

Linde Bangladesh Limited

Independent Auditor's Report and
Consolidated and Separate Financial Statements
as at and for the year ended 31 December 2022

**Rahman Rahman Huq**

Chartered Accountants

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Bangladesh

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Consolidated Independent Auditor's Report

To the Shareholders of Linde Bangladesh Limited

Report on the Audit of the Consolidated Financial Statements**Opinion**

We have audited the consolidated financial statements of Linde Bangladesh Limited and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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 these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 22 to the consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
Revenue recognition has significant and wide influence on consolidated financial statements.	Our audit procedures in this area included, among others:
The Group has recognised revenue when the amounts and the related costs are reliably measured, and the performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognised at the time when the goods are dispatched for delivery to the distributor or handed over to its customers and revenue from providing services is recognised after the services are provided to customers. The Group makes sales and provide services on cash and credit basis.	<ul style="list-style-type: none"> Understanding and evaluating the design and implementation of key internal financial controls related to the Group's revenue recognition and testing the operating effectiveness of such control. Substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices with customers' signature, delivery note along with gate pass and standard price list of the Group. We also confirmed customer balances at the consolidated statement of financial position date.
The Group also has revenue from rental of cylinders and Vacuum Insulated Evaporators (VIE) for gases.	



Consolidated Independent Auditor's Report (continued)

1. Revenue recognition (continued)

See Note 22 to the consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Revenue is measured at net of discounts and incentives earned by customers/ distributors. The estimation of discounts and incentives recognised based on sales made during the year is material and considered to be complex and judgmental.</p> <p>A substantial part of the Group's revenue is derived from retail sales through sales centers and comprises high volume of individually small transactions which increase the risk of revenue being recognised inappropriately.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>The Group has reported total revenue of BDT 4,873 million (2021: BDT 5,082 million) in current year.</p>	<ul style="list-style-type: none"> Understanding and evaluating the design and implementation of key internal financial controls related to discounts and incentives offered to customers and performance of substantive procedures to check whether discounts are recognised accurately and incentives are recognised completely and accurately. Testing the sales transactions recognised shortly before and after the consolidated statement of financial position date, including the sales returns recorded after that date, to test whether sales transactions were recorded in the correct reporting periods.

2. Existence and valuation of inventory

See Note 9 to the consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Group had inventory of BDT 1,124 million (2021: BDT 912 million) at 31 December 2022, held in plants, warehouses and sales centers, and across multiple product lines.</p> <p>Inventory is kept and distributed from different locations of the Country which increases the susceptibility of lost and misappropriation of inventories. Hence existence of inventories considered as key audit matter.</p> <p>Inventory is carried in the statement of financial position at the lower of cost and net realisable value. Sales in the manufacturing industry can be extremely volatile based on significant changes in consumer demand. As a result, there is a risk that the carrying value of inventory exceeds its net realisable value.</p> <p>Moreover, the process of estimating provision for inventories is judgmental and complex. Due to high level of judgement involved and use of some manual processes in estimating the provision and net realisable value of inventories, we considered this to be a key audit matter.</p>	<p>Our audit procedures were designed to confirm the existence of inventories and to challenge the adequacy of the Group's provisions against inventory included:</p> <ul style="list-style-type: none"> Attending inventory counts to check the existence and reconciling the count results to the inventory listings to test the completeness of data; Evaluating the methodology and management judgement to determine the provision for inventories. Recalculating the provision for inventory and comparison with management calculation. Evaluating, on a sample basis, whether inventories were stated at the lower of cost or net realisable value at the reporting date by comparing sales prices of inventories sold subsequent to that date.

Consolidated Independent Auditor's Report (continued)

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 consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated 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 consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation of consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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



Consolidated Independent Auditor's Report (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Group so far as it appeared from our examination of these books;
- c) the consolidated statement of financial position and the consolidated 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 Group's business.

The engagement partner on the audit resulting in this independent auditor's report is M Mehedi Hasan.



M Mehedi Hasan, Partner, Enrolment number: 1000
Rahman Rahman Huq, Chartered Accountants
Firm Registration Number: N/A

Dhaka, **16 MAR 2023**

DVC: **2303161000AS481225**



**Rahman Rahman Huq****Chartered Accountants**

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Independent Auditor's Report**To the Shareholders of Linde Bangladesh Limited****Report on the Audit of the Financial Statements****Opinion**

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In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for year then ended in accordance with International Financial Reporting Standards (IFRSs).

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Independent Auditor's Report (continued)

1. Revenue recognition (continued)

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
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Independent Auditor's Report (continued)

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

The engagement partner on the audit resulting in this independent auditor's report is M Mehedi Hasan.



M Mehedi Hasan, Partner, Enrolment number: 1000
Rahman Rahman Huq, Chartered Accountants
Firm Registration Number: N/A

Dhaka,

16 MAR 2023

DVC: **2303161000AS481225**

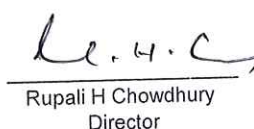


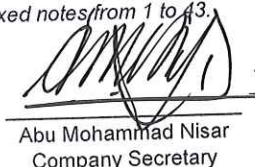
Linde Bangladesh Limited
Consolidated Statement of Financial Position

	Note	31 December 2022	31 December 2021
<i>(In thousands of Taka)</i>			
Assets			
Property, plant and equipment	5	3,262,872	3,345,486
Intangible assets	6	32	181
Right-of-use (ROU) assets	7	35,349	34,061
Advances, deposits and prepayments	11(a)	105,320	88,505
		3,403,573	3,468,233
Non-current assets			
Inventories	9	1,124,890	912,468
Trade and other receivables	10	1,046,156	820,951
Advances, deposits and prepayments	11(a)	315,104	205,643
Cash and cash equivalents	12(a)	2,520,495	2,998,846
		5,006,645	4,937,908
Current assets			
		8,410,218	8,406,141
Total assets			
Equity			
Share capital	13	152,183	152,183
Other component of equity		(65,338)	(47,699)
General reserve/retained earnings		5,960,807	5,914,586
		6,047,652	6,019,070.00
Equity attributable to owners of the Company			
		(0.15)	(0.11)
Non-controlling interest			
		6,047,652	6,019,070
Total equity			
Liabilities			
Employee benefits-non current portion	14	165,485	167,502
Deferred tax liabilities	15.2	354,948	356,465
Lease liabilities-non current portion	16	15,773	21,452
Other non-current liabilities	17	236,972	248,952
		773,178	794,371
Non-current liabilities			
Lease liabilities-current portion	16	4,771	10,190
Employee benefits-current portion	14	40,210	17,280
Trade and other payables	18	1,342,700	1,302,195
Provision for expenses	19(a)	132,877	138,230
Current tax liabilities	20(a)	42,573	100,960
Unclaimed dividend	21	26,257	23,845
		1,589,388	1,592,700
Current liabilities			
		2,362,566	2,387,071
Total liabilities			
		8,410,218	8,406,141
Total equity and liabilities			
Net Asset Value (NAV) per share	40(a)	397.39	395.52


These consolidated financial statements should be read in conjunction with annexed notes from 1 to 43.


Syed Kumar Pai
Managing Director


Rupali H Chowdhury
Director


Abu Mohammad Nisar
Company Secretary

As per our report of same date.


Auditor
M Mehedi Hasan, Partner
Enrolment Number: 1000
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A

Dhaka, 16 MAR 2023

DVC: 2303161000AS481225

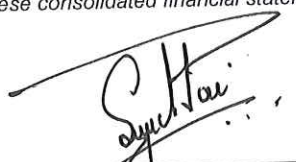


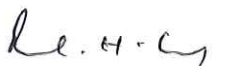
Linde Bangladesh Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income

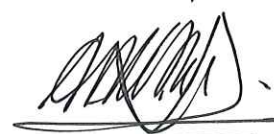
For the year ended 31 December (In thousands of Taka)	Note	2022	2021
Revenue	22	4,873,004	5,082,840
Cost of sales	23	(2,866,641)	(2,761,023)
Gross profit		2,006,363	2,321,817
Operating expenses	24(a)	(808,445)	(792,892)
Profit from operations		1,197,918	1,528,925
Net foreign exchange loss		(33,860)	(4,276)
Other income	25	12,203	25,124
Net finance income	26	18,495	23,153
Profit before tax and contribution to WPPF		1,194,756	1,572,926
Contribution to workers' profit participation fund (WPPF)	27	(59,741)	(78,650)
Profit before tax		1,135,015	1,494,276
Income tax expenses	15	(251,789)	(268,569)
Profit for the year		883,226	1,225,707
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability, net of tax	14.1.1 and 15.2	(17,639)	(11,220)
Total comprehensive income for the year		865,587	1,214,487
Profit attributable to			
Owners of the Company		883,226	1,225,707
Non-controlling interests	30	-	-
Total comprehensive income attributable to		883,226	1,225,707
Owners of the Company		865,587	1,214,487
Non-controlling interests	30	-	-
Total comprehensive income attributable to		865,587	1,214,487

Earnings per share (EPS) (in Taka) 41(a) 58.04 80.54

These consolidated financial statements should be read in conjunction with annexed notes from 1 to 43.



Syjeet Kumar Pai
Managing Director


Rupali H Chowdhury
Director


Abu Mohammad Nisar
Company Secretary

As per our report of same date.

Dhaka, 16 MAR 2023


Auditor
M Mehedi Hasan, Partner
Enrolment Number: 1000
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A

DVC: 2303161000AS481225



Linde Bangladesh Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2022

	Attributable to owners of the Company			Non-controlling interests	Total equity
	Share capital	Other component of equity	General reserve/Retained earnings		
<i>(In thousands of Taka)</i>					
Balance as at 1 January 2022	152,183	(47,699)	5,914,586	(0.11)	6,019,070
Total Comprehensive income for the year	-	-	883,226	(0.04)	883,226
Profit for the year	-	(17,639)	-	-	(17,639)
Other comprehensive loss for the year	-	(17,639)	-	-	-
Total Comprehensive income for the year	-	(17,639)	883,226	(0.04)	865,587
Transactions with the owners of the Company					
Contributions and Distributions	-	-	-	-	-
Issue of ordinary shares	-	-	(837,005)	-	(837,005)
Final dividend for the year 2021	-	-	(837,005)	-	(837,005)
Total contributions and distributions	-	-	(837,005)	-	(837,005)
Total transaction with the owners of the Company	-	-	(837,005)	-	(837,005)
Balance as at 31 December 2022	152,183	(65,338)	5,960,807	(0.15)	6,047,652
Balance as at 1 January 2021	152,183	(36,479)	5,297,610	(0.07)	5,413,314
Total Comprehensive income for the year	-	-	1,225,707	(0.04)	1,225,707
Profit for the year	-	(11,220)	-	-	(11,220)
Other comprehensive loss for the year	-	(11,220)	-	-	-
Total Comprehensive income for the year	-	(11,220)	1,225,707	(0.04)	1,214,487
Transactions with the owners of the Company					
Contributions and Distributions	-	-	-	-	-
Issue of ordinary shares	-	-	(608,731)	-	(608,731)
Final dividend for the year 2020	-	-	(608,731)	-	(608,731)
Total contributions and distributions	-	-	(608,731)	-	(608,731)
Total transaction with the owners of the Company	-	-	(608,731)	-	(608,731)
Balance as at 31 December 2021	152,183	(47,699)	5,914,586	(0.11)	6,019,070

These consolidated financial statements should be read in conjunction with annexed notes from 1 to 43.



Linde Bangladesh Limited
Consolidated Statement of Cash Flow

For the year ended 31 December
(In thousands of Taka)

	Note	2022	2021
A. Cash flows from operating activities		4,643,711	5,016,575
Cash receipts from customers and others		(3,767,590)	(3,470,608)
Cash paid to suppliers and employees		876,121	1,545,967
Cash generated from operating activities		(308,220)	(323,370)
Income tax paid		567,901	1,222,597
Net cash from operating activities			
B. Cash flows from investing activities		(237,323)	(236,578)
Payment for acquisition of property, plant and equipment		-	(10)
Payment for acquisition of intangible assets		13,570	21,420
Proceeds from sale of property, plant and equipment		-	1,511,202
Withdrawal / (Investment) in fixed deposit receipts		16,241	24,012
Interest received		(207,512)	1,320,046
Net cash generated / (used) in investing activities			
C. Cash flows from financing activities		(834,593)	(682,649)
Dividend paid		(6,855)	(6,355)
Repayment of lease obligation		(841,448)	(689,004)
Net cash used in financing activities			
D. Net increase in cash and cash equivalents (A+B+C)		(481,059)	1,853,639
Cash and cash equivalents at beginning of the year		2,998,846	1,145,026
Effect of movements in exchange rates on cash held		2,708	181
Cash and cash equivalents at end of the year		2,520,495	2,998,846
Net operating cash flow per share (NOCFPS) (in Taka)	42(a)	37.32	80.34

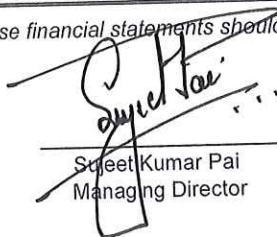
These consolidated financial statements should be read in conjunction with annexed notes from 1 to 43.

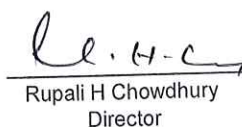


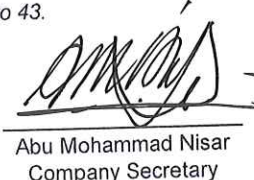
Linde Bangladesh Limited
Statement of Financial Position

	Note	31 December 2022	31 December 2021
<i>(In thousands of Taka)</i>			
Assets			
Property, plant and equipment	5	3,262,872	3,345,486
Intangible assets	6	32	181
Right-of-use (ROU) assets	7	35,349	34,061
Investment in subsidiaries	8	20	20
Advances, deposits and prepayments	11	105,320	88,505
Non-current assets			
Inventories	9	1,124,890	912,468
Trade and other receivables	10	1,046,156	820,951
Advances, deposits and prepayments	11	315,641	206,128
Cash and cash equivalents	12	2,520,475	2,998,826
Current assets			
Total assets		8,410,755	8,406,626
Equity			
Share capital	13	152,183	152,183
Other component of equity		(65,338)	(47,699)
General reserve/retained earnings		5,961,468	5,915,178
Total equity		6,048,313	6,019,662
Liabilities			
Employee benefits-non current portion	14	165,485	167,502
Deferred tax liabilities	15.2	354,948	356,465
Lease liability-non current portion	16	15,773	21,452
Other non-current liabilities	17	236,972	248,952
Non-current liabilities		773,178	794,371
Lease liability-current portion	16	4,771	10,190
Employee benefits-current portion	14	40,210	17,280
Trade and other payables	18	1,342,700	1,302,195
Provision for expenses	19	132,753	138,123
Current tax liabilities	20	42,573	100,960
Unclaimed dividend	21	26,257	23,845
Current liabilities		1,589,264	1,592,593
Total liabilities		2,362,442	2,386,964
Total equity and liabilities		8,410,755	8,406,626
Net Asset Value (NAV) per share	40	397.44	395.55

These financial statements should be read in conjunction with annexed notes from 1 to 43.


Sajeet Kumar Pai
Managing Director


Rupali H Chowdhury
Director


Abu Mohammad Nisar
Company Secretary

As per our report of same date.


Auditor

Dhaka, 16 MAR 2023

M Mehedi Hasan, Partner
Enrolment Number: 1000
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A

DVC: 2303161000AS481225



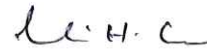
Linde Bangladesh Limited
Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December (In thousands of Taka)	Note	2022	2021
Revenue	22	4,873,004	5,082,840
Cost of sales	23	(2,866,641)	(2,761,023)
Gross profit		2,006,363	2,321,817
Operating expenses	24	(808,376)	(792,823)
Profit from operations		1,197,987	1,528,994
Net foreign exchange loss		(33,860)	(4,276)
Other income	25	12,203	25,124
Net finance income	26	18,495	23,153
Profit before tax and contribution to WPPF		1,194,825	1,572,995
Contribution to workers' profit participation fund (WPPF)	27	(59,741)	(78,650)
Profit before tax		1,135,084	1,494,345
Income tax expenses	15	(251,789)	(268,569)
Profit for the year		883,295	1,225,776
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability, net of tax	14.1.1 and 15.2	(17,639)	(11,220)
Total comprehensive income for the year		865,656	1,214,556

Earnings per share (EPS) (in Taka)	41.1	58.04	80.55
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These financial statements should be read in conjunction with annexed notes from 1 to 43.


Sujat Kumar Pai
Managing Director


Rupali H Chowdhury
Director


Abu Mohammad Nisar
Company Secretary

As per our report of same date.


Auditor

Dhaka, 16 MAR 2023

M Mehedi Hasan, Partner
Enrolment Number: 1000
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A

DVC: 2303161000AS481225



Linde Bangladesh Limited
Statement of Changes in Equity
For the year ended 31 December 2022

	Attributable to owners of the Company			Total equity
	Share capital	Other component of equity	General reserve/retained earnings	
<i>(In thousands of Taka)</i>	152,183	(47,699)	5,915,178	6,019,662
Balance as at 1 January 2022				
Total comprehensive income for the year	-	-	883,295	883,295
Profit for the year	-	(17,639)	-	(17,639)
Other comprehensive loss for the year	-	(17,639)	883,295	865,656
Total comprehensive income for the year	-	-	-	-
Transaction with owners of the Company				
Contributions and distributions	-	-	-	-
Issue of ordinary shares	-	-	(837,005)	(837,005)
Final dividend for the year 2021	-	-	(837,005)	(837,005)
Total contributions and distributions	-	-	(837,005)	(837,005)
Total transaction with the owners of the Company	-	-	-	-
Balance as at 31 December 2022	152,183	(65,338)	5,961,468	6,048,313
Balance as at 1 January 2021	152,183	(36,479)	5,298,133	5,413,837
Total comprehensive income for the year	-	-	1,225,776	1,225,776
Profit for the year	-	(11,220)	-	(11,220)
Other comprehensive loss for the year	-	(11,220)	1,225,776	1,214,556
Total comprehensive income for the year	-	-	-	-
Transaction with owners of the Company				
Contributions and distributions	-	-	-	-
Issue of ordinary shares	-	-	(608,731)	(608,731)
Final dividend for the year 2020	-	-	(608,731)	(608,731)
Total contributions and distributions	-	-	(608,731)	(608,731)
Total transaction with the owners of the Company	-	-	-	-
Balance as at 31 December 2021	152,183	(47,699)	5,915,178	6,019,662

These financial statements should be read in conjunction with annexed notes from 1 to 43.



Linde Bangladesh Limited
Statement of Cash Flow

For the year ended 31 December (In thousands of Taka)	Note	2022	2021
A. Cash flows from operating activities		4,643,711	5,016,575
Cash receipts from customers and others		(3,767,555)	(3,470,539)
Cash paid to suppliers and employees		876,156	1,546,036
Cash generated from operating activities		(308,220)	(323,370)
Income tax paid		567,936	1,222,666
Net cash from operating activities			
B. Cash flows from investing activities		(237,306)	(236,578)
Payment for acquisition of property, plant and equipment		-	(10)
Payment for acquisition of intangible assets		13,570	21,420
Proceeds from sale of property, plant and equipment		-	1,511,202
Withdrawal / (Investment) in fixed deposit receipts		16,241	24,012
Interest received		(207,495)	1,320,046
Net cash generated / (used) in investing activities			
C. Cash flows from financing activities		(834,593)	(682,649)
Dividend paid		(6,855)	(6,355)
Repayment of lease obligation		(52)	(69)
Paid to subsidiary		(841,500)	(689,073)
Net cash used in financing activities			
D. Net increase in cash and cash equivalents (A+B+C)		(481,059)	1,853,639
Cash and cash equivalents at beginning of the year		2,998,826	1,145,006
Effect of movements in exchange rates on cash held		2,708	181
Cash and cash equivalents at end of the year		2,520,475	2,998,826
Net operating cash flow per share (NOCFPS) (in Taka)	42	37.32	80.34

These financial statements should be read in conjunction with annexed notes from 1 to 43.



1. Reporting entity

1.1 Company profile

Linde Bangladesh Limited ("the Company") is a public limited and listed Company, limited by shares and was incorporated in Bangladesh in 1973 under the Companies Act 1913 (replaced by the Companies Act 1994). The Company became a listed entity in the year 1976 and 1996 in Dhaka Stock Exchange and Chittagong Stock Exchange respectively. The address of the registered office is 285 Tejgaon I/A, Dhaka-1208, Bangladesh. The Company is a subsidiary of The BOC Group Limited of United Kingdom which is fully owned by Linde AG of Germany.

A global merger of Linde AG, Germany and Praxair, Inc. USA has taken place on 31 October 2018. In this respect, Linde plc, a company incorporated in Ireland has become the new holding company of both Linde AG and Praxair, Inc. and as such Linde plc is now the new ultimate holding company of Linde Bangladesh Limited.

Pursuant to recent amendment to the Companies Act, 1994 incorporating amendments, among others, is to change of the word 'Limited' by the word 'PLC' in case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing these changes.

BOC Bangladesh Limited ("BOC") is wholly owned subsidiary of Linde Bangladesh Limited. This subsidiary is entity controlled by the Company. The subsidiary is not in operation.

These consolidated financial statements comprise the Company and its subsidiary (together referred to as "the Group").

1.2 Nature of business

The Company's principal activities are manufacturing and supply of industrial and medical gases, welding products and equipment and ancillary equipment. The Company also earns rental from cylinders used by the customers and from Vacuum Insulated Evaporators (VIE) installed at customers' premises. The Company also provides services related to its products.

2. Basis of preparation of financial statements

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). Details are as follow:

Name of IFRS/IAS	Compliance Status
IAS 1: Presentation of Financial Statements	Complied
IAS 2: Inventories	Complied
IAS 7: Statement of Cash Flows	Complied
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS 10: Events after the Reporting Period	Complied
IAS 11: Construction Contracts	Complied
IAS 12: Income Taxes	Complied
IAS 16: Property, Plant and Equipment	Complied
IAS 19: Employee Benefits	Complied
IAS 20: Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
IAS 21: The Effects of Changes in Foreign Exchange Rates	Complied
IAS 23: Borrowing Costs	Not Applicable
IAS 24: Related Party Disclosures	Complied
IAS 26: Accounting and Reporting by Retirement Benefit Plans	Not Applicable
IAS 27: Separate Financial Statements	Complied
IAS 28: Investment in Associates and Joint Ventures	Not Applicable
IAS 29: Financial Reporting in Hyperinflationary Economics	Not Applicable
IAS 32: Financial Instruments: Disclosure and Presentation	Complied
IAS 33: Earnings Per Share	Complied
IAS 34: Interim Financial Reporting	Complied
IAS 36: Impairment of Assets	Complied
IAS 37: Provisions, Contingent Liabilities and Contingent assets	Complied
IAS 38: Intangible Assets	Complied
IAS 39: Financial Instruments: Recognition and Measurement	Complied
IAS 40: Investment Property	Not Applicable
IAS 41: Agriculture	Not Applicable
IFRS 1: First time Adoption of International Financial Reporting Standards	Not Applicable

Notes to the financial statements (continued)

Name of IFRS/IAS (continued)	Compliance Status
IFRS 2: Share based Payment	Not Applicable
IFRS 3: Business Combinations	Not Applicable
IFRS 4: Insurance Contracts	Not Applicable
IFRS 5: Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
IFRS 6: Exploration for and Evaluation of Mineral Resources	Not Applicable
IFRS 7: Financial Instruments: Disclosures	Complied
IFRS 8: Operating Segments	Complied
IFRS 9: Financial Instruments	Complied
IFRS 10: Consolidated Financial Statements	Complied
IFRS 11: Joint Arrangements	Not Applicable
IFRS 12: Disclosure of Interests in Other Entities	Not Applicable
IFRS 13: Fair Value Measurement	Complied
IFRS 14: Regulatory Deferral Accounts	Not Applicable
IFRS 15: Revenue from Contracts with Customers	Complied
IFRS 16: Leases	Complied
IFRS 17: Insurance Contracts	Not Applicable

The Company also follows relevant circulars of Bangladesh Securities Exchange Commission (BSEC) and stock exchanges (DSE, CSE).

Details of the Company's accounting policies are included in Note 3. These financial statements were authorised for issue by the board of directors of the Company on **12 MAR 2023**.

2.2 Functional and presentational currency

These financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT), which is both functional currency and presentation currency of the Company. The figures of financial statements have been rounded to the nearest thousand, unless otherwise indicated.

2.3 Basis of measurement

These financial statements have been prepared on accrual basis following going concern concept under historical cost convention. The gratuity scheme is measured based on actuarial valuation.

2.4 Going concern

The accompanying financial statements have been prepared on a going concern assumption that the Company will continue in operation over the foreseeable future. The Company has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The Company has adequate resources to continue in operation for the foreseeable future and the current resources of the Company provide sufficient funds and attributable credit facilities to meet the present requirements of its existing business.

2.5 Use of judgments and estimates

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

(A) Judgments

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

Right-of-use (ROU) assets
Lease term

Note - 7 & 3 (Q)
Note - 16 & 3 (Q)

(B) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2022 is included in the following notes:

Useful life and residual value of property, plant and equipment
Provision for inventory obsolescence
Provision for trade receivable
Current tax liabilities

Note - 5 and 3 (G)
Note - 9.1 and 3 (F)
Note - 10.1.1 and 3 (I)
Note - 20 and 3 (E)



Notes to the financial statements (continued)

3. Significant accounting policies

The Company has consistently (otherwise as stated) applied the following accounting policies to all periods presented in these financial statements.

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

A. Revenue from contracts with customers

Type of product and service

Industrial and medical gases, welding products and equipment, installation of Vacuum Insulated Evaporators (VIE), rental of cylinders and VIEs and other services related to its products

Revenue recognition from sale of goods

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

Invoices are usually paid instantly in case of cash sales or payable as per credit terms offered by the Company.

Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

Revenue from the rental of VIEs and cylinders is recognised over time and invoice for rental of VIE are raised monthly.

B. Finance income and finance costs

Finance income comprises of interest income on funds placed in fixed deposit. Interest income is recognised on accrual basis.

Finance expenses comprise of interest expense on overdraft, bank charges and interest expense on lease liabilities. All finance expenses are recognised in profit or loss.



C. Basis of consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii. Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

D. Foreign currency transactions

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

The financial statements are presented in BDT, which is company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated into (BDT) at the exchange rates ruling at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into (BDT) at the exchange rate ruling at the date of transaction. 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.

E. Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.



i. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. 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 2022.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Temporary difference in relation to right-of-use asset and a lease liability for a specific lease are regarded as net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. 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 realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

F. Inventories

Inventories are measured at lower of cost and net realisable value. Net realisable value is estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Inventories consist of raw materials, spare parts, work-in-process, goods in transit and finished goods. The cost of inventories is based on weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.



G. Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment (PPE) is recognised as an asset if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably.

Items of property, plant and equipment, excluding freehold land, freehold building and leasehold building, are measured at cost less accumulated depreciation and accumulated impairment losses. Freehold land is measured at cost. Freehold buildings and leasehold buildings are measured at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the assets, bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

ii. 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.

iii. Depreciation

Linde Bangladesh Limited uses the month placed in service depreciation convention for all property, plant and equipment. Using this convention, depreciation begins in the month the asset is placed in service regardless of which day within the month the asset is placed in service. All purchased items are placed in service and being depreciated from the month of capitalisation. In case of disposals, depreciation is charged up to the immediate previous month of disposal.

No depreciation is charged on freehold land and capital work in progress. Depreciation is charged on all other items of property, plant and equipment on straight line method. The rates of depreciation vary according to the estimated useful lives of the items of property, plant and equipment. The estimated useful lives for

	Useful lives
Freehold buildings	25 years and 40 years
Plant, machinery and cylinders (including storage tank and vacuum insulated evaporator)	10-20 years
Motor vehicles	5 years
Furniture, fixtures and equipment	5-10 years
Computer hardware	5 years

iv. Derecognition

An asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Gains or losses arising from the derecognition of an asset are determined as the difference between net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

v. Asset under construction

Asset under construction represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost. These are transferred to the property, plant and equipment on the completion of the projects.



H. Intangibles

Recognition and measurement

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible asset is recognised when all the conditions for recognition as per IAS 38: Intangible assets are met. The cost of the intangible assets comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss, when incurred.

Amortisation

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of the intangible assets, from the month they are available for use. Enterprise Resource Plan (ERP) software and other software are amortised at the rate of 12.50% and 33.33% respectively.

I. 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, trade receivable, long term receivables and deposits.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and fixed deposits having maturity of three months or less which are available for use by the Company without any restriction.

(ii) Trade receivables

Trade receivables represent the amounts due from customers for delivering goods or rendering services. Trade receivable is initially recognised at nominal value which is the fair value of the consideration given in return.

After initial recognition, allowances for trade 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)	2022	2021
Invoiced 0-30 days	50.5%	71.1%
Invoiced 31-60 days	5.2%	2.6%
Invoiced 61-90 days	3.5%	0.9%
Invoiced 91-180 days	14.1%	6.6%
Invoiced 181-365 days	11.6%	6.7%
Invoiced and above 365 days	15.1%	12.1%

(iii) Investment

Investment comprise of fixed deposit maturity of more than three months which are available for use by the company without any restriction. The Company has positive intent and ability to hold FDR investment to maturity, and such financial assets are classified as held to maturity. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using effective interest method.

(iv) Investment in subsidiaries

Investment in subsidiaries represent investment in the equity of BOC Bangladesh Limited is presented in the financial statement at cost.

Financial liability

A financial liability is recognised 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. The Company initially recognises financial liabilities 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 trade and other payables, and other non-current liabilities.

J. Impairment

i. Financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ii) Non-financial assets

The carrying amounts of the Company's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any).

Notes to the financial statements (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

K. 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.

L. Workers' profit participation fund

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

M. Employee benefit

The Company maintains both defined contribution plan (provident fund) and a defined benefit plan (gratuity fund) for its eligible permanent employees. 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. The eligibility is determined according to the terms and conditions set forth in the respective deeds as approved by the National Board of Revenue (NBR), where applicable. This benefit is applicable for employees as per service rules.

i. 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 13.5% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognised by the National Board of Revenue (NBR), under the First Schedule, Part B of Income Tax Ordinance 1984.

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

ii. Defined benefit plans (gratuity scheme)

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.



Notes to the financial statements (continued)

iii. Short-term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Provision is made for leave accrued during the year but not availed by employees. The amount is arrived at with reference to the latest basic salary of each employee and unutilised leave.

N. 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 2022.

O. Earnings per share

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

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.

P. Statement of cash flows

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

Q. 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.

i. As a lessee

The Company recognises a right-of-use asset and a lease liability 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 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 or if there is a revised in substance fixed lease payments.



Notes to the financial statements (continued)

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.

R. Contingencies

i. Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the statement of financial position of the Company. Moreover, contingencies arising from claims, litigations, assessments, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

ii. Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognise contingent asset.

S. Events after the reporting period

Events after the statement of financial position date that provide additional information about the Company's position at the statement of financial position are reflected in the financial statements. Events after statement of financial position date that are non-adjusting events are disclosed in the notes when material.

T. Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services within a particular economic environment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company regards its Board of Directors as its chief operating decision maker, as the Board is responsible for allocating resources, assesses performances, and makes strategic decision.



Notes to the financial statements (continued)

4. Operating segments

4.1 Basis for segmentation

The Company has following three strategic division, which are its reportable segments. These divisions offer different products and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Bulk gases	Manufacturing and supply of industrial liquid gases, Oxygen, Nitrogen, Argon and Carbon-di-oxide.
Package gases and products (PG&P)	Manufacturing and supply of industrial compressed packaged gases and welding goods which includes compressed industrial oxygen, dissolved acetylene, Nitrogen, Argon, Carbon-di-oxide and electrodes.
Healthcare	The Healthcare segments includes all services related to supply of medical gas such as medical oxygen and Nitrous oxide, cylinders and accessories, supply and installation of medical gas pipeline system and maintenance of medical equipment.

These three reportable segments are the strategic business units of the Company and are managed separately based on the Company's management and internal reporting structure. For each of the strategic business units, the management reviews internal management report on at least quarterly basis. Performance is measured based on segment profit from operation, as included in the internal management reports. Segment revenue and operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

4.2 Information about reportable segments

Information related to each reportable segment is set out below. Segment profit from operation is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

(In thousands of Taka)	Reportable segments			Total
	Bulk gases	PG and P	Healthcare	
2022				
Revenue	815,834	3,009,885	1,047,285	4,873,004
Profit from operations	313,847	639,861	536,771	1,490,479
2021				
Revenue	667,834	3,048,359	1,366,647	5,082,840
Profit from operations	201,887	985,315	666,187	1,853,389

(In thousands of Taka)	Note	2022	2021
Reconciliation of information on reportable segments to IFRS measures			
i. Revenues			
Total revenue for reportable segments	4.2	4,873,004	5,082,840
Revenue for other segments		-	-
Elimination of inter-segment revenue		4,873,004	5,082,840
Total revenue			
ii. Profit before tax			
Total profit before tax for reportable segments	4.2	1,490,479	1,853,389
Profit before tax for other segments		-	-
Elimination of inter-segment profit		(292,492)	(324,395)
Amount not related to reported segments		1,197,987	1,528,994
Total profit before tax			
iii. Amount not related to reportable segments			
Other income	25	12,203	25,124
Net foreign exchange loss		(33,860)	(4,276)
Royalties and technical assistance fees	24	(44,505)	(49,076)
Net finance income	26	18,495	23,153
Contribution to workers' profit participation fund	27	(59,741)	(78,650)
Unallocated corporate overheads		(185,084)	(240,670)
		(292,492)	(324,395)

Considering the current size and operations of the Company, segmental assets and liabilities are not considered to be critical for regular review by the management.

Accordingly, no disclosure is made regarding the segmental assets and liabilities.



Notes to the financial statements (continued)

5. Property, plant and equipment

See accounting policies in note - 3 (G)

Reconciliation of carrying amount

(In thousands of Taka)	Buildings				Plant machinery and cylinders	Motor vehicles	Furniture fixtures and equipment	Computer hardware	Capital work in progress	Total
	Freehold land	Freehold Buildings	leasehold land	on land						
A. Cost										
Balance at 1 January 2022	75,080	763,408	100,735	4,980,794	150,240	89,978	65,284	68,364	6,293,883	
Addition	-	9,791	-	135,786	18,068	7,036	11,259	215,990	397,931	
Disposal/transfer during the year	-	(2,496)	-	(12,822)	(6,531)	(1,528)	-	(181,941)	(205,318)	
Balance as at 31 December 2022	75,080	770,703	100,735	5,103,758	161,777	95,486	76,543	102,413	6,486,496	
Balance at 1 January 2021	75,080	757,158	106,426	4,827,441	142,613	85,391	63,397	74,802	6,132,307	
Addition	-	6,250	-	204,712	7,627	4,587	1,887	218,625	443,688	
Disposal/transfer during the year	-	-	(5,691)	(51,359)	-	-	-	(225,063)	(282,112)	
Balance as at 31 December 2021	75,080	763,408	100,735	4,980,794	150,240	89,978	65,284	68,364	6,293,883	
B. Accumulated depreciation										
Balance at 1 January 2022	-	203,285	64,057	2,410,481	138,942	70,313	61,320	-	2,948,398	
Depreciation	-	25,530	1,622	254,742	7,525	4,819	2,745	-	296,983	
Disposal/transfer during the year	-	(1,328)	-	(12,371)	(6,531)	(1,528)	-	-	(21,757)	
Balance as at 31 December 2022	-	227,487	65,679	2,652,852	139,936	73,604	64,065	-	3,223,624	
Balance at 1 January 2021	-	178,131	68,108	2,210,040	129,452	65,658	55,967	-	2,707,355	
Depreciation	-	25,154	1,640	250,762	9,490	4,655	5,353	-	297,054	
Disposal/transfer during the year	-	-	(5,691)	(50,321)	-	-	-	-	(56,012)	
Balance as at 31 December 2021	-	203,285	64,057	2,410,481	138,942	70,313	61,320	-	2,948,397	
C. Carrying amounts (A-B)										
At 31 December 2022	75,080	543,216	35,056	2,450,906	21,841	21,882	12,478	102,413	3,262,872	
At 31 December 2021	75,080	560,124	36,678	2,570,313	11,298	19,664	3,964	68,364	3,345,486	

5.1 Allocation of depreciation

	Note	2022	2021
(In thousands of Taka)			
Cost of sales	23.1.1	222,968	221,031
Operating expenses	24	74,015	76,023
		296,983	297,054



Notes to the financial statements (continued)

6. Intangible assets

See accounting policies in note - 3 (H)

	Note	Amount
<i>(In thousands of Taka)</i>		
A. Cost		68,503
Balance at 1 January 2022		-
Additions made during the year		-
Adjustment/transfer during the year		68,503
Balance at 31 December 2022		68,493
Balance at 1 January 2021		10
Additions made during the year		-
Adjustment/transfer during the year		68,503
Balance at 31 December 2021		
B. Accumulated amortisation		68,322
Balance at 1 January 2022	24	149
Amortisation charged during the year		68,471
Balance at 31 December 2022		68,008
Balance at 1 January 2021	24	314
Amortisation charged during the year		68,322
Balance at 31 December 2021		
C. Carrying amounts (A-B)		32
Balance as at 31 December 2022		181
Balance as at 31 December 2021		

7. Right-of-use (ROU) assets

See accounting policies in note - 3 (Q)

	Note	2022	2021
<i>(In thousands of Taka)</i>			
At cost		49,099	44,811
Balance at 1 January		6,110	30,130
Additions made during the year		1,082	(25,842)
Lease adjustment/ expired during the year		56,291	49,099
Balance as at 31 December			
Accumulated depreciation		15,038	32,652
Balance at 1 January	24	8,918	6,008
Charged during the year		(3,014)	(23,622)
Lease adjustment/ expired during the year		20,942	15,038
Balance as at 31 December		35,349	34,061
Written down value as at 31 December			

8. Investment in subsidiaries

	Note	2022	2021
<i>(In thousands of Taka)</i>			
BOC Bangladesh Limited		20	20
		20	20

This represents the Company's investment in BOC Bangladesh Limited, a 99.95% owned subsidiary of Linde Bangladesh Limited. Linde Bangladesh Limited holds 1,999 ordinary shares out of 2,000 ordinary shares of BOC Bangladesh Limited for TK 10 each. Mr. AKM Tareq is acting in the role of Managing Director of BOC Bangladesh Limited

9. Inventories

See accounting policies in note - 3 (F)

	Note	2022	2021
<i>(In thousands of Taka)</i>			
Raw materials		476,984	364,512
Finished goods		478,750	401,388
Goods in transit		30,951	34,342
Maintenance spares		200,727	184,209
Provision for inventory obsolescence	9.1	(62,522)	(71,983)
		1,124,890	912,468

Notes to the financial statements (continued)

9.1	Provision for inventory obsolescence			
	(In thousands of Taka)	Note	2022	2021
	Balance as at 1 January		71,983	64,348
	Provision made/(reversed) during the year		(9,461)	7,635
	Balance as at 31 December		62,522	71,983

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

10. Trade and other receivables

See accounting policies in note - 3 (I)

	(In thousands of Taka)	Note	2022	2021
	Trade receivables	10.1	996,549	780,577
	Inter company receivables		1,378	9,792
	Interest receivable		1,387	475
	Other receivables		46,843	30,107
			1,046,156	820,951

10.1 Trade receivables

	(In thousands of Taka)	Note	2022	2021
	Gases		134,368	167,046
	Welding		149,848	98,005
	Healthcare		811,862	618,865
	Trade receivables		1,096,078	883,916
	Provision for trade receivables	10.1.1	(99,529)	(103,339)
			996,549	780,577

10.1.1 Provision for trade receivables

	(In thousands of Taka)	Note	2022	2021
	Balance as at 1 January		103,339	85,307
	Provision made for trade receivables		(3,810)	18,032
	Balance as at 31 December		99,529	103,339

11. Advances, deposits and prepayments

	(In thousands of Taka)	Note	2022	2021
	Loans and advances to employees		63,101	58,759
	Advances to suppliers		422	370
	Deposits and prepayments		324,726	230,806
	VAT current account		32,174	4,213
	Current account with subsidiaries	11.1	537	485
			420,961	294,633

Advances, deposits and prepayments are segregated as follow:

	105,320	88,505
Non-current	315,641	206,128
Current	420,961	294,633

11(a) Advances, deposits and prepayments (consolidated)

	105,320	88,505
Non-current	315,104	205,643
Current	420,424	294,148



Notes to the financial statements (continued)

11.1	Current account with subsidiaries	2022	2021
	(In thousands of Taka)		
	BOC Bangladesh Limited	537	485

Above amounts are unsecured, but considered good.

12. Cash and cash equivalents

See accounting policies in note - 3 (I)

	2022	2021
(In thousands of Taka)		
Cash in hand	16	265
Cash at bank	420,459	658,561
Fixed deposits with banks*	2,100,000	2,340,000
	2,520,475	2,998,826

There is lien on one fixed deposit of BDT 10,000,000.

12.1 Reconciliation of net operating cash flows

	Note	2022	2021
(In thousands of Taka)			
Net profit before tax		1,135,084	1,494,345
Add: Items not involving movement of cash			
Depreciation on property, plant and equipment	5	296,983	297,054
Amortization on intangible assets	6	149	314
Gain on disposal of property, plant and equipment	25	(11,951)	(20,382)
Finance cost	26	(76)	-
Interest income	26	(19,861)	(24,241)
Provision for workers profit participation fund (WPPF)	27.1	59,741	78,650
Provision for gratuity	14.1.1	42,793	26,621
		367,778	358,016
A. Cash generated from operations before changes in working capital		1,502,862	1,852,361
Changes in working capital:			
(Increase)/decrease in inventories		(212,422)	(39,025)
(Increase) in trade and other receivables		(224,293)	(89,035)
(Increase)/decrease in advances, deposits and prepayments		(126,276)	10,982
Increase in other non current liability		(11,980)	(12,593)
(Decrease)/increase in accrued employee benefit		24,690	(11,934)
Increase/(decrease) in trade and other payables		36,753	(21,543)
Increase in provision for expenses		(12,572)	(45,113)
		(526,100)	(208,261)
B. Total changes in working capital		976,762	1,644,100
C. Cash generated from operating activities (A+B)		976,762	1,644,100
Less: Payments made during the year			
Tax paid		(308,220)	(323,370)
Interest paid		(76)	-
Workers profit participation fund (WPPF) paid		(78,650)	(76,046)
Gratuity paid	14.1.1	(21,881)	(22,018)
		(408,827)	(421,434)
D. Total payment		567,936	1,222,666
Net cash inflows from operating activities (C+D)		567,936	1,222,666



Notes to the financial statements (continued)

12(a) Cash and cash equivalents (consolidated)

	2022	2021
<i>(In thousands of Taka)</i>		
Linde Bangladesh Limited	2,520,475	2,998,826
BOC Bangladesh Limited	20	20
	2,520,495	2,998,846

12(aa) Reconciliation of net operating Cash flows (consolidated)

	Note	2022	2021
<i>(In thousands of Taka)</i>			
Net profit before tax		1,135,084	1,494,345
Add: Items not involving movement of cash			
Depreciation on property, plant and equipment		296,983	297,054
Amortization on intangible assets		149	314
Gain on disposal of property, plant and equipment		(11,951)	(20,382)
Finance cost		(76)	-
Interest income		(19,861)	(24,241)
Provision for workers profit participation fund (WPPF)		59,741	78,650
Provision for gratuity		42,793	26,621
		367,778	358,016
A. Cash generated from operations before changes in working capital		1,502,862	1,852,361
Changes in working capital:			
(Increase)/decrease in inventories		(212,422)	(39,025)
Increase in trade and other receivables		(224,293)	(89,035)
(Increase)/decrease in advances, deposits and prepayments		(126,328)	10,913
Increase in other non current liability		(11,980)	(12,593)
(Decrease)/increase in other employee benefit		24,690	(11,934)
Increase/(decrease) in trade and other payables		36,753	(21,543)
Increase in provision for expenses		(12,555)	(45,113)
B. Total changes in working capital		(526,135)	(208,330)
C. Cash generated from operating activities (A+B)		976,727	1,644,031
Less: Payments made during the year			
Tax paid		(308,220)	(323,370)
Interest paid		(76)	-
Workers profit participation fund (WPPF) paid		(78,650)	(76,046)
Gratuity paid	14.1.1	(21,881)	(22,018)
		(408,827)	(421,434)
D. Total payment			
Net cash inflows from operating activities (C+D)		567,901	1,222,597



Notes to the financial statements (continued)

13. Equity attributable to owners of the company/share capital

13.1	Authorised capital	2022	2021
	<i>(In thousands of Taka)</i>		
	20,000,000 ordinary shares of Taka 10 each	200,000	200,000

13.2	Issued, subscribed and paid up capital	2022	2021
	<i>(In thousands of Taka)</i>		
	3,616,902 ordinary shares of Taka 10 each issued for cash	36,169	36,169
	999,498 ordinary shares of Taka 10 each issued for consideration other than cash	9,995	9,995
	10,601,880 bonus shares of Taka 10 each	106,019	106,019
		152,183	152,183

13.3 Percentage of shareholdings

Name of Shareholders	% of shareholdings		In thousands of Taka	
	2022	2021	2022	2021
The BOC Group Limited	60.0	60.0	91,310	91,310
Investment Corporation of Bangladesh (ICB)	14.3	14.3	21,747	21,741
LankaBangla Investments Ltd.	0.8	1.3	1,250	2,010
Sadharan Bima Corporation (SBC)	1.3	1.3	2,047	2,047
Pubali Bank Securities Limited	1.3	1.3	1,923	1,987
Other shareholders	22.3	21.7	33,906	33,088
	100	100	152,183	152,183

13.4 Classification of shareholders by holding

Holdings	Number of holders		Total holding (%)	
	2022	2021	2022	2021
Less than 500 shares	8,934	6,443	4.2	3.3
500 to 5,000 shares	624	440	5.7	3.9
5,001 to 10,000 shares	51	40	2.5	2.0
10,001 to 20,000 shares	42	30	3.8	3.0
20,001 to 30,000 shares	11	9	1.7	1.4
30,001 to 40,000 shares	6	7	1.4	1.6
40,001 to 50,000 shares	3	7	0.9	2.1
50,001 to 100,000 shares	7	8	3.1	3.9
100,001 to 1,000,000 shares	6	6	9.1	9.0
Over 1,000,000 shares	2	2	67.7	69.7
	9,686	6,992	100	100

14. Employee benefits

See accounting policies in note - 3 (M)

	Note	2022	2021
<i>(In thousands of Taka)</i>			
Gratuity scheme	14.1	205,695	184,782

	2022	2021
<i>(In thousands of Taka)</i>		
Employee benefits-non current portion	165,485	167,502
Employee benefits-current portion	40,210	17,280
Employee benefits in the statement of financial position at 31 December	205,695	184,782



Notes to the financial statements (continued)

14.1	Gratuity scheme	2022	2021
	<i>(In thousands of Taka)</i>		
	Amount recognised in the statement of financial positions		
	Defined benefit obligation	205,720	184,820
	Fair value of plan assets*	(25)	(38)
		205,695	184,782

* Gratuity scheme was unfunded in 2020 and a fund has been formed in 2021 when approval from NBR was received on 15 July 2021. The Company has maintained the plan asset through separate bank account in Standard Chartered Bank.

14.1.1	Movement in defined benefit obligation	2022	2021
	<i>(In thousands of Taka)</i>		
	Net defined benefit liability at the end of prior period	184,783	180,180
	Service cost	9,880	9,363
	Interest cost	11,800	11,587
	Actuarial remeasurement (gain)/loss recognised in OCI	21,113	5,671
	Benefit paid during the year	(21,881)	(22,018)
	Net defined benefit liability at the end of this period	205,695	184,783

14.2	Significant actuarial assumptions	2022	2021
	<i>Rate</i>		
	Discount rate	8.25%	6.8%
	Salary escalation rate	8.5% for 23-25 and 6% thereafter	6.0%
	Withdrawal rate	Age 20-50 years: 3%; 1% thereafter	
	Mortality rate	* Indian Assured Lives Mortality (2006-2008) Ultimate	

* Willis Towers Watson is appointed as the actuary for Linde Bangladesh Limited. Actuary considered this table as no such mortality statistics is available for Bangladesh.

14.3	Expected cash flow for following year	2022	2021
	<i>(In thousands of Taka)</i>		
	Expected employer's contribution for next year	40,210	17,280
	Expected benefit payments for the year ended		
	Year 1	40,210	17,280
	Year 2	23,800	24,970
	Year 3	19,690	20,450
	Year 4	31,720	17,110
	Year 5	26,130	26,580
	Next 5 years	106,920	117,910



Notes to the financial statements (continued)

14.4 Sensitivity analysis

A change of 0.5% in discount rate or future salary escalation rate will result a variation in Defined Benefit Obligation as below, considering that the other conditions will remain constant:

	2022	2021
<i>(In thousands of Taka)</i>		
Increase of discount rate	(2,680)	(4,310)
Increase in future salary growth	5,660	4,570
Decrease of discount rate	2,760	4,540
Decrease in future salary growth	(5,370)	(4,370)

14.5 Summary of principal rules of the plan

Plan sponsor
Nature of benefit
Applicable salary
Vesting schedule
Normal retirement age
Maximum limit
Benefits formula

Linde Bangladesh Limited
Defined benefit plan
Last drawn monthly basic salary
6 months
60 years
Not applicable
Service length

More than 6 months and less than 10 years
10 years and above

30 days basic for each year
45 days basic for each year
60 days basic for each year

In case an employee completes 11 year of services and attains 57 years of age, he/she will be entitled to 2 basic x no of year in services



Notes to the financial statements (continued)

15. Income tax expense				
See accounting policies in note - 3 (E)				
(In thousands of Taka)				
Amounts recognised in profit or loss				
Income tax expense		249,832	323,186	
Current tax expense		1,957	(54,617)	
Deferred tax (income) / expense	15.2	251,789	268,569	

15.1 Reconciliation of effective tax rate

(In thousands of Taka)				
Profit before income tax		1,135,084	1,494,345	
Income tax		255,394	23%	336,228
Factors affecting the tax charge for current period				
Non-deductible expenses	0.81%	9,205	1.83%	27,419
Admissible expenses	-1.17%	(13,301)	-1.37%	(20,461)
Prior year provision released due to changes in tax rate during the year	0.00%	-	-1.34%	(20,000)
Movement of temporary differences	0.17%	1,957	-3.65%	(54,617)
Total income tax expense	22.31%	253,255	17.97%	268,569

15.2 Deferred tax liabilities

See accounting policies in note - 3 (E)				
(In thousands of Taka)				
Closing balance		(354,948)	(356,465)	
Balance at beginning of the year		(356,465)	(405,533)	
Recognised in other comprehensive income		(3,474)	5,549	
Recognised in profit or loss	15.3	1,957	(54,617)	



Notes to the financial statements (continued)

15.3 Movement in deferred tax balances

Deferred tax liabilities have been recognised and measured in accordance with the provision of IAS 12 Income Taxes.

	Balance as at 31 December				
	Net balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Net	Deferred tax assets Deferred tax liabilities
<i>(In thousands of Taka)</i>					
For the year ended 31 December 2022					
Property, plant and equipment	(442,645)	(284)	-	(442,361)	(442,361)
Intangible assets	5,157	486	-	4,671	-
Provision for inventory obsolescence	16,196	2,129	-	14,067	-
Impairment loss allowance on trade receivables	23,251	857	-	22,394	-
Employee benefits	40,300	(1,231)	-	41,531	-
Deferred tax on OCI	1,276	-	(3,474)	4,750	-
Net deferred tax assets (liabilities)	(356,465)	1,957	(3,474)	(354,948)	(442,361)
For the year ended 31 December 2021					
Property, plant and equipment	(487,221)	(44,576)	-	(442,645)	(442,645)
Intangible assets	6,296	1,139	-	5,157	-
Inventories	11,417	(4,779)	-	16,196	-
Trade receivables	23,019	(232)	-	23,251	-
Employee benefits	34,131	(6,169)	-	40,300	-
Deferred tax on OCI	6,825	-	5,549	1,276	-
Net deferred tax assets (liabilities)	(405,533)	(54,617)	5,549	(356,465)	(442,645)



Notes to the financial statements (continued)

16. Lease obligation - leases as lessee

See accounting policies in note - 3 (Q)

	Note	2022	2021
(In thousands of Taka)			
Lease liabilities-non current portion		15,773	21,452
Lease liabilities-current portion		4,771	10,190
Lease liabilities in the statement of financial position at 31 December		20,544	31,642

ii) Amounts recognized in profit or loss

Interest on lease obligation	26	1,290	1,088
Depreciation expense	24	8,918	6,008
		10,208	7,096

iii) Amounts recognized in statement of cash flows

Total cash outflows for leases	(6,855)	(6,355)
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iv) Movement in lease payable

At 1 January	31,642	11,845
Additions	4,499	25,064
Interest accrued	1,290	1,088
Repayment	(6,855)	(6,355)
Adjustment during the year	(10,032)	-
	20,544	31,642

(v) Maturity analysis of lease

Non-cancellable operating lease rentals are payable as follows:

No later than one year	4,771	10,190
Between two and five years	9,650	13,337
More than five years	6,123	8,115
	20,544	31,642

The Company had entered into lease agreements for office space of sales centres and debulking station at Benapole. The leases typically run for a period of 3-10 years, with an option to renew the lease after its expiry.

17. Other non-current liabilities

See accounting policies in note - 3 (I)

	Note	2022	2021
(In thousands of Taka)			
Cylinder security deposit		236,972	248,952

Cylinder security deposit from customers is a liability of continuing nature raised through daily business operation.



Notes to the financial statements (continued)

18. Trade and other payables

See accounting policies in note - 3 (I)

	Note	2022	2021
<i>(In thousands of Taka)</i>			
Trade payables		316,011	241,150
Inter company payables		235,847	277,971
Payables for capital items		35,038	31,286
Advances from customers		85,561	90,813
Others*		670,242	660,975
		1,342,700	1,302,195

* The Board of Directors of Linde Bangladesh Limited, at a meeting held on 27 April 2016, approved the transfer of lease entitlement of land at Tejgaon site, Dhaka measuring 2.31 acres. The money has already been received and now waiting for transfer through execution of transfer deed which is in process.

19. Provision for expenses

See accounting policies in note - 3 (K)

	Note	2022	2021
<i>(In thousands of Taka)</i>			
Accrued expenses		25,015	36,166
Accrued employee benefits		47,983	23,293
Workers' profit participation fund	19.1	59,755	78,664
		132,753	138,123

19(a) Provision for expenses (consolidated)

		2022	2021
Accrued expenses		25,139	36,273
Accrued employee benefits		47,983	23,293
Workers' profit participation fund	19.1	59,755	78,664
		132,877	138,230

19.1 Workers' profit participation fund

See accounting policies in note - 3 (L)

	Note	2022	2021
<i>(In thousands of Taka)</i>			
Balance as at 1 January		78,664	76,060
Add: Provision made during the year	27	59,741	78,650
		138,405	154,710
Less: Payment during the year		(78,650)	(76,046)
Balance as at 31 December		59,755	78,664

20. Current tax liabilities

See accounting policies in note - 3 (E)

	Note	2022	2021
<i>(In thousands of Taka)</i>			
Provision for tax	20.1	275,535	358,671
Advance income tax	20.2	(232,962)	(257,711)
		42,573	100,960

20(a) Current tax liabilities (consolidated)

	Note	2022	2021
<i>(In thousands of Taka)</i>			
Provision for tax	20.1	275,535	358,671
Advance income tax	20.2	(232,962)	(257,711)
		42,573	100,960



Notes to the financial statements (continued)

20.1 Provision for tax				
	<i>(In thousands of Taka)</i>	Note	2022	2021
Balance as at 1 January		15	358,671	360,874
Add: Provision made during the year			249,832	323,186
			608,503	684,060
Less: Adjustment during the year			(332,969)	(325,389)
Balance as at 31 December			275,535	358,671
20.2 Advance income tax				
	<i>(In thousands of Taka)</i>	Note	2022	2021
Balance as at 1 January			257,711	259,730
Payment made u/s- 64 and 74			139,358	163,897
Withholding tax			168,862	159,473
Tax adjusted for prior years			(332,969)	(325,389)
Balance as at 31 December			232,962	257,711
21. Unclaimed dividend				
	<i>(In thousands of Taka)</i>	Note	2022	2021
The ageing of unclaimed dividend at the reporting date was:				
			9,835	8,390
Within 1 year			7,730	8,976
Upto 1 year to 2 years			8,692	6,479
Upto 2 years to 3 years			-	-
Above 3 years*			26,257	23,845

*As per the Directive No. BSEC/CMRRCD/2021-386/03 and Bangladesh Securities and Commission Rules (Capital Market Stabilisation Fund) Rules, 2021, if cash dividend remains unpaid or unclaimed for a period of three years from the date of declaration or approval or record date, shall be transferred to CMSF (Capital market Stabilisation Fund). The Company transferred the dividend of BDT 78,433,703.69 that was unclaimed for more than 3 years to CMSF.



Notes to the financial statements (continued)

22. Revenue

See accounting policies in note - 3 (A)

	UOM	2022		2021	
		Quantity '000	Taka '000	Quantity '000	Taka '000
ASU gases	M ³	27,085	1,356,637	33,587	1,626,827
Dissolved acetylene	M ³	96	98,628	138	91,680
Electrodes	M. Ton	16	2,597,695	18	2,663,534
Others			820,044		700,799
			4,873,004		5,082,840

23. Cost of sales

(In thousands of Taka)

	Note	2022	2021
Opening inventories of manufactured products		150,173	204,960
Cost of goods manufactured	23.1	2,927,386	2,600,837
Closing inventories of manufactured products		(341,783)	(150,173)
Cost of sales of manufactured products		2,735,776	2,655,624
Cost of trading products		130,865	105,399
		2,866,641	2,761,023

23.1 Cost of goods manufactured

(In thousands of Taka)

	Note	2022	2021
Raw and packing materials consumed	23.1.2	2,081,936	1,770,234
Manufacturing overhead	23.1.1	557,966	589,547
Fuel and power		287,484	241,056
		2,927,386	2,600,837

23.1.1 Manufacturing overhead

(In thousands of Taka)

	Note	2022	2021
Salaries, wages and staff welfare		233,079	228,183
Depreciation on property, plant and equipment	5.1	222,968	221,031
Repairs to machinery		58,057	79,961
Repairs to building		10,359	13,619
Maintenance		1,115	1,921
Insurance		10,016	8,324
Rent, rates and taxes		442	546
Travelling and conveyance		1,010	877
Training expenses		18	272
Vehicle running expenses		6,015	7,074
Telephone, telex and fax		825	772
Printing, postage, stationery and office supplies		1,698	2,008
Consultancy fees		5,170	2,569
Inventory written off		10,430	8,927
Provision made/(reversal) for inventory obsolescence		(9,461)	7,635
Sundry factory expenses		6,223	5,828
		557,966	589,547



Notes to the financial statements (continued)

23.1.2 Raw and packing materials consumed

Particulars	Unit of measurement (UOM)	Opening stock		Purchase		Closing stock		Consumption		% of total consumption
		Quantity MT '000	Cost Taka '000	Quantity MT '000	Cost Taka '000	Quantity MT '000	Cost Taka '000	Quantity MT '000	Cost Taka '000	
For the year ended 31 December 2022										
Calcium carbide	M. Ton	14	1,701	447	92,797	170	35,462	291	59,035	2.84
Wire	M. Ton	542	42,288	14,050	1,254,048	691	62,578	13,901	1,233,759	59.26
Blended powder	M. Ton	732	91,139	289	67,395	316	68,248	705	90,286	4.34
Others*			229,384		780,168		310,696		698,856	33.57
Total 2022			364,512		2,194,408		476,984		2,081,936	100.00
For the year ended 31 December 2021										
Calcium carbide	M. Ton	69	6,056	436	38,497	14	1,701	491	42,852	2.42
Wire	M. Ton	259	15,657	13,178	919,678	542	42,288	12,895	893,047	50.45
Blended powder	M. Ton	683	88,913	1,000	122,400	732	91,139	951	120,174	6.79
Others*			177,875		765,670		229,384		714,161	40.34
Total 2021			288,500		1,846,245		364,512		1,770,234	100.00

*Others include imported liquids, different types of chemicals, lubricants and packing materials purchased from local market and abroad.



Notes to the financial statements (continued)

24. Operating expenses	Note	2022	2021
<i>(In thousands of Taka)</i>		281,226	247,542
Salaries, wages and staff welfare	5.1	74,015	76,023
Depreciation on property, plant and equipment	7	8,918	6,008
Depreciation on right-of-use asset	6	149	314
Amortisation of intangible assets		931	604
Fuel and power		6,394	1,332
Repairs to building		11,968	4,903
Maintenance		1,341	567
Insurance		238,116	264,190
Delivery expenses		9,628	6,203
Rent, rates and taxes		8,760	5,356
Travelling and conveyance		82	26
Training expenses		8,153	4,273
Telephone, telex and fax		30,977	30,726
Global information service		7,063	6,879
Outsourcing service charge		4,328	5,187
Printing, postage, stationery and office supplies		19,866	10,456
Advertising and promotion	10.1.1	(3,810)	18,032
Provision made for trade receivable		(2,236)	15,499
Bad debts written off		38,876	24,715
Legal and professional charge		44,505	49,076
Royalties and technical assistance fees	24.1	850	800
Audit fees		6,101	5,043
Bank charges		319	139
Entertainment		11,855	8,930
Sundry office expenses		808,376	792,823

24(a) Operating expenses (consolidated)		281,226	247,542
Salaries, wages and staff welfare	5.1	74,015	76,023
Depreciation on property, plant and equipment	7	8,918	6,008
Depreciation on right-of-use asset	6	149	314
Amortisation of intangible assets		931	604
Fuel and power		6,394	1,332
Repairs to building		11,968	4,903
Maintenance, others		1,341	567
Insurance		238,116	264,190
Delivery expenses		9,628	6,203
Rent, rates and taxes		8,760	5,356
Travelling and conveyance		82	26
Training expenses		8,153	4,273
Telephone, telex and fax		30,977	30,726
Global information service		7,063	6,879
Outsourcing service charge		4,328	5,187
Printing, postage, stationery and office supplies		19,866	10,456
Advertising and promotion	10.1.1	(3,810)	18,032
Provision made for trade receivable		(2,236)	15,499
Bad debts written off		38,876	24,715
Legal and professional charge		44,505	49,076
Royalties and technical assistance fees	24.1	919	869
Audit fees		6,101	5,043
Bank charges		319	139
Entertainment		11,855	8,930
Sundry office expenses		808,445	792,892



Notes to the financial statements (continued)

24.1	Audit fees		2022	2021
	<i>(In thousands of Taka)</i>			
	Statutory audit		650	600
	Other audit		200	200
			850	800
25.	Other income		2022	2021
	<i>(In thousands of Taka)</i>			
	Gain on disposal of property, plant and equipment	Note 25.1	11,951	20,382
	Compensation received from insurance company		-	4,310
	Rental income from house property		252	432
			12,203	25,124
25.1	Gain on disposal of property, plant and equipment		2022	2021
	<i>(In thousands of Taka)</i>			
	A. Proceeds from sales of property, plant and equipment	Note 38	13,570	21,420
	B. Carrying amount			
	Cost of the property, plant and equipment		23,377	57,050
	Accumulated depreciation		(21,758)	(56,012)
			1,619	1,038
	C. Gain on disposal (A-B)		11,951	20,382
26.	Net finance income			
	See accounting policies in note - 3 (B)			
	<i>(In thousands of Taka)</i>		2022	2021
	Finance income		19,861	24,241
	Finance cost		(76)	-
	Interest expenses for lease		(1,290)	(1,088)
			18,495	23,153
27.	Contribution to workers' profit participation fund (WPPF)			
	See accounting policies in note - 3 (L)			
	<i>(In thousands of Taka)</i>		2022	2021
	Contribution to workers' profit participation fund	Note 27.1	59,741	78,650
27.1	Computation of contribution to WPPF		2022	2021
	<i>(In thousands of Taka)</i>			
	Profit before contribution to WPPF		1,194,825	1,572,995
	Applicable contribution rate		5%	5%
			59,741	78,650
28.	Directors' remuneration		2022	2021
	<i>(In thousands of Taka)</i>			
	Fees		420	370
	Salaries and benefits		14,117	14,228
			14,537	14,598



Notes to the financial statements (continued)

29. Financial instruments - Fair values and risk management

29.1 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.

Carrying amount								
	Note	Fair value - hedging instruments	Mandatorily at FVTPL-Others	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortised cost	Other financial liabilities	Total amount
(In thousands of Taka)								
31 December 2022								
Financial assets not measured at fair value								
Investment in subsidiaries	8	-	-	-	-	20	-	20
Trade and other receivables	10	-	-	-	-	1,046,156	-	1,046,156
Cash and cash equivalents	12	-	-	-	-	2,520,475	-	2,520,475
		-	-	-	-	3,566,651	-	3,566,651
Financial liabilities not measured at fair value								
Other non-current liabilities	17	-	-	-	-	-	236,972	236,972
Trade and other payables*	18	-	-	-	-	-	678,575	678,575
		-	-	-	-	-	915,547	915,547
31 December 2021								
Financial assets not measured at fair value								
Investment in subsidiaries	8	-	-	-	-	20	-	20
Trade and other receivables	10	-	-	-	-	820,951	-	820,951
Cash and cash equivalents	12	-	-	-	-	2,998,826	-	2,998,826
		-	-	-	-	3,819,797	-	3,819,797
Financial liabilities not measured at fair value								
Other non-current liabilities	17	-	-	-	-	-	248,952	248,952
Trade and other payables*	18	-	-	-	-	-	638,070	638,070
		-	-	-	-	-	887,022	887,022

* Advances against transfer of lease entitlement as referred in note number 18 is not of financial liabilities nature.

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



29.2 Financial risk management

The Company's 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 control and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk (Note - 29.2.1)
- Liquidity risk (Note - 29.2.2)
- Market risk (Note - 29.2.3)

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.

29.2.1 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.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of customer, including the default risk of the industry and financial strength of the customer, as these factors may have an influence on credit risk. Geographically there is no concentration of credit risk.

The Debtors Management Review Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's payment, delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum outstanding amount of credit sale without requiring approval from the Committee; these limits are reviewed as per HPO (High Performance Organisation) guideline of Linde Group in each quarter. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a cash/deposit scheme basis.

The Company has established a provision policy for doubtful debts in alignment of its Group Policy. This represents the Company's estimate of incurred losses of trade receivables. The Company provides for ECL (Expected Credit Loss) rate of trade receivables which are overdue less than 365 days and 100% of trade receivables which are more than 365 days for gases and welding product customers. Loss rate for healthcare customers is applied on gross trade receivable to work out provisions.

The Company held cash and cash equivalents of Taka 2,520,475 thousand at 31 December 2022 (2021: Taka 2,998,826 thousand), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with different banks which are rated from AA3 to AAA, based on ratings by Credit Rating Agency of Bangladesh (CRAB) and Credit Rating Information and Services Limited (CRISL).

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

a) Exposure to credit risk

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

<i>(In thousands of Taka)</i>	<i>Note</i>	2022	2021
Trade receivables	10.1	1,096,078	883,916
Provision for trade receivable	10.1.1	(99,529)	(103,339)
		996,549	780,577
Cash at bank	12	2,520,459	2,998,561
		3,517,008	3,779,138



Notes to the financial statements (continued)

The maximum exposure to credit risk for trade receivables at the reporting date by product category was:

		134,368	167,046
Gases		149,848	98,005
Welding		811,862	618,865
Healthcare	10.1	1,096,078	883,916

b) Ageing of trade receivables

(In thousands of Taka)

	Note	2022	2021
The ageing of gross trade receivables at the reporting date was		553,340	628,312
Invoiced 0-30 days		56,715	22,952
Invoiced 31-60 days		38,910	8,120
Invoiced 61-90 days		154,058	58,606
Invoiced 91-180 days		127,254	58,923
Invoiced 181-365 days		165,801	107,004
Invoiced and above 365 days	10.1	1,096,078	883,917

Movement in the provision for doubtful debts during the year was as follows:

		103,339	85,307
Opening balance	10.1.1	(3,810)	18,032
Provision made during the year		99,529	103,339
Closing balance			

29.2.2 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 they fall 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 for periods which the Company thinks appropriate, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters. Moreover, the group seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment.

The following are the contractual maturities of financial liabilities:

(In thousands of Taka)	Carrying amount	Contractual cash flows					
		Total	6 months or less	6 months to 12 months	1 year to 2 years	2 years to 5 years	More than 5 years
As at 31 December 2022							
Non-derivative financial liabilities							
Trade payables	316,011	316,011	316,011	-	-	-	-
Inter company payables	235,847	235,847	235,847	-	-	-	-
Payables for capital items	35,038	35,038	35,038	-	-	-	-
	586,896	586,896	586,896	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	586,896	586,896	586,896	-	-	-	-
As at 31 December 2021							
Non-derivative financial liabilities							
Trade payables	241,150	241,150	241,150	-	-	-	-
Inter company payables	277,971	277,971	277,971	-	-	-	-
Payables for capital items	31,286	31,286	31,286	-	-	-	-
	550,407	550,407	550,407	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	550,407	550,407	550,407	-	-	-	-



Notes to the financial statements (continued)

29.2.3 Market risk

Market risk is the risk that any change in market conditions, such as foreign exchange rates, interest rates and commodity prices that 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, while optimising the return.

a) Currency risk

The Company is exposed to currency risk on certain revenues and purchases that are denominated in foreign currencies. Majority of the company's foreign currency transactions are denominated in USD, Euro, SGD and GBP and relate to procurement of raw materials, capital items from abroad. The Company also has exposure in foreign currencies relating to some services. The Company also earns foreign currencies from export and deemed export of goods and services.

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

<i>(In thousands of Taka)</i>	BDT	USD	INR	THB	GBP	EUR	SGD
i) Exposure to currency risk							
As at 31 December 2022							
A. Foreign currency denominated assets							
Trade receivable	-	-	-	-	-	-	-
Intercompany receivable	-	-	-	-	-	-	-
B. Foreign currency denominated liabilities							
Trade payables	(94,798)	(919)	-	-	-	-	-
Intercompany payables	(111,875)	(188)	-	-	-	(298)	(775)
	(206,674)	(1,107)	-	-	-	(298)	(775)
C. Net exposure (A-B)	(206,674)	(1,107)	-	-	-	(298)	(775)
As at 31 December 2021							
A. Foreign currency denominated assets							
Trade receivable	-	-	-	-	-	-	-
Intercompany receivable	-	-	-	-	-	-	-
B. Foreign currency denominated liabilities							
Trade payables	(4,649)	(54)	-	-	-	-	-
Intercompany payables	(124,575)	(827)	-	-	-	(296)	(382)
	(129,223)	(881)	-	-	-	(296)	(382)
C. Net exposure (A-B)	(129,223)	(881)	-	-	-	(296)	(382)

The following significant exchange rates have been applied during the year:

<i>Exchange rate in Taka</i>	Average rate		Year end spot rate	
	2022	2021	2022	2021
US Dollar (USD) 1	103.93	85.77	103.14	86.09
Great Britain Pound (GBP) 1	126.47	114.15	124.62	116.50
EURO (EUR) 1	110.04	96.95	110.41	97.88
INR 1	1.26	1.14	1.25	1.16
SGD 1	76.87	63	76.99	63.82



Notes to the financial statements (continued)

ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A reasonably possible (assume 5%) strengthening/(weakening) of foreign currencies against functional currency as at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(In thousands of Taka)	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
Year 2022				
USD	(5,709)	5,709	4,424	(4,424)
EUR	(1,643)	1,643	1,273	(1,273)
SGD	(2,982)	2,982	2,311	(2,311)
Year 2021				
USD	(3,790)	3,790	2,937	(2,937)
EUR	(1,449)	1,449	1,123	(1,123)
SGD	(1,220)	1,220	945	(945)

iii) Foreign exchange loss

(In thousands of Taka)	2022	2021
Foreign exchange loss	(33,860)	(4,276)

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates. Foreign currency liabilities of the Company are not significantly affected by fluctuations in interest rates. The Company has not entered into any agreement involving derivative instrument at the reporting date.

As at 31 December, the interest rate profile of the Company's interest bearing financial instruments was:

A. Fixed rate instruments

(In thousands of Taka)	Note	2022	2021
Financial assets			
Investment in fixed deposit receipts	12	-	-
Fixed deposits with banks	12	2,100,000	2,340,000
		2,100,000	2,340,000
Financial liabilities			
		-	-
		2,100,000	2,340,000

B. Floating rate instruments

Financial assets	-	-
Financial liabilities	-	-

C. Carrying amount (A-B)	2,100,000	2,340,000
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c) Commodity risk

Commodity risk refers to the uncertainties of future market values and of the size of the future income, caused by the fluctuation in the prices of commodities. As the Company purchases MS wire, blended power, Calcium carbide and other raw materials, it is exposed to risks arising from the purchase of these materials for use in production. Commodity price risk is managed by supply contracts with suppliers.

29.3 Capital management

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing Company's internal capital adequacy to ensure Company's operation as a going concern. Capital consists of share capital, general reserve and revaluation reserve. All major investment and operational decisions with exposure to certain amount are evaluated and approved by the board. The Board of Directors monitors the level of dividends to ordinary shareholders.



30. Non-controlling interest (NCI)

The following table summarises the information relating to each of the Group's subsidiaries:

	BOC	Intra-group eliminations	Total	In thousands of Taka
31 December 2022				
NCI percentage	0.05%			
Non-current assets	-	-	-	-
Current assets	20,000	-	20,000	20
Non-current liabilities	-	-	-	-
Current liabilities	(661,250)	-	(661,250)	(661)
Net assets	(641,250)	-	(641,250)	(641)
Net assets attributable to NCI	(321)	-	(321)	(0.32)
Revenue	-	-	-	-
Loss	(69,000)	-	(69,000)	(69)
OCI	-	-	-	-
Total comprehensive income	(69,000)	-	(69,000)	(69)
Loss allocated to NCI	(35)	-	(35)	(0.04)
OCI allocated to NCI	-	-	-	-
Cash flows from operating activities	-	-	-	-
Cash flows from investing activities	-	-	-	-
Cash flows from financing activities	-	-	-	-
Net increase in cash and cash equivalents	-	-	-	-
31 December 2021				
NCI percentage	0.05%			
Non-current assets	-	-	-	-
Current assets	20,000	-	20,000	20
Non-current liabilities	-	-	-	-
Current liabilities	(592,250)	-	(592,250)	(592)
Net assets	(572,250)	-	(572,250)	(572)
Net assets attributable to NCI	(286)	-	(286)	(0.29)
Revenue	-	-	-	-
Loss	(69,000)	-	(69,000)	(69)
OCI	-	-	-	-
Total comprehensive income	(69,000)	-	(69,000)	(69)
Loss allocated to NCI	(35)	-	(35)	(0.04)
OCI allocated to NCI	-	-	-	-
Cash flows from operating activities	-	-	-	-
Cash flows from investing activities	-	-	-	-
Cash flows from financing activities	-	-	-	-
Net increase in cash and cash equivalents	-	-	-	-



Notes to the financial statements (continued)

31. Related party transaction

31.1 Parent and ultimate controlling party

BOC Group Limited of United Kingdom (UK) has 60% shareholding of the Company which is fully owned by Linde AG of Germany. In 2018, Linde AG of Germany has merged with Praxair, Inc. USA and a new company Linde Plc has been incorporated in Ireland and as such Linde plc is the new ultimate holding company of Linde Bangladesh Limited.

31.2 Transaction with key management personnel

(In thousands of Taka)		Note	2022	2021
Key management personnel compensation				
Directors' remuneration		28	14,537	14,598

31.3 Other related party transactions

Name of party	Nature of relationship	Nature of transactions	Transaction for the year		Balance outstanding	
			2022	2021	2022	2021
Intercompany payables						
BOC Group Ltd.	Holding Company	Technical Assistance Fee	44,505	49,076	130,084	154,907
BOC Group Ltd.	Holding Company	Dividend	502,203	365,239	-	-
Linde AG, Linde Gas Headquarters	Holding Company of BOC Group Ltd.	Global IS fee	31,422	28,779	31,422	29,429
Linde Gas Asia Pte. Ltd.	Fellow Subsidiary	Recharges cost received	26,506	24,232	50,739	24,232
Linde Gas Singapore Pte. Ltd.	Fellow Subsidiary	Purchase of goods	1,009	81	1,514	507
Linde India Ltd.	Fellow Subsidiary	Purchase of goods and assets	195,884	141,081	18,289	48,351
Linde Malaysia Sdn Bhd	Fellow Subsidiary	Purchase of goods and assets	3,406	(45)	-	20,357
Thai Industrial Gases PLC	Fellow Subsidiary	Recharges cost received	552	64	-	(110)
Linde Engineering India Pvt Ltd	Fellow Subsidiary	Service fee	3,907	1,181	-	-
Linde Business Solutions Center	Fellow Subsidiary	Service fee	6,618	7,065	3,150	-
Praxair (Thailand)	Fellow Subsidiary	Service fee	-	-	194	297
GAS Linde Inc.	Fellow Subsidiary	Service fee	198	-	-	-
Gas Praxair India Private Limited	Fellow Subsidiary	Service fee	456	-	456	-
Tanjib Alam and Associates	Associated Firm	Legal fee	4,455	-	-	-
Intercompany receivables						
Linde Gas Asia Pte. Ltd.	Fellow Subsidiary	Recovery of expenses	6,351	3,245	1,378	3,194
BOC India Limited	Fellow Subsidiary	Recovery of expenses	(88)	1,532	-	1,620
Linde South Asia Support	Fellow Subsidiary	Recovery of expenses	-	(7,883)	-	-
Praxair India Private ltd	Fellow Subsidiary	Recovery of expenses	-	4,978	-	4,978
BOC Bangladesh Limited	Subsidiary	Payment of expenses	52	69	537	485



Notes to the financial statements (continued)

32. Remittance made in foreign currency

Name of parties	Currency	2022		2021	
		FC '000	Taka '000	FC '000	Taka '000
Dividend paid to The BOC Group, UK	USD/GBP	4,684	502,203	4,302	365,239
Service Chg Linde Gas Asia Pte Ltd- ROHQ, Philippines	USD	-	-	6	514
EFRAC, India	USD	17	1,495	11	941
Ernst Young GmbH	USD	30	2,656		
Linde India Ltd, India	USD	24	2,134	114	9,713
Linde AG, Germany	EUR	237	22,986	382	38,319
UL AG, USA	USD	3	246	4	370
WILLIS TOWER WATSON, India	USD	2	174	3	255
Linde (Thailand) Public Co Limited	USD	4	249	1	110
TAF paid to The BOC Group, UK	GBP	528	62,395	-	-
Cerebrus, India	USD	-	-	7	552
Crown Relocations, Hong Kong	EUR	1	64	1	113
ESAB AB, Sweden	EUR	-	-	10	985
LBSC, Philippines	USD	32	3,221	139	11,880
Siemens LTD, India	USD			7	394
Smart Gas, Singapore	USD			29	2,492
SSB CRYOGENIC EQUIPMENT PTE LTD	USD	1	109	-	-
		5,563	597,933	5,017	431,878

The BOC Group Ltd., UK is a non-resident shareholder which holds 9,130,968 shares in this Company. Dividend paid to The BOC Group Ltd., UK in 2022 includes final dividend of USD 4,684 thousand for the year 2021 (GBP 4,302 thousand was paid in 2021).

33. Receipt in foreign currency

Name of customers/vendors	Nature of receipt	2022		2021	
		USD '000	Taka '000	USD '000	Taka '000
Uniglory Cycle Component Ltd.	Deemed export	132	12,088	191	16,199
Uniglory Cycle Industries Ltd.	Deemed export	-	-	-	-
Meghna Alloytech Ltd.	Deemed export	442	41,238	166	14,094
Linde Gas Asia PTE Ltd (Singapore)	Is cost recharge	80	8,168	1	51
Linde Gas Asia PTE Ltd (Philippines)	Cost recharge	-	-	-	-
BOC Holdings, UK	Cost recharge	-	-	-	-
ZTE Corporation	Service charge	712	66,915	-	-
Karnafuly Ship Builders	Deemed export	53	5,298	51	4,313
Anandya Shipbuilders	Deemed export	10	1,030		
ALCa Industries Limited	Deemed export	240	22,108	171	14,516
Linde AG, Germany	Cost recharge	-	-	20	2,033
Linde India Ltd, India	Cost recharge	-	-	1	118
		1,670	156,845	601	51,324

34. Value of imports calculated on CIF basis

	2022	2021
(In thousands of Taka)		
Raw materials	1,862,763	1,507,125
Components and spare parts	37,584	45,727
Capital goods	95,660	144,322
	1,996,006	1,697,174



Notes to the financial statements (continued)

35. Capital expenditure commitment

	2022	2021
<i>(In thousands of Taka)</i>		
Contracted but not provided for in these accounts	80,311	76,615

36. Contingent liabilities

	2022	2021
<i>(In thousands of Taka)</i>		
These includes bank guarantees to third parties, shipping guarantees, others guarantee, utility guarantee, performance bond, security bond, import bill, import receivables and bank acceptance	105,878	112,786
Outstanding letters of credit	809,616	321,304
Disputed tax other VAT related issues	122,266	919,502

36.1 Credit facilities available as at 31 December

	2022	2021
<i>(In thousands of Taka)</i>		
The Hongkong and Shanghai Banking Corporation Limited	875,790	875,790
Standard Chartered Bank	1,200,000	1,200,000
	2,075,790	2,075,790

Agreement with The Hongkong and Shanghai Banking Corporation Limited (Credit facility)

As per renewed agreement executed on 25 October 2022 between Linde Bangladesh Limited and The Hongkong and Shanghai Banking Corporation Limited (HSBC), the Company has been availing credit facilities. The terms and conditions are as follows:

Facility limit	: BDT 876 million (BDT Eight hundred and Seventy Six million).
Purpose	: Working capital
Interest rate	: 9.00%
Security	: Demand promissory note, letter of continuation for BDT 950 million and letter of comfort from Linde AG.

Agreement with Standard Chartered Bank (Credit facility)

As per agreement executed on 12 November 2019 between Linde Bangladesh Limited and Standard Chartered Bank Bangladesh, the company has been availing credit facility. The terms and conditions are as follows:

Facility limit	: BDT 1,200 million (BDT Twelve hundred million)
Purpose	: Working capital
Interest rate	: 9% per annum
Security	: Demand promissory note and letter of continuation for BDT 1,200 million

37. Production capacity

Major products	Unit of measurement (UOM)	(Quantity '000)		Remarks
		Normal capacity for the year	Production for the year	
ASU Gases	M ³	35,018	26,321	Additional capacity to meet future demand
Carbon-dioxide	M. Ton	13,140	7,459	Additional capacity to meet future demand
Dissolved Acetylene	M ³	300	79	Due to lower market demand
Electrodes	M. Ton	31	17	Due to lower market demand



Notes to the financial statements (continued)

38. Proceeds from disposal of property, plant and equipment

<i>(In thousands of Taka)</i>	Cost	Accumulated depreciation	Carrying amount	Sales proceeds
Building on Freehold Land	2,496	1,328	1,168	-
Plant and Machinery	4,241	4,241	-	-
Furniture and Fixture	1,528	1,528	-	-
Motor Vehicle	6,531	6,531	-	-
Cylinders:				
Condemned	2,460	2,184	276	-
Sold	6,121	5,946	175	13,570
Total 2021	23,377	21,758	1,619	13,570
Total 2020	57,050	56,012	1,038	21,420

39. Number of employees engaged for drawing remuneration

<i>Number of employees</i>	2022	2021
Disclosure as per requirement of schedule XI Part II of Para 3 is as follows:		
(a) Above Taka 3,000 per month	299	298
(b) Below Taka 3,000 per month	-	-
	299	298

40. Net Asset Value (NAV)

<i>(In thousands of Taka)</i>	2022	2021
Total assets	8,410,755	8,406,626
Non-current Liabilities	(773,178)	(794,371)
Current liabilities	(1,589,264)	(1,592,593)
	6,048,313	6,019,662
Number of ordinary shares of Taka 10 each as at 31 December (in thousand)	15,218	15,218
Net asset value (NAV) per share (in Taka)	397.44	395.55

40(a) Net Asset Value (NAV) (consolidated)

<i>(In thousands of Taka)</i>	2022	2021
Total assets	8,410,218	8,406,141
Non-current Liabilities	(773,178)	(794,371)
Current liabilities	(1,589,388)	(1,592,700)
	6,047,652	6,019,070
Number of ordinary shares of Taka 10 each as at 31 December	15,218	15,218
Net asset value (NAV) per share	397.39	395.52

41. Earnings per share

See accounting policies in note - 3 (O)

41.1 Basic earnings per share

<i>(In thousands of Taka)</i>	Note	2022	2021
The computation of earnings per share is given below:			
Profit/ (loss) attributable to the ordinary shareholders		883,295	1,225,776
Number of ordinary shares outstanding during the year	13.3	15,218	15,218
Basic earnings per share (EPS)		58.04	80.55

The calculation of the basic EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary share outstanding.



Notes to the financial statements (continued)

41.2 Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no potentially dilutive ordinary shares during the year. So both basic and diluted earning per share are same.

41(a) Basic earnings per share (consolidated)

	Note	2022	2021
<i>(In thousands of Taka)</i>			
Profit/ (loss) attributable to the ordinary shareholders		883,226	1,225,707
Number of ordinary shares outstanding during the year	13.3	15,218	15,218
Basic earnings per share (EPS)		58.04	80.54

The calculation of the basic EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary share outstanding.

42. Net operating cash flow per share (NOCFPS)

	2022	2021
<i>(In thousands of Taka)</i>		
Cash flows from operating activities as per statement of cash flows	567,936	1,222,666
Number of ordinary shares outstanding during the year	15,218	15,218
Net operating cash flow per share (NOCFPS)	37.32	80.34

42(a) Net operating cash flow per share (NOCFPS) (consolidated)

	2022	2021
<i>(In thousands of Taka)</i>		
Cash flows from operating activities as per statement of cash flows	567,901	1,222,597
Number of ordinary shares outstanding during the year	15,218	15,218
Net operating cash flow per share (NOCFPS)	37.32	80.34

42. Events after the reporting date

For the year 2022, the board has recommended a final dividend of Taka 42 per share amounting to Taka 639.17 million at the board meeting held on 12 March 2023.

The Board has also approved a draft Scheme of Arrangement for Demerger of Linde Bangladesh Limited subject to sanction of the Scheme by the High Court Division of the Supreme Court of Bangladesh and by the creditors and shareholders of Linde Bangladesh Limited and Linde Industries Pvt. Ltd., in accordance with the provisions of Sections 228 and 229 of the Companies Act, 1994, let Demerged Undertaking of Linde Bangladesh Limited be demerged and vested to Linde Industries Pvt. Ltd. in terms of the Scheme.

The management believes that, as the proposed Linde Industries Pvt. Ltd. will be the wholly owned subsidiary of Linde Bangladesh Limited then this proposed demerger will not have any impact neither on the financial result nor the Going Concern of the Company.

43. Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

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

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

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

