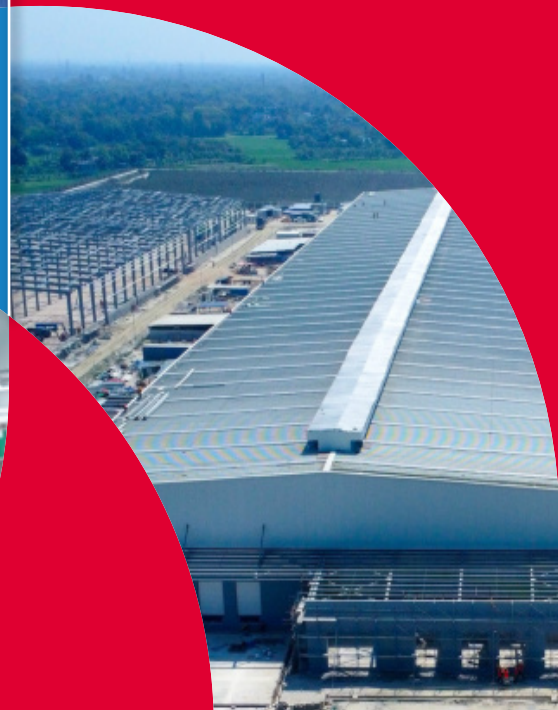


# TRANSFORMING TODAY SECURING OUR TOMORROW



ANNUAL  
REPORT  
**2023**



**SINGER®**



**SINGER BANGLADESH LIMITED**  
**INTEGRATED ANNUAL REPORT 2023**



**SINGER®**

# TRANSFORMING TODAY SECURING OUR TOMORROW

WELCOME TO THE INTEGRATED ANNUAL REPORT OF SINGER BANGLADESH LIMITED FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023. THE REPORT PROVIDES AN OVERVIEW OF THE COMPANY'S FINANCIAL AND NON-FINANCIAL PERFORMANCE AND SERVES AS A MEANS TO COMMUNICATE OUR KEY DEVELOPMENT HIGHLIGHTS, CHALLENGES FACED, SOLUTIONS IMPLEMENTED, AND STRATEGIES FORMULATED DURING THE FINANCIAL YEAR TO OUR STAKEHOLDERS.

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## SINGER®

RESHAPING OUR FUTURE  
THE OPERATIONALISATION OF OUR  
NEW STATE-OF-THE-ART  
MANUFACTURING FACILITY WILL  
USHER IN A NEW ERA OF GROWTH  
FOR SINGER BANGLADESH. THIS  
TRANSFORMATION WILL NOT ONLY  
ENABLE US TO REDEFINE OUR  
RELATIONSHIP WITH OUR  
CUSTOMERS BUT ALSO RESHAPE  
OUR FUTURE IN THE TRUE SPIRIT OF  
TRANSFORMING TODAY, SECURING  
OUR TOMORROW!





**CHAIRMAN'S LETTER**

Read more on page 40 and 43

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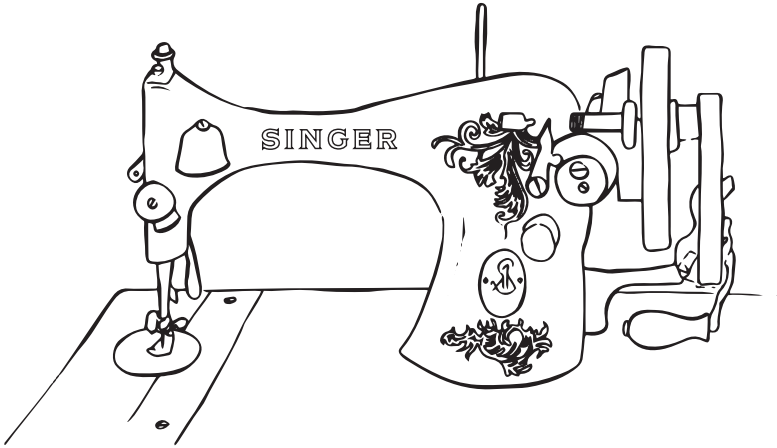
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**Scan to read  
our Annual Report**

**CONSUMER FOCUSED!**

OUR ABILITY TO CLOSELY SCAN  
OUR OPERATING ENVIRONMENT  
AND CREATE NEW GROWTH  
OPPORTUNITIES IS A KEY DRIVER  
OF OUR SUCCESS.



# TRANSFORMING TODAY SECURING OUR TOMORROW!

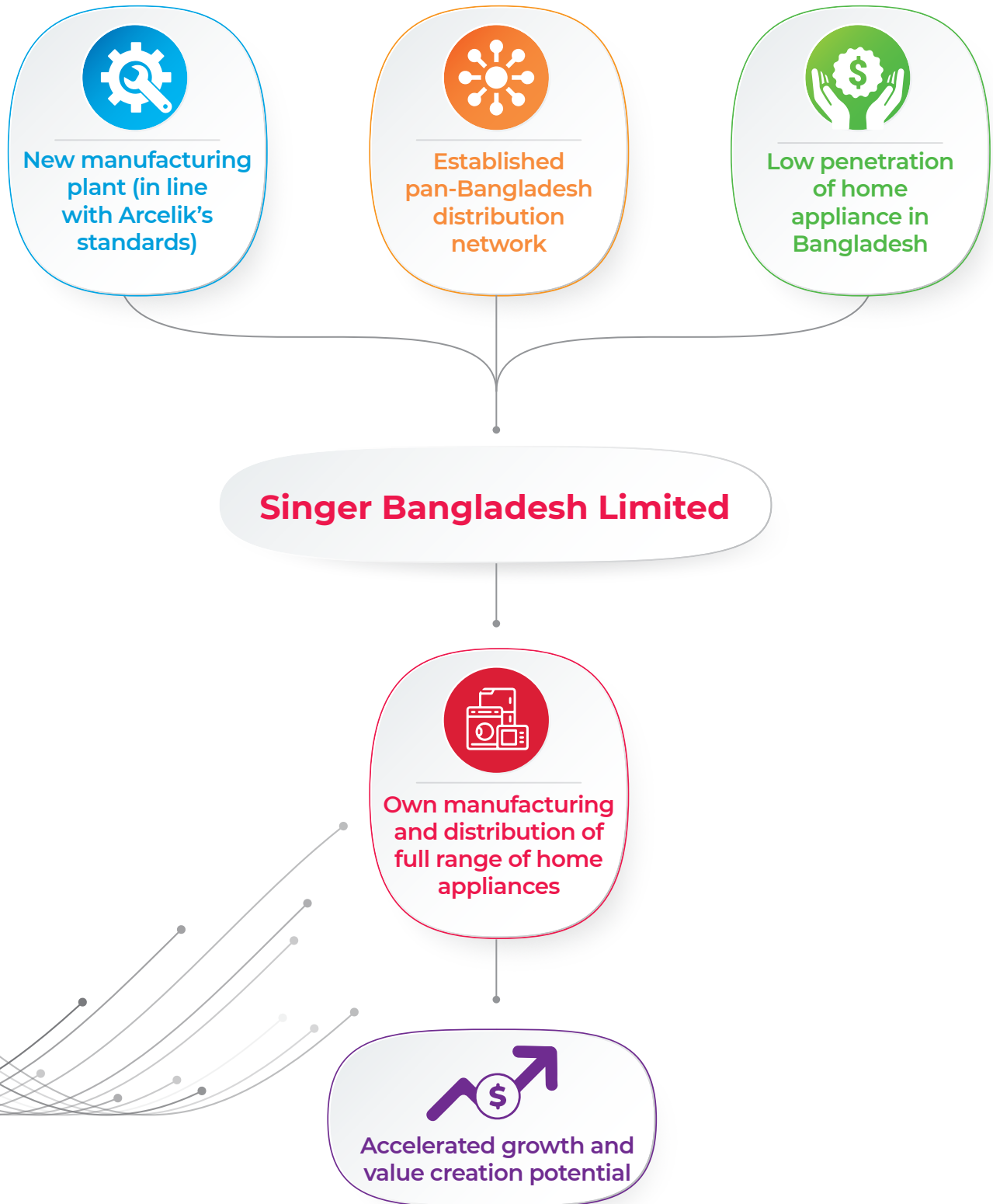
**Evolving into an integrated next-generation consumer durables company!**

With a history of over 118 years in Bangladesh, Singer is a name that the people of Bangladesh instantly recognise. With such formidable reputation and goodwill, we are now embarking on the next vibrant chapter in our journey, rooted in our brand promise of providing unique experiences to our customers.

Reshaping our perspective of the future in keeping pace with the new realities, Singer is on the verge of operationalising a modern state-of-the-art manufacturing facility at the Bangladesh Special Economic Zone.

This marks the company's re-energised commitment to delivering world-class products and fortify its position as a trusted lifestyle solutions provider to the new customer.

# A NEW SINGER!



# Welcome to Our Integrated Report

This report is our primary communication to our shareholders

## OUR MAJOR STAKEHOLDERS



EMPLOYEES



CONSUMERS



SHAREHOLDERS



GOVERNMENT



SOCIETY



SUPPLIERS

## Reporting philosophy

This report aims to provide a balanced and concise overview about the company's performance, initiatives and outcomes. It outlines our progress towards achieving our mid to long-term objectives and provides insights into our strategies, operations and sustainability initiatives. The report aims to cater to the information requirements of all stakeholders and allow them to make informed decisions.

## Overview

Our Integrated Annual Report for the financial year 2023 demonstrates how we live up to our vision of being a respected and admired home appliances company. This report discloses qualitative and quantitative information that demonstrates our strategy and execution in fulfilling our vision.

This report complies with the SASB's International <IR> Framework and was developed with inputs from the senior management and went through a process of internal and external review.

Our reporting focus seeks to strike a balance between the imperatives of conciseness, analysis and accessibility in our disclosure processes and is aligned to our commitment of information transparency.

## Integrated thinking

By adopting integrated thinking we have been able to unite the various segments of our company and focus the whole organization on value creation for the enterprise and its stakeholders.

Integrated thinking supports stronger governance and better management, underpinned by integrated decision-making and a holistic approach to strategy. It balances our short-term performance needs with a longer-term approach to value creation and preservation.

We thus remain on a continuous journey of growth and value creation. This is most visible in our upcoming new manufacturing facility that will enable the company to catapult to the next phase of progress.

**Reporting scope and boundary**

This report provides information for the period 1 January 2023 to 31 December 2023 (FY2023). We have aligned our reporting to the Integrated Reporting <IR> standards of the SASB to provide holistic information about our company, especially reflected in the way we define and transform our stocks of six capitals.

Our report also complies with the following:

- Regulations of Bangladesh Securities and Exchange Commission (BSEC)
- Regulations of Dhaka and Chittagong stock exchanges
- International Financial Reporting Standards (IFRS)

Through this report we also portray how we are impacting the United Nations Sustainable Development Goals (UN SDGs).



**This report on your fingertips**

Please scan the QR code to access a digital copy of this report. Accessing a digital copy over a physical one will contribute to reducing our environmental impact.



**Feedback**

We aim to continuously engage with our stakeholders as their feedback can improve our reporting content. To share your comments and feedback, please contact our Investor Relations Officer: Mr. Kazi Ashiqur Rahman at [iro@singerbd.com](mailto:iro@singerbd.com)



**Corporate website**

[www.singerbd.com](http://www.singerbd.com)

**OUR SIX CAPITALS**



FINANCIAL



MANUFACTURED



HUMAN



INTELLECTUAL



SOCIAL & RELATIONSHIP



NATURAL

Singer Refrigerators now with  
**Five Star**  
Energy Rating



**ENERGY RATING**  
**FIVE STARS**

Bangladesh Standards and Testing Institution (BSTI)  
has permitted the use of this label on this  
Singer Refrigerator model as per BDS 1849:1850.

More stars means more energy efficient.

Certified by





# ESG Scorecard



## ENVIRONMENTAL

Water consumption will be reduced

**40%**  
in new plant

Electricity consumption will be reduced

**35%**  
in new plant

New factory certified to  
**LEED-Gold**  
standard



## SOCIAL

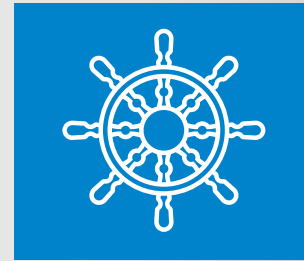
Total employees

**1,749**  
(2022: 1,670)

### Key social initiative

Singer Sewing Academy trained

**1,15,000**  
womens



## GOVERNANCE

Independent Directors on the Board

**2**

Exchequer contribution, 2023

**BDT 5,293 Mn**

**Compliance with all statutory regulations on labour, OHS and EMS**

# Value for Stakeholders

## For society



**5,293 mn**

Contributed to National Exchequer in 2023



**1,15,000**

Underprivileged Women trained through Singer Sewing Academy

## For investors



**17,033 mn**

Total Revenue



**1,478 mn**

Operating profit

## For consumers



**446**

Retail Store



**900**

Dealers



**522 mn**

Net profit



**5.24**

EPS



**35%**

Dividend



**16%**

ROA



**15.4%**

ROE



**34**

NAV Per Share

## For employees



**1,749**

Employees



**7,504**

Training participants



**15,410**

Total learning man-hours



**407**

Training sessions conducted



**12%**

Growth in Female Employment

## Robust Credit Ratings Possession

**Long-term**

AAA

**Short-term**

ST-1

**Outlook**

Stable

# Awards and Accolades

Singer is an award-winning company of Bangladesh, felicitated with many awards and accolades in 2023.



**H.E. Sheikh Hasina MP,**  
visits Singer at 'FICCI 60 Years  
Celebration & Investment Expo'.



**Significant units**  
own design refrigerator sales.



**560 MN** BDT.  
revenue achieved from Primax series.



**Superbrands**  
Singer washing machines won  
Superbrands Award 2023-2024.



**235% YoY**  
growth in singerbd.com



**5 Star**  
Energy Rating certified by BSTI.



**ISO 14001:2015**  
**ISO 9001:2015**  
**ISO 45001:2018**



**ICSB Award 2022**  
for the 10<sup>th</sup> consecutive year.



**Digitalized**  
Merchandising Audit System with MAS.



**21 New Shops**  
opened in 2023



**'e-CMA award'**  
by eCAB for 'Best Brand Excellence in  
e-Commerce' in Home Appliances  
category.



**75.7%** service request  
solved with immediate action by  
FLS & FTFR.

# Corporate Directory

|                       |                                    |
|-----------------------|------------------------------------|
| <b>Company Name</b>   | <b>: Singer Bangladesh Limited</b> |
| Date of Incorporation | : 4 September 1979                 |
| Trading Code          | : SINGERBD                         |
| Scrip Code            | : 13211                            |
| Sector                | : Engineering                      |
| Membership            | : MCCI, FICCI, BAPLC, ICC, BEF     |
| Certification         | : ISO 14001:2015                   |
|                       | : ISO 9001:2015                    |
|                       | : ISO 45001:2018                   |

## Board of Directors

|                            |                         |
|----------------------------|-------------------------|
| Dr. Fatih Kemal Ebiclioglu | Chairman                |
| M. H. M. Fairoz            | Managing Director & CEO |
| Masud Khan                 | Independent Director    |
| Mohsin Ahmed               | Independent Director    |
| Hakan Hamdi Bulgurlu       | Director                |
| Cemal Can Dincer           | Director                |
| Ozkan Cimen                | Director                |
| Kazi Ashiqur Rahman        | Company Secretary       |

## Board Committees

### Audit Committee

|                     |           |
|---------------------|-----------|
| Masud Khan          | Chairman  |
| Mohsin Ahmed        | Member    |
| Ozkan Cimen         | Member    |
| Kazi Ashiqur Rahman | Secretary |

### Nomination & Remuneration Committee

|                     |           |
|---------------------|-----------|
| Mohsin Ahmed        | Chairman  |
| Masud Khan          | Member    |
| Cemal Can Dincer    | Member    |
| Kazi Ashiqur Rahman | Secretary |

### Management Committee

|                            |   |                  |
|----------------------------|---|------------------|
| M. H. M. Fairoz            | Managing Director & CEO                                   | Chairman         |
| Yigit Emre Senolur         | Director & CFO  | Member           |
| Kazi Rafiqul Islam         | Sales Director - Wholesale & Corporate Sales              | Member           |
| Hakan Altinisik            | Technology and Innovation Director                        | Member           |
| Md. Anisur Rahman          | Head of IT  | Member           |
| Md. Monzur Murshed         | Financial Controller                                      | Member           |
| Abu Zafor Md. Kibria       | Head of Credit  | Member           |
| Shabbir Hossain            | Marketing Director  | Member           |
| Mohammad Zubayed UI Islam  | Sales Director - Retail                                   | Member           |
| Syed Zahidul Islam         | General Manager - Human Resources                         | Member           |
| Maruf Sobhan               | General Manager - Supply Chain                            | Member           |
| Shahed Al-Mahmud Chowdhury | Head of Internal Audit & Compliance                       | Member           |
| Abdullah Al Harun Belal    | Head of Consumer Service                                  | Member           |
| Kazi Ashiqur Rahman        | General Manager - Corporate Affairs and Company Secretary | Member Secretary |

**Auditors****Statutory Auditors**

KPMG (Rahman Rahman Huq), Chartered Accountants

**Corporate Governance Compliance Auditors**

S. F. Ahmed &amp; Co, Chartered Accountants

**Credit Rating Company**

Emerging Credit Rating Ltd.

**Legal Counsel**

Dr. Kamal Hossain &amp; Associates

**Legal Retainer**

Advocate Md. Motiur Rahman

**Address****Registered Office**39 Dilkusha Commercial Area  
Dhaka-1000**Corporate Office**House No. 5B, Road No. 126  
Gulshan-1, Dhaka-1212**Singer Manufacturing Complex (SMC)**

Rajfulbaria, Jhamur, Savar, Dhaka-1347

**Singer Refrigerator Manufacturing Unit**

Koulashur, Hemayetpur, Savar, Dhaka-1348

**Singer Bangladesh Limited, Home Appliances Plant (in progress)**Bangladesh Special Economic Zone  
Araihazar, Narayanganj**Central Service Center**

50, New Eskaton Road, Dhaka

**Contact**

Web : [www.singerbd.com](http://www.singerbd.com)  
 Company email : [info@singerbd.com](mailto:info@singerbd.com)  
 Investors' Relations Contact : [iro@singerbd.com](mailto:iro@singerbd.com)  
 Cell : +880 1616 667800  
 Phone : +880 2223 384438

**Bankers**

Trust Bank Limited  
 Pubali Bank Limited  
 Dhaka Bank Limited  
 Bank Alfalah Limited  
 Eastern Bank Limited  
 The City Bank Limited  
 Mutual Trust Bank Limited  
 Commercial Bank of Ceylon PLC.  
 Standard Chartered Bank  
 Hongkong and Shanghai Banking Corporation  
 Dutch Bangla Bank Limited  
 Prime Bank Limited  
 Habib Bank Limited

# Our Philosophy



## Vision

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







## Mission

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



# Values

## CONSUMERS

We live up to the expectation of a responsible organization by contributing to the improvement in the quality of life of our customers through outstanding products and services.

## COMMUNITY

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

## ENVIRONMENT

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

## SHAREHOLDERS

We provide reasonable return to shareholders while safeguarding their investment.

## EMPLOYEES

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

## SUPPLIERS

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

## COMPETITORS

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





## Objectives

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



Develop our employees to achieve their real potential.

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



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

Provide our consumers with products of latest technology.



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



# Singer at a Glance

## AN ICONIC CONSUMER DURABLES COMPANY OF BANGLADESH!

- Strong Brand Heritage
- Extensive Consumer Reach
- Wide Product Portfolio
- Talented Management Team

### Corporate profile

Singer is the largest retailer of consumer durables in Bangladesh, with 446 company-owned stores and 900 dealer points located across the country. The company produces a wide range of consumer durables, such as refrigerators, panel televisions, air-conditioners, washing machines, oven and several other home appliances.

1905 → 2023

118

LEGACY OF 118 YEARS!

Commencing operations in Bangladesh in 1905, the company has evolved from a single-product entity into a multi-brand multi-region conglomerate straddling through all categories of household consumer durables under the iconic “Singer” brand. Through partnerships with over 10 international brands, Singer also offers Bangladeshi consumers the best global solutions in home appliances.

Singer is proud to be associated with Arcelik A.S., Turkey's largest home appliances company and a subsidiary of Koc Holding, Turkey's leading investment holding company. Koc Holding is the only Turkish company listed in the Global Fortune 500.



### Manufacturing

The company's two existing manufacturing plants are located in the Savar area of Dhaka.

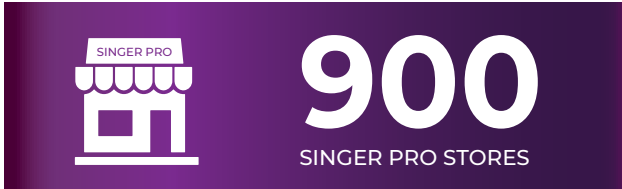
### Retail

The company's retail footprint spans an omni-channel, multi-brand network comprising “SINGER Mega” and “SINGER Plus” stores that are primarily differentiated in terms of their size. The focus is to make available a number of international brands under the same product





category under a single-roof, thus enhancing customer choice and convenience. Key brands offered include: BEKO, Grundig, Samsung, Skyworth, Preethi, Dell and many more, alongside SINGER.



**Dealership**

As part of the company’s strategy to expand retail scale through third-party dealership, the company’s SINGER Pro dealers offer consumer electronics and home appliances of SINGER and other brands and are located across the country, thus complementing the company’s retail network.

**Corporate (B2B) sales**

The company has a thriving B2B business, including bulk corporate gifting, etc.

**New manufacturing facility**

In a landmark initiative in its corporate journey, Singer is on the throes of completing its LEED Gold-certified manufacturing facility spread across 34-acres in Bangladesh Special Economic Zone.

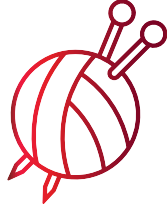
The environmentally-advanced, state-of-the-art, multi-purpose facility will manufacture a range of fast-moving consumer appliances. The company’s new facility is not only representative of the maturing cycle of Bangladesh’s electronic products industry but is also the first investment in the country by Arcelik. The initiative will support the government’s vision of local manufacturing and import substitution.

Committed to aid customers to live better by providing easy and convenient lifestyle solutions, Singer launched numerous initiatives to enhance the customer value proposition. For instance, the company introduced novel hire purchase schemes that facilitate the acquisition of essential appliances through easy and flexible installments. Such schemes have supported the country’s large middle-class households to achieve more and live better.



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## STITCHING ENDURING PARTNERSHIPS



Singer is renowned for its legendary Singer sewing machines that have been used by generations of people. It has become a symbol of women empowerment. In this essence, the company's acclaimed Singer Sewing School has trained many underprivileged women across the country over the years. As a key social initiative of the company, the Academy provides free or highly subsidized sewing training to targeted women, contributing to improving their livelihood and living standards.

## ABOUT ARCELİK



Founded in 1955, Turkey-headquartered Arçelik has global operations in the durable consumer goods industry with production, marketing and after-sales services. With over 40,000 employees throughout the world, the company's global operations include subsidiaries in 53 countries, and 31 production facilities in 9 countries and 14 brands - Arçelik, Beko, Grundig, Blomberg, ElektraBregenz, Arctic, Leisure, Flavel, Defy, Altus, Dawlance, Voltas Beko, SINGER\* and HITACHI\*.

\*Licensee limited to certain jurisdictions



Prime Minister  
**H.E. Sheikh Hasina MP,**  
visits **Singer Bangladesh** display zone during  
**FICCI 60 years celebration**  
and Investment Expo 2023



**SINGER®**  
Embrace Life Now

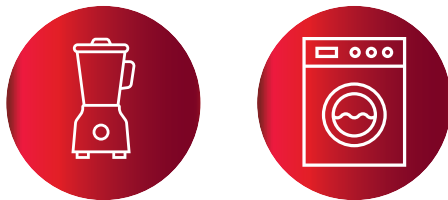
# Product Portfolio

**MADE WITH PERFECTION,  
OFFERED WITH PASSION!**

- ➔ Large multi-brand, multi-category portfolio ➔ Proven product-market fit
- ➔ Specialist sales expertise ➔ High conversion rate

Singer has a true omni-channel network comprising physical stores as well as virtual presence through our own e-commerce site ([www.singerbd.com](http://www.singerbd.com)) as well as through large marketplaces of the country.

## HOME APPLIANCES



Appliances used for domestic purposes, such as refrigerators, washing machines, air-conditioners, kitchen and cookware items and other home appliances.

### 2023 highlights

- Launch of new products
- Emphasis on product availability
- Thrust on localisation

BDT **12,010** Mn  
2023 revenue

## CONSUMER ELECTRONICS



Television sets, etc.

### 2023 highlights

- Launch of a new market-relevant product

BDT **3,584** Mn  
2023 revenue

**SEWING MACHINES AND OTHERS**



Wide range of domestic and industrial sewing machines and other products

**2023 highlights**

- Stable traction in sales achieved
- Singer Sewing Academy remained major CSR project

BDT **802 Mn**  
2023 revenue

# Our Products

|   |   |   |  |
|---|---|---|--|
|  <p><b>REFRIGERATORS</b></p>   |  <p><b>TELEVISIONS</b></p>       |  <p><b>AIR-CONDITIONERS</b></p>       |  <p><b>WASHING MACHINES</b></p> |
|  <p><b>SEWING MACHINES</b></p> |  <p><b>OVENS</b></p>             |  <p><b>COMPUTERS</b></p>              |  <p><b>SMALL APPLIANCES</b></p> |
|  <p><b>WATER PURIFIER</b></p>  |  <p><b>COOKWARE PRODUCTS</b></p> |  <p><b>PERSONAL CARE PRODUCTS</b></p> |  <p><b>OTHERS</b></p>           |

# Our Presence



We are always near our customers with our products available across numerous touchpoints and within easy reach.



**446**  
SINGER MEGA & SINGER PLUS



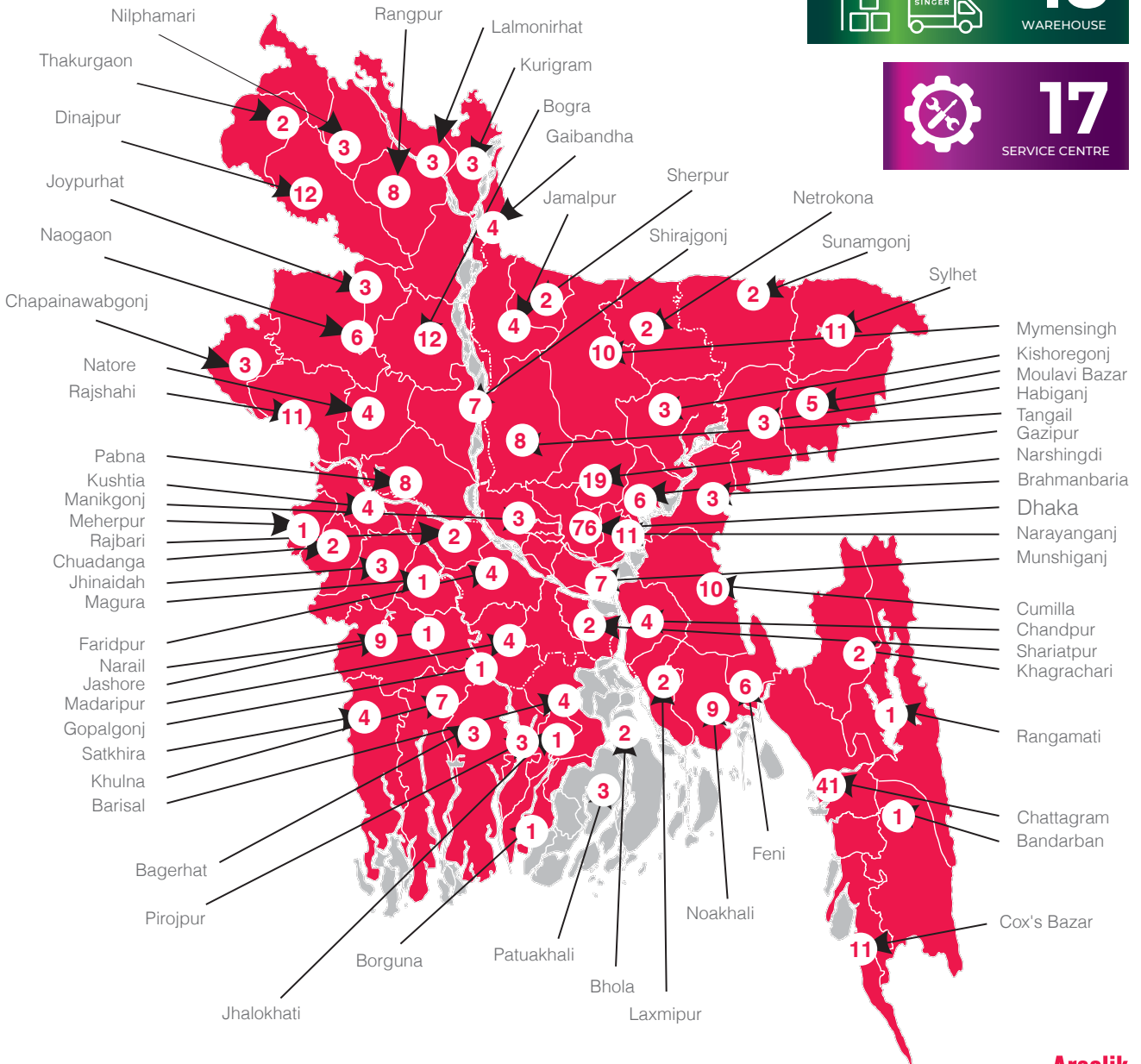
**900**  
SINGER PRO



**18**  
WAREHOUSE



**17**  
SERVICE CENTRE



# তুনি

Refrigerator Series

ছোট ফ্রিজে বড় অফার



☎ HELPLINE **16482**

**10**  
YEARS  
Compressor  
Warranty

১২ মাসের সহজ  
কিস্তি সুবিধায়

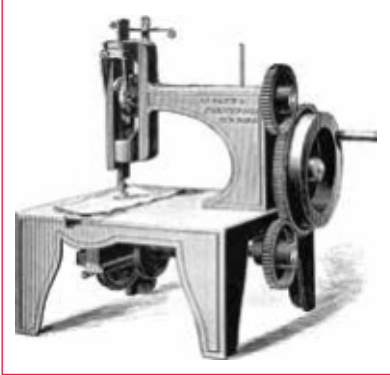
এখন কিনুন  
পরে পরিশোধ করুন

\*শর্ত প্রযোজ্য

**SINGER**  
Embrace Life Now



# Our Journey



Over our journey of 118 years in Bangladesh, we have created many milestones in serving customers with passion and diligence.

## 1851

I. M. Singer & Company (Singer) was incorporated by Isaac Merrit Singer and commenced production of sewing machines in the United States.

## 1905

Singer commenced operations in Bangladesh with sewing machines

## 1920

Singer sets up two shops, one each in Dhaka and Chittagong

## 1947

Upon partition of the sub-continent Singer had established 10 shops

Singer transformed from a single-product into a multi-product consumer durables company with the addition of bulbs and refrigerators to the portfolio

## 1985

Singer established a factory for manufacturing television sets

## 1993

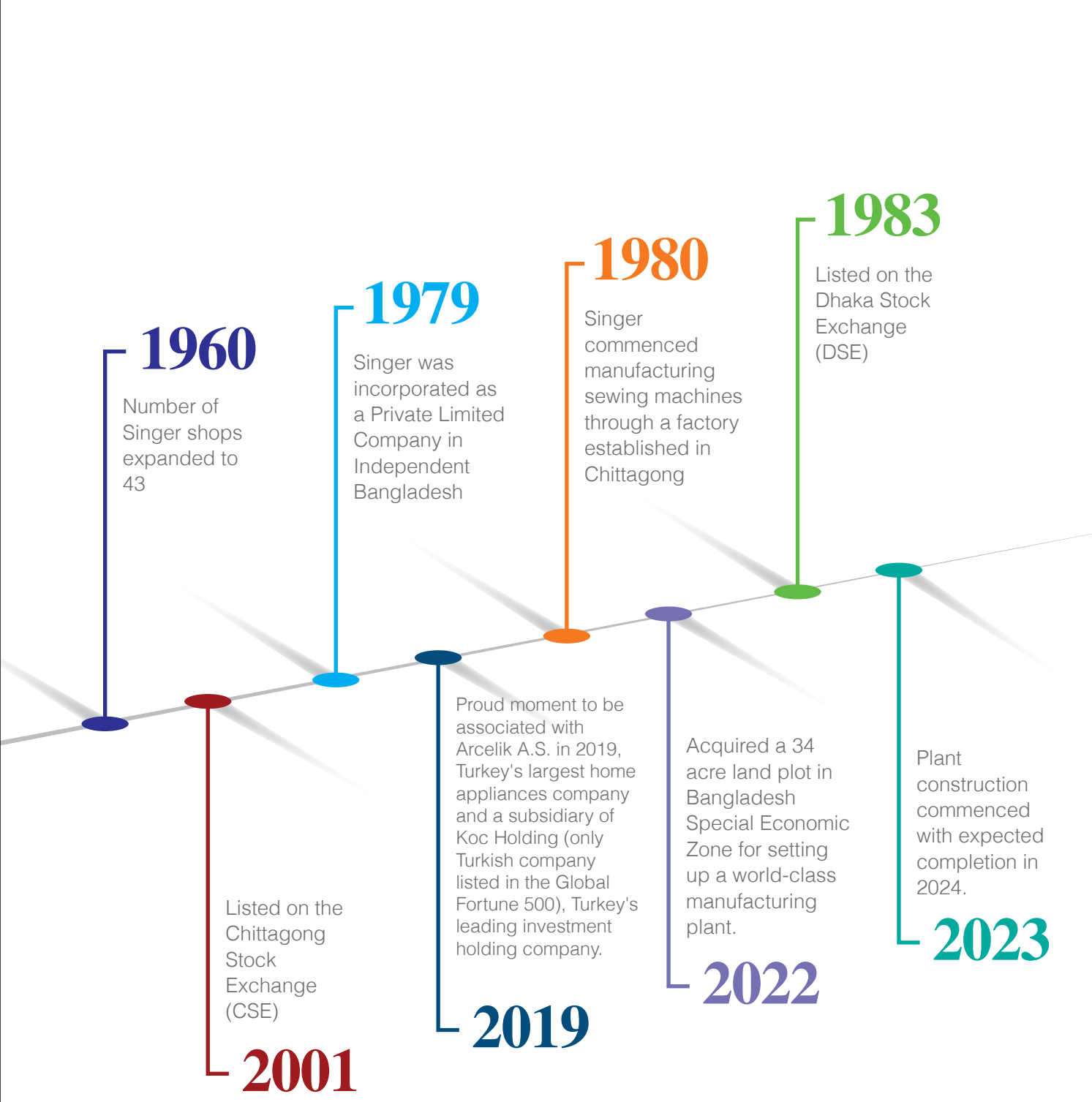
Established a washing machine manufacturing facility

## 1996

Consolidated operations by establishing a comprehensive manufacturing complex

## 1998





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# Board Profile

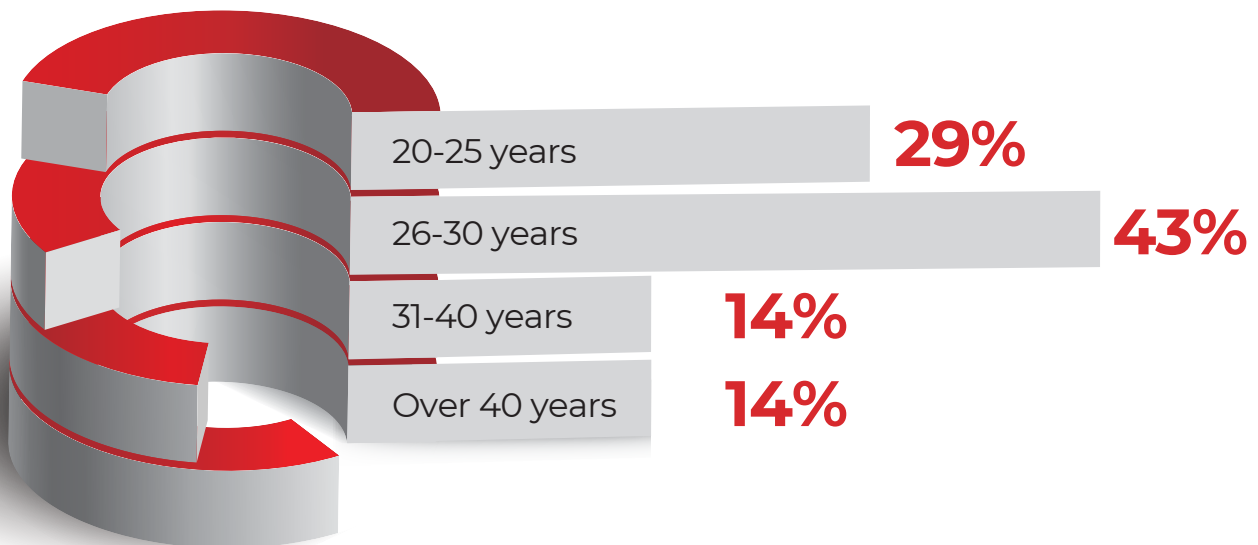
## Guardians of value

Our Board are the guardians of stakeholder value. They bring a wealth of experience and insights to create a fertile ground for discussions and decision-making that supports long-term corporate value creation.

## Board speciality



## Experience matrix





## Dr. Fatih Kemal Ebiçlioglu

Chairman

### Joined the Board on April 3, 2019

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

In 1989, Fatih Kemal Ebiçlioglu started his career at the Ministry of Finance as a Junior Financial Auditor and served as a Financial Auditor and Chief Financial Auditor.

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. Ebiçlioglu is also a Member of the Board of Directors of TÜSİAD (Turkish Industry and Business Association).



## M. H. M. Fairoz

Managing Director & CEO

### Joined the Board on September 6, 2016

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

Mr. Fairoz began his career in marketing nearly 34 years ago with Richard Pieris Group, a leading conglomerate in Sri Lanka, initially in their FMCG division. In 1997, he moved on to their Furniture Division before joining Singer (Sri Lanka) in 2001. He held various positions during his 15-year tenure of exceptional growth of the firm and was Head of the Electronics and Furniture SBUs before joining the Bangladesh operations.

Mr. Fairoz is also Vice President, Sri Lanka Bangladesh Chamber of Commerce and Industry (SLBCCI), a Member of the Board of Directors, Foreign Investors Chamber of Commerce and Industry (FICCI) and also a Member of the Board of Directors, Bangladesh Turkiye Business Forum (BTBF). He was also former Vice President, Foreign Investors Chamber of Commerce and Industry and also a Member of the Board of Directors, Bangladesh Employers' Federation (BEF).

Mr. Fairoz holds a 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, Administrative Staff College, Hyderabad, India, and Diploma from Harvard Business School.

# Board Profile



## Masud Khan

Independent Director

### Joined the Board on April 28, 2020

Mr. Masud Khan currently holds the position of Chairman at Unilever Consumer Care Ltd (formerly GSK) and serves as Chief Adviser of the Board at M. I. Cement Factory Ltd (Crown Cement Group). With 42 years of work experience in both multinational and local companies in Bangladesh, Mr. Khan is a highly experienced professional. Prior to his role at M. I. Cement, he worked at LafargeHolcim Bangladesh as Chief Financial Officer for 18 years. He has also worked for British American Tobacco for 20 years where he gained expertise in finance and related fields, both domestically and internationally.

Mr. Khan also serves as an Independent Director at Community Bank. His articles on professional and industry issues are regularly published in newspapers and international and local magazines. He is a frequent guest on talk shows and interviews in electronic media too and is often quoted in news articles regarding industry and professional issues. Furthermore, he regularly delivers public speeches on professional topics at educational institutions and professional institutes, such as the Institute of Chartered Accountants of Bangladesh, ACCA and ICMA Bangladesh. Additionally, he has been a lecturer at the Institute of Chartered Accountants of Bangladesh (ICAB) for the past 42 years.

Mr. Khan obtained his Bachelor of Commerce with Honours from St. Xavier's College under the University of Calcutta. He also achieved distinction as a Chartered and a Cost and Management Accountant from the Indian Institutes, being a silver medallist at the all-India level in the Chartered Accountancy Examination in 1977.



## Mohsin Ahmed

Independent Director

### Joined the Board on September 13, 2023

Mr. Mohsin Ahmed is seasoned business executive with 29 years of experience, including 20 years serving as Director on the Board of well-respected conglomerates. Presently, he holds the position of Chief Executive Officer at New Zealand Dairy Products BD Ltd. He is on the Board of Singer Bangladesh Limited and Berger Paints Bangladesh Limited as Independent Director. He was also on the Board of Unilever Consumer Care Limited, Unilever Bangladesh, Nestle Bangladesh and GSK Bangladesh.

In the past, Mr. Ahmed has held the position of Managing Director at Linde Bangladesh Limited, President (SAARC) Cluster of Emami Group, Sales Director at Nestle Bangladesh, Operations Manager at Unilever Bangladesh and Area Manager at BAT Bangladesh.



## Hakan Hamdi Bulgurlu

Director

### Joined the Board on April 3, 2019

Hakan Bulgurlu graduated from the Department of Economics and Mechanical Engineering at the University of Texas, and earned his MBA from the joint program of Northwestern University, Kellogg School of Management, and Hong Kong University of Science and Technology. Having started his career at Koç Holding in 1994, Bulgurlu was assigned to key senior management positions in Asia and lived 13 years in Hong Kong where he led Koç Holding's 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. Following his tenure at Arçelik LG, he served as Chief Commercial Officer – Europe, USA, Asia-Pacific at Arçelik between 2010-2015, and has been acting as the CEO of Arçelik since 2015. He is a member of the Climate Leaders CEO Alliance within the World Economic Forum (WEF) and is the President of the European Association of Home Appliance Manufacturers (APPLiA). Hakan Bulgurlu is also a member of the Executive Committee of the World Business Council for Sustainable Development (WBCSD).



## Cemal Can Dincer

Director

### Joined the Board on April 3, 2019

Can Dinçer received his undergraduate degree from İstanbul Technical University, Department of Mechanical Engineering in 1989, and his Master's degree from the US Stevens Institute of Technology, Department of Business Administration in 1993. He completed the Harvard Business School Advanced Management Program in 2017. Dinçer, who started his career in 1993 as a Management Trainee in the Finance Department of Arçelik A.Ş., worked as a Regional Sales Associate in the Export Department in 1995. He worked as Sales Manager for CIS and Other Countries (2000-2005), Sales Director for Non-European Markets (2005-2009), Sales Director for Europe, America, Asia-Pacific (2009-2012), Sales Director for Subsidiaries, America, Asia-Pacific (2012-2015), and Chief Commercial Officer - Türkiye (2015-2017). Can Dinçer has been serving as Chief Commercial Officer — Türkiye and South Asia since January 2018. In tandem with this position, he serves as the CEO of Arçelik Pazarlama A.Ş., to which position he was appointed on 30 December 2016.

# Our Board of Directors



## Ozkan Cimen

Director

### Joined the Board on April 18, 2023

Özkan Çimen holds a B.A. in Economics from Boğaziçi University. He started his career in 1999 as an Assistant Auditor at Koç Holding Audit Group. He worked as Finance Group Manager at Koçtaş Yapı Marketleri A.Ş. between 2002 and 2008, and as Finance Manager at Best Buy Türkiye between 2009 and 2011. Çimen joined Arçelik in 2012. After serving as a Tax and Incentive Manager, Cost-Price Analysis Manager, Internal Audit Manager, Risk Director, Accounting Director, Finance & Enterprise Risk Director; he was assigned the role of Chief Financial Officer in April 2022. He completed Harvard Business School Advanced Management Program in 2022.



## Kazi Ashiqur Rahman

Secretary to the Board

### Joined as the Company Secretary on October 11, 2020

Kazi Ashiqur Rahman is the General Manager, Corporate Affairs of Singer Bangladesh with 26 years of 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).

Rahman completed his Graduation and Post-graduation in Management from the University of Dhaka. He also obtained Master of Business Administration degree with Marketing specialization from North South University. He has experience in internal audit, finance, company secretarial functions, Board management and governance, taxation matters, treasury functions, investor relations, company legal and compliance issues, etc.

Rahman is the member of tariff, taxation and regulatory affairs committee of the Foreign Investor's Chamber and Commerce of Industry Bangladesh (FICCI). He is also an adjunct faculty of ICSB and involves in different committees of ICSB.



# SINGER®



Wins “Best Use of Data and Analytics” &  
“Best Digital Marketing in E-Commerce”



# SINGER®

Embrace Life Now

# Management Team



## Management committee members

|                             |   |
|-----------------------------|---|
| <b>M H M Fairoz</b>         | Managing Director & CEO                                 |
| <b>Shabbir Hossain</b>      | Marketing Director                                      |
| <b>Kazi Rafiqul Islam</b>   | Sales Director - Wholesales & Corporate Sales           |
| <b>Maruf Sobhan</b>         | General Manager - Supply Chain                          |
| <b>Md. Anisur Rahman</b>    | Head of IT  |
| <b>Abu Zafor Md. Kibria</b> | Head of Credit  |
| <b>Kazi Ashiqur Rahman</b>  | General Manager - Corporate Affairs & Company Secretary |

*\* from right to left (first sitting)*



|                                   |                                     |
|-----------------------------------|-------------------------------------|
| <b>Yigit Emre Senolur</b>         | Director & CFO                      |
| <b>Hakan Altinisik</b>            | Technology & Innovation Director    |
| <b>Shahed Al-Mahmud Chowdhury</b> | Head of Internal Audit & Compliance |
| <b>Mohammad Zubayed UI Islam</b>  | Sales Director - Retail             |
| <b>Syed Zahidul Islam</b>         | General Manager - Human Resources   |
| <b>Md. Monzur Murshed</b>         | Financial Controller                |
| <b>Abdullah Al Harun Belal</b>    | Head of Consumer Service            |

*\* from left to right (first sitting)*





**Abrarur Rahman**  
Senior Manager - Merchandising



**Gour Chandra Ghosh**  
Factory Manager



**Helal Uddin**  
GM - Manufacturing



**Golam Nur Baksh Chowdhury**  
Senior Manager - Services



**Md. Shihab Uddin Bhuiyan**  
Sales Manager - Wholesales



**Md. Ismail Hossain**  
Sales Manager - Wholesales



**Md. Farhad Habib**  
Senior Manager - Corporate Sales



**Farhan Azhar**  
Head of Product  
MDA & Home Entertainment



**Mahmud Hasan**  
Senior Manager - Legal Affairs



**Md. Moshir Rahman**  
Senior Manager - Finance & Accounts



**Shabbir Mahmud Rizwan**  
Senior Manager - Production & QC



**Md. Arif Hossain**  
Sales Manager



**Bedoura Farhana**  
Head of Marketing Communication



**Saygin Yurtseven**  
Manager - Production Integration



**Umut Taskale**  
Purchasing Manager



**Dewan Masood Bin Malique**  
Senior Area Manager



**Mutakabbir Ibna Kobir Choudhry**  
Senior Area Manager



**Md. Fazle Rabbani**  
Senior Area Manager



**Md. Obaydul Hoque**  
Territory Manager



**Md. Shazzad Hossain**  
Senior Area Manager



**Mohammad Mojibur Rahman**  
Manager - Accounts



**Md. Mehedi Hassan**  
Manager - Legal Affairs Credit



**Md. Shafiquzzaman**  
Credit Manager - Western



**Md. Rafiqul Islam**  
Territory Manager



**Md. Abdul Quadir**  
Manager - Maintenance



**Mohammad Ahsanul Kabir**  
Manager - Production Planning



**Khandakar Taslima Rahman**  
Manager - Corporate Affairs



**Mohammad Shah Moazzem**  
Manager - Inbound Logistics



**Md. Zahidur Rahman**  
Manager - VAT



**Faiyaz Chowdhury**  
Distribution & Logistics Manager



**Md. Robqul Islam**  
Manager - Warehouse



**Md. Zahidul Hasan**  
Manager - Product



**Shah Ahsan Hasib Yamany**  
Manager - Product



**Abubakar Rahil**  
Manager - E-Business



**Pranojit Biswas**  
Manager - IT



**Syed Sabbir Zaman**  
Head of Product  
SDA, Cooking & Home Confort



# কাপড়ের যত্ন এলো নতুন



## হ্যান্ড কেয়ার টেকনোলজি

কাপড় পরিষ্কার করে পরম যত্নে



### ট্রিপল ওয়াটারফল

ডিটারজেন্ট ভালোভাবে পানিতে মিশিয়ে  
কাপড় করে ঝকঝকে পরিষ্কার



### অ্যাকুয়া স্মার্ট টেকনোলজি

৪০% পর্যন্ত পানি সাশ্রয় করে



০% ক্রেডিট কার্ডে ২৪ মাস  
পর্যন্ত EMI সুবিধা\*



অনলাইন-এ  
ফ্রি হোম ডেলিভারি

২১ দিনের  
ফ্রি ট্রায়াল

SINGER®

# Chairman's Letter



**Dr. Fatih Kemal Ebiclioglu**

Chairman

## **Dear valued members,**

This year marks a significant milestone for Singer Bangladesh Limited as our brand new, state-of-the-art manufacturing plant gears up for production. This greenfield manufacturing establishment is at an advanced stage of completion and will begin a glorious new chapter in the journey of our company.

This momentous occasion is a testament to our enduring commitment to serving our customers and our strong and distinctive positioning in the consumer durables industry of Bangladesh. As we reflect on the journey and take pride in our rich legacy, we are excited and focused on the future and the emerging opportunities it presents for sustainable growth.

On this pleasing note I extend my congratulations to you for your kind support and cooperation that have been immensely valuable to us.

## **A legacy of excellence, forged with integrity**

As we commemorate our remarkable journey in Bangladesh, we take pride in our rich legacy, guided by our principles and our proven time-tested capability to navigate and thrive in the ever-changing consumer landscape. In our evolution from a single-product company to an integrated consumer durables solutions provider, the underlying theme has been our emergence as a group serving to the diverse needs, desires and expectations of our customers.

The pursuit of excellence, the foundation of our journey, rests on a

**Singer is on the verge of operationalising a modern LEED-Gold-certified factory at the Bangladesh Special Economic Zone (BSEZ). This will strike a paradigm shift for the company from semi-partial manufacturing to virtually full-scale production, embodying the commitment to deliver world-class products.**

strong corporate governance, deep-rooted values and high-calibre leadership. An enabling culture that we have carefully nurtured over the years, permeates every organisational and functional aspect. It is the powerful thread of our synchronised actions, which drives us to deliver on our commitments while upholding high standards of ethics and integrity.

As we progress towards a future full of purpose and possibilities, we have adopted a forward-thinking approach, leveraging new-age technologies and processes across our organisation to enhance efficiency, elevate customer experience and unlock new avenues for innovation and growth.

We have provided distinctive solutions and propositions to our customers with our range of varied products. The past year demonstrated this philosophy as we launched a washing

machine series that harnessed specific technology to meet the consumer need of more effective cleaning of clothes. Likewise, we successfully launched a new television sub-brand series that delivered all the features of a high-end TV, yet at levels of affordability to enhance access amongst large population segments.

We have leveraged our R&D capabilities to develop tech-centered solutions that solve customer challenges and meet their needs. With a robust culture of integrity and an unwavering focus on fortifying our technological expertise and product propositions, we are placed well amidst a dynamic business landscape, delivering sustainable value to our stakeholders and contributing to Bangladesh's growth journey.

### **A future of purpose, driven by innovation**

In 2023, the global economy witnessed several challenges and phases of volatility, with escalating geopolitical tensions and disruptions in the supply chains leading to high levels of inflation. However, amid the climate of uncertainty, the economy of Bangladesh has shown resilience, with the GDP expected to grow by 6.5% in the 2023-24 fiscal year, as per Bangladesh Bank.

Challenging external conditions can bear down heavily on developing countries. Yet, Bangladesh has been able to hold on to its position relatively well, attributable to pragmatic decisions and the timely loan package that was secured from the IMF. In addition, the focus on strengthening transport, digital and logistics infrastructure will provide a more secure foundation for sustained economic growth.

Similar to the rest of the world, the inflation-driven price pressure was evident on the average consumer in Bangladesh too. Though there was some pressure to downshift, Bangladeshi society is an aspirational one, which somewhat held up demand. We supported this with our focus on affordability through price competitiveness and variety of consumer offers.

Amidst the evolving economic landscape, our business demonstrated a resilient performance too. Our total revenue remained stable at BDT 17,033 mn in 2023, against BDT 17,096 mn in the prior year. However, our net profit expanded significantly from BDT 73 mn to BDT 522 mn in 2023.

This growth was supported with our diversified multi-product portfolio across various categories, strong affiliation of consumers with the Singer brand, and pricing power.

The world around us is transforming at a rapid pace. Technology is reshaping industries, customer expectations are changing, and new challenges and opportunities are emerging. In this dynamic scenario, we remain committed to staying relevant by constantly evolving our business in synch with the needs of the times.

### A focus on expertise, led by passion

Singer is on the verge of operationalising a modern LEED-Gold-certified factory at the Bangladesh Special Economic Zone (BSEZ). This will strike a paradigm shift for the company from semi-partial manufacturing to virtually full-scale production, embodying the commitment to deliver world-class products. Our operations and processes will receive a significant boost through Arcelik A.S., Singer's ultimate parent company.

Arcelik is a global leader in consumer durables, managing 14 brands and operating in 53 countries. With 28 R&D centers globally employing over 2,200 researchers, Arcelik's flagship brand BEKO, is a leading player in Europe. With the support of Arcelik, Singer is transforming into a world-class consumer durables manufacturer.

Singer has been investing in elevating its manufacturing capabilities by establishing modern production facilities. Exemplified by the new upcoming manufacturing establishment, this endeavour will significantly increase local value-addition, making a substantial



## Awards and Recognition

Singer Bangladesh Limited was the proud recipient of several awards and recognitions in 2023. The Company was awarded the National Award for Corporate Governance Excellence 2022 from the Institute of Chartered Secretaries of Bangladesh (ICSB) under the Engineering sector. Singer also received the AAA Long Term Rating from Emerging Credit Rating Agency, citing, amongst other key strengths, the Company's strong financial position, experienced management, trusted brand and quality assurance.

In addition, the Company received Superbrands Award in washing machine category from Bangladesh Brand Forum and e-CMA award by eCAB for best brand excellence in e-commerce in home appliances category.

contribution to the national economy. Particularly noteworthy is its positive economic impact on downstream industries. Our new factory will not only enhance our competitiveness, it will also give a thrust to domestic manufacturing.

Singer is one of the largest retailers of consumer durables in Bangladesh, with 446 company owned retail stores and 900 dealers across the country. With Arcelik's proven manufacturing expertise globally, the new factory will bring European-standard home

appliances within consumer reach. This combination of own manufacturing and wide dealership shall enable Singer to consolidate its market presence with quality products and pricing power.

### The way forward

Bangladesh as a country offers substantial long-term potential through a number of underlying drivers, including economic growth, aspirational society, near-100% electricity coverage, burgeoning middle and affluent class

populations, and rising per capita income. Further, female labour force participation has increased to over 38% currently from 30% a decade ago, while South Asian average lingers at around 23%.

Expensive appliances are becoming more common, though overall penetration is still low. With the evolving environment, these will become more embedded in the household and family structure. We are positive on the potential of air-conditioners, washing machines, large-screen televisions and other appliances that are on their way to becoming household staples.

### **Appreciation**

On behalf of the Board, I would like to thank the Management Team, led by MD & CEO M. H. M. Fairoz, for the commendable performance achieved during the year. I would also like to thank all our employees for their passion, commitment and professionalism in discharging their responsibilities.

I want to express my gratitude to all our shareholders for their faith and conviction. Thank you to our regulators too for their support and guidance.

Finally, thank you to our customers for choosing us as your reliable partner in home appliances. We will continue to serve your interests with passion, competence and capability.

Sincerely,



**Dr. Fatih Kemal EbiClioglu**  
Chairman

January 31, 2024



# MD & CEO's Message



**M. H. M. Fairoz**

MD & Chief Executive Officer

## The big picture

EVEN AMIDST A DIFFICULT OPERATING ENVIRONMENT, WE AT SINGER ARE DELIVERING ON OUR STRATEGY AND ARE ON TRACK TO MEET OUR MID AND LONG-TERM TARGETS TO DRIVE ONGOING VALUE CREATION. A MOMENTOUS MILESTONE IS UPCOMING IN SINGER'S JOURNEY, WHICH IS THE NEW STATE-OF-THE-ART MANUFACTURING FACILITY COMING UP IN BANGLADESH SPECIAL ECONOMIC ZONE. THIS WILL TRULY USHER IN A NEW ERA FOR SINGER.



“  
Revenue in 2023  
**17,033**  
BDT in mn  
”

### Dear esteemed shareholders,

A warm welcome to our Integrated Annual Report for the year 2023. It is a pleasure to provide you an update about Singer's performance and outline the path forward. As the salient financial highlights had been elaborated in the Directors' Report and Management Discussion and Analysis, I would limit my self to other important aspects of the business.

Over its long history of 118 years in Bangladesh, Singer has contended with and overcome many challenges, backed by a commitment to its vision and purpose. 2023 presented many challenges that caused a degrowth in the consumer durables industry. Yet, characteristically, Singer relied on its groundswell of resilience and adaptability to deliver a strong operational and financial performance for the year.

### This is Singer!

Singer is a renowned household Brand in Bangladesh with an established track record of over a century. The company's ancestry and brand heritage originate from the trust built over generations, supported by an enduring vision to make a difference in the lives of people by

providing convenient lifestyle solutions.

Over time, the company has created a large consumer durables portfolio and a formidable market presence with a nationwide reach through numerous multi-size, multi-format retail outlets, dealer touchpoints and institutional and wholesale channels, together with modern e-commerce platforms. Our local manufacturing presence is considerable through our two factories in Dhaka.

As a well known household brand of Bangladesh, we keep pushing the frontiers to deliver innovative lifestyle products to our customers. This is embedded in our spirit as we tread the path of providing new value propositions and solutions to our customers in the digital era.

### Year in context

The external operating environment this past year remained challenging for us and our customers, as is evident in weaker gross domestic product (GDP) growth in Bangladesh, projected at 5.6% in 2023-24 by the World Bank, down from 6% in 2022-23. The government has also revised its

GDP growth estimate to 6.5% in 2023-24, against 7.5% forecasted initially.

Lower GDP is a result of several factors, including higher interest rates, elevated levels of inflation, weakening country macros, and muted performance of equity markets. Depreciation of the BDT, together with the rise in commodity prices spurred inflation that exerted price pressure on consumers, forcing them to reprioritise their spending patterns.

The implications of this ongoing economic challenges and consumption environment were reflected on the consumer durables industry, which has likely shrunk by 7-8% in 2023, going by internal estimates. The government, in a bid to preserve foreign exchange, discouraged imports that led to inevitable supply constraints. The currency depreciation seen during the year also triggered an increase in overall costs, which, given the inflationary landscape and discretionary nature of our products, led to a slowdown.

But here is where the proven resilience and adaptability of Singer shone through.



### Singer – being the change!

As witnessed last year, the consumer durables industry of Bangladesh was heavily shaped by multi-pronged challenges. Yet, Singer was able to augment its strong market position.

With a longstanding presence in the industry, we believe change is the only constant and being that change is a powerful driver for all of us at Singer. It spurs us towards transformation and improvement, enabling us to adapt and shift with the times. We have always been a company about the future.

Underpinned by our focus on innovation, creativity and thoughtfulness, we have sought to redefine the way we have utilised our talent and resources to chart our journey. We have always thought the way our customers would think while buying our products. So in many ways we are a part of their journeys, helping them solve their daily challenges through our products and the value they offer. This is at the heart of our pivot from product utility to product capability, apparent in the new innovations we launched in 2023.

We aspire to play our part in being the change and that is why our focus is always anchored on enhancing our relevance to the household. What we saw as an emerging trend in the past years took greater hold and a few things became very clear. One was the need for convenience becoming more acute, and the second was digital becoming more and more a part of lifestyles.

### Singer – humming along!

The hum or the pulsing energy at Singer was palpable. We focused on reshaping our strategies to serve the market with vigour. We

determined we had to operate keeping two realities in mind: One, maintain continued desirability for our products and two, keep affordability as the guiding principle in all our decisions.

I am happy to share we made good progress on both these fronts.

#### Industry trend

During last year contractionary economy, Refrigerator as a category, suffered the most as consumers held back their purchase.

#### What Singer did

We launched a new Economy Freshness Series comprising lower capacity refrigerators at market competitive price & strong market awareness campaign targeting the cost-conscious first time buyer segment. The series was very well-received.

#### Industry trend

Washing Machine category, being heavily Finished Goods/CBU import dependent, suffered due import de-prioritisation.

#### What Singer did

During 2023, Singer transitioned from Finished Good import to manufacturing of Auto Top Load in its own factory, which allowed us to meet consumer demand, despite the import restrictions.

One of the biggest success stories in the past year was our television series.

#### Industry trend

Despite highest penetration, there is strong demand for TV as Consumers buy second units and upgrade to 4K/UHD high resolution smart connectivity versions.

#### What Singer did

Anticipating this opportunity, Singer sought to fill it with the launch of its PrimaX 4K Smart TV range. This feature-rich product with high-quality 4K resolution with MEMC technology, Dolby Vision ATMOS and pure sound with dual band Wi-Fi, at attractive price helped Singer TV to grow more than the industry.



## Singer is entering a new era

The company is on the verge of commercialising its new state-of-the-art manufacturing establishment at the Bangladesh Special Economic Zone certified to the LEED – Gold standard. What this means is that the new production unit will adopt high standards of modernity and sustainability. Given Arcelik’s proven strengths in global manufacturing, the plant will benefit from international best practices that will be applied here. Most importantly, the facility will enable us to shift a large part of the manufacturing in-house and that too across product categories.

Our new plant is in line with the new priorities of Bangladesh as the country enhances self-reliance in meeting its needs. The emphasis on domestic manufacturing is evident, given the government’s thrust on ease of doing business and focus on “made in Bangladesh” products.

I look forward to updating you on our new plant as we come closer to commencing operations.

### The path forward

Hopes of a material recovery may fall short in the current year 2024, with uncertainties continuing to bear down on progress. The road ahead will be shaped by many factors such as resolution of geopolitical conflicts, the interest rate volatility, success in

curbing inflation and soft landing of the global economy.

Bangladesh has its own complexities too and it is hoped that the government and industry working together will pave the path out of the challenges. Still, a 5-6% GDP growth anticipated for the

2023-24 fiscal year is credible to make Bangladesh amongst the fast growing economies of the world, giving a boost to per capita income and taking more people towards the middle-income bracket.

At Singer, we will work towards maintaining our competitive position in the market. Our new upcoming plant will help usher a new era of growth and it will be a matter of pride to continue to serve our customers with international quality products with standout value propositions.

With consumer habits being redefined and digitisation becoming more pervasive every day, we will stay true to our ethos of being a company of the future.

### Appreciation

I extend my gratitude to the Board for its continued support during another difficult year. A special word of appreciation to the senior management team who delivered a stellar performance and value to our stakeholders. I also thank our employees for their dedication, commitment and hard work. I thank our customers too for making Singer a part of their home and their lives.

Much gratitude to our shareholders for their conviction and faith. We will continue on the path of value creation for all.

Thank you once again.

**M.H.M. Fairoz**  
Managing Director & CEO

January 31, 2024



# STRATEGIC OVERVIEW

# KEY MEGATRENDS

## CONSUMER DURABLES MARKET

**T**he COVID-19 pandemic had an inevitable impact on household incomes and expenditures. While this impact continues to linger, households in Bangladesh have been further pressured by rising inflation and interest rates, leading to a cutback in discretionary spending. Further, in addition to savings being depleted due to incomes not being able to generally support home expenses, less surplus is being channelled into savings too.

In this situation, households have naturally concentrated on essentials and postponed purchasing of non-essentials. Demand for consumer durables is generally considered to be correlated to the disposable income. Weakening disposable income has had an impact on the country's consumer durables industry, which, as informal estimates suggest, has degrown in 2023.

The silver lining was that agriculture was a less affected sector. The rural sector provides a large share of the market for durables. Farmers are amongst the largest occupational group in Bangladesh's rural society and a good crop cycle generally signals more money being spent on consumer durables. With mechanisation of farmlands, improved irrigation and government's support, the farm community is expected to remain a mainstay consumer segment of consumer durables.

There are a few key trends shaping Bangladesh's consumption story, signalling long-term demand. Underpinning these is a large population pool, demographic advantages, low product penetration, replacement demand and urbanisation.

Riding the long-term consumption wave of a developing economy in itself bodes well for the future long-term prospects of the industry. A few of the key trends are indicated below.

### **Per capita income**

As Bangladesh has been gradually metamorphosing in terms of macroeconomic factors, such as trade liberalization, apparel and remittance-driven growth and growing domestic mid-income population, it is set to shift to a middle-income nation by the year 2026 and a high-middle-income nation by the year 2031, as per



the World Bank. Supported by growth in per capita income, which has continuously risen over the years and stood at 2,528 USD in 2023 is projected to virtually double to 4,111 USD by 2028, which is a good signal for the long-term potential of the industry.

**Demographics**

Bangladesh has a population of around 180 million people. Over a quarter of this population or around 50 million is aged between 15-29 years. Given this, the country is positioned well to reap the benefits of the demographic dividend that is projected to continue until around 2040. Furthermore, more than half or around 53% of the population between 15-29 years was in the labour force in 2022 (source: The Daily Star; <https://www.thedailystar.net/opinion/views/news/bangladesh-isnt-doing-enough-cash-its-demographic-dividend-3551736#>). Furthermore, a shift is seen amongst workers migrating from low-productivity sectors to high-productivity ones like manufacturing. This is also a good indicator of long-term demand.

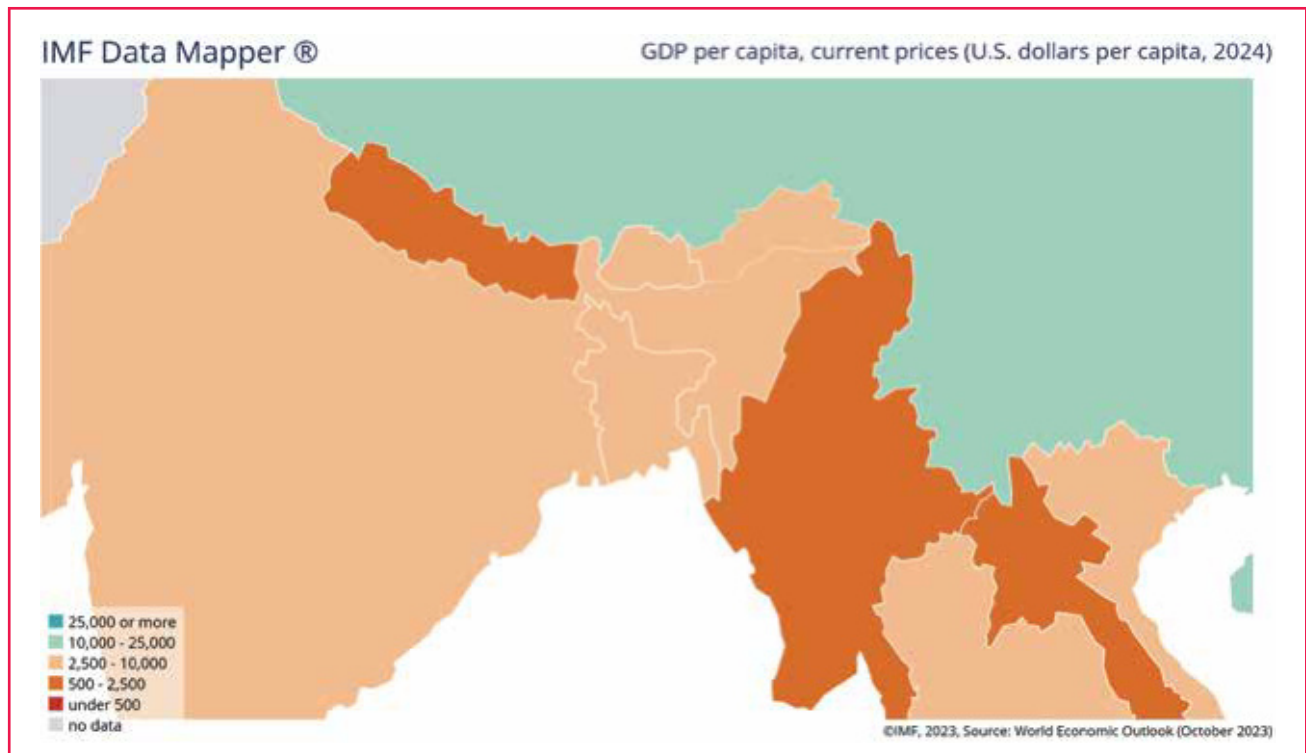
Due to growing urbanisation towards metro areas where employment opportunities are high, these areas have seen a rise in the number of nuclear family structures and many working couples, which has influenced demand for consumer durables like refrigerators and other home appliances.

**Electrification**

Bangladesh has made impressive strides in the power sector in the last decade. Installed power generation capacity has shot up from 25,514 MW from 4,942 MW in 2009, while the maximum power production rose to 13,792 MW, up four-fold from 3,268 MW 13 years ago. In 2009, only 47 per cent of the population in the country had access to power. Per capita power generation more than doubled to 560 kWh, from 220 kWh during the period, making frequent power outage a thing of the past. Further, in 2009, about 47% of the population had access to power. In 2022, 100% of the population had access to power (source: The Daily Star; <https://www.thedailystar.net/business/economy/news/100pc-population-comes-under-electricity-cover-age-2983111>). This rising electrification rate, with steady and stable electricity supply, has spearheaded demand for consumer durables.

**Product upgradation**

Although the consumer durables industry is highly competitive, with many players competing for market share, majority of the consumers still prefer international brands due to perceived quality parameters. However, consumers in the low income households, in general, are more price sensitive, and are willing to purchase local brands at affordable pricing. This segment offers





huge opportunity for large formal players as they are not only pricing products more competitively, but are also offering a holistic value proposition, comprising longer warranty period and reliable after-sales services. Thus, these companies are positioning themselves for serving first-time demand, while also creating an aspirational aura around their brands that make them the choice of consumers when they are upgrading products.

### Demand-supply dynamics

Bangladesh, with its affordable wage structure, expertise in the IT and light engineering industries, is positioning itself as a hub of manufacturing of consumer electronics. Furthermore, this trend is being catalysed by the government's thrust on domestic manufacturing, boosting local value-addition and ensuring lower reliance on imports.

### Product-specific opportunities

In the television market, significant number of consumers own low-priced CRT TVs, followed by

ownership of LED televisions below 32-inch size. Although the majority of the consumers already own TVs, there is a tendency to trade-up with rising income. Furthermore, demand is also progressively shifting to bigger screen televisions with smart features in a typical trend to premium products.

Refrigerators are considered to be essential commodities, with many consumers from lower income households also willing to purchase these products, especially through the hire-purchase scheme. Generally speaking, consumers are disinclined to consider products with lesser or lower-grade features. Thus, while they will show a tendency to concede on the size of the refrigerators, they will not compromise on features.

Similarly, the trend towards air-conditioners is also catching up. Many households still do not have air-conditioners, which signifies growth opportunity, especially with the growing need for cooling amid rising average temperatures.



# SINGER

Introducing

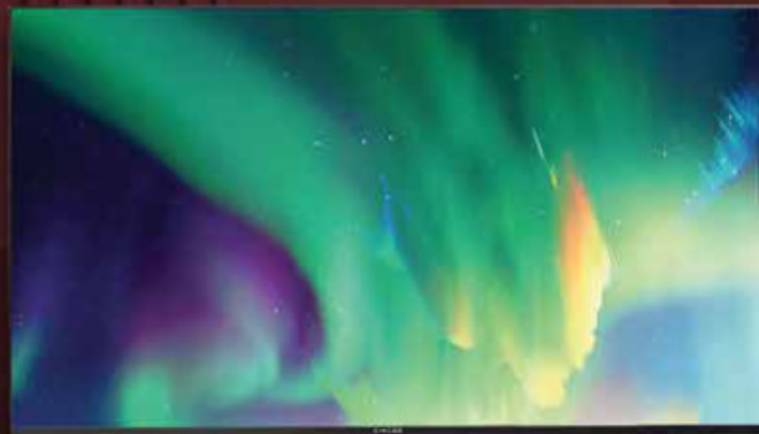
# Primax series

Prime Technology  
Max Entertainment

4K MEMC

Dolby Vision · Atmos

2.4/5GHz  
WIFI  
Dual-band



NETFLIX YouTube



CHORKI

Max-Protection



DUST



THUNDER & HIGH  
VOLTAGE



HUMIDITY

# Value Creation Through Our Business Model

Singer's operations involve the procurement, manufacture and retailing of a wide range of consumer durable products through multiple distribution channels that serve every corner of Bangladesh.

In executing this operation, the company depends on key resources and relationships that are transformed through implementation of a targeted strategy across different business activities and processes. This transformation results in value creation for stakeholders.

| SIX CAPITALS   | INPUTS   | CAPITAL TRANSFORMATION   | VALUE OUTCOMES   | SDGs                   |
|--|--|--|--|------------------------|
| <b>FINANCIAL</b><br>Our shareholder and debt funding represent our strong capital base that supports the operations of our business and funds future growth.             | <b>FINANCIAL</b> <ul style="list-style-type: none"> <li>Equity of BDT 3,393 mn</li> <li>Total debt of BDT 8,142 mn</li> <li>Stable liquidity and cash flow</li> </ul>  | <p><i>Singer is a household brand in Bangladesh with a successful track record of over 118 years in the country. Our brand heritage and legacy make us a staple brand in households around the nation.</i></p> <p><b>WE CREATE VALUE BY TRANSFORMING OUR CAPITALS THROUGH OUR VALUE CREATION MODEL</b></p> | <b>FINANCIAL</b> <ul style="list-style-type: none"> <li>Continued returns to shareholders</li> <li>Total dividend of BDT 349 mn (35%) recommended for 2023</li> <li>Well-capitalized balance sheet with total assets of BDT 19,463 mn</li> </ul>   | <b>KEY IMPACTS</b><br> |
| <b>HUMAN</b><br>Our culture and our people and our collective knowledge and competencies, experience and motivation to innovate and go the extra mile for our customers. | <b>HUMAN</b> <ul style="list-style-type: none"> <li>Workforce of 1,301 employees</li> <li>BDT 3.4 mn invested in learning and development</li> <li>Culture of learning and self-development</li> <li>Strong focus on diversity and bias-free work environment</li> </ul> |  | <b>HUMAN</b> <ul style="list-style-type: none"> <li>BDT 650 mn paid in salaries and benefits</li> <li>Total 15,410 learning man-hours</li> <li>Talent development and upskilling programs</li> <li>Maintaining an inclusive and meritocratic workplace culture</li> </ul>  |                        |
| <b>MANUFACTURED</b><br>Our manufacturing establishments (in Dhaka) and our sales and distribution infrastructure, among other assets.                                    | <b>MANUFACTURED</b> <ul style="list-style-type: none"> <li>2 factories</li> <li>446 total retail points</li> <li>Offices in major areas</li> </ul>   |  | <b>MANUFACTURED</b> <ul style="list-style-type: none"> <li>Enabled enhanced component localization</li> <li>Established 1 new own retail showrooms in last year</li> <li>Appointed 18 new dealer-partners in last year</li> </ul>  |                        |
| <b>INTELLECTUAL</b><br>Our trusted brand, market goodwill and franchise value and our innovation capabilities and sales expertise.                                       | <b>INTELLECTUAL</b> <ul style="list-style-type: none"> <li>Strong product development capabilities</li> <li>Robust knowhow of consumer needs and preferences</li> <li>Strong IT infra systems and processes</li> </ul>   |  | <b>INTELLECTUAL</b> <ul style="list-style-type: none"> <li>Pioneering understanding of Bangladesh's consumer durables industry</li> <li>30 plus new products/variants launched in last year</li> <li>Setting up of modern multi-product factory at Bangladesh Special Economic Zone, helping unlock Arcelik's R&amp;D and manufacturing prowess</li> </ul> |                        |
| <b>SOCIAL AND R'SHIP</b><br>Our relationships with our stakeholders that enable us to create conducive and mutually-beneficial relations.                                | <b>SOCIAL AND R'SHIP</b> <ul style="list-style-type: none"> <li>Unmatched brand value and customer relations</li> <li>Established relations of trust with all stakeholders</li> <li>Contribution to Bangladesh's employment and empowerment agenda</li> </ul>            |  | <b>SOCIAL AND R'SHIP</b> <ul style="list-style-type: none"> <li>BDT 5,293 mn paid in direct and indirect taxes</li> <li>39 Singer Sewing School located around the country</li> <li>Singer Sewing School provides training to 3,000-3,500 women every year</li> <li>Participated and contributed to industry engagement and thought leadership</li> </ul>  |                        |
| <b>NATURAL</b><br>The use of and the influence and impact of our business activities on natural resources, such as paper, water, energy, etc.                            | <b>NATURAL</b> <ul style="list-style-type: none"> <li>Responsible, low-carbon operations</li> <li>Resource-efficient activities</li> <li>Activities to mitigate climate-related risks</li> </ul>   |  | <b>NATURAL</b> <ul style="list-style-type: none"> <li>Maintained commitment to lowering the carbon impact of our operations</li> <li>Continued to identify measures to reduce natural resource consumption</li> </ul>  |                        |

# Determining Material Matters

Materiality assessment is an integral part of our operational management. Through determining these matters, we are able to engage with external stakeholders and also representatives within the organisation for their feedback on significant matters that enhance our decision-making and influence the long-term direction of our business.

We review our materiality assessment to substantiate the importance of economic, environmental, social and governance matters. We also take into consideration new business perspectives, weighted against our strategic priorities.

| Material matters                          | Description   |
|---|---|
| <b>Regulatory compliance</b>              | Maintaining robust controls to meet existing and emerging legislations and regulations  |
| <b>IT and data security</b>               | Upholding high governance standards to strengthen privacy controls and protect stakeholders' data and information against cyberthreats                      |
| <b>Product reliability and quality</b>    | Providing quality and consistent product usage experiences to our customers   |
| <b>Customer satisfaction</b>              | Employing customer-centric solutions and propositions for a differentiated user experience in our highly competitive market                                 |
| <b>Talent and culture</b>                 | Fostering an environment that attracts and retains high-performing talents while encouraging continuous development of skills and competencies              |
| <b>Occupational health and safety</b>     | Providing a conducive environment with improved health and safety conditions for all employees, especially in our manufacturing and supply chain footprints |
| <b>Ethics, compliance and governance</b>  | Maintaining an effective governance framework and internal controls to uphold corporate values and ethical standards  |
| <b>Crisis management and response</b>     | Ensuring we are well-prepared for any crisis situation with an adequate response plan   |
| <b>Climate action</b>                     | Protecting the environment by transitioning towards net-zero emissions by 2030, in line with Arcelik's climate goals  |
| <b>Business development and expansion</b> | Robust strategies in place to expand the business to drive growth and profitability   |
| <b>Supply chain management</b>            | Raising standards in our supply chain to ensure procurement stability and environmental protection  |

Going forward, we will continue to monitor and evaluate all material matters to ensure their relevance to our strategic priorities and the overall business environment.



# REVIEW OF OUR CAPITALS FINANCIAL CAPITAL

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## Revenue

**BDT 17,033 mn**

(2022: BDT 17,096 mn)

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## Gross profit

**BDT 4,902 mn**

(2022: BDT 3,930 mn)

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**W**e at Singer registered a sound financial performance for the year 2023, thus enabling a safeguard for stakeholder interests. Our key strategies for the year comprised continuing emphasis to make Singer the preferred choice for our customers, focusing on sales growth by emphasizing multi-channel distribution, ensuring gross profit expansion through considered cost optimisation activities, and fostering a KPI-oriented culture through training, upskilling and productivity improvement.

### Overview

The year 2023 was strenuous for Bangladesh, considering major all-round challenges, such as price pressure on consumers due to elevated inflation, higher interests costs and significant depreciation of the local currency driving import and other commodity costs higher. This environment tested the organisation's resilience and adaptability. Yet, the company was able to overcome the numerous hurdles through its pertinent strategies and competitive levers, while also seizing market opportunities with new products.



**Operating profit**  
**BDT 1,478 mn**  
 (2022: BDT 943 mn)

**Net profit**  
**BDT 522 mn**  
 (2022: BDT 73 mn)

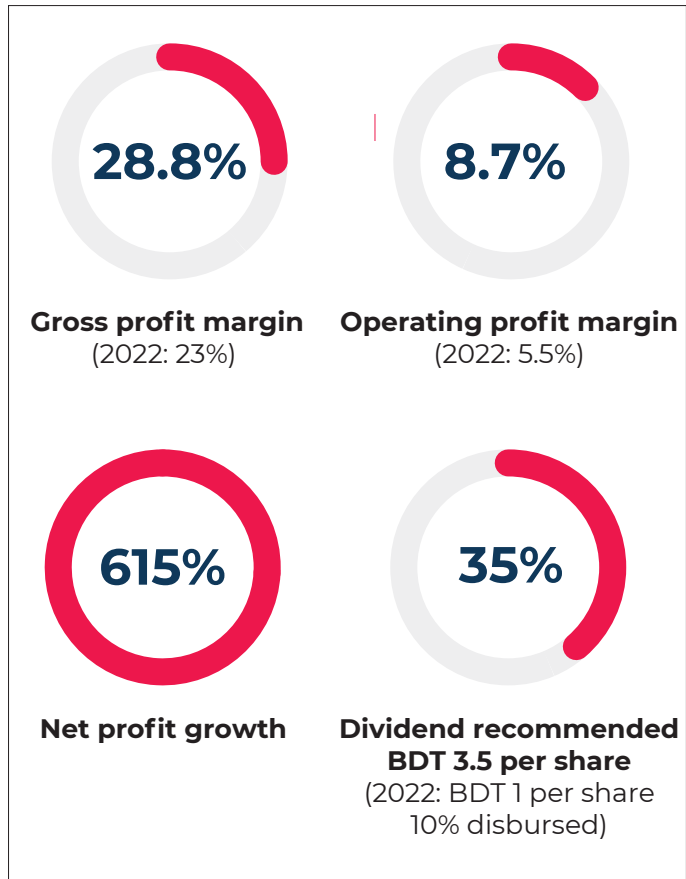
**Earnings per share**  
**BDT 5.24**  
 (2022: BDT 0.73)

**Total assets**  
**BDT 19,463 mn**  
 (2022: BDT 15,237 mn)

**Cash/equivalents**  
**BDT 454 Mn**  
 (2022: BDT 213 mn)

**Net asset value per share**  
**BDT 34.03**  
 (2022: BDT 29.97)

**Market capitalisation (DSE)**  
**BDT 15,145 Mn**



# Manufactured Capital

*We at Singer rely on our manufacturing establishments that enable the production of our various branded products. By investing in the latest technologies and innovative solutions, we ensure our manufacturing assets and infrastructure is of high standard. Further, we are on the throes of operationalising our new factory in Narayanganj near Dhaka that is the flagship establishment of Bangladesh Special Economic Zone.*

**2** Existing Factories  
at Savar in Dhaka

**1,851 mn**

Total investment in plant and machinery

**614** Total factory  
workers supported

## Manufacturing excellence

We focus on achieving manufacturing excellence through several levers, with one of the major factors comprising our longstanding knowhow of consumer durables manufacturing. This has only improved further with Arcelik's global knowhow that has enabled us to continue fostering best practices across our shopfloor.

We implement stringent quality control measures throughout the manufacturing process to ensure consistently high-quality products. This includes closely monitoring resource sourcing, manufacturing processes and final product sampling and testing. We focus on optimising our manufacturing processes to improve efficiency and lower costs. We also conduct analysis of existing workflows, identify bottlenecks and implement key manufacturing principles to streamline operations.

We have established an effective supply chain practice to ensure timely availability of raw materials and components. We maintain strong relationships with our local supplier ecosystem, implementing inventory management systems and monitoring supplier performance to minimize disruptions and optimize costs.

This is supported by our skilled workforce. We invest in training and development programs to enhance worker skills, thus also contributing to productivity improvement. We provide regular training on technical skills, safety protocols and quality assurance processes to promote a culture of continuous improvement.

Environmental sustainability is an important aspect of our operations and we incorporate sustainable manufacturing practices to reduce environmental impact. This involves implementing energy-efficient technologies, waste minimisation strategies and adopting eco-friendly materials and processes.

## Continuous improvement culture

At Singer, we foster a culture of continuous improvement across our manufacturing operations. We encourage our employees to suggest ideas and create collaborative participation in problem-solving initiatives to drive efficiency, productivity and quality improvements.

We also foster collaboration between different departments within the organisation. By facilitating cross-functional collaboration this way and integrating processes, we ensure smooth coordination and effective delivery as per our plans.

As part of our compliance and regulatory focus, we remain updated on regulatory requirements and industry standards related to manufacturing, product safety and environmental regulations. Adherence to these standards enable us to uphold ethical business practices and ensure consumer trust.

**New factory**

Singer's new state-of-the-art factory is coming up at Bangladesh Special Economic Zone that is located about 30 km from Dhaka.

Spread across an expansive 135,000 sqm industrial zone, commercial production is expected in the first half of the current year. This will initiate sustainable and smart in-house production processes of the highest quality. Backed by Arçelik's R&D strengths, Singer will introduce state-of-the-art energy-saving electronics and home appliances products.

Through the new factory, the company aims to locally manufacture 90% of its products. This would also support the development of the local supplier ecosystem for the electronics and home appliances industry.

The initial capacity of the factory would be to manufacture refrigerators, televisions, washing

machines, air conditioners and other major appliances annually, which will strengthen Singer's position in the market. The new factory will also create jobs for around 4,000 people.

The new manufacturing facility has been accorded Gold standard of LEED, a green building certificate recognised all over the world. With the support of Arcelik, Singer will bring the know-how on energy-efficient products and production technologies in Bangladesh that will also help the country's transition to a low-carbon economy.

The factory will be designed to maximise natural daylight with the use of skylight roof surfaces that would save energy and rooftop solar panels that would prevent carbon emissions. Further, energy monitoring systems will be deployed for sustainability and quality targets.

Rainwater will also be harvested and stored for use in plumbing as well as for landscaping/gardening.



# Intellectual Capital

*We at Singer have fostered a strong intellectual capital, represented by our brand heritage, customer goodwill, market knowhow and strategic collaborations and partnerships with innovation-driven players.*

## The Singer brand

The Singer brand has evolved over a period of 118 years.

From its humble beginnings as a sewing machine manufacturer to its current retail presence, the company offers a diverse range of products including consumer durables, refrigerators, air-conditioners, kitchen appliances, etc. In addition to Singer, we also distribute products from internationally recognised brands.

The Singer brand today represents high living standards for the modern home, aesthetics, dependability and customer service. Our motivation and vision are to elevate and enrich the lifestyles of people, leveraging the strength of our brand heritage and the consumer trust we have earned over generations.

With 446 retail stores, 900 dealer points and other omni-channel customer touchpoints established across every corner of the country, Singer has a formidable market presence that enables the brand to reach its customers seamlessly and conveniently.

Our products have become so ubiquitous in Bangladeshi homes that the brand has become a household name. The fact that Singer empathises with the needs and aspirations of consumers contributes to its brand strength that is bolstered by our easy payment plans and competitive pricing. However, we are well-aware that we cannot be complacent because of our brand heritage. In fact, we believe that our brand should evolve as the market and consumer behaviour evolves. A brand that intends to remain strong should be unique to its consumers. This will be prioritised in the years ahead.

Singer's partnership with Beko and other reputed brands comprising Samsung, Hitachi, Whirlpool, Dell, HP, Zoje, Pureit and V-Gard underscores its commitment to offering a gamut of high-quality, reliable and technologically advanced products to its consumers, thereby ensuring they have access to the best-in-class appliances for their homes.

## Catering to our customers

Singer, originally a sewing machine firm, has transformed into a well-known household brand recognised for its home appliances and consumer durables. The company's motivation and vision are to enhance and improve the lives of its customers.

We strongly feel that each purchase made by a consumer at one of our sales outlets represents a step towards a more convenient lifestyle for them. Singer has successfully penetrated the market, with the majority of households owning an electronic gadget or appliance from the brand. Singer provides consumers with easy-payment options and value-based propositions, making our products accessible to individuals from diverse backgrounds.

There was no significant change to our physical distribution system during the year. We have a combined total of 446 Singer stores and 17 service centres located around the country. We have a total of 900 wholesale dealers in the network and also have a large B2B presence. One notable development during the year was the rise in customers buying through digital e-commerce channels. This is due to them becoming habituated to online shopping and having confidence in the digital system as a whole.

Our marketing strategy last year focused on fully engaging our customers with the overall value proposition of our products, rather than solely emphasising pricing. We determined that this approach would be more effective with clients experiencing challenging times. We focused on improving client experiences and boosting their lifestyle by helping them simplify their daily chores and tasks and providing tools to make work more easy.

Our strategy is clearly demonstrated by the heightened focus on digital advertising and social media and how we utilised these platforms. We are concentrating on harnessing the significant potential of these mediums, which also provides a cost-effective way to reach our consumers.



# SINGER

Embrace Life Now



## Product stewardship

Singer's product responsibility is defined by customer utility, the highest safety requirements, and the best possible environmental compatibility.

We aim to consistently offer our customers products and services that meet world-class standards. The safety of our products is crucial at every stage of their lifecycle, from production to disposal and recycling.

We apply the same criteria to product sourcing as well, evaluating environmental compatibility and energy efficiency across the full product lifecycle. We inform our customers about the characteristics and features of our products and guidelines for usage, while prioritising safe use.

Our factories underwent re-certification for ISO 14001 and 9001 for quality in 2023, while we successfully obtained ISO 45001 for occupational health and safety during the year. The ISO accreditation that attests to our workflows and operational practices, together with our highly qualified production managers, engineers and workers, enables us to uphold our product responsibility to high standards. Further, Arcelik's inputs here have been valuable in further elevating our manufacturing processes.

**Arcelik**

As part of our product stewardship focus, we utilise customer inputs and market trends to create new products or variations to existing products, in collaboration with our established local suppliers. Customers remain assured in the quality of our products as they undergo rigorous quality control and quality assurance, conducted by our skilled engineers and technicians. Our products also undergo continual improvement throughout their lifecycle, right from sample evaluations to post-sale assessments.

## Our IT systems

Our large and varied business, functioning in a competitive industry and a dynamic environment, has complex information needs.

Various users and decision-makers need precise, comprehensive and up-to-date information. Our competitive edge in the consumer durables market has been largely attributed to our information technology (IT) systems and processes.

Utilising technology has facilitated business continuity during challenging periods. Big data is anticipated to have a significant impact in the future. We expect developing a stronger IT ecosystem. This will elevate Singer's level of automation by incorporating modern technology. Utilising technology effectively will propel Singer to its next phase of expansion and allow for agile initiatives to align to evolving market conditions.

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Shareholders' Information



# Human Capital

*We at Singer believe that we have the best-in-class talent in our organisation. We aim to create long-term value for our people while keeping diversity, inclusivity and employee wellbeing at the core of our HR strategy. Aligned with our business goals and objectives, our human capital development pathway converged towards building meaningful career prospects, developing impactful leadership capabilities, and delivering a superior employee experience.*

## 2023 highlights



**1,749**  
Total workforce



**12%**  
Female employees



**79**  
New employees hired



**36 years**  
Average age of employees



**407**  
Training sessions conducted



**7,504**  
Training participants



**15,410**  
Total learning man-hours

*These nos. pertain to the year 2023*

### Overview

Singer considers its employees as the cornerstone of the organization, recognizing them as our most valuable asset crucial to achieving our goals and objectives. The company places high value on its workforce, acknowledging their significant contribution and hard work as vital elements of organisational growth and success.

We are committed to the development and well-being of our employees, offering extensive learning and capacity-building opportunities, an encouraging and inspiring work environment and fair compensation. The organization aims for sustainability and future readiness and, under the guidance of Arçelik, has implemented numerous initiatives, such as developing a future-fit global talent program, the "Talent Review Process, a Culture Deployment Program for a future-fit organization, EVP and DEI roadmap, and OKR-based Performance Management System.

## Our HR strategy

At Singer, we place high importance on our human resource strategy. The company is committed to attracting top talent, fostering future-fit capacity, retaining and nurturing top talent, and aligning our HR strategy with the organisational goals and objectives. This strategy revolves around key elements that involve investing in talent acquisition efforts to secure the best talent through avenues like job fairs, employee referrals and online job postings.

We provide training and development opportunities to our employees according to the identified skills gap, improving their capabilities and facilitating the enhancement of their skills and knowledge to foster professional growth and excellence. The company cultivates a positive work environment, promoting employee engagement through regular feedback and open communication channels.

Recognizing and rewarding employee contributions is integral to building a motivated and engaged workforce. Further, putting diversity at the pedestal of our HR initiatives, we strive to create an inclusive work environment where individuals from various backgrounds and cultures feel valued and respected.

## Learning and development

The pivotal role of learning and development in fostering employee success, productivity, engagement and retention is recognized as essential.

To this extent, the company actively invests in resource development to enhance skills, knowledge and capabilities. Various learning and development opportunities are provided to keep employees abreast of industry trends and best practices, enabling them to perform their roles more effectively and contribute to the organization's overall success.

We also promote career growth and advancement by offering development programs and cross-functional training opportunities. It is seen that when employees perceive their skills and knowledge to be evolving, they see avenues for growth and their engagement and motivation in their work increase. This proactive support and development approach contributes to higher employee retention, reducing turnover. As learning and development are continuous processes, the company has emphasized virtual learning facilities to help employees adapt to the evolving world.



In 2023, HR conducted a total of 407 training sessions, catering to a diverse cohort of 7,504 participants. These sessions led to an impressive 15,410 training man-hours.

## Performance management

By implementing a target with weighted significance and a specified timeframe for employees, we successfully monitored the actual performance results and effectiveness. Our shift towards an OKR-based Performance Management System is in line with our business goals. The OKR or Objectives and Key Results system is a performance tool that sets, communicates and monitors goals in an organization so that all employees work together in one direction. When implemented well, OKRs can streamline and improve team and company performance.

Aligned with our growth strategies, we provide specific development programs for employees, both on and off the job, along with appropriate evaluations.

## Employee compliance

Singer ensures compliance with all legal obligations related to employee benefits, and compensation is proportionate to performance. The company maintains a zero-tolerance stance against child labour and adheres to Bangladesh labour laws in all contracts and appointments. When implementing disciplinary measures, we strictly follow legal procedures, respecting the rights of our employees.

## Working environment & industrial relations

Singer has sustained a favourable working atmosphere. HR serves as a consultant, actively addressing and resolving any employee concerns. The company places importance on fostering enduring connections with its workforce, leading to a significant number of employees having long and continuous tenures with the company.

## Rewards & recognition



Singer is dedicated to creating equitable compensation and benefit schemes for its workforce. In order to boost motivation and productivity, we ensure that deserving employees are recognized and provided with financial rewards, non-monetary incentives and perks. This commitment is further reinforced through the implementation of a Reward & Recognition Policy, wherein specific employees are acknowledged and honoured following an evaluation process based on predefined criteria.



## Equal employment opportunity

Singer upholds the belief in equal access to job opportunities for everyone, irrespective of race, religion, gender or age. The company prioritizes competence in recruiting the most qualified individuals. The company stands out as one of the leading organizations in the country, particularly in terms of its work environment and employee amenities. Ensuring a comfortable workplace is a top priority, with dedicated efforts made to create an inclusive environment for all employees, regardless of gender.

## Women empowerment

Singer actively advocates for gender balance in the workplace, granting women increased influence across the value chain.

We conduct workshops on women's empowerment and self-confidence to foster a secure and positive work environment. Our goal is to narrow the gender gap in

employment by boosting the representation of women in both management and operational roles. Over the recent years, we have experienced a remarkable surge, marking a staggering 300% increase in the representation of women employees at the management level. This significant leap underscores our unwavering dedication to fostering an inclusive work environment where talent and meritocracy thrive, regardless of gender.

As a commitment to advancing women's rights, we host special events and commemorate International Women's Day to express respect and recognition. We support the career advancement of our female employees, urging them to play an active role in the workplace. Additionally, we are in the process of implementing a DEI roadmap, guided by our global HR team, with a specific focus on empowering and encouraging women's participation in the company.

## Employer branding

A robust employer brand serves as a testament to the company's dedication to its workforce, emphasizing its culture, values and the advantages of being an employee of the company.

We place emphasis on employer branding, recognizing its crucial role in attracting and retaining top talent in a fiercely competitive job market. By cultivating a positive reputation as an employer, we improve our employee value proposition and become more appealing to job seekers, setting ourselves apart from competitors and enhancing both employee engagement and satisfaction.

This past year, we conducted the third and fourth sessions of the FreshStart Internship program, with one of them specifically tailored for STEM students. Through seminars at top universities and participation in job fairs, we attracted over 6,300 applicants. The company's presence in various job fairs organized by prestigious universities in Bangladesh garnered substantial interest from job seekers and students.





We leverage social media platforms to share employee experiences and showcase employee engagement events, generating significant interest from individuals keen to join our organization. This ultimately translates into heightened productivity, increased employee loyalty and a robust competitive edge in the market.

**Employee engagement**

Employee engagement remains a cornerstone of our employee value proposition strategy, recognizing its pivotal role in enhancing employee experience and satisfaction.

In 2023, we intensified our efforts to foster a culture of engagement and inclusivity within the organization. Through various initiatives, such as multiple townhall sessions featuring our Managing Director & CEO, we provided a platform for transparent communication and open dialogue, enabling our employees to voice their concerns and ideas directly to the senior management.



Additionally, in commemoration of International Women's Day, we organized a seminar featuring successful women leaders who shared their inspiring journeys, empowering our female colleagues and celebrating their contributions. We also engaged our employees in national celebrations, including Independence Day and Victory Day, Environment Day, Women's Day, New Year Celebration, Mother's Day, Family Day, Sales Conference, Partners Night fostering a sense of pride and unity within our workforce.

To honour the invaluable role of mothers, we curated a digital showcase as a tribute to their unwavering support and dedication. Moreover, on Environment Day, we conducted tree plantation drives, rallies and knowledge-sharing sessions, underscoring our commitment to environmental sustainability and community care.

**Occupational safety and health**

Employee safety is our top priority. We are dedicated to implementing comprehensive health and safety

measures to minimize health risks and prevent workplace accidents. While accidents may be unforeseeable, our employees are well-prepared to respond swiftly in case of an emergency.



In our commitment to prioritize employee health and well-being, we have accomplished significant advancements in our healthcare initiatives. This past year, we appointed a dedicated full-time doctor to cater to the medical needs of our workforce. In addition, we bolstered our medical team by engaging two skilled medical assistants to assist the doctor in providing comprehensive healthcare services.

Recognizing the importance of preventive care, we organized a health awareness session in collaboration with a renowned hospital, aiming to educate our employees on ergonomics and mitigating workplace-related health issues. Moreover, we also arranged day-long health check-ups and awareness sessions in partnership with a prominent hospital.

Regularly scheduled fire drills and safety training sessions are mandatory, ensuring that employees are in a state of preparedness to manage any potential disasters. In 2023, the company achieved the ISO 45001:2018 certification and is in the process of becoming a BSCI-certified organization. Achieving this demonstrates the company's compliance with health and safety laws.



# Natural Capital

*We at Singer are dedicated to ethical and sustainable development while also protecting and preserving the environment and generating value for our stakeholders. We support and encourage the adoption of environmentally-friendly and cost-competitive manufacturing technology, while also ensuring best practices at the workplace. Our commitment to implementing sustainable practices across our operations and throughout the value chain is reinforced by our approach to environment, health and safety.*

## Conservation focus

We are concerned about the influence we have on the environment. We are constantly evaluating our work procedures to reduce any environmental damage. We also strive to dispose-off waste and discharges in an environmentally-responsible manner and promote recycling and reuse. The products we sell increasingly meet the rigorous environmental criteria.

All our internal production procedures comply with regulatory criteria. We have installed the necessary equipment to reduce air, toxic and dust pollution. Solid waste is removed in an environmentally safe manner.

## Eco-friendly practices

Singer Bangladesh Limited has undertaken a number of green initiatives, as a part of its commitment to building a sustainable future for the next generation.

We are also committed to our environmental responsibility. Thus, in a major initiative of the year, we started to use 100% recycled material for packaging our refrigerator products, against 100% virgin materials used earlier. We are further exploring packaging substitution opportunities in favour of environmentally-friendly materials.







Energy efficiency for us is another crucial factor for ensuring sustainable operations. We have undertaken various measures in this regard to optimise our energy consumption. This has been accomplished through energy conservation initiatives, such as deployment of energy-efficient equipment, innovation in design and technology and operational efficiency via embedding a culture of conservation and responsibility.

The result of this is evident in the fact that in 2023, the company was able to achieve a 42% reduction in toe/product, where toe refers to tonnes of energy equivalent.

Some of the major initiatives undertaken include:

- Lighting optimisation through LED lights, etc.
- Cooling optimisation through efficient HVAC systems that are periodically serviced for maintaining performance

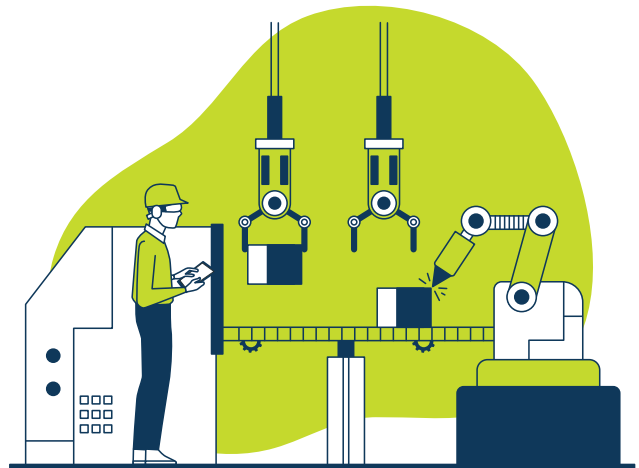
In terms of water conservation, we will use water for human consumption and machine cooling purpose which is a closed loop system. Our waste water will be sent to BSEZ STP for treatment.

For waste management we will mainly follow 3R strategy. We will reuse all of our plastics part, as we will have crusher machine here. We will crush and mix a percentage with virgin materials for reuse.

### New manufacturing facility

Our new manufacturing establishment coming up at Bangladesh Special Economic Zone (BSEZ) will be a showpiece facility adopting the highest environmental standards, reflected in the “Gold” certification received from LEED, which is the most widely used green building rating system.

In addition to utilising the most modern production technology, the building design itself will help foster environment-friendly practices. Further, fixtures and fittings will also enable us to optimise use of energy, water, etc. Besides, hardy non-watering plants will also be explored for gardening and landscaping.



# Social and Relationship Capital

*We at Singer have established and fostered strong connections with our various stakeholders, including shareholders, customers, government, the community, suppliers and employees. The strength of our social partnerships and stakeholder relationships is crucial in meeting the needs of next-generation customers in a new household.*

## Overview

Our stakeholders relationships are closely linked to our commitment to provide world-class products with innovative value propositions while upholding ethical practices. We greatly value the stakeholder network and associations we have built over the years.

In a rapidly evolving environment, maintaining a dialogue with our stakeholders gives shape to our future plans. We recognise that the quality of our engagements is key to creating long-term value. We conduct regular assessments using various mechanisms to ensure that we meet the expectations of our stakeholders.

The level of engagement varies between stakeholders, as shown below:

## Engagement levels



**Frequent**



**Periodic**



**Need-based**



**Government and regulators**

| Why we engage   | Engagement levels | Expectations   | Our response  | Engagement methods  |
|---|-------------------|--|---|---|
| <p><b>Our government stakeholders are policymakers and they guide us through policies and regulations that impact our business. Engagement also enables the organisation to provide input into policymaking and the development of regulations.</b></p> |                   | <ul style="list-style-type: none"> <li>→ Compliance with regulatory and legal requirements</li> <li>→ Payment to Exchequer</li> <li>→ Protection of consumer and labour rights</li> <li>→ Employment diversity and local employment</li> <li>→ Adherence to OHS standards</li> </ul> | <ul style="list-style-type: none"> <li>→ Cultivating a zero-tolerance culture for regulatory non-compliance</li> <li>→ Continuous engagement on critical issues impacting the sector</li> <li>→ Operating in a financially stable manner</li> </ul> | <ul style="list-style-type: none"> <li>→ Regular dialogue and liaison with the government</li> <li>→ Timely regulatory submissions</li> <li>→ Open and transparent communication</li> </ul> |



**Employees**

| Why we engage  | Engagement levels | Expectations  | Our response  | Engagement methods   |
|--|-------------------|---|---|--|
| <p><b>Our people are our most important asset. We believe that innovation by our people leads to our competitive edge.</b></p> |                   | <ul style="list-style-type: none"> <li>→ Competitive compensation</li> <li>→ Effective performance management</li> <li>→ Training and career progression opportunities</li> <li>→ Ethical dealings and bias-free workplace</li> </ul> | <ul style="list-style-type: none"> <li>→ Talent development programs for critical skills</li> <li>→ Encouraging professional development</li> <li>→ Regular performance feedback</li> </ul> | <ul style="list-style-type: none"> <li>→ Ongoing feedback through performance evaluation</li> <li>→ One-to-one engagement</li> <li>→ Periodical townhall meeting with CEO</li> <li>→ Update to staff about key developments</li> </ul> |




**Shareholders**

| Why we engage   | Engagement levels | Expectations  | Our response   | Engagement methods  |
|---|-------------------|---|--|---|
| <p><b>Shareholders and debt providers (banks) are a key source of capital that is a crucial element for the long-term sustainability of our business.</b></p> |                   | <ul style="list-style-type: none"> <li>→ Sustainable value creation</li> <li>→ Effective long-term growth strategy</li> <li>→ Balance sheet strength</li> <li>→ Leadership experience</li> <li>→ Sound governance</li> <li>→ Ethics and transparency</li> </ul> | <ul style="list-style-type: none"> <li>→ Ongoing evaluation of governance processes</li> <li>→ Executing our growth strategy</li> <li>→ Meeting financial obligations with responsibility</li> </ul> | <ul style="list-style-type: none"> <li>→ Annual report</li> <li>→ Quarterly and annual results</li> <li>→ Annual General Meeting and voting</li> <li>→ Regulatory releases</li> </ul> |



## Consumer

| Why we engage  | Engagement levels   | Expectations   | Our response   | Engagement methods  |
|--|---|--|--|---|
| By engaging with our consumers, we remain informed on how our products are received in the market. We are able to thus adapt our products and services to meet evolving consumer expectations. |  | <ul style="list-style-type: none"> <li>→ Sound product value propositions</li> <li>→ Large product portfolio with Singer and other international brands</li> <li>→ Strong product knowledge and customer service</li> <li>→ Product accessibility and affordability</li> </ul> | <ul style="list-style-type: none"> <li>→ Enhancing client experience</li> <li>→ Fair pricing</li> <li>→ Product innovation to meet needs</li> <li>→ Ongoing investment in digital</li> </ul> | <ul style="list-style-type: none"> <li>→ Showroom visits</li> <li>→ Post-sales feedback</li> <li>→ After sales service</li> <li>→ Informal surveys</li> </ul> |




## Suppliers

| Why we engage  | Engagement levels   | Expectations  | Our response   | Engagement methods  |
|--|---|---|--|---|
| We engage with our suppliers, enabling supply chain localization and contributing to organizational development. |  | <ul style="list-style-type: none"> <li>→ Long-term relationships</li> <li>→ Business support</li> <li>→ Meeting contractual terms and agreements</li> </ul> | <ul style="list-style-type: none"> <li>→ Sharing business development insights</li> <li>→ Enabling capacity development</li> </ul> | <ul style="list-style-type: none"> <li>→ Individual engagement</li> <li>→ Ongoing engagement</li> <li>→ Supplier meets</li> </ul> |



## Society

| Why we engage   | Engagement levels   | Expectations   | Our response   | Engagement methods  |
|---|---|--|--|---|
| We engage with the broader society to ensure that we respond appropriately to their needs and expectations. |  | <ul style="list-style-type: none"> <li>→ Positive social impact driven by upliftment</li> <li>→ Creating local employment opportunities</li> <li>→ Supporting basic societal causes</li> </ul> | <ul style="list-style-type: none"> <li>→ Supporting local causes</li> <li>→ Organizing impact-driven programs to especially support vulnerable communities</li> <li>→ Singer Sewing Academy, our flagship CSR program, trains underprivileged women in sewing</li> </ul> | <ul style="list-style-type: none"> <li>→ Social initiatives</li> <li>→ Monitoring our ESG progress and practices</li> </ul> |

# PESTEL Analysis

At Singer Bangladesh, a PESTEL analysis is important because it provides a structured approach to our organisation to analyse and comprehend external factors for improved decision-making. PESTEL is the abbreviated form of the various lenses by which we view the operating environment. These are “Political”, “Economic”, “Social”, “Technological”, “Environmental” and “Legal”.

|   |   |   |  |  |   |
|---|---|---|--|--|---|
|    |    |    |   |   |    |
| <b>POLITICAL</b>  | <b>ECONOMIC</b>   | <b>SOCIAL</b>   | <b>TECHNOLOGICAL</b>   | <b>ENVIRONMENTAL</b>   | <b>LEGAL</b>  |
| <ul style="list-style-type: none"> <li>■ Stable political environment</li> <li>■ Government impetus on infrastructure, digital and logistics</li> <li>■ Policy focus on ease of doing business and thrust to local manufacturing</li> </ul> | <ul style="list-style-type: none"> <li>■ High GDP growth projected at 6-6.5% in FY2023-24</li> <li>■ Steady per capita income growth</li> <li>■ Large population with demographic dividend</li> <li>■ Bangladesh's shift to middle-income country status by 2026</li> </ul> | <ul style="list-style-type: none"> <li>■ Progress achieved on localisation through new suppliers</li> <li>■ Plant received ISO 45001 certification, attesting to standard international practices in Occupational Health and Safety (OHS)</li> <li>■ Strong people development practices</li> <li>■ Acclaimed CSR project of Singer Sewing School, renowned for stitching and sewing training</li> <li>■ Many leaders and seniors in corporate Bangladesh have started their journey from Singer</li> </ul> | <ul style="list-style-type: none"> <li>■ Strong focus on continuous technology modernisation</li> <li>■ State-of-the-art manufacturing facility coming up at Bangladesh Special Economic Zone</li> <li>■ Plant installed with latest assets, equipment and fixtures</li> </ul> | <ul style="list-style-type: none"> <li>■ 100% recycled material used for refrigerator packaging</li> <li>■ Achieved 44% decline in energy consumption in tonnes of oil equivalent (toe) terms</li> <li>■ New upcoming manufacturing plant certified as LEED – Gold standard</li> </ul> | <ul style="list-style-type: none"> <li>■ Strong product certification focus</li> <li>■ Stable regulatory environment</li> </ul> |
| <b>P</b>  | <b>E</b>  | <b>S</b>  | <b>T</b>   | <b>E</b>   | <b>L</b>  |





# DIRECTORS' REPORT TO THE SHAREHOLDERS OF SINGER BANGLADESH LIMITED

**D**ear Esteemed Shareholders,

The Board of Directors of Singer Bangladesh Limited (Singer) is pleased to present the Directors' Report on the operational and financial performance of Singer, together with the Audited Financial Statements for the year ended 31 December 2023. This report has been prepared in compliance with Section 184 of the Companies Act, 1994 and Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

## **Business profile**

Singer is one of Bangladesh's largest and most loved consumer durables brand. With a heritage spanning 118 years in Bangladesh, Singer has nurtured a reputation of trust, quality, innovation and value, serving customers across generations.

As a household staple, Singer has an unmatched reach with its network of 446 direct customer touchpoints and having 900 dealers around the country. With a strong manufacturing footprint with two factory establishments in Dhaka, Singer manufactures a range of high-quality products, such as refrigerators, televisions, air-conditioners, washing machines, microwave oven, grinders and other home appliances.

Together with its own brands and through partnerships with other international brands, Singer plays a unique role in providing Bangladeshi customers the world's best solutions in home appliances and consumer electronics, thus catering to the needs of the modern household.

Singer is a part of Arçelik A.S., one of the leading players in the electronics and home appliances industry. With over 40,000 employees, 14 brands and subsidiaries in 53 countries, Arçelik is among Europe's top-2 white goods company.

## **Company performance**

Despite the adversity, Singer flexed its characteristic resilience and demonstrated high adaptability to shift with the times and continue on its value creation path.

**“ SINGER’S TOTAL REVENUE STOOD AT TK. 17 BILLION IN 2023, ALMOST SIMILAR TO THE PRIOR YEAR. ”**

Up till Q3 2023, the company performed well, growing ahead of the market. However, business operations were hampered in Q4 due to challenges triggered by the impending national elections in January 2024. This pressured the performance of the company for the whole year, yet it managed to maintain previous year’s performance in terms of revenue, a commendable accomplishment in a challenging operating backdrop.

Singer’s total revenue stood at Tk. 17 billion in 2023, similar to the prior year. In contrast however, strong operational excellence and cost control enabled the company to register a striking 56.8% YoY growth in operating profit to Tk. 1,478 million. Coupled with other factors, this growth turbocharged the net profit before tax, which stood at Tk. 522 million, marking a substantial 615% YoY growth. Earnings per share of 2023 stood at Tk. 5.24, representing a 618% YoY growth. One of the key characteristics of the company’s annual performance was its ability to largely hold prices across product categories that enabled protection of consumer affordability, which was a need of the hour given the direct correlation between price sensitivity and demand.

For a more in-depth analysis of the company’s 2023 performance and a detailed account of significant events throughout the year, readers are encouraged to refer to the business update provided by the Managing Director and the Chief Executive Officer on page 44.

### **Property, plant, and equipment**

During the year under review, Singer invested a sum of Taka 3,573 million as regular upkeep and maintenance of property, plant and equipment, in addition to a few debottlenecking initiatives. Movement in properties,

plants and equipment during the year is disclosed under note 3 and Annexure-1 of the Financial Statements.

### **Market value of freehold properties**

Freehold land and buildings of the Company were revalued by an Independent Assessor and the results are reflected in the Financial Statements. The appreciation in value was credited to the revaluation reserve after tax deduction, in accordance with IFRS regulations. The last valuation was carried out on December 31, 2022. The details of the valuation are available in the Auditors’ Report on page 161 and Note 12.5 to the Financial Statements. The objective of this valuation was to determine the fair value of the Company’s properties in the financial statements for the year ended December 31, 2022.

### **Directors’ responsibilities for financial statements**

The Statement of the Directors’ Responsibilities for financial statements is given on page 85 of this report.

### **Industry outlook and possible future development**

The Bangladeshi consumer durables and home appliance categories have experienced significant growth in recent years, reflecting the country’s expanding middle-class population and increasing disposable income.

The country’s consumer durables market is witnessing demand for a wide range of products, including Television, refrigerators, air-conditioners, washing machines and kitchen appliances. The influx of international brands and the emergence of local manufacturers have intensified competition, leading to innovation and improved product offerings. As the economy continues to develop, consumers are becoming more discerning, seeking advanced features and energy-efficient options.

While the long-term structural drivers appear intact, the country’s consumer durables and home appliances sector faced a challenging 2023, influenced by both internal and external challenges. The wars in Europe and West Asia, global supply chain disruptions and elevated commodity prices have impacted the manufacturing and import of consumer goods in Bangladesh. The uncertainty in the international market has also led to fluctuations in raw material prices, affecting production costs for home appliances.

**DEMONSTRATION OF COMPLIANCE**

**Statutory auditors**



Report Reflects a Clean Audit Outlook

**Corporate governance compliance auditors**



Governance of the Company is Highly Satisfactory

**Credit rating**



Long Term AAA  
Short Term ST-1  
Outlook-Stable

Despite these challenges, the consumer durables sector has remained relatively resilient, with a focus on adaptation. As the industry grapples with the aftermath of the conflict, players are exploring alternative supply chain strategies and local manufacturing options to mitigate risks and ensure steady manufacturing and supply.

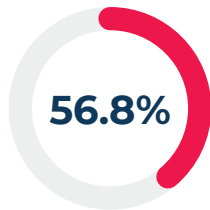
Considering the long-term demand prospects, the consumer durables industry is poised for further expansion, driven by technological advancements, urbanization and lifestyle changes. Additionally, the government's initiative to promote domestic

manufacturing and boost the electronics sector is expected to contribute to the robust outlook. The industry's evolution towards smart and connected appliances, coupled with a focus on sustainability, is likely to shape the business landscape, providing opportunities for both local and global players in the market.

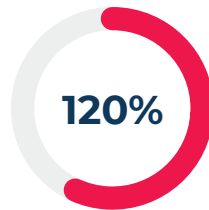
**New state-of-the-art manufacturing facility**

Singer is on the throes of commercializing its new modern manufacturing establishment at the Bangladesh Special Economic Zone. Being set up with



**Financial Results in 2023**

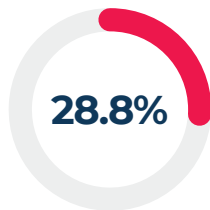
Operating profit  
before Interest & Tax



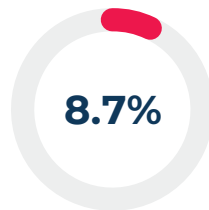
Profit before Tax



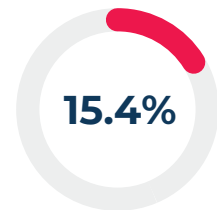
Profit after Tax



Gross Margin  
Ratio



Operating Income  
Ratio



Return on Equity

an investment of US\$ 78 million, the new plant is spread across an expansive area of 135,000 sqm corresponding to 34 acres. The establishment is a showpiece execution of the Bangladesh SEZ in terms of design, construction and project planning.

The facility will create employment opportunities for up to 4,000 people and also will support the development of a local suppliers ecosystem, thus ensuring localization and import substitution. Singer's new state-of-the-art manufacturing facility is being developed in accordance to the Gold standards under LEED, the world's most distinguished green building certification program. Details of the new project are available in the Management Discussion and Analysis on page 80.

**Segment information**

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

**Risks and concerns**

Similar to any other business, Singer is also exposed to risks and uncertainties, including financial risks, supply chain risks, market risks, etc. Details of key risk factors

and our determination of these are given in the Risk Management report on pages 106 to 114 of this report.

**Margin analysis**

The cost of goods sold for the year 2023 stood at Tk. 12.1 billion, 7.9% lower than that of the previous year. The gross profit margin was 28.8% for the year 2023 and the previous year's gross margin was 23%. The net profit margin for the year 2023 was 3.1%.

**Extraordinary events**

During the period, the Company's profit after tax increased to Taka 522 million from Taka 73 million in 2022, indicating a growth of 615% compared to the previous year. The main factor driving net profit growth was the emphasis on selling a higher volume of manufactured goods and reducing Completely Built-Up (CBU) products. This strategy contributed to an increase in the gross profit (GP), while enabling only partial cost increase being passed on to customers considering the price sensitivity of the consumer durables category.

**Related party transaction**

The Company did not engage in any Related Party Transaction that could potentially conflict with the

interest of the Company. All transactions, contracts, or arrangements with related parties, as defined under IAS 24, that the Company entered into during the year were conducted in the normal course of business. Details of related party transactions along with the rationale for such transactions have been disclosed in note 33 on page 180 of the Financial Statements.

### Variance within the financial year

There was no event of significant variance between quarterly financial performances during the year under review. Despite different adversities, the company performed well until the third quarter, but political activities surrounding the national parliamentary election in the fourth quarter hampered business operations, making it a more challenging period. As a result of these crises, the company fell short of reaching its targeted level in the fourth quarter.

### Remuneration to directors

This information is incorporated in Notes 21.3 of the notes to the Financial Statements on page 169 regarding the "Directors Fees and Remuneration" mentioning figures concerning the remuneration of the Managing Director including fees for the Independent Directors' attendance at meetings.

### Fairness of financial statements

The Financial Statements and accompanying notes are in accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 2020. These statements accurately reflect the Company's financial conditions, operating results, cash flow and changes in equity. As per the Bangladesh Securities and Exchange Commission's Corporate Governance Code 2018, the Chief Executive Officer and the Chief Financial Officer have provided their declarations affirming the accuracy and fairness of the Financial Statements which are shown on page 116 of the report.

### Books of accounts

Proper books of accounts of the Company were maintained at all times.

### 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 system of internal controls was sound in design and was effectively implemented and monitored.

### Shareholders rights

The Company upholds the principle of equal shareholders' rights regardless of their shareholdings. Quarterly and half-yearly Financial Statements and annual reports are distributed to all shareholders and they are encouraged to attend the shareholders' meeting. During the Annual General Meeting, shareholders are invited to vote on the adoption of the Annual Financial Statements and the Directors' Report, the election of the Board members, the appointment of Auditors, the appointment of the Managing Director and other matters that require their participation.

### Minority interest

Singer Bangladesh believes that good governance involves open and trust-based cooperation between all stakeholders, including the owners of the Company - shareholders. The Board of Directors is committed to ensuring the highest standards of governance designed to protect and enhance the interests of all stakeholders, including the rights of minority shareholders while promoting trust, integrity, transparency and accountability. The Board of Directors shall always act in a manner that is in the best long-term interest of the Company.

### 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 a 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 2024, we expect to roll out a new product range to cater to various segments in this emerging market.



## Financial results and appropriations

The Directors are pleased to report the financial results for the year 2023 and recommend the following appropriations:

| Particulars                                | 2023         | 2022      |
|--|--------------|-----------|
|  | Taka in '000 |           |
| Profit before taxation                     | 831,966      | 378,143   |
| Less: Provision for tax                    | 309,879      | 305,035   |
| Profit after tax                           | 520,088      | 73,108    |
| Add: Unappropriated profit brought forward | 1,722,695    | 1,237,798 |
| Other comprehensive income                 | (11,583)     | (11,588)  |
| Prior year's adjustment                    | 3,916        | 2,992     |
| Profit available for distribution          | 1,710,028    | 1,302,310 |
| Appropriations (Dividend)                  | 348,960      | 99,703    |
| Unappropriated profit C/F                  | 1,361,068    | 1,202,607 |

### 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 the reasons thereof have been duly explained.

### Key operating and financial data for the last six years

The key operating and financial data for the last six years are annexed on page 124.

### Dividends

#### Dividend distribution policy

Pursuant to Bangladesh Securities and Exchange Commission directives, the Board adopted a Dividend Distribution Policy, which was placed on the website of the Company and also on page 136 of this report.

#### Declaration and payment of dividends

Based on the performance of the Company, the Board of Directors are pleased to recommend a cash dividend @ 35% for the year 2023. The said dividend on shares outstanding is subject to the approval of the shareholders at the ensuing Annual General Meeting scheduled to be held on Thursday, March 28, 2024. Based on shareholders' approval, the dividend will be

distributed within 30 days after the Annual General Meeting.

No stock dividend has been recommended by the Board of Directors for the year 2023.

### Unclaimed dividends

Details of outstanding and unclaimed dividends previously declared and paid by the Company are shown on page 138 of this report.

### Bangladesh Secretarial Standards (BSS)

Bangladesh Secretarial Standards (BSS) issued by the Institute of Chartered Secretaries of Bangladesh (ICSB) were followed in conducting the meetings of the Board of Directors as well as those of its Committees, general meetings and also in keeping records. Besides, the Company ensured compliance with all BSS published up to the reporting period to maintain transparency, accountability and good governance practices, thereby promoting trust and confidence among its stakeholders.

### Pattern of shareholding

The pattern of shareholding is provided on page 128.

### Contribution to the national exchequer

During the year under review, the Company contributed Taka 5,293 million to the National Exchequer in the form

of corporate income tax, customs duties and value-added taxes.

### Credit rating

The Company achieved a “AAA+” credit rating (long term) and “ST-1” (short term) from Emerging Credit Rating Limited for maintaining a strong and stable outlook for consecutive ten years.

### Reserves

The total Reserves of the Company stood at Tk. 686 million, details of which are given in Note 12 and the Statement of Changes in Equity in the Financial Statements.

### Events subsequent to the balance sheet date

The Board of Directors in their meeting held on January 29, 2024, recommended 35% cash dividend for the year 2023.

### 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 Taka 2,500,000,000 (two billion & five hundred million) and the paid-up capital was Taka 997,028,380 (nine hundred ninety-seven

million and twenty-eight thousand three hundred eighty). The distribution of shareholding and market value of shares are given on page 129 of this report. Earnings per share, dividend per share and net assets per share are shown in the Financial Highlights section on page 124 of the Annual Report.

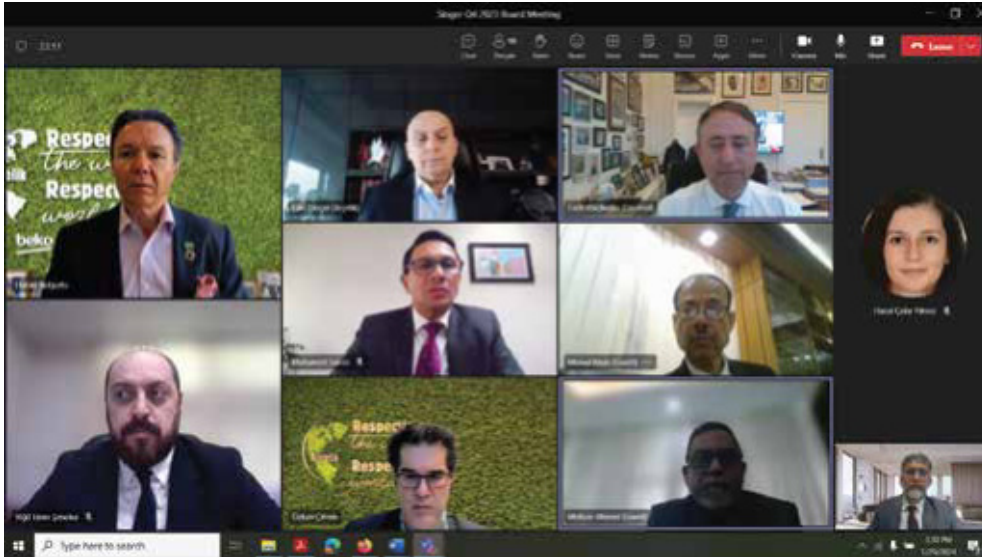
### Board of directors

The Board of Directors of the Company possesses the essential qualifications as required by the BSEC Corporate Governance Code 2018. With outstanding academic backgrounds and extensive education, they possess the skills to make informed decisions that benefit the Company. Additionally, the Directors' extensive experience in their respective fields brings a high level of knowledge and expertise to the Boardroom. The Company's highly qualified and experienced Board of Directors ensures that it can effectively navigate the challenges of the current business landscape and seize opportunities for growth and development. The brief profiles of all Directors including their directorship of other companies are provided in the section of “Board of Directors” of this report on the pages from 29 to 32.

### Board meetings attendance

The Board comprises 7 Members of whom 2 are Independent Directors. The Chairman of the Board is Non-Executive Director. During the year 2023, seven meetings were held. The Board Members' attendance is shown below:

| Name of members            | Board position           | Meetings held | Attendance | Remarks                 |
|----------------------------|--------------------------|---------------|------------|-------------------------|
| Dr. Fatih Kemal Ebiclioglu | Chairman                 | 7             | 6          |                         |
| Mr. M. H. M. Fairoz        | Managing Director        | 7             | 7          |                         |
| Mr. Masud Khan             | Independent Director     | 7             | 7          |                         |
| Mr. Mohsin Ahmed           | Independent Director     | 1             | 1          | Appointed on 13/09/2023 |
| Mr. Hakan Hamdi Bulgurlu   | Director                 | 7             | 7          |                         |
| Mr. Cemal Can Dincer       | Director                 | 7             | 7          |                         |
| Mr. Ozkan Cimen            | Director                 | 4             | 4          | Appointed on 18/04/2023 |
| Mr. Reazul Haque Chowdhury | Ex. Independent Director | 2             | 2          | Resigned on 18/04/2023  |
| Mr. Polat Sen              | Ex. Director             | 2             | 2          | Resigned on 18/04/2023  |



### Resignation of the directors

Mr. Reazul Haque Chowdhury, Independent Director of the company resigned for personal reasons in 2023.

At the tail end of year 2022, Mr. Polat Sen, Director of the Company, was appointed as Chief Financial Officer of Koc Holdings, the holding company of Arcelik. Appointment of Mr. Polat Sen to the Board of Singer was by virtue of his position as Chief Financial Officer of Arcelik. Therefore, with the new appointment of Mr. Polat Sen, the new CFO of Arcelik, Mr. Ozkan Cimen has been nominated as Director of Singer in place of Mr. Polat Sen. Accordingly, Mr. Polat Sen resigned as Director of Singer in 2023.

### Appointment of directors

Mr. Mohsin Ahmed has been appointed as Independent Director of the company. He is a distinguished corporate leader with 29 years of experience, including 20 years in serving as Director on the boards of well-respected conglomerates. Mr. Ahmed currently serves as the Chief Executive Officer at New Zealand Dairy Products BD Ltd. Additionally, he holds the position of Independent Director on the boards of Unilever Consumer Care Limited and Berger Paints Bangladesh Limited. Mr. Ahmed has also previously served on the boards of Unilever Bangladesh Limited, Nestle Bangladesh Limited and GSK Bangladesh Limited.

The CFO of Arcelik, Mr. Ozkan Cimen was appointed as Director of Singer Bangladesh in place of Mr. Polat Sen.

**Arcelik**

Mr. Cimen completed his B.A. in Economics from Boğaziçi University. He began his career in 1999 at Koç Holding Audit Group. Before joining Arçelik, Mr. Ozkan Cimen held management positions at Koçtaş and Best Buy. Mr. Cimen's journey at Arçelik began in 2012. After serving as a Tax and Incentive Manager, Cost-Price Analysis Manager, Internal Audit Manager, Accounting Director and Finance & Corporate Risk

Director, he was assigned the role of CFO in April 2022.

### Re-election of directors

Mr. Cemal Can Dincer and Mr. Ozkan Cimen retired from the office under Companies Act, 1994 and Article 81 of the Articles of Association of the Company. Being eligible, Mr. Cemal Can Dincer and Mr. Ozkan Cimen have offered themselves for reappointment. The Board recommends for their reappointment.

### Board committee meetings attendance

The Audit Committee met four times and the Nomination and Remuneration Committee met three times and attendance records are shown in the Audit Committee Report and Nomination and Remuneration Committee Report respectively on pages 103 and 119. The Directors who could not attend the meetings were granted leaves of absence.

### Appointment of auditors

- As per Section 210 of the Companies Act, 1994, the Company's Statutory Auditors, M/s Rahman Rahman Haq, Chartered Accountants shall retire at the 44th Annual General Meeting as the Auditors of the Company.

Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) order No. SEC/CMRRCD/2009-193/104/ Admin dated July 27, 2011, the retiring Auditors M/s Rahman Rahman Haq, Chartered Accountants are not eligible for

re-appointment as auditors for the year 2024 as they have completed three years in this term.

The Audit Committee has recommended appointing M/s. A. Qasem & Co., Chartered Accountants as the Auditors of the Company for the year 2024.

The Directors have endorsed the recommendation of the Audit Committee for the appointment of M/s A. Qasem & Co., Chartered Accountants as the Auditors of the Company for the year 2024.

- b) As per requirement of Corporate Governance Code, M/s S. F. Ahmed & Co., Chartered Accountants are eligible for reappointment as Corporate Governance Compliance Auditors of the Company for 2024.

The Audit Committee has recommended appointing M/s S. F. Ahmed & Co., Chartered Accountants as the Corporate Governance Compliance Auditors of the Company for the year 2024.

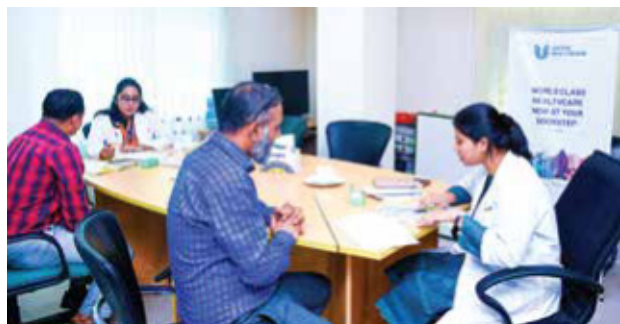
The Directors have endorsed the recommendation of the Audit Committee for the appointment of M/s S. F. Ahmed & Co. as the Corporate Governance Compliance Auditors of the Company for the year 2024.

### Human resources

The Company considers its employees as the key factor in its competitiveness and is committed to their growth and development. The Company ensures equal opportunities in the workplace regardless of race, religion, gender or hiring practices. Singer values competency and strives to recruit the best workforce. The Company has a longstanding reputation in providing a great working environment and employee facilities, making it one of the leading companies in the country. Throughout the year under review, the relationship between the Management and the employees remained cordial.

### Health, safety and security

Ensuring the safety and welfare of our employees is our primary concern. We are dedicated to offering ongoing training and awareness programs to promote safe practices in the workplace. We stress the importance of personal protective equipment that is essential for their



well-being, and its mandatory usage is enforced. Our unwavering commitment to preventing injuries aligns with our core values, which revolve around occupational health and safety.

### Learning and development

At Singer, our Human Resources Department (HRD) meticulously plans to facilitate the optimal growth of our employees, ensuring they acquire the necessary capabilities and competencies. This involves strategic recruitment and resource allocation plans, with a particular focus on talent transformation by enhancing skills through continuous upgrading.



Regarding learning and development, the company places emphasis on enhancing both managerial and technical skills. It actively promotes a high-performance organizational culture built on talent and performance. The company implements organized individual development plans through diverse interventions, including training programs, workshops and seminars. These initiatives are tailored to address the identified needs and corporate requirements, ensuring a comprehensive approach to fostering continuous improvement among employees.

### 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. The Company adopted sustainable





practices in the production process, using eco-friendly materials, also focusing on improving energy efficiency in its appliances, which could significantly reduce the carbon footprint of households. By prioritizing environmental sustainability, the Company fulfilled its corporate social responsibility and also created a growing consumer demand for eco-friendly products, especially for its cooling series. Details are shown in the report on natural capital on pages 64 & 65.

### Compliance with laws and regulations

The Company maintained a strong commitment to compliance with all applicable laws and regulations, demonstrating a responsible and ethical approach to business operations. The Management and employees responsible for compliance remained vigilant and dedicated to upholding the Company's legal obligations throughout the reporting period. The Company's policies and procedures were designed to ensure timely and effective compliance with all relevant laws and regulations. As a result, the Company was able to maintain its reputation for integrity and adherence to ethical business practices.

### Management discussion and analysis

Management's Discussion and Analysis report, signed by the MD & CEO and presenting a detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements and other requirements of the Corporate Governance Code, is disclosed in this report on page 80 to 84.

### Declaration of the CEO and CFO on the financial statements

As required under BSEC's Corporate Governance Code, a declaration by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) on financial

statements for the year 2023 has to be made to the Board. The CEO and CFO have certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal, or in violation of the Company's Code of Conduct. The signed declaration of the CEO and CFO is given on page 116.

### Corporate governance compliance report

Singer Bangladesh Limited strictly followed the good Corporate Governance principles outlined on pages 88 to 101 and complied with all Corporate Governance requirements required by the Bangladesh Securities and Exchange Commission. The Corporate Governance Compliance Report is shown in Annexure-C of this report. Additionally, to fulfill the requirements of the Corporate Governance Code 2018 issued by the Bangladesh Securities and Exchange Commission, S. F. Ahmed & Co., Chartered Accountant in Practice, issued the Corporate Governance Compliance Certificate which is shown on page 130 of this report.

### Conclusion

The Board extends its heartfelt gratitude to the entire workforce of Singer Bangladesh Limited for their unwavering commitment and dedication, which has been instrumental in driving the Company's success. The Board would also like to take this opportunity to express its sincere gratitude to all the stakeholders, including shareholders, customers, suppliers and regulatory authorities for their continuous support and trust in the Company. Their unwavering support has been instrumental in helping the Company to navigate through the challenging business landscape and achieve its objectives.

On behalf of the Board of Directors.

**M. H. M. Fairoz**  
Managing Director

**Kazi Ashiqur Rahman**  
Company Secretary

Dhaka, January 29, 2024



# Management Discussion and Analysis

## Maintaining investor communication transparency

Pursuant to the conditions no. 1 (5) (xxv) of the Corporate Governance Code, 2018, issued by Bangladesh Securities and Exchange Commission (BSEC), the Management Discussion and Analysis (MDA) report for Singer Bangladesh Limited for the financial year ended 31st December 2023 has been provided herewith.

As a company committed to transparency, we maintain robust and open reporting procedures. The MDA is a reflection of this endeavour and aims to provide our stakeholders with a summary of the operating environment for the year 2023 and the performance we achieved within this backdrop. This ensures performance comparability.

As in the past, our strategy continued to remain rooted in determining consumer trends and transforming these into viable product opportunities. This ensured agility in capturing demand, adaptability in moving with consumers' needs, and resilience in terms of delivering performance in accordance with our plans and expectations.

## Global economy

The year 2023 was a highly challenging period for the global economy with rising geopolitical tensions triggering polarization not seen before. The Russia-Ukraine war continued in its second year with no immediate reprieve in sight. The simmering tensions between Palestine and Israel culminated into a full blown conflict in October 2023. In fact, such is the position that the International Institute for Strategic Studies (IISS) has indicated in a report that the world faces a dangerous decade due to rising global instability. The year was also marked by climate and environmental disasters, such as floods, forest fires,



etc., and demonstrated that climate crisis continues to be the biggest global risk facing the planet today.

The rapid rise in commodity and energy prices and supply chain challenges such as the global chip crisis continued to exert pressure on global growth momentum. Further, high inflation with higher interest rates enforced a subdued economic environment. However, the silver lining was that the IMF, in its latest February 2024 WEO, has indicated a “soft landing” for the global economy, with the impacts of rate increases by central banks the world over creating a de-escalation in inflation levels.

The IMF has projected global growth at 3.1% in 2024 and 3.2% in 2025, with the 2024 forecast 0.2% points higher than that in the October 2023 WEO due to a better outlook in developed countries.

Despite these challenges, economic growth has displayed unexpected resilience compared to initial forecasts. Strong labor markets, robust household consumption and business investment, and a more effective adaptation to the energy crisis in Europe have contributed to this resilience. Inflation has also shown signs of improvement, with overall measures now decreasing in most countries, even though core inflation has yet to reach its peak in many nations. The reopening of China's economy offers a potential catalyst for a rebound in global activity.

## Economy of Bangladesh

Just as Bangladesh's economy was recovering well in the post-COVID era, the impact of the Russia-Ukraine war and other global geopolitical developments enforced a subdued environment and caused a weakening of the macros. Some of the key factors comprised elevated inflation levels, high interest rates, significant currency weakening and depleting forex reserves. With Bangladesh being an import-dependent economy, elevated cost of imports and currency challenges dealt a double impact on government finances.

Despite reaching a peak of US\$ 48 billion in August 2021, Bangladesh's forex reserves declined to US\$ 17.20 billion at the end of December 2023 ([https://www.business-standard.com/world-news/bangladesh-s-forex-stands-at-17-20-bn-short-of-imf-s-relaxed-target-124010300605\\_1.html](https://www.business-standard.com/world-news/bangladesh-s-forex-stands-at-17-20-bn-short-of-imf-s-relaxed-target-124010300605_1.html)). This erosion was attributed to slowing exports and remittances that failed to offset the surging imports and import payments,



driven primarily by rising energy prices for which Bangladesh is dependent on the world markets. In the face of this environment, the government discouraged imports deemed non-essential. Consequently, the local currency experienced significant depreciation, eroding in value by 12.5% against the US\$ between June 2022 and March 2023, as per the Monetary Policy Review 2022-23.

Increased energy prices, supply chain disruptions and currency devaluation contributed to high inflation throughout the year, reducing household savings and enforcing a significant shift in consumer spending patterns. The country faced a liquidity test in its financial sector too, with muted deposit growth (due to depletion of savings) and record-high non-performing loans (NPLs).

Despite these challenges, a ray of hope emerged with the long-anticipated inauguration of the Padma Bridge and Dhaka Metro Rail. The Padma Bridge connects 21 southwestern districts to the mainstream economy, linking the ports of Mongla and Payra with the capital, thus helping unlock hinterland growth. Simultaneously, the Metro Rail is anticipated to ease congestion and enhance social and economic mobility. These projects are symbolic of the country's focus on infrastructure development that is considered key for sustaining the economic growth momentum.

Furthermore, amidst the difficulties, yet another positive development was the government receiving the first installment of US\$ 476 million from the IMF out of the total US\$ 4.70 billion loan package. This injection of funds is expected to provide much-needed relief, offering a potential avenue for economic recovery.

## Business overview, 2023

Singer is amongst the mainstays of Bangladesh's economy and a well-loved and easily recognised brand of the country. Consumer durables, including home appliances and electronic products manufactured by the company are essential in the modern household setup. They offer distinct solutions that aid in enhancing convenience and ease of living, especially within the context of trends such as nuclearization of families, urbanization, time pressures and heightened desire for convenience. Our products are truly an indispensable part of life.

While the long-term demand drivers for consumer durables is intact, the year 2023 proved to be a challenging one as the impacts of currency volatility and inflation were cast on the sector. A weak macro-environment enforced a weakening of predictability in terms of business and trade. Thus, the consumer durables sector of Bangladesh is likely to have faced a degrowth of 7-8% in 2023.

The forward prospects appear cautiously optimistic, with the government focusing on re-establishing economic recovery acceleration through numerous ways such as infrastructure development, giving thrust to local manufacturing, ensuring ease of doing business, etc. Through the monetary policy the government and the central bank appear committed to rein in inflation. The right economic measures are thus being implemented that will support the long-term growth of the economy and alleviate the financial stress on households, while also improving the investment climate.

With a sense of responsibility to our consumers, our shareholders, our employees and all our other stakeholders, we will continue to support the economic momentum of our nation, strengthening our presence and playing a bigger role in the consumer durables and consumption sector of Bangladesh.

## Business performance

Driven by post-pandemic demand, the first half of the year 2023 was satisfactory. However, there was a deterioration thereafter, as the impacts of the challenges on the global economy were felt more acutely in Bangladesh, slowing down trade and consumption and subduing sentiment.

In response to the slowing environment, the company took decisive steps to stimulate demand. This was



achieved through new products that were launched to enhance their relevance amidst prevalent customer expectations. Even amid stretched affordability, consumer desire for products with all standard features and functions was intact. There was a perceived inclination towards products that offered the maximum benefit to consumers.

We tried to distil these trends into our products and achieved success in establishing the product-market fit within the prevailing context. We tried to elevate our marketing communications around product value and capability rather than just the price. This not only helped us differentiate ourselves in a competitive market, but also enabled greater customer resonance as they evaluated our products on a more holistic basis. Doing a like-to-like comparison with other consumer durables in the market enabled them to distinguish our products from the rest. Of course, price competitiveness of our products remained a key focus area.

Singer achieved a total revenue of BDT 17,033 mn in 2023, almost at par with the previous year's total revenue of BDT 17,096 mn. The company's stringent cost management focus through value engineering initiatives, improved spend channelization, etc., enabled a reduction in the cost of sales from BDT 13,166 mn in 2022 to BDT 12,131 mn in 2023. This boosted the gross profit that stood at BDT 4,902 mn in 2023, as against BDT 3,930 mn in the prior year. The gross profit margin also improved to 28.83% in 2023, as against 23.04% in the previous year.

Higher gross profit and controlled operating expenses supported a growth in the operating profit that rose from BDT 943 mn in 2022 to BDT 1,478 mn in the year under review. Subsequently, the company's profit at the pre-tax level also rose substantially from BDT 378 mn in 2022 to BDT 832 mn in 2023. Profit after tax also registered a considerable increase from BDT 73 mn to

BDT 522 mn during the year. Earnings per share rose too from BDT 0.73 to BDT 5.24 in 2023.

A sound financial performance in 2023 encouraged the Board to announce a 35% cash dividend for the year, up from 10% in the previous year.

### Cash flow trends

Comparative analysis for the financial year in report with the immediately preceding five years have been stated below. The year 2019-20 can be termed as the median year, with the years preceding it being pre-pandemic and those following it being pandemic years. There is a marked shift in performance from the median year and the Company is looking at achieving stability and performance restoration over the immediate to mid-term.

### Opportunities

Bangladesh is the next big frontier of opportunity, with its per capita income showing a remarkable increase over the years. Per capita income stood at US\$ 2765 in 2022-23 and is projected at about US\$ 3000 in 2025. The country's economy is expected to grow in the region of 5-6% in the current financial year, which will elevate income levels for a larger population towards the middle-income category. This bodes well for the consumer durable's industry as the growth of this industry is directly linked to the growth of the economy.

Additionally, infrastructure development and implementation of mega projects will continue to create new opportunities for businesses, boost trade sentiment and eventually drive economic growth. The Padma Bridge and the Dhaka Metro are strong examples of the government's focus on mega projects for boosting growth. The Padma Bridge alone is expected to lift the country's GDP by 1-2%.

Changing per capita income drives a shift in peoples' aspirations for a better lifestyle and greater convenience and this is where the consumer durables industry fits in as it provides modern lifestyle solutions that help save time and help effectively complete household chores. Thus, there exists opportunity for growth.

Bangladesh, with its high rate of electrification in the South Asia region, has showed promise. Further expansion of electrification, especially through low-capex non-conventional energy solutions will play a role in accelerating the demand for consumer durables,

opening further opportunities in our segment, especially from the village areas and hinterlands.

The thrust on domestic manufacturing is yet another trend that can transform Bangladesh's industry. Such a focus will not only drive employment creation but also accelerate consumption of products manufactured domestically. It will also foster fortification of supply chains to reach out even farther to the far-flung areas of the country.

These trends signal an environment of opportunity for Singer to enlarge its customer base and reach out to a larger consumer set. The support of Arcelik, a global pioneer in consumer durables, will enable the company to further improve the quality of its products and incorporate best practices to not only reflect in product development, but also in customer experience.

### Technology and innovation

With a large Research & Development (R&D) establishment worldwide, innovation is at the forefront of Arcelik's product development efforts. As a subsidiary of Arcelik, this provides Singer the unique opportunity to access key R&D trends and enhance its offering to meet the evolving expectations and lifestyles of consumers in Bangladesh. Further, access to global R&D also opens up the scope for the company to enhance its product propositions and thus bring product features to consumers unaware of such features before.



The results of these efforts are evident, as Singer introduced a new products in 2023, including in the television, washing machine and refrigerator categories. These boasted of innovative features aiming at filling the gap between affordability and product features. For instance, under television, the company launched the PrimaX sub-brand in 2023 that incorporated all the features of a high-end television set, such as 4K resolution, MEMC technology, DOLBY Vision Atmos sound, dual-band Wi-Fi, etc., at competitive costs. This

**Arcelik**

launch ensured meeting an acute market need, resulting in increased overall sales of our televisions business.

Further, the company also obtained re-certification for ISO 140001 and 9001 and successfully received ISO 45001 during the year for its manufacturing operations.

### New upcoming manufacturing facility

With an investment of US\$ 78 million, Singer's new upcoming manufacturing facility located at the Bangladesh Export Processing Zone is set to create a new milestone in the electronics and home appliances industry of Bangladesh.

Our new manufacturing plant, spanning over an expansive 34 acres, is the first project in the economic zone which is being operated to international standards by Sumitomo Corporation, Japan. Our new plant is a flagship execution of this economic zone in terms of design, construction and project planning. Upon completion, it would create employment opportunity for around 4,000 people and would also help support the creation of a local supplier ecosystem that could cater to the industry well into the future, thus reducing import dependence.

Once operationalised, Singer will manufacture the full range of products, including refrigerators, televisions, washing machines, air-conditioners and other major appliances in the new unit with increased capacities that can reinforce its competitive power and market position. Smart and environment-friendly manufacture of European-quality products through in-house production processes will be implemented at this new manufacturing plant.

Singer's new state-of-the-art manufacturing facility is being developed in accordance with the Gold standards of LEED. LEED is a green building certification program that is recognized all over the world. With the support of Arcelik, Singer will bring the know-how of energy-efficient products and modern production technologies to Bangladesh. This will, in turn, support Bangladesh's transition to a low-carbon and more sustainable economy.

### Accounting policies and estimation of financial statements

The process of preparing consolidated financial statements involves making judgments, estimates and assumptions that can impact the application of



accounting policies as well as the reported value of assets, liabilities, income and expenses. The results obtained from these estimates may differ from the actual results.

These underlying assumptions and estimates are regularly reviewed, and any necessary revisions are recognized in the period in which they are made. If a revision only affects the current period, it is recognized in that period. However, if the revision affects both current and future periods, it is recognized in the period of revision as well as in the future.

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

Changes in Accounting Policies and Estimation of Financial Statements.

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

### Comparative analysis of financial performance

The key operating and financial performance of the Company for the past six years is annexed on page 124.

### Peer industry comparison

The home appliances and consumer electronics sector in Bangladesh saw some changes in terms of the number of quoted companies in recent times. Singer Bangladesh Limited was the sole publicly listed company in the sector until September 2020 when Walton Hi-Tech Industries was listed on the stock exchange. Since then, Singer has established a unique position in the market, with Walton Hi-Tech Industries PLC being the only other listed peer company. While Singer is engaged in both manufacturing and retailing, Walton primarily focuses on manufacturing and channels its retail operations through a non-listed company, Walton Plaza. So, the operational and business models of the two companies differ significantly. Besides, the comparison of financial performance is challenging due to the company's different financial year cycles. As a result of these differences, a meaningful peer industry comparison cannot be made in the absence of complete information about the companies.

### Risks and concern

This report provides an in-depth analysis of key risk factors that may impact the organization's operations and strategies. The Risk Management report on page 106 to 114 presents details of these risks, their potential impact on the business, and the management strategies employed to mitigate them. It serves as a comprehensive guide for the stakeholders to understand the potential risks the organization faces and how it manages those risks to ensure continued success.

### Outlook

Bangladesh's economy is expected to grow in the range of 5-6% in the 2023-23 fiscal year that is still the fastest economic growth rates in the world. This will hopefully boost income and discretionary income levels that could flow into the consumer durables industry. Furthermore, in addition to new demand, there also exists replacement demand as consumers upgrade to new products with better features and functionalities. We at Singer will continue to focus on fortifying our competitive position by providing new products with strong value propositions, thus ensuring continuous sales and improved consumer share of the wallet.

**M. H. M. Fairoz**

MD & Chief Executive Officer

January 31, 2024



# 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 Commission 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.

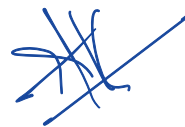
The Directors are of the view that these financial statements have been prepared under the generally accepted accounting principles and in accordance with the International Financial Reporting Standards (IFRS) as applicable in Bangladesh.

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.

Rahman Rahman Haq, Chartered Accountants of the Company, have examined the financial statements made available by the Board of Directors together with all relevant financial records, related data, minutes of shareholders and Directors meetings and expressed their opinion in their report in page 142 of the Annual Report.

By order of the Board  
Singer Bangladesh Limited



**M. H. M. Faiz**  
Managing Director



**Kazi Ashiqur Rahman**  
Company Secretary

Dhaka, January 29, 2024

# Sustainability Report

## Inspiring sustainable living in every home

For us at Singer Bangladesh, our focus on sustainability encompasses an acknowledgment of the fundamental significance of issues that influence our sustainability standards and our standing as an upright member of the community.

## Sustainability in every household

Singer has long been a change agent, focusing on sustainable development that not only extends to its business activities, but also to the products it manufactures.

We at Singer take pride in our unwavering commitment to sustainability, which has remained steadfast despite extraneous circumstances. In fact, we accelerated our work towards our sustainability and net-zero targets with greater zeal and resolve.

Decarbonising our industry requires us to be innovative and we take effort to ensure that our manufacturing is sustainable through adoption of the latest technologies and best-in-class initiatives.

Our manufacturing facility serves as a prime example of our dedication to a sustainable future, with numerous environmentally-friendly measures being taken, including resource efficiency, waste minimisation, and extensive wastewater treatment.

In addition to our efforts to manufacture more sustainably, we are seeking ways to provide our consumers with technologies that promote resource efficiency. To this end, we place importance on sustainable product innovation and focus on delivering sustainability to every household.

## Singer Sewing Academy

Singer Sewing Academy is a remarkable instance of vocational training and women empowerment and is perhaps the only such institute in Bangladesh.

It is Singer Bangladesh's flagship CSR initiative that provides free or highly subsidised training on sewing to women, thus providing them with valuable occupational skills.

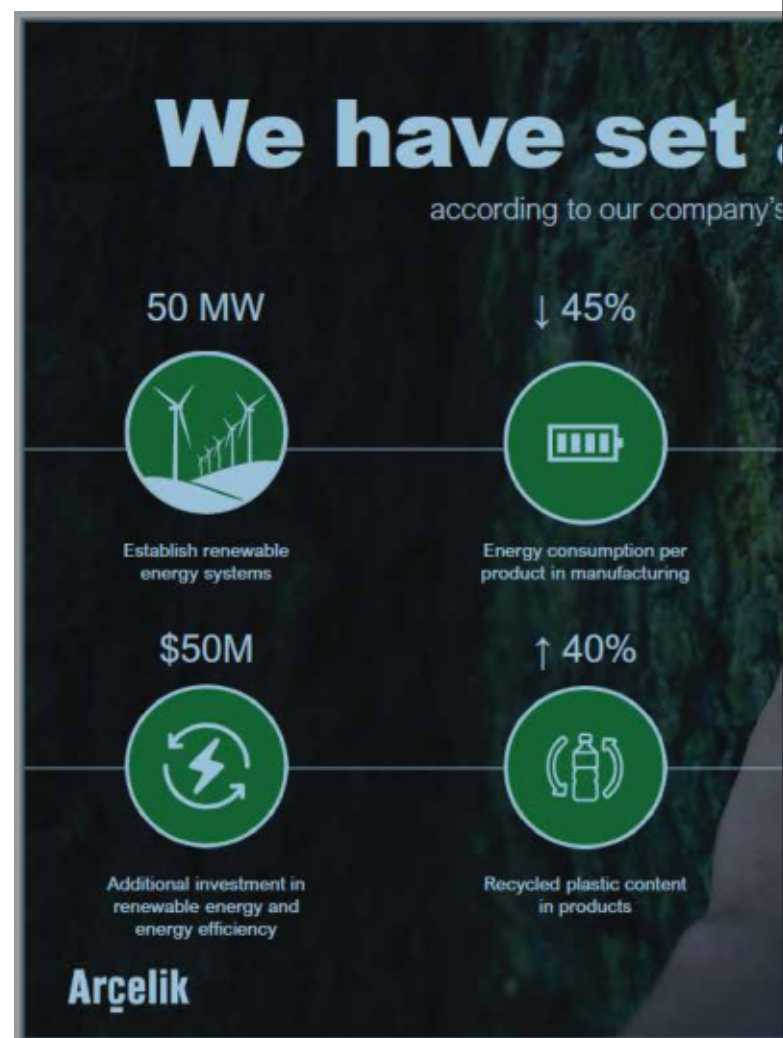
This simple, yet highly effective program has trained thousands of women over the years, enabling them towards gainful employment opportunities. As many as 39 Singer Sewing Schools are located around Bangladesh, helmed by specialist instructors who have

many years of experience in stitching and sewing and mentoring the students who come to the school.

About 3,500 women are trained in sewing and graduate out of the school every year. While Singer provides the sewing machines to the schools at subsidised rates, learning materials as well as accessories required for stitching and tailoring are provided free of cost. Plans are afoot to establish 10-15 Singer Sewing Schools in Bangladesh across the next 1-2 years.

## Threading a better future

As part of Arçelik, we have adopted our parent company's sustainability objectives and goals. Arçelik has set a target for 2030 for various parameters, which is to be achieved through its subsidiaries across the globe and we shall contribute to achieving the ultimate goals of the parent too.



### Community engagement initiatives

The company acknowledges its responsibility to create a positive influence on society and is devoted to effecting change through various initiatives.

An illustration of this is Singer's endeavour to support education by supplying educational materials to underprivileged children. The company values the significance of education and furnishes children with the necessary resources. The company distributed books, notebooks, pens and other stationery and learning materials to children in need, actively working to close the educational gap and equipping children with the tools necessary for learning and success.





# CORPORATE GOVERNANCE REPORT

## **G**overnance at Singer

Singer Bangladesh Limited (“Singer”) is committed to the highest standards of governance, ethics and integrity, which are essential for sustained value creation and safeguarding the interests of all our stakeholders. We believe that good governance is a testament to our longstanding heritage and contributes to living our values through enhanced accountability, strong risk and performance management, transparency as well as ethical and effective leadership.

We at Singer embrace world-class business practices and robust institutional governance and risk frameworks to ensure that our operations are secure and stable. To ensure that we act in the best interests of all our stakeholders, we review these practices and frameworks on an ongoing basis, being mindful of the dynamic landscape in which we operate, which is

influenced by, among other factors, economic changes, cultural shifts, geopolitics, digital trends, climate changes risks, etc.

Governance at Singer is thus far more than legislative compliance and best-practice principles. It is our commitment to achieving our governance objectives and fostering responsible stewardship.

## **Our approach to governance**

At Singer, we uphold the Corporate Governance Code, 2018 of the Bangladesh Securities and Exchange Commission (BSEC) and all other regulatory governance codes and tenets. Transparency and accountability are key principles that the Company follows to safeguard the interests of its stakeholders.

The Board of Singer strives to create sustainable value through strategic decision-making and overseeing its implementation and delivery. It also reviews the relevance and sustainability of the company’s business model, monitoring the macro environment, the availability and quality of capital inputs and weighing stakeholder needs, all of which help formulate the strategy for the business.

The independent role of the Board of Directors, separate and independent role of the Chairman and Chief Executive Officer, distinct roles of the Company



Secretary, Chief Financial Officer and Head of Internal Audit & Compliance and different Board Committees enable Singer to achieve excellence in its governance practices.

Our corporate governance framework represents the strategy we adhere to ensure a framework of control for our administrative and management practices. This is achieved through procedures that are aligned to recognized standards that respond to the interests of our shareholders and other stakeholders. Our Board understands the value of structured governance practices in ensuring fairness, transparency and accountability to safeguard the interests of all stakeholders, especially minority shareholders. We believe that adhering to good governance practices not only ensures business sustainability but also results in enhanced long-term profitability, improving the company's capacity to create long-term value in the hands of shareholders.

### **Ensuring best-in-class governance stewardship**

Our corporate governance model adheres to the company's vision, mission, goals and objectives, aligned to the Global Code of Conduct of Arcelik A.S., the ultimate parent company of Singer.

The company's Board of Directors are responsible for applying good governance principles across the organisation, which includes setting the Company's strategic goals, providing the necessary leadership to implement such goals, supervising the management of the business, and reporting to shareholders on their stewardship. As the apex body of the company, the Board is collectively accountable to the company's shareholders for good governance to facilitate efficient and effective management towards delivering long-term shareholder value.

The sustenance of effective governance remains a key priority of our Board's responsibilities towards our shareholders. Our corporate governance framework is dynamic and focused on the company's business objectives, along with ensuring clear structures and ownership supported by clear policies and procedures to guide the activities of our company's management. Our governance practices retain the flexibility for us to respond proactively to the fast-changing regulatory environment. This ensures long-term performance and sustainability, protecting and enhancing the interests of our shareholders and other stakeholders.

Singer's Corporate Governance culture is rooted in:

- Global Code of Conduct of Arcelik A.S.
- Transparency and dissemination of information
- Strong risk culture
- Control environment and processes
- Accountability towards our shareholders

Moreover, Singer believes that its corporate governance practices comply with all the tenets of the revised Corporate Governance Code (CGC) notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated June 3, 2018, and notification No. SEC/CMRRCD/2006-158/208/ Admin/81, dated June 20, 2018, on financial reporting and disclosure issued by the Bangladesh Securities and Exchange Commission (BSEC).

### **Key focus areas of 2023**

Singer continues to stand firm and resilient amid a challenging economic environment, maintaining both financial and operational agility and stability. The challenges posed by the COVID-19 pandemic, compounded by the Russia-Ukraine conflict, has provided the Board with a unique approach to balance strategic decisions in a way that optimizes the purpose of the company, while taking into account the interests of all its stakeholders.

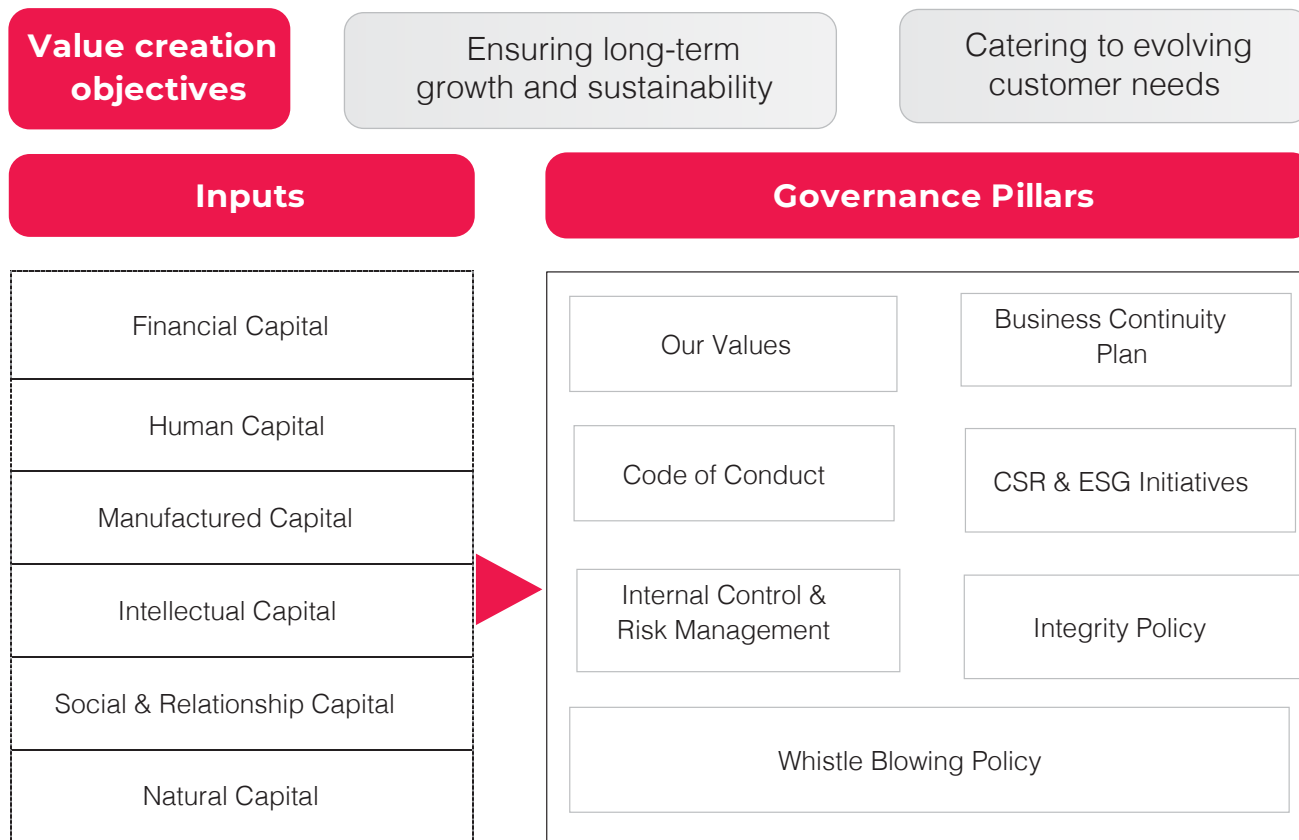
Throughout the year 2023, the Board remained committed to its roles and responsibilities in enabling the organization to achieve its goals. It did so by adopting and overseeing corporate strategies, assessing the execution of business plans, monitoring major risks, and ensuring compliance with legal and ethical responsibilities.

Furthermore, the Board understands that a company's reputation is an asset that must be preserved. To achieve this, the company has placed an uncompromising emphasis on complying with all the applicable laws, regulations and internal guidelines. Compliance is a vital part of Singer's management and corporate culture, integrated into all its business processes.

The Board provides the assurance that the company operated with the highest ethical standards and in the best interests of its stakeholders and the environment.



## Value Creation through Corporate Governance Framework



### Means through which we generate value:

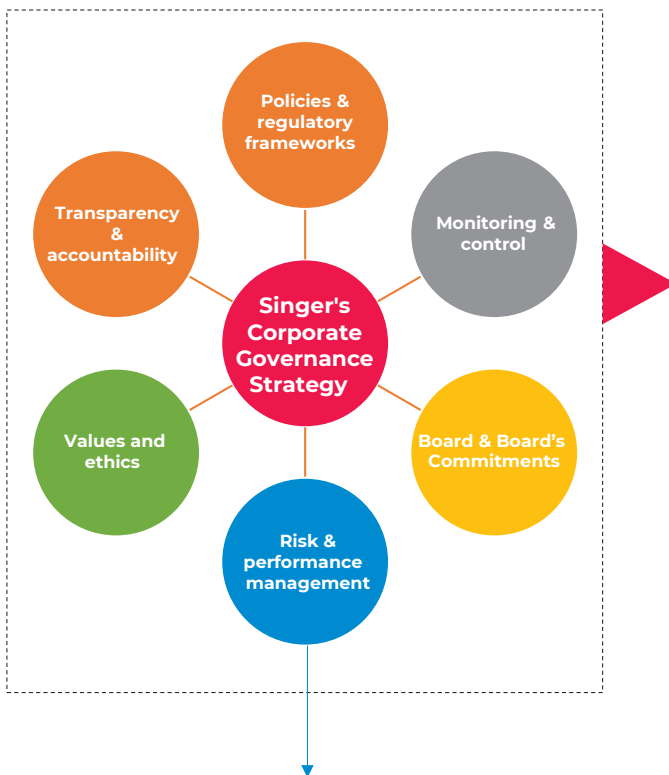
| Value creation objectives upheld                              | References of Corporate Governance framework                   | Initiatives/Responses and Outcomes  |
|---|--|---|
| <b>Ensuring long-term growth and sustainable standing</b>     | Singer's Vision, Mission and Strategies                        | <ul style="list-style-type: none"> <li>Green and sustainable products</li> <li>Enterprise risk management and three lines of defense model</li> <li>Net -zero emissions roadmap</li> </ul>                                    |
|   | Board of Directors   |   |
|   | Audit Committee  |   |
|   | Internal Control and Risk Management                           |   |
| <b>Ensuring engaged and informed shareholders</b>             | Communication and relationship with Shareholders and Investors | Improved interaction with Shareholders and Investors  |
|   | Dividend Distribution Policy                                   | Ensuring value maximization for shareholders  |
| <b>Fostering an engaged, agile and innovative talent pool</b> | Human Capital  | Improved skills and integrated thinking abilities   |
|   | Remuneration Policy of Directors and Executives                | Enhancing employee excellence and nurturing their well - being  |
| <b>Catering to evolving customer needs</b>                    | Ethics and Compliance  | <ul style="list-style-type: none"> <li>Large multi-category portfolio</li> <li>Product dependability and reliability</li> <li>Sales and customer management excellence</li> <li>Strong after-sales service network</li> </ul> |
|   | Complaint Management Process                                   |   |

Fostering an engaged, agile and innovative talent pool

Ensuring engaged and informed shareholders

### Core Areas of Corporate Governance Strategy

### Outcomes



615% Net profit growth

Optimized cash flow and well managed liquidity

Improved financial reporting

Growth in operating profit

Efficiency, reflected in reduced delivery timeline to customers

Improved organizational culture

### Key Risk Mitigators

Strategic risks

Price risk

Interest rate

Product risk

Foreign exchange risks

Technological risk

Credit risk

Environmental and political risks

Liquidity risk

Compliance and governance risks

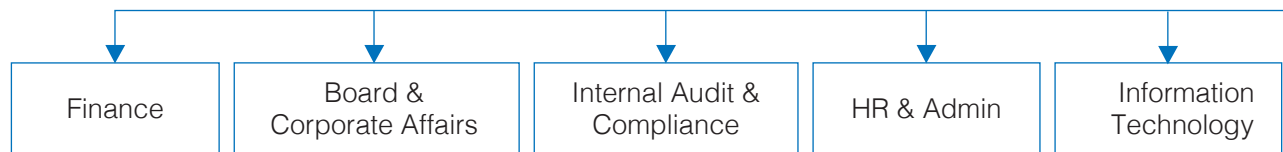
### Oversight

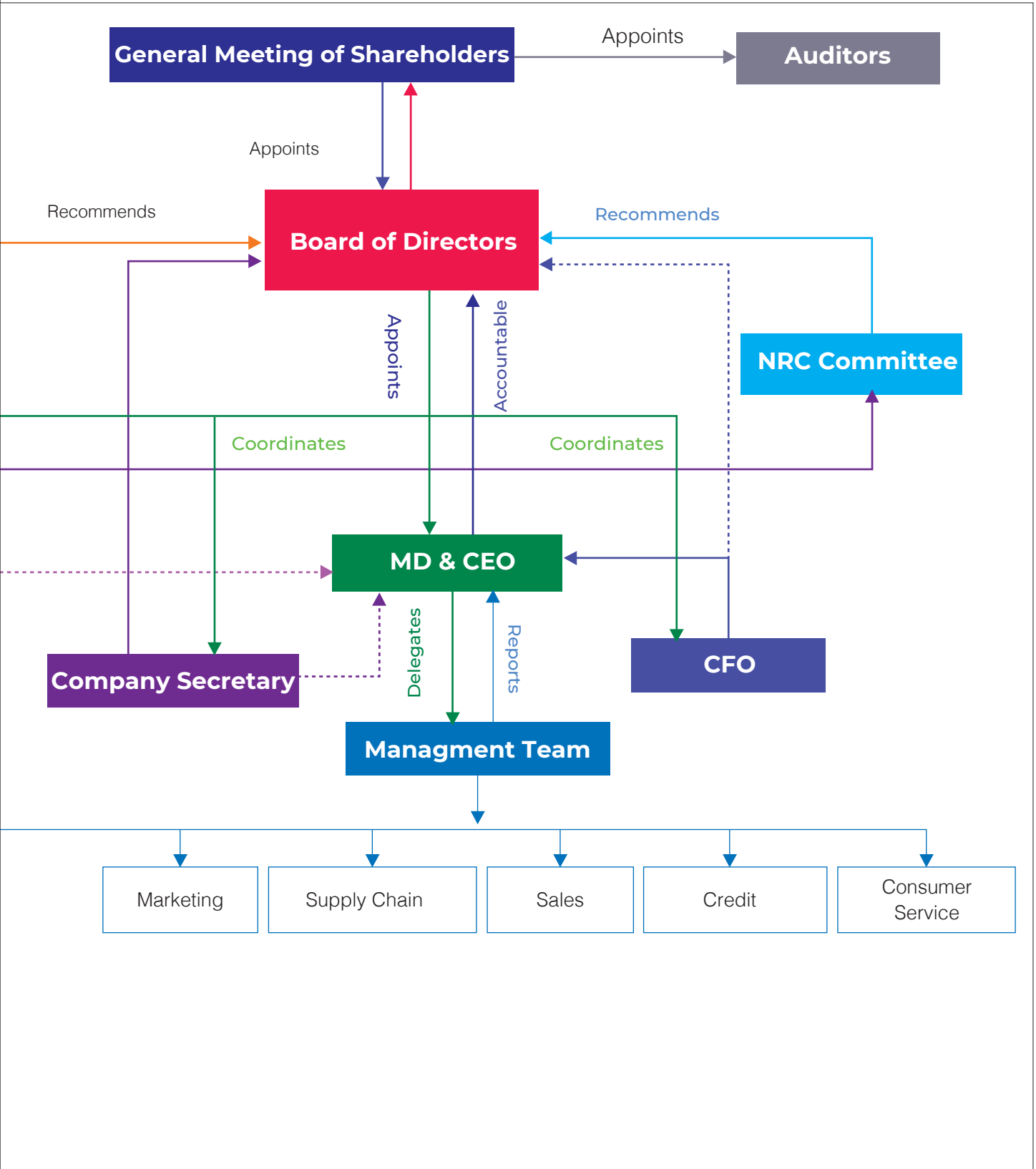
#### Regulatory Bodies

- Bangladesh Securities & Exchange Commission
- Registrar of Joint Stock Companies & Firms
- Stock Exchanges
- National Board of Revenue
- Bangladesh Investment Development Authority
- Bangladesh Economic Zones Authority
- Ministry of Industries
- Bangladesh Bank

#### Audit Committee

#### HIAC





| Sl. no. | Name of members            | Board position       | Audit committee | NRC committee |
|---------|----------------------------|----------------------|-----------------|---------------|
| 1.      | Dr. Fatih Kemal Ebiclioglu | Chairman             |                 |               |
| 2.      | Mr. M. H. M. Fairoz        | Managing Director    |                 |               |
| 3.      | Mr. Masud Khan             | Independent Director | Chairman        | Member        |
| 4.      | Mr. Mohsin Ahmed           | Independent Director | Member          | Chairman      |
| 5.      | Mr. Hakan Hamdi Bulgurlu   | Director             |                 |               |
| 6.      | Mr. Cemal Can Dincer       | Director             |                 | Member        |
| 7.      | Mr. Ozkan Cimen            | Director             | Member          |               |
| 8.      | Mr. Kazi Ashiqur Rahman    | Company Secretary    | Secretary       | Secretary     |

### Board composition

The Board of Singer is composed of seven Directors, two of whom are Independent Directors with diverse professional backgrounds and expertise. The proportion of Independent Directors on the Board complies with the Corporate Governance Code, 2018 of Bangladesh Securities and Exchange Commission (BSEC).

The Directors come from various businesses and backgrounds, and their extensive experience enables them to provide independent judgment on Board matters, thus enabling quality decision-making. They contribute to the company's strategy and policy formulation, as well as maintain its oversight responsibility for the Executive Management.

All members possess expert knowledge of governance and compliance issues as required by the Corporate Governance Code. The profiles of all Board members are available on page 29.

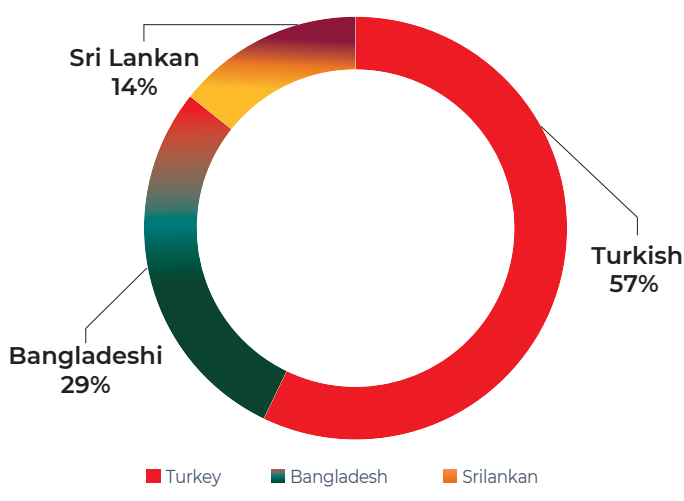
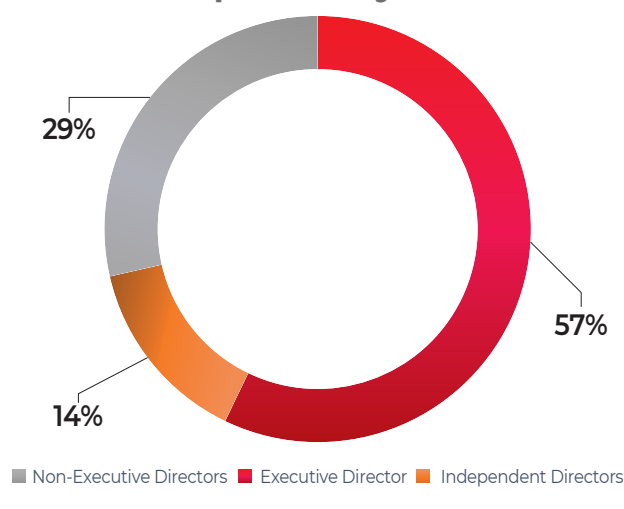
### Diversity of the Board

The composition of our Board reflects a balance of skills, experiences and perspectives to effectively oversee the company's performance and uphold its fiduciary duties to shareholders.

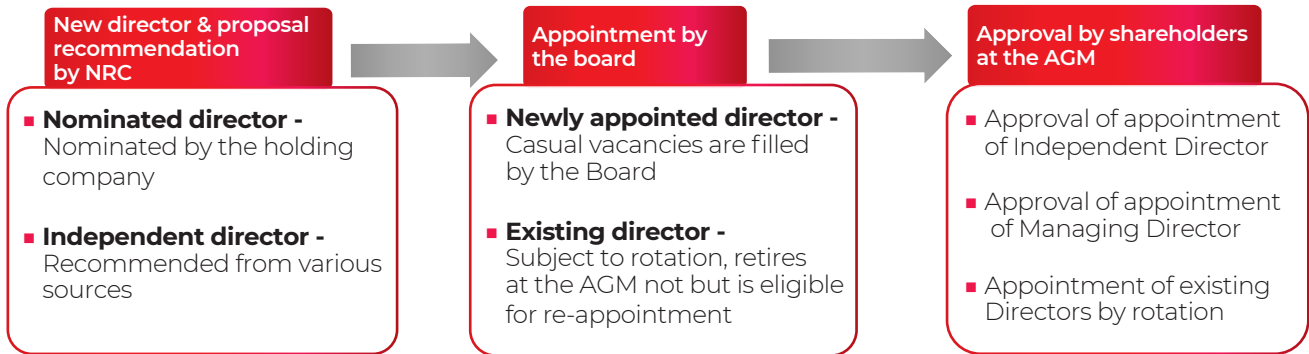
Singer maintains strict compliance with the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), fulfilling requirement of non-executive and independent directors set by the revised Corporate Governance Code of BSEC.

At Singer, we believe embracing cultural diversity within the boardroom lead to more robust decision-making, greater organizational resilience, and improved performance on a global scale.

### Membership diversity of the Board







**Appointment of directors**

The Board of Singer is comprised of Nominated Non-Executive Directors who are nominated from the senior management of the holding company, Managing Director is an Ex-officio and the other are Non-Executive Independent Directors, whose recommendation is received from various sources for highly capable and seasoned professionals fulfilling all the required criteria for being appointed to the Board, as set by Corporate Governance Code of the BSEC. We follow the Directors appointment process as follows:

**Induction of directors and their training & development**

All new Directors appointed to the Board attend a formal induction program to familiarize themselves with

the company's strategy and aspirations, business divisions and corporate functions, financials and audit, compliance and risk management standards.

The Board recognizes the importance of ensuring that Directors are continuously updated to enable them to enhance their knowledge and skills to effectively discharge their duties and responsibilities. In addition, the Directors are also updated on information relating to developments in the business and the industry through discussions at Board meetings with the Senior Management team.

**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. Board decisions



are taken at its meetings that are held as per the Articles of Association. The Company Secretary calls the meetings of the Board and Board Committees, prepares the agenda in consultation with the Chairman of the Board of Directors, the Chairman of both Committees (Audit Committee and Nomination and Remuneration Committee), 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 have the right to raise other issues as well that are beyond the agenda items.

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.

### The 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 committees, namely the Audit Committee and the Nomination and Remuneration Committee. Each of these committees operate within their defined terms of reference (ToR).

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

### Audit committee

The Board's Audit Committee, consisting of three members, including two Independent Directors, is responsible for overseeing the company's control mechanisms. The Committee is led by Mr. Masud Khan, an Independent Director with a vast and impressive career in multinational companies. His extensive experience and expertise have proven to be a great asset to the company.

Additionally, all members of the Audit Committee possess financial expertise, ensuring the company's financial affairs are being managed efficiently and effectively.

### Responsibilities of the audit committee

#### 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 Board on significant financial reporting issues and judgments.

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

### Nomination and remuneration committee

The Nomination and Remuneration Committee (NRC) 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.

Based on the recommendations of the NRC, the Board appoints a member as elected by the shareholders in the general meeting. For this purpose, the Company strictly follows the criteria laid down in the Corporate Governance Code 2018 of the BSEC.

To adhere to good governance practices, NRC works towards 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 Directors to discharge the responsibilities of the candidates proposed for appointment to the Board, in conformity of the balance and structure of the Board.

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

### Directors' code of conduct

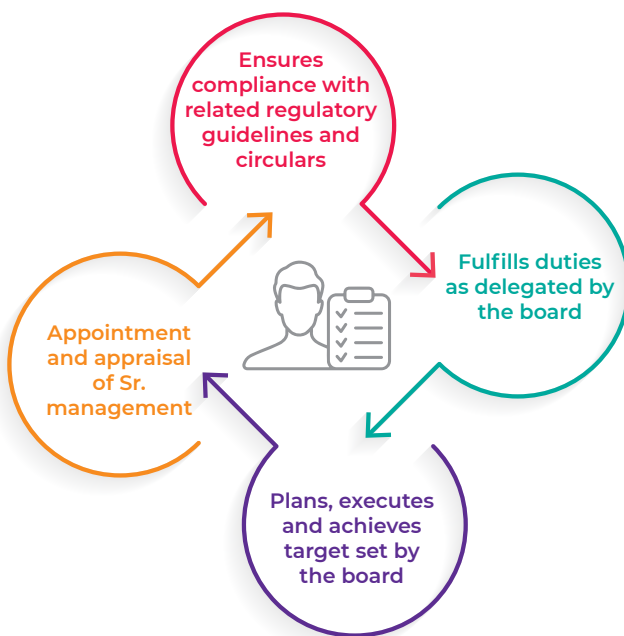
The Board of Singer has established a separate Code of Conduct for its Directors, in compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) notification.

### Chairman of the board and his role & responsibilities

The Chairman of the Board is not the Managing Director & Chief Executive Officer of the Company, they are distinct and separate individuals, each with their unique roles and responsibilities. The Board is helmed by the Chairman. The primary role of the Chairman is to ensure that the Board is effective in its task of setting and implementing the company's direction and strategy. He is responsible for leadership of the Board. Appointment of the Chairman is done by the Board.

### MD & CEO and his role and responsibilities

The Managing Director & CEO is appointed by the Board, subject to the approval of the Bangladesh Securities and Exchange Commission (BSEC) and the consent of shareholders in the Annual General Meeting. In compliance with the requirements of the Bangladesh Securities and Exchange Commission (BSEC) Code, the role of the Managing Director has been defined by the Board of Directors, as indicated below:



### Independent director

The Company has complied with the notification of the Bangladesh Securities and Exchange Commission issuing Corporate Governance Code concerning the composition of the Board. Mr. Masud Khan and Mr. Mohsin Ahmed, 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 judgment. The Board believes that their experience and knowledge will enable them to provide constructive as well as effective contributions to the Company.

The Company strictly follows the criteria for appointment of Independent Directors as described in the Corporate Governance Code, 2018 of BSEC.

### Board and committee meetings

The Board and its sub-Committees meet regularly to effectively discharge their duties. Seven Board meetings were held during the year 2023 and the gap between meetings did not exceed 90 days. Besides, the Audit Committee met four times and the Nomination and Remuneration Committee met three times during the year. Bangladesh Secretarial Standards (BSS) issued by the Institute of Chartered Secretaries of Bangladesh (ICSB) were followed in conducting the meetings as well as keeping records of the meetings of the Board and those of its committees.

### 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 the responsibility for monitoring the detailed performance of all aspects of the Company. The Management Committee is chaired by the Managing Director and comprises 14 key senior executives. The Management Committee, as the Company's Management Body, is committed to serving the interests of the Company and ensuring achieving sustainable growth.

**Compliance is a vital part of Singer's management and corporate culture, integrated into all business processes. The Board provides assurance that the Company operates with the highest ethical standards.**

### Board of directors

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

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

#### Audit committee

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

#### Nomination and remuneration committee

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

### Role of the company secretary

The Company Secretary is responsible for a range of activities, including maintaining the Company's statutory registers, preparing and filing statutory returns, and providing guidance to the Board on matters related to corporate governance. In addition, the Company Secretary facilitates communication between the Company and its shareholders, ensuring that shareholder rights are respected and promoting transparency and accountability in all aspects of the Company's operations. The Company Secretary's expertise in navigating the complex legal and regulatory landscape is critical to ensuring that the Company operates in full compliance with the applicable laws and regulations, and that it is well-positioned to meet the needs of its stakeholders.

### Responsibilities to consumers

Our success depends on the quality of our products and also on our after-sales services. 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 made available to 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 centres 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 company's financial reporting system. The Financial Statements included in this Annual Report have been audited by M/s. Rahman Rahman Huq, Chartered Accountants.

## Internal controls

The 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 controls 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 Audit is focused on the areas of risk on the basis of Risk Management approach. The Company's operations are also subject to be reviewed by the Corporate Internal Audit Division of the ultimate parent company, Arcelik.

## Compliance with laws and regulations

Ethical business conduct and compliance with applicable laws and regulations are fundamental aspects of Singer. 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 followed by the Company. The Independent Corporate Compliance Auditor, M/s. S. F. Ahmed & Co., Chartered Accountants was appointed by the Board to conduct Corporate Compliance Certification as per the requirement of the Bangladesh Securities and Exchange Commission (BSEC). Accordingly, M/s. S. F. Ahmed & Co., Chartered Accountants, upon examination, issued a Compliance Certificate which has been shown on page 130 of the Annual Report.

## Our code of conduct

"Honesty, integrity, and superior business ethics are the foundations of our business conduct. We conduct our business based on good intentions, mutual benefit, and fair treatment in all our relationships. We are committed to conforming at all times to the highest ethical and legal standards."

Arcelik's (Arcelik A. S., the ultimate parent of Singer) Global Code of Conduct has been adopted by the Company, as a guide for the desired behaviors in business. As the Company continues to expand, it is important to adapt the Code to ensure that employees understand business conduct, what to pay attention to, and what behaviors to avoid. The Global Code of Conduct is designed to maintain high ethical standards and promote a culture of transparency and accountability, as well as outline the Company's commitment to responsible business practices, such as human rights, environmental sustainability, and social responsibilities. By adhering to the Global Code of Conduct, the Company demonstrates its commitment to ethical business practices and the creation of a safe and transparent workplace.

## Arcelik's global code of conduct framework has three operational pillars:

- **Prevention** - work to embed a culture of integrity at all levels, in all geographies,
- **Detection** - encourage employees to speak up and give voice to our values,
- **Response** - have the tools to investigate and if necessary, confirmed breaches with a standard and uniform approach, and use what we learn to continually improve.

We conduct our operations in accordance with laws and regulations, with honesty and with respect for the human rights. All our employees and Business Partners are expected to adopt these rules, act in line with them. Our leaders are responsible from setting examples with their attitudes by leading our employees and making business decisions in accordance with the Arcelik Global Code of Conduct and related Code Policies.

While the Arcelik Global Code of Conduct and Code Policies strive to address various scenarios, they may not encompass every circumstance, especially considering the variations in laws across different countries. In cases where specific situations are not explicitly addressed, we maintain the spirit of the Code of Conduct and Code Policies by applying common sense and sound judgment. This should be done with consideration for objective criteria, ensuring compliance with the stricter of the relevant local laws and regulations, without violating either. The Code of Conduct is available in the Company's website [www.singerbd.com](http://www.singerbd.com).



### Whistle blowing policy

Arcelik's Global Code of Conduct has included a global whistle-blowing policy for employees of its own and of its worldwide subsidiaries. This policy promotes a work environment where employees are encouraged to report any instances of illegal, unethical, or fraudulent behaviour without fear of retaliation. By implementing this policy, the Company empowers its employees to speak up and address any concerns, ultimately creating a positive and ethical workplace. The Code of Conduct can be accessed from the Company's website, [www.singerbd.com](http://www.singerbd.com).

### Risk management

A Risk Management system that operates effectively is imperative for responsible governance. Singer's Risk Management system is tailored to meet the practical needs of our business, aiming to identify potential risks at an early stage and mitigate or control them promptly. More information about our Risk Management system can be found in the "Risk Control" section on pages 106.

### Communication with shareholders

Singer values shareholder engagement and maintains open communication with them throughout the year, inviting their participation at shareholders' meetings. The Company shares its business, financial position, and earnings with shareholders quarterly, with reports provided in the form of Quarterly Financial Statements, Half Yearly Financial Statements, and the Annual Report. The latter is considered the Company's primary communication to its shareholders and other stakeholders.

Additionally, the Company publishes its quarterly and half-yearly results in major newspapers. Shareholders receive their Annual Report copy in digital format, which is sent to the email addresses provided in their beneficial owner (BO) accounts with the depository. The Company also prints sufficient copies of the Annual Report to fulfill requests from shareholders who prefer a printed copy. These reports are available for collection at the Registered Office of the Company or its Investor Relations Department by request in writing. Furthermore, the reports can be accessed on Singer's website: [www.singerbd.com](http://www.singerbd.com).

### Shareholders' information

Singer Bangladesh Limited was incorporated in Bangladesh as a private limited company on

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

### Concentration of shareholding

The overall performance and direction of a company are greatly influenced by the composition of its Board of Directors. In case of Singer, it is worth noting that none of its Board members hold any shares in the Company. The Board of Directors consists of seven Members; four are nominated by the shareholding institution; the Managing Director serves as an Ex-officio Member; and also there are two Independent Directors. This composition implies that the Board prioritizes the Company's interests over personal gain.

### Split and bonus issue

In 2010, shares of Taka 100 each of the Company were subdivided into 10 shares of Taka 10 each. Accordingly, the current face value of the shares is Taka 10 each. Detail on bonus shares is provided on page 191.

### Transfer to capital market stabilization fund (CMSF)

Pursuant to the applicable provisions of the Capital Market Stabilization Fund Rules, 2021 and subsequent directives of Bangladesh Securities and Exchange Commission, all unclaimed dividends of the Company up to 2019 were transferred to the Capital Market Stabilization Fund after completion of three years from the date of the Annual General Meeting. Details are on page 138.

### Unclaimed cash dividend

During the year 2023, the Company transferred unclaimed cash Dividend for the year 2019 of Taka 7.8 mn to CMSF. Details of shares and shareholders for which cash dividends were not claimed are provided on the website of the Company.

### Unclaimed stock dividend transferred to CMSF

As per CMSF Rules, the shares in respect of the stock dividend which has not been claimed by the

shareholders for more than three years are also transferred to the CMSF Authority.

Details of shares of the shareholders in respect of the stock dividend which were not claimed are provided on the website of the Company.

### **Claim of unclaimed dividend transferred to CMSF**

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

### **Annual general meeting**

The Board considers the Company's AGM as the main means of communication with shareholders and welcomes their participation. The Annual General Meeting normally takes place within the first four months of each fiscal year. Among other things, the Annual General Meeting decides the adoption of annual Financial Statements and the Directors' declaration in the Directors' Report, the election of the Board members and the appointment of the Auditors.

Shareholders are entitled to attend the AGM in which the Board members are present. The Board views the AGM as a good opportunity to meet its shareholders. Shareholders present can question the Chairman, the Committee Chairs and the rest of the Board during the meeting. As per directives of Bangladesh Securities and Exchange Commission, 44th Annual General Meeting will be held through the hybrid system with physical and digital/online presence of the Members. For details, please refer to the Notice of the 44th AGM.

### **Voting before/during the AGM**

In accordance with the directives of the Bangladesh Securities and Exchanges Commission, the Company

is enabling its Members to participate in voting regarding the agenda items for the upcoming AGM, both prior to and during the meeting. Members holding shares, whether in physical or electronic form, as of the record date, February 22, 2024, are eligible to cast their votes. Non-members as of the record date should consider this notice for information purposes only.

### **Independent scrutinizer**

An Independent Scrutinizer has been appointed to oversee the e-voting process of the AGM. Their responsibilities include verifying the authenticity of the votes and preparing a report to be submitted to the Bangladesh Securities and Exchange Commission.

### **Company's corporate website**

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

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

# Audit Committee



**Mr. Masud Khan**  
Chairman



**Mr. Mohsin Ahmed**  
Member



**Mr. Ozkan Cimen**  
Member



**Mr. Kazi Ashiqur Rahman**  
Secretary

# AUDIT COMMITTEE REPORT



Singer Bangladesh Limited established its Audit Committee in 2004 as 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 in discharging its responsibilities of

ensuring the quality of financial controls and reporting, overseeing internal and external audit functions and internal control structure, as well as facilitating effective liaison with shareholders and the other stakeholders.

## Composition of the committee

The Audit Committee comprises of three members, out of which two are Independent Directors. The Chairman of the Committee is an Independent Director. The Company Secretary is the Secretary to the Committee.

All members of the Audit Committee are financially literate, having professional experience and understanding of financial matters. They can analyze financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee.

| Name of members         | Board position       | Audit committee position |
|-------------------------|----------------------|--------------------------|
| Mr. Masud Khan          | Independent Director | Chairman                 |
| Mr. Mohsin Ahmed        | Independent Director | Member                   |
| Mr. Ozkan Cimen         | Director             | Member                   |
| Mr. Kazi Ashiqur Rahman | Company Secretary    | Secretary                |

## Attendance at audit committee meetings

During the year 2023, four meetings of the Audit Committee were held. The members of the Audit Committee and the attendance of the members are shown below. The members who could not attend the meetings were granted leave of absence.

| Name of members            | Committee position | Meetings held | Attendance |
|----------------------------|--------------------|---------------|------------|
| Mr. Masud Khan             | Chairman           | 4             | 4          |
| Mr. Reazul Haque Chowdhury | Ex-Member          | 2             | 1          |
| Mr. Mohsin Ahmed           | Member             | 1             | 1          |
| Mr. Polat Sen              | Member             | 2             | 2          |
| Mr. Ozkan Cimen            | Member             | 2             | 2          |
| Mr. Kazi Ashiqur Rahman    | Secretary          | 4             | 4          |

## Meeting participation

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

## Roles 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. Through the tenets 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 transactions, management letter/s issued by statutory auditors, determination of audit fees, etc. This ensures that a sound financial reporting system is in place and is well managed to provide accurate, appropriate and timely information to the management, the regulatory authorities and the shareholders.

## Summary of activities

The following activities were carried out by the Audit Committee during the financial year ended on December 31, 2023.

## Financial reporting

The quarterly, half-yearly and annual financial results of the Company

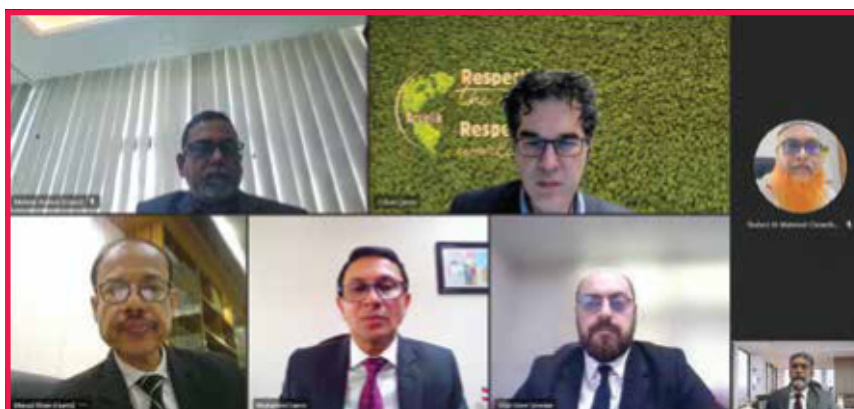
were reviewed and the relevant announcements made to the stock exchanges by the Board of Directors. The quarterly, half-yearly and annual financial statements of the Company were reviewed before submission to the Board for approval to ensure the financial reporting and disclosures were made in compliance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

## Related party transactions

Reviewed any related party transactions and conflict of interest that may arise within the Company, including any transaction, procedure, or conduct raising questions of management integrity.

## Report to the shareholders

Prepared the annual Audit Committee Report and submitted it to the Board. The report specifies the composition of the Audit Committee, terms of reference, the number of meetings held and attendance thereof, a





summary of activities, and performance of the internal audit team.

### Internal audit

- The annual and quarterly audit plans, including the audit methodology in assessing and rating risks of auditable areas, were reviewed to ensure adequate scope and comprehensive coverage of the audit activities of the Company.
- The internal audit reports encompassing the audit issues, audit recommendations and the management's responses reviewed. Improvement actions were suggested by the internal auditors in the areas of internal controls, systems and efficiency enhancements discussed with the management.
- The implementation of these recommendations through follow-up audit reports was reviewed to ensure all key areas were 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 observations, if any, as well as and the management's response thereto reviewed.
- Their audit scope, 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 to appoint M/s. A. Qasem & Co., Chartered Accountants as auditors for the financial year ending on December 31, 2024, subject to the approval of the members at the 44th Annual General Meeting of the Company.
- The Audit Committee's recommendation to the Board of Directors regarding S. F. Ahmed & Co., Chartered Accountants, be re-appointed as compliance auditors for the financial year ending on December 31, 2024 placed, subject to the approval of the members at the 44th Annual General Meeting of the Company.
- The external audit reports were reviewed and the areas of concern were highlighted in the

management letter, including the management's response to the findings of the external auditors.

- The statement of related party transactions as discussed in the financial statements reviewed to ensure all parties remained in compliance with IAS and IFRS.

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

### Reporting of the audit committee

- Reportable to the Board on its activities periodically and liable to report to the Board immediately on the findings, as described in the Corporate Governance Code.
- Reportable to the authorities if the Board does not pay attention or ignores the findings of the committee, as per the Corporate Governance Code.
- Reportable to the shareholders and general investors annually on the activities carried out by the Audit Committee during the year, as described in the Corporate Governance Code and which is disclosed in the annual report of the company.

### 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 29, 2024



# RISK CONTROL

## **A**pproach to risk

The risk management process implemented at Singer revolves around assessing the impact of risks or uncertainties on organizational objectives. This evaluation is quantified through the consideration of likelihood and impact, forming a foundational framework for effective risk management within the company. Our risk management framework is guided by the Code of Conduct, an ethical standard that extends from the Board as well as employees, to suppliers and others working across the organization, emphasizing the principles that must be adhered to.

Risk and uncertainty are inherent aspects of business. In the current global landscape, businesses have to confront an intricate web of risks, driven by economic and geopolitical scenarios. The Russia-Ukraine conflict and the recent geopolitical escalation between Israel and Palestine are key risks that have prolonged

disruptions in global supply chains and sanctions, elevating uncertainty, especially after the stress of the COVID pandemic.

Simultaneously, high inflation and interest rates, major pressure on forex reserves, significant BDT depreciation against USD, declining national savings, high food and energy costs, stress on household income and climate events in Bangladesh have added layers of complexity. Furthermore, a fiercely competitive consumer durables industry of Bangladesh is also a risk that can impede financial performance. In this overall landscape, adept risk management strategies become essential to navigate challenges and ensure resilience amidst the uncertainties.

Due to its longstanding presence in Bangladesh spanning over 118 years, Singer is no stranger to the risks and cyclicity of the industry. In fact, the company's longevity attests to its ability to successfully navigate the challenges and remain on the path of value creation.

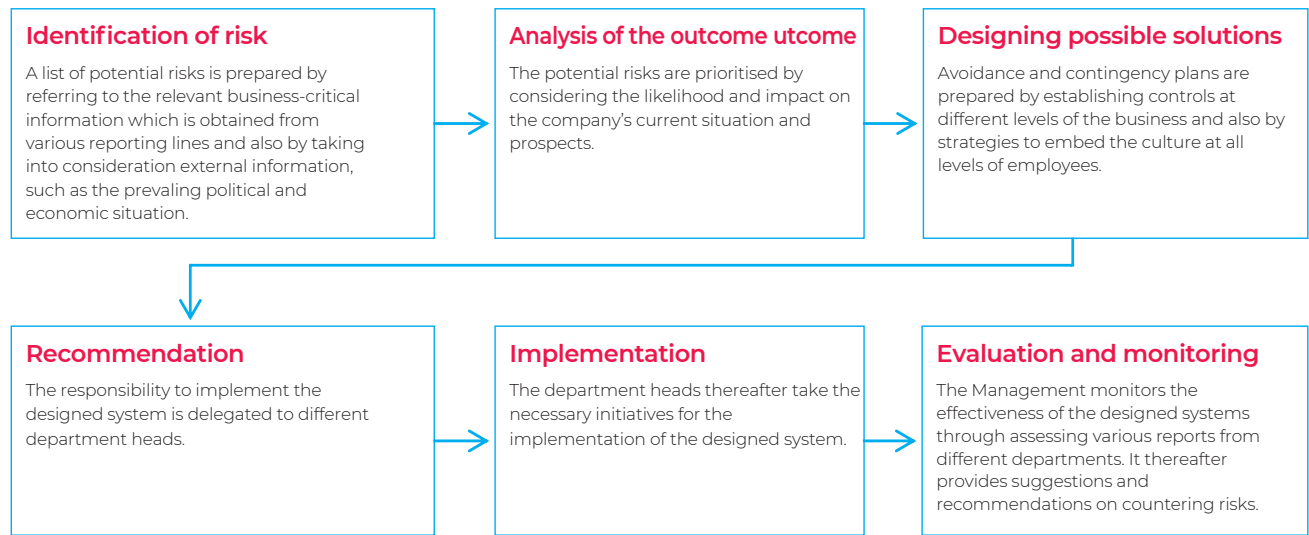
Over time, the company has put in place a robust and comprehensive enterprise risk management framework and internal control system to ensure business continuity, safeguard shareholders' investment, preserve company assets and foster a risk-aware culture. This system has been designed to identify,

evaluate and manage risks that may obstruct the company's objectives.

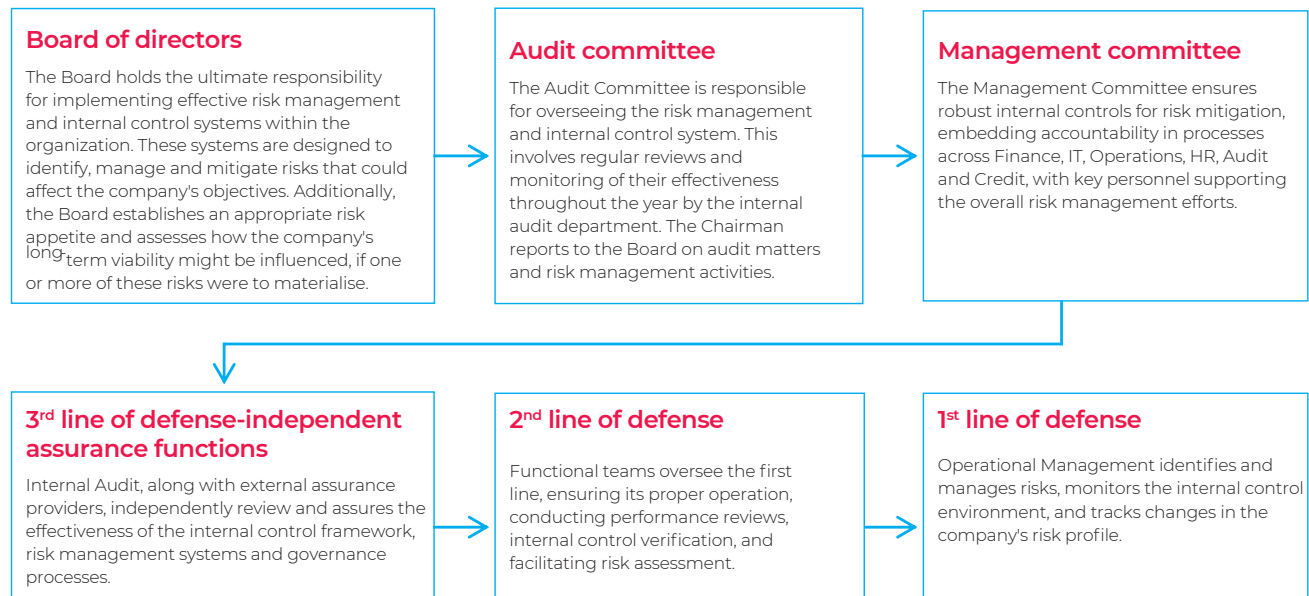
Risks cannot be completely eliminated and therefore they are a part of any business. The idea is to ensure an environment where calculated risk-taking is encouraged to achieve business growth. Our enterprise risk management system is therefore reasonable, not

absolute, providing assurance against sound risk-taking.

Notably, the company's risk management framework is underpinned by its Code of Conduct. The overall risk assessment and management process is summarized below:



**Risk management governance framework**



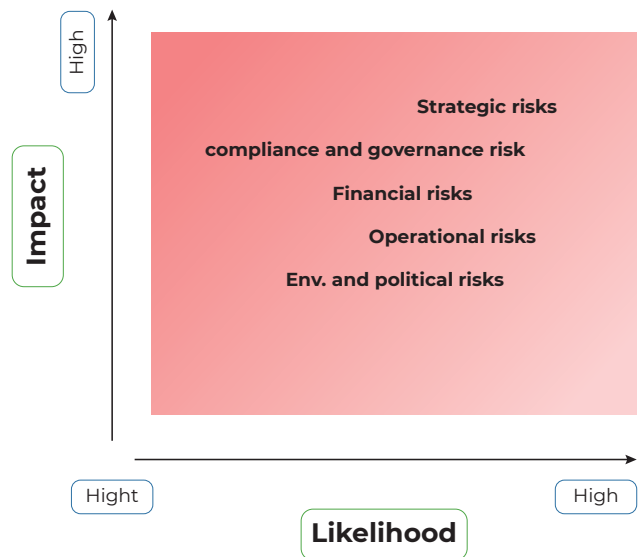
**Regulatory bodies (BSEC, NBR, RJSC, etc.) and compliance with regulatory laws and rules**

**Principal and emerging risks**



**Material risks and mitigation strategies**

*Risk heat map*



**1. Strategic risks**

Strategic risk refers to the potential for adverse events and uncertainties that can impact our organization's ability to achieve its strategic objectives and long-term goals. This risk is associated with the strategic decisions and actions taken by the organization in the pursuit of its mission. At Singer, we recognize that information assessment and judicious decision-making are key to forecasting, evaluating and managing our strategic risk.

| Strategic risk factors  | Mitigation and control   |
|---|--|
| <p><b>Changing consumer preferences:</b><br/>                     Changing consumer preferences refer to the dynamic shifts in customer desires and expectations that they prioritise when making purchasing decisions.</p> | <p>We have strong on-ground information aggregation process for building consumer insights. This enables us to evolve our product portfolio to suit and meet consumer preferences.</p>   |
| <p><b>Increasing competitive intensity:</b><br/>                     Our business environment is characterised by high competition. Hence, coping with competitive intensity requires strategic agility.</p>                | <p>The company proactively monitors social media trends for early consumer insights. We also develop concise and compelling brand communication strategies, while also implementing regular consumer awareness campaigns and outreach initiatives.</p> <p>Additionally, we seek to distinguish our products on crowded shelves through product features and the value proposition they offer in solving consumer challenges.</p> |

| Strategic risk factors   | Mitigation and control   |
|--|--|
| <p><b>Sales volume and per-unit price:</b></p> <p><b>Sales volume and per-unit price are crucial metrics in determining our company's revenues.</b></p>      | <p>We have sought to mitigate this risk through expanding our product portfolio and ensuring strategic availability across relevant channels, fostering broader market presence and reach.</p> <p>Further, we also implement cutting-edge technology through a global technology sourcing office that enables us to ensure manufacturing and cost competitiveness.</p> <p>In addition, we are also establishing responsive marketing strategies to swiftly counter competitive actions.</p>                                |
| <p><b>Economic conditions:</b></p> <p><b>The prevailing economic conditions can significantly influence various aspects of our company's operations.</b></p> | <p>We have a longstanding presence in the industry and are acquainted well with the market cyclicalities and demand-supply scenario that is influenced by economic conditions.</p> <p>We reshape and reconfigure our strategies accordingly as per the needs of the business environment.</p> <p>We also try to stimulate sales through consumer offers, hire -purchase scheme, etc. Besides, our large product portfolio and extensive geographic presence enables de-risking amidst challenging economic conditions.</p> |

## 2. Financial risks

Financial risks refer to the potential for financial losses or adverse impacts on the value of assets, investments or the company's overall financial health. It encompasses various uncertainties and fluctuations that can affect the achievement of financial objectives. The risk arises from a combination of internal and external factors.

Singer recognizes that effective financial risk management involves a combination of strategies tailored to the specific risks faced by our organization. We conduct proactive and dynamic approach to adapt to evolving economic conditions and market uncertainties related to financial risks.

| Financial risk factors  | Mitigation and control   |
|---|--|
| <p><b>Interest rate:</b></p> <p><b>To tame the ongoing inflationary pressure, Bangladesh Bank lifted the lending interest rate cap while raising the policy interest rate. Rising interest rates have significant repercussions on the company's earnings, cash flow and overall valuation, influencing product pricing, customer credit arrangements, and profitability.</b></p> | <p>The company's robust financial strength and strong brand equity provide it with access to funds at favourable rates, thereby mitigating the impact of interest rate fluctuations.</p> <p>To manage exposure to high interest expenses resulting from variable interest rates, the company maintains short-term borrowings from good number of banks. This strategic approach helps navigate the challenges associated with interest rate risks.</p> |



| Financial risk factors   | Mitigation and control  |
|--|---|
| <p><b>Foreign exchange risks:</b></p> <p>The Company is exposed to foreign exchange risks arising primarily with respect to the US dollar. Foreign exchange risks arise from future commercial transactions and recognized assets and liabilities.</p> <p>Bangladesh has experienced significant depreciation of BDT in recent years, particularly against the USD. Between 2017 and 2023, the BDT has depreciated by roughly 15%. When BDT weakens against foreign currencies, especially the USD which is the international currency for most cross-border transactions, the cost of imported raw materials and machinery increases.</p> <p>This can squeeze profit margins and impact competitiveness.</p> <p>Moreover, import of raw materials, capital machinery and intermediate goods also slumped due to the government initiative to ease pressure on forex reserves by applying LC restrictions.</p> | <p>The Management continuously observes global and local economic trends and formulates strategy accordingly by adjusting with the changed scenario.</p> <p>To obtain the most competitive exchange rate in the effective management of foreign exchange risks against the functional currency, the finance and supply chain department deals with several banks for each transaction.</p> <p>The impact of LC restrictions and import tightening has impacted many manufacturers; however, Singer was able to overcome the difficulties with the good reputation in the banking arena having highest credit rating AAA and support of Arcelik.</p> |
| <p><b>Cash flow and fair value interest rate risks:</b></p> <p>Given the absence of long-term interest-bearing assets or liabilities, the company's income and operating cash flows remain largely unaffected by changes in market interest rates. However, the short-term overdraft facility does impact operating cash flow to some extent.</p>  | <p>To secure cost-effective interest rates, a dedicated department manages negotiations with the treasury function, while other departments handle investment and utilization execution.</p> <p>This year, our effective cash flow management serves as a testament to the efficiency of our management, resulting in a significantly improved cash flow compared to previous periods, despite the challenging economic conditions.</p>   |
| <p><b>Credit risk:</b></p> <p>Credit and settlement risk involves a potential financial loss when one party in a financial arrangement fails to fulfill its contractual obligations.</p> <p>Credit risk is primarily associated with trade debtors, advances and prepayments, where the counterparty may default on their obligations.</p>   | <p>Credit risk is managed in combination of supervision by field management and supervisory team consisting of credit and finance departments.</p> <p>Credit management reports are prepared based on various aspects of credit operation in order to monitor and follow-up on credit performance. The report facilitates early identification of risks, which thus allows the Management to take the necessary steps on a timely basis.</p>  |

| Financial risk factors  | Mitigation and control  |
|---|---|
| <p><b>Settlement risk, a subset of counterparty risk, encompasses default risk and timing differences between parties in financial transactions. It arises when one party fails to meet its obligations, leading to potential financial consequences for the other party.</b></p> |   |
| <p><b>Liquidity risk:</b></p> <p><b>Liquidity risk pertains to the possibility that an entity may struggle to meet its financial obligations.</b></p>   | <p>To ensure timely fulfillment of obligations, access to sufficient short-term credit was maintained throughout the year.</p> <p>The company opted for lower borrowings instead of utilizing the available higher credit limits. Given these practices, the company was able to ensure adequate systemic liquidity, alongside ensuring positive working capital position at year -end.</p> |

### 3. Operational risks

Operational risk is primarily contingent on human factors. These refer to the risks associated with fraud, forgery, unauthorised activities, errors and omissions, system failure and even external events.

Singer employs a tailored approach to operational risk management, utilising tools such as the Field Supervisor's Checklist, Credit Inspection Report and Hire Financing Documentation Checklist. Regular surprise audits and inspections also ensure proper functioning of control and safeguard measures for comprehensive risk coverage in business operations.

| Operational risk factors   | Mitigation and control  |
|--|---|
| <p><b>Price risk:</b></p> <p><b>This induces uncertainty in future cash flow value due to fluctuations in market prices. It arises from factors like import costs, forex changes and operating expenses.</b></p> <p><b>Businesses manage price risk by estimating costs, analyzing market trends and adjusting prices to maintain competitiveness and safeguard profitability.</b></p> | <p>The company's Finance department assesses product costs, while the Marketing department determines competitive market prices through strategic assessments.</p> <p>Pricing was exposed this year to risks arising from rising import costs, commercial expenses, unfavourable forex rates and operating costs.</p> <p>The Management monitors the market, striving to maintain competitive prices to ensure sales sustenance, thus safeguarding the company's revenue and bottom-line.</p> <p>Partial price adjustments are made in response to changing market conditions. However, a balance is maintained through absorbing cost increases through internal efficiencies and the leftover being passed on to the market.</p> <p>We also mitigate price risk with our portfolio built with brands that compete across all price tiers.</p> |

| Operational risk factors  | Mitigation and control   |
|---|--|
| <p><b>Product risk:</b></p> <p><b>Product risk refers to the risks posed by product defects, pricing issues and obsolescence, and indirect risks like competition and changing customer preferences.</b></p>  | <p>New product launches precede thorough market research and field feedback, in addition to comprehensive quality control (QC) measures initiated pre-launch, jointly by Arcelik and Singer.</p> <p>Singer's experienced Management ensures accurate product lifecycle evaluation, with provisions made for obsolescence, warranty claims and even doubtful debt.</p> <p>Despite challenges like the USD crisis and forex risks, global supply chain disruptions, strategic planning and R&amp;D have ensured product availability, thus ensuring customer trust in the brand.</p> <p>Our ongoing manufacturing expansion investments through the upcoming new state-of-the-art facility at Bangladesh Special Economic Zone aims to further enhance the company's ability to supply quality products with effective propositions in a dynamic market.</p> |
| <p><b>Technological risk:</b></p> <p><b>Technological risk refers to the potential challenges and uncertainties associated with the use and reliance on technology.</b></p> <p><b>This encompasses various factors, including vulnerability of systems to cyberthreats, rapid pace of technological change, potential obsolescence of current technologies, and the impact of system failures on business operations.</b></p> | <p>The Company employs an ERP system across most units, centralizing transactions and inventory management in the Singer Information System.</p> <p>In the dynamic IT landscape, the Company has robust information security controls and protocols for physical and virtual data protection. Plans to implement SAP software aims to bolster control and operational management, thus demonstrating a commitment to effectively managing technological risks.</p> <p>Further, the company also has adequate cybersecurity measures in place, such as firewalls, access controls, etc.</p>   |

#### 4. Environmental and political risks

Environmental and political risks collectively encompass the external factors that can adversely affect our business. Environmental risk pertains to potential negative impacts arising from environmental factors, such as natural disasters, climate change events and regulatory changes/censure aimed at environmental protection. Political risk involves the possibility of adverse effects resulting from political factors.

Singer is well-acquainted with the political and regulatory scenario of the country. Our organization maintains a robust risk management process, ensuring that adequate measures are in place to effectively manage and navigate political, environmental and regulatory risks.

| Environmental and political risk factors   | Mitigation and control  |
|--|---|
| <p><b>Political risk:</b></p> <p><b>This risk can spawn from factors, such as policy instability, changes in taxation policies, trade restrictions and geopolitical tensions.</b></p> <p><b>Businesses operating in regions with political uncertainty need to assess and manage political risk to safeguard their interests.</b></p>      | <p>Our enterprise risk management process demonstrates strength, with well-established measures in position to effectively manage political, regulatory and environmental risks.</p> <p>Our Management ensures regulatory liaison to maintain an ongoing dialogue and hence ensure policy that supports the long-term interests of the business.</p> <p>Moreover, we ensure that our products are compliant with respect to all certifications based on regulations, etc., thereby making them fit for use.</p> |
| <p><b>Climate change:</b></p> <p><b>There is an increasing expectation by stakeholders to decarbonize operations to align with global goals on limiting temperature increases and meet the SDGs.</b></p> <p><b>Any shortcomings or gaps in the performance against net-zero targets may hamper stakeholders' trust in the company.</b></p> | <p>Singer aims to foster a business model that is climate -adaptable and resilient and responsive.</p> <p>We focus on reduction in direct and indirect emissions through investment in low-carbon technologies and equipment.</p> <p>Furthermore, our new upcoming plant is LEED – Gold certified that will ensure lower material intensity, reduce wastages and optimised use of natural resources.</p>  |

## 5. Compliance and governance risks

Compliance risk involves potential failure to adhere to laws and regulations, posing legal and financial consequences. Governance risk pertains to deficiencies in our organization's overall governance structure, impacting decision-making and transparency.

We develop and communicate clear policies and procedures to guide employees in complying with legal and regulatory requirements. We regularly update these documents to reflect changes in the regulatory environment. We also ensure a competent and independent Board of Directors that actively superintends the organization's activities, thus fostering a culture of accountability and transparency.

| Compliance and governance risk factors   | Mitigation and control   |
|--|--|
| <p><b>Exigent scenario risks:</b></p> <p><b>The Russia-Ukraine war and Israel's Intervention on Palestine and the emerging crisis in the Red Sea area is impacting economies and businesses, especially after the stress and fatigue of COVID management.</b></p> <p><b>The uncertain duration and extent of the wars led to difficulties in developing countries, including inducing forex crisis, inflation and sanctions on global trade.</b></p> <p><b>These factors directly affect credit businesses, supply chains, imports, sales, and overall operations. Ensuring timely shipping and availability of imported products also became a major challenge.</b></p> | <p>Singer has strategically addressed the hurdles through efficient operational management, adaptive business policies and innovative supply chain strategies by the Management, with support from Arcelik.</p> <p>Emphasizing on reducing finished goods imports, shortening cash operating cycles and increasing local production have proved instrumental in overcoming the challenges.</p>   |
| <p><b>Occupational health and safety:</b></p> <p><b>Any risk to safety, health and well-being in our operations are detrimental to employee's motivation and productivity as well as contravenes compliance with laws.</b></p> <p><b>A safe and positive work environment is thus critical for operational sustenance and ensuring best practices.</b></p>   | <p>We have focused on reducing occupational health and safety risk exposures by enhancing safety and security activities and practices across our facilities. This has been accomplished through training, monitoring and implementation of safe practices.</p> <p>We are also promoting occupational health and safety and social accountability-related policies to demonstrate safe and socially-inclusive behaviours at the workplace.</p> |



# Redress of Investor Complaints

## Upholding shareholder rights

Aiming to build trust-based relationships, Singer Bangladesh Limited (“Singer”) has developed a comprehensive consumer approach, based on emphasizing their needs and perpetuating their fundamental rights. Singer takes investor complaints seriously and maintains a dedicated Grievance Redressal Cell for redressal. Maintaining a dedicated Grievance Redressal Cell demonstrates Singer’s commitment to addressing investor concerns promptly and effectively. This approach signals transparency and accountability, fostering trust and confidence among investors. The Company Secretary is mandated to monitor the status of pending complaints and take necessary action to expedite the resolution process.

## Rights of shareholders and equitable treatment

Singer always encourages shareholder participation in its Annual General Meeting (AGM). For this purpose, the company provides the shareholders with the date, time and all the information regarding the meeting

before the AGM through notice which is sent to the shareholders at least 21 days before the AGM. The notice is also published on the newspapers and singer’s website to facilitate shareholder access before sending its soft copy and other documents through email and SMS. In 2023, we conducted our 43rd AGM seamlessly through digital platform which was participatory.

The notice of the AGM contains relevant information for the meeting, including shareholder information, attendance and voting procedures. If the shareholders cannot personally attend the meeting for any reason, they can appoint a proxy by filling in the proxy form, or even download it from Singer’s website, to appoint any person as a proxy to attend and vote on their behalf at the AGM.

Singer’s website URL from where shareholders and other interested stakeholders can download financial information, corporate profile and other meeting information is: [www.singerbd.com](http://www.singerbd.com)

Inquires may be e-mailed to: [iro@singerbd.com](mailto:iro@singerbd.com)

**Any queries relating to shareholding should be sent to the following address:**



**Registered office:**  
39, Dilkusha C/A  
Dhaka-1000



### Phone:

+88-01616 667800, +88-0-2223384438



### Fax:

+88-02-956 4431



### E-Mail:

[iro@singerbd.com](mailto:iro@singerbd.com)

## Investor complaints redress mechanism

Singer has established a robust grievance redress mechanism through which investors can lodge their grievances/complaints:



Through a designated e-mail ID:  
[iro@singerbd.com](mailto:iro@singerbd.com)



Through a letter dispatched to our designated address



An investor complaints documentation maintained at our office, in which details of every written complaint is recorded

A designated official is assigned the responsibility of monitoring investor grievance registered via e-mail on a daily basis.

As an effective shareholder/investor outreach initiative, Singer continues to engage in regular communication with shareholders through the issue of performance updates and other messages comprising material matters as soon as they come to light.

# Certificate of Due Diligence by CEO & CFO

## ANNEXURE-A

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

January 29,2024

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, 2023

Dear Sirs,

Pursuant to Condition No 1(5) (xxvi) imposed vide the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD12006-[58]207IAdmin/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 31,2023 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, 2023 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)



**Yigit Emre Senolur**  
Chief Financial Officer (CFO)

# Nomination and Remuneration Committee



**Mr. Mohsin Ahmed**  
Chairman



**Mr. Masud Khan**  
Member



**Mr. Cemal Can Dincer**  
Member



**Mr. Kazi Ashiqur Rahman**  
Secretary

# NRC COMMITTEE REPORT

Few members of the company's Board of Directors constituted the NRC, in compliance with the Corporate Governance Code, 2018, to assist the Board in formation of policy with regards to determining qualifications, positive attributes, experiences and remuneration, mainly for directors and top-level executives. The NRC is a sub-committee of the Board.

**T**he Nomination and Remuneration Committee (NRC) is pleased to submit the Nomination and Remuneration Committee Report for the financial year 2023 to honorable shareholders of Singer Bangladesh Limited.

## Composition of the committee

The NRC consists of three members, out of which two are Independent Directors. In compliance with the Code, the Chairman of the Committee is an Independent Director. The Company Secretary is the Secretary to the Committee.

| Name of Members         | Board Position       | Audit Committee Position |
|-------------------------|----------------------|--------------------------|
| Mr. Mohsin Ahmed        | Independent Director | Chairman                 |
| Mr. Masud Khan          | Independent Director | Member                   |
| Mr. Cemal Can Dincer    | Director             | Member                   |
| Mr. Kazi Ashiqur Rahman | Company Secretary    | Secretary                |

| Name of members            | Committee position | Meetings held | Attendance |
|----------------------------|--------------------|---------------|------------|
| Mr. Mohsin Ahmed           | Chairman           | -             | -          |
| Mr. Masud Khan             | Member             | 4             | 4          |
| Mr. Cemal Can Dincer       | Member             | 4             | 4          |
| Mr. Reazul Haque Chowdhury | Ex-Chairman        | 2             | 1          |
| Mr. Kazi Ashiqur Rahman    | Secretary          | 4             | 4          |

### Attendance at NRC meetings

During the year 2023, four meetings of the NRC were held. The members of the NRC and attendance of the members are shown below.

### Meeting participation

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

### Terms of reference

The NRC's jurisdiction, responsibilities and specific duties have been defined in the "Terms of Reference (ToR)". The NRC has performed its duties as assigned to it by the Board based on the ToR of NRC formulated in accordance with the CG guidelines of BSEC as well as comprising other global best practices.

### Major roles and responsibilities of NRC

The NRC oversees, assists and guides the Board of Directors in the following ways:

- To appoint, fix remuneration and initiate removal of Directors and top-level executives
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors and top-level executives

- To devise a policy on the Board's diversity, taking into consideration age, gender, experience, ethnicity, educational background and nationality
- To identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria to develop, recommend and review the company's human resources and training policies
- To retain, motivate and promote talent and to ensure the long-term sustainability of talented top-level executives and create competitive advantage
- To recommend a Code of Conduct for the Chairman and other members of the Board and the Managing Director
- To implement and monitor policies and processes regarding principles of corporate governance





### Nomination policy

- The NRC recommends candidate(s) for position of Executive Director and Non-Executive Directors(s) based on contribution for improving governance practices of the Board, participation in Board and other statutory and committee meetings in a timely manner, attendance at Board and other committee meetings, and standard of performance in contributing to the commercial success of the Company.
- The Board of Directors appoints Independent Directors upon nomination by NRC, subject to BSEC approval and subsequently confirmed by shareholders at the Annual General Meeting. The appointment is based on their knowledge and integrity, ensuring compliance with regulatory requirements and financial and corporate laws for ensuring meaningful contribution to the business, in accordance with BSEC regulations. Moreover, the NRC evaluates each Independent Director's performance annually.
- The NRC recommends candidate(s) for top-level executive positions considering relevant qualifications, experience, skills and leadership, as required for the respective positions based on the Company's internal selection process and criteria.
- The NRC sets a guideline to identify the Company's need for employees at different levels of the organization and empowers the relevant management of the Company's human resources, focusing on selection, training, transfer, replacement and promotion of respective employees according to the Company's internal processes.

### Remuneration policy

- To attract, retain and motivate proficient Directors, top-level executives and other employees to run the Company efficiently and successfully, the pay scale and composition of remuneration/honorarium is always considered in a proper manner, which is reasonable and sufficient, including remuneration/benefits monthly, annually and in the long run for all employees are categorically laid down and meets the appropriate performance benchmarks.
- The remuneration, including bonuses, compensation, benefits (in whatever form) payable to Executive Directors, top-level executives and other employees are determined by the NRC based on the respective corporate policies and guidelines, which are ratified by the Board as and when required.
- The NRC recommends the Board meeting attendance fees, honorarium, including incidental expenses, if any. No member of the NRC receives, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.

### Evaluation criteria

The NRC Committee considers and sets the criteria for the performance of Executive Directors, Independent Directors, Board and top-level executives and other employees.

- The respective line authority sets the performance evaluation criteria based on the respective role profile and responsibilities through appraisal process at the beginning of each calendar year and evaluates the performance of the Executive Director(s) according to the evaluation criteria.
- The evaluation of the performance of Independent Directors and Non-Executive Directors is carried out at least once a year by the Board of Directors, according to the following criteria:
  - Attendance at the Board and committee meetings
  - Participation in the Board and committee meetings
  - Contribution to improving the corporate governance practices of the Company
- The respective line authority sets the performance assessment criteria based on the respective roles and responsibilities to achieve people and business objectives through appraisal processes at the beginning of each calendar year and evaluates the performance of top-level executives and other employees according to the assessment criteria.

### Activities of the NRC carried out during the reporting period

The NRC carried out the following activities during the year:

- Reviewed the criteria for selection, replacement and promotion at different levels of the Company
- Reviewed the performance and recommended the compensation package of the Chief Executive Officer, Executive Directors and Senior Management of the Company
- Reviewed the policies pertaining to the remuneration and perquisites of the Executive Directors and Senior Management of the Company
- Reviewed the criteria for determining qualifications, positive attributes and Independence of a Director
- Reviewed vacancies or new positions and reported and/or recommended it to the Board for their appraisal
- Fixed executive performance bonus to the Chief Executive Officer, Executive Directors and Senior Management of the Company

- Recommended to the Board for non-resident employment
- Recommended to the Board for appointment of Board of Director
- Recommended to the Board for appointment of Independent Director

On behalf of the Remuneration Committee,



**Mohsin Ahmed**

Chairman, Nomination & Remuneration Committee

January 29, 2024

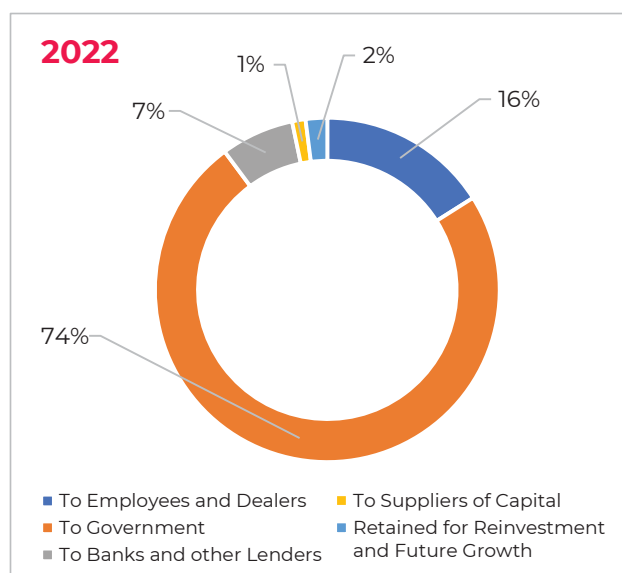
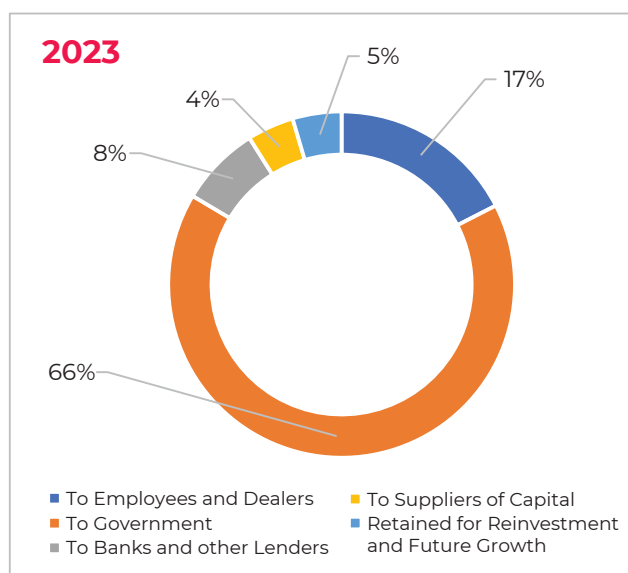
# Value Added Statement

For the year ended December 31, 2023

The value-added shows how much value has been created by Singer through the utilisation of its capacity, capital, manpower, and other resources, and how it is then allocated among different stakeholders such as to employees in the form of wages, to lenders and shareholders in the forms of dividends and interest, and to the Government in the form of taxes, with a proportion typically being retained within the company for reinvestment purposes.

Value added is normally calculated by deducting materials and external services from turnover. The Value-Added Statement shows the total worth created by Singer and how it was distributed to meet certain obligation and the portion retained for the continued operation and expansion of the Company.

| Particular                                  | 2023<br>Amount (BDT) | %           | 2022<br>Amount (BDT) | %           |
|---|----------------------|-------------|----------------------|-------------|
| Turnover-Gross                              | 17,033,083,159       |             | 17,096,690,423       |             |
| Other Income                                | 178,591,910          |             | 181,998,785          |             |
| Total Income                                | 17,211,675,069       |             | 17,278,689,208       |             |
| Less: Cost of Material & Service            | 9,203,862,668        |             | 9,356,300,438        |             |
| <b>Value Added</b>                          | <b>8,007,812,401</b> |             | <b>7,922,388,770</b> |             |
| <b>Distribution of Value Added</b>          |                      |             |                      |             |
| To Employees and Dealers                    | 1,398,068,512        | 17%         | 1,269,621,528        | 16%         |
| To Government                               | 5,292,762,501        | 66%         | 5,848,300,541        | 74%         |
| To Banks and other Lenders                  | 602,469,274          | 8%          | 544,544,830          | 7%          |
| To Suppliers of Capital                     | 348,959,933          | 4%          | 99,702,838           | 1%          |
| Retained for Reinvestment and Future Growth | 365,552,181          | 5%          | 160,219,033          | 2%          |
| Depreciation                                | 192,424,318          | 2.40%       | 193,760,289          | 2%          |
| Retained Profits                            | 173,127,863          | 2.16%       | (33,541,256)         | 0%          |
| <b>Total</b>                                | <b>8,007,812,401</b> | <b>100%</b> | <b>7,922,388,770</b> | <b>100%</b> |



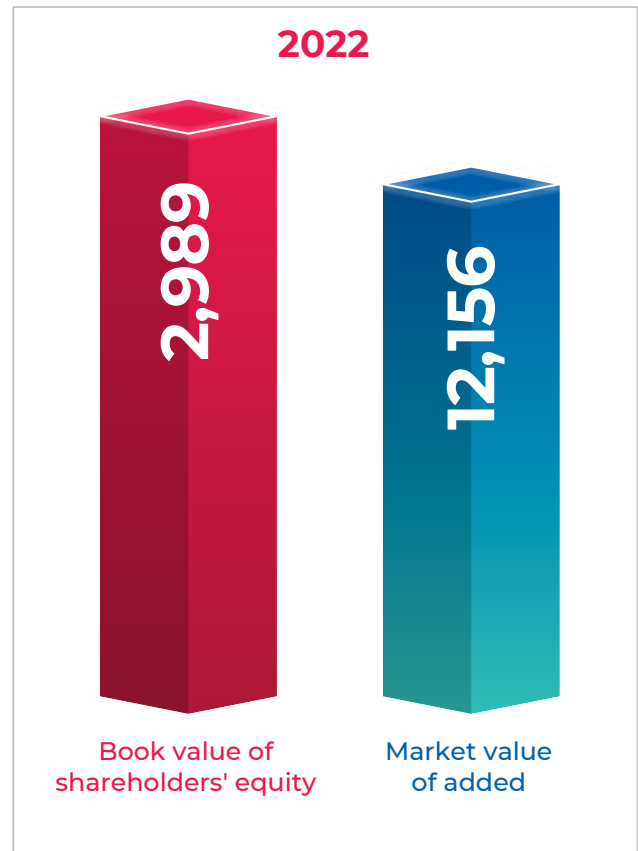
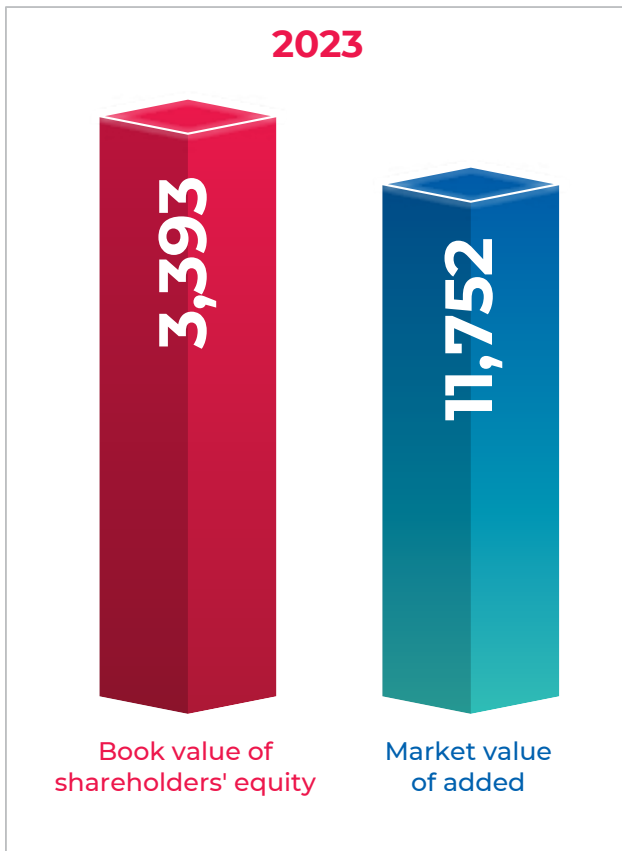
# Market Value Added Statement

For the year ended December 31, 2023

Market Value Added (MVA) is a financial metric used to measure the value that a company has created for its shareholders over a period of time. It is calculated by subtracting the total capital invested in a company from the market value of the company's equity. MVA provides insight into the long-term performance of a company by assessing the value it has generated for shareholders over time. Positive MVA indicates that the company has created value for shareholders, while negative MVA suggests that the company's market value is lower than the total capital invested, indicating destruction of shareholder value. In terms of shareholders' wealth maximization, market value added is a very important indicator, so the higher MVA, the better.

The following statement shows how the MVA has been calculated for the year ended December 31, 2023 and 2022. Moreover, the graph also shows that how much value Singer has created for the shareholder during the year 2023.

| Particulars                        | 2023   | 2022   |
|------------------------------------|--------|--------|
| Market value of shares outstanding | 15,145 | 15,145 |
| Book value of Shareholders' Equity | 3,393  | 2,989  |
| Market value of added              | 11,752 | 12,156 |



# Financial Scorecard

## Financial Highlights

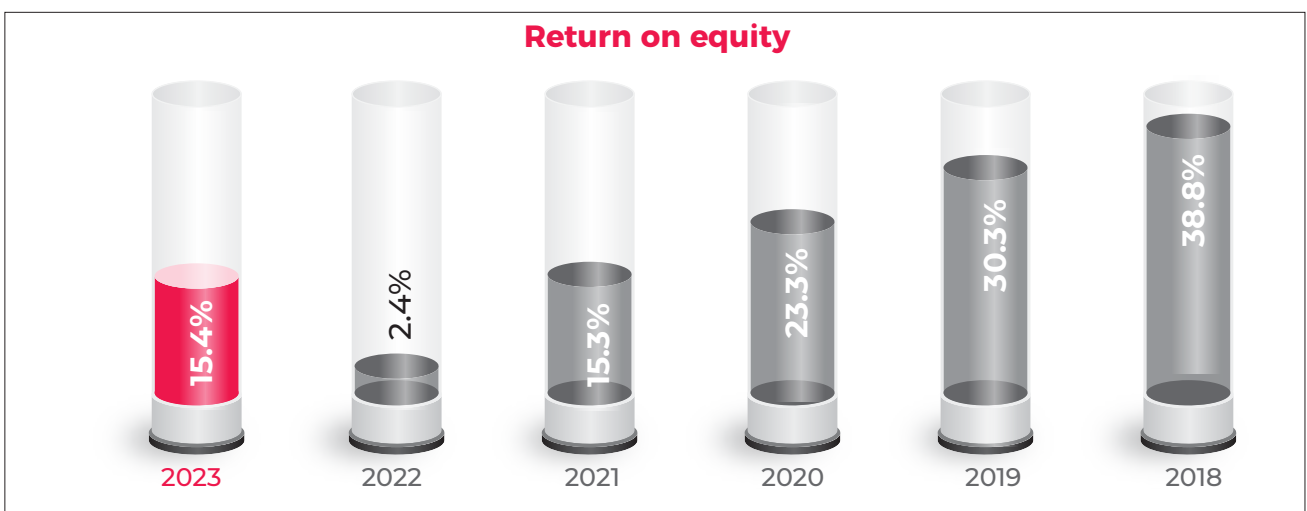
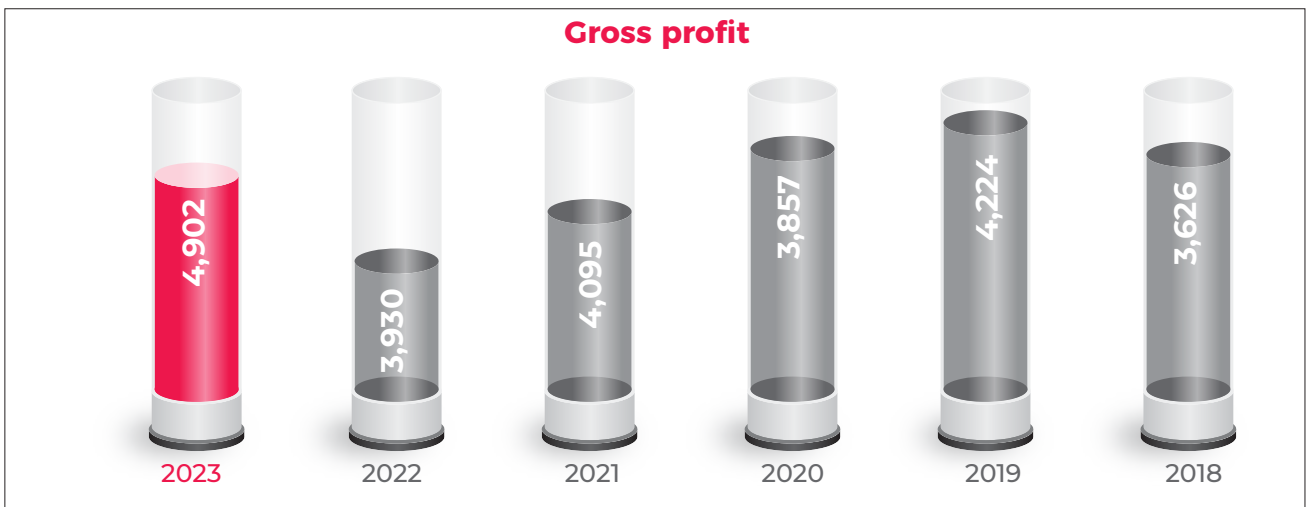
|  | 2023       | 2022       | 2021       | 2020       | 2019       | 2018       |
|--|------------|------------|------------|------------|------------|------------|
| Turnover   | 17,033.1   | 17,096.7   | 15,812.9   | 14,959.8   | 15,485.2   | 13,559.2   |
| Operating profit before interest & tax                   | 1,478.2    | 942.6      | 1,290.0    | 1,562.8    | 1,846.4    | 1,545.8    |
| Profit before tax  | 832.0      | 378.1      | 875.9      | 1,112.3    | 1,431.1    | 1,227.1    |
| Profit after tax   | 522.1      | 73.1       | 518.5      | 803.6      | 1,034.6    | 900.2      |
| Paid up capital  | 997.0      | 997.0      | 997.0      | 997.0      | 997.0      | 766.9      |
| Number of ordinary shares outstanding                    | 99,702,838 | 99,702,838 | 99,702,838 | 99,702,838 | 99,702,838 | 76,694,491 |
| Revenue reserve  | 1,710.0    | 1,302.3    | 1,836.0    | 1,893.0    | 1,851.3    | 977.9      |
| Revaluation reserve                                      | 667.3      | 670.4      | 544.4      | 547.1      | 550.3      | 554.3      |
| Capital reserve  | 18.2       | 18.2       | 18.2       | 18.2       | 18.2       | 18.2       |
| Shareholders' equity                                     | 3,393.2    | 2,988.5    | 3,396.2    | 3,455.9    | 3,417.5    | 2,317.9    |
| Property, plant & equipment                              | 5,196.2    | 1,927.6    | 1,638.3    | 1,082.5    | 1,088.6    | 1,051.0    |
| Investments  | 80.3       | 4.2        | 4.2        | 650.9      | 650.9      | 355.9      |
| Net current assets                                       | 1,524.0    | 1,379.2    | 3,189.5    | 3,030.7    | 2,786.4    | 2,192.2    |
| Current assets   | 11,275.4   | 10,508.3   | 9,683.2    | 6,751.8    | 6,630.2    | 6,082.6    |
| Current liabilities**                                    | 9,751.4    | 9,129.1    | 6,493.7    | 3,721.1    | 3,843.8    | 3,890.4    |
| Dividend per share (taka)                                | 3.5        | 1.0        | 6.0        | 3.0        | 7.7        | 3.0        |
| Gross dividends  | 349.0      | 99.7       | 598.2      | 299.1      | 767.7      | 230.1      |
| Earnings per share (taka)                                | 5.24       | 0.73       | 5.2        | 8.1        | 10.4       | 11.7       |
| Price earning ratio (times)                              | 29.0       | 207.2      | 32.7       | 21.8       | 17.4       | 18.8       |
| Net asset per share including revaluation reserve (taka) | 34.03      | 29.97      | 34.1       | 34.7       | 34.3       | 30.2       |
| Net asset per share except revaluation reserve (taka)    | 27.3       | 23.3       | 28.6       | 29.2       | 28.8       | 23.0       |
| Net cash from operating activities                       | 2,268.8    | 1,813.2    | -1,655.5   | 1,021.6    | 912.6      | 40.9       |
| Net operating cash flow per share (nocfps) (taka)        | 22.8       | 18.2       | 16.6       | 10.3       | 9.2        | 0.5        |
| Market value per share at year end (taka)                | 151.9      | 151.9      | 169.9      | 175.6      | 180.4      | 221.2      |
| Net income to net turnover (%)                           | 3.1        | 0.4        | 3.3        | 5.4        | 6.7        | 6.6        |
| Return on average net assets (%)                         | 16.4       | 2.3        | 15.1       | 23.4       | 36.1       | 40.0       |
| Gross margin ratio                                       | 28.8%      | 23.0%      | 25.9%      | 25.8%      | 27.3%      | 26.7%      |
| Gross profit   | 4,902.0    | 3,930.4    | 4,095.0    | 3,857.0    | 4,223.8    | 3,626.3    |
| Operating income ratio                                   | 8.7%       | 5.5%       | 8.2%       | 10.4%      | 11.9%      | 11.4%      |
| Inventory turnover ratio                                 | 2.1        | 1.9        | 1.8        | 2.1        | 2.7        | 2.9        |
| Accounts receivable turnover ratio                       | 3.7        | 4.1        | 4.4        | 4.5        | 4.9        | 4.9        |
| Debt to total assets ratio                               | 41.8%      | 38.3%      | 36.3%      | 16.3%      | 17.8%      | 26.8%      |
| Debt equity ratio (%)                                    | 2.4        | 2.0        | 1.4        | 0.5        | 0.5        | 0.9        |
| Interest cover   | 2.4        | 1.7        | 3.3        | 3.8        | 5.2        | 5.8        |
| Interest exp.  | 604.1      | 549.3      | 376.6      | 392.0      | 340.2      | 254.7      |
| Current ratio  | 1.2        | 1.2        | 1.5        | 1.8        | 1.7        | 1.6        |
| Acid ratio   | 0.6        | 0.5        | 0.6        | 0.8        | 0.7        | 0.7        |
| Inventory  | 5,259.2    | 5,875.4    | 5,749.7    | 3,884.3    | 3,779.9    | 3,331.0    |
| Number of shareholders                                   | 10,795     | 10,559     | 9,761      | 10,185     | 9,886      | 9,273      |
| Return on average assets                                 | 3.0        | 0.5        | 4.6        | 16.2       | 11.7       | 12.4       |
| Total assets   | 19,463.4   | 15,237     | 12,797     | 9,913      | 9,806      | 7,896      |
| Operating cash flow to sales                             | 13.3       | 10.6       | -10.5      | 6.8        | 5.9        | 0.3        |
| Contribution to the national exchequer                   | 5,293      | 5,848      | 5,585      | 5,199      | 4,714      | 4,489      |
| Return on equity   | 15.4%      | 2.4%       | 15.3%      | 23.3%      | 30.3%      | 38.8%      |

\*\*Current liabilities for 2023 excludes Taka 3,012.6 million related to new factory financing

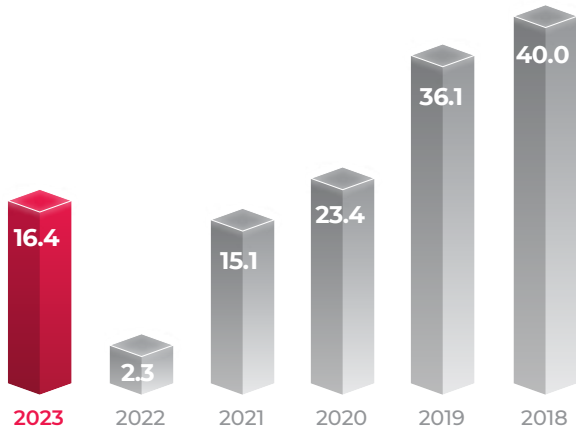


## Financial Indicators

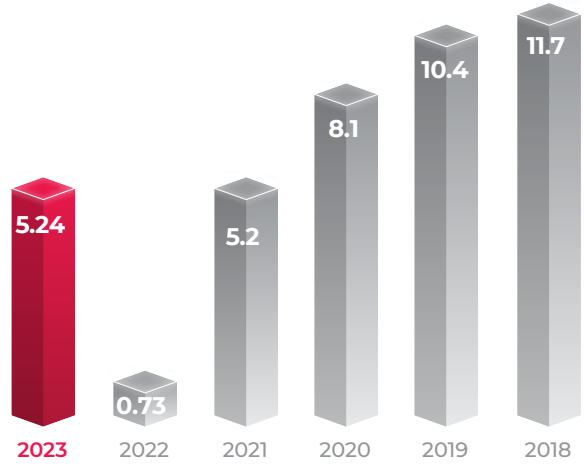
Taka in Million



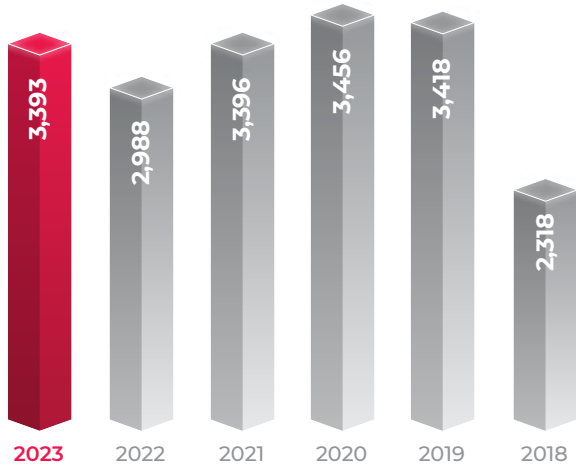
Return on average net assets (%)



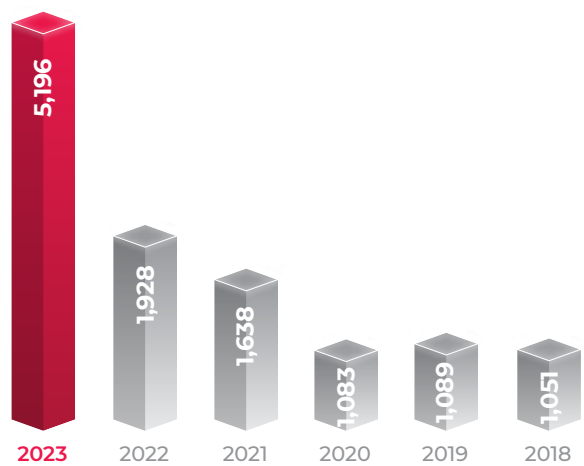
Earnings per share (taka)



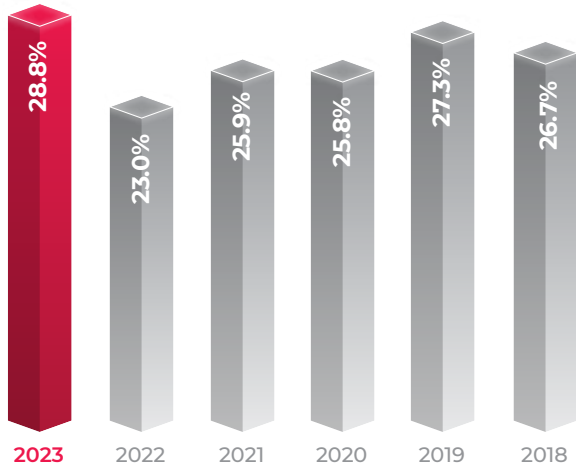
Shareholders' equity



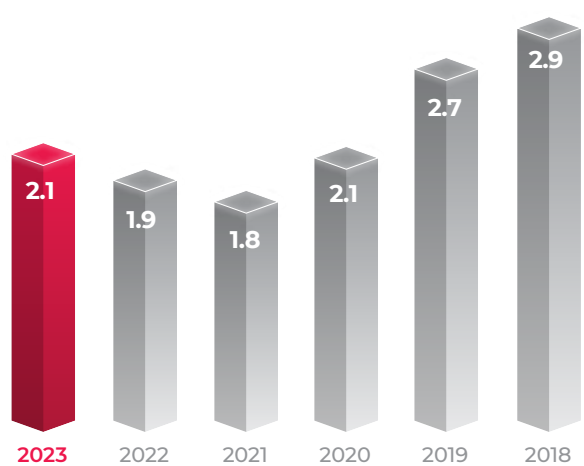
Property, plant & equipment



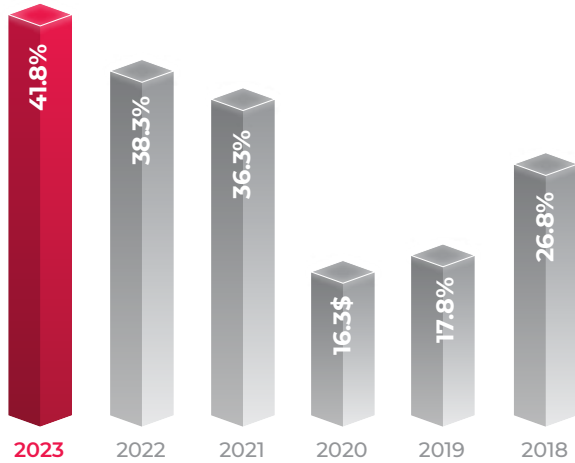
Gross margin ratio



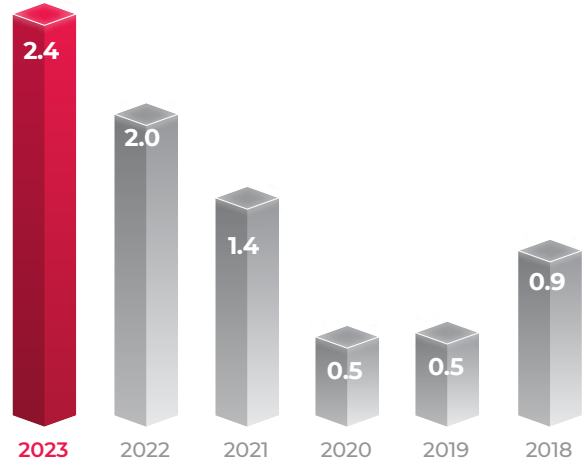
Inventory turnover ratio



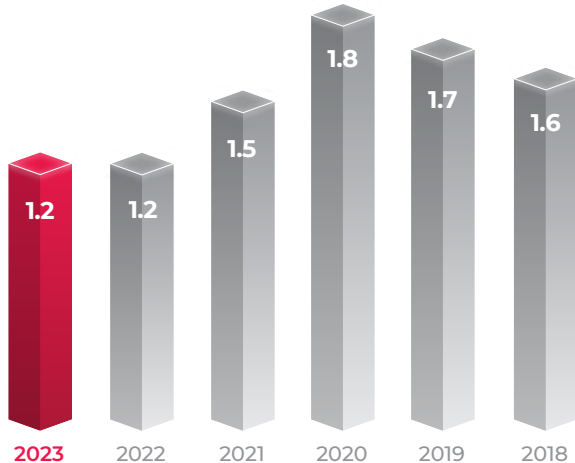
**Debt to total assets ratio**



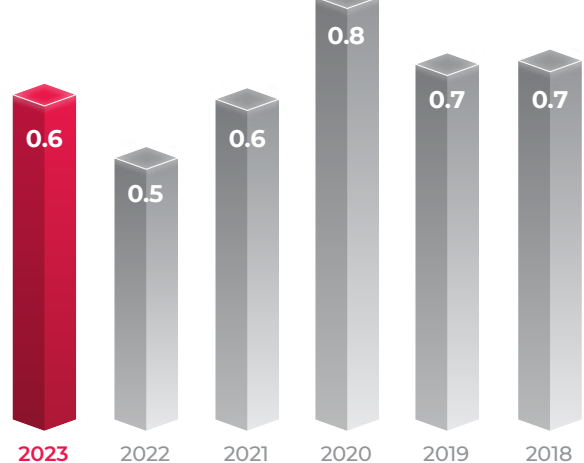
**Debt equity ratio (%)**



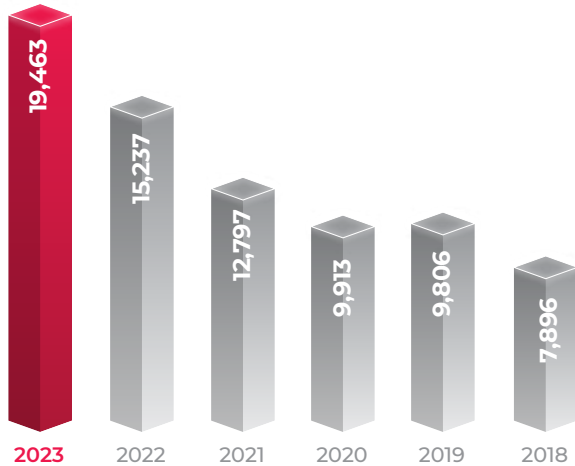
**Current ratio**



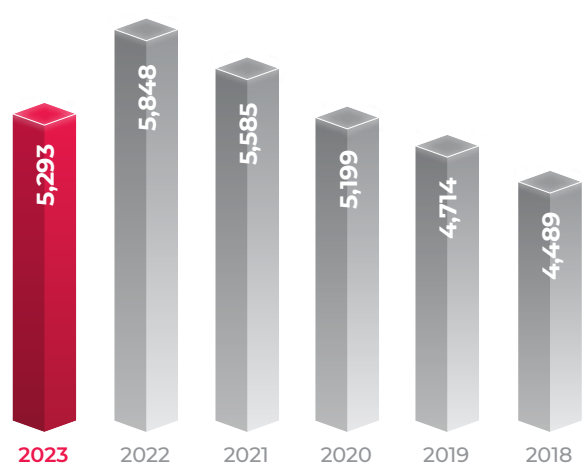
**Acid ratio**



**Total assets**

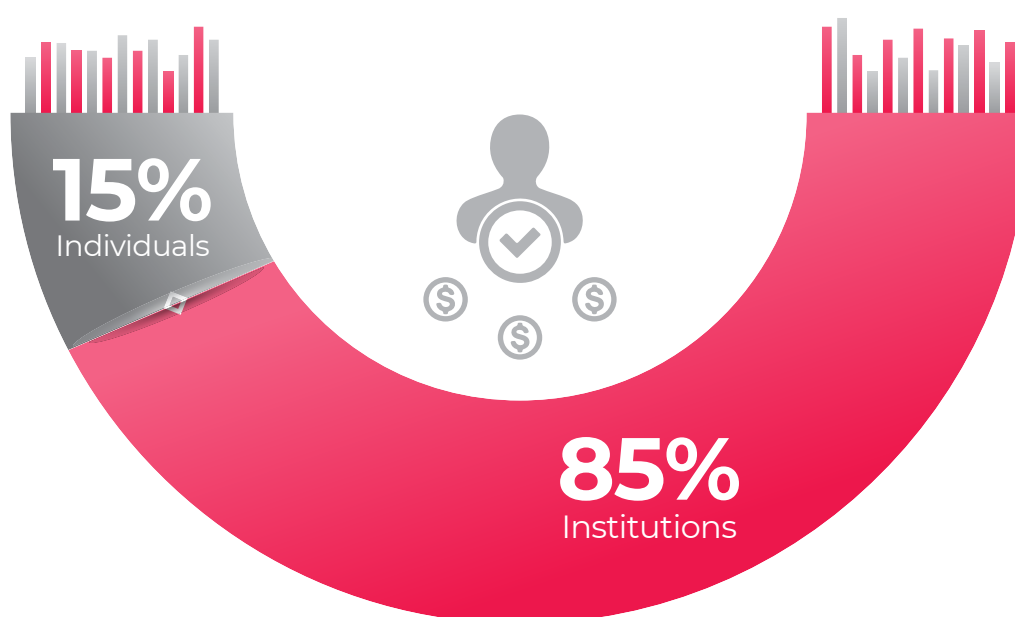


**Contribution to the National...**



## Pattern of Shareholding

| Name of shareholders   | Status                  | Shares held at 31 Dec'23 | Shares held at 31 Dec'22 |
|--|-------------------------|--------------------------|--------------------------|
| <b>i) Parent / subsidiary/associate companies</b>  |                         |                          |                          |
| Retail Holdings Bhold B.V -<br>(Including 20% Nonremitable Shares)   | 57%                     | 56,819,337               | 56,819,337               |
| <b>ii) Directors, company secretary, chief financial officer, head of internal audit, and their spouses and minor children</b> |                         |                          |                          |
| Dr. Fatih Kemal Ebiclioglu   | Chairman                | -                        | -                        |
| Mr. M.H.M. Fairoz  | Managing Director       | -                        | -                        |
| Mr. Masud Khan   | Independent Director    | -                        | -                        |
| Mr. Mohsin Ahmed   | Independent Director    | -                        | -                        |
| Mr. Hakan Hamdi Bulgurlu   | Nominee Director        | -                        | -                        |
| Mr. Cemal Can Dincer   | Nominee Director        | -                        | -                        |
| Mr. Ozkan Cimen  | Nominee Director        | -                        | -                        |
| Mr. Yigit Emre Senolur   | Chief Financial Officer | -                        | -                        |
| Mr. Kazi Ashiqur Rahman  | Company Secretary       | 2036                     | 2036                     |
| Mr. Shahed Al Mahmud Chowdhury   | Head of Internal Audit  | 2032                     | 2032                     |
| <b>iii) Executive</b>  |                         |                          |                          |
| None   |                         | -                        | -                        |
| <b>iv) Shareholders holding ten percent or more voting interest</b>  |                         |                          |                          |
| Retail Holdings Bhold B.V -<br>(Including 20% Nonremitable Shares)   | 57%                     | 56,819,337               | 56,819,337               |



# Share Information

## 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 - 31<sup>st</sup> December 2023

| No. of shares held | 31 December 2023    |                   |               | 31 December 2022    |                   |               |
|--------------------|---------------------|-------------------|---------------|---------------------|-------------------|---------------|
|                    | No. of Shareholders | No. of Shares     | %             | No. of Shareholders | No. of Shares     | %             |
| 1 - 500            | 7,603               | 1,102,621         | 1.11          | 7,395               | 1,142,270         | 1.15          |
| 501 - 5000         | 2,677               | 4,128,891         | 4.14          | 2,653               | 4,112,127         | 4.12          |
| 5001 - 10000       | 218                 | 1,555,016         | 1.56          | 221                 | 1,580,402         | 1.59          |
| 10001 - 20000      | 106                 | 1,540,324         | 1.54          | 99                  | 1,431,826         | 1.44          |
| 20001 - 30000      | 53                  | 1,325,910         | 1.33          | 52                  | 1,316,288         | 1.32          |
| 30001 - 40000      | 21                  | 748,365           | 0.75          | 22                  | 789,271           | 0.79          |
| 40001 - 50000      | 18                  | 833,427           | 0.84          | 17                  | 797,438           | 0.80          |
| 50001 - 100000     | 37                  | 2,697,656         | 2.71          | 36                  | 2,629,984         | 2.64          |
| 100001 - 1000000   | 54                  | 14,092,527        | 14.13         | 56                  | 14,595,231        | 14.64         |
| Over 1000000       | 8                   | 71,678,101        | 71.89         | 8                   | 71,308,001        | 71.52         |
| <b>Total</b>       | <b>10,795</b>       | <b>99,702,838</b> | <b>100.00</b> | <b>10,559</b>       | <b>99,702,838</b> | <b>100.00</b> |

| Categories of Shares | 31 December 2023  |                     | 31 December 2022  |                     |
|----------------------|-------------------|---------------------|-------------------|---------------------|
|                      | No. of Shares     | No. of Shareholders | No. of Shares     | No. of Shareholders |
| Individuals          | 14,842,795        | 10,554              | 13,580,097        | 10,203              |
| Institutions         | 84,860,043        | 241                 | 86,122,741        | 356                 |
|                      | <b>99,702,838</b> | <b>10,795</b>       | <b>99,702,838</b> | <b>10,559</b>       |

## 4. Market value per share

|                         | 2023              |       | 2022              |        |
|-------------------------|-------------------|-------|-------------------|--------|
|                         |                   |       |                   |        |
| Highest During the year | July 23, 2023     | 157.4 | January 11, 2022  | 179.50 |
| Lowest During the year  | All the year      | 151.9 | July 28, 2022     | 149.10 |
| Closing of the year     | December 28, 2023 | 151.9 | December 29, 2022 | 151.90 |



# Certificate of Compliance

**S. F. AHMED & CO.**  
CHARTERED ACCOUNTANTS | Since : 1958



## Report to the Shareholders of Singer Bangladesh Limited on Compliance of Corporate Governance Code

Certificate as per condition no. 1 (5) (XXVII) of Corporate Governance Code of BSEC vide notification no. BSEC/CMRRCD/2006-1581207/Admin/80 dated 03 June 2018

We have examined the status of compliance with Corporate Governance Code of Singer Bangladesh Limited (the Company) for the year ended 31 December 2023. This code relates to the notification no. BSEC/CMRRCD/2006-158/207IAdmin/80 dated 03 June 2018 of Bangladesh Securities and Exchange Commission.

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

This is a scrutiny and verification and an independent audit on compliance with the conditions of Corporate Governance Code as well as the provisions of Bangladesh Secretarial Standards (BSS) as adopted by 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 by the Companies Act 1994, securities laws and other relevant laws; and
- (d) The Governance of the Company is highly satisfactory.



Dhaka, Bangladesh  
Dated, 27 February 2024

Md. Moktar Hossain, FCA  
Senior Partner  
Enrollment no. 728  
S. F. AHMED & CO.  
Chartered Accountants

House 51 (3<sup>rd</sup> Floor), Road 9, Block F, Banani, Dhaka 1213, Bangladesh  
TEL : (880-2) 222270561, 222270619, 55042261 and 55042315

Emails : (i) safco.dhaka@sahmedco.com (ii) sfaco@citechco.net  
(iii) sfaco@sahmedco.org Website : <https://www.sahmedco.com>

# Compliance Check List

## 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)   | √                 |              |                  |
| <b>1.2</b>    | <b>Independent Directors:</b>   |                   |              |                  |
| 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 the 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);   | √                 |              |                  |
| <b>1.3</b>    | <b>Qualification of Independent Director</b>  |                   |              |                  |
| 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   |
| <b>1(4)</b>   | <b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>  |                   |              |                  |
| 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 the 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 |                  |
| <b>1(5)</b>       | <b>The Directors' Report to Shareholders</b>  |                   |              |                  |
| 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).  | √                 |              |                  |
| <b>1.5 (xxiv)</b> | <b>Appointment or reappointment of a director, disclosure</b>   |                   |              |                  |
| 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.   | √                 |              |                  |
| <b>1.5 (xxv)</b>  | <b>Management discussion and analysis signed by CEO or MD</b>   |                   |              |                  |
| 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;                              | √                 |              |                  |
| <b>1(6)</b>   | <b>Meeting of the Board of Directors</b>   |                   |              |                  |
| 1(6)          | Compliance under Bangladesh Secretarial Standards (BSS).   | √                 |              |                  |
| <b>1(7)</b>   | <b>Code of Conduct for the Chairperson, other Board Members and Chief Executive Officer</b>  |                   |              |                  |
| 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  | √                 |              |                  |
| <b>2</b>      | <b>Governance of Board of Directors of Subsidiary Company</b>  |                   |              |                  |
| 2 (a)         | Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary.           |                   |              | Not Applicable   |
| 2 (b)         | At least 1 Independent Director of holding company also be a director of the subsidiary company.   |                   |              | Not Applicable   |
| 2 (c )        | Minutes of subsidiary to be placed in the following meeting of holding company.  |                   |              | Not Applicable   |
| 2 (d)         | Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.                        |                   |              | Not Applicable   |
| 2 (e)         | The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.              |                   |              | Not Applicable   |
| <b>3</b>      | <b>Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b> |                   |              |                  |
| <b>3.1</b>    | <b>Appointment</b>   |                   |              |                  |
| 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   |
| <b>3.2</b>    | <b>Requirement to attend Board of Directors' Meetings</b>  |                   |              |                  |
| 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.         | √                 |              |                  |
| <b>3.3</b>    | <b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>   |                   |              |                  |
| 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.   | √                 |              |                  |
| <b>4</b>      | <b>Board of Directors' Committee- Board shall have at least:</b>   |                   |              |                  |
| 4 (i)         | Audit Committee  | √                 |              |                  |
| 4 (ii)        | Nomination and Remuneration Committee  | √                 |              |                  |
| <b>5</b>      | <b>Audit Committee</b>   |                   |              |                  |
| <b>5.1</b>    | <b>Responsibility to the Board of Directors</b>  |                   |              |                  |
| 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.  | √                 |              |                  |
| <b>5.2</b>    | <b>Constitution of the Audit committee</b>   |                   |              |                  |
| 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.  | √                 |              |                  |
| <b>5.3</b>         | <b>Chairperson of the Audit Committee</b>   |                   |              |                  |
| 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.   | √                 |              |                  |
| <b>5.4</b>         | <b>Meeting of the Audit Committee</b>   |                   |              |                  |
| 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.  | √                 |              |                  |
| <b>5.5</b>         | <b>Role of Audit Committee</b>  |                   |              |                  |
| 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   |
| <b>5.6</b>         | <b>Reporting of the Audit Committee</b>   |                   |              |                  |
| <b>5.6(a)</b>      | <b>Reporting to the Board of Directors</b>  |                   |              |                  |
| 5 (6) (a) (i)      | The Audit Committee shall report on its activities to the Board.  | √                 |              |                  |
| 5 (6) (a) (ii)     | Shall report immediately the the Board on the followings:   |                   |              |                  |
| 5 (6) (a) (ii) (a) | Report on conflicts of interests.   |                   |              | Not Applicable   |
| 5 (6) (a) (ii) (b) | Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process.   |                   |              | Not Applicable   |
| 5 (6) (a) (ii) (c) | Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.   |                   |              | Not Applicable   |
| 5 (6) (a) (ii) (d) | Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.   | √                 |              |                  |
| <b>5.6(b)</b>      | <b>Reporting to the Authorities</b>   |                   |              | Not Applicable   |
| <b>5.7</b>         | <b>Reporting to the Shareholders and General Investors</b>  | √                 |              |                  |
| <b>6</b>           | <b>Nomination and Remuneration Committee (NRC)</b>  |                   |              |                  |
| <b>6.1</b>         | <b>Responsibility to the Board of Directors:</b>  |                   |              |                  |
| 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.  | √                 |              |                  |
| <b>6.2</b>         | <b>Constitution of the NRC</b>  | √                 |              |                  |
| 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 |                  |
| <b>6.3</b>    | <b>Chairperson of the NRC</b>   |                   |              |                  |
| 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.  | √                 |              |                  |
| <b>6.4</b>    | <b>Meeting of the NRC</b>   |                   |              |                  |
| 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.  | √                 |              |                  |
| <b>6.5</b>    | <b>Role of NRC</b>  |                   |              |                  |
| 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.                 | √                 |              |                  |
| <b>7</b>      | <b>External or Statutory Auditors</b>   |                   |              |                  |
| 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.  | √                 |              |                  |
| <b>8</b>      | <b>Maintaining a website by the company</b>   |                   |              |                  |
| 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.                  | √                 |              |                  |
| <b>9</b>      | <b>Reporting and Compliance of Corporate Governance</b>   |                   |              |                  |
| 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. | √                 |              |                  |

# 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

For the year ended 31 December 2023

## Unclaimed dividend with capital market stabilization fund (CMSF)

| Cash Dividend                       |                          | Amount in Taka with CMSF |                              |  |                                 |
|-------------------------------------|--------------------------|--------------------------|------------------------------|--|---------------------------------|
| Particulars                         | Year of Transfer to CMSF | Transferred Amount       | Opening with CMSF 01.01.2023 | Paid to Shareholders in 2023 from CMSF | Balance with CMSF at 31-12-2023 |
| Dividend for 2010                   | 2021                     | 8,353,182                | 8,353,182                    | 10,800.00                              | 8,342,382                       |
| Dividend for 2011                   | 2021                     | 1,387,154                | 1,385,885                    | -                                      | 1,385,885                       |
| Interim Dividend for 2012           | 2021                     | 2,362,094                | 2,359,979                    | 16,110.00                              | 2,343,869                       |
| Final Dividend for 2012             | 2021                     | 1,726,101                | 1,726,101                    | 24,290.64                              | 1,701,810                       |
| Dividend for 2013                   | 2021                     | 1,158,504                | 1,158,504                    | 1,170.83                               | 1,157,334                       |
| Interim Dividend for 2014           | 2021                     | 1,160,336                | 1,160,336                    | 5,290.40                               | 1,155,046                       |
| Final Dividend for 2014             | 2021                     | 742,731                  | 742,731                      | 1,005.66                               | 741,726                         |
| Interim Dividend for 2015           | 2021                     | 1,081,624                | 1,081,624                    | 277.20                                 | 1,081,347                       |
| Final Dividend for 2015             | 2021                     | 562,559                  | 560,612                      | 3,983.38                               | 556,629                         |
| Dividend for 2016                   | 2021                     | 2,911,803                | 2,906,353                    | 33,552.05                              | 2,872,801                       |
| Dividend for 2017                   | 2021                     | 4,592,133                | 4,584,347                    | 69,173.00                              | 4,515,174                       |
| Fraction of Stock Dividend for 2018 | 2022                     | 125,773                  | 125,773                      |  | 125,773                         |
| <b>Total :</b>                      |                          | <b>26,163,994</b>        | <b>26,145,427</b>            | <b>165,653.16</b>                      | <b>25,979,774</b>               |

| Stock dividend    |                          | Share with CMSF         |                              |                              |                                 |
|-------------------|--------------------------|-------------------------|------------------------------|------------------------------|---------------------------------|
| Particulars       | Year of transfer to CMSF | No of share Transferred | Opening with CMSF 01.01.2023 | Paid to shareholders in 2023 | Balance with CMSF at 31-12-2023 |
| Dividend for 2007 | 2021                     | 44,170                  | 44,170                       | 900                          | 43,270                          |
| Dividend for 2010 | 2021                     | 123,680                 | 123,680                      | 2,760                        | 120,920                         |
| Dividend for 2012 | 2021                     | 69,387                  | 69,387                       | 1,761                        | 67,626                          |
| Dividend for 2013 | 2021                     | 87,474                  | 87,474                       | 2,197                        | 85,277                          |
| Dividend for 2014 | 2021                     | 114,534                 | 114,534                      | 2,876                        | 111,658                         |
| Dividend for 2018 | 2022                     | 170,261                 | 170,261                      | 3,974                        | 166,287                         |
| <b>Total :</b>    |                          | <b>609,506</b>          | <b>609,506</b>               | <b>14,468</b>                | <b>595,038</b>                  |

## Unclaimed dividend remains with the company as at December 31, 2023

| Cash dividend                    | Amount in Taka   | Remarks                           |
|----------------------------------|------------------|-----------------------------------|
| Dividend for 2020                | 3,227,389        | To be transferred to CMSF in 2024 |
| Dividend for 2021                | 5,503,723        |                                   |
| Dividend for 2022                | 885,303          |                                   |
| <b>Total at 31 December 2023</b> | <b>9,616,414</b> |                                   |

# Flash back 2023



## (January, February, March)

- New air conditioner series was introduced with environment friendly R32 Refrigerant.
- 4K/UHD Google TV was introduced with full range up to 50".
- Singer Plus shops in Cox's Bazar, Kalkini, Shantahar, Rangamati, Chalk Bazar, Sreemongol, Fatikchori, Belkuchi, Jessore, Keranigonj renovated.
- Singer Plus shop in Ghior relocated.
- Singer Plus shops in Bogra, Keshobpur, Pirgonj, Rangpur extended.



## (April, May & June)

- Annual General Meeting held through digital platform.
- Entry Segment Refrigerator range with 157 Litre to 200 L was introduced to catch entry segment customer with European design.
- Refreshment of Design in SBS Refrigerator with Inverter Compressor and NutriLock feature was introduced.
- Full Range of "PrimaX" Series Television for high end was introduced.
- To make kitchen work easier, a range of Grinder was introduced starting from 550W to 750W.
- New "Splash" Series of Auto Top Load Washing Machine was introduced under 10 KG Range
- Singer Plus shops in Gaibandha, Sherpur renovated.
- Singer Plus shops in Asulia, wari, B.Baria relocated.



## (July, August & September)

- Entry segment Twin Tub Washing Machine was launched with 7 KG and 9 KG.
- Samsung 2023 - CU range was introduced up to 75" in the market.
- Singer Plus shops in Gazipur, Mugda, Kamrangirchor, Natrokona, Magura, Naria, Chattogram, Motlob, Abdllapur, Madaripur, Noakhali renovated.
- Singer Plus shop in Shatkhira extended.
- Singer Plus shops in Mirpur, Gopalganj, Gulshan -1 relocated.



## (October, November & December)

- Line extension of Singer Washing Machine Series "Splash" was done with 7 & 9 KG
- Entry Segment, 275 L Beko branded No-Frost Refrigerator with Inverter, HearvestFresh and EverFresh+ Product was introduced.
- HP Branded Laptop was re-introduced in Singer Retail Shops.
- New Flagship shop opened in Pargacha, Bormi, Chitalmari Bazar, Dhaka Uddan, Noroshinghapur, Ashulia, Cumilla Cantonment, Kajla, Rupatoli, Shantirhat, Nondipara, Ranishonkor, Monipur, Gazipur, Mirjagonj, Kolarua, Pathantuli, Taragonj, Chirir Bondhor.
- Singer Plus shops in Rajbari, Uttara - 13 renovated.
- Singer Plus shops in Sylhet, Chandaikona, Bheramara, Mastarbari, Norshindi relocated.





## ACTIVITY CALENDAR

# 2023

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### Annual Report 2022

23 March 2023

### 43<sup>rd</sup> Annual General Meeting

11 April 2023

Dividend paid

10 May 2023

### Interim financial statements to

BSEC, Dhaka & Chittagong Stock Exchange

For the three months ended

31 March 2023 (un-audited)

April 2023

### For the half year ended

30 June 2023 (un-audited)

July 2023

### For the nine months ended

30 September 2023 (un-audited)

October 2023

### Annual Report

March, 2024

### 44<sup>th</sup> Annual General Meeting

28 March 2024

Dividend payable

April, 2024

### Proposed financial calendar - 2024/25

For the three months ending

31 March 2024 (un-audited)

April 2024

### For the half year ended

30 June 2024 (un-audited)

July 2024

### For the nine months ending

30 September 2024 (un-audited)

October 2024

### 45<sup>th</sup> Annual General Meeting

March/April 2025



**SINGER<sup>®</sup>**

# **FINANCIAL STATEMENTS**

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ANNUAL REPORT 2023





## Rahman Rahman Huq

Chartered Accountants

9 & 5 Mohakhali C/A

Dhaka 1212

Bangladesh

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# Independent Auditor's Report

to the Shareholders of Singer Bangladesh Limited

## Report on the Audit of the Consolidated and Separate Financial Statements

### Opinion

We have audited the financial statements of Singer Bangladesh Limited ("the Company"), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

### Basis for Opinion

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

### Key Audit Matters

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

#### 1. Revenue recognition See note 19 to the financial statements

##### The key audit matter

Revenue recognition has significant and wide influence on financial statements.

Revenue is recognised when amounts and the related costs of goods are reliably measured, and performance obligation is completed through passing of control to the customers. Revenue from the sale of goods is recognised at the time when the goods are dispatched for delivery to the distributor or handed over to the customers. The Company makes sales on cash, credit and installment basis.

##### How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- Evaluation of design and implementation of key internal financial controls with respect to the revenue recognition and testing the operating effectiveness of such controls.
- Substantive testing of revenue recorded over the period using sampling techniques, by examining the relevant supporting documents including sales invoices, agreements and outbound delivery notes.

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



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Internet www.kpmg.com/bd



## Rahman Rahman Huq

Chartered Accountants

A substantial part of the Company's revenue is derived from retail sales through a large number of outlets and comprises high volume of individually small transactions which increase the risk of revenue being recognised inappropriately.

Revenue recognition has been identified as a key audit matter because revenue is one of the key performance indicators of the Company and thus there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.

The Company has reported total revenue of BDT 17,033 million in current year (31 December 2022: BDT 17,097 million).

- Testing sales transactions recognised shortly before and after the reporting date, including the sales returns recorded after that date, to test whether sales transactions were recorded in the correct reporting period.

### Other Information

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

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

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

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

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

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

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

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





**Rahman Rahman Huq**  
Chartered Accountants

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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







**Rahman Rahman Huq**  
Chartered Accountants

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

**Report on Other Legal and Regulatory Requirements**

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

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

**Ali Ashfaq, Partner**

Enrolment number: 509

**Rahman Rahman Huq**

Chartered Accountants

Firm Enlistment Number: CAF-001-080

Dhaka, 07 February 2024

DVC: 2402070509AS203375

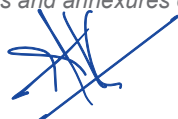


# Singer Bangladesh Limited

## Statement of Financial Position

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

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



Mohamed Haniffa Mohamed Fairoz  
Managing Director



Masud Khan  
Director



Kazi Ashiqur Rahman  
Company Secretary

As per our report of same date



Auditor

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

Dhaka, 07 February 2024



DVC: 2402070509AS203375

Arçelik

**Singer Bangladesh Limited****Statement of Profit or Loss and Other Comprehensive Income**

For the year ended 31 December 2023

| <i>In BDT</i>   | <i>Note</i> | <b>31 December<br/>2023</b> | <b>31 December<br/>2022</b> |
|---|-------------|-----------------------------|-----------------------------|
| Sales   |             | <b>17,005,175,558</b>       | 17,056,944,338              |
| Earned carrying charges   |             | <b>27,907,601</b>           | 39,746,085                  |
| <b>Turnover</b>   | 19          | <b>17,033,083,159</b>       | 17,096,690,423              |
| Cost of sales   | 20          | <b>(12,131,080,139)</b>     | (13,166,298,013)            |
| <b>Gross profit</b>   |             | <b>4,902,003,020</b>        | 3,930,392,410               |
| Operating expenses  | 21          | <b>(3,602,371,455)</b>      | (3,169,801,323)             |
| Other income  | 22          | <b>178,591,910</b>          | 181,998,785                 |
| <b>Operating profit</b>   |             | <b>1,478,223,475</b>        | 942,589,872                 |
| Finance income  |             | <b>1,665,906</b>            | 4,791,341                   |
| Finance costs   |             | <b>(604,135,180)</b>        | (549,336,171)               |
| <b>Net finance costs</b>  | 23          | <b>(602,469,274)</b>        | (544,544,830)               |
| <b>Profit before contribution to workers' profit participation fund</b> |             | <b>875,754,201</b>          | 398,045,042                 |
| Contribution to workers' profit participation fund                      | 24          | <b>(43,787,710)</b>         | (19,902,252)                |
| <b>Profit before taxation</b>   |             | <b>831,966,491</b>          | 378,142,790                 |
| Income tax expense  | 25          | <b>(309,878,695)</b>        | (305,034,630)               |
| <b>Profit after tax</b>   |             | <b>522,087,796</b>          | 73,108,160                  |
| <b>Other comprehensive income</b>                                       |             |                             |                             |
| <b>Items that will not be reclassified to profit or loss</b>            |             |                             |                             |
| Remeasurement of defined benefit liability, net of tax                  | 14 & 25.3   | <b>(18,582,678)</b>         | (11,588,093)                |
| Gain on revaluation of Land and Buildings, net of tax                   |             | -                           | 128,316,765                 |
| <b>Other comprehensive income/(expense) for the year, net of tax</b>    |             | <b>(18,582,678)</b>         | 116,728,672                 |
| <b>Total comprehensive income for the year</b>                          |             | <b>503,505,118</b>          | 189,836,832                 |
| <b>Earnings per share (EPS)</b>   | 30          | <b>5.24</b>                 | 0.73                        |

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



**Mohamed Haniffa Mohamed Fairuz**  
Managing Director



**Masud Khan**  
Director



**Kazi Ashiqur Rahman**  
Company Secretary

As per our report of same date



Auditor

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

Dhaka, 07 February 2024

DVC: **2402070509AS203375**



# Singer Bangladesh Limited

## Statement of Changes in Equity

For the year ended 31 December 2023

| In BDT   | Note > | Share capital      | Revaluation reserve | Capital reserve   | Non-remittable special reserve | Non-distributable special reserve | Retained earnings    | Total equity         |
|--|--------|--------------------|---------------------|-------------------|--------------------------------|-----------------------------------|----------------------|----------------------|
|  | 11     | 12.1               | 12.2                | 12.3              | 12.4                           |                                   |                      |                      |
| <b>Balance at 1 January 2022</b>   |        | 997,028,380        | 544,383,963         | 18,190,942        | 370,178                        | 232,847                           | 1,836,014,514        | 3,396,220,824        |
| <b>Total comprehensive income</b>  |        | -                  | -                   | -                 | -                              | -                                 | 73,108,160           | 73,108,160           |
| Profit for the year  |        | -                  | -                   | -                 | -                              | -                                 | (11,588,093)         | 116,728,672          |
| Other comprehensive income   |        | -                  | 128,316,765         | -                 | -                              | -                                 | 61,520,067           | 189,836,832          |
| <b>Total comprehensive income for the year</b>                             |        | -                  | 128,316,765         | -                 | -                              | -                                 | -                    | -                    |
| <b>Transaction with owners of the Company</b>                              |        |                    |                     |                   |                                |                                   |                      |                      |
| <b>Contributions and distributions</b>                                     |        |                    |                     |                   |                                |                                   |                      |                      |
| <b>Dividends:</b>  |        |                    |                     |                   |                                |                                   |                      |                      |
| Cash dividend- 2021  |        | -                  | -                   | -                 | -                              | -                                 | (598,217,030)        | (598,217,030)        |
| <b>Total contributions and distributions</b>                               |        | -                  | 673,151             | -                 | -                              | -                                 | -                    | 673,151              |
| Adjustment for deferred tax arising from revaluation of Land and Buildings |        | -                  | (2,991,778)         | -                 | -                              | -                                 | 2,991,778            | -                    |
| Transfer of depreciation on revaluation surplus                            |        | -                  | (2,318,627)         | -                 | -                              | -                                 | 2,991,778            | 673,151              |
| <b>Balance at 31 December 2022</b>   |        | 997,028,380        | 670,382,101         | 18,190,942        | 370,178                        | 232,847                           | 1,302,309,329        | 2,988,513,777        |
| <b>Balance at 1 January 2023</b>   |        | <b>997,028,380</b> | <b>670,382,101</b>  | <b>18,190,942</b> | <b>370,178</b>                 | <b>232,847</b>                    | <b>1,302,309,329</b> | <b>2,988,513,777</b> |
| <b>Total comprehensive income</b>  |        |                    |                     |                   |                                |                                   |                      |                      |
| Profit for the year  |        | -                  | -                   | -                 | -                              | -                                 | 522,087,796          | 522,087,796          |
| Other comprehensive income   |        | -                  | -                   | -                 | -                              | -                                 | (18,582,678)         | (18,582,678)         |
| <b>Total comprehensive income for the year</b>                             |        | -                  | -                   | -                 | -                              | -                                 | 503,505,118          | 503,505,118          |
| <b>Transaction with owners of the Company</b>                              |        |                    |                     |                   |                                |                                   |                      |                      |
| <b>Contributions and distributions</b>                                     |        |                    |                     |                   |                                |                                   |                      |                      |
| <b>Dividends:</b>  |        |                    |                     |                   |                                |                                   |                      |                      |
| Cash dividend- 2022  |        | -                  | 881,244             | -                 | -                              | -                                 | (99,702,838)         | (99,702,838)         |
| <b>Total contributions and distributions</b>                               |        | -                  | 881,244             | -                 | -                              | -                                 | (99,702,838)         | 881,244              |
| Adjustment for deferred tax arising from revaluation of Land and Buildings |        | -                  | (3,916,641)         | -                 | -                              | -                                 | 3,916,641            | -                    |
| Transfer of depreciation on revaluation surplus                            |        | -                  | (3,035,397)         | -                 | -                              | -                                 | 3,916,641            | 881,244              |
| <b>Balance at 31 December 2023</b>   |        | <b>997,028,380</b> | <b>667,346,704</b>  | <b>18,190,942</b> | <b>370,178</b>                 | <b>232,847</b>                    | <b>1,710,028,250</b> | <b>3,393,197,301</b> |

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



# Singer Bangladesh Limited

## Statement of Cash Flows

For the year ended 31 December 2023

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

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





# Singer Bangladesh Limited

## Notes to the Financial Statements

### 1 Reporting entity

#### 1.1 Company profile

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

#### 1.2 Nature of business

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

### 2 Basis of preparation

#### 2.1 Statement of compliance

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

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

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

#### Date of authorisation

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

#### 2.2 Going concern

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

#### 2.3 Functional and presentational currency

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



## 2.4 Use of judgements and estimates

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

### (a) Judgements

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

Note: 5.1 Right-of-use assets

Note: 5.2 Lease liabilities

### (b) Assumptions and estimation uncertainties

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

Note: 3 Property, plant and equipment

Note: 8 Inventories

Note: 9 Trade and other receivables

Note: 14 Defined benefit obligations

Note: 26.2 Contingent liabilities

## 2.5 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when it is:

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

All other liabilities are classified as non-current.



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

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

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

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

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

### B. IFRS S2 climate-related disclosures

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

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

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

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

### C. Other standards

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

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



**3 Property, plant and equipment**

See accounting policy in Note 38 (F)

**Reconciliation of carrying amount**

| In BDT                             | Land               |                    | Buildings          |                   | Factory           |                    | Leasehold improvements |                    | Plant and machinery | Vehicles and fixtures | Furniture and equipment and tools | CWIP (Note 3.1)      | Total |
|------------------------------------|--------------------|--------------------|--------------------|-------------------|-------------------|--------------------|------------------------|--------------------|---------------------|-----------------------|-----------------------------------|----------------------|-------|
|                                    | Office             | Factory            | Office             | Factory           | Office            | Shops              | Office                 |                    |                     |                       |                                   |                      |       |
| <b>Cost</b>                        |                    |                    |                    |                   |                   |                    |                        |                    |                     |                       |                                   |                      |       |
| Balance at 1 January 2022          | 561,180,000        | 87,714,677         | 221,377,967        | 16,449,852        | 22,708,017        | 616,797,065        | 641,780,796            | 169,960,918        | 33,273,931          | 275,455,681           | 126,309,126                       | 2,773,008,030        |       |
| Additions                          | -                  | -                  | -                  | -                 | -                 | 31,616,359         | 235,333,990            | -                  | 4,660,087           | 19,018,982            | 294,723,458                       | 585,352,876          |       |
| Revaluation                        | 115,415,000        | 14,220,287         | 5,628,055          | -                 | -                 | -                  | -                      | -                  | -                   | -                     | -                                 | 135,263,342          |       |
| Disposals/transfers                | -                  | -                  | -                  | -                 | -                 | (3,283,689)        | -                      | (9,686,108)        | -                   | (11,757,747)          | (233,312,369)                     | (258,039,913)        |       |
| <b>Balance at 31 December 2022</b> | <b>676,595,000</b> | <b>101,934,964</b> | <b>227,006,022</b> | <b>16,449,852</b> | <b>22,708,017</b> | <b>645,129,735</b> | <b>877,114,786</b>     | <b>160,274,810</b> | <b>37,934,018</b>   | <b>282,716,916</b>    | <b>187,720,215</b>                | <b>3,235,584,335</b> |       |
| Balance at 1 January 2023          | 676,595,000        | 101,934,964        | 227,006,022        | 16,449,852        | 22,708,017        | 645,129,735        | 877,114,786            | 160,274,810        | 37,934,018          | 282,716,916           | 187,720,215                       | 3,235,584,335        |       |
| Additions                          | -                  | -                  | -                  | -                 | -                 | 8,279,369          | 72,550,859             | 4,514,000          | 501,214             | 16,993,544            | 3,358,283,339                     | 3,572,802,609        |       |
| Disposals/transfers                | -                  | -                  | -                  | -                 | -                 | (10,711,773)       | (15,033,510)           | (2,453,519)        | -                   | (1,148,599)           | (101,658,975)                     | (131,006,375)        |       |
| <b>Balance at 31 December 2023</b> | <b>676,595,000</b> | <b>101,934,964</b> | <b>227,006,022</b> | <b>16,449,852</b> | <b>30,987,386</b> | <b>706,968,821</b> | <b>973,761,560</b>     | <b>162,335,291</b> | <b>38,435,232</b>   | <b>298,561,861</b>    | <b>3,444,344,579</b>              | <b>6,677,380,569</b> |       |
| <b>Accumulated depreciation</b>    |                    |                    |                    |                   |                   |                    |                        |                    |                     |                       |                                   |                      |       |
| Balance at 1 January 2022          | -                  | 59,536,097         | 204,874,109        | 7,785,211         | 15,730,301        | 304,567,640        | 255,585,200            | 97,823,779         | 16,439,769          | 172,325,168           | -                                 | 1,134,667,274        |       |
| Depreciation for the year          | -                  | 2,817,858          | 3,300,772          | 866,464           | 697,772           | 32,630,168         | 115,048,745            | 14,258,569         | 1,870,156           | 22,269,785            | -                                 | 193,760,289          |       |
| Adjustment for disposals/transfers | -                  | -                  | -                  | -                 | -                 | (2,006,247)        | -                      | (8,767,018)        | -                   | (9,717,105)           | -                                 | (20,490,370)         |       |
| <b>Balance at 31 December 2022</b> | <b>-</b>           | <b>62,353,955</b>  | <b>208,174,881</b> | <b>8,651,675</b>  | <b>16,428,073</b> | <b>335,191,561</b> | <b>370,633,945</b>     | <b>103,315,330</b> | <b>18,309,925</b>   | <b>184,877,848</b>    | <b>-</b>                          | <b>1,307,937,193</b> |       |
| Balance at 1 January 2023          | -                  | 62,353,955         | 208,174,881        | 8,651,675         | 16,428,073        | 335,191,561        | 370,633,945            | 103,315,330        | 18,309,925          | 184,877,848           | -                                 | 1,307,937,193        |       |
| Depreciation for the year          | -                  | 3,958,101          | 3,766,228          | 779,818           | 1,011,562         | 32,626,006         | 115,597,849            | 11,536,072         | 1,990,340           | 21,158,342            | -                                 | 192,424,318          |       |
| Adjustment for disposals/transfers | -                  | -                  | -                  | -                 | -                 | (6,441,581)        | (9,571,767)            | (2,198,856)        | -                   | (931,883)             | -                                 | (19,144,087)         |       |
| <b>Balance at 31 December 2023</b> | <b>-</b>           | <b>66,312,056</b>  | <b>211,941,109</b> | <b>9,431,493</b>  | <b>17,439,635</b> | <b>361,375,986</b> | <b>476,660,027</b>     | <b>112,652,546</b> | <b>20,300,265</b>   | <b>205,104,307</b>    | <b>-</b>                          | <b>1,481,217,424</b> |       |
| <b>Carrying amounts</b>            |                    |                    |                    |                   |                   |                    |                        |                    |                     |                       |                                   |                      |       |
| At 1 January 2022                  | 561,180,000        | 28,178,580         | 16,503,858         | 8,664,641         | 6,977,716         | 312,229,425        | 386,195,596            | 72,137,139         | 16,834,162          | 103,130,513           | 126,309,126                       | 1,638,340,756        |       |
| <b>At 31 December 2022</b>         | <b>676,595,000</b> | <b>39,581,009</b>  | <b>18,831,141</b>  | <b>7,798,177</b>  | <b>6,279,944</b>  | <b>309,938,174</b> | <b>506,480,841</b>     | <b>56,959,480</b>  | <b>19,624,093</b>   | <b>97,839,068</b>     | <b>187,720,215</b>                | <b>1,927,647,142</b> |       |
| <b>At 31 December 2023</b>         | <b>676,595,000</b> | <b>35,622,908</b>  | <b>15,064,913</b>  | <b>7,018,359</b>  | <b>13,547,751</b> | <b>345,592,835</b> | <b>497,101,533</b>     | <b>49,682,745</b>  | <b>18,134,967</b>   | <b>93,457,554</b>     | <b>3,444,344,579</b>              | <b>5,196,163,145</b> |       |



## 3.1 Capital work in progress (CWIP)

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

## 3.2 Allocation of depreciation

| <i>In BDT</i>      | Note | For the year ended 31 December |                    |
|--------------------|------|--------------------------------|--------------------|
|                    |      | 2023                           | 2022               |
| Cost of sales      | 20   | 124,275,900                    | 124,162,719        |
| Operating expenses | 21   | 68,148,417                     | 69,597,570         |
|                    |      | <b>192,424,317</b>             | <b>193,760,289</b> |





**4 Intangible assets**

See accounting policy in Note 38 (G)

**Reconciliation of carrying amount**

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

**Carrying amounts**

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

## 5 Lease liabilities and Right-of-use assets

See accounting policy in Note 38 (U)

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

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

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

### 5.1 Right-of-use assets

#### Reconciliation of carrying amount

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



**5.1.1 Land**

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

**5.1.2 Allocation of depreciation**

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

**5.2 Lease liabilities**

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

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

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

**6 Investments**

See accounting policy in Note 38 (M)

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

**7 Advances, deposits and prepayments**

See accounting policy in Note 38 (H)

| <i>In BDT</i>         | 2023                 | 2022        |
|-----------------------|----------------------|-------------|
| Employees Advance     | 7,499,215            | 1,798,086   |
| <b>Advances</b>       | <b>7,499,215</b>     | 1,798,086   |
| Security deposits     | 31,648,983           | 30,574,208  |
| <b>Deposits</b>       | <b>31,648,983</b>    | 30,574,208  |
| Value Added Tax (VAT) | 59,855,280           | 462,979,398 |
| Supplier Advance      | 846,055,467          | 220,361,545 |
| Other                 | 176,226,715          | 49,268,393  |
| <b>Prepayments</b>    | <b>1,082,137,462</b> | 732,609,336 |
| <b>Total</b>          | <b>1,121,285,660</b> | 764,981,630 |
| <i>In BDT</i>         | 2023                 | 2022        |
| Current               | 1,089,636,677        | 734,407,422 |
| Non-current           | 31,648,983           | 30,574,208  |
| <b>Total</b>          | <b>1,121,285,660</b> | 764,981,630 |

**8 Inventories**

See accounting policy in Note 38 (E)

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

**8.1 Finished goods (including non-trade goods)**

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

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



**9 Trade and other receivables**

See accounting policy in Note 38 (H)

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

**9.1 Trade receivables**

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

**9.1.1 Hire customer receivables**

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

**9.1.2 Trade and dealer receivables**

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

**9.2 Other receivables**

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

**9.3 Provision for doubtful debts**

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

**9.3.1 Provision for doubtful debts-Closing balance**

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



**9.4 Ageing of hire receivables from customers**

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

**9.5 Particulars of hire receivables from customers**

| <i>In BDT</i>   | <i>Note</i>            | <b>2023</b>          | <b>2022</b>   |
|---|------------------------|----------------------|---------------|
| Secured - considered good:  |                        |                      |               |
| Debts due within 6 months   |                        | <b>2,299,695,918</b> | 2,170,978,018 |
| Debts due over 6 months   |                        | <b>1,096,252,215</b> | 803,662,755   |
|   |                        | <b>3,395,948,133</b> | 2,974,640,773 |
| Secured - considered doubtful:  |                        | <b>55,650,393</b>    | 35,761,978    |
| i) Aggregate amount due by Managing Director and other Directors of the Company |                        | -                    | -             |
| ii) Aggregate amount due by managers and other staffs of the Company            |                        | -                    | -             |
| iii) Aggregate amount due by associate undertakings                             |                        | -                    | -             |
| iv) Maximum amount of debts due by managers and other staff of the Company      |                        | -                    | -             |
|   | <b>9.1.1 &amp; 9.4</b> | <b>3,451,598,526</b> | 3,010,402,751 |

**10 Cash and cash equivalents**

See accounting policy in Note 38 (H)

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

**11 Share capital**

| <i>In BDT</i>                              | <b>2023</b>          | <b>2022</b>   |
|--|----------------------|---------------|
| <b>Authorised:</b>                         |                      |               |
| 250,000,000 ordinary shares of BDT 10 each | <b>2,500,000,000</b> | 2,500,000,000 |

**Issued, subscribed and paid up:**

|   |                    |             |
|---|--------------------|-------------|
| 25,670 ordinary shares of BDT 10 each issued for cash                           | <b>256,700</b>     | 256,700     |
| 102,580 ordinary shares of BDT 10 each issued for consideration other than cash | <b>1,025,800</b>   | 1,025,800   |
| 99,574,588 ordinary shares of BDT 10 each issued as fully paid-up bonus shares  | <b>995,745,880</b> | 995,745,880 |
|   | <b>997,028,380</b> | 997,028,380 |

**Shareholding position:**

| <i>Name of shareholder</i>  | <b>2023</b>         |                    | <b>2022</b>         |                    |
|---|---------------------|--------------------|---------------------|--------------------|
|   | <b>No. of share</b> | <b>Value (BDT)</b> | <b>No. of share</b> | <b>Value (BDT)</b> |
| Retail Holdings Bhold B.V., The Netherlands                         | <b>36,886,123</b>   | <b>368,861,230</b> | 36,886,123          | 368,861,230        |
| Retail Holdings Bhold B.V., The Netherlands - non-remittable shares | <b>19,933,214</b>   | <b>199,332,140</b> | 19,933,214          | 199,332,140        |
| Local shareholders  | <b>42,883,501</b>   | <b>428,835,010</b> | 42,883,501          | 428,835,010        |
|   | <b>99,702,838</b>   | <b>997,028,380</b> | 99,702,838          | 997,028,380        |

**Beneficial percentage of holdings**

| <i>Name of shareholder</i>  | <b>2023</b>    | <b>2022</b> |
|---|----------------|-------------|
| Retail Holdings Bhold B.V., The Netherlands                         | <b>37.00%</b>  | 37.00%      |
| Retail Holdings Bhold B.V., The Netherlands - non-remittable shares | <b>20.00%</b>  | 20.00%      |
| Local shareholders  | <b>43.00%</b>  | 43.00%      |
|   | <b>100.00%</b> | 100.00%     |





**Classification of shareholders by holding:**

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

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

**12 Reserves**

| <i>In BDT</i>                          | <i>Note</i> | <b>2023</b>        | <b>2022</b> |
|--|-------------|--------------------|-------------|
| Revaluation reserve                    | 12.1        | <b>667,346,704</b> | 670,382,101 |
| Capital reserve                        | 12.2        | <b>18,190,942</b>  | 18,190,942  |
| Non-remittable special capital reserve | 12.3        | <b>370,178</b>     | 370,178     |
| Non-distributable special reserve      | 12.4        | <b>232,847</b>     | 232,847     |
|  |             | <b>686,140,671</b> | 689,176,068 |

**12.1 Revaluation reserve**

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

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

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

**12.2 Capital reserve**

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

**12.3 Non-remittable special capital reserve**

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

**12.4 Non-distributable special reserve**

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



**13 Deferred tax assets/(liabilities)**

See accounting policy in Note 38 (D)

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

**13.1 Closing balance**

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

**13.1.1 Deferred tax assets****2023**

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

**13.1.2 Deferred tax liabilities****2023**

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

**13.1.3 Deferred tax assets****2022**

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



**13.1.4 Deferred tax liabilities****2022**

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

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

**14 Defined benefit obligations****Gratuity**

See accounting policy in Note 38 (O)

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

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



**15 Other liabilities**

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

**15.1 Non-remittable accounts**

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

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

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

**16 Trade and other payables**

See accounting policy in Note 38 (H)

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

**16.1 Other payables**

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

**16.1.1 Payable for expenses**

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



**16.1.2 Payable for other finance**

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

**17 Short-term borrowings - secured**

See accounting policy in Note 38 (H)

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

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

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

**18 Current tax assets/(liabilities)**

See accounting policy in Note 38 (D)

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

**18.1 Advance income tax**

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

**18.2 Provision for income tax**

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



**19 Turnover**

See accounting policy in Note 38 (A)

**A. Revenue streams**

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

**B. Disaggregation of revenue from contracts with customers**

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

**C. Contract balances**

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

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

**D. Performance obligations and revenue recognition policies**

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

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





**20 Cost of sales**

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

**20.1 Raw materials consumption**

| 2023             | Balance at 1 January 2023 | Purchases during the year | Balance at 31 December 2023 | Consumption during the year |
|------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| <i>In BDT</i>    |                           |                           |                             |                             |
| <u>Imported</u>  |                           |                           |                             |                             |
| Television       | 63,115,678                | 1,621,558,753             | (23,185,642)                | 1,661,488,788               |
| Micro Oven       | -                         | 216,180,800               | (43,071,731)                | 173,109,069                 |
| Air conditioner  | 23,133,365                | 1,088,787,928             | (37,184,358)                | 1,074,736,934               |
| Washing Machine  | 4,401,969                 | 529,068,420               | (24,442,440)                | 509,027,949                 |
| Grinder          | 35,391,602                | 166,187,631               | (10,197,705)                | 191,381,529                 |
| Refrigerator     | 986,498,009               | 6,094,277,599             | (1,395,688,381)             | 5,685,087,228               |
| Others           | 2,671,737                 | 904,293                   | (3,123,882)                 | 452,148                     |
|                  | <b>1,115,212,360</b>      | <b>9,716,965,424</b>      | <b>(1,536,894,139)</b>      | <b>9,295,283,645</b>        |
| Goods in transit | 606,625,353               | -                         | (481,875,749)               | -                           |
|                  | <b>1,721,837,713</b>      | <b>9,716,965,424</b>      | <b>(2,018,769,888)</b>      | <b>9,295,283,645</b>        |
| 2022             |                           |                           |                             |                             |
| <i>In BDT</i>    |                           |                           |                             |                             |
| <u>Imported</u>  |                           |                           |                             |                             |
| Television       | 83,291,248                | 1,242,222,942             | (62,938,280)                | 1,262,575,910               |
| Air conditioner  | 11,752,839                | 1,320,608,028             | (23,133,364)                | 1,309,227,503               |
| Washing Machine  | 19,155,724                | 3,763,883,367             | (989,169,746)               | 2,793,869,345               |
| Grinder          | 22,618,366                | 65,904,054                | (4,401,969)                 | 84,120,451                  |
| Refrigerator     | 623,857,721               | 68,644,185                | 64,386,800                  | 756,888,706                 |
| Others           | 277,720,133               | 4,799,669,685             | (706,581,154)               | 4,370,808,664               |
|                  | 1,038,396,031             | 11,260,932,261            | (1,721,837,713)             | 10,577,490,579              |



**21 Operating expenses**

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

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

**21.1 Advertisement and sales promotion**

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

**21.2 Royalty**

See accounting policy in Note 38 (K)

**Retail Holdings Bhold B.V.**

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

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



**21.3 Director's fee and remuneration**

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

**21.4 Travelling**

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

**21.5 Professional and technical fees**

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

**21.5.1 Audit and consultancy fees for statutory auditor**

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

**22 Other income/(loss)**

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

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

**23 Net finance costs**

See accounting policy in Note 38 (B)

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



**23.1 Foreign exchange gain/(loss)**

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

**24 Contribution to workers' profit participation fund**

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

**25 Income tax expense**

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

**25.1 Reconciliation of effective tax rate**

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

**25.2 Deferred tax expense/(income)**

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

**25.3 Tax related to remeasurement of employee benefit obligations**

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



**26 Contingencies and commitments****26.1 Commitments**

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

\*The letters of credit were outstanding as at 31 December 2023 against which the Company is committed to purchase products from different companies.

**26.2 Contingent liabilities**

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

|   | <b>2023</b>      | <b>2022</b> |
|---|------------------|-------------|
| (i) Claims against the Company not acknowledged as debts  | <b>5,006,676</b> | 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  | <b>4,264,718</b> | 17,628,250  |
|   | <b>9,271,394</b> | 22,634,926  |

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

**27 Capacity utilisation**

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

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

**28 Number of employees**

|  | <b>2023</b> | <b>2022</b> |
|--|-------------|-------------|
| The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 and above*. | 1,749       | 1,670       |

\*Above mentioned number of employees includes Retail Store Managers.

**29 Remittance in foreign currency**

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

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

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

**30 Earnings per share (EPS)**

See accounting policy in Note 38 (Q)

**30.1 Basic earnings per share**

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

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

**30.2 Diluted earnings per share**

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





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

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

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

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



### 31.2 Financial risk management

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

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

#### 31.2.1 Credit risk

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

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

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

##### 31.2.1.1 Exposure to credit risk

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

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

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

|               | Note | 2023                 | 2022                 |
|---------------|------|----------------------|----------------------|
| <i>In BDT</i> |      |                      |                      |
| Domestic      | 9    | 3,678,034,607        | 3,033,961,864        |
|               |      | <b>3,678,034,607</b> | <b>3,033,961,864</b> |

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

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



### 31.2.1.2 Impairment loss

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

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

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

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

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

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

#### Expected credit loss (ECL) assessment

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



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

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

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

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

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

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

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

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

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



**31.2.2****Liquidity risk**

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

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

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

**31.2.3****Market risk**

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

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



### 31.2.3.1 Interest rate risk

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

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

| <i>In BDT</i>                                   | Note  | 2023                 | 2022                 |
|---|-------|----------------------|----------------------|
| <b>Fixed rate instruments</b>                   |       |                      |                      |
| Fixed rate deposits at financial institution    | -     | -                    | -                    |
| Fixed rate loans and receivable (excluding UCC) | 9.1.1 | 3,048,485,460        | 2,669,932,804        |
| Other fixed rate instruments (assets)           | -     | -                    | -                    |
| <b>Financial assets</b>                         |       | <b>3,048,485,460</b> | <b>2,669,932,804</b> |
| Fixed rate bank overdraft                       | -     | -                    | -                    |
| Fixed rate loans                                | -     | -                    | -                    |
| Fixed rate debentures                           | -     | -                    | -                    |
| Fixed rate promissory notes                     | -     | -                    | -                    |
| Lease liabilities                               | -     | -                    | -                    |
| Other fixed rate liabilities                    | -     | -                    | -                    |
| <b>Financial liabilities</b>                    |       | -                    | -                    |
| <b>Variable rate instruments</b>                |       |                      |                      |
| Variable rate deposits at financial institution | -     | -                    | -                    |
| Variable rate loans and receivable              | -     | -                    | -                    |
| Other variable rate instruments (assets)        | -     | -                    | -                    |
| <b>Financial assets</b>                         |       | -                    | -                    |
| Variable rate bank overdraft                    | 17    | 8,142,332,768        | 5,837,248,081        |
| Variable rate loans                             | -     | -                    | -                    |
| Variable rate debentures                        | -     | -                    | -                    |
| Variable rate promissory notes                  | -     | -                    | -                    |
| Other variable rate liabilities                 |       | 376,288,977          | 368,765,932          |
| <b>Financial liabilities</b>                    |       | <b>8,518,621,745</b> | <b>6,206,014,013</b> |





**31.2.3.2 Foreign Currency risk**

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

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

|   | 31 December 2023       |                     | 31 December 2022       |                     |
|---|------------------------|---------------------|------------------------|---------------------|
|   | BDT                    | USD                 | BDT                    | EUR                 |
| <b>Foreign currency denominated assets</b>      |                        |                     |                        |                     |
| Trade and other receivables                     | 119,066,436            | 1,060,722           | 110,168,196            | 1,043,717           |
| Total assets                                    | 119,066,436            | 1,060,722           | 110,168,196            | 1,043,717           |
| <b>Foreign currency denominated liabilities</b> |                        |                     |                        |                     |
| Trade and other payables                        | (2,304,568,693)        | (16,921,777)        | (1,293,176,597)        | (12,315,739)        |
| Total liabilities                               | (2,304,568,693)        | (16,921,777)        | (1,293,176,597)        | (12,315,739)        |
| <b>Net exposure</b>                             | <b>(2,185,502,257)</b> | <b>(15,861,054)</b> | <b>(1,183,008,401)</b> | <b>(11,272,022)</b> |

The following significant exchange rates are applied during the year:

| <i>In</i> BDT | Year-end spot rate |        |
|---------------|--------------------|--------|
|               | 2023               | 2022   |
| USD           | 111.63             | 105.00 |
| EUR           | 122.11             | 103.00 |

**31.2.3.3 Foreign exchange rate sensitivity analysis for foreign currency expenditures**

Foreign exchange rate sensitivity is calculated on the basis of impact of change of 100 basis points in foreign exchange rates. This analysis presents the probable weakening of BDT against US Dollar and EUR 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</i> BDT                   | Profit or loss |              |               |              | Equity        |              |               |              |
|---------------------------------|----------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
|                                 | Strengthening  | Weakening    | Strengthening | Weakening    | Strengthening | Weakening    | Strengthening | Weakening    |
| <b>31 December 2023</b>         |                |              |               |              |               |              |               |              |
| Expenditures denominated in USD | 17,705,893     | (17,705,893) | 17,705,893    | (17,705,893) | 17,705,893    | (17,705,893) | 17,705,893    | (17,705,893) |
| Expenditures denominated in EUR | 4,149,129      | (4,149,129)  | 4,149,129     | (4,149,129)  | 4,149,129     | (4,149,129)  | 4,149,129     | (4,149,129)  |
| Exchange rate sensitivity       | 21,855,022     | (21,855,022) | 21,855,022    | (21,855,022) | 21,855,022    | (21,855,022) | 21,855,022    | (21,855,022) |
| <i>In</i> BDT                   | Profit or loss |              |               |              | Equity        |              |               |              |
| <b>31 December 2022</b>         |                |              |               |              |               |              |               |              |
| Expenditures denominated in USD | 11,835,623     | (11,835,623) | 11,835,623    | (11,835,623) | 11,835,623    | (11,835,623) | 11,835,623    | (11,835,623) |
| Expenditures denominated in EUR | (5,539)        | 5,539        | (5,539)       | 5,539        | (5,539)       | 5,539        | (5,539)       | 5,539        |
| Exchange rate sensitivity       | 11,830,084     | (11,830,084) | 11,830,084    | (11,830,084) | 11,830,084    | (11,830,084) | 11,830,084    | (11,830,084) |

**32 Capital management**

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



### 33 Related parties

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

#### 33.1 Parent and ultimate controlling party

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

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

#### 33.2 Transactions with key management personnel

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

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

#### 33.3 Other related party transactions

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

##### 33.3.1 Related party receivable/(payable)

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



**34 Net asset value (NAV) per share****34.1 NAV per share after revaluation**

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

**34.2 NAV per share before revaluation**

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

**35 Reconciliation of net income with cashflows from operating activities**

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

**35.1 Net operating cash flow per share (NOCFPS)**

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

**36 Events after the reporting period**

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

**37 Others**

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



### 37.1 Basis of measurement

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

### 38 Material accounting policies

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

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



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

Consumer electronics and household appliances.

**Nature and timing of satisfaction of performance obligations**

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

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

**Revenue recognition**

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

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

**B. Finance income and finance costs**

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

**C. Foreign currency transactions**

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

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

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

**D. Income Tax**

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

**Current tax**

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



### Deferred tax

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

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

### E. Inventories

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

### F. Property, plant and equipment

#### Recognition and measurement

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

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

#### Cost model

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

#### Revaluation model

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

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

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

#### Subsequent costs

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





## Depreciation

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

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

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

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

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

## G. Intangibles

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

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

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

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

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

### Intangible assets

|                   |     |
|-------------------|-----|
| Computer Software | 20% |
|-------------------|-----|

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

## H. Financial instruments

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



## Financial assets

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

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

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

### Accounts receivable

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

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

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

### Cash and cash equivalents

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

### Financial liability

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

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

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

### Accounts payable

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

#### I. Impairment

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

#### J. Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the



obligation and the amount of the provision can be measured reliably in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation at the date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows.

#### **K. Royalty**

Royalty is payable to Retail Holdings Bhold B.V. @ 3% of net annual invoice price of sale of audio-video sets (radio cassette, recorders and televisions), air conditioner and @ 1% on refrigerator assembled and manufactured in Bangladesh for the year 2023 (note 21.2).

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

#### **L. Warranty costs**

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

#### **M. Investments**

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

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

##### **Investment in term deposit**

This represents investment in term deposit with Commercial Bank of Ceylon PLC and Prime Bank Limited which are renewable.

##### **Investment in short term deposit**

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

#### **N. Workers' profit participation fund**

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

#### **O. Employee benefits**

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

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

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

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

##### **Defined benefit obligation (gratuity)**

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

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



**Short-term employee benefits**

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

**P. Reporting period**

The financial period of the Company covers one year from 1 January to 31 December. These financial statements were prepared for twelve months from 1 January to 31 December 2023.

**Q. Earnings per share**

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

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

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

**R. Statement of cash flows**

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

**S. Events after the reporting period**

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

**T. Offsetting**

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

**U. Leases**

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

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and



- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used."

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

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

#### **i. As a lessee**

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

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

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

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

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

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

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

#### **Short-term leases and leases of low-value assets**

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

#### **ii. As a lessor**

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



## Singer Bangladesh Limited

### Details of Disposal of Property, Plant and Equipment

Annexure - 1

| Particulars            | Original cost     | Accumulated depreciation | Net book value    | For the year ended 31 December 2023 |                    |                  |
|------------------------|-------------------|--------------------------|-------------------|-------------------------------------|--------------------|------------------|
|                        |                   |                          |                   | Sales proceed                       | Gain/(Loss)        | Mode of disposal |
| Computer               | 465,407           | 292,902                  | 173,203           | 165,618                             | (7,584)            | Sold/write off   |
| Equipment              | 683,193           | 639,139                  | 44,353            | 85,097                              | 40,744             | Sold/write off   |
| Leasehold improvements | 10,711,772        | 6,441,581                | 4,270,191         | 1,313,270                           | (2,956,921)        | Sold/write off   |
| Plant & Machinery      | 15,033,510        | 9,571,767                | 5,461,743         | 359,840                             | (5,101,903)        | Sold as scrap    |
| Vehicles               | 2,453,519         | 2,198,856                | 254,663           | 613,280                             | 358,617            | Auction sale     |
|                        | <b>29,347,401</b> | <b>19,144,245</b>        | <b>10,204,154</b> | <b>2,537,105</b>                    | <b>(7,667,048)</b> |                  |





# Details of Share Issue

Annexure - 2

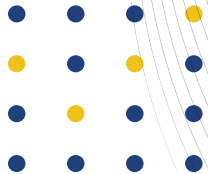
| Date of Issue                       | Basis of Issue of Shares   | Total Share & Share Capital |                           |                           |
|-------------------------------------|--|-----------------------------|---------------------------|---------------------------|
|               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



**SINGER®**

ANNUAL REPORT 2023 

**SHAREHOLDERS'  
INFORMATION**



# Glossary of Financial Terms

## Accounting policies

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

## Acid ratio

Total current liabilities divided by cash, cash equivalents and marketable securities.

## 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.

## Debt to total asset ratio

total debt divided by total assets.

## 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.

## Inventory turnover ratio

Cost of goods sold divided by average inventory

## 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

# General Shareholder Information

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|                                   |   |
|-----------------------------------|---|
|                                   | <b>Thursday, March 28, 2024 at 2.00 p.m.</b>  |
| <b>AGM–date, time</b>             | Through <b>Hybrid System</b> in combination of physical presence (Emmanuelle's, House # 8, Road # 135, Gulshan 1, Dhaka-1212) and using <b>digital platform</b> ( <a href="https://singer.bdvirtualagm.com">https://singer.bdvirtualagm.com</a> ) |
| <b>Financial year</b>             | <b>31, December, 2023</b>   |
| <b>Dividend recommended</b>       | <b>35% Cash dividend has been recommended and to be distributed within the stipulated time</b>  |
| <b>Listing on stock exchanges</b> | <b>Dhaka Stock Exchange PLC. &amp; Chittagong Stock Exchange PLC.</b>   |
| <b>Investors' enquiry</b>         | <b>Phone:</b> +88-01616 667800, +88-0-2223384438<br><b>Fax:</b> +88-02-956 4431<br><b>E-Mail:</b> <a href="mailto:iro@singerbd.com">iro@singerbd.com</a><br><b>Corporate website:</b> <a href="http://www.singerbd.com">www.singerbd.com</a>      |

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# Notice of 44<sup>th</sup> Annual General Meeting

Notice is hereby given that the **44<sup>th</sup> Annual General Meeting of Singer Bangladesh Limited** will be held on **Thursday, March 28, 2024** at **2.00 p.m.** through **Hybrid System** in combination of **physical presence** (Emmanuelle's, House # 8, Road # 135, Gulshan 1, Dhaka-1212) and using **digital platform** (<https://singer.bdvirtualagm.com>) to transact the following business:

## AGENDA

1. To receive and adopt the Directors' and Auditors' Report and the Audited Financial Statements of the Company for the year ended December 31, 2023.
2. To declare dividend for the year ended December 31, 2023.
3. To elect/re-elect Directors.
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.

By order of the Board



**Kazi Ashiqur Rahman**  
Company Secretary  
March 5, 2024`

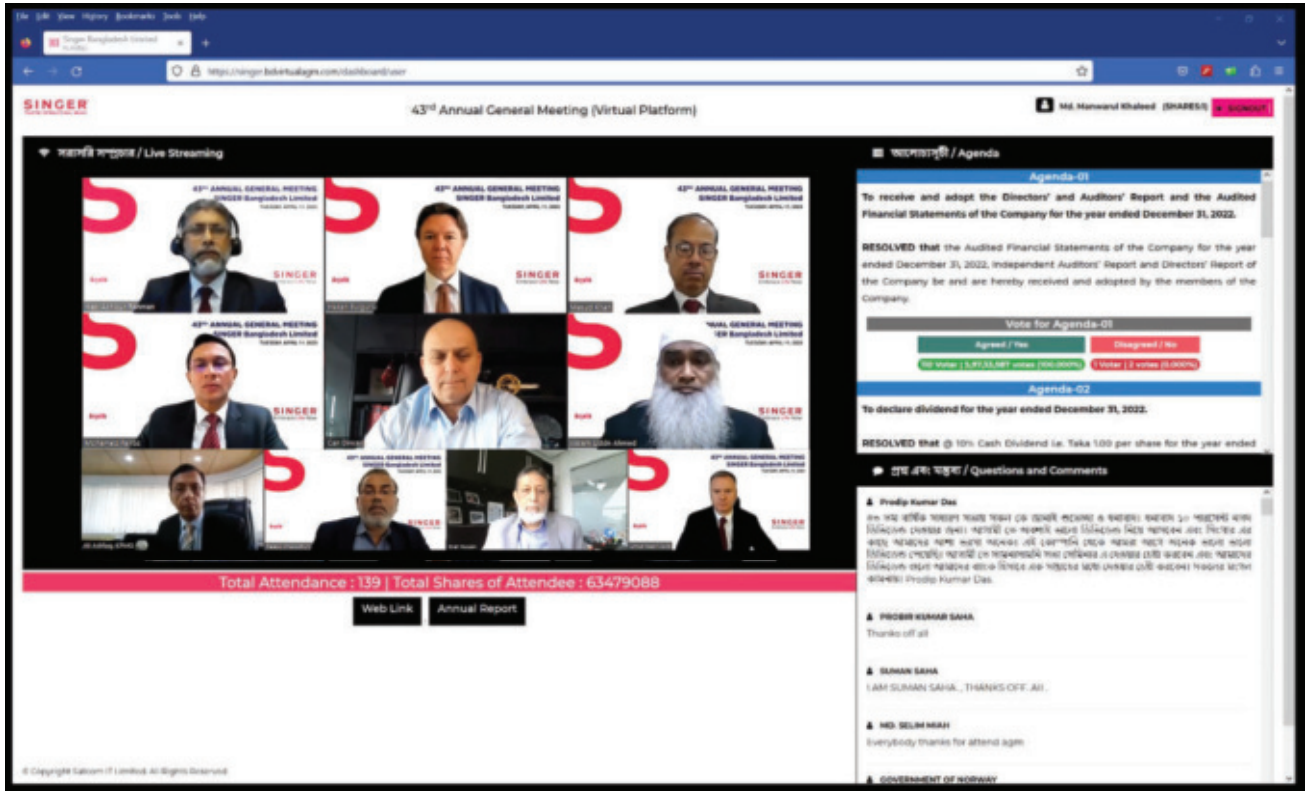
**Registered Office**  
39, Dilkusha C/A  
Dhaka-1000

## Notes

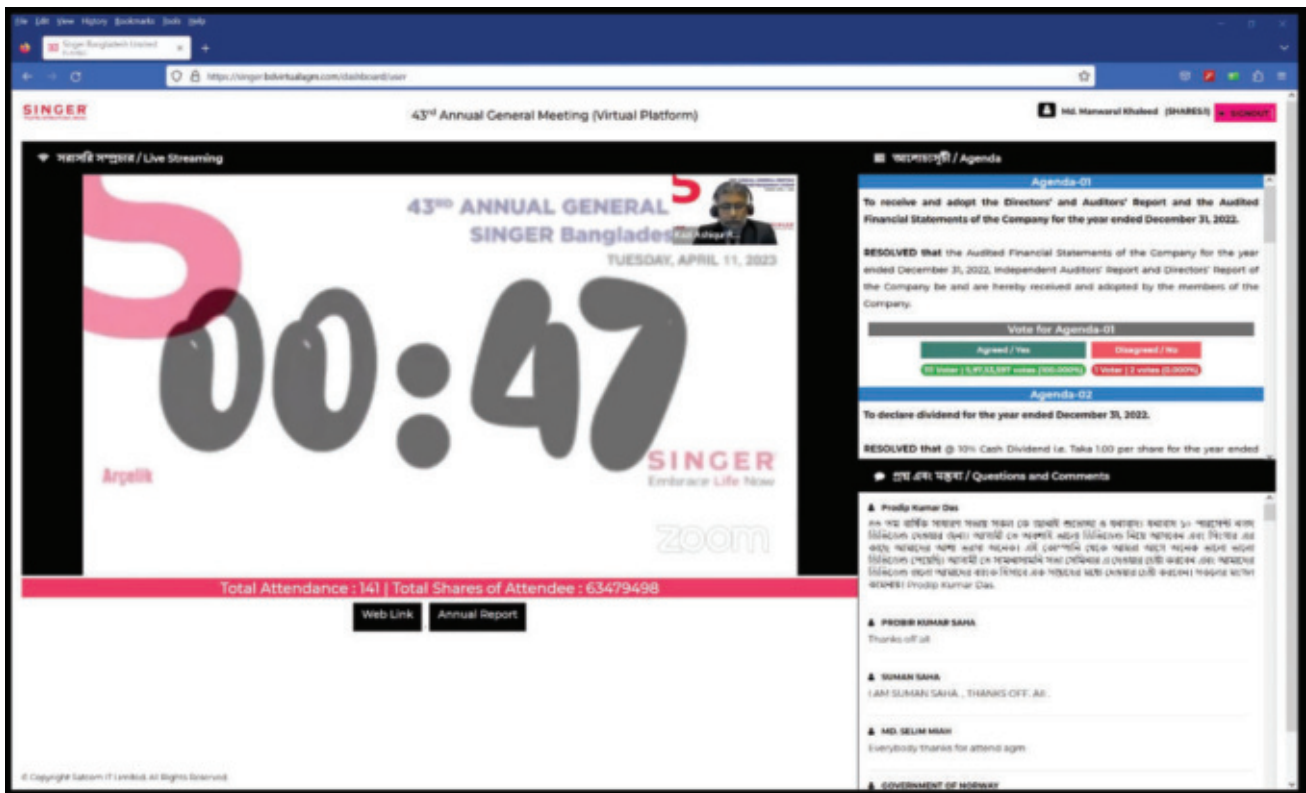
- Members whose names appeared in the Members'/Depository Register on Record Date i.e. February 22, 2024 will be eligible to join/participate and vote in the Annual General Meeting physically or through digital platform and to receive the dividend.
- A Member entitled to join/participate and vote in the Annual General Meeting may appoint a proxy in his stead. The proxy form, duly stamped with a revenue stamp of Tk. 20 must be deposited at the Registered Office of the Company or a scanned copy of that proxy form must be sent to the email "[iro@singerbd.com](mailto:iro@singerbd.com)" not later than 48 hours before the meeting.
- Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy (PDF format) of the Annual Report 2023 will be sent to the Members' respective email addresses as available with us. The Annual Report 2023 will also be available on the Company's website at: [www.singerbd.com](http://www.singerbd.com).
- The link for joining the Digital Platform (audio-visual meeting) is <https://singer.bdvirtualagm.com> which will also be sent to the respective Members' email addresses and SMS to their mobile number as available with us in due course of time. The Members need to put their 16-digit Beneficial Owner (BO) ID number/Folio for log-in to the system.
- This link <https://singer.bdvirtualagm.com> will be opened 48 hours before the commencement of the AGM for questions/comments and vote electronically by the members.
- As per directive of Bangladesh Securities and Exchange Commission (BSEC), no benefit in cash or kind, other than in the form of cash dividend or stock dividend, shall be entitled for the AGM.

# 43<sup>rd</sup> Annual General Meeting

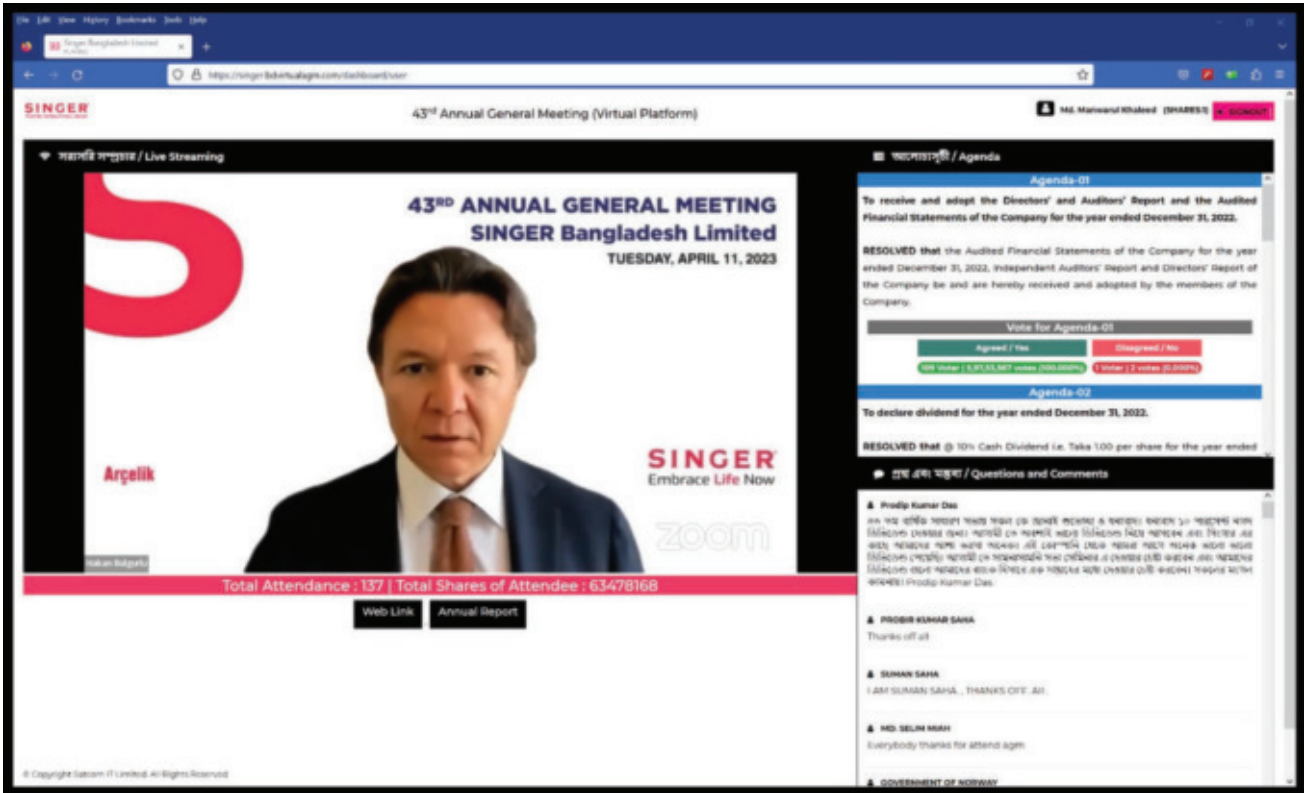
Singer Bangladesh Limited



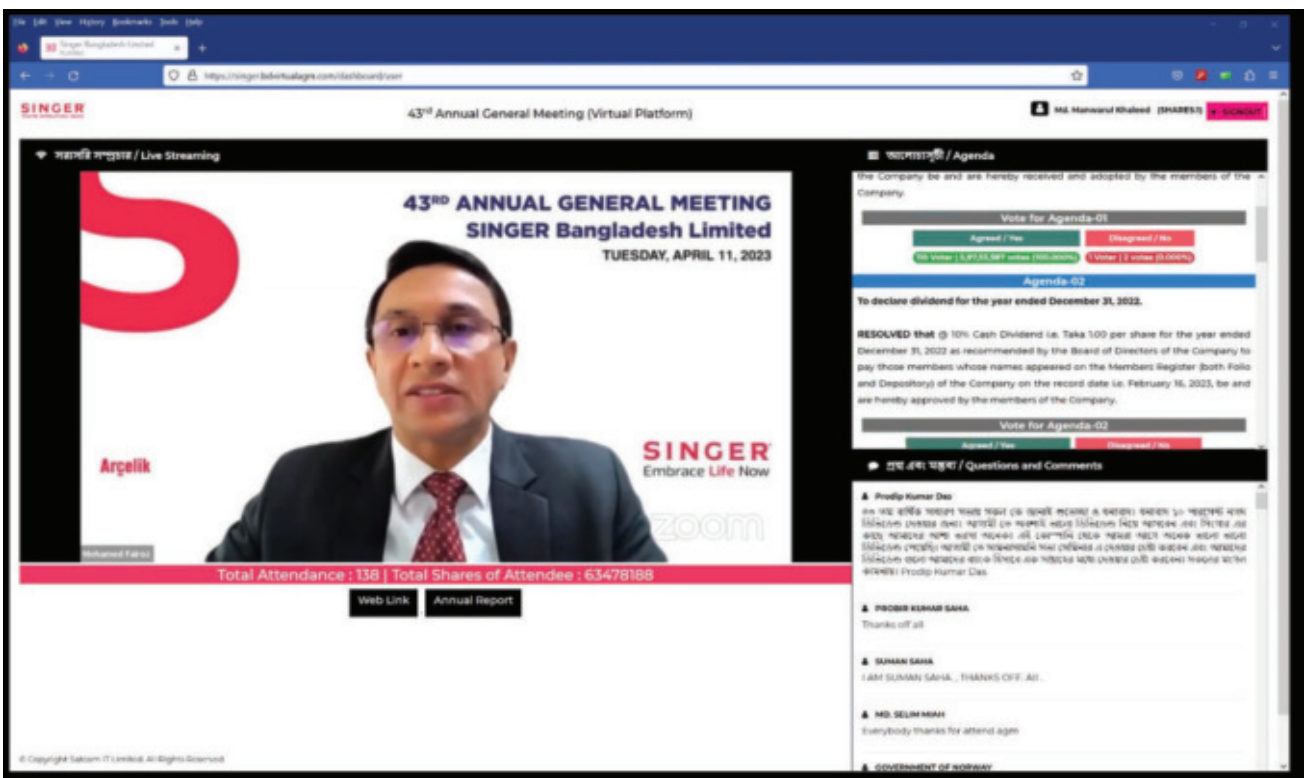
43<sup>rd</sup> Virtual AGM





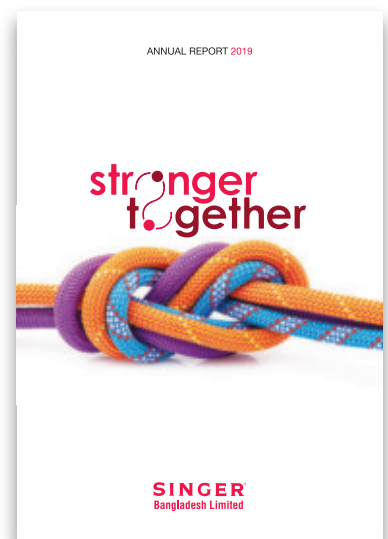


43<sup>rd</sup> Virtual AGM



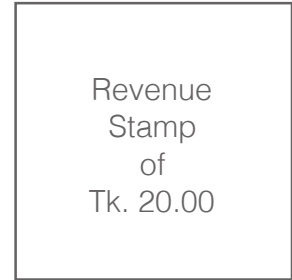
# Glimpses of our Annual Reports suite

Singer Bangladesh Limited



# Proxy Form

Singer Bangladesh Limited



.....

I/We .....

of .....

being a Member of Singer Bangladesh Limited, hereby appoint

Mr./Ms. ....

of .....

as my proxy in my/our absence to attend and vote for me/us and on my/our behalf at the **44<sup>th</sup> Annual General Meeting** of the Company to be held on March 28, 2024 and at any adjournment thereof.

As witness my hand this ..... Day of March 28, 2024

Signature of Proxy .....

Signature of Member .....

Register Folio no./BO ID of Member

- Introduction
- About Us
- Guardians of Trust
- Leadership Notes
- Strategic Overview
- Review of Our Capitals
- Management Frameworks
- Responsible Stewardship
- Auditors' Report & Financial Statements
- Shareholders' Information





**Arçelik** | **SINGER**<sup>®</sup>