of both Group and Company levels also decreased over the prior year.

The gross margin percentage of both the Group and the Company was impacted by a higher mix of high margin product lines, especially the significant de-growth of higher-margin products- refrigerator and air conditioner; compared to better performance of other traditional high margin product lines such as MWO & ovens, washing machines, panel television, and sewing machines. These higher-margin product's de-growth has contributed downward in addition to

discounts being offered to flush out slow-moving inventory and provision for excess and damaged inventory which caused pressure on percentage margins. However, there was a gradual improvement in the margin as a result of the better performance of some of the high margin products, price adjustments, and product mix. It was increasingly challenging to protect the product margins in the competitive market conditions that the Company faced in the period under review experiencing a pandemic effect. The Company was intent on retaining and expanding market share to realize benefits in the long-term.

Operating expenses

Both the Group and the Company continued to focus on managing operating expenses, which was 17.5% of revenue in 2020 and increased from 16.5% of revenue in the prior year at the Group level. However, in absolute terms, the operating expenses rose from Taka 2,557 million in 2019 to Taka 2,637 million in 2020 at the Group level and from Taka 2,521 million in 2019 to Taka 2,525 million in 2020 at the Company level.

Due to the COVID-19 pandemic, additional expenditures (demurrage costs) had been incurred at the port level while clearing raw materials (RM) of refrigerators, television, air conditioner, and other trade goods during April – May 2020. The main reasons behind this were failure to clear those RM and trade goods from the port due to both port closure for many days and transportation disruption. These additional demurrage expenses caused the Group's operating expenses to increase which could not be capitalized with costs of products as well as through spreadig over periods to realize through sales.

Managing costs in a dynamic business environment is a challenge the intensity of which augmented during the COVID-19 pandemic circumstances. The Management needed to maintain a balanced approach to operational efficiency as well as cater to the growth of business prospects. The Company carefully managed costs without sacrificing expansion of the business for prospects along with incurring additional expenses for precautionary measures related to COVID-19 like- staff shuttle services, purchase of cleaning & disinfectant items, arranging doctor appointments, etc. At the Group, operating expenses increased 3.1%, whereas at the Company level it remained at the same level compared to

the prior year. Among the expenses, advertisement and sales promotion, rent and occupancy, royalty, utilities, office administration, travelling, fuel and car maintenance, entertainment expenses decreased from last year as pandemic caused lockdown situation which resulted in no/few movements of people and products. As a result, the business faced no/lower sales, no/few productions, low use of utility as shops/factories/offices were shut down, lower travelling and entertainment expenses. Advertisement and sales promotion expenses for above-the-line (ATL) and below-the-line (BTL) were made at a feasible level throughout the year to sustain and expand market share.

Other operating expenses like- salaries and allowances, warranty, ROU assets depreciation, bad debts, insurance, professional and technical fees, etc. increased due to subnormal course of business terms. Collections of receivables were extremely low at the initial stage of the pandemic and gradually started improving. But despite all our combined efforts, the bad debt expenses went up due to the increasing aging of receivables from all channels requiring higher provision. Provision for bad debt was calculated under IFRS 9 using the Expected Credit Loss (ECL) method considering pandemic effect as it caused the continuation of lower as well as delayed collection. The credit was used as an effective tool to increase penetration in the market and competition which resulted in some difficulties in timely collections. Steps are now being taken to improve the efforts of overall collections drive to reduce aging. An increase in bank charges is in line with the growth of the business and customers' choice of payment method (i.e. use credit cards).

Warranty expenses increased significantly both at Group and company levels to maintain higher warranty periods to align with market competition and to attract and retain more customers. The company has been continuously increasing its awareness and focus on improving product quality further to reduce warranty service calls in the future. With all these challenges under the current pandemic situation, as a percentage of turnovers, operating expenses increased from 16.5% to 17.5% at the Group level and from 16.3% to 16.8% at the Company level.

Operating profit

Group's operating profit decreased to Taka 1,594 million against Taka 1,951 million of 2019 and the Company's operating profit decreased to Taka 1,563 million from Taka 1,846 million of 2019. In terms of percentage, the Group and the company achieved 10.6% and 10.4% against 12.6% and 11.9% profits of the last year respectively. Additional operating expenses especially, demurrage expenses and bad debt provision contributed to reducing the operating profit and operating margin. However, better management of other operating expenses favourably contributed to preventing any further reduction of operating profit.

Net finance cost

The Group's net finance cost increased by Taka 40 million over the last year's and reflected 2.9% of revenue as opposed to 2.6% of revenue in 2019. Similarly, the Company's net finance costs increased by Taka 52 million which represented 2.6% of the revenue as opposed to 2.2% of the revenue in 2019. One of the major components of net finance costs is interest expenses on leases under IFRS 16. The Group level and the Company level bank finance costs increased 10.0% and 15.3% respectively over the last year's. The reasons were lower and delayed collection of receivables from customers, the continuation of payment of regular operating expenses, payments for imported goods, etc. and all these reasons were fueled by the COVID-19 pandemic which brought all these regular activities at a standstill during the period of general leave and location-based lockdown measures. On the other hand, operating cash flow was also affected due to extremely low sales which resulted in higher utilization of borrowings. After the period of general leave and lockdown measures were over, the company could negotiate with banks for better interest rates and was entitled to loans under government stimulus package and these borrowings were made to support expansion and growth of business for managing working capital to finance especially to increase trade and other receivables and inventory to recover the loss caused by the continuing global crisis.

Income tax expense

The income tax expense of the Group was Taka 310 million as against Taka 439 million in 2019. Income tax expenses for

the Company decreased to Taka 309 million from Taka 397 million. The current year's income tax expenses on ordinary activities of both the Group and the Company decreased due to the reduction of profit from ordinary business. Net tax expenses include current tax and deferred tax. Currently, the Company is liable to pay income tax at 25% and the subsidiary IAL is liable to pay income tax at 32.5%. Consequently, overall tax expense was higher than the normal tax rates due to higher disallowances on account of perquisites and royalty expenses (exceeding an allowable threshold).

The Group's effective tax rate for the year was 28.4% vs. 29.8% in 2019 and the Company's effective tax rate for the year was 27.8% vs. 27.7% in 2019. The effective tax rate decreased at the Group level and slightly increased at the Company level due to an increase in employees' excess perquisites, provision for bad debts and other temporary differences, and the release of deferred tax assets.

Profit for the year

The Group recorded a profit after tax of Taka 782 million for the year 2020 which reflected a de-growth of 24.2% (in Taka 249 million) over the last year.

On the other hand, the Company recorded a profit of Taka 804 million after-tax in 2020 compared to Taka 1,035 million in 2019. This also represented a de-growth of 22.3% over the last year's (in Taka 231 million) due to the COVID-19 pandemic situation during the year under review.

Other comprehensive income

Other comprehensive income for the year 2020 was limited to an actuarial gain of retirement benefit obligation reported as Taka 1.4 million (net of related tax) at the cut-off date for re-measurement of defined benefit liability.

Comprehensive income for the year

The Group recorded a total comprehensive income of Taka 784 million after tax for the year against Taka 1,031 million in the last year. The Company's total comprehensive income for the year was Taka 805 million and Taka 1,034 million in the previous year, indicating a decrease of Taka 229 million. In the Group, the total comprehensive income attributable to equity holders was Taka 784 million and Taka 1,031 million in

the last year. No non-controlling interest exists as the subsidiary of the Company is a fully owned subsidiary.

Earnings per share

The Group earnings per share (EPS) was Taka 7.85 in 2020 vs. Taka 10.35 in 2019. Earnings per share of the Company was Taka 8.06 in 2020 vs. Taka 10.38 in 2019. At both group and company levels, the EPS decreased due to a decline in attributable net income for the year.

Price-earnings ratio

The price-to-earnings ratio of the Company as of 31 December 2020 was 21.79 times against 17.39 times as of 31 December 2019. During the year under review, the Company's share price ranged between Taka 130.6 and Taka 187.4. The closing price for the year was Taka 175.6. Respective figures for 2019 were Taka 165.1, Taka 279.9, and Taka 180.4.

Dividend

The Board of Directors of the Company has recommended 30% (Tk. 3 per share of Tk. 10 each) cash dividend, totaling to Taka 299.1 million, for the year ended on 31 December 2020 as a continued part of the Company's stable dividend policy. For the year ended on 31 December 2019, 77% cash dividend was declared.

Events after the reporting period

The proposed final dividend subsequent to the reporting date is not accounted for in the financial statements as of 31 December 2020.

Return on equity

Return on the Group equity for the year under review was 24.4%, whilst in the previous year, it was 37.1%. Return on equity of the Company for the year under review was 23.4% compared to 36.1% in the previous year. Return on equity has been computed by dividing the profit after tax for the year by the average total equity at the beginning and end of each financial year.

Non-current assets

The non-current assets of the Group decreased from Taka 2,939 million to Taka 2,883 million. Deferred tax assets resulted at the Group level for the year under review, so there was an increase in non-current assets for this. However, all other items like- property, plant & equipment, intangibles, ROU assets, deposit & prepayments decreased from

the last year's with the normal course of the life expiration of those assets.

Current assets

Current assets of the Group increased by 2.0% over the last year and rose to Taka 7,542 million compared to Taka 7,393 million in 2019 while the Company's current assets increased to Taka 6,752 million from Taka 6,630 million in 2019. Current tax assets at the Group level increased significantly because of a rise in the subsidiary's current tax asset due to IFRS 16's deferred tax implication. The year-end Group's as well as the Company's inventories were comparatively higher due to the COVID-19 pandemic effect as sales were lower during this catastrophe. Moreover, the inventory was held more than optimum level and could be brought down further as more sales would be realized after the pandemic was over. Besides, trade and other receivables were slightly higher than the last year's and it also caused the overall increase in current assets compared to the last year. The increase of trade receivables at the end of 2020 compared to the year 2019 was mainly for lower collection from customers which was caused by the pandemic along with credit extension to various large institutions to boost sales and remain competitive in the competition.

Total assets

Total assets of the Group increased by 0.9% and rose to Taka 10,424 million compared to Taka 10,332 million in 2019, while the Company's total assets increased by 1.1% and stood at Taka 9,913 million against Taka 9,806 in the last year. The slight rise in total assets was mainly caused by an increase in items of current assets like- increase in current tax assets, a higher level of inventories, and an increased level of trade and other receivables, etc.

Total equity

The Group equity increased by Taka 17 million compared to the last year and stood at Taka 3,209 million at the year-end of 2020. Share capital remained the same. An increase in retained earnings over the prior year led to an increase in total equity. On the other hand, total Company equity increased by Taka 38 million over 2019 and stood at Taka 3,456 million at the end of 2020. The increase was due to slight growth in the current year's retained earnings.

Non-current liabilities

The non-current liabilities of the Group stood at Taka 2,798 million compared to Taka 2,647 million in 2019. On the other hand, the non-current liabilities of the Company increased to Taka 2,736 million from Taka 2,545 million in the last year. An increase in other liabilities items like- non-remittable accounts, security deposits from branch managers, agents & dealers, and warranty's long-term portion caused the increase of non-current liability at both the Group and the Company levels.

Current liabilities

The Group's current liabilities decreased by Taka 75 million compared to 2019. Current liabilities of the Group decreased mainly due to decline in trade and other payables. Trade and other payables of the Group decreased by Taka 145 million and stood at Taka 2,215 million at the year-end as opposed to Taka 2,360 million in 2019. A decrease in other payables mainly contributed to the overall fall in trade and other payables along with the decline in trade payables. In other payables, payable for expenses and payable for other finance (notably, payable to Shanghai Sonlu group for raw material import) mainly caused downward result compared to the last year.

On the other hand, the Company's current liabilities decreased by Taka 123 million compared to 2019. Current liabilities of the Company decreased mainly due to a decrease in short-term borrowings and current tax liabilities apart from the increase in trade and other payables and lease liability (current portion). Trade and other payables of the Company increased by Taka 50 million and stood at Taka 1,905 million in 2020 against Taka 1,855 million in 2019. An increase in trade payables mainly contributed to the overall increase in trade and other payables, whereas other payables decreased. Payable for expenses mainly caused a decrease in other payable compared to the last year.

Operating cash flow

The Group net operating cash inflow after meeting costs and expenses, finance costs and tax payment stood Taka 905 million, compared to Taka 1,355 million in the prior year. This is attributable to the lower collections and sales performance due to the COVID-19 pandemic despite relatively higher working capital requirements and relatively high-interest payments. The

Group operating cash flow before working capital changes, finance costs, and tax was Taka 16,995 million compared to Taka 17,883 million in 2019. The net inflow reflects the business de-growth of the Group having COVID-19 pandemic impact with regular payment for costs and expenses, interest payment on borrowing & leases (under IFRS 16) and income tax payment.

The Company's gross operating cash flow before working capital changes, finance costs and tax was Taka 17,483 million compared to Taka 17,871 million in 2019. Net operating cash inflow increased by Taka 109 million despite increased payment for interest payment on borrowing & leases (under IFRS 16) and income tax payment. During the year 2020 business de-growth reflects lower payments for costs and expenses.

Investing cash flow

Net cash flow from investing activities of the Group decreased compared to the prior year by Taka 254 million. During the year 2020, the Group made investments amounting to Taka 107 million to acquire property, plant, and equipment which was nominally offset by cash inflows from the dividend of Taka 0.9 million (received from CDBL) and disposal of property, plant, and equipment of Taka 6.9 million.

During the year the Company made investments amounting to Taka 82.3 million mainly in property, plant & equipment. The cash outflow for the investment was nominally offset by cash inflows from the dividend of Taka 0.9 million (received from CDBL) and disposal of property, plant, and equipment of Taka 6.9 million.

Financing cash flow

Net cash outflow from financing activities at the Group level was Taka 855 million and at the Company level, it was Taka 814 million. Principal repayment of lease liability, repayment of a long-term loan of IAL, and payment of unclaimed dividend are the main factors for cash outflow at both the Group and the Company levels.

Cash and cash equivalents

As of 31 December 2020, cash and cash equivalents of the Group increased by Taka 49 million and stood at Taka 1,829 million compared to Taka 1,779 million in 2019. On the other hand, the Company's cash and cash equivalents decreased by Taka 133 million and stood at Taka 1,433 million compared to Taka 1,566 million in 2019.

PEOPLE IN SINGER

In Singer, employees are recognized as the primary source of its competitiveness. They bring values, skills, diversity, and expertise to SINGER and thus make us the market leader in the consumer durables industries in the country. It is also the dedication, knowledge, and performance of the employees and excellence of the senior management team that solidifies its position as the market leader in the aforesaid field. Accordingly, the development of human resources remains the centre point of its corporate policy.

Strategy

Singer has been continually focusing on the means to achieve the company's goals and growth targets through internal and external recruitment and by improving the capabilities of the existing employees through a management development programme. The strategic initiatives include hiring competent employees, identifying and nurturing a strong pipeline of competent employees, developing competencies, continually engaging talent, and helping employees in their career aspirations.

Singer plans transparent succession planning at all levels and evaluates work to ensure talent development. Singer is moving forward in the process of developing talent by increasing and improving the performance of employees, retaining highly qualified employees.

Singer continues to invest in developing its human resources, building strong relationships with the people, and establishing its brand in the market to

attract and retain the competent. Singer hires the most competent resources from the open job market.

Performance Management

We introduced weighted base objective for each employee with a specific timeline which can measure actual performance result with effectiveness. Building on defined development goals, we offer and support our employees with the target development activities, both on and off the job and we ensure a fair assessment.

Learning & Development

Singer always emphasizes developing the skill of the employees. As a part of Arçelik, it is advised to emphasize developing the skill of our employees. But due to pandemic, it becomes difficult for arranging classroom training this time. Since learning and development is a continuous process, we have focused more on virtual learning facilities for our employees so that they can be in line with contemporary issues. Accordingly, our employees participated in virtual learning sessions as arranged by the corporate personnel. Singer initiated online training to maintain consistency in sales and keep the employees engaged with their job. In total 323 training sessions took place in 2020 and 5,110 counted in those sessions. New normal business adaptation training keeps our employee motivated and help them to adjust with the pandemic operation.

Employee Compliance

All statutory requirements with regards to the employee benefits are complied with

THE COMPANY WAS QUICK ON ITS FEET TO PREPARE OFFICES, MANUFACTURING UNITS, WAREHOUSES AND SHOWROOMS ACCORDING TO THE GOVERNMENT PROTOCOLS & ADVISORIES AND ARCELİK GUIDELINES AS WELL.

and compensations and rewards are commensurate with performance. The company has a strict zero-tolerance policy on child labour. All appointments and contracts comply with the Laws of Bangladesh. In case of adopting any disciplinary action, the company follows all legal procedures properly to ensure the right of the employees

Working Environment & Industrial Relations

Historically Singer Bangladesh Limited has been offering and maintaining a very good working environment in the workplace. Human Resources Department is playing an advisory role for the employees and thereby putting efforts to manage their grievances. Singer believes in long-term bonding with the employees and its employees have been working for a long time and the employee turnover rate is very low.

Equal Employment Opportunity

Singer ensures creating opportunities in the workplace irrespective of race,



Long Service Award Winners



Celebrated International Women's Day



COVID-19 Precaution

management and operational levels. As part of improving the status of women, we go to a different event for women and as part of that, we also celebrate International Women’s Day as a token of recognition, respect, and motivation. Singer always motivates the female employees and encourages their active participation in the workplace.

Occupational Safety & Health

Singer is committed to minimizing the health risks to its employees because they are our most valuable assets. As safety is of the highest priority, all protective measures have been taken to avoid accidents in the workplace. Though accidents are unwanted, we have preparations for immediate response to any emergency. Fire drills and firefighting training are conducted periodically.

religion, sex, and age. Singer believes in competency while hiring the best workforce. So far as the working environment and employee facilities are concerned, Singer is one of the leading companies in the country. Singer takes a good care of a comfortable environment for all employees regardless of gender.

Recognition and Motivation

Singer is committed to rewarding employees with compensation and benefit programmes. Besides, monetary compensation, non-monetary rewards, and other intangible benefits wait for the deserving employees to increase their motivation level.

The Company consistently acknowledges the employees’ contributions and also recognizes the employees who have been serving for the Company for more than a decade with the long service awards. We have also introduced a “thank you note” for the employees who work for the company in

a critical situation and such note also includes a letter of appreciation from the Managing Director.

During the COVID-19 pandemic, employee engagement became more important during the lockdowns and also during the restricted movement periods. Senior leadership often spoke at virtual town-halls to boost employee morale. More importantly, Managing Director invited employees in virtual meeting sessions to share EID greetings during the lockdown in which the family members also took part.

Women Empowerment

Singer enhances gender balance in our workforce and empowers women across the entire value chain. We initiate workshops on women empowerment and self-sureness to keep the work environment healthy and productive. We plan to reduce the gender gap in the total number of employees by increasing the number of the female members at the

Employee health and safety are accorded the highest priority at Singer. This was reflected in our proactive response to the coronavirus outbreak. Employee wellness was faced with a pandemic that was characterized by both unfamiliarity and uncertainty. However, the Company was quick on its feet to prepare our offices, manufacturing units, warehouses, and showrooms following the government protocols and advisories. The Company embraced ways of remote working and was continuously engaged with internal and external stakeholders.

We went the extra mile to meet the guidelines laid down by the Arcelik HR Team in order to prevent exposure to the virus and ensure the safety of our employees. We sanitized all our spaces regularly and implemented all necessary precautions so that we could provide a safe environment for both employees and customers.



Health Hygiene & Safety Training



COVID-19 Precaution

MANAGING RISKS

A risk, in a business context, is anything that threatens an organization's ability to generate profits at its target levels; in the long term, risks can threaten an organization's sustainability. Risk analysis programmes are designed to help an organization to deal as effectively as possible with the existing or potential threats. Risk management is the process of identifying, assessing and controlling threats to an organization's capital, profitability, and stability.

The Company maintains its system of risk management and internal control to safeguard shareholders' investment and the Company's assets. It is designed to identify, evaluate and manage risks that may impede the Company's objectives. It cannot, and is not designed to, eliminate risks. The system, therefore, provides a reasonable, not absolute, assurance against material misstatements or losses.

Notably, SBL's risk management framework is underpinned by our Code of Conduct, which sets out the ethical standards that the Board as well as the employees, suppliers, and others working across our organization need to embrace. The framework is designed to manage rather than eliminate the risks of failure to achieve business objectives and to provide reasonable and not absolute assurance against material impact or loss. The overall risk management process is summarized as below:

Identification of Risk

The objective of the risk identification process is to ensure that all potential risks are identified. A list of potential risks is prepared by referring to the relevant business-critical information which is obtained from various reporting lines and also by taking into consideration various non-financial factors relating to current political and economic situations.

Categorization of Risks

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

Analysis of the Outcome

The potential risks are prioritised by considering the likelihood and impact on the Company's current situation and prospects.

Designing possible solutions

Methods of avoiding risks and contingency plans are prepared by establishing controls at different levels of



business and also by deciding on various strategies to embed the culture at all levels of the employees.

Recommendation

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

Implementation

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

Evaluation

The Management always monitors the effectiveness of the designed systems through receiving various reports from different departments and if necessary, reanalyzes them. The Board's choice of strategies in risk management is affected by the following factors:

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

Risk 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 the 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 a proper risk appetite for the current business environment.

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

Operational Risks - The risk is deeply dependent on the human factors. Operational risks refer to the risks associated with fraud, forgery, unauthorized activities, error omission, system failure, and external events among others. Field Supervisor's Checklist, Credit Inspection Report, Hire Financing Documentation Checklist, etc. are in place covering all probable risks associated with the Company's business and operations. Surprise audits and frequent inspections are also made regularly to make sure that all control tools are functioning properly.

Business Risks - Many factors can converge to create business risks. These risks result from the change of government regulations, overall economic climate, market condition, customer behaviour, or technological development from the budgeted situation. Singer recognizes that good information is the key to forecast, assess and manage such risks.

Technological Risks - Technology is a key business enabler and it requires an appropriate level of control to ensure that the most significant technology risks are effectively managed. The Company has

RISK ANALYSIS PROGRAMMES ARE DESIGNED TO HELP THE ORGANIZATION TO DEAL AS EFFECTIVELY AS POSSIBLE WITH THE EXISTING OR POTENTIAL THREATS.

implemented an ERP system. Most of the business units are being operated under ERP. All transactions including inventory management are available in Singer Information. In this era of the highly changing environment of IT, the Company has implemented numerous types of information security controls to ensure physical and virtual security to the critical information and information systems. Besides, the Company has established an IT Audit function to minimize the technological risks.

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

Price Risks - Price risks represent the risks that emerge when the fair value of future cash flows of a financial statement fluctuate because of a change in market prices. The finance department estimates the product cost and the marketing department, on comparing other similar industries, determines the market price of a product after adding reasonable profit to make it competitive.

Political Risks- Though it seems that a stable political environment is present in Bangladesh, Singer Bangladesh is familiar with political instabilities inherent here. Our risk management process is robust and adequate measures are in place to manage such risks. Our experienced management staff is ensuring that the best utilization of the outlet operational hours is made during this crisis and proper marketing as well as promotional initiatives are already in progress to cover up the shortfall of revenue because of those risks.

Product- Products may prove defective or inappropriate for the market in terms of price, functionality, or perceived value. They are also liable to be rendered obsolete. In addition to that price competition, availability of a variety of

products, and change of customers' choices also have an exposure to indirect product risks. Thorough market research and feedback from field supervision are always obtained in case of placing an order for a new product and quality control checking & product assurance system are already implemented before launching a new product. For existing products, the experienced SBL management team has always ensured the right determination and evaluation of the product life cycle. Risks associate with product obsolescence is migrated by provisioning for obsolete products. Provisioning also deals with risks arising out of warranty claims and doubtful debts. A bunch of new featured models and designs are already added anew to each product line which we hope will continue to lead the market in the future. Moreover, the Corona Virus pandemic hit the global economy hard and the global supply chain was interrupted badly. This was a challenge for the Company to keep sufficient products available in the outlets which were managed through proper planning and teamwork. Our robust manufacturing process and efficient planning are also in place to enable this kind of situation in favour of the Company.

Interest Rate: The government set a cap for the highest ceiling of interest rate to help businesses but overall turbulence in the banking sector due to loan scams and low confidence in the market may change the situation. An increase in interest rates impacts the Company's earnings, cash flow, and overall value and affects product pricing, customer credit arrangements, and the Company's profits. The Company's financial strength and brand equity give it access to funds at attractive rates, further reducing interest rate risks. The exposure to high-interest expense from fluctuating interest rates is managed by ensuring the right balance between short and long-term borrowings.

Cash Flow and Fair Value Interest Rate Risks - 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 rates. However, operating cash flow is affected to some extent by the interest rate of short-term overdraft facilities. To secure low-cost interest rates, overdraft facility management has entrusted separate departments to negotiate with treasury function while execution lies with other departments in terms of investment and utilization.

Credit Risks - Credit risks represent the risks that arise when one counterparty to a financial instrument cause a financial loss to the other party by failing to discharge a contractual obligation. Credit risks mainly

arise from trade debtors, advances, and prepayments. Credit risks are managed in the combination of supervision by field management and the supervisory team consisting of the credit and finance department. Credit management reports are prepared based on various aspects of credit operation to monitor and follow up credit performance. The report facilitates the early identification of risks and thus, it allows the Management to step in time with necessary actions. In 2020, credit business was badly affected by the COVID-19 pandemic, and arrearage increased significantly after the lockdown was imposed by the government. However, appropriate actions along with credit promotions to customers to realize the dues were taken from time to time that helped the company to reduce the exposure.

Liquidity Risks- Liquidity risks are the risks that arise when an entity is not able to honour its financial obligations as they fall due. To meet financial obligations timely, access to sufficient short-term credit is kept ensured around the year. Lower borrowing is utilized as opposed to the available higher credit limit. Considering the forego and the fact that the company was in a positive working capital position as at the year-end, the Management considered the liquidity risk as given below.

Risk management in the special scenario - COVID-19 pandemic had a great effect on business worldwide. The pandemic situation created an unseen and unpredictable environment in business. SBL was no exception. This pandemic situation affected credit business, supply chain or specifically import, sales, cash inflow, arrearage, and overall operations. It was such an unthinkable circumstance for everyone that the first shock wave hit business badly. However, with every obstacle, there came a solution that the Management took in every possible way. Through time, the business policy, sales strategy, and supply chain method were updated according to adverse situations. Emphasis on online sales, local purchases, and the use of online transactions were the outcome of overcoming those issues. By the end of 2020, risks were dealt with positivity and budgeted goals and stability were ensured as much as possible.

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

AUDIT COMMITTEE REPORT

Preamble

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

Composition of the Audit Committee

The Audit Committee consists of the following:

1. Mr. Masud Khan, Director Chairman
Independent Director
2. Dr. Syed Ferhat Anwar Member
Independent Director
3. Mr. Polat Sen Member
Director
4. Mr. Kazi Ashiqur Rahman Secretary
Acting Company Secretary

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

Role and responsibilities of the Committee

The jurisdiction, responsibilities and specific duties of the Audit Committee have been defined in the "Terms of Reference (ToR)" of the Audit Committee in line with the Corporate Governance Code 2018. By dint of this Code, the Audit Committee is empowered to consider any matter related to the financial affairs of the Company and to review all internal and external audits, internal control systems and procedures,

accounting policies, related party transaction, management letter issued by statutory auditors, determine audit fees etc. 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, the Regulatory Authorities and to the Shareholders as well.

Meetings and Attendance

During the year 2020, five meetings of the Audit Committee were held. The details of attendance of the members have been shown in the Annexure-E of Directors' Report. The Members who could not attend the meetings were granted leave of absence.

Summary of Activities

The following activities were carried out by the Audit Committee during the financial year ended on December 31, 2020.

Financial Reporting

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

Internal Audit

- The annual and quarterly audit plans including the audit methodology in

assessing and rating risks of auditable areas reviewed to ensure adequate scope and comprehensive coverage on the audit activities of the Company.

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

External Audit

- The Committee's meeting with the external auditors at the conclusion of the annual audit held in the absence of the Management and the findings following their observation, if any as well as and the Management's response thereto reviewed.
- Their audit scopes, audit strategies, audit plans and performance of the external auditors for the year as well as their proposed fees for the statutory audit reviewed.
- The Audit Committee's recommendation to the Board of Directors regarding M/S. Rahman Rahman Huq, Chartered Accountants be appointed as auditors for the financial year ending on December 31, 2021 subject to the approval of the members at the 41st Annual General Meeting of the Company.
- The Audit Committee's recommendation to the Board of Directors regarding M/S Itrat Husain & Associate Chartered Secretaries to be appointed as compliance auditors for the financial year to end on December 31, 2021 placed,

subject to the approval of the members at the 41st Annual General Meeting of the Company.

- The external audit reports reviewed and the areas of concern highlighted in the Management letter including the Management's responses to the findings of the external auditors.
- The statement of the related party transaction as discussed in the financial statements reviewed to ensure all parties added in compliance with IAS & IFRS.

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

Internal Control and Risk Management System

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

that the financial position of the Company is adequately reflected and disclosed.

On behalf of the Audit Committee



Masud Khan
Chairman, Audit Committee

Dhaka, January 25, 2021

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

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

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

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

with a view to preventing and detecting fraudulent activities and other irregularities.

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

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

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

basis in preparing the accounts.

Messrs. A. Qasem & Co., Auditors of the Company, have examined the financial statements made available by the Board of Directors together with all relevant financial records, related data, minutes of shareholders and Directors meetings and expressed their opinion in their report in page 63 of the Annual Report.

By order of the Board

Singer Bangladesh Limited



M. H. M. Fairoz
Chief Executive Officer



Kazi Ashiqur Rahman
Acting Company Secretary

Dhaka, January 25, 2021

NOMINATION AND REMUNERATION COMMITTEE REPORT

Singer Bangladesh Limited had established two separate committees in 2004, namely Nomination Committee and Remuneration Committee respectively. In compliance with the Corporate Governance Code 2018, the Board of Directors re-constituted the Nomination and Remuneration Committee (NRC) by combining two committees to assist the Board broadly in formulation of policy with regard to determining qualifications, positive attributes, experiences, remuneration mainly for directors and top level executives. Nomination and Remuneration Committee is a Sub Committee of the Board.

Composition of the Committee

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

1. Dr. Syed Ferhat Anwar Independent Director	Chairman
2. Mr. Masud Khan Independent Director	Member
3. Mr. Cemal Can Dincer Director	Member
4. Mr. Kazi Ashiqur Rahman Acting Company Secretary	Secretary

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

The Nomination and Remuneration Committee's jurisdiction, responsibilities and specific duties have been defined in the "Terms of Reference (ToR)" of Nomination and Remuneration Committee in line with the Corporate Governance Code 2018.

Major Responsibilities of NRC

- (a) Nomination and Remuneration Committee is an independent sub-committee of the Board and responsible or accountable to the Board and to the shareholders;
- (b) Nomination and Remuneration Committee discharges the responsibilities and oversees the functions as defined in the "Terms of Reference (ToR)" of the Audit Committee in line with the Corporate Governance Code 2018.

Meetings and Attendance

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

Activities of the NRC carried out during the reporting period

The NRC carried out the following activities during the year:

- Reviewed and recommended the compensation package of the Chief Executive Officer, Executive

Directors and Senior Management of the Company;

- The Committee also reviewed the policies pertaining to the remuneration and perquisites of the Executive Directors and Senior Management of the Company;
- Executive Performance Bonus to the Chief Executive Officer, Executive Directors and Senior Management of the Company;
- Recommended to the Board for the non-resident employment.
- Recommended to the Board for appointment of Mr. Masud Khan, Independent Director in the casual vacancy of Mr. A F Nesaruddin.

On behalf of the Remuneration Committee



Dr. Syed Ferhat Anwar
Chairman
Nomination & Remuneration Committee

Dhaka, January 25, 2021

SINGER[®]

AIR CONDITIONERS



Auditors' Report and Financial Statements

as at and for the year ended 31 December 2020

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Annual Report 2019

28 April 2020

40th Annual General Meeting

13 May 2020

Dividend Paid

11 June 2020

Interim Financial Statements to BSEC, Dhaka & Chittagong Stock Exchange

For the Three Months Ended

31 March 2020 (un-audited)

May 2020

For the Half Year Ended

30 June 2020 (un-audited)

July 2020

For the Nine Months Ended

30 September 2020 (un-audited)

October 2020

Annual Report & Annual General Meeting

Financial Statements 2020 Approved

25 January 2021

41st Annual General Meeting

15 April 2021

Dividend Payable

May, 2021

Proposed Financial Calendar - 2021/22

For the Three Months Ending

31 March 2021 (un-audited)

April 2021

For the Half Year Ended

30 June 2021 (un-audited)

July 2021

For the Nine Months Ending

30 September 2021 (un-audited)

October 2021

42nd Annual General Meeting

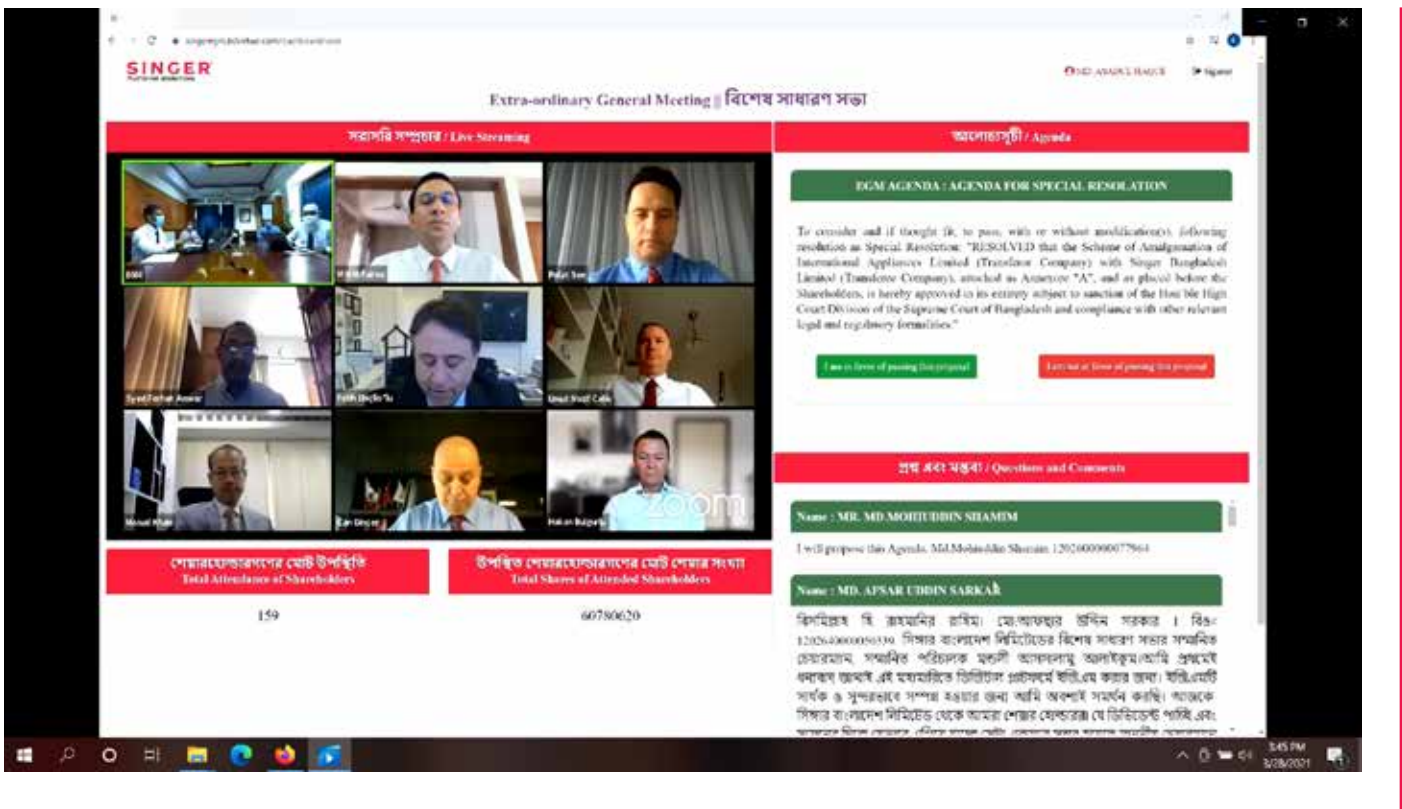
April 2022

40th Annual General Meeting

Singer Bangladesh Limited



40th Virtual AGM



Virtual EGM

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

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Singer Bangladesh Limited and its subsidiary (the "Group") as well as the separate financial statements of Singer Bangladesh Limited (the "Company"), which comprise the consolidated and separate financial position as at 31 December 2020, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 31 December 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that

are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement,

were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matters	How our audit addressed the key audit matters
Revenue recognition (Refer to Note 40 (A) (accounting policy) and note 20 to these Financial Statements)	
<p>The Group/Company recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the net consideration, which the Group/Company expects to receive for those goods from customers. In determining the sales price, the Group/Company considers the effect of rebates and discounts (variable consideration). During the year ended December 31, 2020 the Group/Company has recognised revenues of BDT 15,046 million and BDT 15,046 million respectively.</p> <p>The terms of sales agreements, including the timing of transfer of control, based on the terms of relevant contract and nature of discount and rebates arrangements, create complexities that requires judgement in determining sales revenues.</p> <p>Considering the above factors and the risk associated with revenue recognition, we have determined the same to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> 1. We read the Group/Company's revenue recognition policy and assessed its compliance in terms of IFRS 15 'Revenue from contracts with customers'; 2. We assessed the design and tested the operating effectiveness of internal controls related to revenue recognition and applicable rebates/discounts; 3. Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, we tested recognition of revenue based on underlying sales invoices, sales orders and other related documents; 4. We selected a sample of invoices on which rebated and discounts were given and obtained the rebates and discount schemes approved by the management. We noted the accounting of rebates and discounts by the Group/Company for the selected sample. 5. Selected samples of sales transactions made pre and post year end, agreed the date of transfer of control for the selected sample by testing underlying documents including customers confirmation; and, 6. Assessed the relevant disclosures made within the financial statements.

Key Audit Matters	How our audit addressed the key audit matters
Provisioning for Inventory (Refer to Note 40 (E) (accounting policy) and Note 8 to these Financial Statements)	
<p>The Group has recognised a total inventory provision of Taka 115 million (Company – Taka 115 million) in arriving at a total inventory value of Taka 4,432 million (Company – Taka 3,884 million).</p> <p>The Group has significant levels of inventories and significant management judgements are taken with regard to categorisation of inventories into obsolete and/or discontinued items which should therefore be considered for provision. Estimates are then involved in arriving at provisions against cost in respect of obsolete and/or discontinued inventories to arrive at valuation based on lower of cost and net realisable value.</p> <p>Given the level of significant management judgements and estimates involved this is considered to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> 1. We obtained and read the Group/ Company policy for making provision for inventory. We assessed the calculation methodology, the basis for provision and the process with respect to inventory provision. 2. Tested the design, implementation and operating effectiveness of the key controls management has established, both for provision computations and to ensure the accuracy of the inventory provision. 3. Recalculated the provision for inventory for a sample of inventory items included within the overall provision working and compared such recomputed amount with provision computed by the Group/Company. 4. Tested for a sample of inventory items the lower of cost or net realisable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date and compared the result to the inventory valuation provided by the Group/ Company. 5. Assessed the relevant disclosures made within the financial statements.
Assessment of the appropriateness of the allowance for doubtful debt (Refer to Note 40 H (accounting policy) and Note 9.3 to these Financial Statements)	
<p>Trade receivables comprises 24% of total assets in the statement of financial position.</p> <p>The appropriateness of the allowance for doubtful debt is subjective due to the high degree of judgment applied by management in determining the impairment provision. Due to the COVID 19 conditions currently all over the world as well Bangladesh, it continues to put pressure on customers' ability to repay their outstanding account balances.</p> <p>Management of the Company is continuously reviewing and assessing the need for keeping incremental amount in bad and doubtful debts under ECL method considering its business model.</p> <p>Based on assessment, management has made necessary provision for bad and doubtful debts under ECL model to impair company's trade receivables.</p> <p>Due to the significance of trade receivables and the related estimation uncertainty this is considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> 1. Evaluated the debtor's impairment methodology applied in the current year to the requirements of IFRS 9: Financial Instruments. 2. Analysed the methodology by comparing the prior year provision to the actual current year write downs. 3. Assessed key ratios which include cash collections, days outstanding, and delinquencies. 4. We considered changes in account strategy and assessed the impact on the allowance for doubtful debts. 5. Assessed any changes in the economy and the impact on the collectability of trade receivables.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group and Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

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

A. Qasem & Co.
Chartered Accountants
RJCSC Firm Registration No.: PF 1015



Mohammad Motaleb Hossain, FCA
Partner
Enrolment Number: 0950
DVC: 2101270950AS925226

Dhaka, 25 January 2021

Statement of Financial Position

Singer Bangladesh Limited

In BDT	Note	Consolidated		Company	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
Assets					
Property, plant and equipment	3	1,397,011,285	1,420,024,293	1,082,453,237	1,088,581,106
Intangible assets	4	24,437,964	29,765,141	23,878,992	29,664,990
Right-of-use (ROU) asset	5	1,376,051,417	1,448,941,241	1,299,332,072	1,340,068,314
Investments	6	4,199,450	4,199,450	650,998,506	650,998,506
Deferred tax assets	13	51,312,925	-	81,110,569	43,667,319
Deposits and prepayments	7	29,524,645	36,228,957	23,092,798	23,160,298
Non-current assets		2,882,537,686	2,939,159,082	3,160,866,174	3,176,140,533
Inventories	8	4,432,654,522	4,398,389,858	3,884,336,529	3,779,883,956
Trade and other receivables	9	2,477,596,446	2,471,880,052	2,538,977,929	2,513,546,473
Advances, deposits and prepayments	7	192,539,729	212,030,470	150,436,499	156,219,658
Current tax assets	19	259,150,041	128,507,136	-	-
Cash and cash equivalents	10	179,916,718	181,712,093	178,148,480	180,580,885
Current assets		7,541,857,456	7,392,519,609	6,751,899,437	6,630,230,972
Total assets		10,424,395,142	10,331,678,691	9,912,765,611	9,806,371,505
Equity					
Share capital	11	997,028,380	997,028,380	997,028,380	997,028,380
Reserves	12	565,877,314	569,134,429	565,877,314	569,134,429
Retained earnings		1,646,368,441	1,625,912,265	1,893,022,627	1,851,331,233
Equity attributable to owners of the Company		3,209,274,135	3,192,075,074	3,455,928,321	3,417,494,042
Total equity		3,209,274,135	3,192,075,074	3,455,928,321	3,417,494,042
Liabilities					
Long term debt	18	14,214,569	25,682,777	-	-
Deferred tax liability	13	-	1,110,395	-	-
Lease liability (non-current portion)	5	870,216,011	896,938,482	821,749,098	821,361,558
Other liabilities	15	1,913,955,202	1,723,651,660	1,913,955,202	1,723,651,660
Non-current liabilities		2,798,385,782	2,647,383,314	2,735,704,300	2,545,013,218
Unclaimed dividend		37,021,212	27,334,617	37,021,212	27,334,617
Trade and other payables	16	2,215,027,864	2,359,566,621	1,904,755,423	1,854,856,834
Short-term borrowings - secured	17	2,008,486,125	1,961,093,776	1,611,518,744	1,746,861,938
Lease liability (current portion)	5	144,731,816	132,757,081	117,621,805	108,452,431
Current tax liabilities	19	-	-	50,215,806	106,358,425
Current portion of long term debt	18	11,468,208	11,468,208	-	-
Current liabilities		4,416,735,225	4,492,220,303	3,721,132,990	3,843,864,245
Total equity and liabilities		10,424,395,142	10,331,678,691	9,912,765,611	9,806,371,505
Net Asset Value (NAV) per share	36	32.19	32.02	34.66	34.28

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

A. Qasem & Co.

Chartered Accountants
RJSC Firm Registration No.: PF 1015



Mohammad Motaleb Hossain, FCA

Partner
Enrolment Number: 0950
DVC: 2101270950AS925226

Dhaka, 25 January 2021

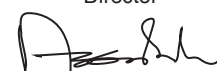
As per our report of same date



Mohamed Haniffa Mohamed Fairoz
Managing Director



Masud Khan
Director



Kazi Ashiqur Rahman
Acting Company Secretary

Statement of Profit or Loss and Other Comprehensive Income

Singer Bangladesh Limited

In BDT	Note	For the year ended 31 December			
		Consolidated		Company	
		2020	2019	2020	2019
Sales		14,958,779,900	15,370,867,488	14,958,779,900	15,370,867,488
Earned carrying charges		87,530,854	114,367,991	87,530,854	114,367,991
Turnover	20	15,046,310,754	15,485,235,479	15,046,310,754	15,485,235,479
Cost of sales	21	(10,982,927,281)	(11,131,991,883)	(11,102,914,457)	(11,261,457,976)
Gross profit		4,063,383,473	4,353,243,596	3,943,396,297	4,223,777,503
Operating expenses	22	(2,636,867,866)	(2,556,920,102)	(2,524,636,917)	(2,520,519,873)
Other income	24	167,903,143	154,708,430	143,993,667	143,099,823
Operating profit		1,594,418,750	1,951,031,924	1,562,753,047	1,846,357,453
Finance income		90,034	307,831	90,034	307,831
Finance costs		(443,854,985)	(403,631,459)	(392,030,488)	(340,233,543)
Net finance costs	23	(443,764,951)	(403,323,628)	(391,940,454)	(339,925,712)
Profit before contribution to workers' profit participation fund		1,150,653,799	1,547,708,296	1,170,812,593	1,506,431,741
Contribution to workers' profit participation fund	25	(58,540,629)	(77,335,951)	(58,540,630)	(75,321,587)
Profit before taxation		1,092,113,170	1,470,372,345	1,112,271,963	1,431,110,154
Income tax expense	26	(309,724,855)	(438,572,792)	(308,648,431)	(396,536,039)
Profit after tax		782,388,315	1,031,799,553	803,623,532	1,034,574,115
Profit attributable to					
Equity holders of the Company		782,388,315	1,031,799,553	-	-
Non-controlling interest		-	-	-	-
		782,388,315	1,031,799,553	-	-
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit liability	14.1	1,915,862	(759,500)	1,915,862	(759,500)
Related tax	26.2	(478,966)	189,875	(478,966)	189,875
		1,436,897	(569,625)	1,436,897	(569,625)
Total comprehensive income for the year		783,825,212	1,031,229,928	805,060,429	1,034,004,490
Total comprehensive income attributable to:					
Equity holders of the Company					
Profit after tax		782,388,315	1,031,799,553	-	-
Other comprehensive income		1,436,897	(569,625)	-	-
		783,825,212	1,031,229,928	-	-
Non-controlling interest					
Profit after tax		-	-	-	-
Other comprehensive income		-	-	-	-
		-	-	-	-
Total comprehensive income for the year		783,825,212	1,031,229,928	-	-
Earnings per share (EPS)	31	7.85	10.35	8.06	10.38

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

A. Qasem & Co.

Chartered Accountants
RJSC Firm Registration No.: PF 1015



Mohammad Motaleb Hossain, FCA

Partner
Enrolment Number: 0950
DVC: 2101270950AS925226

Dhaka, 25 January 2021

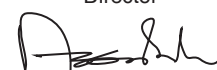
As per our report of same date



Mohamed Haniffa Mohamed Fairoz
Managing Director



Masud Khan
Director



Kazi Ashiqur Rahman
Acting Company Secretary

Statement of Changes in Equity-Consolidated

Singer Bangladesh Limited

For the year ended 31 December 2020

In BDT	Attributable to owners of the Company							Total equity	
	Share capital	Revaluation reserve	Capital reserve	Non-remittable special reserve		Retained earnings	Non-controlling interests		
				12.1	12.2				12.3
Balance at 1 January 2020	997,028,380	550,340,462	18,190,942	370,178	232,847	1,625,912,264	3,192,075,073	-	3,192,075,073
Total comprehensive income	-	-	-	-	-	782,388,315	782,388,315	-	782,388,315
Profit	-	-	-	-	-	1,436,897	1,436,897	-	1,436,897
Other comprehensive income	-	-	-	-	-	783,825,212	783,825,212	-	783,825,212
Total comprehensive income for the year	-	-	-	-	-	783,825,212	783,825,212	-	783,825,212
Transaction with owners of the Company									
Contributions and distributions									
Dividends:									
Cash dividend - 2019	-	-	-	-	-	(767,711,855)	(767,711,855)	-	(767,711,855)
Total contributions and distributions	-	-	-	-	-	(767,711,855)	(767,711,855)	-	(767,711,855)
Adjustment for deferred tax arising from revaluation of property plant and equipment	-	-	-	-	-	1,085,705	1,085,705	-	1,085,705
Transfer of depreciation on revaluation surplus	-	(3,257,115)	-	-	-	3,257,115	-	-	-
Transfer of depreciation on revaluation surplus	-	(3,257,115)	-	-	-	4,342,820	1,085,705	-	1,085,705
Balance at 31 December 2020	997,028,380	547,083,347	18,190,942	370,178	232,847	1,646,368,441	3,209,274,135	-	3,209,274,135
Balance at 1 January 2019	766,944,910	554,281,723	18,190,942	370,178	232,847	971,039,498	2,311,060,098	66,518,445	2,377,578,543
Total comprehensive income	-	-	-	-	-	1,031,799,553	1,031,799,553	-	1,031,799,553
Profit	-	-	-	-	-	76,208,454	76,208,454	-	76,208,454
Adjustment For IFRS 16	-	-	-	-	-	(228,493,016)	(228,493,016)	(66,518,445)	(295,011,461)
Acquisition of business	-	-	-	-	-	(569,625)	(569,625)	-	(569,625)
Other comprehensive income	-	-	-	-	-	878,945,366	878,945,366	(66,518,445)	812,426,921
Total comprehensive income for the year	-	-	-	-	-	878,945,366	878,945,366	(66,518,445)	812,426,921
Transaction with owners of the Company									
Contributions and distributions									
Dividends:									
Stock dividend - 2018	230,083,470	-	-	-	-	(230,083,470)	-	-	-
Total contributions and distributions	230,083,470	-	-	-	-	(230,083,470)	-	-	-
Adjustment for deferred tax arising from revaluation of property plant and equipment	-	-	-	-	-	2,069,610	2,069,610	-	2,069,610
Transfer of depreciation on revaluation surplus	-	(3,941,261)	-	-	-	3,941,261	-	-	-
Transfer of depreciation on revaluation surplus	-	(3,941,261)	-	-	-	6,010,871	2,069,610	-	2,069,610
Balance at 31 December 2019	997,028,380	550,340,462	18,190,942	370,178	232,847	1,625,912,265	3,192,075,074	-	3,192,075,074

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

A. Qasem & Co.Chartered Accountants
RJSC Firm Registration No.: PF 1015

Masud Khan
Director**Mohammad Motaleb Hossain, FCA**Partner
Enrolment Number: 0950
DVC: 2101270950AS925226

Dhaka, 25 January 2021


Mohamed Haniffa Mohamed Fairouz
Managing Director

Kazi Ashiqur Rahman
Acting Company Secretary

Statement of Changes in Equity-Company

Singer Bangladesh Limited

For the year ended 31 December 2020

In BDT	Note	Share capital	Revaluation reserve	Capital reserve	Non-remittable special reserve	Non-distributable special reserve	Retained earnings	Total equity
Balance at 1 January 2020		997,028,380	550,340,462	18,190,942	370,178	232,847	1,851,331,233	3,417,494,042
Total comprehensive income		-	-	-	-	-	803,623,532	803,623,532
Profit		-	-	-	-	-	1,436,897	1,436,897
Other comprehensive income		-	-	-	-	-	805,060,429	805,060,429
Total comprehensive income for the year		-	-	-	-	-	-	-
Transaction with owners of the Company		-	-	-	-	-	-	-
Contributions and distributions		-	-	-	-	-	-	-
Dividends:		-	-	-	-	-	-	-
Cash dividend 2019		-	-	-	-	-	(767,711,855)	(767,711,855)
Total contributions and distributions		-	-	-	-	-	(767,711,855)	(767,711,855)
Adjustment for deferred tax arising from revaluation of property, plant and equipment		-	-	-	-	-	1,085,705	1,085,705
Transfer of depreciation on revaluation surplus		-	(3,257,115)	-	-	-	3,257,115	-
		-	(3,257,115)	-	-	-	4,342,820	1,085,705
Balance at 31 December 2020		997,028,380	547,083,347	18,190,942	370,178	232,847	1,893,022,627	3,455,928,321
Balance at 1 January 2019		766,944,910	554,281,723	18,190,942	370,178	232,847	977,927,706	2,317,948,306
Total comprehensive income		-	-	-	-	-	1,034,574,115	1,034,574,115
Profit		-	-	-	-	-	63,471,636	63,471,636
Adjustment For IFRS 16		-	-	-	-	-	(569,625)	(569,625)
Other comprehensive income		-	-	-	-	-	1,097,476,126	1,097,476,126
Total comprehensive income for the year		-	-	-	-	-	-	-
Transaction with owners of the Company		-	-	-	-	-	-	-
Contributions and distributions		-	-	-	-	-	-	-
Dividends:		-	-	-	-	-	-	-
Stock dividend - 2018		230,083,470	-	-	-	-	(230,083,470)	-
Total contributions and distributions		230,083,470	-	-	-	-	(230,083,470)	-
Adjustment for deferred tax arising from revaluation of property, plant and equipment		-	-	-	-	-	2,069,610	2,069,610
Transfer of depreciation on revaluation surplus		-	(3,941,261)	-	-	-	3,941,261	-
		-	(3,941,261)	-	-	-	6,010,871	2,069,610
Balance at 31 December 2019		997,028,380	550,340,462	18,190,942	370,178	232,847	1,851,331,233	3,417,494,042

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

A. Qasem & Co.Chartered Accountants
RJSC Firm Registration No.: PF 1015

Masud Khan
Director**Mohammad Motaleb Hossain, FCA**Partner
Enrolment Number: 0950
DVC: 2101270950AS925226

Dhaka, 25 January 2021


Mohamed Haniffa Mohamed Fairouz
Managing Director

Kazi Ashiqur Rahman
Acting Company Secretary

Statement of Cash Flows

Singer Bangladesh Limited

In BDT	Note	For the year ended 31 December			
		Consolidated		Company	
		2020	2019	2020	2019
Cash flows from operating activities					
Collections from turnover and other income		16,994,719,706	17,882,904,003	17,482,925,756	17,871,295,396
Payments for costs and expenses		(14,998,675,441)	(15,547,756,316)	(15,515,361,740)	(16,128,102,729)
Interest paid on borrowings/lease		(521,721,873)	(474,774,584)	(469,502,976)	(420,277,522)
Payments to workers' profit participation fund		(77,335,877)	(65,702,515)	(75,321,513)	(64,583,617)
Income tax paid	19.1	(491,705,375)	(439,657,735)	(401,148,596)	(345,710,200)
Net cash from/(used in) operating activities	37	905,281,141	1,355,012,853	1,021,590,931	912,621,329
Cash flows from investing activities					
Acquisition of property, plant and equipment		(106,807,454)	(128,903,688)	(82,300,802)	(118,738,597)
Investment in subsidiary		-	(228,493,016)	-	(228,493,016)
Encash in short term/term deposits		-	-	-	-
Dividend received from CDBL	24	856,772	1,427,953	856,772	1,427,953
Proceeds from sale of property, plant and equipment	Annex-1	6,911,590	3,054,945	6,911,590	3,054,945
Net cash from/(used in) investing activities		(99,039,092)	(352,913,806)	(74,532,440)	(342,748,715)
Cash flows from financing activities					
Term loan received/repayment		(11,468,208)	(8,721,840)	-	-
Lease liability (principal repayment)		(239,422,053)	(232,321,717)	(209,608,190)	(204,856,045)
Dividends paid		(604,539,512)	(6,305,777)	(604,539,512)	(6,305,777)
Net cash from/(used in) financing activities		(855,429,773)	(247,349,334)	(814,147,702)	(211,161,822)
Net increase/(decrease) in cash		(49,187,724)	754,749,713	132,910,789	358,710,792
Cash and cash equivalents at 1 January	10	(1,779,381,683)	(2,534,131,396)	(1,566,281,053)	(1,924,991,845)
Cash and cash equivalents at 31 December		(1,828,569,407)	(1,779,381,683)	(1,433,370,264)	(1,566,281,053)
Closing cash and cash equivalents have been arrived at as follows:					
Cash and cash equivalents	10	179,916,718	181,712,093	178,148,480	180,580,885
Short-term borrowings - secured (bank overdrafts)	17	(2,008,486,125)	(1,961,093,776)	(1,611,518,744)	(1,746,861,938)
		(1,828,569,407)	(1,779,381,683)	(1,433,370,264)	(1,566,281,053)
Net operating cash flow per share (NOCFPS)	37.1	9.08	13.59	10.25	9.15

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

A. Qasem & Co.

Chartered Accountants
RJSC Firm Registration No.: PF 1015



Mohammad Motaleb Hossain, FCA

Partner
Enrolment Number: 0950
DVC: 2101270950AS925226

Dhaka, 25 January 2021

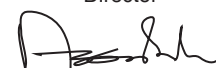
As per our report of same date



Mohamed Haniffa Mohamed Fairoz
Managing Director



Masud Khan
Director



Kazi Ashiqur Rahman
Acting Company Secretary

Notes to the Financial Statements

Singer Bangladesh Limited

1 Reporting entity

1.1 Company profile

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

1.2 Nature of business

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

1.3 Description of subsidiary

International Appliances Limited (IAL)

International Appliances Limited (the Company) was incorporated in Bangladesh as a private limited company on 23 December 2014 under the Companies Act 1994. It has been an associate of Singer Bangladesh Limited since inception. Singer Bangladesh Limited acquired it as subsidiary on 16 October 2017. On 27 February 2019 it became fully owned subsidiary of Singer Bangladesh Limited. The address of the registered office of the Company is Mousa Koulashur, Hemayetpur, Savar, Dhaka, Bangladesh. Principal activities of the Company is manufacturing and selling of refrigerators of different capacities, models and types with the brand of "Singer" for exclusive marketing by Singer Bangladesh Limited. The manufacturing plant of the Company is situated at Mousa Koulashur, Hemayetpur, Savar, Dhaka, Bangladesh.

2 Basis of preparation

2.1 Statement of compliance

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

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

Date of authorisation

The management has authorised these financial statements on 25 January 2021.

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

2.2.A Going concern

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

2.2.B Impact of COVID-19

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

Notes to the Financial Statements (Continued)

Owing of COVID-19 impact, preparation of reliable forecast information is challenging as this can have pervasive impact across multiple elements of financial statements. Entity uses forecast information for multiple purposes such as, the impairment of non financial assets, expected credit losses (ECL), fair value of assets and liabilities, change in net realizable value of inventory, the recoverability of deferred tax assets and the entity's ability to continue as a going concern.

The coronavirus (COVID-19) outbreak has greatly impacted on the macroeconomic performance of the country as well as it has impacted the Company's operations and its financial position too. It has been observed that, there were, effectively, no sales during April and much less sales during May and June than that was projected by management of the Company due to the country-wide general holidays (as declared by the government of Bangladesh) which has started from 26 March 2020, extended up to 30 June 2020 (after 30 May it was location based in different major cities and localities).

Though government did not extended general holiday / lockdown after 30 May 2020 but attempting to introduce cluster-based lockdown based on zoning systems (Red, Yellow and Green). Moreover, the flood has also affected the country's economy during the year greatly along with the pandemic effect. However, slowly businesses are getting its normal pace and improving month by month with the gradual restart of country's economic activities.

Management of the Company strongly believes that, there is no need to re-evaluate/re-measure of for the impairment of non financial assets, fair value of assets and liabilities, any potential decrease in net realizable value of inventory, any adverse impact on employee benefits and employer obligations and the entity's ability to continue as a going concern except for some impact of incremental expected credit losses. For this impact of incremental expected credit losses (ECL) management has started continuous evaluation for measurement and recognise any excess losses in a monthly basis from April 2020. However, there are improvements in the context of overdue receivable collections which is supporting the consideration of the reduction of any unusual incremental impact from the ECL point of view. Assessment for ECL is described in Note-32.1.1.2 (for Group) & in Note-32.2.1.2 (for the Company).

2.3 Functional and presentational currency

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

2.4 Use of estimates and judgments

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

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

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

Note 3 Depreciation on property, plant and equipment

Note 8 Inventories

Note 9.3 Provision for doubtful debts

Note 13 Deferred tax assets

Note 16 Trade and other payables

Note 26 Income tax expense

2.5 Operating segments

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

Notes to the Financial Statements (Continued)

i. Information about products and segments:

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

In BDT	2020	2019
Home appliances	10,137,004,561	11,049,796,056
Consumer electronics	2,590,741,854	2,554,800,768
Sewing machines	776,860,315	792,425,321
Other appliances	1,537,690,687	919,011,603
Appliances segment total	15,042,297,417	15,316,033,747

ii. Information about geographical areas:

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

iii. Information about major customers:

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

2.6 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when it is:

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

The company classifies all other liabilities as non-current.

Notes to the Financial Statements (Continued)

3 Property, plant and equipment

3.1 Property, plant and equipment-consolidated

See accounting policy in Note 40 (F)

In BDT	Land	Building		Leasehold improvements		Plant and machinery	Vehicles	Furniture and fixtures	Equipment and tools	CWIP (Note 3.3)	Total
		Office	Factory	Office	Shops						
Cost											
Balance at 1 January 2020	561,180,000	87,714,677	231,046,412	24,275,381	543,100,848	485,947,654	125,643,814	29,582,866	243,467,462	3,385,453	2,335,344,567
Additions	-	-	-	4,726,106	46,776,971	17,113,540	11,791,178	3,405,271	25,375,579	324,260	109,512,905
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Disposals/transfers	-	-	-	-	(8,849,106)	(25,607,441)	(3,450,000)	(228,450)	(9,640,698)	(3,385,453)	(51,161,148)
Balance at 31 December 2020	561,180,000	87,714,677	231,046,412	29,001,487	581,028,713	477,453,753	133,984,992	32,759,687	259,202,343	324,260	2,393,696,324
Balance at 1 January 2019	561,180,000	87,542,614	231,046,412	20,848,289	488,472,511	485,633,814	114,918,517	21,130,349	216,367,909	4,482,825	2,231,623,240
Additions	-	172,063	-	4,546,897	62,213,211	797,601	15,598,032	8,493,142	36,865,034	3,385,453	132,071,433
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Disposals/transfers	-	-	-	(1,119,805)	(7,584,874)	(483,761)	(4,872,735)	(40,625)	(9,765,481)	(4,482,825)	(28,350,107)
Balance at 31 December 2019	561,180,000	87,714,677	231,046,412	24,275,381	543,100,848	485,947,654	125,643,814	29,582,866	243,467,462	3,385,453	2,335,344,566
Accumulated depreciation											
Balance at 1 January 2020	-	52,926,306	197,090,069	15,718,812	251,196,844	164,453,492	79,853,895	12,810,389	141,270,466	-	915,320,273
Depreciation for the year	-	3,478,837	5,157,460	3,204,382	30,212,617	40,172,086	11,072,285	1,909,723	21,079,273	-	116,286,663
Adjustment for disposal/transfers	-	-	-	-	(4,575,407)	(18,675,325)	(3,153,647)	(123,613)	(8,393,905)	-	(34,921,897)
Balance at 31 December 2020	-	56,405,143	202,247,529	18,923,194	276,834,054	185,950,253	87,772,533	14,596,499	153,955,834	-	996,685,039
Balance at 1 January 2019	-	49,065,711	190,643,244	13,310,041	226,444,491	125,479,131	74,708,272	11,708,564	129,052,203	-	820,411,657
Depreciation for the year	-	3,860,595	6,446,825	2,408,771	29,573,424	39,452,416	9,322,557	1,141,500	20,468,692	-	112,674,780
Adjustment for disposal/transfers	-	-	-	-	(4,821,071)	(478,055)	(4,176,934)	(39,675)	(8,250,429)	-	(17,766,164)
Balance at 31 December 2019	-	52,926,306	197,090,069	15,718,812	251,196,844	164,453,492	79,853,895	12,810,389	141,270,466	-	915,320,273
Carrying amounts											
At 31 December 2020	561,180,000	31,309,534	28,798,883	10,078,293	304,194,659	291,503,500	46,212,459	18,163,188	105,246,509	324,260	1,397,011,285
At 31 December 2019	561,180,000	34,788,371	33,956,343	8,556,569	291,904,004	321,494,162	45,789,919	16,772,477	102,196,996	3,385,453	1,420,024,293
At 1 January 2019	561,180,000	38,476,903	40,403,168	7,538,248	262,028,020	360,154,683	40,210,245	9,421,785	87,315,706	4,482,825	1,411,211,583

Notes to the Financial Statements (Continued)

3.2 Property, plant and equipment-company

See accounting policy in Note 40 (F)

In BDT	Land	Building			Leasehold improvements			Plant and machinery	Vehicles and fixtures	Equipment and tools	CWIP (Note 3.3)	Total
		Office	Factory	Office	Shops	Office	Shops					
Cost												
Balance at 1 January 2020	561,180,000	87,714,677	221,377,967	22,646,717	542,612,911	67,228,012	116,517,320	24,843,067	228,506,986	1,051,441	1,873,679,097	
Additions	-	-	-	61,300	46,776,971	-	11,791,178	1,842,065	22,376,469	324,260	83,172,243	
Revaluation	-	-	-	-	-	-	-	-	-	-	-	
Disposals/transfers	-	-	-	-	(8,849,106)	(25,581,421)	(3,450,000)	(228,450)	(9,556,028)	(1,051,441)	(48,716,446)	
Balance at 31 December 2020	561,180,000	87,714,677	221,377,967	22,708,017	580,540,776	41,646,591	124,858,498	26,456,682	241,327,427	324,260	1,908,134,894	
Balance at 1 January 2019	561,180,000	87,542,614	221,377,967	19,219,625	488,472,511	66,914,172	112,054,881	16,766,455	202,111,809	4,482,824	1,780,122,858	
Additions	-	172,063	-	4,546,897	61,725,274	797,601	9,335,174	8,117,237	35,918,641	1,051,441	121,664,328	
Revaluation	-	-	-	-	-	-	-	-	-	-	-	
Disposals/transfers	-	-	-	(1,119,805)	(7,584,874)	(483,761)	(4,872,735)	(40,625)	(9,523,464)	(4,482,824)	(28,108,089)	
Balance at 31 December 2019	561,180,000	87,714,677	221,377,967	22,646,717	542,612,911	67,228,012	116,517,320	24,843,067	228,506,986	1,051,441	1,873,679,097	
Accumulated depreciation												
Balance at 1 January 2020	-	52,926,307	195,590,684	12,966,659	250,377,625	45,587,446	78,383,817	11,547,398	137,718,055	-	785,097,991	
Depreciation for the year	-	3,478,837	5,157,460	1,452,666	30,212,617	4,328,112	9,768,497	1,411,551	19,629,648	-	75,439,388	
Adjustment for disposal/transfers	-	-	-	-	(4,575,407)	(18,667,193)	(3,153,647)	(123,613)	(8,335,862)	-	(34,855,722)	
Balance at 31 December 2020	-	56,405,144	200,748,144	14,419,325	276,014,835	31,248,365	84,998,667	12,835,336	149,011,841	-	825,681,657	
Balance at 1 January 2019	-	49,065,711	189,143,859	11,993,667	226,444,491	40,687,168	74,094,636	10,888,661	126,771,671	-	729,089,864	
Depreciation for the year	-	3,860,596	6,446,825	972,992	28,754,205	5,378,333	8,466,115	698,412	19,114,766	-	73,692,244	
Adjustment for disposal/transfers	-	-	-	-	(4,821,071)	(478,055)	(4,176,934)	(39,675)	(8,168,382)	-	(17,684,117)	
Balance at 31 December 2019	-	52,926,307	195,590,684	12,966,659	250,377,625	45,587,446	78,383,817	11,547,398	137,718,055	-	785,097,991	
Carrying amounts												
At 31 December 2020	561,180,000	31,309,533	20,629,823	8,288,692	304,525,941	10,398,226	39,859,831	13,621,346	92,315,586	324,260	1,082,453,237	
At 31 December 2019	561,180,000	34,788,370	25,787,283	9,680,058	292,235,286	21,640,566	38,133,503	13,295,669	90,788,931	1,051,441	1,088,581,106	
At 1 January 2019	561,180,000	38,476,903	32,234,108	7,225,958	262,028,020	26,227,004	37,960,245	5,877,794	75,340,138	4,482,824	1,051,032,994	

Notes to the Financial Statements (Continued)

3.3 Capital work in progress (CWIP)

In BDT	Consolidated				Company		
	Leasehold improvements	Machinery	Building	Total	Leasehold improvements	Building	Total
Cost							
Balance at 1 January 2020	1,051,441	2,334,012	-	3,385,453	1,051,441	-	1,051,441
Additions	324,260	-	-	324,260	324,260	-	324,260
Disposals/transfers	(1,051,441)	(2,334,012)	-	(3,385,453)	(1,051,441)	-	(1,051,441)
Balance at 31 December 2020	324,260	-	-	324,260	324,260	-	324,260
Cost							
Balance at 1 January 2019	4,482,825	-	-	4,482,825	4,482,825	-	4,482,825
Additions	1,051,441	2,334,012	-	3,385,453	1,051,441	-	1,051,441
Disposals/transfers	(4,482,825)	-	-	(4,482,825)	(4,482,825)	-	(4,482,825)
Balance at 31 December 2019	1,051,441	2,334,012	-	3,385,453	1,051,441	-	1,051,441

3.4 Allocation of depreciation

In BDT	Note	Consolidated		Company	
		2020	2019	2020	2019
Cost of sales	21	52,994,965	53,568,070	12,168,040	14,608,977
Operating expenses	22	63,291,700	59,106,709	63,271,347	59,083,263
		116,286,665	112,674,779	75,439,387	73,692,240

Notes to the Financial Statements (Continued)

4 Intangible assets

<i>In BDT</i>	Consolidated		Company	
	Software		Software	
	2020	2019	2020	2019
Cost				
Balance at 1 January	75,882,581	74,325,531	75,762,406	74,205,356
Additions	680,000	1,557,050	180,000	1,557,050
Disposals/transfers	-	-	-	-
Balance at 31 December	76,562,581	75,882,581	75,942,406	75,762,406
Accumulated amortisation				
Balance at 1 January	46,117,440	38,852,546	46,097,416	38,844,534
Amortisation for the year	6,007,177	7,264,894	5,965,998	7,252,882
Adjustment for disposal/transfers	-	-	-	-
Balance at 31 December	52,124,617	46,117,440	52,063,414	46,097,416

Carrying amounts

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Balance at 31 December	24,437,964	29,765,141	23,878,992	29,664,990

Notes to the Financial Statements (Continued)

5 Leases

See accounting policy in Note 40 (W)

The Group leases retail stores / showrooms, warehouses, service centers, factories and other offices facilities as operating leases.

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Right-of-use assets	5.1	1,376,051,417	1,448,941,241	1,299,332,072	1,340,068,314
Lease liabilities	5.2	1,014,947,827	1,029,695,563	939,370,903	929,813,989

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

5.1 Right-of-use assets

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Cost				
Balance at 1 January	1,692,171,948	1,263,877,923	1,552,623,417	1,133,197,215
Additions	216,558,304	428,294,025	216,558,304	419,426,202
Disposals/adjustments	55,846,715	-	55,846,715	-
Balance at 31 December	1,852,883,537	1,692,171,948	1,713,335,006	1,552,623,417
Accumulated amortisation				
Balance at 1 January	243,230,707	-	212,555,103	-
Amortisation for the year	270,885,838	243,230,707	238,732,256	212,555,103
Disposals/adjustments	37,284,424	-	37,284,424	-
Balance at 31 December	476,832,120	243,230,707	414,002,934	212,555,103
Carrying amounts				
At 31 December	1,376,051,417	1,448,941,241	1,299,332,072	1,340,068,314

5.2 Lease liabilities

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Current	144,731,816	132,757,081	117,621,805	108,452,431
Non-current	870,216,011	896,938,482	821,749,098	821,361,558
Lease liabilities included in the statement of financial position at 31 December	1,014,947,827	1,029,695,563	939,370,903	929,813,989
Amounts recognised in profit or loss				
<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Interest on lease liabilities	104,556,743	88,741,942	95,662,522	77,851,810
Amounts recognised in the statement of cash flows				
<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Total cash outflow for leases	343,978,796	310,173,527	305,270,712	282,707,855

The Group enters into lease contracts for its retail stores / showrooms, warehouses, service centers, factories and other offices facilities. These lease contracts run for varies generally from 5 years to 10 years. Most of the lease contracts include an option to renew the lease term for additional period after the end of the contract term.

Notes to the Financial Statements (Continued)

6 Investments

See accounting policy in Note 40 (M)

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Investment in subsidiary	6.1	-	-	646,799,056	646,799,056
Investment in term deposit		2,630,000	2,630,000	2,630,000	2,630,000
Investment in Central Depository Bangladesh Limited (CDBL)		1,569,450	1,569,450	1,569,450	1,569,450
		4,199,450	4,199,450	650,998,506	650,998,506

6.1 Investment in subsidiary

The Company acquired International Appliances Limited (IAL) as subsidiary on 16 October 2017. Further it has purchased 16.1680% share of IAL from Shanghai Sonlu Shangling Enterprise Group Co. Ltd. (9.9978%) on 17 February 2019 and from Sunman Corporation Limited (6.1702%) on 26 February 2019. Associated call option of Sunman Corporation Limited has been cancelled. As a result IAL is now fully owned subsidiary of the Company.

The detail of investment in IAL:

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

7 Advances, deposits and prepayments

See accounting policy in Note 40 (H)

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Advances to others	7.1	11,865,623	24,504,492	-	9,299,540
Advances		11,865,623	24,504,492	-	9,299,540
Security deposits		29,524,644	29,432,145	23,092,797	23,160,298
Deposits		29,524,644	29,432,145	23,092,797	23,160,298
Prepayments		180,674,107	194,322,790	150,436,500	146,920,118
Prepayments		180,674,107	194,322,790	150,436,500	146,920,118
	7.2	222,064,374	248,259,427	173,529,297	179,379,956

7.1 Advances to others

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
L/C margins, charges and insurance against traded goods	11,865,623	24,493,743	-	9,288,791
Postage franking machine	-	10,749	-	10,749
	11,865,623	24,504,492	-	9,299,540

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
7.2 Non-current portion of deposits and prepayments	29,524,645	36,228,957	23,092,798	23,160,298
Current portion of advances, deposits and prepayments	192,539,729	212,030,470	150,436,499	156,219,658
	222,064,374	248,259,427	173,529,297	179,379,956

Notes to the Financial Statements (Continued)

8 Inventories

See accounting policy in Note 40 (E)

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Finished goods	3,259,112,166	2,863,312,296	3,247,122,506	2,810,051,832
Non-Trade goods	11,649,809	9,738,312	11,649,809	9,738,312
Raw materials	306,987,929	615,051,287	102,504,365	244,738,388
Goods in transit	970,681,472	1,018,609,051	638,836,703	823,676,512
	4,548,431,376	4,506,710,946	4,000,113,383	3,888,205,044
Provision for inventory obsolescence	(115,776,854)	(108,321,088)	(115,776,854)	(108,321,088)
	4,432,654,522	4,398,389,858	3,884,336,529	3,779,883,956

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

8.1 Inventories-consolidated

<i>In BDT</i>	2020		
	SBL	IAL	Total
Finished goods	3,258,772,315	49,589,718	3,308,362,033
Less: Unrealised profit (PURP)	-	-	(37,600,058)
	3,258,772,315	49,589,718	3,270,761,975
Raw materials	102,504,365	204,483,564	306,987,929
Goods in transit	638,836,703	331,844,769	970,681,472
	4,000,113,383	585,918,051	4,548,431,376
Provision for inventory obsolescence	(115,776,854)	-	(115,776,854)
	3,884,336,529	585,918,051	4,432,654,522

9 Trade and other receivables

See accounting policy in Note 40 (H)

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Trade receivables	9.1	2,347,210,524	2,302,739,844	2,347,210,524	2,302,739,844
Other receivables	9.2	130,385,922	169,140,208	191,767,405	210,806,629
		2,477,596,446	2,471,880,052	2,538,977,929	2,513,546,473

9.1 Trade receivables

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Hire customer receivables	9.1.1	2,153,043,022	2,100,606,310	2,153,043,022	2,100,606,310
Trade and dealer receivables	9.1.2	194,167,502	202,133,534	194,167,502	202,133,534
		2,347,210,524	2,302,739,844	2,347,210,524	2,302,739,844

9.1.1 Hire customer receivables

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Hire receivable from customers		2,530,757,114	2,436,581,468	2,530,757,114	2,436,581,468
Unearned carrying charges		(304,849,928)	(290,133,543)	(304,849,928)	(290,133,543)
		2,225,907,186	2,146,447,925	2,225,907,186	2,146,447,925
Provision for doubtful debts	9.3.1	(72,864,164)	(45,841,615)	(72,864,164)	(45,841,615)
		2,153,043,022	2,100,606,310	2,153,043,022	2,100,606,310

9.1.2 Trade and dealer receivables

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Trade receivables		131,377,636	141,350,706	131,377,636	141,350,706
Receivables from dealers		91,265,444	76,053,832	91,265,444	76,053,832
		222,643,080	217,404,538	222,643,080	217,404,538
Provision for doubtful debts	9.3.1	(28,475,578)	(15,271,004)	(28,475,578)	(15,271,004)
		194,167,502	202,133,534	194,167,502	202,133,534

Notes to the Financial Statements (Continued)

9.2 Other receivables

In BDT	Note	Consolidated		Company	
		2020	2019	2020	2019
Receivable from Shop Managers		24,890,323	29,188,237	24,890,323	29,188,237
Receivable from Retail Holdings Bhold B.V., The Netherlands		2,158,465	1,497,415	2,158,465	1,497,415
Receivable from employees		6,233,871	6,079,527	6,233,871	5,916,444
Receivable from others	9.2.1	130,989,984	148,542,378	186,145,792	186,760,093
Employees provident fund		1,270,362	5,587,330	2,266,275	5,867,428
Retirement benefit	14	5,648,566	1,520,970	10,878,328	4,852,660
		171,191,571	192,415,857	232,573,054	234,082,278
Provision for doubtful debts	9.3.1	(40,805,649)	(23,275,649)	(40,805,649)	(23,275,649)
		130,385,922	169,140,208	191,767,405	210,806,629

9.2.1 Other receivables includes BDT 110,000,000 in respect of insurance claim regarding inventories of Chittagong warehouse which were burnt due to fire on 20 March 2019. Total value of inventories burnt is BDT 126,752,760. Out of this, BDT 110,000,000 is covered by insurance. Insurance company has appointed surveyor to measure the loss suffered by Singer. Inventory has been fully adjusted for this incident and receivables has been recognised based on the assumption that entire policy value will be recovered from the insurance company. The claim is under scrutiny of the insurance company.

9.3 Provision for doubtful debts

In BDT	Note	Consolidated		Company	
		2020	2019	2020	2019
Opening balance		84,388,268	55,358,342	84,388,268	55,358,342
Provision for the year		85,838,216	58,994,317	85,838,216	58,994,317
		170,226,484	114,352,659	170,226,484	114,352,659
Written-off during the year		(28,081,093)	(29,964,391)	(28,081,093)	(29,964,391)
Closing balance	9.3.1	142,145,391	84,388,268	142,145,391	84,388,268

9.3.1 Provision for doubtful debts-Closing balance

In BDT	Note	Consolidated		Company	
		2020	2019	2020	2019
Hire customer receivables	9.1.1	72,864,164	45,841,615	72,864,164	45,841,615
Trade and dealer receivables	9.1.2	28,475,578	15,271,004	28,475,578	15,271,004
Other receivables	9.2	40,805,649	23,275,649	40,805,649	23,275,649
		142,145,391	84,388,268	142,145,391	84,388,268

9.4 Ageing of hire receivables from customers

In BDT	Note	Consolidated		Company	
		2020	2019	2020	2019
Due within 3 months		1,077,801,115	1,071,172,592	1,077,801,115	1,071,172,592
Due over 3 months but within 6 months		856,696,578	819,867,039	856,696,578	819,867,039
Due over 6 months but within 9 months		445,265,852	406,636,346	445,265,852	406,636,346
Due over 9 months but within 12 months		135,292,146	125,209,004	135,292,146	125,209,004
Over 12 months		15,701,423	13,696,487	15,701,423	13,696,487
	9.5	2,530,757,114	2,436,581,468	2,530,757,114	2,436,581,468

9.5 Particulars of hire receivables from customers

In BDT	Consolidated		Company	
	2020	2019	2020	2019
Secured - considered good:				
Debts due within 6 months	1,861,633,529	1,845,198,016	1,861,633,529	1,845,198,016
Debts due over 6 months	596,259,421	545,541,837	596,259,421	545,541,837
	2,457,892,950	2,390,739,853	2,457,892,950	2,390,739,853
Secured - considered doubtful:	72,864,164	45,841,615	72,864,164	45,841,615
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 & other staff of the Company	-	-	-	-
	2,530,757,114	2,436,581,468	2,530,757,114	2,436,581,468

Notes to the Financial Statements (Continued)

10 Cash and cash equivalents

See accounting policy in Note 40 (H)

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Cash in hand	260,898	330,466	91,993	79,435
Cash at bank	170,529,410	165,542,017	168,930,076	164,661,840
Cash in transit	9,126,411	15,839,610	9,126,411	15,839,609
	179,916,718	181,712,093	178,148,480	180,580,885

11 Share capital

<i>In BDT</i>	2020	2019
Authorised:		
250,000,000 ordinary shares of Taka 10 each	2,500,000,000	1,000,000,000
Issued, subscribed and paid up:		
25,670 ordinary shares of Taka 10 each issued for cash	256,700	256,700
102,580 ordinary shares of Taka 10 each issued for consideration other than cash	1,025,800	1,025,800
99,574,588 ordinary shares of Taka 10 each issued as fully paid-up bonus shares	995,745,880	995,745,880
	997,028,380	997,028,380

Shareholding position:	2020		2019	
	No. of share	Value (BDT)	No. of share	Value (BDT)
<i>Name of shareholder</i>				
Retail Holdings Bhold B.V., The Netherlands	36,886,123	368,861,230	36,886,123	368,861,230
Retail Holdings Bhold B.V., The Netherlands - non-remittable shares	19,933,214	199,332,140	19,933,214	199,332,140
Local shareholders	42,883,501	428,835,010	42,883,501	428,835,010
	99,702,838	997,028,380	99,702,838	997,028,380

Beneficial percentage of holdings	2020	2019
	<i>Name of shareholder</i>	
Retail Holdings Bhold B.V., The Netherlands	37.00%	37.00%
Retail Holdings Bhold B.V., The Netherlands - non-remittable shares	20.00%	20.00%
Local shareholders	43.00%	43.00%
	100.00%	100.00%

Classification of shareholders by holding:

Shareholding range	Number of shareholders		Total holding (%)	
	2020	2019	2020	2019
Less than 500 shares	6,509	6,361	1.02	0.96
500 to 5,000 shares	3,041	2,926	4.76	4.59
5,001 to 10,000 shares	255	247	1.80	1.79
10,001 to 20,000 shares	155	145	2.28	2.02
20,001 to 30,000 shares	47	53	1.18	1.31
30,001 to 40,000 shares	37	28	1.33	1.02
40,001 to 50,000 shares	23	18	1.07	0.82
50,001 to 100,000 shares	53	47	3.92	3.44
100,001 to 1,000,000 shares	56	51	14.17	13.81
Over 1,000,000 shares	9	10	68.47	70.22
	10,185	9,886	100.00	100.00

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

Notes to the Financial Statements (Continued)

12 Reserves

<i>In BDT</i>	<i>Note</i>	2020	2019
Revaluation reserve	12.1	547,083,347	550,340,462
Capital reserve	12.2	18,190,942	18,190,942
Non-remittable special capital reserve	12.3	370,178	370,178
Non-distributable special reserve	12.4	232,847	232,847
		565,877,314	569,134,429

12.1 Revaluation reserve

The land of the Company was revalued as of 14 December 2016 by independent professional valuers, Asian Surveyors Ltd, following "current cost method", which was also revalued previously in years 2005, 2008, 2010 and 2012. The revaluation of 2016 resulted in a revaluation surplus of Taka 171,922,000. As per IAS 16 "Property, Plant and Equipment", the difference between charge of depreciation on revalued amount and original cost is required to be transferred from revaluation reserve to retained earnings in order to pay dividend from operating profit since charge of depreciation on revalued amount does not effect the cash flow, etc.

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

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

12.2 Capital reserve

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

12.3 Non-remittable special capital reserve

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

12.4 Non-distributable special reserve

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

13 Deferred tax assets/(liabilities)

See accounting policy in Note 40 (D)

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020	2019	2020	2019
Opening balance		(1,110,395)	26,507,800	43,667,319	45,639,652
Acquisition of business		-	-	-	-
		(1,110,395)	26,507,800	43,667,319	45,639,652
Released/(expense) during the year		51,337,615	(28,931,950)	36,357,545	(3,286,087)
Transferred to retained earnings		1,085,705	1,313,755	1,085,705	1,313,754
		52,423,320	(27,618,195)	37,443,250	(1,972,333)
Closing balance	13.1	51,312,925	(1,110,395)	81,110,569	43,667,319

13.1 Closing balance

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020	2019	2020	2019
Deferred tax assets	13.1.1	129,023,345	352,971,214	102,618,606	304,969,009
Deferred tax liabilities	13.1.2	(77,710,420)	(354,081,609)	(21,508,037)	(261,301,690)
		51,312,925	(1,110,395)	81,110,569	43,667,319

Notes to the Financial Statements (Continued)

13.1.1 Deferred tax assets

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Provision for gratuity	1,699,673	1,166,091	-	-
Reserve against inventories	28,944,213	27,080,272	28,944,213	27,080,272
Reserve for warranty	35,525,541	29,476,317	29,502,987	23,421,861
Provision for bad debts	35,536,348	21,097,067	35,536,348	21,097,067
Unabsorbed depreciation	18,682,512	5,823,106	-	-
Property, plant and equipment	1,354,042	916,312	1,354,042	916,312
Leases	7,281,016	267,412,049	7,281,016	232,453,497
	129,023,345	352,971,214	102,618,606	304,969,009

13.1.2 Deferred tax liabilities

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Provision for gratuity	-	(1,213,165)	-	(1,213,165)
Revaluation of land and building	(21,508,037)	(22,776,222)	(21,508,037)	(22,776,222)
Property, plant and equipment	(55,226,620)	(60,364,154)	-	-
Leases	(975,763)	(269,728,069)	-	(237,312,303)
	(77,710,420)	(354,081,609)	(21,508,037)	(261,301,690)

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

14 Retirement benefit

Gratuity

See accounting policy in Note 40 (O)

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Opening balance		1,520,970	1,923,446	4,852,660	4,239,496
Acquisition of business		-	-	-	-
		1,520,970	1,923,446	4,852,660	4,239,496
Provision for the year		(14,239,641)	(337,396)	(12,023,039)	613,164
		(12,718,671)	1,586,050	(7,170,379)	4,852,660
Payments during the year		18,367,237	(65,080)	18,048,707	-
Closing balance	14.1	5,648,566	1,520,970	10,878,328	4,852,660

14.1 Closing balance

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Opening balance	1,520,970	1,923,446	4,852,660	4,239,496
Acquisition of business	-	-	-	-
	1,520,970	1,923,446	4,852,660	4,239,496
Included in profit or loss				
Current service cost	(13,161,903)	(9,576,545)	(8,324,868)	(8,560,905)
Net interest (expense)/income	11,246,041	9,933,569	411,635	401,968
	(1,915,862)	357,024	(7,913,233)	(8,158,937)
Measurements (loss)/gain	1,915,862	(759,500)	1,915,862	(759,500)
Other				
Contributions paid by the employer	(14,239,641)	-	12,023,039	9,531,601
Benefits paid	18,367,237	-	-	-
	4,127,596	-	12,023,039	9,531,601
Balance at 31 December	5,648,566	1,520,970	10,878,328	4,852,660

Notes to the Financial Statements (Continued)

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

Only Company's information for current and comparative year are presented as subsidiary's gratuity is unfunded.

<i>In BDT</i>	Company	
	2020	2019
Amounts recognised in the statement of financial position		
Defined benefit obligation	(132,449,159)	(127,228,827)
Fair value of plan assets	143,327,487	132,081,487
Net defined benefit plan assets	10,878,328	4,852,660
Change in benefit obligation		
Benefit obligation at end of prior year	(127,228,827)	(119,393,741)
Service cost	(8,324,868)	(8,560,905)
Interest expense	(10,814,450)	(11,342,405)
Benefit payments from plan assets	18,048,707	3,829,238
Experience gain/(loss)	(4,129,721)	8,238,986
Defined benefit obligation at end of year	(132,449,159)	(127,228,827)
Change in fair value of plan assets		
Fair value of plan assets at end of prior year	132,081,487	123,632,521
Interest income	11,226,926	11,745,089
Employer contributions	12,023,039	9,531,601
Benefit payments from plan assets	(18,048,707)	(3,829,238)
Actuarial gains/(losses) on plan assets	6,045,583	(8,998,486)
Fair value of plan assets at end of year	143,328,328	132,081,487
Fair value of plan assets		
Investment	135,479,654	127,166,641
Accrued interest on investment	3,931,641	4,906,828
Cash at bank	3,917,033	8,018
	143,328,328	132,081,487
Components of Defined Benefit Cost (DBO)		
Service cost	8,324,868	8,560,905
Interest expense on DBO	10,814,450	11,342,405
Interest (income) on plan assets	(11,226,926)	(11,745,089)
Defined benefit cost included in profit or loss	7,912,392	8,158,221
Remeasurements (recognised in other comprehensive income-OCI)		
Experience gain/(loss)	(4,129,721)	8,238,986
Actuarial gains/(losses) on plan assets	6,045,583	(8,998,486)
Total remeasurements in OCI	1,915,862	(759,500)
Total defined benefit cost recognised in profit or loss and OCI	5,996,530	8,917,721

15 Other liabilities

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Non-remittable accounts	15.1	1,562,435,491	1,408,949,743	1,562,435,491	1,408,949,743
Security deposits from branch managers, agents and dealers		312,186,330	277,226,939	312,186,330	277,226,939
Warranty - long term portion		39,333,381	37,474,978	39,333,381	37,474,978
		1,913,955,202	1,723,651,660	1,913,955,202	1,723,651,660

15.1 Non-remittable accounts

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Current account	(78)	(78)	(78)	(78)
Dividend account:				
Opening balance	1,408,469,831	1,408,469,831	1,408,469,831	1,408,469,831
Dividend for the year	153,485,748	-	153,485,748	-
Closing balance	1,561,955,579	1,408,469,831	1,561,955,579	1,408,469,831
Capital gain on sale of land	479,990	479,990	479,990	479,990
	1,562,435,491	1,408,949,743	1,562,435,491	1,408,949,743

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

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

Notes to the Financial Statements (Continued)

16 Trade and other payables

See accounting policy in Note 40 (H)

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020	2019	2020	2019
Trade payables	16.1	432,847,652	453,166,958	673,528,013	566,079,664
Other payables	16.2	1,782,180,212	1,906,399,663	1,231,227,410	1,288,777,170
		2,215,027,864	2,359,566,621	1,904,755,423	1,854,856,834

16.1 Trade payables

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Trade payable	379,147,212	419,562,665	619,827,572	532,975,371
Freight and carriage and technicians bills payable	53,700,440	33,604,292	53,700,440	33,104,292
	432,847,652	453,166,958	673,528,013	566,079,664

16.2 Other payables

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020	2019	2020	2019
Payable for expenses	16.2.1	831,945,195	899,750,681	809,656,488	876,073,774
Royalty		371,909,126	365,355,502	314,648,015	315,805,040
Payable for other finance	16.2.2	565,508,026	627,029,914	94,105,042	82,634,790
Leasehold improvements against new shops		12,817,865	14,263,566	12,817,865	14,263,566
		1,782,180,212	1,906,399,663	1,231,227,410	1,288,777,170

16.2.1 Payable for expenses

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Advertisement and sales promotion	252,793,207	291,778,753	252,793,207	291,778,753
Reserve for early closing of hire sales	262,265,321	304,590,027	262,265,321	304,590,027
Shop rent	20,422,400	52,228,988	20,422,400	52,228,988
Warranty expenses	92,081,666	68,456,105	78,678,565	56,212,467
Reserve for allowable loss	51,969,978	36,970,806	51,969,978	36,970,806
Workers' profit participation and welfare fund	58,540,556	77,335,952	58,540,556	75,321,587
Duty and freight	10,458,156	9,958,156	9,958,156	9,958,156
Utilities	6,442,455	6,442,455	5,000,000	5,000,000
Interest	19,340,318	1,634,718	18,100,000	-
Transacting & collecting commission/bonuses	8,994,559	9,829,547	8,994,559	9,829,547
Salary and benefits	26,746,448	28,735,779	26,746,448	28,735,778
Statutory audit fee	1,725,000	1,380,000	1,150,000	805,000
Selling expenses	1,033,311	962,665	1,033,311	962,665
Professional and technical fees	7,835,000	4,391,921	7,835,000	3,680,000
Repair & maintenance	5,127,833	5,054,809	-	-
Insurance and other	6,168,987	-	6,168,987	-
	831,945,195	899,750,681	809,656,488	876,073,774

16.2.2 Payable for other finance

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
VAT payable - realised from customers	6,746,343	7,663,106	7,440,343	8,087,424
Withholding taxes	21,794,425	20,599,995	21,289,318	19,973,495
Advance from customers	17,360,384	14,646,949	17,360,384	14,646,949
Security deposits	-	260,421	-	-
Jiangsu Sonlu Import and Export Co. Ltd.	421,984,158	520,590,167	-	-
Others	97,622,716	63,269,276	48,014,997	39,926,922
	565,508,026	627,029,914	94,105,042	82,634,790

Notes to the Financial Statements (Continued)

17 Short-term borrowings - secured

See accounting policy in Note 40 (H)

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Bank overdrafts/Short-term loan	2,008,486,125	1,961,093,776	1,611,518,744	1,746,861,938

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

<i>In BDT</i>		Consolidated		Company	
		2020	2019	2020	2019
Commercial Bank of Ceylon PLC	Bank overdraft	135,754,782	276,697,101	110,789,571	182,036,976
Pubali Bank Ltd.	Bank overdraft	109,944,575	470,540,858	109,944,575	470,540,858
HSBC	Bank overdraft	209,955,085	231,082,383	109,661,063	138,429,587
Bank-AI-Falah	Bank overdraft	271,190,155	296,373,703	271,190,155	296,373,703
Standard Chartered Bank Ltd.	Bank overdraft	46,494,229	118,866,222	46,494,229	118,866,222
Eastern Bank Ltd.	Bank overdraft	37,191,043	56,242,260	35,264,762	29,406,122
Mutual Trust Bank Ltd.	Bank overdraft	5,049,995	634,621	5,049,995	634,621
City Bank Ltd.	Bank overdraft	56,735,395	-	56,735,395	-
Trust Bank Ltd.	Bank overdraft	-	10,573,849	-	10,573,849
Dhaka Bank Ltd.	Bank overdraft	94,727,748	82,779	-	-
Commercial Bank of Ceylon PLC	Short-term loan	691,054,119	300,000,000	516,000,000	300,000,000
HSBC	Short-term loan	60,389,000	200,000,000	60,389,000	200,000,000
Standard Chartered Bank Ltd.	Short-term loan	120,000,000	-	120,000,000	-
Bank-AI-Falah	Short-term loan	100,000,000	-	100,000,000	-
Pubali Bank Ltd.	Short-term loan	40,000,000	-	40,000,000	-
Trust Bank Ltd.	Short-term loan	30,000,000	-	30,000,000	-
		2,008,486,125	1,961,093,776	1,611,518,744	1,746,861,938

18 Long term debt

Represents long term loan of IAL obtained from Commercial Bank of Ceylon PLC to invest in capital machinery, which will be repaid within six years.

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Non-current portion of long term liability		14,214,569	25,682,777	-	-
Current portion of long term liability		11,468,208	11,468,208	-	-
		25,682,777	37,150,985	-	-

Registered hypothecation of specific imported machinery & equipment were kept as securities to obtain the long term loan from the bank.

19 Current tax assets/(liabilities)

See accounting policy in Note 40 (D)

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Advance income tax	19.1	2,051,088,405	1,559,383,030	1,667,739,997	1,266,591,401
Provision for income tax	19.2	(1,791,938,364)	(1,430,875,895)	(1,717,955,803)	(1,372,949,827)
		259,150,041	128,507,136	(50,215,806)	(106,358,425)

19.1 Advance income tax

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Opening balance	1,559,383,030	1,119,725,295	1,266,591,401	920,881,202
Acquisition of business	-	-	-	-
	1,559,383,030	1,119,725,295	1,266,591,401	920,881,202
Add: Advance income tax paid during the year	491,705,375	439,657,735	401,148,596	345,710,199
Adjustment for completion of prior year tax assessment	-	-	-	-
Closing balance	2,051,088,405	1,559,383,030	1,667,739,997	1,266,591,401

19.2 Provision for income tax

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Opening balance	1,430,875,895	1,021,235,053	1,372,949,827	979,699,875
Acquisition of business	-	-	-	-
	1,430,875,895	1,021,235,053	1,372,949,827	979,699,875
Provision during the year	361,062,470	416,116,006	345,005,976	399,725,116
Adjustment for prior year	-	(6,475,164)	-	(6,475,164)
Adjustment for completion of prior year tax assessment	-	-	-	-
	1,791,938,364	1,430,875,895	1,717,955,803	1,372,949,827

Notes to the Financial Statements (Continued)

20 Turnover

See accounting policy in Note 40 (A)

A. Revenue streams

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Revenue from contracts with customers	15,046,310,754	15,485,235,479	15,046,310,754	15,485,235,479

B. Disaggregation of revenue from contracts with customers

See accounting policy in Note 40 (A)

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Home appliances	10,137,004,561	11,049,796,056	10,137,004,561	11,049,796,056
Consumer electronics	2,590,741,854	2,554,800,768	2,590,741,854	2,554,800,768
Sewing machines	776,860,315	792,425,321	776,860,315	792,425,321
Other appliances	1,537,690,687	919,011,603	1,537,690,687	919,011,603
	15,042,297,417	15,316,033,747	15,042,297,417	15,316,033,747
Furniture	4,013,337	169,201,732	4,013,337	169,201,732
	15,046,310,754	15,485,235,479	15,046,310,754	15,485,235,479

Turnover includes the following:

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Television under consumer electronic	2,573,008,604	2,554,797,720	2,590,741,854	2,554,797,720
Air conditioner under home appliance	1,468,447,159	2,044,155,123	1,479,183,588	2,044,155,123
Furniture	3,649,015	169,201,732	4,013,337	169,201,732
	4,045,104,777	4,768,154,575	4,073,938,779	4,768,154,575

C. Contract balances

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

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Receivables, which are included in 'trade and other receivables'	9	2,347,210,524	2,302,739,844	2,347,210,524	2,302,739,844
		2,347,210,524	2,302,739,844	2,347,210,524	2,302,739,844

D. Performance obligations and revenue recognition policies

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

Information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies described in Note 40 (A).

Notes to the Financial Statements (Continued)

21 Cost of sales

In BDT	Note	Consolidated		Company	
		2020	2019	2020	2019
Opening inventory of raw materials		1,633,660,338	1,258,408,437	1,068,414,900	778,843,982
Acquisition of business		-	-	-	-
		1,633,660,338	1,258,408,437	1,068,414,900	778,843,982
Purchased during the year		10,303,771,103	8,834,182,570	8,053,008,938	6,533,378,529
Closing inventory of raw materials		(1,277,669,401)	(1,633,660,338)	(741,341,068)	(1,068,414,900)
Raw materials consumption	21.1 & 21.2	10,659,762,040	8,458,930,669	8,380,082,770	6,243,807,611
Factory salaries and wages		149,746,067	133,647,876	81,262,868	75,994,648
Freight and carriage		158,806,561	103,760,031	158,719,941	103,670,151
Rent		700,000	-	-	-
Depreciation	3.4	52,994,965	53,568,070	12,168,040	14,608,977
Right-of-use asset depreciation		32,153,580	30,675,604	-	-
Repairs and maintenance		12,810,861	10,265,470	391,612	715,603
Utilities		18,140,314	20,097,273	3,695,481	5,026,445
Bonus		7,567,996	7,127,361	5,191,212	4,932,235
Consumable stores		9,050,903	9,673,050	3,161,403	3,971,619
Gratuity		4,252,510	1,642,279	2,170,318	615,384
Employee benefits and recreation		5,244,338	5,075,857	4,372,899	3,342,744
Contribution to provident fund		3,186,794	3,058,826	2,253,366	2,148,940
Fuel and car maintenance		6,627,883	8,323,799	5,599,914	6,972,227
Insurance		4,587,729	2,988,056	1,437,573	440,746
Stationery		1,826,614	1,742,720	1,508,947	1,404,173
Conveyance and travelling		2,866,302	2,557,837	372,293	728,900
Postage & communication		17,038	291,719	-	-
Miscellaneous		25,920,108	5,723,083	2,959,214	191,807
		496,500,564	400,218,910	285,265,081	224,764,599
Works cost (materials + manufacturing expenses)		11,156,262,605	8,859,149,579	8,665,347,851	6,468,572,210
Opening work-in-process		-	4,370,374	-	4,370,374
Closing work-in-process		-	-	-	-
Cost of production		11,156,262,605	8,863,519,953	8,665,347,851	6,472,942,584
Opening inventory of finished goods		2,873,050,608	2,777,291,618	2,819,790,144	2,662,853,046
Acquisition of business		-	-	-	-
		2,873,050,608	2,777,291,618	2,819,790,144	2,662,853,046
Purchase/production of finished goods		224,376,043	2,364,230,920	2,876,548,777	4,945,452,490
		3,097,426,651	5,141,522,538	5,696,338,921	7,608,305,536
Closing inventory of finished goods	21.3	(3,270,761,975)	(2,873,050,608)	(3,258,772,315)	(2,819,790,144)
Cost of sales		10,982,927,281	11,131,991,883	11,102,914,457	11,261,457,976

21.1 Raw materials consumption-consolidated

In BDT	Balance at 1 Jan 2020	Purchases during the year	Balance at 31 Dec 2020	Consumption during the year
<u>Imported</u>				
Television	98,003,831	1,232,181,707	(82,005,618)	1,248,179,920
Air conditioner	145,063,796	1,098,066,090	(18,667,945)	1,224,461,941
Refrigerator	565,245,438	2,250,762,165	(536,328,333)	2,279,679,270
Others	823,676,156	5,722,601,457	(638,836,704)	5,907,440,909
	1,631,989,221	10,303,611,420	(1,275,838,600)	10,659,762,040
<u>Locally procured</u>				
Furniture	1,671,117	159,729	(1,830,846)	-
Television, Refrigerator and Other	-	-	-	-
	1,671,117	159,729	(1,830,846)	-
	1,633,660,338	10,303,771,149	(1,277,669,446)	10,659,762,040

Notes to the Financial Statements (Continued)

21.2 Raw materials consumption-company

<i>In BDT</i>	Balance at 1 Jan 2020	Purchases during the year	Balance at 31 Dec 2020	Consumption during the year
<i>Imported</i>				
Television	98,003,831	1,232,181,707	(82,005,618)	1,248,179,920
Air conditioner	145,063,796	1,098,066,090	(18,667,945)	1,224,461,941
Others	823,676,156	5,722,601,457	(638,836,704)	5,907,440,909
	1,066,743,783	8,052,849,255	(739,510,267)	8,380,082,770
<i>Locally procured</i>				
Furniture	1,671,117	159,729	(1,830,846)	-
	1,671,117	159,729	(1,830,846)	-
	1,068,414,900	8,053,008,984	(741,341,113)	8,380,082,770

21.3 Closing stock of finished goods

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Home appliance	2,386,955,286	1,893,230,578	2,374,965,626	1,839,970,189
Consumer electronic	308,596,588	352,105,340	308,596,588	352,105,341
Sewing	110,275,380	179,319,999	110,275,380	179,319,999
Furniture	1,690,788	10,530,174	1,690,788	10,530,174
Other	463,243,933	437,864,516	463,243,933	437,864,441
	3,270,761,975	2,873,050,608	3,258,772,315	2,819,790,144

22 Operating expenses

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Advertisement and sales promotion	22.1	544,188,280	702,241,898	544,188,280	702,241,898
Shop operating expenses		470,748,035	459,188,314	470,748,035	459,188,314
Salaries and allowances		432,134,741	342,761,720	412,977,866	337,721,362
Rent and occupancy		35,913,868	55,509,476	35,913,868	55,509,476
Royalty	22.2 & 22.3	173,256,380	198,654,471	144,082,480	170,565,535
Warranty		223,687,845	160,182,284	223,687,845	160,182,284
Utilities		53,326,503	59,388,783	53,322,903	59,385,483
Depreciation	3.4	63,291,700	59,106,709	63,271,347	59,083,263
Right-of-use asset depreciation		238,732,256	212,555,103	238,732,256	212,555,103
Bad debts		85,838,216	58,994,317	85,838,216	58,994,317
Office administration		56,949,183	63,895,568	56,880,279	63,813,570
Repairs and maintenance		52,386,235	48,746,799	52,386,235	48,724,299
Directors' fee and remuneration	22.4	28,719,516	27,115,802	28,666,716	27,070,202
Travelling		31,636,388	50,749,532	31,620,965	50,722,520
Amortisation	4	6,007,177	7,264,894	5,965,998	7,252,882
Bank charge		26,682,243	25,449,268	25,334,278	23,824,623
Insurance		7,238,251	4,489,122	7,238,251	4,489,123
Fuel and car maintenance		2,832,399	4,128,099	2,832,399	4,128,099
Professional and technical fees	22.5	12,196,333	7,599,653	9,767,724	6,887,732
Entertainment		4,043,140	6,880,206	4,043,140	6,880,204
Statutory audit fee		1,725,000	1,380,000	1,150,000	805,000
Dues and subscription		751,410	638,084	590,260	494,584
Demurrage cost**		84,582,767	-	25,397,576	-
		2,636,867,866	2,556,920,102	2,524,636,917	2,520,519,873

**Due to country wide lockdown for COVID-19 pandemic, demurrage cost was paid for delay in port clearance.

22.1 Advertisement and sales promotion

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Advertisement	172,256,344	269,326,760	172,256,344	269,326,760
Selling expenses	319,879,830	293,194,652	319,879,830	293,194,652
Sales promotion	27,198,293	69,280,486	27,198,293	69,280,486
Meeting & conference expenses	24,853,813	70,440,000	24,853,813	70,440,000
	544,188,280	702,241,898	544,188,280	702,241,898

Notes to the Financial Statements (Continued)

22.2 Royalty-consolidated

Retail Holdings Asia B.V.

Manufactured products In BDT	Turnover from manufacturing units		Royalty charge for the year	
	2020	2019	2020	2019
Audio-video sets (television)	-	521,140,603	-	19,542,773
Air conditioner	-	199,253,143	-	7,471,993
Furniture	-	94,214,826	-	3,533,056
Refrigerator	-	613,929,684	-	6,753,227
	-	1,428,538,256	-	37,301,049

Retail Holdings Bhold B.V.

Manufactured products In BDT	Turnover from manufacturing units		Royalty charge for the year	
	2020	2019	2020	2019
Audio-video sets (television)	2,382,254,538	1,893,372,135	89,334,545	71,001,455
Air conditioner	1,456,301,886	1,767,153,236	54,611,321	66,268,246
Furniture	3,643,033	73,280,303	136,614	2,748,011
Refrigerator	2,652,172,729	1,939,609,987	29,173,900	21,335,710
	6,494,372,185	5,673,415,661	173,256,380	161,353,422

Royalty was charged on the net annual invoice price of products manufactured by Singer Bangladesh Limited @ 3.75% on audio-video sets, air conditioner and furniture and International Appliances Limited @ 1.1% on refrigerator for the year 2020.

22.3 Royalty-company

Retail Holdings Asia B.V.

Manufactured products In BDT	Turnover from manufacturing units		Royalty charge for the year	
	2020	2019	2020	2019
Audio-video sets (television)	-	521,140,603	-	19,542,773
Air conditioner	-	199,253,143	-	7,471,993
Furniture	-	94,214,826	-	3,533,056
	-	814,608,572	-	30,547,822

Retail Holdings Bhold B.V.

Manufactured products In BDT	Turnover from manufacturing units		Royalty charge for the year	
	2020	2019	2020	2019
Audio-video sets (television)	2,382,254,538	1,893,372,135	89,334,545	71,001,455
Air conditioner	1,456,301,886	1,767,153,236	54,611,321	66,268,247
Furniture	3,643,033	73,280,303	136,614	2,748,011
	3,842,199,456	3,733,805,674	144,082,480	140,017,713

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

22.4 Director's fee and remuneration

In BDT	Consolidated		Company	
	2020	2019	2020	2019
Remuneration	25,725,755	21,930,134	25,725,755	21,930,134
Housing	1,051,512	1,990,362	1,051,512	1,990,362
Medical and welfare	1,604,824	2,885,206	1,604,824	2,885,206
Fees	337,425	310,100	284,625	264,500
	28,719,516	27,115,802	28,666,716	27,070,202

22.5 Professional and technical fees

In BDT	Consolidated		Company	
	2020	2019	2020	2019
Legal and technical services fees	5,269,583	3,762,153	2,970,974	3,150,232
IFRS audit fees	-	460,000	-	460,000
Audit and other consultancy	6,926,750	3,377,500	6,796,750	3,277,500
	12,196,333	7,599,653	9,767,724	6,887,732

23 Net finance costs

In BDT	Consolidated		Company	
	2020	2019	2020	2019
Finance income	90,034	307,831	90,034	307,831
Interest expenses on borrowings	(339,298,242)	(314,889,517)	(296,367,966)	(262,381,733)
Interest expenses on leases	(104,556,743)	(88,741,942)	(95,662,522)	(77,851,810)
Finance costs	(443,854,985)	(403,631,459)	(392,030,488)	(340,233,543)
	(443,764,951)	(403,323,628)	(391,940,454)	(339,925,712)

Notes to the Financial Statements (Continued)

24 Other income/(loss)

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

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Sale of scrapped inventories and others	11,986,657	11,608,607	266,000	201,000
Dividend income from CDBL	856,772	1,427,953	856,772	1,427,953
Gain/(loss) on sale of fixed assets	(5,897,693)	(2,886,203)	(5,897,693)	(2,886,203)
Fire loss of inventory	-	(37,163,460)	-	(37,163,460)
Hire agreement fees	118,307,541	136,937,147	118,307,541	136,937,147
Reverts product sale	19,168,668	19,629,218	19,168,668	19,629,218
Income from financial & related services	2,704,894	5,153,084	2,704,894	5,153,084
Foreign exchange gain/(loss)	18,491,941	-	6,303,122	-
Other	2,284,363	20,002,084	2,284,363	19,801,084
	167,903,143	154,708,430	143,993,667	143,099,823

25 Contribution to workers' profit participation fund

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

26 Income tax expense

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Current tax expense	19.2	361,062,470	416,116,006	345,005,976	399,725,116
Adjustments in the period for current tax of prior periods		-	(6,475,164)	-	(6,475,164)
Deferred tax expense/(income) relating to origination and reversal of temporary differences		(51,337,615)	28,931,950	(36,357,545)	3,286,087
Deferred tax expense/(income) relating to changes in tax rates or the imposition of new taxes		-	-	-	-
		309,724,855	438,572,792	308,648,431	396,536,039

26.1 Reconciliation of effective tax rate

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
		Percentage	BDT	Percentage	BDT
Profit before tax			1,092,113,170		1,112,271,963
Tax using the Company's tax rate		25.23%	275,593,791	25.00%	278,067,991
Tax effect of:					
Provision for non-deductible expenses		2.05%	22,346,084	1.94%	21,560,000
Adjustments / provision released during the year		1.32%	14,439,281	1.30%	14,439,281
Other components of tax as per Income Tax Ordinance 1984		5.50%	60,064,086	2.78%	30,938,705
Temporary differences		-4.70%	(51,337,615)	-3.27%	(36,357,545)
Adjusted unabsorbed depreciation		-1.04%	(11,380,772)	0.00%	-
		28.36%	309,724,855	27.75%	308,648,431

<i>In BDT</i>	Note	Consolidated		Company	
		2019	2019	2019	2019
		Percentage	BDT	Percentage	BDT
Profit before tax			1,470,372,345		1,431,110,154
Tax using the Company's tax rate		26.36%	387,563,950	25.00%	357,777,539
Tax effect of:					
Provision for non-deductible expenses		1.38%	20,221,552	1.35%	19,375,000
Adjustments / provision released during the year		1.15%	16,907,716	0.51%	7,257,482
Other components of tax as per Income Tax Ordinance 1984		0.60%	8,839,932	0.62%	8,839,932
Temporary differences		1.97%	28,931,950	0.23%	3,286,087
Adjusted unabsorbed depreciation		-1.62%	(23,892,308)	0.00%	-
		29.83%	438,572,792	27.71%	396,536,039

Notes to the Financial Statements (Continued)

26.2 Related tax-Company & Consolidated

In BDT	2020		
	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurement of defined benefit liability	1,915,862	(478,966)	1,436,897
	1,915,862	(478,966)	1,436,897
In BDT	2019		
	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurement of defined benefit liability	(759,500)	189,875	(569,625)
	(759,500)	189,875	(569,625)

27 Contingencies and commitments

27.1 Commitments

In BDT	Consolidated		Company	
	2020	2019	2020	2019
Letters of credit	2,862,768,863	1,976,345,888	2,357,296,504	1,559,645,749
Lease hold improvements	-	4,785,050	-	4,785,050
Furniture & fixtures	-	2,000,000	-	2,000,000
Computer & equipment	-	2,726,670	-	2,726,670
	2,862,768,863	1,985,857,608	2,357,296,504	1,569,157,469

The letters of credit were outstanding as at 31 December 2020 against which the Company is committed to purchase products from different companies.

27.2 Contingent liabilities

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

	Consolidated		Company	
	2020	2019	2020	2019
(i) Claims against the Company not acknowledged as debts	5,006,676	5,006,676	5,006,676	5,006,676
(ii) Uncalled liability on partly paid shares/ arrears of fixed cumulative dividends on preference shares	-	-	-	-
(iii) Aggregate amount of contracts for capital expenditure remaining to be executed and not provided for	-	-	-	-
(iv) Aggregate amount of any guarantees given by the Company on behalf of directors, managing directors, or other officers of the company	-	-	-	-
(v) Money for which the Company is contingently liable for any guarantees given by banks	23,506,169	21,815,526	22,756,169	21,065,526
	28,512,846	26,822,202	27,762,846	26,072,202

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

28 Capacity utilisation

28.1 Capacity utilisation-consolidated

Production	Measurement unit	In units			% of utilisation
		Annual installed capacity	Utilisation during the period	Over/(Under) utilisation	
Panel television	Number	170,000	134,846	(35,154)	79.3
Air conditioner	Sets	30,000	41,141	11,141	137.1
Refrigerator	Number	132,000	141,703	9,703	107.4

28.2 Capacity utilisation-company

Production	Measurement unit	In units			% of utilisation
		Annual installed capacity	Utilisation during the period	Over/(Under) utilisation	
Panel television	Number	170,000	134,846	(35,154)	79.3
Air conditioner	Sets	30,000	41,141	11,141	137.1

Notes to the Financial Statements (Continued)

29 Number of employees

	Consolidated		Company	
	2020	2019	2020	2019
The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 and above.	1,767	1,836	1,432	1,348

30 Remittance in foreign currency

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

	Name of party	Amount (BDT)	Equivalent (USD)
Dividend, for the year 2019 (final)	Retail Holdings Bhold B.V.	255,620,832	3,000,245

31 Earnings per share (EPS)

31.1 Basic earnings per share

	Consolidated		Company	
	2020	2019	2020	2019
Earnings attributable to the ordinary shareholders	782,388,315	1,031,799,553	803,623,532	1,034,574,115
Weighted average number of ordinary shares outstanding	99,702,838	99,702,838	99,702,838	99,702,838
Basic earnings per share	7.85	10.35	8.06	10.38

Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2020 in terms of International Accounting Standard (IAS-33). For comparative year (i.e. 2019) the same no of ordinary shares outstanding were used to compute basic EPS, as 77% cash dividend was declared for the year ended 31 December 2019. Details of share issue has been shown in Annexure - 2.

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 period.

32 Financial risk management

32.1 Financial risk management-consolidated

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

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

32.1.1 Credit risk

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

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

The maximum exposure to credit risk (note 32.1.1.1) is represented by the carrying amount of each financial asset in the statement of financial position.

Notes to the Financial Statements (Continued)

32.1.1.1 Exposure to credit risk

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

<i>In BDT</i>	2020	2019
Loans and receivables	2,477,596,446	2,471,880,052
Deposits	29,524,644	29,432,145
Cash and cash equivalents	179,916,718	181,712,093
	2,687,037,808	2,683,024,290

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

<i>In BDT</i>	2020	2019
Domestic	2,477,596,446	2,471,880,052

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

<i>In BDT</i>	2020	2019
Retail customers	2,153,043,022	2,100,606,310
Wholesale customers	194,167,502	202,133,534
Others	130,385,922	169,140,208
	2,477,596,446	2,471,880,052

32.1.1.2 Impairment loss

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

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

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

<i>In BDT</i>	Gross 2019	Impairment 2019
Not past due	1,861,826,518	2,646,706
Past due 1-30 days	384,347,078	2,317,934
Past due 31-120 days	134,411,514	15,827,864
Past due 121-365 days	44,376,314	53,158,479
More than one year	11,620,044	10,437,285
	2,436,581,468	84,388,268

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

<i>In BDT</i>	2020	2019
Opening balance	84,388,268	55,358,342
Allowance recognised for the year	85,838,216	58,994,317
	170,226,484	114,352,659
Allowance written off for the year	(28,081,093)	(29,964,391)
Closing balance	142,145,391	84,388,268

Notes to the Financial Statements (Continued)

Expected credit loss (ECL) assessment

There is no single specific method of measuring the expected credit loss prescribed in IFRS 9. The Group follows "simplified approach" of measuring the expected credit loss prescribed in IFRS 9. Lifetime expected credit loss, for the outstanding trade receivables at the reporting date, has been calculated considering the business model of the Group. IFRS 9 permits using a few practical expedients and one of them is a provision matrix which is a calculation of the impairment loss based on the default rate percentage applied to the group of financial assets. Two important factors under loss rate approach are- finding out historical default/loss rate and forward looking information.

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

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

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

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

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

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

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

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

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

Due to COVID-19 pandemic, collections have been slowed down during the nation wide lockdown period and showing signs of improvement after that (i.e. during the 3rd and 4th quarter of the year). Despite the improvement of collections, owing to COVID-19 pandemic, the unemployment rate has increased and economic activities have been affected with evidence of starting slow recovery. These have triggered the risks of increased default losses and the Group assumes the loss can be increased by 20% (from its historical loss rate), because of the reasons explained above.

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

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

The ECL method is applied prospectively from current year.

Notes to the Financial Statements (Continued)

32.1.2 Liquidity risk

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

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

<i>In BDT</i>	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
As at 31 December 2020							
Non-derivative financial liabilities:							
Bank overdrafts/Short-term loan	2,008,486,125	2,060,437,849	1,138,919,847	921,518,003	-	-	-
Long-term liability	25,682,777	42,846,102	7,356,892	7,085,505	25,618,794	2,784,911	-
Trade and other payables	2,215,027,864	2,215,027,864	2,041,771,484	173,256,380	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	4,249,196,766	4,318,311,815	3,188,048,223	1,101,859,888	25,618,794	2,784,911	-
As at 31 December 2019							
Non-derivative financial liabilities:							
Bank overdraft	1,961,093,776	2,025,283,633	1,308,413,994	716,869,639	-	-	-
Long-term liability	37,150,985	42,846,102	7,356,892	7,085,505	25,618,794	2,784,911	-
Trade and other payables	2,386,901,238	2,386,901,238	2,188,246,767	198,654,471	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	4,385,145,999	4,455,030,973	3,504,017,653	922,609,615	25,618,794	2,784,911	-

32.1.3 Market risk

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

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

Notes to the Financial Statements (Continued)

32.1.3.1 Interest rate risk

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

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

<i>In BDT</i>	2020	2019
Fixed rate instruments		
Fixed rate deposits at financial institution	-	-
Fixed rate loans and receivable (net hire receivable)	2,225,907,186	2,146,447,925
Other fixed rate instruments (assets)	-	-
Financial assets	2,225,907,186	2,146,447,925
Fixed rate bank overdraft	-	-
Fixed rate loans	25,682,777	37,150,985
Fixed rate debentures	-	-
Fixed rate promissory notes	-	-
Lease liabilities	-	-
Other fixed rate liabilities	-	-
Financial liabilities	25,682,777	37,150,985
Variable rate instruments		
Variable rate deposits at financial institution	-	-
Variable rate loans and receivable	-	-
Other variable rate instruments (assets)	-	-
Financial assets	-	-
Variable rate bank overdraft	2,008,486,125	1,961,093,776
Variable rate loans	-	-
Variable rate debentures	-	-
Variable rate promissory notes	-	-
Other variable rate liabilities	308,169,540	274,205,948
Financial liabilities	2,316,655,665	2,235,299,724

32.1.3.2 Cash flow sensitivity analysis for variable rate instruments 2020

A change of 100 basis points in interest rates for other variable rate liabilities which comprise the security deposit from employees and shop managers, in 2020 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

<i>In BDT</i>	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2020				
Other variable rate liabilities	(3,081,695)	3,081,695	(3,081,695)	3,081,695
Cash flow sensitivity	(3,081,695)	3,081,695	(3,081,695)	3,081,695

32.1.3.3 Cash flow sensitivity analysis for variable rate instruments 2019

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 2019 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

<i>In BDT</i>	Profit or loss		Equity	
	200 bp increase	200 bp decrease	200 bp increase	200 bp decrease
31 December 2019				
Other variable rate liabilities	(5,484,119)	5,484,119	(5,484,119)	5,484,119
Cash flow sensitivity	(5,484,119)	5,484,119	(5,484,119)	5,484,119

Notes to the Financial Statements (Continued)

32.1.3.4 Foreign Currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. Other non recurring exposures consist of payable to IFS authority due to developing the ERP system of the Group and payable to Shanghai Sonlu Shangjing Enterprise Group Co. Ltd. due to supply of capital machinery of the company.

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

<i>In USD</i>	2020	2019
Accounts payable trade	5,816,544	6,771,881

<i>In EUR</i>	2020	2019
Accounts payable trade	-	10,275

The following significant exchange rates are applied during the year:

<i>In BDT</i>	2020	2019
US Dollar	84.98	85.75
EURO	0.00	96.40

32.1.3.5 Foreign exchange rate sensitivity analysis for foreign currency expenditures

Foreign exchange rate sensitivity is calculated on the basis of impact of change of 100 basis points in foreign exchange rates. This analysis presents the probable weakening of BDT against US Dollar and the possibility that the profit or loss and the equity would have increased/(decreased) assuming all other variables, in particular interest rates remain constant. As per current practice, foreign exchange rate sensitivity analysis is done once at the end of the year. Result of the assessment is summarised below.

<i>In BDT</i>	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2020				
Expenditures denominated in USD	(4,942,608)	4,942,608	(4,942,608)	4,942,608
Exchange rate sensitivity	(4,942,608)	4,942,608	(4,942,608)	4,942,608

<i>In BDT</i>	Profit or loss		Equity	
	500 bp increase	500 bp decrease	500 bp increase	500 bp decrease
31 December 2019				
Expenditures denominated in USD	(29,083,967)	29,083,967	(29,083,967)	29,083,967
Exchange rate sensitivity	(29,083,967)	29,083,967	(29,083,967)	29,083,967

32.2 Financial risk management-company

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

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

32.2.1 Credit risk

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

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

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

Notes to the Financial Statements (Continued)

32.2.1.1 Exposure to credit risk

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

<i>In BDT</i>	2020	2019
Loans and receivables	2,538,977,929	2,513,546,473
Deposits	23,092,797	23,160,298
Cash and cash equivalents	178,148,480	180,580,885
	2,740,219,206	2,717,287,656

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

<i>In BDT</i>	2020	2019
Domestic	2,538,977,929	2,513,546,473

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

<i>In BDT</i>	2020	2019
Retail customers	2,153,043,022	2,100,606,310
Wholesale customers	194,167,502	202,133,534
Others	191,767,405	210,806,629
	2,538,977,929	2,513,546,473

32.2.1.2 Impairment loss

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

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

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

<i>In BDT</i>	Gross 2019	Impairment 2019
Not past due	1,861,826,518	2,646,706
Past due 1-30 days	384,347,078	2,317,934
Past due 31-120 days	134,411,514	15,827,864
Past due 121-365 days	44,376,314	53,158,479
More than one year	11,620,044	10,437,285
	2,436,581,468	84,388,268

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

<i>In BDT</i>	2020	2019
Opening balance	84,388,268	55,358,342
Allowance recognised for the year	85,838,216	58,994,317
	170,226,484	114,352,659
Allowance written off for the year	(28,081,093)	(29,964,391)
Closing balance	142,145,391	84,388,268

Notes to the Financial Statements (Continued)

Expected credit loss (ECL) assessment

There is no single specific method of measuring the expected credit loss prescribed in IFRS 9. The Company follows "simplified approach" of measuring the expected credit loss prescribed in IFRS 9. Lifetime expected credit loss, for the outstanding trade receivables at the reporting date, has been calculated considering the business model of the Company. IFRS 9 permits using a few practical expedients and one of them is a provision matrix which is a calculation of the impairment loss based on the default rate percentage applied to the group of financial assets. Two important factors under loss rate approach are- finding out historical default/loss rate and forward looking information.

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

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

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

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

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

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

Due to COVID-19 pandemic, collections have been slowed down during the nation wide lockdown period and showing signs of improvement after that (i.e. during the 3rd and 4th quarter of the year). Despite the improvement of collections, owing to COVID-19 pandemic, the unemployment rate has increased and economic activities have been affected with evidence of starting slow recovery. These have triggered the risks of increased default losses and the Company assumes the loss can be increased by 20% (from its historical loss rate), because of the reasons explained above.

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

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

The ECL method is applied prospectively from current year.

32.2.2 Liquidity risk

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

Notes to the Financial Statements (Continued)

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

<i>In BDT</i>	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
As at 31 December 2020							
Non-derivative financial liabilities:							
Bank overdrafts/Short-term loan	1,611,518,744	1,648,269,333	1,011,161,129	637,108,205	-	-	-
Trade and other payables	1,904,755,423	1,904,755,423	1,760,672,943	144,082,480	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	3,516,274,167	3,553,024,756	2,771,834,072	781,190,685	-	-	-
As at 31 December 2019							
Non-derivative financial liabilities:							
Bank overdraft	1,746,861,938	1,806,002,381	1,118,101,747	687,900,634	-	-	-
Trade and other payables	1,882,191,451	1,882,191,451	1,711,625,916	170,565,535	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	3,629,053,389	3,688,193,832	2,829,727,663	858,466,169	-	-	-

32.2.3 Market risk

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

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

32.2.3.1 Interest rate risk

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

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

<i>In BDT</i>	2020	2019
Fixed rate instruments		
Fixed rate deposits at financial institution	-	-
Fixed rate loans and receivable (net hire receivable)	2,225,907,186	2,146,447,925
Other fixed rate instruments (assets)	-	-
Financial assets	2,225,907,186	2,146,447,925
Fixed rate bank overdraft	-	-
Fixed rate loans	-	-
Fixed rate debentures	-	-
Fixed rate promissory notes	-	-
Lease liabilities	-	-
Other fixed rate liabilities	-	-
Financial liabilities	-	-
Variable rate instruments		
Variable rate deposits at financial institution	-	-
Variable rate loans and receivable	-	-
Other variable rate instruments (assets)	-	-
Financial assets	-	-
Variable rate bank overdraft	1,611,518,744	1,746,861,938
Variable rate loans	-	-
Variable rate debentures	-	-
Variable rate promissory notes	-	-
Other variable rate liabilities	308,169,540	274,205,948
Financial liabilities	1,919,688,284	2,021,067,886

Notes to the Financial Statements (Continued)

32.2.3.2 Cash flow sensitivity analysis for variable rate instruments 2020

A change of 100 basis points in interest rates for other variable rate liabilities which comprise the security deposit from employees and shop managers, in 2020 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

<i>In BDT</i>	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2020				
Other variable rate liabilities	(3,081,695)	3,081,695	(3,081,695)	3,081,695
Cash flow sensitivity	(3,081,695)	3,081,695	(3,081,695)	3,081,695

32.2.3.3 Cash flow sensitivity analysis for variable rate instruments 2019

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 2019 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

<i>In BDT</i>	Profit or loss		Equity	
	200 bp increase	200 bp decrease	200 bp increase	200 bp decrease
31 December 2019				
Other variable rate liabilities	(5,484,119)	5,484,119	(5,484,119)	5,484,119
Cash flow sensitivity	(5,484,119)	5,484,119	(5,484,119)	5,484,119

32.2.3.4 Foreign Currency risk

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

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

<i>In USD</i>	2020	2019
Accounts payable trade	3,347,549	4,498,615

<i>In EUR</i>	2020	2019
Accounts payable trade	-	10,275

The following significant exchange rates are applied during the year:

<i>In BDT</i>	2020	2019
US Dollar	84.95	85.75
EURO	0.00	96.40

32.2.3.5 Foreign exchange rate sensitivity analysis for foreign currency expenditures

Foreign exchange rate sensitivity is calculated on the basis of impact of change of 100 basis points in foreign exchange rates. This analysis presents the probable weakening of BDT against US Dollar and the possibility that the profit or loss and the equity would have increased/(decreased) assuming all other variables, in particular interest rates remain constant. As per current practice, foreign exchange rate sensitivity analysis is done once at the end of the year. Result of the assessment is summarised below.

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

<i>In BDT</i>	Profit or loss		Equity	
	500 bp increase	500 bp decrease	500 bp increase	500 bp decrease
31 December 2019				
Expenditures denominated in USD	(19,337,340)	19,337,340	(19,337,340)	19,337,340
Exchange rate sensitivity	(19,337,340)	19,337,340	(19,337,340)	19,337,340

Notes to the Financial Statements (Continued)

33 Determination of fair value

33.1 Determination of fair value-consolidated

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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

Fair values versus carrying amounts

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

<i>In BDT</i>	Carrying amount 2020	Fair value 2020	Carrying amount 2019	Fair value 2019
Assets carried at fair value				
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets held for trading	-	-	-	-
Assets carried at amortised cost				
Loans and receivables	2,477,596,446	2,355,519,601	2,471,880,052	2,331,925,740
Cash and cash equivalents	179,916,718	179,916,718	181,712,093	181,712,093
	2,657,513,164	2,535,436,319	2,653,592,145	2,513,637,833
Liabilities carried at fair value				
Interest rate swaps used for hedges	-	-	-	-
Forward exchange contracts used for hedging	-	-	-	-
Liabilities carried at amortised cost				
Secured bank loans	-	-	-	-
Trade and other payables	2,215,027,864	N/A*	2,359,566,621	N/A*
Bank overdraft	2,008,486,125	2,008,486,125	1,961,093,776	1,961,093,776
	4,223,513,989	2,008,486,125	4,320,660,397	1,961,093,776

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:

	2020		2019	
	From %	To %	From %	To %
Derivatives	-	-	-	-
Receivable under hire purchase	-	-	-	-
Loans and borrowings	-	-	-	-
Finance lease liabilities	-	-	-	-

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

Notes to the Financial Statements (Continued)

33.2 Determination of fair value-company

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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

Fair values versus carrying amounts

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

<i>In BDT</i>	Carrying amount 2020	Fair value 2020	Carrying amount 2019	Fair value 2019
Assets carried at fair value				
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets held for trading	-	-	-	-
Assets carried at amortised cost				
Loans and receivables	2,538,977,929	2,355,519,601	2,513,546,473	2,331,925,740
Cash and cash equivalents	178,148,480	178,148,480	180,580,885	180,580,885
	2,717,126,409	2,533,668,081	2,694,127,358	2,512,506,624

<i>In BDT</i>	Carrying amount 2020	Fair value 2020	Carrying amount 2019	Fair value 2019
Liabilities carried at fair value				
Interest rate swaps used for hedges	-	-	-	-
Forward exchange contracts used for hedging	-	-	-	-
Liabilities carried at amortised cost				
Secured bank loans	-	-	-	-
Trade and other payables	1,904,755,423	N/A*	1,854,856,834	N/A*
Bank overdraft	1,611,518,744	1,611,518,744	1,746,861,938	1,746,861,938
	3,516,274,167	1,611,518,744	3,601,718,772	1,746,861,938

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:

	2020		2019	
	From %	To %	From %	To %
Derivatives	-	-	-	-
Receivable under hire purchase	-	-	-	-
Loans and borrowings	-	-	-	-
Finance lease liabilities	-	-	-	-

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

34 Capital management

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

Notes to the Financial Statements (Continued)

35 Related parties

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

35.1 Parent and ultimate controlling party

Singer Bangladesh Limited (the Company) is a direct subsidiary of Retail Holdings Bhold B.V., The Netherlands (formerly Singer Bhold B.V., The Netherlands) since 2003, which holds 57% of the total shares issued.

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

35.2 Transactions with key management personnel

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

a) Short-term employee benefit

In BDT	Consolidated		Company	
	2020	2019	2020	2019
Remuneration	25,725,755	21,930,134	25,725,755	21,930,134
Housing	1,051,512	1,990,362	1,051,512	1,990,362
Medical and welfare	1,604,824	2,885,206	1,604,824	2,885,206
Board meeting fees	337,425	310,100	284,625	264,500
	28,719,516	27,115,802	28,666,716	27,070,202
b) Post employment benefit	-	-	-	-
c) Other long-term benefit	-	-	-	-
d) Termination benefit	-	-	-	-
e) Share-based payment	-	-	-	-
	28,719,516	27,115,802	28,666,716	27,070,202

35.3 Other related party transactions

Read this note in conjunction with note no. 22.4.

In BDT	Name of related parties	Relationship	Nature of transaction	Consolidated		Company	
				2020	2019	2020	2019
	Arcelik A.S.	Ultimate parent	Procurement of products	69,282,825	-	69,282,825	41,353,694
	BEKO Electrical Appliances Co. Ltd.	Subsidiary of ultimate parent	Procurement of products	-	-	-	3,491,578
	BEKO Thai Co. Ltd.	Subsidiary of ultimate parent	Procurement of products	199,750,888	-	199,750,888	145,612,400
	Defy Appliances (pvt) Ltd	Subsidiary of ultimate parent	Procurement of products	17,669,252	-	17,669,252	-
	Dawlance (Private) Limited	Subsidiary of ultimate parent	Procurement of products	2,914,726	-	2,914,726	-
	Retail Holdings Asia B.V.	Subsidiary of former ultimate parent	Royalty payment	166,701,032	135,234,086	145,239,505	119,174,918
	International Appliances Limited	Subsidiary of Singer	Procurement of products	-	-	2,652,172,729	2,553,539,671
	International Appliances Limited	Subsidiary of Singer	Current account	-	-	17,130,477	103,617,402

Notes to the Financial Statements (Continued)

35.3.1 Related party receivable/(payable)

<i>In BDT</i>			Consolidated		Company	
Name of related parties	Relationship	Nature of transaction	2020	2019	2020	2019
Arcelik A.S.	Ultimate parent	Payable for inventory	-	-	-	(990,519)
Arcelik A.S.	Ultimate parent	Other payable	(6,168,987)	-	(6,168,987)	(661,050)
Arcelik A.S.	Ultimate parent	Other receivable	-	2,515,043	-	2,515,043
BEKO Thai Co. Ltd.	Subsidiary of ultimate parent	Payable for inventory	-	-	-	-
Retail Holdings Asia B.V.	Subsidiary of former ultimate parent	Royalty payable Current account	(37,301,049)	(204,002,080)	(30,547,822)	(175,787,327)
Retail Holdings Bhold B.V., The Netherlands	Parent company	Royalty payable Current account	(334,608,077)	(161,353,422)	(284,100,193)	(140,017,713)
Retail Holdings Bhold B.V., The Netherlands	Parent company	Current account	2,158,465	-	2,158,465	2,158,465
International Appliances Limited	Subsidiary of Singer	Procurement of products	-	-	(240,680,360)	(113,412,705)
International Appliances Limited	Subsidiary of Singer	Current account	-	-	59,127,375	41,996,871

36 Net asset value (NAV) per share

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Total assets	10,424,395,142	10,331,678,691	9,912,765,611	9,806,371,505
Total liability	(7,215,121,007)	(7,139,603,617)	(6,456,837,290)	(6,388,877,463)
Net assets value	3,209,274,135	3,192,075,074	3,455,928,321	3,417,494,042
Number of shares used to compute NAV	99,702,838	99,702,838	99,702,838	99,702,838
Net asset value (NAV) per share	32.19	32.02	34.66	34.28

37 Reconciliation of net income with cashflows from operating activities

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Net income	782,388,315	1,031,799,553	803,623,532	1,034,574,115
Add/(deduct) for noncash items:				
Depreciation & amortization	393,179,676	363,170,381	320,137,642	293,500,229
(Gain) / loss on sale of property, plant and equipment	5,897,693	2,886,203	5,897,693	2,886,203
Deferred tax expenses/(income)	51,337,615	-	36,357,545	-
Tax expenses	309,724,855	438,572,792	308,648,431	396,536,039
Finance expenses/(Income)	443,854,985	403,631,459	392,030,488	340,233,543
Changes in:				
(Increase)/Decrease in deposits and prepayments	6,704,312	301,483,049	67,500	302,647,381
(Increase)/Decrease in inventories	(34,264,664)	(501,064,128)	(104,452,573)	(448,879,356)
(Increase)/Decrease in trade and other receivables	(5,716,394)	(246,744,016)	(25,431,456)	(170,092,205)
(Increase)/Decrease in Advances, deposits and prepayments	19,490,741	(389,614,649)	5,783,159	(271,616,000)
Increase/(Decrease) in current tax assets	-	-	-	-
Increase/(Decrease) in retirement benefits obligation	-	-	-	-
Increase/(Decrease) in other liability (except non remittable account)	90,650,011	128,415,647	99,681,953	35,587,008
Increase/(Decrease) in accounts payables (excluding dividend payable)	(144,538,757)	734,162,515	49,898,589	163,232,094
Tax paid	(491,705,375)	(439,657,737)	(401,148,596)	(345,710,200)
Interest paid	(521,721,873)	(474,774,584)	(469,502,976)	(420,277,522)
Increase/(Decrease) in short term liability	-	2,746,368	-	-
	122,892,826	323,213,300	217,967,399	(121,952,786)
Net cash flows from operation activities	905,281,141	1,355,012,853	1,021,590,931	912,621,329

Notes to the Financial Statements (Continued)

37.1 Net operating cash flow per share (NOCFPS)

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Net cash from operating activities	905,281,141	1,355,012,853	1,021,590,931	912,621,329
Number of ordinary shares outstanding	99,702,838	99,702,838	99,702,838	99,702,838
Net operating cash flow per share (NOCFPS)	9.08	13.59	10.25	9.15

38 Events after the reporting period

- a. The Board of Directors of the Company has recommended 30% (Tk. 3 per share of Tk. 10 each) cash dividend in its 250th board meeting held on 25 January 2021.

39 Others

- a. These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
 b. Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.
 c. Previous year's figures have been regrouped and/or rearranged wherever considered necessary for the purpose of current year's presentation.
 d. The proposed scheme of amalgamation of Singer Bangladesh Limited and its fully owned subsidiary, International Appliances Limited, has been placed before the Honorable High Court Division of the Supreme Court of Bangladesh for its necessary approval of the scheme. At the end of the reporting period the said scheme of amalgamation has been waiting for the hearing at the High Court.

39.1 Basis of measurement

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

39.2 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

- a) Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
 b) Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
 c) Other standards

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

- COVID-19-Related Rent Concessions (Amendment to IFRS 16).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

40 Significant accounting policies

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

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

Notes to the Financial Statements (Continued)

A. Revenue from contracts with customers

Type of product / service

Consumer electronics and household appliances.

Nature and timing of satisfaction of performance obligations

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

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

Revenue recognition

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

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

B. Finance income and finance costs

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

C. Foreign currency transactions

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

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

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

D. Income Tax

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

Current tax

The Company qualifies as a "Publicly Traded Company", as defined in income tax law. The applicable tax rate for the Company is 25%. Provision for taxation has been made on this basis which is compliant with the Finance Act 2020.

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

Notes to the Financial Statements (Continued)

current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. The deferred tax asset/income or liability/expense does not create a legal obligation to, or recoverability from, the income tax authority.

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

E. Inventories

Inventories are measured at lower of cost and net realisable value, after making due allowances for obsolete and inventory in excess of 6-12 month sales. Net realisable value is estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The Company assesses the NRV by giving consideration to future demand and condition of the inventory and make adjustments to the value by making required provisions. Inventories consist of raw materials, work-in-process, goods in transit and finished goods. The Group uses weighted average cost model in valuing its inventory.

F. Property, plant and equipment

Recognition and measurement

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

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

Cost model

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

Revaluation model

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

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

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

Subsequent costs

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

Depreciation

"Depreciation is calculated over the depreciable amount. Depreciation is recognised in profit and loss on a reducing balance method in case of SBL and straight line basis in case of IAL over each part of an item of property, plant & equipment, since this most closely reflected the expected pattern of consumption of the future economic benefits embodied in the asset. A change in the depreciation method is a change in a technique used to apply the entity's accounting policy to recognise depreciation as an asset's future economic benefits are consumed. Therefore it is deemed to be a change in an accounting estimate.

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

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

Notes to the Financial Statements (Continued)

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

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

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

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

G. Intangibles

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

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

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

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

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

Intangible assets	The Company
Computer Software	20%

Intangible assets	Subsidiary
Computer Software (Useful life)	10 years

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

H. Financial instruments

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

Financial assets

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

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

Notes to the Financial Statements (Continued)

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc. Accordingly, provision for doubtful debts is made over the amount outstanding from customers, dealers and other debtors. For receivables from customers, dealers and other debtors, provision for doubtful debts is made after analysing the recoverability of the amount from the concerned parties based on analysis of delinquency, arrearage and past due. The provision for doubtful debts is written off when it is proved that the debts are not recoverable at all.

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

Accounts receivables

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

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

Ageing bucket (days)	Consolidated	Company
0 to 30	0.1%	0.1%
31 to 60	1.3%	1.3%
61 to 180	8.1%	8.1%
181 to 360	41.4%	41.4%
> 360	100.0%	100.0%

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

Not past due	Nil
Past due 1-30 days	50%
Past due 31-120 days	100%
Past due 121-365 days	100%
More than one year	100%

Cash and cash equivalents

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

Financial liability

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

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

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

Accounts payables

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

I. Impairment

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

J. Provisions

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

Notes to the Financial Statements (Continued)

K. Royalty

Royalty is payable to Retail Holdings Bhold B.V. @ 3.75% of net annual invoice price of sale of audio-video sets (radio cassette, recorders and televisions), air conditioner and furniture and International Appliances Limited @ 1.1% on refrigerator assembled and manufactured in Bangladesh for the year 2020 (note 22.1 & 22.2).

Royalty is payable to Retail Holdings Asia B.V. (up to March 2019) and Retail Holdings Bhold B.V. (from April-December 2019) @ 3.75% of net annual invoice price of sale of audio-video sets (radio cassette, recorders and televisions), air conditioner and furniture and International Appliances Limited @ 1.1% on refrigerator assembled and manufactured in Bangladesh for the year 2019 (note 22.1 & 22.2).

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

L. Warranty costs

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

M. Investments

Investment in Central Depository Bangladesh Limited (CDBL)

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

Investment in term deposit

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

Investment in short term deposit

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

N. Workers' profit participation fund

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

O. Employee benefit

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

Defined contribution plan (provident fund)

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

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

Retirement benefit obligation (gratuity)

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

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

Short-term employee benefits

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

Notes to the Financial Statements (Continued)

P. Reporting period

The financial period of the Company covers one year from 1 January to 31 December. These financial statements were prepared for twelve months from 1 January to 31 December 2020.

Q. Earnings per share

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

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

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

R. Segment reporting

Segment reporting is not applicable for the Company this year as the Company does not meet the criteria required for segment reporting specified in IFRS 8: "Operating Segments". The details are described on note no. 2.5.

S. Statement of cash flows

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

T. Events after the reporting period

Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Material events after the balance sheet date that are not adjusting events are disclosed in the note 38.

U. Offsetting

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

V. Basis of consolidation

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

(i) Subsidiaries

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

(ii) Non-controlling interests

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

(iii) Loss of control

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

(iv) Transactions eliminated on consolidation

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

Notes to the Financial Statements (Continued)

W. Leases

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

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

— the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

— the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

— the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

-- the Group has the right to operate the asset; or

-- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

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

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

i. As a lessee

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

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

ii. As a lessor

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

(ANNEXURE - I)

Details of Disposal of Property, Plant and Equipment

Particulars	Original cost	Accumulated depreciation	Net book value	For the year ended 31 December 2020		
				Sales proceed	Gain/(Loss)	Mode of disposal
Plant & machinery	25,581,421	18,667,193	6,914,228	4,208,000	(2,706,228)	Adjustment/sold
Computer	6,317,164	5,659,815	657,349	20,345	(637,004)	
Equipment	3,238,864	2,676,047	562,817	49,745	(513,073)	Adjustment/sold
Furniture	228,450	123,613	104,837	-	(104,837)	Adjustment/sold
Leasehold improvements	8,849,106	4,575,407	4,273,699	1,505,500	(2,768,199)	Adjustment/sold
Vehicles	3,450,000	3,153,647	296,353	1,128,000	831,647	Auction sale
	47,665,005	34,855,723	12,809,282	6,911,590	(5,897,693)	

(ANNEXURE - II)

Details of Share Issue

Date of Issue	Basis of Issue of Shares	Total Share & Share Capital		
		No. of Shares Issued	No. of Shares after Bonus	Share Capital Taka 10 each
1983	2567 ordinary shares of Taka 10 each issued for cash	25,670	25,670	256,700
1983	10,258 ordinary shares of Taka 10 each issued for consideration other than cash	102,580	102,580	1,025,800
Total ordinary shares issued		128,250	128,250	1,282,500
Bonus share				
18/4/1985	100%	128,250	256,500	1,282,500
16/4/1987	60%	153,900	410,400	1,539,000
16/8/1989	100%	410,400	820,800	4,104,000
12/7/1992	100%	820,800	1,641,600	8,208,000
12/7/1993	100%	1,641,600	3,283,200	16,416,000
1/6/1994	50%	1,641,600	4,924,800	16,416,000
28/5/1995	50%	2,462,400	7,387,200	24,624,000
21/5/1996	50%	3,693,600	11,080,800	36,936,000
16/4/1997	50%	5,540,400	16,621,200	55,404,000
28/4/2008	35%	5,817,420	22,438,620	58,174,200
27/4/2011	75%	16,828,960	39,267,580	168,289,600
8/5/2013	25%	9,816,895	49,084,475	98,168,950
28/4/2014	25%	12,271,118	61,355,593	122,711,180
30/4/2015	25%	15,338,898	76,694,491	153,388,980
23/4/2019	30%	23,008,347	99,702,838	230,083,470
Total bonus shares issued		99,574,588		995,745,880
Total shares issued		99,702,838		997,028,380

DIRECTORS' REPORT

International Appliances Limited

The Directors have the pleasure of presenting to the members their report together with the audited financial statements of the company for the year ended December 31, 2020. This report has been prepared in compliance with section 184 of the Companies Act 1994.

Principal Activities

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

Review of Business

During the year revenue reached Tk 2.65 billion which was higher by 3.9% over the previous year's revenue of Tk 2.55 billion. Operating profit stood Tk. 44 million and resulted loss of Tk. 7.6 million. Due to payment of shipping demurrage and also minimum tax provision as per IT laws, the Company has suffered a loss of Tk. 8.7 million.

Fairness of Financial Statements

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

Books of Accounts

Proper books of accounts of the company were maintained.

Accounting Policies

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

Application of IAS & IFRS

International Accounting Standards (IAS) and International Financial

Reporting Standards (IFRS) have been followed in the preparation of the financial statements and any departure therefrom has been adequately disclosed.

Events after Balance Sheet

No such event took place after the balance sheet date.

Board Meetings

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

Dividend

The company has incurred losses during the year. Therefore, the company didn't recommend dividends for the year ended December 31, 2020.

Amalgamation of the Company with Singer Bangladesh Limited

During the year, International Appliances Limited (IAL) remained a subsidiary of Singer Bangladesh Limited (SBL). In September 2020, an application was made to the Hon'ble High Court Division of the Supreme Court of Bangladesh for approving the Scheme of Amalgamation of IAL with SBL. As directed by the High Court, meetings of the Shareholders and Creditors were called for considering and approving the Scheme of Amalgamation. The Shareholders and the Creditors of the Company at the Extraordinary General Meeting and Creditors meetings held on November 26, 2020, approved the Scheme of Amalgamation. At the end of the reporting period, the same has been awaiting for the hearing at the High Court.

Appointment of Auditors

As per section 210 of the Companies Act 1994, the company's Statutory Auditors A. Qasem & Co., Chartered Accountants retires at the 6th Annual General Meeting as auditors of the Company.

According to Bangladesh Securities and Exchange Commission (BSEC) order no SEC/CMRRCD/2009-193/104/Admin dated July 27, 2011, the

retiring Corporate Governance Auditors A. Qasem & Co., Chartered Accountants are not eligible for reappointment as Statutory Auditors for 2021.

The Board of Directors has recommended appointing Rahman Rahman Haq, Chartered Accountants as the auditors of the company for the year 2021 subject to the approval of the shareholders in the 6th Annual General meeting. However, this appointment may not be effective if the Hon'ble High Court's order of amalgamation comes before the AGM.

Compliance with Laws and Regulations

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

Conclusion

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



M. H. M. Fairoz

Director



Khandakar Taslima Rahman

Company Secretary

January 25, 2021

INDEPENDENT AUDITORS' REPORT to the shareholders of International Appliances Limited

Opinion

We have audited the financial statements of International Appliances Limited (the Company), which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Report on Other Legal and Regulatory Requirements

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

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

A. Qasem & Co.

Chartered Accountants
RJSC Firm Registration No.: PF 1015



Mohammad Motaleb Hossain, FCA

Partner
Enrolment Number: 0950
DVC: 2101270950AS777858

Dhaka, 25 January 2021

Statement of Financial Position

International Appliances Limited

<i>In BDT</i>	31 December 2020	31 December 2019
Assets		
Property, plant and equipment	307,185,068	323,250,985
Intangible assets	558,972	100,151
Right-Of-Use (ROU) Asset	76,719,347	108,872,927
Deposits and prepayments	6,431,847	13,068,659
Non-current assets	390,895,234	445,292,722
Inventories	585,918,051	644,379,308
Advances, deposits and prepayments	42,103,230	55,810,812
Trade and other receivables	244,651,927	117,354,943
Cash and cash equivalents	1,768,238	1,131,208
Current tax assets	309,365,847	234,865,561
Current assets	1,183,807,293	1,053,541,832
Total assets	1,574,702,527	1,498,834,554
Equity		
Share capital	388,964,300	388,964,300
Retained earnings	41,407,647	50,096,991
Total equity	430,371,947	439,061,291
Liabilities		
Retirement benefit obligations (gratuity)	5,229,763	3,331,690
Lease Liability (Non current)	48,466,913	75,576,924
Deferred tax liability	29,797,644	44,777,715
Long-term liability	14,214,569	25,682,777
Non-current liabilities	97,708,889	149,369,106
Long-term liability- current portion	11,468,208	11,468,208
Trade and other payables	611,076,091	660,399,461
Lease Liability (current)	27,110,011	24,304,650
Short-term borrowings - secured (bank overdraft)	396,967,381	214,231,838
Current liabilities	1,046,621,691	910,404,157
Total liabilities	1,144,330,580	1,059,773,263
Total equity and liabilities	1,574,702,527	1,498,834,554

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

A. Qasem & Co.

Chartered Accountants
RJSC Firm Registration No.: PF 1015



Mohammad Motaleb Hossain, FCA
Partner
Enrolment Number: 0950
DVC: 2101270950AS925226

Dhaka, 25 January 2021

As per our report of same date



Dr. Syed Ferhat Anwar
Director



Mohamed Haniffa Mohamed Fairoz
Managing Director



Khandakar Taslima Rahman
Company Secretary

Statement of Profit or Loss and Other Comprehensive Income

International Appliances Limited

<i>In BDT</i>	For the year ended 31 December	
	2020	2019
Turnover	2,652,172,729	2,553,539,671
Cost of sales	(2,519,639,681)	(2,425,062,850)
Gross profit	132,533,048	128,476,821
Operating expenses	(112,230,949)	(36,400,229)
Other income	23,909,476	11,608,607
Operating profit	44,211,575	103,685,199
Finance costs	(51,824,497)	(63,397,916)
Net finance costs	(51,824,497)	(63,397,916)
Foreign exchange gain/(loss)	-	-
Profit before contribution to workers' profit participation fund	(7,612,922)	40,287,283
Contribution to workers' profit participation fund	-	(2,014,364)
Profit before tax	(7,612,922)	38,272,919
Income tax expense	(1,076,422)	(42,036,753)
Loss after tax	(8,689,344)	(3,763,834)
Other comprehensive income	-	-
Total comprehensive loss	(8,689,344)	(3,763,834)

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

A. Qasem & Co.

Chartered Accountants
RJSC Firm Registration No.: PF 1015



Mohammad Motaleb Hossain, FCA

Partner
Enrolment Number: 0950
DVC: 2101270950AS925226

Dhaka, 25 January 2021

As per our report of same date



Dr. Syed Ferhat Anwar
Director



Mohamed Haniffa Mohamed Fairoz
Managing Director



Khandakar Taslima Rahman
Company Secretary

Statement of Changes in Equity

International Appliances Limited

	For the year ended 31 December 2019		
	Share capital	Retained earnings	Total equity
Balance at 1 January 2019	388,964,300	41,124,008	430,088,308
Total comprehensive income			
Loss	-	(3,763,834)	(3,763,834)
Other comprehensive income	-	-	-
Adjustment for IFRS 16	-	12,736,817	12,736,817
Total comprehensive income	-	8,972,983	8,972,983
Transaction with owners of the Company			
Contributions and distributions			
Issue of ordinary shares	-	-	-
Total contributions and distributions	-	-	-
Balance at 31 December 2019	388,964,300	50,096,991	439,061,291

	For the year ended 31 December 2020		
	Share capital	Retained earnings	Total equity
Balance at 1 January 2020	388,964,300	50,096,991	439,061,291
Total comprehensive income			
Loss	-	(8,689,344)	(8,689,344)
Other comprehensive income	-	-	-
Adjustment for IFRS 16	-	-	-
Total comprehensive income	-	(8,689,344)	(8,689,344)
Transaction with owners of the Company			
Contributions and distributions			
Issue of ordinary shares	-	-	-
Total contributions and distributions	-	-	-
Balance at 31 December 2020	388,964,300	41,407,647	430,371,947

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

A. Qasem & Co.

Chartered Accountants
RJSC Firm Registration No.: PF 1015



Mohammad Motaleb Hossain, FCA

Partner
Enrolment Number: 0950
DVC: 2101270950AS925226

Dhaka, 25 January 2021

As per our report of same date



Dr. Syed Ferhat Anwar
Director



Mohamed Haniffa Mohamed Fairoz
Managing Director



Khandakar Taslima Rahman
Company Secretary

Statement of Cash Flows

International Appliances Limited

<i>In BDT</i>	For the year ended 31 December	
	2020	2019
Cash flows from operating activities		
Collections from turnover and other income	2,957,275,556	3,485,971,654
Payments for costs and expenses	(2,928,795,308)	(2,894,016,633)
Interest paid on borrowings and Lease	(52,218,897)	(65,387,194)
Income tax paid	(90,556,779)	(93,947,537)
Payments to workers' profit participation fund	(2,014,364)	(1,118,898)
Net cash used in operating activities	(116,309,791)	431,501,392
Cash flows from investing activities		
Acquisition of property, plant and equipment	(24,506,652)	(10,165,091)
Net cash used in investing activities	(24,506,652)	(10,165,091)
Cash flows from financing activities		
Payment Lease liability	(29,813,862)	(16,575,540)
payment Long Term Loan	(11,468,208)	(8,721,840)
Net cash from financing activities	(41,282,070)	(25,297,380)
Net increase in cash	(182,098,513)	396,038,921
Cash and cash equivalents at 1 January	(213,100,630)	(609,139,551)
Cash and cash equivalents at 31 December	(395,199,143)	(213,100,630)
Closing cash and cash equivalents have been arrived at as follows:		
Cash and cash equivalents	1,768,238	1,131,208
Short-term borrowings - secured (bank overdraft)	(396,967,381)	(214,231,838)
	(395,199,143)	(213,100,630)

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

A. Qasem & Co.

Chartered Accountants
RJSC Firm Registration No.: PF 1015



Mohammad Motaleb Hossain, FCA

Partner
Enrolment Number: 0950
DVC: 2101270950AS925226

Dhaka, 25 January 2021

As per our report of same date



Dr. Syed Ferhat Anwar
Director



Mohamed Haniffa Mohamed Fairouz
Managing Director



Khandakar Taslima Rahman
Company Secretary

Share Information

Singer Bangladesh Limited

1. General

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

2. Stock Exchange Listing

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

3. Distribution of Shareholdings-31st December 2020

No. of shares held	31 December 2020			31 December 2019		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 500	6,509	1,013,169	1.02	6,361	955,145	0.96
501 - 5000	3,041	4,743,629	4.76	2,926	4,580,755	4.59
5001 - 10000	255	1,796,154	1.80	247	1,788,752	1.79
10001 - 20000	155	2,269,006	2.28	145	2,018,747	2.02
20001 - 30000	47	1,174,944	1.18	53	1,301,621	1.31
30001 - 40000	37	1,327,276	1.33	28	1,020,491	1.02
40001 - 50000	23	1,066,183	1.07	18	821,140	0.82
50001 - 100000	53	3,904,458	3.92	47	3,431,910	3.44
100001 - 1000000	56	14,138,530	14.18	51	13,769,150	13.81
Over - 1000000	9	68,269,489	68.47	10	70,015,127	70.22
Total	10,185	99,702,838	100.00	9,886	99,702,838	100.00

Categories of Shares	31 December 2020		31 December 2019	
	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders
Individuals	25,492,350	9,817	25,992,075	9,410
Institutions	74,210,488	368	73,710,763	476
	99,702,838	10,185	99,702,838	9,886

4. Market Value per Share

	2020		2019
	Taka	Date	Taka
Highest During the year	187.40	September 23, 2020	279.90
Lowest During the year	130.60	March 18, 2020	165.10
Closing of the year	175.60	December 30, 2020	184.00

Glossary of Financial Terms

Singer Bangladesh Limited

Accounting Policies

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

Borrowings

All interests bearing liabilities.

Capital/Revaluation Reserves

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

Contingents Liabilities

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

Current Ratio

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

Deferred Taxation

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

Debt Equity Ratio

Current plus long term liabilities divided by average shareholders fund.

Effective Dividend Rate/Dividend Cover

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

Earnings Per Share

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

Equity

Shareholders' fund.

Gearing

Proportion of borrowings to capital employed.

Gross Dividend

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

Interest Cover

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

Market Capitalization

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

Net Assets per Share

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

Price Earnings Ratio

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

Return on Average Net Assets

Attributable profits divided by average assets.

Revenue Reserves

Reserves considered as being available for distributions and investments.

Value Addition

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

Working Capital

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

Notice of Annual General Meeting Singer Bangladesh Limited

Notice is hereby given that the **41st Annual General Meeting of Singer Bangladesh Limited** will be held on **Thursday, April 15, 2021 at 12.00 noon** by using **Digital Platform** in accordance with the Bangladesh Securities and Exchange Commission (BSEC) Directive BSEC/CMRRCD/2009-193/12 dated March 23, 2021 to transact the following business.

AGENDA

Ordinary Business

1. To receive and adopt the Directors' and Auditors' Report and the Audited Financial Statements of the Company for the year ended December 31, 2020.
2. To declare Dividend for the year ended December 31, 2020.
3. To elect Directors under rotation.
4. To appoint Statutory Auditors and to fix their remuneration.
5. To appoint Corporate Governance Compliance Auditors and to fix their remuneration.
6. To confirm appointment of the Independent Director.

Special Business

1. To consider and if thought fit, pass the following resolution as a "Special Resolution".
"RESOLVED that the last word of Clause-I "Limited" of the Memorandum of Association of the Company be amended and substituted to read "PLC" subject to the further decision of the authorities to this effect."

By order of the Board



Kazi Ashiqur Rahman
Acting Company Secretary
March 24, 2021

Registered Office
39, Dilkusha C/A
Dhaka-1000

Notes

- Members whose names appeared in the Members'/Depository Register on Record Date i.e. February 16, 2021 will be eligible to attend/participate and vote in the Annual General Meeting through Digital Platform and to receive dividend.
- A Member entitled to attend/participate and vote in the Annual General Meeting, may appoint a proxy in his stead. Scanned copy of the proxy form, duly stamped must be mailed to the email at iro@singerbd.com not later than 48 hours before the meeting.
- Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy (PDF) of the Annual Report 2020 will be sent to the Members' respective email addresses as available with us. The Annual Report 2020 will be available in the Company's website at: www.singerbd.com.
- Link for joining in the Digital Platform (audio-visual meeting) will be mailed to the respective Members' email address and sent SMS to their mobile number as available with us.
- The Members will be able to submit their **questions/comments and vote electronically 24 hours before** commencement of the AGM and during the AGM.
- Members whose email addresses updated/changed subsequently, are requested to email us at iro@singerbd.com referring their full name, Folio/BO ID and email address to get the digital platform meeting invitation.
- Members who have so far not encashed their dividend warrants up to the year 2019, may claim or approach the Company for the payment thereof.



www.singerbd.com

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