

Making our world more productive



# Together We Can

Linde Bangladesh Limited  
Annual Report 2020



## Our Vision

We are committed to fulfilling our vision to be the best performing global industrial gases and engineering company, where our people deliver innovative and sustainable solutions for our customers in a connected world.

## Our Mission

We live our mission of making our world more productive every day. Through our high-quality solutions, technologies and services we are making our customers more successful and helping to sustain and protect our planet.

## Our Strategic Direction

We will work as One Linde to build on our individual and collective strengths across a larger global footprint. We will increase network density in core industrial gas geographies and will execute our robust backlog. We are fully committed to capturing the full value of the merger.

## Our Core Values

### Safety

We put safety first. We believe all incidents are preventable, and our goal is no harm to people, communities or the environment. We continuously work to improve our safety culture and performance worldwide.

### Integrity

We always strive to achieve our goals ethically, and with the highest integrity. We expect transparent and respectful interactions between management, employees and our business partners, consistent with our Code of Business Integrity.

### Community

We are committed to improving the communities where we live and work. Our charitable contributions, along with employee volunteerism, support initiatives that make important and sustainable contributions to our world.

### Inclusion

We embrace diversity and inclusion in order to attract, develop and retain the best talent and build high-performing teams. By hearing all voices and benefiting from diverse opinions, thoughts and perspectives, we achieve our full promise and potential.

### Accountability

We hold ourselves accountable for our performance, individually and collectively. We focus both on what we accomplish and how we accomplish it, and we are committed to delivering on individual and company goals.

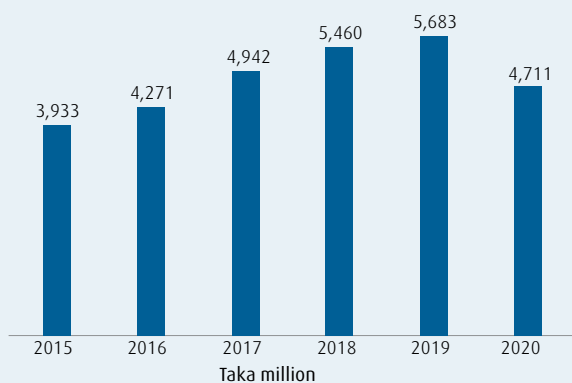


# Financial History.

		2015	2016	2017	2018	2019	2020
Revenue	'000 Taka	3,933,185	4,270,585	4,941,799	5,460,190	5,683,441	4,711,417
Profit before tax	"	881,343	1,190,832	1,304,260	1,364,474	1,660,989	1,444,876
EBITDA	"	1,031,104	1,381,796	1,516,448	1,622,148	1,887,324	1,681,684
Taxation	"	213,086	324,114	171,432	360,700	(429,401)	(371,267)
Deferred tax	"	17,786	(14,480)	180,090	29,302	53,283	30,602
Earnings	"	650,471	881,198	952,738	1,003,774	1,231,588	1,073,609
Final Dividend proposed	"	167,401	167,401	213,056	570,686	760,914	608,731
Interim Dividend paid	"	304,366	304,366	304,366	-	-	-
General reserve *	"	2,613,207	3,032,750	3,523,636	4,320,508	4,956,526	5,261,654
Share capital	"	152,183	152,183	152,183	152,183	152,183	152,183
Revaluation Reserve	"	20,174	-	-	-	-	-
Shareholder's equity*	"	2,785,564	3,184,933	3,675,819	4,472,691	5,108,709	5,413,837
Net fixed assets	"	1,914,405	2,543,935	3,218,638	3,445,462	3,617,639	3,436,945
Depreciation	"	162,617	201,863	219,651	280,065	292,086	309,996
Earnings per share	Taka	42.74	57.9	62.6	65.96	80.93	70.55
Price earnings ratio-times		27	22	21	18	16	18
Return on Capital Employed	%	24	28	26	22	24	20
Gross profit ratio	%	43	46	47	42	44	47
Debt equity ratio-times		-	-	-	-	-	-
Current ratio-times		2.44	1.55	1.67	2.01	2.24	2.57
Dividend per share	Taka	31	31	34	37.5	50	40
Dividend percentage (%)	%	310	310	340	375	500	400
Net assets per share*	Taka	183.04	209.28	241.54	293.90	335.70	355.75
Operating cash flow per share	"	67.14	73.18	76.13	76.87	103.25	77.70

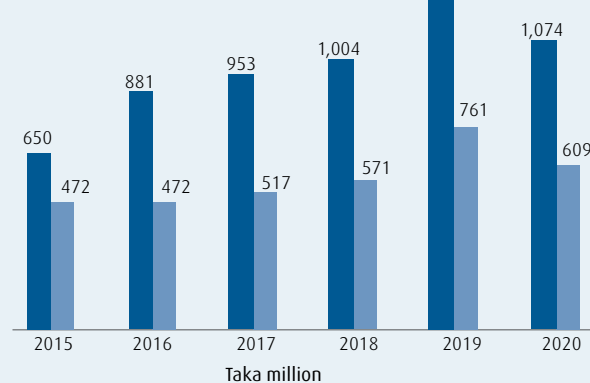
## Revenue

■ Revenue



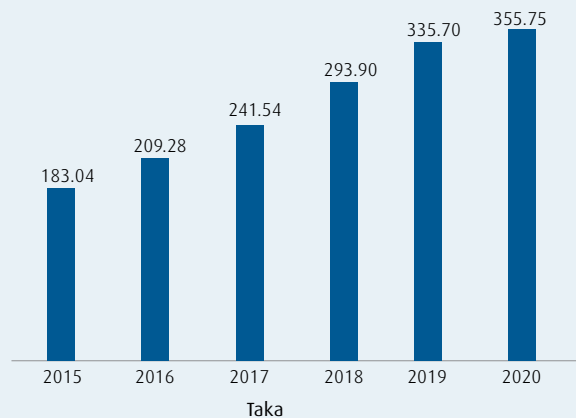
## Earnings & dividend

■ Earnings ■ Dividend



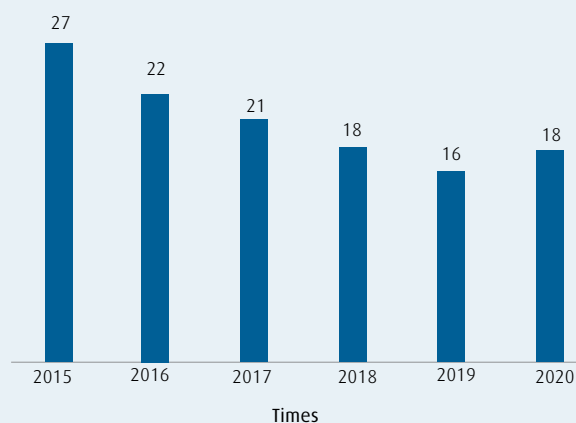
## Net assets per share

■ Net Assets per Share



## Price earning ratio\*

■ Price earning ratio\*

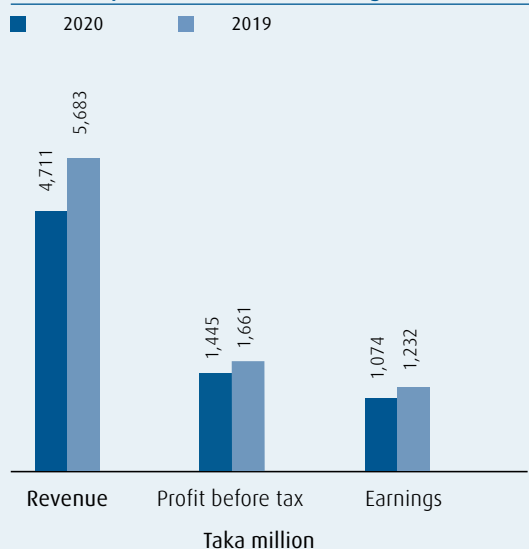


\* Adjusted for change in presentation of proposed dividends and includes other component of equity.

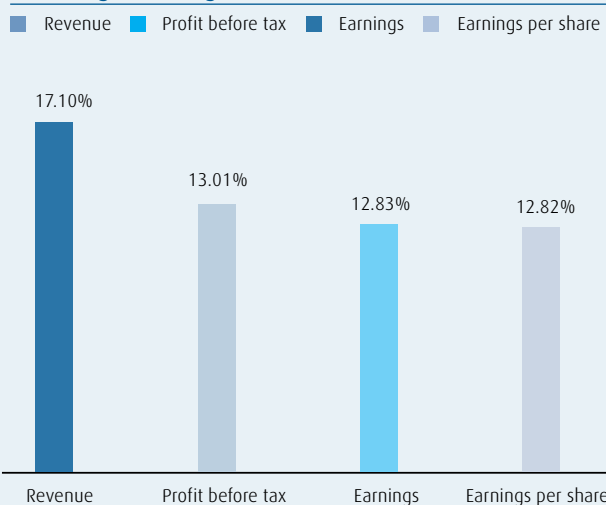
# The Year at a Glance.

		2020	2019	Change over 2019
Revenue	'000 Taka	4,711,417	5,683,441	-17.10%
Profit before tax	"	1,444,876	1,660,989	-13.01%
Earnings	"	1,073,609	1,231,588	-12.83%
Earnings per share	Taka	70.55	80.93	-12.82%

Revenue, profit before tax & earnings



Percentage of change over 2019



## Statement of Value Added.

	Year ended 31 December			
	'000 Taka	2020 %	'000 Taka	2019 %
Value Added				
Turnover (Including VAT)	5,422,883		6,548,684	
Bought in materials and services	(2,477,084)		(3,210,427)	
	2,945,799		3,338,257	
Other income including interest on bank deposits	73,312		71,199	
Available for distribution	3,019,110	100	3,409,456	100
Distributions				
To Employees in remuneration and benefits	547,153	18%	582,736	17%
To Provider of capital in :				
(a) Interest on borrowings	681	0%	1,679	0%
(b) Dividend	608,732	20%	760,915	22%
To Government in taxes, VAT, duties and surcharges	1,082,733	36%	1,294,644	38%
Retained for reinvestment and future growth:				
(a) Depreciation	314,935	10%	298,810	9%
(b) Reserve and surplus	464,877	15%	470,673	14%
	3,019,110	100	3,409,456	100

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# Corporate History.

The newly formed Linde plc is a leading industrial gases and engineering company in the world. In October 2018, formed by the merger of Praxair, Inc. and Linde AG, two world-class companies with nearly 140 years of shared history and successful achievements. Today we now operate as One Linde which represents the collective strengths that unite 80,000 employees more than 100 countries to leverage our extensive footprint and capabilities to fully capture the value of this merger.

In the 2020 financial year, it achieved sales of \$27 billion (\$24 billion in 2019).

## Our bequest in Bangladesh

Linde Bangladesh Limited, a member of Linde, has been contributing towards the development of the nation as a silent partner. A strong in-built culture with solid work values developed and strengthened Linde Bangladesh over the years which are reflected in the performance of its employees for more than 60 years with continuous expansion in operations and business.

We sell our products to more than 35000 customers from a wide spectrum of industries running from chemicals and petrochemicals to steel. Our team of around 300 trained, motivated and professional members manage 24 hour operations at three major locations across the country to support our customers.

In Linde Bangladesh Limited we are committed to the quality of our products and services. Our motto is to ensure optimum conditions in health, safety and the environment for employees, customers and stakeholders.

## Our milestones at a glance

- 1953 Chittagong Oxygen plant was commissioned.
- 1973 Bangladesh Oxygen Limited (BOL) Incorporated in the joint stock companies and received government approval as the first full-fledged "Company" of the newly formed country.
- 1976 First CO<sub>2</sub> plant was introduced.
- 1979 Welding Training Centre started its journey.
- 1995 The Company changed its name from "Bangladesh Oxygen Limited" to "BOC Bangladesh Limited."
- 1995 The Company has commissioned a 30TPD ASU Plant and 1st Welding Production line at Rupganj.
- 1998 2nd Welding production line at Rupganj was commissioned.
- 1999 20 TPD Shitalpur plant was acquired.
- 2000 ASPEN at shitalpur and LPG Bottling plant at Bogra commissioned.
- 2004 Moved into newly built Corporate Office.
- 2006 The BOC Bangladesh Limited acquired by the Linde Group, Germany.
- 2010 Achieved BDT 100 Crore EBITDA.
- 2011 3rd Welding production line at Rupganj was commissioned.
- 2011 The Company changed its name from "BOC Bangladesh Limited" to "Linde Bangladesh Limited."
- 2012 4th Welding production line at Rupganj was commissioned.
- 2013 LPG Plant at Bogra decommissioned.
- 2017 Rupganj 100 TPD ASU plant was commissioned.
- 2019 36 TPD CO<sub>2</sub> plant was commissioned at Rupganj

# Corporate Directory.

## Chairman

Mr. Ayub Quadri

## Independent Directors

Ms. Rupali H Chowdhury  
Mr. Tanjib- Ul Alam

## Directors

Mr. Moloy Banerjee  
Mr. Md Abul Hossain (Joined 22 October 2019 & resign 26 February 2020)  
Mr. Pavan Mysore Vijay Kumar

## Audit Committee

Ms. Rupali H Chowdhury  
Mr. Moloy Banerjee  
Mr. Tanjib-Ul Alam

## Nomination & Remuneration Committee

Ms. Rupali H Chowdhury  
Mr. Moloy Banerjee  
Mr. Tanjib-Ul Alam

## Managing Director

Mr. Sujeet Kumar Pai

## Chief Financial Officer

Mr. Md. Anisuzzaman

## Company Secretary

Mr. Abu Mohammad Nisar

## Head of Internal Audit

Mr. Zoinul Abedin Sakil

## Bankers

The Hong Kong Shanghai Banking Corporation Limited  
Standard Chartered Bank Limited

## Legal Advisors

Huq & Company

## Auditors

Statutory Auditors  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Compliance Auditors  
Rahman Rahman Huq  
Chartered Accountants

## Factories

Rupganj  
Dhuptara, Rupganj  
Narayanganj

Shitalpur  
Sitakund  
Chattogram

## Registered Office

Corporate Office  
285 Tejgaon I/A  
Dhaka 1208

# Our Recognition.

## Best Presented Annual Report/Corporate Governance Award



Mr. Sujeet Kumar Pai, Managing Director received the trophy and certificate for the Gold Award from Commerce Minister Mr. Tipu Munshi, at the Radisson Blu Hotel in Dhaka on 23 January 2021.



Mr. Sujeet Kumar Pai, Managing Director received the trophy and certificate for the Silver Award from Commerce Minister Mr. Tipu Munshi & Mr. Md. Jafar Uddin (Secretary, Ministry of Commerce), at the Radisson Blu Hotel in Dhaka on 25 February 2021.



# Notice of Annual General Meeting.

Notice is hereby given that the 48th Annual General Meeting of Linde Bangladesh Limited will be held virtually by using digital platform through the following link <https://tinyurl.com/lindeagm2021>, on Thursday 27 May 2021 at 11:00 am to transact the following business:

- 1 To receive and adopt the accounts for the year ended 31 December 2020 and the reports of the Auditors and Directors thereon.
- 2 To declare a Dividend for the year ended 31 December 2020.
- 3 To elect Directors.
- 4 To appoint Auditors and to fix their remuneration.
- 5 To appoint Compliance Auditors and to fix their remuneration.

By order of the Board



Abu Mohammad Nisar  
Company Secretary  
8 April 2021

Registered Office  
Corporate Office  
285 Tejgaon I/A  
Dhaka 1208

## Notes:

- 1 Shareholders whose names will appear in the share register of the Company or in the depository register as on Record Date i.e. 29 April 2021 will be eligible to attend the Annual General Meeting and receive dividend approved.
- 2 Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/94-231/25 dated 8 July 2020, the AGM will be virtual meeting of the Members, which will be conducted via live webcast by using digital platform.
- 3 The Members will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the Members need to put their 16-digit Beneficial Owner (BO) ID number and other credential as proof of their identity by visiting the link: <https://tinyurl.com/lindeagm2021>.
- 4 We encourage the Members to log in to the system prior to the meeting. Please allow ample time to login and establish your connectivity. The webcast will start at 10:00 a.m. Please contact 8802-8870322-7 for any technical difficulties in accessing the virtual meeting.
- 5 A member eligible to attend the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf. No person shall act as proxy unless he/she is entitled to be present and vote in his/her own right. The "Proxy Form", duly filled, signed and stamped at BDT 20 must be sent through email to Linde Bangladesh Limited Share Office at [info.bd@linde.com](mailto:info.bd@linde.com) no later than 72 hours before commencement of the AGM.

# Company in the Capital Market.

Linde Bangladesh Limited plays a vital role in the capital market with a sustainable economic growth. The Company also continues to have regular communication with Shareholders through the website updates and media publications. The Company conducts Annual General Meeting and publication of Annual Report, Quarterly updates on financial performance. The top practices are monitored by the Company which supports investors to hold up their belief and confidence in the Company.

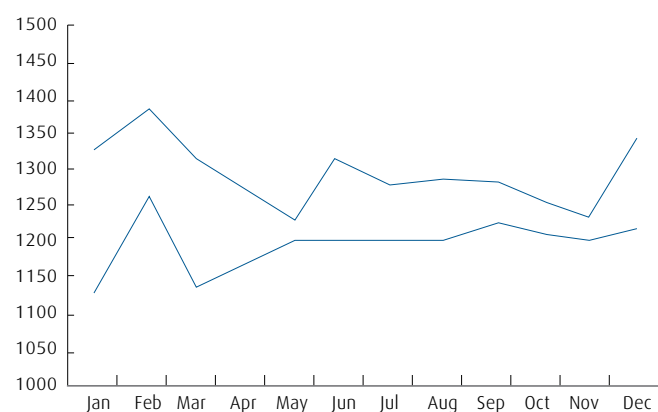
DSEX, the key index of the DSE, ended at 5402 points on the last trading day of 2020, up by 21.31% from 4453 points from beginning of the year. DSE-30, the key index of the DSE, ended at 1964 points on the last trading day of 2020, up by 29.81% from 1513 points from beginning of the year.

## Capital market-based figures

		For the year ended 31 December	
		2020	2019
Number of shares with dividend entitlement for the financial year	No.	152,18,280	152,18,280
Year-end closing price	Tk	1,281.10	1,299.00
Year high	Tk	1,390.00	1,387.00
Year low	Tk	1,137.00	1,007.30
Volume	No.	2,561,582	2,223,979
Total dividend for the financial year	Tk million	608.73	760.91
Market capitalisation	Tk million	19,496	19,769
<b>Information per share</b>			
Cash dividend	Tk	40.00	50.00
Dividend yield	%	3.12	3.85
Operating cash flow per share	Tk	77.70	102.84
EPS	Tk	70.55	80.93

## Company high & low share price month wise

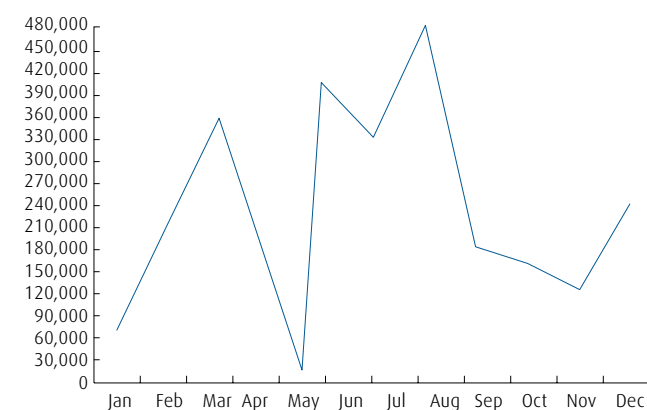
■ High Share price ■ Low Share price



\*Due to Covid-19 no transaction was made in April 2020

## Company share volume traded month wise

■ Volume of Share



\*Due to Covid-19 no transaction was made in April 2020

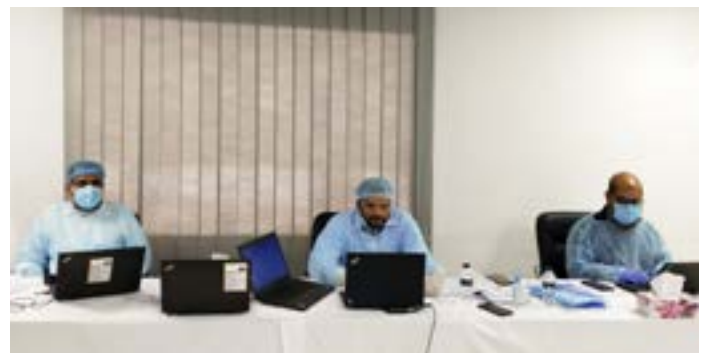
# Glimpses from 47th Annual General Meeting.



At the 47th Annual General Meeting held virtually on 16 June 2020.



47th Annual General Meeting hall.



Moderator team at the 47th Annual General Meeting held on 16 June 2020.

# Board of Directors.



**Ayub Quadri**

Chairman since 2011

Mr. Ayub Quadri received his M.A. in English from Dhaka University and Masters in Public Affairs from the University of Connecticut, USA. Apart from extensive training in the administrative academies in Pakistan and Bangladesh, Mr. Quadri has received training in many international institutions including Singapore University, ILO Institute Geneva, United Nations Institute Japan, South East Asia Regional Centre the Philippines and Institute of Public Service USA.

Beginning his career in the Civil Service of Pakistan in 1969, Mr. Quadri held various positions in the Government of Bangladesh, including those of permanent secretaries in the ministries of Industries, Water Resources, Economic Relations, Food, Fisheries and Livestock, Agriculture and Rural Development. He was also Chairman of the Bangladesh Chemical Industries Corporation (BCIC) and Director General of the Bangladesh Rural Development Board (BRDB).

Mr. Quadri retired from Government service in 2005. He was an Advisor of the Caretaker Government that assumed responsibility in January 2007. He had responsibility for the ministries of Education and Culture. He resigned in December of the same year.

Mr. Ayub Quadri has been on the board of numerous public, private and joint venture entities. Among others, he has been Chairman of the board of Basic Bank Ltd, Karnafuli Fertilizer Company (KAFCO), Industrial Promotion and Development Company (IPDC), Bangladesh Institute of Management (BIM) and Small & Medium Enterprise (SME) Foundation. He joined the Board of Linde Bangladesh Limited in 2008.



**Sujeet Kumar Pai**

Managing Director since 2020

Mr. Sujeet Kumar Pai joined the Board of Directors in July 2019 and was appointed as the Managing Director of Linde Bangladesh Limited in January 2020. Prior to joining Linde Bangladesh Limited he worked as the VP (Sales, Marketing & CSCM) of Linde India Limited from 2014 at Mumbai. He was a part of the Country Leadership Team leading the Sales, Marketing & Cylinder Supply Chain Management function of Merchant Gases Space. He also had an overarching responsibility for the Healthcare Business. He won the Regional Sales Executive Award for the Linde India Country Sales Team in 2017 and 2018. This apart he was a member of the CSR & POSH committee at Linde India Limited.

He also worked in the Multinational Emerson Group from 2003 to 2014 in various capacities in Sales & Marketing. From being a Regional Sales Manager at ASCO INDIA Limited in Western India to leading as the Director - Sales & Marketing for the Organization based out of Chennai in Southern India. Mr. Pai has been a part of the coveted Asian Leadership Team as well as in the India Junior Board at Emerson.

Mr. Pai worked as Senior Executive Marketing with Larsen & Toubro Limited in Heavy Engineering Division (Specialty Valves, Nuclear & Projects) from 1996 to 2003. During his tenure he was honored as "Very Good Performing" employee for Highest Order Booking four times consecutively as well as awarded the Best Money Manager for outstanding management of working capital. He was also instrumental in winning breakthrough orders for Critical Isolation Dampers and Pneumatic Actuators in the Nuclear Power Sector.

Mr. Pai started his career with HINDALCO Industries Limited as a Sales Engineer in 1994. He was responsible for market development for Concast Aluminum rolled products and creating new applications of Capacitor Cans, Eyelets and Lithographic Plates.

Mr. Sujeet Kumar Pai is a Post-Graduation in Business Management from NMIMS, Mumbai and completed his graduation in Metallurgical Engineering from Visvesaraya National Institute of Technology (VNIT) from the University of Nagpur, India.



### Moloy Banerjee

Director since 2015

Mr. Moloy Banerjee was appointed the Managing Director of Linde India Limited and a member of the Board of Directors of the Company with effect from 30 July 2013. Linde India Limited is a member of The Linde plc, a world-leading gases and engineering Company with around 80,000 employees in more than 100 countries worldwide.

Besides his position as the Managing Director of Linde India Ltd., Mr Banerjee is also Head of Country Cluster South Asia (covering Bangladesh, India and Sri Lanka), for the Linde Gases Division. He has additional responsibilities as Director of Linde Bangladesh Limited and Ceylon Oxygen Limited, a member of The Linde Group.

Earlier, in 2011, Mr. Banerjee relocated to Singapore as the Head of Tonnage Account Management for The Linde Group's South & East Asia and South Pacific regional business units. He returned to India as the Deputy Country Head of Linde India, effective 1 January 2013.

Mr. Banerjee started his career with Linde India as a Trainee in 1987 and has worked in various roles in the engineering division and the gases division of the Company, including project engineering and management as well as business development. He was appointed the Head of Marketing in 2007 and, in 2009, assumed the role of Vice President - Gases for Linde India.

Mr. Moloy Banerjee holds a bachelor's degree in mechanical engineering from the Indian Institute of Technology, Kanpur.



### Rupali H Chowdhury

Director since 2018

Ms. Rupali Chowdhury is an MBA from IBA, University of Dhaka, and completed her Graduation with Honours in Chemistry from the University of Chittagong.

She started her career with Multinational Pharmaceutical & Chemical Company, 'Ciba Geigy (Bangladesh) Limited', in 1984 in the department of Planning Information and Control and worked there for about six and a half years. She was the Brand Manager while leaving Ciba Geigy (Bangladesh) Limited in 1990.

Ms. Rupali Chowdhury joined Berger Paints Bangladesh Limited in 1990 as Planning Manager and during her tenure she worked for various departments such as Marketing, Sales, Distribution, Planning and Systems under different supervisory capacities.

Ms. Chowdhury was promoted to the position of Managing Director of the Company on 1 January 2008. She is also the Managing Director of Jenson & Nicholson (Bangladesh) Limited, a 100% subsidiary of Berger Paints Bangladesh Limited and Director of Berger Becker Bangladesh Limited, a joint venture between Berger Paints Bangladesh Limited and Becker Industrial Coatings Holding AB Sweden and Berger Fosroc Limited (a joint venture between Berger Paints Bangladesh Limited and Fosroc International Limited, UK) which was formed during her tenure as Managing Director. Ms. Chowdhury has been appointed as an Independent Director of Bata Shoe Company (Bangladesh) Limited effective April 2018.

Ms. Chowdhury has been selected as a Commercially Important Person (CIP) for her outstanding performance in the Industrial sector.



**Tanjib-ul Alam**

Director since 2019

Mr. Tanjib-ul Alam, barrister-at-law, has been practicing in Bangladesh since 1997 and in the Appellate Division of the Supreme Court of Bangladesh since 2005. He completed LL.B. Hons. from the University of London in 1996 and was called to the Bar of England from the Lincoln's Inn, UK, in 1997. His area of practice includes arbitration, corporate, cross-border investment, energy, oil and gas, merger and acquisition, project finance, securities and telecommunication. In corporate sector, he has been involved in number of ground-breaking project finance and IPOs in Bangladesh. He has substantial experience in representing energy companies in innumerable arbitrations and litigations, including mergers of energy companies and acted as lead counsel in many syndicated transactions involving rental power projects, and advised many clients during establishment of gas based and coal based power projects.

As legal consultant, Mr. Alam was actively involved in drafting the Bangladesh Energy Regulatory Commission Act, Bangladesh Telecommunication Act, and Information and Communication Technology Act for Bangladesh. He was the Lead Consultant for International Finance Corporation ("IFC") in drafting new Companies Act for Bangladesh. Besides, Mr. Alam has extensive experience of consultancy for Institutional Reform International Inc. (IRIS), USA, World Bank, UNDP and other reputed international organizations on diversified areas of law. Mr. Alam has also been involved as a lawyer in number of leading constitutional law cases during the past decade which have far reaching impact in the rule of law and constitutionalism in the legal history of Bangladesh. Mr. Alam heads the renowned law firm, Tanjib Alam and Associates, based in Dhaka. His law firm, Tanjib Alam and Associates, has acquired the reputation of being one of the most talented team of professionals in Bangladesh having experience of working with world's leading international law firms. Mr. Alam has been serving as a Member of the Board of Directors of Biman Bangladesh Airlines, the national flag carrier airline.



**MV Pavan**

Director since 2019

Mr. MV Pavan is a Director at Linde Bangladesh Limited. He is the Vice President of Praxair India Pvt Limited, Bengaluru, India and heads Finance, IT & Procurement divisions. He also has additional responsibility as Director of Praxair India.

Mr. Pavan joined Praxair India Private Limited in July 2018. Prior to 2018, he was the Finance Director of Praxair Gulf Industrial Gases, Abu Dhabi, UAE, responsible for finance function for Middle East businesses, between 2013 & 2018. He was also holding various roles in finance and business development between 2004 to 2012 at Praxair India Private Limited, Bengaluru, India. Prior to Praxair India, he worked as an Associate with KPMG Risk Advisory Services at Bengaluru, India.

Mr. Pavan is a qualified Chartered Accountant, passed out in the year 2001 from Institute of Chartered Accountants of India. He also holds a Bachelor of Commerce degree from Bangalore University.

# Chairman's Statement.



## Dear Shareholders,

Let me welcome you warmly to the 48th Annual General Meeting of your Company, Linde Bangladesh Limited. I am honoured that I am communicating with you for the tenth time as Chairman of your Company. Sadly, it is also the second successive year we are compelled to hold this meeting virtually because of the COVID 19 pandemic, denying us the pleasure and privilege of interacting with you in person.

The year 2020 was unique, like no other in modern human history. The COVID 19 pandemic has been characterized as the most disruptive event of the past century. The speed with which it swept our interconnected world caught every one unawares and practically no country escaped its wrath. It caused death and suffering to unprecedented numbers throughout the world. With no vaccine to prevent the disease or known treatment to cure it, every country struggled to cope with it. The pandemic affected lives, livelihoods and economic activities, particularly production and trade, very adversely and brought the world to a standstill. The only response available to protect oneself and prevent spread of the disease was to isolate oneself by avoiding human contact and following a strict regime of personal hygiene – wearing masks, social distancing and frequent hand washing. Many countries enforced lockdowns for long periods to try to ensure this. A year of living this strange and unnatural life is showing its social and psychological consequences.

At the time of writing this, more than a year into the pandemic, a number of vaccines have been approved for emergency use, a worldwide vaccine drive is ongoing and hundreds of millions have been vaccinated already. Yet the pandemic rages on, surging in different parts of the world at different times, with many countries experiencing second and third waves. It is possible that the vaccines will eradicate COVID 19 ultimately, but no one seems able to predict when – whether this year, the next or in five years. It seems that despite the vaccines, it may be a while before the pre COVID 19 normalcy returns. People may have to continue with the COVID 19 altered lifestyle for the foreseeable future.

Given the havoc and disruption caused by COVID 19, it is no surprise that the economies of most countries suffered. Most economies experienced a contraction as reflected in their GDP. Bangladesh is one of the few countries in the world that is expected to register a positive GDP growth in 2020, at 3.8% much less than the original forecast of over 8%, but

still a significant positive growth under the circumstances. The impact of COVID 19 is comparatively less in Bangladesh, in terms of numbers affected and deaths and Bangladesh began vaccination early, raising hopes of the economy rebounding.

The year 2020 was the most challenging in your Company's history. The challenges were many. The first challenge was continuing operations while ensuring the safety of all stakeholders, particularly the employees. Wherever feasible, employees were asked to work from home. In factories and outlets, rotational duty was introduced and COVID 19 guidelines implemented meticulously. Hard Goods production and operation remained suspended for over two months because of the nationwide lockdown. There was also a slump in demand for Hard Goods because of the slowdown of economic activities. The most difficult challenge was meeting the surging demand for medical oxygen. The pre pandemic demand for medical oxygen used to be about 30 – 35 tons per day. This surged to 70 – 75 tons per day. The Rupganj plant operated at full capacity, and, in addition, the closed and mothballed Shitalpur plant was brought into operation. The production in the Company's two plants not being enough to meet the demand, medical oxygen had to be imported from Linde units in India. The Company's main focus was on meeting the medical oxygen demand and top most priority was given to ensuring that hospitals get their requirement and no hospital runs dry. Your Company's enviable position as the principal, if not the sole, source of liquid medical oxygen in the country began to appear more as an onerous responsibility.

When the Company was barely managing to meet the high medical oxygen demand from its own production and limited imports, disaster struck. The Shitalpur plant developed problems in early December 2020 and had to be shut down for repairs. On 11 December 2020, there was a major breakdown of the Rupganj plant, necessitating shut down of the plant for weeks. With both the Company's plants out of order, a daily medical oxygen demand of about 70 tons per day and less than two days stock in hand, the situation was dire. Extraordinary effort and measures were needed, first to ensure adequate supply of medical oxygen through import and, secondly, to ensure immediate repair of the plants. I am happy to report that your Company handled the crisis with utmost competence, demonstrating the resilience inherent in the Linde culture. The Company's dedicated team worked tirelessly to import medical oxygen in hugely enhanced quantities from Linde units in India. In this effort the Company received unprecedented help and



A programme of emergency food and hygiene support to the extreme poor at Satkhira associating with Uttaran.



Emergency food relief to working children at Khulna City Corporation partnering with NGO Paribartan.

support from all governmental authorities in Bangladesh as well as from Linde India. As a result there was no crisis of medical oxygen during the six weeks the Rupganj remained out of operation. My gratitude and thanks to all who helped us in handling the crisis. I would like to commend the management and staff of Linde Bangladesh Limited for their extraordinary effort in handling the crisis and the dedication they continue to show in ensuring adequate supply of medical oxygen.

The Rupganj plant was repaired and production resumed on 21 January 2021. The Shitalpur plant resumed production earlier. Things are back to normal now, though medical oxygen demand continues to be high. I have to admit, however, that because of the Company's complete, but necessary, focus on medical oxygen, the Company's industrial gases customers suffered as the Company could not supply products as per customers' requirement. I hope the situation will be better in 2021.

The year 2020 was an exceptionally difficult one for all, be it governments, individuals or companies. In 2020, the business performance of your Company was understandably lower compared to 2019. Compared to the previous year, in 2020 overall revenue declined by 17.1%, profit before taxation by 13.01% and earnings by 12.8%. Bulk business declined by 16%, largely because of the Company's inability to supply products to its industrial customers. Hard Goods sales recorded a decline of 24%, for reasons mentioned earlier. Only the Healthcare segment recorded a robust growth of 24%. Details of the segment wise business performance and financial results are included in the Report of the Board of Directors and in the Auditors' Report and Financial Statements.

Considering the many challenges the Company faced in 2020, the performance may be deemed to be quite good. Mere comparison of numbers with the previous year may not reveal the correct picture. If we review the year wise performance figures from 2013, we would find that the Company recorded the second highest Profit Before Taxation (BDT 1445M) and Earnings Per Share (BDT 70.55) in 2020. The highest was in 2019.

The Directors of your Company have recommended a dividend of 40 per share or 400% for the year ended 31 December 2020. This would require a payout of 608.73 million BDT.

The year 2020 was a challenging one. The business performance of the Company was lower compared to the previous year. Yet there was much in 2020 that could give us satisfaction. The biggest satisfaction is that since the beginning of the pandemic, your Company has been able to meet the huge demand for medical oxygen without any interruption, even after breakdown of the plants in December 2020. The Company can be proud of its extraordinary achievement in maintaining uninterrupted oxygen supply and getting the plants operational quickly. The overall business performance in the pandemic year may also be considered highly satisfactory. The Company maintained its excellent safety record and all units of the Company worked efficiently and in unison for smooth and timely delivery of products.

A matter of particular satisfaction for me is that the pandemic enabled your Company to expand its CSR activities and engage in humanitarian work in a small way. The Company partnered with Paribartan, an NGO based in Khulna, to provide emergency food relief to 1000 working children in Khulna City Corporation. In addition, the Company secured \$ 49000 from Linde Global Funds to implement a programme of emergency food and hygiene support to the extreme poor in Satkhira district. The project was implemented in association with Uttaran.

In 2020, your Company also earned a couple of awards based on its performance in 2019. These are (1) Gold Medal in the Fuel and Power category at the 7th ICSB National Awards for Corporate Governance Excellence 2019 from the Institute of Chartered Secretaries of Bangladesh (ICSB) and (2) Silver Medal in the MNC Manufacturing category at the Best Corporate Award 2019 from the Institute of Cost and Management Accountants of Bangladesh (ICMAB). At the global level, the Ethisphere Institute honoured Linde as 2021 World's Most Ethical Companies, one of only two companies in the chemicals industry.

Dear Shareholders,

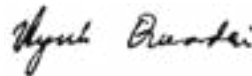
Except for the aberration caused by the pandemic in 2020, the business performance of your Company has improved consistently over the past several years, resulting in higher revenues and earnings and enabling your Board to propose high dividends. As I mentioned in past meetings with you, this has been possible because of timely and judicious investments and well thought out management improvements over the past years. I had expressed the hope that the Company was poised to achieve even higher growth in the future. I had cautioned, however, that for the future to be good, the Company must remain ever vigilant, innovate constantly and increase operational efficiency & cost effectiveness. It is also imperative that necessary and timely investments are made – investments in people and in products & processes.

Your Company is in a profitable but competitive business. There are many competitors in the Hard Goods segment and more are expected to enter the field. The gases business, particularly liquid medical oxygen, is your Company's domain. With the current sustained demand for medical oxygen, the possibility of other businesses trying to enter the field cannot be ruled out. The Company must take these into account and plan its future accordingly if it is to stay ahead of the competition.

I express my gratitude to all who helped us in 2020. I am grateful to the Members of the Board for their counsel and guidance. I am grateful to the shareholders for their support. I am grateful to our customers, suppliers, banks, Government authorities and agencies for their cooperation, support and help. I thank the employees of the Company, our most valuable asset, for their outstanding work in 2020.

Take care. Stay well and safe.

Thank you, ladies and gentlemen.



Ayub Quadri  
Dhaka, 8 April 2021

# Report of the Board of Directors.

The Board of Directors of Linde Bangladesh Limited is pleased to present the Directors' Report and Auditors' Report together with the Financial Statements of the Company for the year ended 31 December 2020. The Directors' report highlights the key business activities that drove the performance of the Company and presents the necessary disclosures in relation to good corporate governance.

## Industry Outlook and Possible Future Developments

The year 2020 witnessed the most disruptive event in modern human history – the COVID 19 pandemic. It swept the entire world, infecting people, causing suffering and death in unprecedented numbers. With no vaccine to prevent the disease or known treatment to cure it, the world was unprepared to deal with a pandemic of this magnitude. The pandemic affected lives, livelihoods and economic activities very adversely and brought the world to a virtual standstill. The only response available to protect oneself from the disease was to isolate oneself by avoiding human contact and following a strict regime of personal cleanliness – the mask, social distancing and hand washing trio. Now, more than a year into the pandemic, a number of vaccines have been approved for emergency use, a worldwide vaccination drive is ongoing and hundreds of millions have been vaccinated already. Yet the pandemic rages on, surging in various parts of the world at various times. It seems that despite the vaccines, people will have to continue taking protective measures for the foreseeable future.

Most economies of the world suffered a contraction in 2020 because of the pandemic. Bangladesh is one of the few countries in the world that is expected to register a positive GDP growth, at 3.8% much less than the original forecast of over 8%, but still a significant positive growth under the circumstances.

The year of the pandemic, 2020, was the most challenging in the Company's history. The challenges were many: ensuring safety of all stakeholders, particularly employees and suspension of hard goods production and operation for over two months because of the nationwide shutdown. Later, when hard goods production resumed, there was a slump in demand because of slowdown of economic activities. The biggest challenge was meeting the surging demand for medical oxygen, which reached several times its pre COVID level. The Company's Rupganj plant operated at full capacity. In addition, the closed and mothballed plant at Shitalpur was brought into operation. The Company being the principal, if not the sole, source of liquid medical oxygen in the country, it has the onerous responsibility to meet the oxygen requirement of hospitals and ensure that no hospital runs dry.

The production in the Company's two plants was not enough to meet the demand. Medical oxygen had to be imported from Linde units in India to supplement the Company's production.

In this tight situation, the Shitalpur plant developed problems in early December 2020 and had to be shut down for repairs. On 11 December 2020, there was a major breakdown of the Main Air Compressor Motor at the Rupganj plant, necessitating shutdown of the plant for weeks. With a medical oxygen demand of about 70 tons per day, a stock of less than 2 days supply and both the Company's plants out of order, the situation was dire. The immediate tasks were two fold (1) to ensure continued and adequate supply of medical oxygen so that the nation's health sector, particularly the COVID mitigating effort, is not affected adversely and (2) to arrange immediate repair of the plants and have them running again. Extraordinary effort was needed to fulfil both tasks. The resilience inherent in the Linde culture played a significant role here. The Company's dedicated team worked tirelessly to import medical oxygen in hugely enhanced quantities from Linde units in India. In this effort the Company received unprecedented help and support from all governmental authorities in Bangladesh as well as from Linde, India. As a result, there was no crisis of medical oxygen in the 6 weeks the main Rupganj plant remained out of operation. The Rupganj plant was repaired and production resumed on 22 January 2021. The Shitalpur plant resumed production earlier. The Board of Directors of Linde Bangladesh Limited would like to record its appreciation and gratitude to all those who assisted in averting a medical oxygen crisis in the country following the breakdown of the Company's plants in December 2020.

Despite the pandemic in 2020, Linde Bangladesh Limited remained committed to doing its job to the best of its ability and continued to be the market leader in Medical gases. Bulk and Hard goods business declined due to country-wide lockdown which came into effect from the second quarter. Healthcare sales were higher due to the high demand of Liquid Medical Oxygen in hospitals for COVID-19.

Despite the lower sales of Hard Goods, the margin improved due to the price benefit impact of raw materials, and the savings from lower power cost attributed to the newly installed Gas Engine Generator. Various fixed cost containment initiatives were undertaken. Operating expenses however were affected by the provision on doubtful debts against a few outstanding invoices.

The Healthcare Business growth was significant in 2020 with improved revenue, new business wins and renewal of contracts. The Healthcare sector witnessed an expansion of public and private hospitals, and with

it came an increase in the supply & installation of Medical Gas Pipeline Systems.

Through continued efforts, Linde Bangladesh Limited succeeded in sourcing raw materials at reasonable prices, investing in capital expenditure for capacity improvement in production and distribution, and ensuring timely import, production and distribution of products. The year 2020 saw a fall in imported raw material costs. Despite lower sales, margin improved mainly due to the Hard Goods raw material price benefit impact and savings from lower power cost.

Today Linde Bangladesh Limited possesses a diverse product base with integrated production facilities and offices across the country. In addition, it is equipped to provide a wide range of services including purging jobs at oil fields, installation of medical oxygen pipelines and supply of special gases in various industrial sectors. The Company continues to invest in its people, helping them build and improve their capabilities. The aim is improved financial performance, while taking into account Safety, Diversity and Inclusion, Accountability, Integrity, and Community - important values which define what the Company stands for.

Linde Bangladesh Limited focuses on achieving profitable growth to add value for the Company and its stakeholders. The Company has planned to create a Debulking Station (Hub & Spoke Model) near Benapole which would act as a Buffer for Oxygen & other Gases and improve reliability and distribution support. The investment in recent years in its distribution fleet, 100 TPD ASU plant, 36 TPD Carbon dioxide plant and 2x5 MW captive generators are examples of the Board's commitment to maintain the Company as the most preferred supplier to its customers. These capabilities are supported by a sound capital structure that enables the Company to pursue quality growth. Ultimately, these efforts are driven by the Company's innovative employees, dedicated to the success of the Company.

The Company's unique operational excellence is an important cornerstone for the delivery of cost-efficient products and services, safely and reliably to its customers. The Company faces competition in a highly competitive business environment, where organized and unorganized competitors pursue market shares with various activities including price reduction, quality revision and other incentives. The Company has managed to sustain its existing customer base, and attract new customers, by offering superior quality products at competitive prices. Product quality continued to be improved by taking feedback from customers and end users. Over the years, Linde Bangladesh

Limited has partnered in the country's economic growth, backed by its investment in process and development of its own brands, while passing lower costs to its customers.

## Business performance

Largely because the challenging COVID environment, the Company revenue and earnings were lower in 2020 compared to previous year. The revenue of the Company for the year 2020 was Tk. 4,711 m as against Tk. 5,683 m of 2019. The revenue is derived from following segments:

Segments	2020	2019
	MBDT	MBDT
Bulk Gases	609	727
Packaged Gas and Products (PG&P)	3,213	4,239
Healthcare	889	717
	<b>4,711</b>	<b>5,683</b>

Bulk gases comprise of liquid industrial oxygen, liquid nitrogen, liquid argon and liquid carbon dioxide. PG&P business is comprised of mild steel electrodes and compressed industrial gases. Healthcare business is comprised of medical gases, medical equipment and medical pipeline.

For better understanding of the performance of the business, details are discussed by business segment i.e. Bulk, PG & P (Packaged Gas and Products) and Healthcare.

### Bulk

Bulk business was lower than that of prior year, as it had been grossly affected by the COVID-19 induced demand for Healthcare, where MPG supplies could not be managed from available supply sources. Following the plant breakdown in the last month of the year, the effect became even more severe, making it difficult for customer's business continuity. However, after resumption of supply from late January 2021 the situation improved gradually.

### PG&P (Packaged gas and Products)

Overall revenue of PG&P was lower than that of prior year for both industrial and special products. In addition to the COVID-19 impact which prompted the use of PG&P cylinders to support medical oxygen, PG&P was also affected by the plant breakdown on the last month of the year, making it difficult for customer's business continuity. However, as with

Bulk Gases, after supply resumed from late January 2021, the situation gradually improved.

Overall volumes reached 81 percent of pre COVID-19 levels. Light fabrication business segment recovered to 93 percent of its pre COVID-19 level. However, Shipbuilding business segment recovered only 67 percent of its pre COVID-19 level, thus affecting overall business performance. Up trend in the price of steel and other materials in international markets discouraged shipbuilders and other investors from new investments. Slow down activities in real estate & bus body fabrication sector also impacted Light fabrication segment sales. Light fabrication sales continued to struggle because of low cost electrodes of local competitors and cheaper imports. However, the company's initiative through new product introduction in light fabrication improved market share marginally.

## Healthcare

The Healthcare segment includes all services related to the supply of Medical Gases such as Medical Oxygen, Nitrous Oxide, Entonox, Medical Air, Medical Carbon-di-Oxide, Gas Cylinders & Accessories and supply & installation of Medical Gas Pipeline Systems. 2020 has been a good year for Healthcare Business, with improved revenue, new business wins and renewal of contracts. The COVID-19 scenario in 2020, changed the healthcare landscape of Bangladesh. Linde Bangladesh was able to successfully navigate the challenges during this unprecedented time including meeting the extremely high demand of major customers. The overall revenue growth was 24% higher than last year mainly due to high demand of Liquid and Compressed Medical Oxygen, and retention of major customers. Nitrous Oxide uptake was affected because of the selective surgeries in hospitals during the pandemic. Delayed payment from Government customers impacted the overall Debtors Sales Outstanding (DSO). Costs were managed well through efficiency and productivity efforts. Continuing growth is anticipated in the Healthcare segment.

## Financial Results

The Company experienced a decline of 17% in sales due to the coronavirus outbreak in 2020 compared to the previous year. This was due to fall in sales of 16.27 and 24.20 percent in Bulk and PG&P businesses but was mitigated by higher sales in the Healthcare business.

Gross profit declined by 11.20 percent in 2020 compared to that in previous year mainly due to impact of COVID-19. The lower cost of

electrode raw material achieved through e-auctions and fixed cost containment initiatives also contributed to strive the Company business.

All the above resulted in lower revenue and earnings in 2020 compared to previous year:

Particulars	2020	2019
	MBDT	MBDT
Revenue	4,711	5,683
Cost of Sales	(2,484)	(3,171)
<b>Gross Profit</b>	<b>2,228</b>	<b>2,513</b>
Operating Expenses	(780)	(834)
<b>Profit from operations</b>	<b>1,443</b>	<b>1,679</b>
Net foreign exchange loss	(7)	(8)
Other Income	(2)	(5)
Net finance income	78	72
<b>Profit before contribution to WPPF</b>	<b>1,521</b>	<b>1,748</b>
Contribution to WPPF	(76)	(87)
<b>Profit before taxation</b>	<b>1,445</b>	<b>1,661</b>

## Working Capital Management

Working Capital position was strengthened over that of previous year mainly due to contribution from better operating cash management. A continuous monitoring on Inventory, Debtors and Payables helped generate substantial cash flows with positive impacts on Working Capital.

## Risks and Concerns

The Company has a defined business risk assessment process which has been illustrated under Corporate Governance Chapter and the notes to the Financial Statements.

## Related Party Transactions

Transactions with related parties are made on arm's length basis and are in the ordinary course of business. Detailed transactions with related parties are described at notes 32 of the Financial Statements of this Annual Report in the [page # 76-77](#) of this Annual Report.

## Internal Control

The Company maintains a sound internal control system that gives reasonable assurance that the Company's resources are safeguarded, and the financial position of the Company is well managed. The internal

control framework is regularly reviewed by the Audit Committee in each meeting and reported to the Board of Directors. Group Internal Audit team conducts audit to evaluate appropriateness of internal control. The findings and subsequent follow up with remedial status are reported to the Audit Committee and are escalated to the Group Internal Audit. This report further encloses a detailed discussion on the Corporate Governance.

### Going Concern

The Directors are of the opinion that the Company is a going concern and there are no significant doubts upon the Company's ability to continue as a going concern. Accordingly, Financial Statements are prepared on a going concern basis.

### Future Plan

To optimize the power cost, an investment of BDT 299 million was made to set up 2X5 MW captive generator which has already been commissioned in mid-2020. With this investment, together with the substantial investments made in earlier years, it is expected that financial strength of the Company will be enhanced, giving it a solid financial foundation and high cash flows to enable it to invest in future profitable and sustainable growth.

The Company has planned to create a Debulking Station (Hub & Spoke Model) near Benapole port that would act as a Buffer for Oxygen & other gases and improve reliability and distribution support. Completion is expected in 2021.

Linde Bangladesh Limited also plans to revamp the Shitalpur plant. It is hoped that the revamping will result in yield improvement and higher efficiency. In addition to this, company also plans to build another ASU plant in the country in next three to four years.

### Remuneration to Directors

Independent and Non-Executive Directors other than Directors who are in the employment of the Linde group Companies are paid as agreed by the country management.

The remuneration, performance and related bonus of Executive Directors are reviewed and approved by the concerned management. The details of the remuneration paid to the Executive Directors during the year are given in notes 29 at [page # 72](#) of the Financial Statements.

### Dividends

The Directors recommended a final dividend of Taka 40.00 per share for the year, involving a payout of Taka 608.73 m subject to approval at the Annual General Meeting. The dividend percentage for the year would be 400 percent and total dividend payout for the year would amount to Taka 608.73 m (Taka 760.91 m in 2019).

### Additional statements on regulatory disclosure

- The Directors of the Company have included the other following disclosures:
- The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- All deviations from the last year's operating results of the Company have been highlighted under the above Financial Results;
- The summarized key operating and financial data of at least preceding five years (2015-2020) is set out in [page # 20](#).
- All transactions with related parties have been made on a commercial basis and the basis was the principle of "Arm's Length Transactions". Related party transactions have been presented in notes to the Financial Statements;
- There is no extra-ordinary gain or loss during the year;
- Utilization of proceeds from public issues is not applicable;
- Explanation of financial results after IPO is not applicable;
- An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;
- During the year, the Company has paid a total of Tk 200,000 as Board meeting attendance fees. The remuneration of Directors has been mentioned in the Notes to the Financial Statements;

### The Directors also report that:

- The Managing Director and Chief Financial Officer have certified to the Board that they have reviewed the financial statements for the year and to the best of their knowledge believe that these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
- The Managing Director and Chief Financial Officer have certified to the Board that they have reviewed the financial statements for

the year and to the best of their knowledge believe that these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;

- The Managing Director and Chief Financial Officer have further certified to the Board that there are to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.

## Reserves

The Directors propose to transfer net profit for the year Taka 1,066.00 m to General Reserve.

## Directors

The present directors are named on [⇒ pages 08 to 10](#) of this report.

Mr. Pavan Mysore Vijaykumar retires under Article 81 of the Articles of Association of the Company and being eligible, offers himself for re-election.

## Contribution to National Exchequer

Total payment of duty and taxes to National Exchequer in 2020 was Tk 1,392 m as against Tk. 1,623 m for 2019.

On behalf of the Board of Directors,  
Dhaka, 8 April 2021



Ayub Quadri  
Director and Chairman

## Statutory Auditors

The statutory auditors of the Company, Hoda Vasi Chowdhury & Co., Chartered Accountants, shall retire in this Annual General Meeting. As per SEC Order No. SEC/CMRRCD/2009-193/104/Admin dated 27 July 2011, an audit firm cannot be engaged for more than three consecutive years as statutory auditors of the same Company. Hoda Vasi Chowdhury & Co. has been the statutory auditors of the Company for last three years. In compliance with BSEC order, it is necessary to appoint new statutory auditors for the Company. Rahman Rahman Huq, Chartered Accountants have expressed their willingness to be appointed as statutory auditors of Linde Bangladesh Limited. The Board recommends appointment of Rahman Rahman Huq, Chartered Accountants, as statutory auditors of the Company for the year 2021 subject to approval of the shareholders in the 48 Annual General Meeting and to continue till the next Annual General Meeting at a fee of BDT Taka 600,000 only.

## Compliance Auditors

The Compliance Auditor of the Company, Rahman Rahman Huq, Chartered Accountants, have audited for the year ended 31 December 2020. As per BSEC new code the professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting. In compliance with BSEC order # BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, it is necessary to appoint Compliance auditors for the Company. Hoda Vasi Chowdhury & Co., Chartered Accountants, have expressed their willingness to be appointed as Compliance Auditors of Linde Bangladesh Limited. The Board recommends appointment of Hoda Vasi Chowdhury & Co., Chartered Accountants, as Compliance Auditors of the Company for the year 2021 subject to approval of the shareholders in the 48 Annual General Meeting.



Sujeet Kumar Pai  
Managing Director

# Committees.

## Audit Committee

The Board has constituted an Audit Committee for the Company according to the conditions of BSEC guidelines. The composition of Audit Committee as at 31 December 2020 is as follows:

Chairperson	Ms. Rupali H. Chowdhury	Independent Director
Member	Mr. Moloy Banerjee	Director
Member	Mr. Tanjib-Ul Alam	Independent Director
Secretary	Mr. Abu Mohammad Nisar	Company Secretary
In Attendance	Mr. Zoinul Abedin Sakil	Head of Internal Audit

## Nomination and Remuneration (NRC) Committee

The Board has constituted Nomination and Remuneration (NRC) Committee for the Company according to the conditions of BSEC guidelines. The composition of NRC Committee as at 31 December 2020 is as follows:

Chairperson	Ms. Rupali H. Chowdhury	Independent Director
Member	Mr. Moloy Banerjee	Director
Member	Mr. Tanjib-Ul Alam	Independent Director
Secretary	Mr. Abu Mohammad Nisar	Company Secretary

## Country Leadership Team

The Board of Directors is duly assisted by the senior management of the Company, namely the Country Leadership Team (CLT). The Managing Director leads the CLT which comprises of the following head of functions:

Chairman	Mr. Sujeet Kumar Pai	Managing Director
Member	Mr. Md Anisuzzaman	Chief Financial Officer
Member	Ms. Saiqa Mazed	Head of Human Resources
Member	Mr. A K M Tareq	Head of Sales & Marketing, Hardgoods
Member	Mr. Syed Asgar Ali	Head of Procurement
Member	Mr. Nurur Rahman	Head of Sales & Marketing, PG & Bulk
Member	Mr. Mushfique Akhter	Head of Healthcare

## Safety Council Team

Safety Council Team, this forum works to support safety related programs and try to improve the safety performance and culture. The objective of the team is to monitor the country leading and lagging indicator of safety and also other safety related issues. The Managing Director leads the Safety Council Team which comprises of 19 members as follows:

Head of Safety, Health, Environment and Quality (SHEQ)	On site Plant Manager
Country leadership team	Operation Manager
Head of all Functions	Customer Engineer Service Manager
Transport Safety Manager	

Country leadership team.



From left to right: Mr. Syed Asgar Ali, Head of Procurement, Mr. Mushfique Akhter, Head of Healthcare, Mr. Md Anisuzzaman, CFO, Mr. A K M Tareq, Head of Sales & Marketing, Hardgoods, Mr. Sujeet Kumar Pai, MD, Ms. Saiqa Mazed, Head of Human Resource, Mr. Nurur Rahman, Head of Sales & Marketing, PG & Bulk.

# Key Financial History.

## Key Operating and Financial data of five years preceding the year ended 31 December 2020.

		2015	2016	2017	2018	2019	2020
Revenue	'000 Taka	3,933,185	4,270,585	4,941,799	5,460,190	5,683,441	4,711,417
Profit before tax	"	881,343	1,190,832	1,304,260	1,364,474	1,660,989	1,444,876
EBITDA	"	1,031,104	1,381,796	1,516,448	1,622,148	1,887,324	1,681,684
Taxation	"	213,086	324,114	171,432	360,700	(429,401)	(371,267)
Deferred tax	"	17,786	(14,480)	180,090	29,302	53,283	30,602
Earnings	"	650,471	881,198	952,738	1,003,774	1,231,588	1,073,609
Final Dividend proposed	"	167,401	167,401	213,056	570,686	760,914	608,731
Interim Dividend paid	"	304,366	304,366	304,366	-	-	-
General reserve *	"	2,613,207	3,032,750	3,523,636	4,320,508	4,956,526	5,261,654
Share capital	"	152,183	152,183	152,183	152,183	152,183	152,183
Revaluation Reserve	"	20,174	-	-	-	-	-
Shareholder's equity*	"	2,785,564	3,184,933	3,675,819	4,472,691	5,108,709	5,413,837
Net fixed assets	"	1,914,405	2,543,935	3,218,638	3,445,462	3,617,639	3,436,945
Depreciation	"	162,617	201,863	219,651	280,065	292,086	309,996
Earnings per share	Taka	42.74	57.9	62.6	65.96	80.93	70.55
Price earnings ratio-times		27	22	21	18	16	18
Return on Capital Employed	%	24	28	26	22	24	20
Gross profit ratio	%	43	46	47	42	44	47
Debt equity ratio-times		-	-	-	-	-	-
Current ratio-times		2.44	1.55	1.67	2.01	2.24	2.57
Dividend per share	Taka	31	31	34	37.5	50	40
Dividend percentage (%)	%	310	310	340	375	500	400
Net assets per share*	Taka	183.04	209.28	241.54	293.90	335.70	355.75
Operating cash flow per share	"	67.14	73.18	76.13	76.87	103.25	77.70

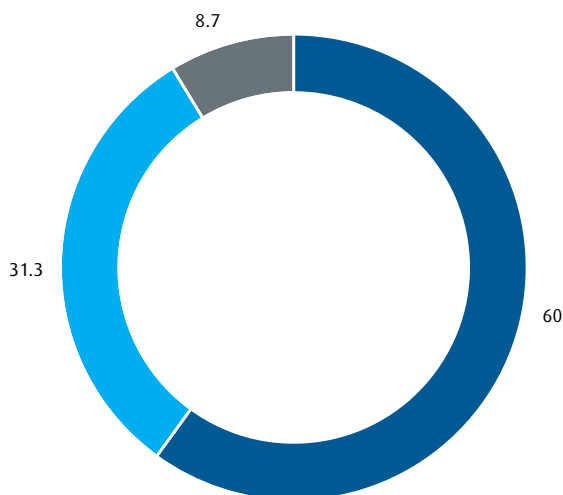
# Shareholding Pattern and Percentage.

## Shareholding Pattern

Director's Name	No. of shares		
	2018	2019	2020
Mr Ayub Quadri (Chairman)	10	10	10
<b>Executive Name</b>			
Mr. Syed Asgar Ali (Head of Procurement- resigned on 31 January 2021)	50	50	50
Mr. Abu Mohammad Nisar (Company Secretary)	28	28	28
CFO, HIAC and other executives (none of spouse and minor children hold any shares)	Nil	Nil	Nil
<b>10% or above shareholding : Name</b>			
The BOC Group Limited UK, which is fully owned by Linde AG, Germany	9,130,968	9,130,968	9,130,968
ICB Unit Fund/Investment Corp. of Bangladesh*	1,061,615	1,061,615	*1,473,500
<b>Parent, Subsidiary, Associated Companies</b>			
Linde plc, incorporated in Ireland, a new ultimate holding Company			
BOC Group Limited of United Kingdom (UK) and Linde AG of Germany, both are fellow subsidiaries			
BOC Bangladesh Limited, Subsidiary Company			

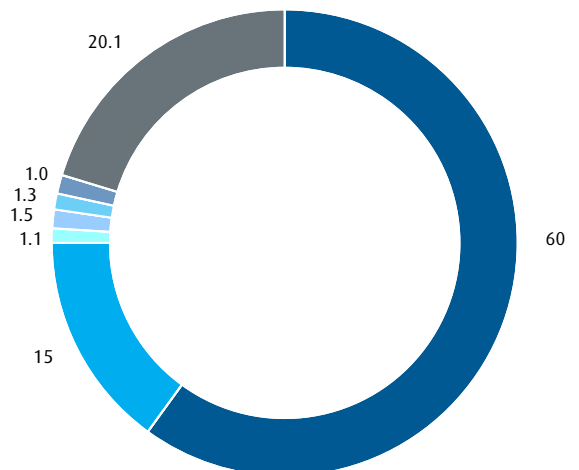
## Percentage of shareholdings – institutes & publics

- The BOC Group Limited (60.0)
- Various Institutes (31.3)
- Public (8.7)



## Percentage of shareholdings – various companies & others

- The BOC Group Limited (60)
- Investment Corporation of Bangladesh (15)
- LANKABANGLA Securities Ltd. (1.0)
- Sadharan Bima Corporation (1.3)
- Pubali Bank Limited (1.1)
- Pubali Bank Securities Limited (1.5)
- Other Shareholders (20.1)



# Meetings.

## Board Meetings

During the period the Board met four times.

	Name of the Directors	No. of Attendance
1	Mr. Ayub Quadri-Chairman	4
2	Mr. Sujeet Kumar Pai -CEO	4
3	Mr. Moloy Banerjee	4
4	Ms. Rupali H Chowdhury	3
5	Mr. Tanjib-Ul Alam	4
6	Mr. Pavan Mysore Vijaykumar	4

## Audit Committee Meetings

There were four meetings during the period.

	Name of the Members	No. of Attendance
1	Ms. Rupali H Chowdhury - Chairperson	3
2	Mr. Moloy Banerjee - Director-Corporate Investor nominated	4
3	Mr. Tanjib-Ul Alam	3

## Nomination and Remuneration Committee Meetings

There was one meeting during the period.

	Name of the Members	No. of Attendance
1	Ms. Rupali H Chowdhury- Chairperson (Independent Director)	1
2	Mr. Moloy Banerjee - Non-Executive Director- Corporate Investor nominated	1
3	Mr. Tanjib-Ul Alam (Independent Director)	1

# Annexure A.

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

## Declaration by CEO and CFO

8 April 2021

### The Board of Directors

Linde Bangladesh Limited  
Corporate Office  
285 Tejgaon Industrial Area  
Dhaka-1208, Bangladesh

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

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

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

In this regard, we also certify that:

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

Sincerely yours,



Sujeet Kumar Pai  
Managing Director



Md Anisuzzaman  
Chief Financial Officer (CFO)

# Annexure B.



**Rahman Rahman Huq**  
Chartered Accountants  
9 & 5 Mohakhali C/A  
Dhaka 1212  
Bangladesh

Telephone +880 (2) 988 6450-2  
Fax +880 (2) 988 6449  
Email dhaka@kpmg.com  
Internet www.kpmg.com/bd

[Certificate as per condition No. 1(5)(xxvii)]

## Report to the Shareholders of Linde Bangladesh Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Linde Bangladesh Limited for the year ended on 31 December 2020. This Code relates to the Notification No BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2019 of the Bangladesh Securities and Exchange Commission.

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

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

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

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission or not complied (if not complied, specify non-compliances);
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code or not complied (if not complied, specify non-compliance);
- Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws or not complied (if not complied, specify non-compliances); and
- The governance of the Company is highly satisfactory.

Dhaka, 8 April 2021

M. Mehedi Hasan

Partner  
Rahman Rahman Huq  
Chartered Accountants

Rahman Rahman Huq, a partnership firm registered in Bangladesh and a member firm of the KPMG network of independent member firms affiliated with KPMG International cooperative ("KPMG International"), a Swiss entity.

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Chattogram, Bangladesh

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E-mail chittagong@kpmg.com  
Internet www.kpmg.com/bd

# Annexure C.

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

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2019 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9).

Condition No.	Title	Compliance Status Put (✓) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.00	Board of Directors.			
1.1	Board's Size: Board members should not be less than 5(five) and more than 20 (twenty).	✓		
1.2	Independent Directors.			
1.2 (a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	✓		
1.2 (b) (i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company.	✓		
1.2 (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1.2 (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1.2 (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/associated companies.	✓		
1.2 (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1.2 (b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1.2 (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned Company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1.2 (b) (viii)	Not an Independent Director in more than five listed companies	✓		
1.2 (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1.2 (b) (x)	who has not been convicted for a criminal offence involving moral turpitude.	✓		
1.2 (c)	The independent director (s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		
1.2 (d)	The post of independent director (s) cannot remain vacant for more than 90 (ninety) days.			Not Applicable
1.2 (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only. Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per of under section 18 of the Companies Act, 1994.	✓		
1.3	Qualification of Independent Director.			
1.3 (a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1.3 (b)	Independent director shall have following qualifications			
1.3 (b) (i)	Business Leader who is or was a promoter or director of an unlisted Company having minimum paid-up capital of Tk. 100.00 million or any listed Company or a member of any national or international chamber of commerce or business association; or	✓		
1.3 (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted Company having minimum paid up capital of Tk. 100.00 million or of a listed Company; or	✓		

Condition No.	Title	Compliance Status Put (✓) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.3 (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or			Not Applicable
1.3 (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			Not Applicable
1.3 (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1.3 (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1.3 (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not Applicable
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.			
1.4 (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the Company shall be filled by different individuals;	✓		
1.4 (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company;	✓		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the Company;	✓		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			Not Applicable
1.5	The Directors' Report to Shareholders.			
1.5 (i)	Industry outlook and possible future developments in the industry;	✓		
1.5 (ii)	Segment-wise or product-wise performance;	✓		
1.5 (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1.5 (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss).	✓		
1.5 (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1.5 (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			Not Applicable
1.5 (viii)	An explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not Applicable
1.5 (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1.5 (x)	A statement of remuneration paid to the directors including independent directors;	✓		
1.5 (xi)	A statement that the financial statements prepared by the management of the issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1.5 (xii)	A statement that proper books of account of the issuer Company have been maintained;	✓		
1.5 (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1.5 (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1.5 (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		

Condition No.	Title	Compliance Status Put (✓) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.5 (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1.5 (xvii)	A statement that there is no significant doubt upon the issuer Company's ability to continue as a going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1.5 (xviii)	An explanation that significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof shall be explained;	✓		
1.5 (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1.5 (xx)	An explanation on the reasons if the issuer Company has not declared dividend (cash or stock) for the year;	✓		
1.5 (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1.5 (xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1.5 (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1.5 (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1.5 (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1.5 (xxiii) (c)	Executives; and	✓		
1.5 (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name wise details)	✓		
1.5 (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1.5 (xxiv) (a)	A brief resume of the director;	✓		
1.5 (xxiv) (b)	Nature of his/her expertise in specific functional areas; and	✓		
1.5 (xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1.5 (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1.5 (xxv) (a)	Accounting policies and estimation for preparation of financial statements;	✓		
1.5 (xxv) (b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1.5 (xxv) (c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1.5 (xxv) (d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1.5 (xxv) (e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1.5 (xxv) (f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company; and	✓		
1.5 (xxv) (g)	Future plan or projection or forecast for Company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1.5 (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1.6	Meeting of the Board of Directors.			
	The Company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		

Condition No.	Title	Compliance Status Put (✓) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer.			
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the Company;	✓		
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent conduct and behaviour; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2	Governance of Board of Directors of Subsidiary Company.			
2 (a)	Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary Company;	✓		
2 (b)	At least 1 (one) independent director on the Board of the holding Company shall be a director on the Board of the subsidiary Company;	✓		
2 (c)	The minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the holding Company;	✓		
2 (d)	The minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company also;	✓		
2 (e)	The Audit Committee of the holding Company shall also review the financial statements, in particular the investments made by the subsidiary Company.	✓		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).			
3.1	Appointment.			
3.1 (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any executive position in any other Company at the same time;	✓		
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3.2	Requirement to attend Board of Directors' Meeting.			
	The MD or CEO, CS, CFO and HIAC of the Company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3.3 (a) (i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3.3 (a) (ii)	These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3.3 (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members;	✓		
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee.			
4 (i)	Audit Committee; and	✓		
4 (ii)	Nomination and Remuneration Committee	✓		
5	Audit Committee.			
5 (1)	Responsibility to the Board of Directors.			
5 (1) (a)	The Company shall have an Audit Committee as a sub-committee of the Board;	✓		

Condition No.	Title	Compliance Status Put (✓) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
5 (1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	✓		
5 (1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5.2	Constitution of the Audit committee.			
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5.2 (b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the Company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5.2 (c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5.2 (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5.2 (e)	The Company secretary shall act as the secretary of the Committee;	✓		
5.2 (f)	The quorum of Audit Committee meeting shall not constitute without at least 1 (One) independent director.	✓		
5.3	Chairperson of the Audit Committee.			
5.3 (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5.3 (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
5.4	Meeting of the Audit Committee.			
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5.5	Role of Audit Committee.			
5.5 (a)	Oversee the financial reporting process;	✓		
5.5 (b)	Monitor choice of accounting policies and principles;	✓		
5.5 (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5.5 (d)	oversee hiring and performance of external auditors;	✓		
5.5 (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5.5 (f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5.5 (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5.5 (h)	Review the adequacy of internal audit function;	✓		
5.5 (i)	Review the Management’s Discussion and Analysis before disclosing in the Annual Report;	✓		

Condition No.	Title	Compliance Status Put (✓) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
5.5 (j)	Review statement of all related party transactions submitted by the management;	✓		
5.5 (k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5.5 (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the Company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee			Not Applicable
5.6	Reporting of the Audit Committee.			
5.6 (a)	Reporting the Board of Directors.			
5.6 (a) (i)	The Audit Committee shall report on it activates to the Board;	✓		
5.6 (a) (ii) (a)	Report on conflicts of interest;	✓		
5.6 (a) (ii) (b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		
5.6 (a) (ii) (c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	✓		
5.6 (a) (ii) (d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		
5.6 (b)	Reporting to the Authorities.  If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			
5.7	Reporting to the Shareholders and General Investors.  Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer Company.	✓		
6	Nomination and Remuneration Committee (NRC).			
6.1	Responsibility to the Board of Directors.			
6.1 (a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓		
6.1 (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6.1 (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6.5 (b).	✓		
6.2	Constitution of the NRC.			
6.2 (a)	The Committee shall comprise of at least three members including an independent director;	✓		
6.2 (b)	All members of the Committee shall be non-executive directors;	✓		
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			Not Applicable

Condition No.	Title	Compliance Status Put (✓) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			Not Applicable
6.2 (g)	The Company secretary shall act as the secretary of the Committee;	✓		
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6.2 (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.	✓		
6.3	Chairperson of the NRC.			
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No Not Applicable matter
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		
6.4	Meeting of the NRC.			
6.4 (a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6.4 (b)	The chairperson of the NRC may convene any emergency meeting;	✓		
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting.	✓		
6.5	Role of NRC.			
6.5 (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6.5 (b) (i) (a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the Company successfully	✓		
6.5 (b) (i) (b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6.5 (b) (i) (c)	The remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;	✓		
6.5 (b) (ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6.5 (b) (iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6.5 (b) (iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6.5 (b) (v)	Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6.5 (b) (vi)	Developing, recommending and reviewing annually the Company's human resources and training policies;	✓		
6.5 (c)	The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	<b>External or Statutory auditors.</b>			
7.1	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:			

Condition No.	Title	Compliance Status Put (✓) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
7.1 (i)	Appraisal or valuation services or fairness opinions;	✓		
7.1 (ii)	Financial information systems design and implementation;	✓		
7.1 (iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7.1 (iv)	Broker-dealer services;	✓		
7.1 (v)	Actuarial services;	✓		
7.1 (vi)	Internal audit services or special audit services;	✓		
7.1 (vii)	Any service that the Audit Committee determines;	✓		
7.1 (viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7.1 (ix)	Any other service that creates conflict of interest;	✓		
7.2	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said Company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Company.			
8.1	The Company shall have an official website linked with the website of the stock exchange.	✓		
8.2	The Company shall keep the website functional from the date of listing.	✓		
8.3	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance.			
9.1	The Company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9.3	The directors of the Company shall state, in accordance with the Annexure-C attached, in the directors' report whether the Company has complied with these conditions or not.	✓		

# Corporate Governance.

## Corporate governance practices

Sound corporate governance is fundamental to a company's long term success. The Board of Directors of Linde Bangladesh Limited is firmly committed to upholding principles of sound corporate governance. The Board's Management and supervision of actions are always guided by a strong sense of responsibility. Board of Directors continues to follow developments in this area and adapt corporate governance practices as appropriate and beneficial for the Company. The main objective of corporate governance is creation of lasting value for stakeholders. Linde's success has always been built on close and effective cooperation between Board of Directors ability to serve shareholder interest, open communication with in the company, proper accounting and auditing and responsible approach to risk, statutory regulations and internal control practices.

Linde Bangladesh Limited follows the Corporate Governance Code promulgated by the Bangladesh Securities and Exchange Commission vide Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

## Role of the Board of Directors

The Board of Linde Bangladesh Limited is responsible for managing the company and overseeing its general business activities. Its action and decisions are made in the best interests of the company, which includes the interests of shareholders, employees, customers and other stakeholder groups. Its aim is to create lasting value for stakeholders. Responsibilities of the Board is steered by the regulations contained in the Memorandum and Articles of Association of the Company, the Companies Act 1994, relevant valid regulations, Codes of Corporate Governance of BSEC, Listing Regulations of Exchanges, corporate best practices of the Country and Company's Codes of Conduct. The Board of Linde Bangladesh Limited comprises of 6 members of whom 2 members are independent directors, 1 member is an executive director, 2 members are Linde nominated directors, rest 1 is non-executive director. The Board members include persons of high caliber with professional and academic qualification having experience in private and public sector operations. The Board of Directors reviews business performance in each meeting and approves periodical and annual financial results for publication. Board approves the annual plan, capital expenditure for the year and passes resolution at meetings held on a regular basis.

## Board meeting

The Board of Linde Bangladesh Limited met four times in 2020. In the Board Meeting the actions and decisions are geared towards the best interests of the Company taking into account the concerns of shareholders, employees, customers and other stakeholders. Board meetings were held under section # 96 of Companies Act 1994 and Bangladesh Securities and Exchange Commission (BSEC) regulations regarding Board meeting were complied with. The company conducts its Board meetings and records the minutes of the meetings as well

as keeps required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB). Director's attendance in the Board meeting is shown in [page # 22](#) of the Report of the Board of Directors.

## Audit Committee

Linde Bangladesh Limited has an Audit Committee as a sub-Committee of the Board of Directors. The aims of the establishment of an Audit Committee is to create efficiency in the operations and to add value to the organization.

The Audit Committee is appointed by the Board of Directors to assist the Board in discharging its oversight responsibilities by reviewing:

- the financial reporting process to ensure the balance, transparency and integrity of published financial information so that the financial statements reflect true and fair view of the state of affairs of the company;
- the effectiveness of the company's internal financial control and risk management system as well as the effectiveness of the internal audit and compliance function to ensure sound monitoring system within the business;
- the independent audit process including recommending the appointment and assessing the performance of the external auditor.

In performing its duties, the Committee maintains effective working relationships with the Board of Directors, management, and the external and internal auditors. The Audit Committee is responsible to the Board of Directors according to the duties and responsibilities assigned by the Board of Directors. To perform his or her role effectively, each Committee member needs to develop and maintain his or her skills and knowledge, including an understanding of the committee's responsibilities and of the company's business, operations and risks. A separate report on activities of the Audit Committee is attached at [page # 39](#) of this report pursuant to condition # 5(7) of the Corporate Governance Code of 3 June 2018.

## Nomination and Remuneration Committee (NRC)

The Nomination & Remuneration Committee of Linde Bangladesh Limited is appointed by the Board of Directors, as required by the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) notification. The NRC consist of three members, of whom two are independent directors, and one is the nominated director.

The Nomination & Remuneration Committee (NRC) was set up with clear terms of reference. The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive. The Nomination and Remuneration (NRC) Committee shall, at least once a year, consider

its own act and terms of reference to ensure that it is functioning at maximum usefulness and recommend any updates necessary to the Board for consent. The policy of NRC is attached at [page # 40](#) of this report pursuant to condition # 6.5(c) of the Corporate Governance Code of 3 June 2018.

### Chairperson and Managing Director/CEO of the Company are different persons

To reinforce compliance of the Corporate Governance Code of 1(4), Chairperson of the Board and Managing Director/CEO of the Company are different individuals with different roles and responsibilities as defined by the Board. The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company. The Chairperson and Managing Director of the Board is to be balanced to ensure that its members collectively possess the knowledge, skills and professional experience necessary to enable them to discharge their duties in a fit and proper manner. The Chairperson is a Non-Executive Director while the Managing Director/CEO is an Executive Director. The Chairperson and Managing Director/CEO ensures that the Board is functioning in accordance with the Memorandum and Articles of Association of the Company as well as other applicable laws.

### Role of the Chairperson

The Chairperson of the Board shall be elected by the Board of Directors from among the non-executive directors of the company. In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes. The purpose of the role is to make the board excellent and to take personal responsibility for the level of quality in the boardroom, to improve and maximize the governance process, thus protecting the shareholders assets and ensuring decent return on their investment. A brief of the roles and responsibilities of the Chairperson is as follows:

- The Chairperson's responsibility is defined by the Board as directed by BSEC Corporate Governance code.
- Responsible for overseeing the board meetings as well as the executive sessions of independent directors, organizing and coordinating the board's activities.
- The Chairperson confirms that the Board is functioning in harmony with the Memorandum and Articles of Association of the Company as well as other pertinent laws.
- Reviewing and evaluating the performance of the Managing Director and the other board members.
- Ensure that all statutory and legal compliance is strictly adhered.
- Ensure internal Linde compliance in all aspects of the business.
- Work closely with the Board of Directors, Global, Regional, Cluster and Country Leadership Team, Regional Partners; in country teams; external organizations including industry and legislative bodies.

### Role of the Managing Director and CEO

The directors shall appoint Managing Director & CEO for such period and upon such terms as they think fit. The purpose of the role is to drive profitable growth in Linde's business, identify new business opportunities, align the organisation internally and implement the industry best practices within the Company as per approved objective. The Managing Director works closely with the Board of Directors, Global, Regional, Cluster and Country Leadership Team, Functional Heads, Regional Partners; in country teams; external organizations including industry and legislative bodies. A brief of the roles and responsibilities of the Managing Director & CEO is as follows:

- Delivering company's over-all financial and non-financial targets (profit and loss management, safety, quality, regulatory compliance, customer service KPI's, DSO, etc.).
- Provide over-all leadership and management in business in terms of sales, marketing, local product management, pricing, trademark, branding and regulatory compliance.
- Reporting of key business qualitative and quantitative performance indicators across relevant departments and management levels.
- Develop in-depth understanding of the existing trend of local market, value chain, customer segments and competitors within the market sector and incorporate those into company's business strategies.
- Review organization and succession planning to ensure business continuity within the team.
- Ensure internal Linde compliance in all aspects of the business.

### Role of the Chief Financial Officer (CFO)

The Chief Financial Officer (CFO) shall be appointed by the directors for such time, at such remuneration and upon such conditions as they may think fit, and any Chief Financial Officer so appointed may be removed by them. The Corporate Governance Code # 3 issued by BSEC requires a listed company to appoint a Chief Financial Officer who shall not hold any executive position in any other company at the same time. The Chief Financial Officer of a company has overall responsibility for the strategic planning, implementation, managing and running of all the finance activities of the company, including business planning, budgeting, forecasting, risk and governance as well as negotiations. The CFO job description should also implement company's overall financial policy to achieve Company's short and long term financial goals. A brief of the roles and responsibilities of the Chief Financial Officer is as follows:

- Formulates and administers financial policy and develops best financial practices in the Company.
- Draws strategy to maintain smooth cash flow throughout the year.
- Ensures that all rules and regulations of the Company, the Statutory/Regulatory bodies, the Company laws, Security & Exchange Rules are fully in compliance.
- Supports and monitors activities of Share and Finance Departments and provide shareholders' appropriate services.
- Assists and advises the Managing Director of the Company in matters of financial decisions and briefs the Board members with finance related information.
- Leads the budget preparation process and finalises it.

- Establishes standardised systems and processes for various financial operations and ensures development of standard operating procedures.
- Creates a culture of financial discipline by ensuring the implementation of management and financial management systems and processes across the organization.
- Present the financials to the Board and Country Leadership team.
- Manages key financial risks including that of Treasury and Insurance and update the Board time to time.
- Formulates and administers financial policy & accounting practices and reporting system in the Company.
- Strives to achieve cost control through judicious control over the commercial planning, contracts and taxation matters.

### Role of the Company Secretary

The Secretary shall be appointed by the directors for such time, at such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may be removed by them. The purpose of this position is to guide company directors about the operation of the company, including compliance with legal and statutory requirements to achieve Company's short and long term goals. The Corporate Governance Code # 3 issued by BSEC requires a listed company to appoint a full-fledged Company Secretary who shall not hold any executive position in any other company at the same time. Company Secretary should work closely with Board of Directors, different committee members, shareholders, regulatory authorities and all functional heads of the company. The Company Secretary plays an important role in ensuring that a company and its directors both comply with Company law. The Company Secretary shall organise Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of these Code and guided by the regulations contained in the Memorandum and Articles of Association of the Company, the Companies Act, 1994, relevant applicable regulations, BSEC Codes of Corporate Governance, Listing Regulations of the exchanges and other generally accepted corporate best practices.

Being a governance official, the Company Secretary drives for corporate compliance and provides support to the Chairman, other members of the Board and the Managing Director to ensure effective functioning of the Board. The Company Secretary organises and attends all Board and Committee meetings and ensures that deliberations on all issues are properly minuted decisions recorded and are duly communicated across the respective authority lines for necessary information and actions. A brief of the roles and responsibilities of the Company Secretary is as follows:

- Convening and servicing annual general meeting (AGM), extraordinary general meetings (EGM) including producing agendas, taking minutes; conveying decisions etc.
- Providing support to committees and working parties such as the Board of Directors, Audit Committee etc.
- Implementing procedural/administrative systems as directed.
- Handling correspondence before and after meetings.
- Ensuring policies are kept current, are approved, and that company members are aware of their implications.
- Prepare various management reports for Board Directors.
- Collating information and report accordingly as directed on company matters.
- Providing legal/financial advice during and outside of meetings.
- Ensure that all regulatory requirements and reporting are strictly adhered.
- Maintaining current awareness about company law.
- Keeping the register of shareholders updated and liaising with them on behalf of the company.

### Role of the Head of Internal Audit & Compliance (HIAC)

The internal audit function of Linde, Region of South and East Asia (RSE) conducts at regular intervals efficiency and effectiveness of the risk management and internal control on all activities of the Company. They also carryout internal audit on all functions of the Company like, Operations, Distributions, Sales and Marketing, Finance, Treasury system, Information Service. Internal Auditor submits their observation on weaknesses and non compliance of company's practices and statutory provisions. The Head of Internal Audit and Compliance is responsible for the internal control system and reporting to the Audit Committee regarding deviations from accounting and internal control system. The internal auditors embark on a comprehensive audit of all functional areas and operations and their findings are referred to the Audit Committee of the Board for due appraisal with the BSEC guideline.

The Head of Internal Audit and Compliance (HIAC), performs group-wide independent, objective assurance and consulting activities in order to add value and improve the organisation's operations. Fulfils the country level Audit Committee requirements in the role of Country Head of Internal Audit which is a statutory requirement of the local country Companies Act. LBL has made relevant mandatory disclosures in its financial statements under the regulatory framework, including compliance with the provisions of International Financial Reporting Standards (IFRS) as adopted in Bangladesh. Besides that, it submits all the reports/statements regularly which are required to be sent to the regulators as well as the other stakeholders of the Company. A brief of the roles and responsibilities of the Head of Internal Audit and Compliance (HIAC) is as follows:

- Present project status updates to members of the Audit Committee.
- Convey key issues identified, the risks associated, the recommendations required and the management comments.
- Describe the severity of findings and how it impacts the respective country financial performance.
- Present feedback on investigations and outcomes.
- Handle all queries regarding Internal Audit as raised in the Audit Committee meeting or requested by the chairperson.
- Ensure stakeholder appreciation for the work done by Internal Audit.
- Achieve good understanding of the country operations and business models.
- Engage with the country leadership to build good working relations.
- Interact with the External Auditors as required to understand their challenges and risks identified in the company.

- Conduct annual risk assessments and feedback to the Head of Audit to incorporate in the risk based audit plans.
- Ensure the agreed audit plans are delivered for the respective country/ies.

## Annual General Meeting

The shareholders assert their rights as conferred by the articles of association during the Annual General Meeting by exercising their right to vote. Each share entitles the shareholder to one vote.

The Annual General Meeting takes place within the first six months after end of the accounting year. Notice of Annual General Meeting together with the annual reports and documents as required by Companies Act. is sent to the shareholders, fourteen days, prior to the meeting.

Shareholders who cannot attend the Annual General Meeting have the option to exercise their vote through a proxy to another member of the Company. The proxy form duly filled in to be submitted to the Corporate Office of the Company within 72 hours before the meeting.

## Corporate Governance Compliance Report

In accordance of the requirement of Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018. Corporate Governance Compliance Report is attached in Annexure C.

## Corporate and financial reporting framework

- The financial statements prepared by the management of the company present fairly, its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS) International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements.
- The Company has implemented a sound system of internal control which ensures reasonable assurance to restrict material misstatement in financial statement. The internal control system is reviewed by the Group Internal auditor help updates Management and Audit Committee on the status of internal control.

## Internal control

Sound internal control process is defined and practiced for all activities of the Company.

Group Internal Audit team conducts audit to evaluate appropriateness of internal control. The findings and subsequent remedial status are reported to the Audit Committee. Migration of data processing at Linde

Global Services, Manila (LGSM -Share service) has strengthened internal control on accounting and data processing. Under the share service arrangement, Country Finance is responsible for preparing source data for Financial and Treasury Accounting and bill processing. On the other hand, LGSM is responsible for data editing, verifying and processing and uploading in online banking network. After uploading processed file in HSBC network by LGMS, signatories of the bank, authorise the cheques electronically per delegation of authority (DOA). However, depending on the situations in urgent cases, payments are made by in-house cheques after it being processed by LGSM. Under share service arrangement data ownership remained with country finance. LGSM is also responsible for reconciliation of General Ledger Accounts, Accounts Receivable, Accounts Payable and Bank reconciliation etc. The schedule and reconciliation are vetted by country finance. Country Finance and controlling functions are responsible for providing information for management discussion.

## Internal audit

The internal audit function of Linde, Region of South and East Asia (RSE) conducts at regular intervals efficiency and effectiveness of the risk management and internal control on all activities of the Company. They also carryout internal audit on all functions of the Company like, Operations, Distributions, Sales and Marketing, Finance, Treasury system, Information Service etc. Internal Auditor submits their observation on weaknesses and non compliance of company's practices and statutory provisions. Each observation states the facts, weaknesses and recommendations for improvement. A direct responsible individual (DRI) is made for each observation and followed up by the Group internal auditor till recommendations are implemented. Internal audit activity is reviewed by the Audit Committee.

## Risk management

Linde Bangladesh Limited has risk management systems in place. These are continually being updated and adapted by the Company under guidance of Linde Group. The effectiveness of these systems is reviewed by group internal auditor and statutory auditor and the Board of Directors. The management of the Company made risk assessment on business and made risk mitigation plan to eliminate risks. The audit committee supports the Board in monitoring activities of management and deals with risk management issues.

## Statutory Audit

The Company prepares and publishes its annual financial statements and interim financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The annual and periodical financial statements are prepared by the management and reviewed by the Audit Committee. Financial statements are audited by the statutory auditor in accordance with Bangladesh Audit Standard as promulgated by the ICAB. As per these regulations, auditors are appointed by Shareholders at each Annual General Meeting (AGM) and their remuneration is also fixed by the Shareholders at the same AGM. Appropriate structure is in place

as per corporate governance best practices to ensure independence of statutory auditors. Statutory auditors are changed every three years in compliance with the Bangladesh Securities and Exchange Commission (BSEC) regulations.

The audit procedures include a review of the system for early identification of risks. The Audit Committee Updates Board on annual and periodical financial statement in detail prior to its publications.

### Compliance Audit

Compliance audit of the company is ruled by the Corporate Governance Code # 9(1) issued by BSEC on 3 June 2018, which states that the professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting. The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report. To ensure good governance a Compliance Certificate is obtained from licensed practicing professionals who certify that the company has duly complied with all the regulatory requirements as stipulated by the Bangladesh Securities and Exchange Commission (BSEC). The Compliance Certificate is available on at [page # 24](#) in this Report.

### Declaration of CEO and the CFO regarding Financial Statements

A separate statement pertaining to due diligence of the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as required under Corporate Governance Code of BSEC is presented in Annexure-A on [page # 23](#) of this report.

### Employee

Total number of employees in the Linde Bangladesh Limited at 31 December 2020 was 316 (31 December 2019: 296). The Company paid salary and wages Taka 471 million (31 December 2019 Taka 495 million) during the year under review. The strategy of Company is to attract, develop and promote the best employee, build long term loyalty to the Company which is the most important prerequisite for long term success

of the Company. Training arrangements were made throughout the year for people development. Through occupational safety and health protection measures, Linde Bangladesh Limited help its employee to stay healthy and protects them from risks that might arise from the work they perform for the Company.

### Compliance with laws

Company respects the provisions of the law and complies with those in business practices. Each employee of the Company must learn provisions of the law that applies to their job. The Board of the Company ensures that all provisions of the law are complied with in a timely manner. Any non compliance is immediately addressed.

### Code of Ethics

The Code of Ethics is structured to reflect the expectation of all stakeholders of the Company. Each employee of the Company must learn and comply with the standards and laws that applies to their job. Company actively monitors standards set out in the code. Code of Ethics covers:

- Making ethical decision.
- Dealing with customers, suppliers and markets.
- Dealing with shareholders.
- Dealing with employees.
- Dealing with the public.

### Corporate website

The Company developed an information website under corporate governance responsibility, where public information related to the Company is placed for interested group like shareholders, employees, customers and other stakeholders.

Information which are hosted in Company Website are shown below:

- Annual Financial Statements.
- Periodical Financial Statements.
- Price Sensitive information
- Notifications etc.

The link of Company website is [www.linde.com.bd](http://www.linde.com.bd).

# Statement of Directors' Responsibilities.

## Financial statements and accounting records

Linde Bangladesh Limited Directors are responsible for approving the Annual Report and its financial statements for the year ended 31 December 2020 in accordance with applicable law and regulations.

The Management is required to prepare the financial statements in accordance with the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and the regulations of the Dhaka, Chittagong Stock Exchanges. Under Company Law the Directors must not approve the accounts unless they are satisfied that financial statement reflects a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the year.

The Directors are legally responsible for ensuring fair presentation of financial statements, which comprises of the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes and related consolidated financial statements of Linde Bangladesh Limited and its subsidiaries.

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements including consolidated financial statements have been prepared and presented to ensure that:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- These statements together, present a true and fair view of the Company's state of affairs and are in compliance with existing accounting standards and applicable laws.
- No transactions entered into by the Company during the year, which are fraudulent, illegal, or violation of the Company's code of ethics.

The Auditors of the Company have examined financial statements made available by the Board of Directors together with all relevant financial records and express their opinion in their report in [⇒ page # 41-46](#) of the Annual Report.

On behalf of the Board of Directors,  
Dhaka, 8 April 2021



Ayub Quadri  
Director & Chairman



Sujeet Kumar Pai  
Managing Director

# Audit Committee Report.

The Audit Committee of Linde Bangladesh Limited is appointed by the Board of Directors, as recommended by Bangladesh Securities and Exchange Commission (BSEC) notification. The Audit Committee ensuring good governance of the Company and it is a sub-committee of the Board. The Audit Committee consists of three members, of which two are independent directors and rest one is a nominated director. Meetings of the Committee were attended by the Managing Director, Chief Financial Officer of the company on invitation.

## The Composition of the Audit Committee

The terms of reference of Audit Committee has been set up by the Board of Directors in accordance with BSEC notification. The existing members of the committee are:

Ms. Rupali H Chowdhury	Chairperson, Independent Director
Mr. Moloy Banerjee	Member, Non-Executive Director
Mr. Tanjib-Ul Alam	Member, Independent Director
Mr. Abu Mohammad Nisar	Secretary

Four (4) meetings of Audit Committee were held during the year under review. Attendance of members in the meeting are as follows:

Name of members	No. of Attendance
Ms. Rupali H Chowdhury	3
Mr. Moloy Banerjee	4
Mr. Tanjib-Ul Alam	3

In all meetings the internal auditor gave presentation to the committee which covered the internal audit plan, number of audits carried out during the year, audit observations, audit recommendations and the status of its implementation. Audit Committee also met external auditor to discuss their observations on statutory audit and their recommendations for improvement. The Committee also reviewed the Financial Statement of the subsidiary company of BOC Bangladesh Limited.

## Role of Audit Committee

The Audit Committee is empowered with Boards oversight responsibility to investigate any activity within its terms of reference. The Committee reports to Board of Directors as per terms of reference, on the activities assigned. The role of the committee includes.

- Review the financial statement with respect to presentation, disclosure and accuracy of data.
- Monitor and review effectiveness of internal and external audit.
- Review effectiveness of the financial internal control of the company.
- Review effectiveness of risk management system of the company.
- Review ethical standard and procedures to ensure compliance with regulatory and financial reporting requirements.
- Any other activities as per audit committee charter.

## Meeting

There were four meetings during the period. The quorum shall be not less than two directors, one of whom, at least, shall be an independent director.

The audit committee may invite such other persons (e.g., the CEO, CFO, internal auditor) to its meetings, as it deems necessary. The external auditor shall normally attend the meetings of the committee at which it communicates audit risks and planning and the full year results. Company Secretary shall act as the secretary of the committee.

## Activities carried out by the Audit Committee:

Audit Committee acted as per guideline mentioned in the charter of the Committee. The Committee reviewed effectiveness of internal control and external audit procedures and reports thereon. The Audit Committee regularly updates the Board of Directors on their observations and status of control environment. The members of Audit Committee were apprised duly by:

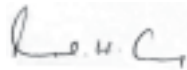
- The external auditor on accounting policies, internal controls, compliance of statutory provisions of law and other regulatory authorities, Compliance of Bangladesh Accounting Standards and appropriateness of disclosure in the Financial Statements. The committee reviewed the audit findings and management responses.
- The Chief Financial Officer on financial performance of the company for the period under review.

## Reporting

Pursuant to condition # 5(6)(a) of the Corporate Governance Code-2018 issued by BSEC, the Committee reports that it did not find any conflict of interest, any fraud, irregularity or material defect in the internal control system. There also are no infringement of laws rules and regulations.

After due verification Audit Committee formed the opinion that adequate financial control and procedures are in place to provide reasonable assurance that the company's resources are safeguarded and the financial position of the Company is well managed.

On behalf of the Audit Committee.

  
Rupali H Chowdhury  
Chairperson, Audit Committee  
Dhaka, 8 April 2021

# Report on the Nomination & Remuneration Committee (NRC).

The Nomination & Remuneration Committee of Linde Bangladesh Limited is appointed by the Board of Directors, as required by Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) notification. The NRC consists of three members, of whom two are independent directors and one is a nominated director.

Pursuant to code 6.5(c) of the codes of corporate governance, the Nomination & Remuneration Policy of the Company is presented hereunder at a glance:

## Nomination & Remuneration Committee (NRC)

The Nomination & Remuneration Committee (NRC) was set up with clear terms of reference. The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors and top level executives. The Nomination and Remuneration Committee (NRC) shall conduct at least one meeting a year, consider its own act and terms of reference to ensure that it is functioning at maximum usefulness and recommend any updates necessary to the Board for consent.

During the year, NRC recommended all Directors including Independent Directors and Managing director to the Board as required to identify individuals who are qualified to become Directors in accordance with the nomination criteria laid down, and recommend their appointment/re-appointment and removal to the Board.

## The Composition of the NRC

The Board of Directors has appointed the Nomination & Remuneration Committee comprising three members including two Independent Directors and other member of the Committee is Non-Executive Director. One (1) meeting of Nomination & Remuneration Committee was held on 22 October 2020 in presence of the members. The members of the Committee are:

Ms. Rupali H Chowdhury	Chairperson, Independent Director
Mr. Moloy Banerjee	Member, Non-Executive Director
Mr. Tanjib-Ul Alam	Member, Independent Director
Mr. Abu Mohammad Nisar	Secretary

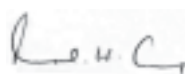
## The Responsibilities of the Nomination Committee

The Committee shall be independent and responsible or accountable to the Board and to the Shareholders. The responsibilities of the Committee are as follows:

- Review and recommend the size and composition of the Board, including review of Board succession plans and the succession of the Chairman.
- Review and recommend a policy to the Board relating to the nomination criteria for determining qualifications, positive attributes, experiences and Independence of Directors and top level executives.

- Assist the Board as required to identify individuals who are qualified to become Directors and who may be appointed in top level executive position in accordance with the nomination criteria laid down, and recommend their appointment/re-appointment and removal to the Board.
- Review and recommend to the Board the policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- Review the Code of Conduct of Board on a periodic basis, and recommend any amendments for Board consideration.
- Ensure that an effective induction process is in place for any newly appointed Director and regularly review its effectiveness.
- Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
- Developing, recommending and reviewing annually the company's human resources and training policies.
- Review and recommend a policy to Board relating to the remuneration of the Directors and top level executive, considering the following:
  - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully,
  - The relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
  - Remuneration to Directors and top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Assist the Board to formulate the criteria for evaluation of performance of the Board including Independent Director.
- Review and recommend to the Board the meeting attendance fees for the Non-Executive Directors of the Board.
- Recommend a report to the Board on activities of the Committee during the financial year.
- Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provisions of the Country's Laws, Rules and Regulations

On behalf of the Nomination & Remuneration Committee.



Rupali H Chowdhury  
Chairperson  
Nomination & Remuneration Committee (NRC)  
Dhaka, 8 April 2021

# Consolidated Independent Auditors' Report to the Shareholders.

## Report on the consolidated Audit of the Financial Statements

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. 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.

### Revenue Recognition

At the year end the Group reported total revenue of amounting to Taka 4,711.62 million.

Revenue arising from sale of goods

#### (i) Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances

and trade discounts. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer as well as performance obligations are met, 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.

#### (ii) Cash on delivery sales

Revenue is recognized when delivery is made and cash is received by the seller.

### How the scope of our audit responded to the key audit matter:

We have tested the design and operating effectiveness of key controls focusing on the calculation of discount, segregation of duties in invoice creation and authorization, checking credit notes and the reasons for issuance of such credit notes, checking credit limit of customers and finally point of revenue recognition.

Our substantive procedures in relation to the revenue recognition comprised of observing and evaluating whether proper segregation of duties put in place, examining samples of sales orders for evidence of proper credit approval by the appropriate personnel concerned and application controls for credit limits, obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period, assessing the appropriateness of the Group's revenue recognition accounting policies including those relating to discounts by comparing with applicable accounting standard, critically assessing manual journals made to revenue to identify unusual or irregular items and finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards

### Valuation of inventories

The Group accounted for inventories amounting to Taka 873.44 million as at 31 December 2020 which are held in factory warehouse and sales centers. Inventories, except goods in transit are measured at lower of cost and estimated net realizable value (NRV). The cost of inventories is measured by using weighted average cost formula and includes expenditure incurred for acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. Inventories consist of raw materials, finished goods, goods in transit and maintenance spares.

### How the scope of our audit responded to the key audit matter

We tested the appropriateness of management's assumptions applied in calculating the value of the inventory. Our audit procedures included evaluating the design and implementation of key inventory controls operating across the Group, including factory production house, warehouse and depots on a sample basis. We have tested the internal controls to monitor or keep track of inventory movement and perform tests of control and other substantive audit procedures. We have examined the correctness of the costing of finished goods and valuation of raw materials, packing materials and spare accessories. Finally, we checked the accuracy and appropriateness of accounting adjustments in the financial statements arising from the adoption of IAS 2 as well as verified the sufficiency and appropriateness of disclosures in the financial statements.

### Valuation of Trade Receivables

The Group accounted for trade receivables of amounting to Taka 775.88 million including provision for doubtful debts of Taka 85.31 million as at 31 December 2020. Trade receivables represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognised at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to non-collectability of any amount so recognised.

### How the scope of our audit responded to the key audit matter

We tested the appropriateness of management's assumptions applied in calculating the value of trade receivables. Our audit procedures included analysis of the aging of trade receivables and their subsequent positions. We also tested the Group's control over the receivables collection processes, tested the receipt of cash after the year end and tested the adequacy of the Group's provisions against trade receivables by taking account of externally available data on trade credit exposures and our own knowledge of recent bad debt experience in this industry. We also considered the adequacy of the disclosures about the degree of estimation involved in arriving at the provision.

### Other Information

Management is responsible for the other information. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

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

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

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

### Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (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 International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

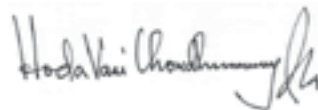
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation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

### Report on Other Legal and Regulatory Requirements:

In accordance with the Companies Act, 1994 and International Standards on Auditing (ISAs), 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 those books;
- c. the Group's statement of financial position and the statement of profit or loss and other comprehensive income along with the annexed notes 1 to 45 dealt with by the report are in agreement with the books of account; and
- d. the expenditure incurred was for the purposes of the Group's business.

Dhaka, 8 April 2021



**A F Nesaruddin**  
Senior Partner  
Enrollment # 469  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

# Independent Auditors' Report to the Shareholders.

## Report of the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Linde Bangladesh Limited (hereinafter referred to as "the Company"), which comprise the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

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

### Basis for Opinion

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

### Key Audit Matters

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

### Revenue Recognition

At the year end the Company reported total revenue of amounting to Taka 4,711.42 million.

Revenue arising from sale of goods

(i) Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer as well

as performance obligations are met, 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.

### (ii) Cash on delivery sales

Revenue is recognized when delivery is made and cash is received by the seller.

### How the scope of our audit responded to the key audit matter

We have tested the design and operating effectiveness of key controls focusing on the calculation of discount, segregation of duties in invoice creation and authorization, checking credit notes and the reasons for issuance of such credit notes, checking credit limit of customers and finally point of revenue recognition.

Our substantive procedures in relation to the revenue recognition comprised of observing and evaluating whether proper segregation of duties put in place, examining samples of sales orders for evidence of proper credit approval by the appropriate personnel concerned and application controls for credit limits, obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period, assessing the appropriateness of the Company's revenue recognition accounting policies including those relating to discounts by comparing with applicable accounting standard, critically assessing manual journals made to revenue to identify unusual or irregular items and finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.

### Valuation of inventories

The Company accounted for inventories amounting to Taka 873.44 million as at 31 December 2020 which are held in factory warehouse and sales centers. Inventories, except goods in transit are measured at lower of cost and estimated net realizable value (NRV). The cost of inventories is measured by using weighted average cost formula and includes expenditure incurred for acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. Inventories consist of raw materials, finished goods, goods in transit and maintenance spares.

### How the scope of our audit responded to the key audit matter:

We tested the appropriateness of management's assumptions applied in calculating the value of the inventory. Our audit procedures included evaluating the design and implementation of key inventory controls operating across the Company, including factory production house, warehouse and depots on a sample basis. We have tested the internal controls to monitor or keep track of inventory movement and perform tests of control and other substantive audit procedures. We have examined the correctness of the costing of finished goods and valuation of raw materials, packing materials and spare accessories. Finally, we checked the accuracy and appropriateness of accounting adjustments in the financial statements arising from the adoption of IAS 2 as well as verified the sufficiency and appropriateness of disclosures in the financial statements.

### Valuation of Trade Receivables

The Company accounted for trade receivables amounting to Taka 775.88 million including provision for doubtful debts of Taka 85.31 million as at 31 December 2020. Trade receivables represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognised at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to non-collectability of any amount so recognised.

### How the scope of our audit responded to the key audit matter:

We tested the appropriateness of management's assumptions applied in calculating the value of trade receivables. Our audit procedures included analysis of the aging of trade receivables and their subsequent positions. We also tested the Company's control over the receivables collection processes, tested the receipt of cash after the year end and tested the adequacy of the Company's provisions against trade receivables by taking account of externally available data on trade credit exposures and our own knowledge of recent bad debt experience in this industry. We also considered the adequacy of the disclosures about the degree of estimation involved in arriving at the provision.

### Other Information

Management is responsible for the other information. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

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

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

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

### Auditor's responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

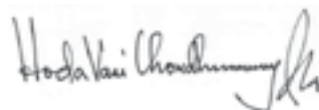
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation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

## Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and International Standards on Auditing (ISAs), we also report the following:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c. the Company's statement of financial position and the statement of profit or loss and other comprehensive income along with the annexed notes 01 to 43 dealt with by the report are in agreement with the books of account; and
- d. the expenditure incurred was for the purposes of the Company's business.

Dhaka, 8 April 2021



**A F Nesaruddin**  
Senior Partner  
Enrollment # 469  
Hoda Vasi Chowdhury & Co  
Chartered Accountants


# Consolidated Statement of Financial Position.

	Notes	As at 31 December	
		2020	2019
		'000 Taka	'000 Taka
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	05	3,424,786	3,606,503
Intangible assets	06	485	5,295
Right-of-use (ROU) asset	07	12,159	11,136
Advances, deposits and prepayments	11(a)	104,811	109,752
		<b>3,542,241</b>	<b>3,732,686</b>
<b>Current assets</b>			
Inventories	09	873,442	831,800
Trade and other receivables	10	731,868	714,085
Advances, deposits and prepayments	11(a)	200,319	123,868
Investment in fixed deposit receipts - FDRs	12	1,511,202	1,244,619
Cash and cash equivalents	13(a)	1,145,026	1,004,646
		<b>4,461,857</b>	<b>3,919,018</b>
<b>Total assets</b>		<b>8,004,098</b>	<b>7,651,704</b>
<b>Equity and Liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	14	152,183	152,183
Other component of equity		(36,479)	(28,912)
General reserve/retained earnings		5,297,610	4,985,000
<b>Equity attributable to owners of the Company</b>		<b>5,413,314</b>	<b>5,108,271</b>
Non-controlling interest	31	(0.07)	(0.03)
		<b>5,413,314</b>	<b>5,108,271</b>
<b>Non-current liabilities</b>			
Employee benefits	15	180,180	166,963
Deferred tax liabilities	16.2	405,533	374,931
Lease liability-non current portion	17	7,260	4,943
Other non-current liabilities	18	261,545	248,839
		<b>854,518</b>	<b>795,676</b>
<b>Current liabilities</b>			
Lease liability-current portion	17	4,585	5,200
Trade and other payables	19	1,341,525	1,270,987
Provision for expenses	20(a)	191,249	216,242
Current tax liabilities	21(a)	101,144	166,726
Unclaimed dividend	22	97,763	88,602
		<b>1,736,266</b>	<b>1,747,757</b>
<b>Total liabilities</b>		<b>2,590,784</b>	<b>2,543,433</b>
<b>Total equity and liabilities</b>		<b>8,004,098</b>	<b>7,651,704</b>
<b>Net Assets Value (NAV) Per Share</b>	41(a)	355.72	335.67

These financial statements should be read in conjunction with annexed notes.

Dhaka, 8 April 2021

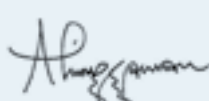
As per our report of same date



Ayub Quadri  
Chairman



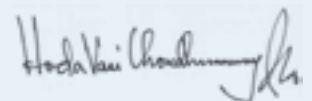
Sujeet Kumar Pai  
Managing Director



Md Anisuzzaman  
Chief Financial Officer



Abu Mohammad Nisar  
Company Secretary



A F Nesaruddin  
Senior Partner  
Enrollment # 469  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

# Consolidated Statement of Profit or Loss and other Comprehensive Income.

	Notes	For the year ended 31 December	
		2020	2019
		'000 Taka	'000 Taka
Revenue	23	4,711,417	5,683,441
Cost of sales	24	(2,483,572)	(3,170,929)
Gross profit		2,227,845	2,512,512
Operating expenses	25(a)	(779,624)	(833,774)
Profit from operations		1,448,221	1,678,738
Net foreign exchange loss		(7,126)	(7,831)
Other income	26	1,630	4,877
Net finance income	27	78,127	72,474
Profit before contribution to WPPF		1,520,852	1,748,259
Contribution to workers' profit participation fund (WPPF)	28	(76,046)	(87,420)
Profit before tax		1,444,806	1,660,839
Income tax expenses	16	(371,267)	(429,401)
Profit after tax		1,073,539	1,231,438
Net profit for the year		1,073,539	1,231,438
Other comprehensive loss		(7,567)	(26,629)
Total other comprehensive profit for the year		1,065,972	1,204,809
Profit attributable to:			
Owners of the Company		1,073,539	1,231,438
Non-controlling interests	31	-	-
		1,073,539	1,231,438
Total comprehensive income attributable to:			
Owners of the Company		1,065,972	1,204,809
Non-controlling interests	31	-	-
		1,065,972	1,204,809
Earnings per share (EPS) in taka	42(a)	70.54	80.92

These financial statements should be read in conjunction with annexed notes.

Dhaka, 8 April 2021

As per our report of same date



Ayub Quadri  
Chairman



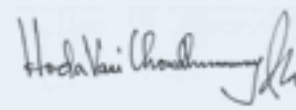
Sujeet Kumar Pai  
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# Consolidated Statement of Changes in Equity.

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Other component of equity	General reserve/ retained earnings	Total			
	'000 Taka	'000 Taka	'000 Taka	'000 Taka			
Balance as at 1 January 2020	152,183	(28,912)	4,985,000	5,108,271	(0.03)	5,108,271	
Profit for the year	-	-	1,073,539	1,073,539	(0.04)	1,073,539	
Loss on discontinuation of BOL	-	-	(15)	(15)	-	(15)	
Other comprehensive loss for the year	-	(7,567)	-	(7,567)	-	(7,567)	
Final dividend for the year 2019	-	-	(760,914)	(760,914)	-	(760,914)	
Balance as at 31 December 2020	152,183	(36,479)	5,297,610	5,413,314	(0.07)	5,413,314	
Balance as at 1 January 2019	152,183	(2,283)	4,322,503	4,472,403	0.38	4,472,403	
Profit for the year	-	-	1,231,438	1,231,438	(0.41)	1,231,438	
Gain on application of IFRS 16	-	-	1,745	1,745	-	1,745	
Other comprehensive loss for the year	-	(26,629)	-	(26,629)	-	(26,629)	
Final dividend for the year 2018	-	-	(570,686)	(570,686)	-	(570,686)	
Balance as at 31 December 2019	152,183	(28,912)	4,985,000	5,108,271	(0.03)	5,108,271	

These financial statements should be read in conjunction with annexed notes.

Dhaka, 8 April 2021



Ayub Quadri  
Chairman



Sujeet Kumar Pai  
Managing Director



Md Anisuzzaman  
Chief Financial Officer



Abu Mohammad Nisar  
Company Secretary

# Consolidated Statement of Cash Flow.

	Notes	For the year ended 31 December	
		2020	2019
		'000 Taka	'000 Taka
<b>A. Cash flows from operating activities</b>			
Cash receipts from customers and others		4,691,298	5,601,987
Cash paid to suppliers and employees		(3,102,901)	(3,735,293)
<b>Cash generated from operating activities</b>		<b>1,588,397</b>	<b>1,866,694</b>
Income tax paid		(406,242)	(295,659)
<b>Net cash from operating activities</b>		<b>1,182,155</b>	<b>1,571,035</b>
<b>B. Cash flows from investing activities</b>			
Payment for acquisition of property, plant and equipment		(113,325)	(438,802)
Payment for acquisition of intangible assets		(129)	(264)
Proceeds from sale of property, plant and equipment		6,070	6,585
Investment in fixed deposit receipts		(266,583)	(1,233,866)
Interest received		90,561	66,338
<b>Net cash used in investing activities</b>		<b>(283,404)</b>	<b>(1,600,009)</b>
<b>C. Cash flows from financing activities</b>			
Dividend paid		(751,753)	(564,433)
Repayment of lease obligation		(6,618)	(6,170)
<b>Net cash used in financing activities</b>		<b>(758,371)</b>	<b>(570,603)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>140,380</b>	<b>(599,577)</b>
Cash and cash equivalents as at 1 January		1,004,646	1,604,221
<b>Cash and cash equivalents as at 31 December</b>		<b>1,145,026</b>	<b>1,004,646</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	43(a)	77.68	103.24

These financial statements should be read in conjunction with annexed notes.

Dhaka, 8 April 2021



Ayub Quadri  
Chairman



Sujeet Kumar Pai  
Managing Director



Md Anisuzzaman  
Chief Financial Officer



Abu Mohammad Nisar  
Company Secretary

# Statement of Financial Position.

		As at 31 December	
		2020	2019
Assets	Notes	'000 Taka	'000 Taka
<b>Non-current assets</b>			
Property, plant and equipment	05	3,424,786	3,606,503
Intangible assets	06	485	5,295
Right-of-use (ROU) asset	07	12,159	11,136
Investment in subsidiary	08	20	40
Advances, deposits and prepayments	11	104,811	109,752
		<b>3,542,261</b>	<b>3,732,726</b>
<b>Current assets</b>			
Inventories	09	873,442	831,800
Trade and other receivables	10	731,868	714,085
Advances, deposits and prepayments	11	200,735	123,967
Investment in fixed deposit receipts - FDRs	12	1,511,202	1,244,619
Cash and cash equivalents	13	1,145,006	1,004,626
		<b>4,462,253</b>	<b>3,919,097</b>
<b>Total assets</b>		<b>8,004,514</b>	<b>7,651,824</b>
<b>Equity and Liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	14	152,183	152,183
Other component of equity		(36,479)	(28,912)
General reserve/retained earnings		5,298,133	4,985,438
		<b>5,413,837</b>	<b>5,108,709</b>
<b>Non-current liabilities</b>			
Employee benefits	15	180,180	166,963
Deferred tax liabilities	16.2	405,533	374,931
Lease liability-non current portion	17	7,260	4,943
Other non-current liabilities	18	261,545	248,839
		<b>854,518</b>	<b>795,676</b>
<b>Current liabilities</b>			
Lease liability-current portion	17	4,585	5,200
Trade and other payables	19	1,341,525	1,270,987
Provision for expenses	20	191,142	215,929
Current tax liabilities	21	101,144	166,721
Unclaimed dividend	22	97,763	88,602
		<b>1,736,159</b>	<b>1,747,439</b>
<b>Total liabilities</b>		<b>2,590,677</b>	<b>2,543,115</b>
<b>Total equity and liabilities</b>		<b>8,004,514</b>	<b>7,651,824</b>
<b>Net Assets Value (NAV) Per Share</b>	41	355.75	335.70

These financial statements should be read in conjunction with annexed notes.

Dhaka, 8 April 2021

As per our report of same date



Ayub Quadri  
Chairman



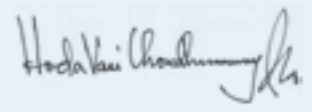
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Chief Financial Officer



Abu Mohammad Nisar  
Company Secretary



A F Nesaruddin  
Senior Partner  
Enrollment # 469  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

# Statement of Profit or Loss and other Comprehensive Income.

	Notes	For the year ended 31 December	
		2020	2019
		'000 Taka	'000 Taka
Revenue	23	4,711,417	5,683,441
Cost of sales	24	(2,483,572)	(3,170,929)
Gross profit		2,227,845	2,512,512
Operating expenses	25	(779,554)	(833,624)
Profit from operations		1,448,291	1,678,888
Net foreign exchange loss		(7,126)	(7,831)
Other income	26	1,630	4,877
Net finance income	27	78,127	72,474
Profit before contribution to WPPF		1,520,922	1,748,409
Contribution to workers' profit participation fund (WPPF)	28	(76,046)	(87,420)
Profit before tax		1,444,876	1,660,989
Income tax expenses	16	(371,267)	(429,401)
Profit after tax		1,073,609	1,231,588
Net profit for the year		1,073,609	1,231,588
Other comprehensive loss		(7,567)	(26,629)
Total other comprehensive profit for the year		1,066,042	1,204,959
Earnings per share (EPS) (in Taka)	42	70.55	80.93

These financial statements should be read in conjunction with annexed notes.

Dhaka, 8 April 2021

As per our report of same date



Ayub Quadri  
Chairman



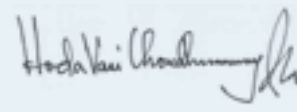
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Chartered Accountants

# Statement of Changes in Equity.

	Share capital	Other component of equity	General reserve/retained earnings	Total equity
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Balance as at 1 January 2020	152,183	(28,912)	4,985,438	5,108,709
Profit for the year	-	-	1,073,609	1,073,609
Other comprehensive loss for the year	-	(7,567)	-	(7,567)
Final dividend for the year 2019	-	-	(760,914)	(760,914)
<b>Balance as at 31 December 2020</b>	<b>152,183</b>	<b>(36,479)</b>	<b>5,298,133</b>	<b>5,413,837</b>
Balance as at 1 January 2019	152,183	(2,283)	4,322,791	4,472,691
Profit for the year	-	-	1,231,588	1,231,588
Other comprehensive loss for the year	-	(26,629)	-	(26,629)
Gain on application of IFRS 16	-	-	1,745	1,745
Final dividend for the year 2018	-	-	(570,686)	(570,686)
<b>Balance as at 31 December 2019</b>	<b>152,183</b>	<b>(28,912)</b>	<b>4,985,438</b>	<b>5,108,709</b>

These financial statements should be read in conjunction with annexed notes.

Dhaka, 8 April 2021



Ayub Quadri  
Chairman



Sujeet Kumar Pai  
Managing Director



Md Anisuzzaman  
Chief Financial Officer



Abu Mohammad Nisar  
Company Secretary

# Statement of Cash Flow.

	Notes	For the year ended 31 December	
		2020	2019
		'000 Taka	'000 Taka
<b>A. Cash flows from operating activities</b>			
Cash receipts from customers and others		4,691,298	5,601,987
Cash paid to suppliers and employees		(3,102,584)	(3,735,154)
Cash generated from operating activities		1,588,714	1,866,833
Income tax paid		(406,242)	(295,659)
Net cash from operating activities		1,182,472	1,571,174
<b>B. Cash flows from investing activities</b>			
Payment for acquisition of property, plant and equipment		(113,325)	(438,802)
Payment for acquisition of intangible assets		(129)	(264)
Proceeds from sale of property, plant and equipment		6,070	6,585
Investment in fixed deposit receipts		(266,583)	(1,233,866)
Interest received		90,561	66,338
Net cashs used in investing activities		(283,404)	(1,600,009)
<b>C. Cash flows from financing activities</b>			
Dividend paid		(751,753)	(564,433)
Repayment of lease obligation		(6,618)	(6,170)
Paid to subsidiary		(317)	(138)
Net cash used in financing activities		(758,688)	(570,741)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		140,380	(599,576)
Cash and cash equivalents as at 1 January		1,004,626	1,604,201
Cash and cash equivalents as at 31 December		1,145,006	1,004,626
Net Operating Cash Flow Per Share (NOCFPS)	43	77.70	103.25

These financial statements should be read in conjunction with annexed notes.

Dhaka, 8 April 2021



Ayub Quadri  
Chairman



Sujeet Kumar Pai  
Managing Director



Md Anisuzzaman  
Chief Financial Officer



Abu Mohammad Nisar  
Company Secretary

# Notes to the Financial Statements.

For the year ended 31 December 2020

## 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 2019. 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.

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 subsidiaries (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 equipments and ancillary equipments. The Company also earns rental from cylinders used by the customers and from Vacuum Insulated Evaporators (VIE) installed at customers' premises.

## 2. Basis of preparation of financial statements

These financial statements (including consolidated financial statements) have been prepared on going concern basis in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws in Bangladesh.

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. Financial statements were authorised for issuance by the Company's board of directors on 08 April 2021.

### 2.1 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.

### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for some land and buildings which are measured on revaluation model.

## 2.3 Use of judgments and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized 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 note:

Lease Obligation – leases as lessee Note 17: Note 17

### (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 2020 is included in the following notes:

Deferred tax liabilities	: Note - 16.2 - and 03 (j)
Provision for trade receivables	: Note - 10.1.1 - and 03 (e) (ii)
Useful life and residual value of property, plant and equipment	: Note - 05 and 03 (b)
Provision for gratuity	: Note - 15 and 03 (l)
Current tax liabilities	: Note - 21 and 03 (j)

## 3. Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Certain comparative amounts in the statement of financial position and statement of profit or loss and other comprehensive income have been reclassified for better presentation purpose, where necessary.

Set out below is an index of the significant accounting policies, the details of which are available on the following :

- (a) Foreign currency
- (b) Property, plant and equipment
- (c) Intangible assets
- (d) Leased assets
- (e) Financial instruments
- (f) Inventories
- (g) Impairment
- (h) Provisions
- (i) Contingencies
- (j) Income tax
- (k) Workers' profit participation fund (WPPF)
- (l) Employee benefit
- (m) Revenue recognition
- (n) Finance income and expenses
- (o) Basis of consolidation
- (p) Earnings per share
- (q) General reserve/retained earnings
- (r) Events after the reporting date
- (s) General

### 3.a) Foreign currency

Foreign currencies are translated into Bangladeshi Taka at the rates ruling on the transaction dates. Monetary assets and liabilities are reconverted at the rates prevailing at the reporting date. Non-monetary assets and liabilities are reported using the historical exchange rate. Differences arising on conversion are charged or credited to the Statement of Profit or Loss and Other Comprehensive Income.

### 3.b) Property, plant and equipment

#### i. Recognition and measurement

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, if any. Freehold land is measured at cost. Freehold buildings and leasehold buildings are measured at cost or revalued amounts less accumulated depreciation, where applicable. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes (after deducting trade discount and rebates) and any costs directly attributable to bring the assets to the location and condition necessary for it to be capable of operating in the intended manner.

#### (ii) Subsequent costs

The cost of replacing or upgrading 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 servicing of property, plant and equipment are recognised in profit or loss 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 depreciation are as follows:

Category of property, plant and equipment	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

\*Building on leasehold lands below 40 years are depreciated over the available duration of the land leases.

### iv. Gains or losses on disposal

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amounts and are recognised on net basis.

### 3.c) Intangible assets

#### i) 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.

#### ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other expenditures are recognised in profit or loss, when incurred.

#### iii) 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 softwares are amortised at the rate of 12.50% and 33.33% respectively.

### 3.d) Leased assets

In the context of the application of IFRS 16 "Lease", right-of-use assets and lease liabilities were recognised as at 1 January 2019. The Company transitioned to IFRS 16 in accordance with the modified retrospective approach and therefore prior years figures were not adjusted. In addition, the Company has decided not to apply the new guidance to leases whose term will end within twelve months of the date of initial application.

### 3.e) Financial instruments

A financial instrument is a 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 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 and other receivables and investment in subsidiary.

#### (i) Cash and cash equivalents

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

**(ii) Trade and other receivables**

Trade receivables represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognised at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to non-collectability of any amount so recognised.

**(iii) Investment**

Investment comprises 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 investment in fixed deposit receipts - FDRs 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 subsidiary**

Investment in subsidiary represents investment in the equity of BOC Bangladesh Limited.

**Financial liabilities**

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 or cancelled or expired.

Financial liabilities include trade and other payables, and other non-current liabilities.

**3.f) Inventories**

Inventories, except goods in transit are measured at lower of cost and estimated net realisable value (NRV). The cost of inventories is measured by using weighted average cost formula and includes expenditure incurred for acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. Inventories consist of raw materials, finished goods, goods in transit and maintenance spares.

**3.g) Impairment**

The carrying amounts of the Company's assets, other than inventories are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in profit or loss.

**3.h) 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, it is probable that an outflow of economic benefits will be required to

settle the obligation and a reliable estimate can be made of the amount of the obligation.

**3.i) Contingencies**

Contingencies arising from claim, lawsuit, etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

**3.j) Income tax**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss.

**i) Current tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. The Company qualifies as a "Publicly Traded Company". The effective rate of taxation is 25%. Provision for taxation has been made on the basis of Finance Act 2020.

As per the applicable tax law, the Company has to pay tax at the rate applicable to the Company subject to a minimum tax at the rate of 0.6% of the amount representing such company's gross receipts from all sources for that year. Since the subsidiary company had no receipts from any sources during the year, no tax was provided for the subsidiary company.

**ii) Deferred tax**

Deferred tax is recognised in compliance with IAS 12 "Income taxes", providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

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

**3.k) Workers' profit participation fund (WPPF)**

The Company provides 5% of its profit before charging such expense as WPPF.

**3.l) Employee benefit**

The Company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. 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.

**Defined contribution plan (provident fund)**

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for its all 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.

The Company recognises contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

According to the circular 179/FRC/FRM/SRO/2020/2 published on 07 July 2020, "If a provident fund has any forfeited fund, its trustee must revert the fund to the employer organization's accounts". During the year, the Fund has payable undistributed forfeited fund amounting to Taka 16,566 to Linde Bangladesh Limited which will be accounted for by the Company after the audit of the Fund is completed.

#### Defined benefit plans

##### (i) Gratuity scheme

The Company operates an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary. The Company calculated the provisions for maximum exposures as at the reporting date for all eligible employees. However, since there are no significant uncertainties/estimations with respect to gratuity payments, management considers, if actuarial valuation was made, the resulting difference, if any, would not be material in respect of amount and related disclosure as per IAS 19: Employee benefits.

##### (ii) 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.

#### 3.m) Revenue recognition

Revenue recognition follows the principles as enunciated under IFRS 15 "Revenue from contracts with customers"

##### Revenue arising from sale of goods

###### (i) Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised when 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.

###### (ii) Cash on delivery sales

Revenue is recognised when delivery is made and cash is received by the seller.

#### Services

Revenue from services rendered is recognised in statement of comprehensive income in proportion to the stage of completion of the transaction at the reporting date. Cylinder rent is largely recognised on cash basis.

#### Commission

When the Company acts in the capacity of an agent, rather than as the principal, in a transaction, revenue is recognised as the net amount of commission receivable by the Company.

#### 3.n) Finance income and expenses

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 and bank charges. All finance expenses are recognised in Statement of Profit or Loss and Other Comprehensive Income.

#### 3.o) Basis of consolidation

##### i. Subsidiary

Subsidiary is entity 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 subsidiary is 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 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.

#### 3.p) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares.

**Basic earnings per share**

Basic EPS is calculated by dividing the net profit or loss (after tax) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

**3.q) General reserve/retained earnings**

Traditionally the Company transfers all of its profit to general reserve which can be used for any purpose (e.g. distribution of dividend etc.).

**3.r) Events after the reporting date**

Events after the reporting date that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Material events after the reporting date that are not adjusting events are disclosed in the note 45.

**3.s) General**

Prior year's figures have been restated/rearranged in order to confirm to current year's presentation.

**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.

**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.

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 dioxide.
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 dioxide and electrodes.
Healthcare	The Healthcare segments includes all services related to supply of medical gas such as medical oxygen & 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.

	Reportable segments			Total
	Bulk gases	PG&P	Healthcare	
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
2020				
Revenue	609,006	3,213,530	888,880	4,711,416
Profit from operations	186,921	1,102,142	430,654	1,719,717
2019				
Revenue	727,330	4,239,533	716,578	5,683,441
Profit from operations	234,379	1,464,818	299,981	1,999,178

**Reconciliation of information on reportable segments to IFRS measures**

	Note	2020	2019
i. Revenue		'000 Taka	'000 Taka
Total revenue for reportable segments		4,711,416	5,683,441
Revenue for other segments		-	-
Elimination of inter-segment revenue		-	-
Total revenue		4,711,416	5,683,441
ii. Profit before tax			
Total profit before tax for reportable segments		1,719,717	1,999,178
Profit before tax for other segments		-	-
Elimination of inter-segment profit		-	-
Amount not related to reported segments		(271,426)	(320,290)
Total profit before tax		1,448,291	1,678,888

	Note	2020	2019
		'000 Taka	'000 Taka
iii. Amount not related to reportable segments			
Other income	26	1,630	(2,954)
Net foreign exchange loss		(7,126)	(7,831)
Royalties and technical assistance fees	25	(36,503)	(37,150)
Finance income	27	78,127	72,474
Contribution to workers' profit participation fund	28	(76,046)	(87,420)
Unallocated corporate overheads		(311,344)	(383,170)
		<b>(271,426)</b>	<b>(320,290)</b>

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.

## 5. Property, plant and equipment

See accounting policies in note 03 (b)

### Reconciliation of carrying amount:

Particulars	Freehold land	Freehold Buildings	Buildings on leasehold land	Plant machinery and cylinders	Motor vehicles	Furniture fixtures and equipment	Computers hardware	Capital work in progress	Total
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
<b>A. Cost</b>									
Balance at 1 January 2020	75,080	736,931	106,426	4,569,587	158,623	90,181	60,990	311,747	6,109,565
Addition during the year	-	20,227	-	337,393	-	3,691	2,407	126,607	490,325
Disposal/transfer during the year	-	-	-	(79,539)	(16,010)	(8,481)	-	(363,718)	(467,748)
<b>Balance as at 31 December 2020</b>	<b>75,080</b>	<b>757,158</b>	<b>106,426</b>	<b>4,827,441</b>	<b>142,613</b>	<b>85,391</b>	<b>63,397</b>	<b>74,636</b>	<b>6,132,141</b>
Balance at 1 January 2019	75,080	717,607	106,426	4,072,619	154,794	89,754	60,599	409,996	5,686,875
Addition	-	19,324	-	520,575	3,829	2,355	531	453,575	1,000,189
Disposal/transfer during the year	-	-	-	(23,607)	-	(1,928)	(140)	(551,824)	(577,499)
<b>Addition during the year</b>	<b>75,080</b>	<b>736,931</b>	<b>106,426</b>	<b>4,569,587</b>	<b>158,623</b>	<b>90,181</b>	<b>60,990</b>	<b>311,747</b>	<b>6,109,565</b>
<b>B. Accumulated depreciation</b>									
Balance as at 1 January 2020	-	152,962	66,446	2,039,069	127,817	69,223	47,545	-	2,503,062
Charged during the year	-	25,169	1,662	249,558	13,653	4,916	8,422	-	303,379
Disposal/transfer during the year	-	-	-	(78,587)	(12,018)	(8,481)	-	-	(99,086)
<b>Balance as at 31 December 2020</b>	<b>-</b>	<b>178,131</b>	<b>68,108</b>	<b>2,210,040</b>	<b>129,452</b>	<b>65,658</b>	<b>55,967</b>	<b>-</b>	<b>2,707,355</b>
Balance as at 1 January 2019	-	129,099	64,614	1,834,216	108,963	66,435	38,085	-	2,241,412
Charged during the year	-	23,863	1,832	226,404	18,854	4,704	9,600	-	285,257
Disposal/transfer during the year	-	-	-	(21,551)	-	(1,916)	(140)	-	(23,607)
<b>Balance as at 31 December 2019</b>	<b>-</b>	<b>152,962</b>	<b>66,446</b>	<b>2,039,069</b>	<b>127,817</b>	<b>69,223</b>	<b>47,545</b>	<b>-</b>	<b>2,503,062</b>
<b>C. Carrying amounts (A-B)</b>									
Balance as at 31 December 2020	75,080	579,028	38,318	2,617,401	13,161	19,733	7,430	74,636	3,424,786
Balance as at 31 December 2019	75,080	583,969	39,980	2,530,518	30,806	20,958	13,445	311,747	3,606,503

### 5.1 Depreciation charge for the year has been allocated to

Cost of sales (note - 24.1.1)		223,893	200,622
Operating expenses note (note - 25)		79,486	84,635
		<b>303,379</b>	<b>285,257</b>

## 6. Intangible assets

See accounting policies in note 03 (c)

	Software	Capital work in progress	Total
	'000 Taka	'000 Taka	'000 Taka
<b>A. Cost</b>			
Balance at 1 January 2020	68,364	-	68,364
Additions made during the year	129	129	258
Adjustment/transfer during the year	-	(129)	(129)
<b>Balance at 31 December 2020</b>	<b>68,493</b>	<b>-</b>	<b>68,493</b>
Balance at 1 January 2019	68,100	-	68,100
Additions made during the year	264	264	528
Adjustment/transfer during the year	-	(264)	(264)
<b>Balance at 31 December 2019</b>	<b>68,364</b>	<b>-</b>	<b>68,364</b>
<b>B. Accumulated amortisation</b>			
Balance at 1 January 2020	63,069	-	63,069
Amortisation charged during the year (note - 25)	4,939	-	4,939
<b>Balance at 31 December 2020</b>	<b>68,008</b>	<b>-</b>	<b>68,008</b>
Balance at 1 January 2019	56,345	-	56,345
Amortisation charged during the year (note - 25)	6,724	-	6,724
<b>Balance at 31 December 2019</b>	<b>63,069</b>	<b>-</b>	<b>63,069</b>
<b>C. Carrying amounts (A-B)</b>			
Balance as at 31 December 2020	485	-	485
Balance as at 31 December 2019	5,295	-	5,295

	Note	2020 '000 Taka	2019 '000 Taka
<b>7. Right-of-use (ROU) asset</b>			
See accounting policies in note 03 (d)			
<b>At cost</b>			
Opening balance		37,171	37,171
Additions made during the year		7,640	-
Disposals/Adjustments		-	-
<b>Balance as at 31 December</b>		<b>44,811</b>	<b>37,171</b>
<b>Accumulated depreciation</b>			
Opening balance		26,035	19,206
Charged during the year (note - 25)		6,617	6,829
Disposals/Adjustments		-	-
<b>Balance as at 31 December</b>		<b>32,652</b>	<b>26,035</b>
<b>Written down value as at 31 December</b>		<b>12,159</b>	<b>11,136</b>
<b>8. Investment in subsidiaries</b>			
Bangladesh Oxygen Limited		-	20
BOC Bangladesh Limited		20	20
		<b>20</b>	<b>40</b>

This represents the Company's investment in BOC Bangladesh Limited, a wholly owned subsidiary of Linde Bangladesh Limited. During the year 2020, one of the subsidiaries namely Bangladesh Oxygen Limited has wound up.

		2020	2019
	Note	'000 Taka	'000 Taka
<b>9. Inventories</b>			
See accounting policies in note 03 (f)			
Raw materials		288,500	400,724
Finished goods		472,511	288,465
Goods in transit		17,982	53,039
Maintenance spares		158,797	151,484
Provision for inventory obsolescence	9.1	(64,348)	(61,912)
		<b>873,442</b>	<b>831,800</b>
<b>9.1 Provision for Inventory obsolescence</b>			
Balance as at 1 January		61,912	66,302
Provision made/(reversed) during the year		2,436	(4,390)
Balance as at 31 December		<b>64,348</b>	<b>61,912</b>
In view of innumerable items of inventory and diversified units of measurement, it is not feasible to disclose quantities against each item.			
<b>10. Trade and other receivables</b>			
See accounting policies in note 03 (e)(ii)			
Trade receivables	10.1	690,578	656,945
Inter company receivables		9,888	14,402
Interest receivable		427	12,180
Other receivables		30,975	30,558
		<b>731,868</b>	<b>714,085</b>
<b>10.1 Trade receivables</b>			
Gases		143,172	193,819
Welding		85,603	128,512
Healthcare		547,110	360,690
Total trade receivables		<b>775,885</b>	<b>683,021</b>
Provision for trade receivables	10.1.1	(85,307)	(26,077)
		<b>690,578</b>	<b>656,945</b>
<b>10.1.1 Provision for trade receivable</b>			
Balance as at 1 January		26,077	22,362
Provision made for trade receivables		59,230	3,715
Balance as at 31 December		<b>85,307</b>	<b>26,077</b>
<b>11. Advances, deposits and prepayments</b>			
Loans and advances to employees		68,616	76,288
Advances to suppliers		353	496
Deposits and prepayments		227,407	134,596
VAT current account		8,754	22,240
Current account with subsidiaries	11.1	416	99
		<b>305,546</b>	<b>233,719</b>
Advances, deposits and prepayments are segregated as follow:			
Non-current		104,811	109,752
Current		200,735	123,967
		<b>305,546</b>	<b>233,719</b>
<b>11(a). Advances, deposits and prepayments (consolidated)</b>			
Non-current		104,811	109,752
Current		200,319	123,868
		<b>305,130</b>	<b>233,620</b>
Above amounts are unsecured, but considered good.			

		2020	2019
	Note	'000 Taka	'000 Taka
<b>11.1 Current account with subsidiaries</b>			
BOC Bangladesh Limited		416	347
Bangladesh Oxygen Limited		-	(248)
		<b>416</b>	<b>99</b>
<b>12. Investment in fixed deposit receipts - FDRs</b>			
See accounting policies in note 03 (e)(iii)			
Investment in fixed deposit receipts - FDRs		<b>1,511,202</b>	<b>1,244,619</b>
<b>13. Cash and cash equivalents</b>			
See accounting policies in note 03 (e)(i)			
Cash in hand		368	453
Cash at bank		365,944	469,564
Fixed deposits with banks		778,694	534,609
		<b>1,145,006</b>	<b>1,004,626</b>
<b>13.1 Reconciliation of net operating Cash flows</b>			
Net profit before tax		1,444,876	1,660,989
Add: Items not involving movement of cash			
Depreciation on property, plant and equipment		303,380	285,257
Amortization on intangible assets		4,938	6,724
Gain on disposal of property, plant and equipment		(1,126)	(4,517)
Finance cost		1	589
Interest income		(78,808)	(74,153)
Provision for workers profit participation fund (WPPF)		76,046	87,420
Provision for gratuity		30,777	54,230
		<b>335,208</b>	<b>355,550</b>
<b>A. Cash generated from operations before changes in working capital</b>		<b>1,780,084</b>	<b>2,016,538</b>
<b>Changes in working capital</b>			
(Increase)/decrease in inventories		(41,642)	11,095
Increase in trade and other receivables		(29,516)	(87,301)
(Increase)/decrease in advances, deposits and prepayments		(71,510)	61,373
Increase in other non current liability		12,706	604
(Decrease)/increase in other employee benefit		(26,188)	29,117
Increase/(decrease) in trade and other payables		56,986	(74,948)
Increase in provision for expenses		12,775	25,489
<b>B. Total changes in working capital</b>		<b>(86,389)</b>	<b>(34,571)</b>
<b>C. Cash generated from operating activities (A+B)</b>		<b>1,693,695</b>	<b>1,981,967</b>
Less: Payments made during the year			
Tax paid		(406,242)	(295,659)
Interest paid		(1)	(589)
Workers profit participation fund (WPPF) paid		(87,420)	(71,814)
Gratuity paid		(17,560)	(42,732)
<b>D. Total payment</b>		<b>(511,223)</b>	<b>(410,794)</b>
<b>Net cash inflows from operating activities (C+D)</b>		<b>1,182,472</b>	<b>1,571,174</b>
<b>13(a). Cash and cash equivalents (Consolidated)</b>			
Linde Bangladesh Limited		1,145,006	1,004,626
BOC Bangladesh Limited		20	20
		<b>1,145,026</b>	<b>1,004,646</b>

		2020	2019
	Note	'000 Taka	'000 Taka
<b>13(a).1 Reconciliation of net operating Cash flows (Consolidated)</b>			
<b>Net profit before tax</b>		1,444,876	1,660,839
Add: Items not involving movement of cash			
Depreciation on property, plant and equipment		303,380	285,257
Amortization on intangible assets		4,938	6,724
Gain on disposal of property, plant and equipment		(1,126)	(4,517)
Finance cost		1	589
Interest income		(78,808)	(74,153)
Provision for workers profit participation fund (WPPF)		76,046	87,420
Provision for gratuity		30,777	54,230
		<b>335,208</b>	<b>355,550</b>
<b>A. Cash generated from operations before changes in working capital</b>		<b>1,780,084</b>	<b>2,016,538</b>
Changes in working capital:			
(Increase)/decrease in inventories		(41,642)	11,095
Increase in trade and other receivables		(29,516)	(87,301)
(Increase)/decrease in advances, deposits and prepayments		(71,510)	61,373
Increase in other non current liability		12,706	604
(Decrease)/increase in other employee benefit		(26,188)	29,117
Increase/(decrease) in trade and other payables		56,669	(75,087)
Increase in provision for expenses		12,775	25,489
<b>B. Total changes in working capital</b>		<b>(86,706)</b>	<b>(34,710)</b>
<b>C. Cash generated from operating activities (A+B)</b>		<b>1,693,378</b>	<b>1,981,828</b>
Less: Payments made during the year			
Tax paid		(406,242)	(295,659)
Interest paid		(1)	(589)
Workers profit participation fund (WPPF) paid		(87,420)	(71,814)
Gratuity paid		(17,560)	(42,732)
<b>D. Total payment</b>		<b>(511,223)</b>	<b>(410,794)</b>
<b>Net cash inflows from operating activities (C+D)</b>		<b>1,182,155</b>	<b>1,571,035</b>

#### 14. Equity attributable to owners of the Company/Share capital

##### 14.1 Authorised capital:

20,000,000 ordinary shares of Tk 10 each	200,000	200,000
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##### 14.2 Issued, subscribed and paid up:

3,616,902 ordinary shares of Tk 10 each issued for cash	36,169	36,169
999,498 ordinary shares of Tk 10 each issued for consideration other than cash	9,995	9,995
10,601,880 bonus shares of Tk 10 each	106,019	106,019
	<b>152,183</b>	<b>152,183</b>

##### 14.3 Percentage of shareholdings:

	%		Value ('000 Taka)	
	2020	2019	2020	2019
The BOC Group Limited	60.0	60.0	91,310	91,310
Investment Corporation of Bangladesh (ICB)	15.0	15.0	22,818	22,826
Pubali Bank Securities Limited	1.3	1.5	2,042	2,269
Sadharan Bima Corporation (SBC)	1.3	1.3	2,047	2,047
Pubali Bank Limited	1.1	1.1	1,633	1,633
Lankabangla Securities Limited	1.0	1.0	1,412	1,544
Other shareholders	20.3	20.1	30,921	30,554
	<b>100</b>	<b>100</b>	<b>152,183</b>	<b>152,183</b>

## 14.4 Classification of shareholders by holding:

Holdings	Number of holders		Total holding (%)	
	2020	2019	2020	2019
Less than 500 shares	6,443	6,107	3.3	3.2
500 to 5,000 shares	440	437	3.9	4.0
5,001 to 10,000 shares	40	45	2.0	2.2
10,001 to 20,000 shares	30	34	3.0	3.4
20,001 to 30,000 shares	9	16	1.4	2.5
30,001 to 40,000 shares	7	4	1.6	0.8
40,001 to 50,000 shares	7	4	2.1	1.3
50,001 to 100,000 shares	8	7	3.9	3.1
100,001 to 1,000,000 shares	6	7	9.0	12.6
Over 1,000,000 shares	2	2	69.7	67.0
	6,992	6,663	100	100

## 15. Employee benefits

See accounting policies in note 03 (I)

	Note	2020 '000 Taka	2019 '000 Taka
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Gratuity scheme	15.1	180,180	166,963
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## 15.1 Gratuity scheme

## Amount recognised in the statement of financial positions

Defined benefit obligation	15.1.1	180,180	166,963
Fair value of plan assets		-	-
		180,180	166,963

## 15.1.1 Change in benefit obligation

Net defined benefit liability at the end of prior period		166,963	127,443
Service cost		9,300	8,640
Interest cost		13,910	9,560
Amount recognised in the other comprehensive income		7,567	36,030
Benefit paid during the year		(17,560)	(14,710)
Net defined benefit liability at the end of this period		180,180	166,963

## 15.2 Significant Actuarial assumptions

Discount rate		7.0%	7.5%
Salary escalation rate		6.0%	6.0%
Withdrawal rate		7.5%	7.5%
Mortality rate		* Indian Assured Lives Mortality (2006-2008) Ultimate	

\* Actuary considered this table as no such table is available for Bangladesh.

## 15.3 Expected cash flow for following year

Expected employer's contribution for next year		9,360	9,300
Expected benefit payments for the year ended			
	Year 1	29,310	24,730
	Year 2	20,190	24,660
	Year 3	31,660	20,340
	Year 4	25,020	31,390
	Year 5	21,380	25,170
	Next 5 years	111,000	122,010

		2020	2019
	Note	'000 Taka	'000 Taka
<b>15.4 Sensitivity analysis</b>			
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:			
Increase of discount rate		(4,310)	(3,890)
Increase in future salary growth		4,570	4,190
Decrease of discount rate		4,540	4,090
Decrease in future salary growth		(4,370)	(4,030)

#### 15.5 Summary of principal rules of the plan

Plan Sponsor	: Linde Bangladesh Limited
Nature of benefit	: Defined benefit plan
Applicable Salary	: Last drawn monthly basic salary
Vesting schedule	: 6 months
Normal retirement age	: 60 years
Maximum limit	: Not Applicable
Benefit formula	: Service length
More than 6 months and Less than 10 years	: 30 days basic for each year
10 years and above	: 45 days basic for each year
In case an employee completes 11 year of service and attains 57 years of age, he/she will be entitled to 2 basic x no of year in services	: 45 days basic for each year

		2020	2019
	Note	'000 Taka	'000 Taka
<b>16. Income tax expense</b>			
See accounting policies in note 03 (j)			
<b>Amounts recognised in profit or loss</b>			
<b>Income tax expense</b>			
Current tax expense		340,665	376,118
Deferred tax expense	16.2	30,602	53,283
		<b>371,267</b>	<b>429,401</b>

#### 16.1 Reconciliation of effective tax rate

Profit before income tax		1,444,876	1,660,989
Applicable tax rate		25.00%	25.00%
<b>Income tax</b>		<b>361,219</b>	<b>415,247</b>
<b>Factors affecting the tax charge for current period:</b>			
Excess of fiscal depreciation over accounting depreciation		(44,901)	(57,435)
Short of fiscal amortisation over accounting depreciation		443	931
Provision for stock obsolescence		(2,349)	1,420
Excess of gratuity provision over payment of gratuity		1,398	872
Provision for trade receivable charge		14,807	929
Inadmissible expenses		10,044	14,154
Movement of temporary differences	16.2	30,602	53,283
<b>Total income tax expense</b>		<b>371,263</b>	<b>429,401</b>
<b>Effective tax rate (ETR)</b>		<b>25.70%</b>	<b>25.85%</b>

## 16.2 Movement in deferred tax balances

	Net balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive income or loss	Net	Deferred tax assets	Deferred tax liabilities
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
<b>2020</b>						
Property, plant and equipment	(442,320)	(44,901)	-	(487,221)	-	(487,221)
Intangible assets	5,853	443	-	6,296	6,296	-
Inventories	13,766	(2,349)	-	11,417	11,417	-
Trade receivables	8,212	14,807	-	23,019	23,019	-
Employee benefits	32,733	1,398	-	34,131	34,131	-
Deferred tax on OCI	6,825	-	-	6,825	6,825	-
<b>Net deferred tax assets (liabilities)</b>	<b>(374,931)</b>	<b>(30,602)</b>	<b>-</b>	<b>(405,533)</b>	<b>81,688</b>	<b>(487,221)</b>
<b>2019</b>						
Property, plant and equipment	(384,885)	(57,435)	-	(442,320)	-	(442,320)
Intangible assets	4,922	931	-	5,853	5,853	-
Inventories	12,346	1,420	-	13,766	13,766	-
Trade receivables	7,283	929	-	8,212	8,212	-
Employee benefits	31,861	872	-	32,733	32,733	-
Deferred tax on OCI	1,145	-	5,680	6,825	6,825	-
<b>Net deferred tax assets (liabilities)</b>	<b>(327,328)</b>	<b>(53,283)</b>	<b>5,680</b>	<b>(374,931)</b>	<b>67,389</b>	<b>(442,320)</b>

## 17. Lease Obligation- Leases as lessee

	2020	2019
	'000 Taka	'000 Taka
<b>i) Lease liabilities recognized in statement of financial position</b>		
Lease liability-non current portion	7,260	4,943
Lease liability-current portion	4,585	5,200
	<b>11,845</b>	<b>10,143</b>
<b>ii) Amounts recognized in profit or loss</b>		
Interest on lease obligation	680	1,090
Depreciation expense	6,617	6,829
	<b>7,297</b>	<b>7,919</b>
<b>iii) Amounts recognized in statement of cash flows</b>		
Total cash outflows for leases	<b>(6,618)</b>	<b>(6,170)</b>
<b>iv) Movement in lease payable</b>		
At 1 January	10,143	15,223
Additions	7,640	-
Interest accrued	680	1,090
Repayment	(6,618)	(6,170)
	<b>11,845</b>	<b>10,143</b>
<b>(v) Maturity analysis of lease</b>		
Non-cancellable operating lease rentals are payable as follows:		
No later than one year	4,585	5,200
Between two and five years	6,965	3,982
More than five years	295	962
	<b>11,846</b>	<b>10,143</b>

The Company leases a number of sales centres and office facilities under operating leases. The leases typically run for a period of 4-15 years, with an option to renew the lease after its expiry.

		2020	2019
	Note	'000 Taka	'000 Taka
<b>18. Other non-current liabilities</b>			
See accounting policies in note 03 (e)			
Cylinder security deposit		261,545	248,839
Cylinder security from customers is a liability of a continuing nature.			
<b>19. Trade and other payables</b>			
See accounting policies in note 03 (e)			
Trade payables		253,364	187,803
Inter company payables		297,285	310,136
Payables for capital items		49,239	35,957
Advances from customers		72,785	63,892
Others*		668,852	673,199
		1,341,525	1,270,987
* The Board of Directors of Linde Bangladesh Limited, at a meeting held on 27 April 2016, approved the sale of a portion of land at Tejgaon site, Dhaka measuring 2.31 acres. The money has already been received and now waiting for transfer through execution of sale deed which is in process.			
<b>20. Provision for expenses</b>			
See accounting policies in note 03 (h)			
Accrued expenses		79,855	67,080
Accrued employee benefits		35,227	61,415
Workers' profit participation fund	20.1	76,060	87,434
		191,142	215,929
<b>20.(a) Provision for expenses (consolidated)</b>			
Accrued expenses		79,962	67,393
Accrued employee benefits		35,227	61,415
Workers' profit participation fund	20.1	76,060	87,434
		191,249	216,242
<b>20.1 Workers' profit participation fund</b>			
Balance as at 1 January		87,434	71,828
Provision made during the year	28	76,046	87,420
		163,480	159,248
Less: Payment during the year		(87,420)	(71,814)
Balance as at 31 December		76,060	87,434
<b>21. Current tax liabilities</b>			
Provision for tax	21.1	360,874	392,654
Advance income tax	21.2	(259,730)	(225,933)
		101,144	166,721
<b>21.(a) Current tax liabilities (consolidated)</b>			
Provision for tax	21.1	360,874	392,659
Advance income tax	21.2	(259,730)	(225,933)
		101,144	166,726
<b>21.1 Provision for tax</b>			
Balance as at 1 January		392,654	518,081
Add: Provision made during the year	16	340,665	376,118
		733,319	894,199
Less: Adjustment during the year		372,445	501,545
Balance as at 31 December		360,874	392,654

	Note	2020 ‘000 Taka	2019 ‘000 Taka
<b>21.2 Advance income tax</b>			
Balance as at 1 January		225,933	431,819
Payment made u/s- 64 and 74		282,850	130,508
Withholding tax		123,392	165,151
Tax adjusted for prior years		(372,445)	(501,545)
Balance as at 31 December		259,730	225,933

**22. Unclaimed dividend**

The ageing of unclaimed dividend at the reporting date was

Within 1 year		10,222	7,344
Upto 1 year to 2 years		7,235	5,847
Upto 2 years to 3 years		5,751	5,890
Above 3 years		74,555	69,522
		97,763	88,602

**23. Revenue**

See accounting policies in note 03 (m)

	Unit	Quantity	2020 Amount ‘000 Taka	Quantity	2019 Amount ‘000 Taka
		‘000	‘000 Taka	‘000	‘000 Taka
ASU gases	M <sup>3</sup>	26,780	1,233,547	25,775	1,156,680
Dissolved acetylene	M <sup>3</sup>	136	76,736	175	98,869
Electrodes	M. Ton	20	2,861,313	26	3,767,929
Others			539,821		659,964
			4,711,417		5,683,441

	Note	2020 ‘000 Taka	2019 ‘000 Taka
<b>24. Cost of sales</b>			
Opening inventories of manufactured products		144,685	157,939
Cost of goods manufactured	24.1	2,458,531	3,049,292
Closing inventories of manufactured products		(204,960)	(144,685)
<b>Cost of sales of manufactured products</b>		<b>2,398,256</b>	<b>3,062,546</b>
Cost of trading products		85,316	108,383
		2,483,572	3,170,929

**24.1 Cost of goods manufactured**

Raw and packing materials consumed	24.1.2	1,677,070	2,213,571
Manufacturing overhead	24.1.1	571,174	531,384
Fuel and power		210,286	304,337
		2,458,531	3,049,292

**24.1.1 Manufacturing overhead:**

Salaries, wages and staff welfare		213,765	207,559
Depreciation		223,893	200,622
Repairs to machinery		77,027	80,204
Repairs to building		14,475	11,292
Maintenance		993	3,446
Insurance		6,394	3,409
Rent, rates and taxes		475	520
Travelling and conveyance		577	694
Training expenses		264	331
Vehicle running expenses		7,083	5,784
Telephone, telex and fax		689	784
Printing, postage, stationery and office supplies		1,749	2,403

	Note	2020	2019
		'000 Taka	'000 Taka
Consultancy fees		2,243	2,532
Inventory written off		11,832	7,490
Provision made/(reversal) for inventory obsolescence		2,436	(4,390)
Sundry factory expenses		7,278	8,704
		<b>571,174</b>	<b>531,384</b>

## 24.1.2 Raw and packing materials consumed

	Unit of measurement	Opening stock		Purchase		Closing stock		Consumption		% of total consumption
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	
			'000 Taka		'000 Taka		'000 Taka		'000 Taka	
Calcium carbide	M. Ton	90	7,717	466	37,835	69	6,056	487	39,496	2.36
Wire	M. Ton	605	33,277	16,046	862,633	259	15,657	16,393	880,253	52.49
Blended powder	M. Ton	1,252	156,461	683	91,552	683	88,913	1,253	159,100	9.49
Others*			203,269		572,826		177,875		598,220	35.67
<b>2020</b>			<b>400,724</b>		<b>1,564,846</b>		<b>288,500</b>		<b>1,677,070</b>	<b>100.00</b>
Calcium carbide	M. Ton	63	4,791	649	50,866	90	7,717	622	47,940	2.17
Wire	M. Ton	344	23,141	20,719	1,254,642	605	33,277	20,458	1,244,506	56.22
Blended powder	M. Ton	1,771	170,419	3,182	397,886	1,252	156,461	3,701	411,844	18.61
Others*			162,811		549,739		203,269		509,281	23.01
<b>2019</b>			<b>361,162</b>		<b>2,253,133</b>		<b>400,724</b>		<b>2,213,571</b>	<b>100.00</b>

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

	Note	2020	2019
		'000 Taka	'000 Taka
<b>25. Operating expenses</b>			
Salaries, wages and staff welfare		257,341	287,757
Depreciation on property, plant and equipment		79,486	84,635
Depreciation on right-of-use asset		6,617	6,829
Amortisation of intangible assets		4,938	6,724
Fuel and power		666	806
Repairs to building		463	1,610
Maintenance		3,589	6,544
Insurance		145	184
Delivery expenses		213,973	246,546
Rent, rates and taxes		4,309	2,844
Travelling and conveyance		3,455	5,559
Training expenses		140	617
Telephone, telex and fax		4,503	5,380
Global information service		30,986	41,858
Outsourcing service charge		8,095	15,183
Printing, postage, stationery and office supplies		5,752	7,919
Trade journal and subscription		-	-
Advertising and promotion		17,208	19,448
Provision made for trade receivable		59,230	3,715
Bad debts written off		2,499	2,393
Legal and professional charge		16,199	24,934
Royalties and technical assistance fees		36,503	37,150
Audit fees	25.1	850	800
Bank charges		4,901	5,439
Entertainment		87	263
Sundry office expenses		17,617	18,487
		<b>779,554</b>	<b>833,624</b>

		2020	2019
	Note	'000 Taka	'000 Taka
<b>25(a) Operating expenses (Consolidated)</b>			
Salaries, wages and staff welfare		257,341	287,757
Depreciation on property, plant and equipment		79,486	84,635
Depreciation on right-of-use asset		6,617	6,829
Amortisation of intangible assets		4,938	6,724
Fuel and power		666	806
Repairs to building		463	1,610
Maintenance, others		3,589	6,544
Insurance		145	184
Delivery expenses		213,973	246,546
Rent, rates and taxes		4,309	2,844
Travelling and conveyance		3,455	5,559
Training expenses		140	617
Telephone, telex and fax		4,503	5,380
Global information service		30,986	41,858
Outsourcing service charge		8,095	15,183
Printing, postage, stationery and office supplies		5,752	7,919
Trade journal and subscription		-	-
Advertising and promotion		17,208	19,448
Provision made for trade receivable		59,230	3,715
Bad debts written off		2,499	2,393
Legal and professional charge		16,199	24,934
Technical assistance fee		36,503	37,150
Audit fees		919	950
Bank charges		4,901	5,439
Entertainment		87	263
Sundry office expenses		17,617	18,487
		<b>779,624</b>	<b>833,774</b>
<b>25.1 Audit fees</b>			
Statutory audit		650	600
Other audit		200	200
		<b>850</b>	<b>800</b>
<b>26. Other income</b>			
Gain/(loss) on disposal of property, plant and equipment	26.1	1,126	4,517
Rental Income from House Property		504	360
		<b>1,630</b>	<b>4,877</b>
<b>26.1 Gain/(loss) on disposal of property, plant and equipment</b>			
A. Proceeds from sales of property, plant and equipment	39	6,070	6,585
B. Carrying amount			
Cost of the property, plant and equipment		104,030	25,675
Accumulated depreciation		(99,086)	(23,607)
		<b>4,945</b>	<b>2,068</b>
C. Gain on disposal (A-B)		<b>1,126</b>	<b>4,517</b>
<b>27. Net finance income</b>			
See accounting policies in note 03 (n)			
Finance income		78,808	74,153
Finance cost		(1)	(589)
Interest expenses for Lease		(680)	(1,090)
		<b>78,127</b>	<b>72,474</b>

			2020	2019
28. Contribution to workers profit participation fund (WPPF)	Note		'000 Taka	'000 Taka
See accounting policies in note 03 (k)				
Contribution to workers' profit participation fund (WPPF)	28.1		76,046	87,420

#### 28.1 Computation of contribution to WPPF

Profit before contribution to WPPF		1,520,922	1,748,409
Applicable contribution rate		5%	5%
		76,046	87,420

#### 29. Directors' remuneration

Fees		200	275
Salaries and benefits		7,566	17,067
Accommodation		-	1,200
Provident fund contribution		-	768
Retirement benefits		-	483
		7,766	19,793

#### 30. Financial instruments – Fair values and risk management

##### 30.1. 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.

	Note	Carrying amount							Total amount
		Held-for trading	Designated at fair value	Fair value hedging instruments	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	
		'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
<b>31 December 2020</b>									
Financial assets not measured at fair value									
Investment in subsidiaries	08	-	-	-	-	-	20	-	20
Trade and other receivables	10	-	-	-	-	731,868	-	-	731,868
Investment in fixed deposit receipts - FDRs	12	-	-	-	1,511,202	-	-	-	1,511,202
Cash and cash equivalents	13	-	-	-	-	1,145,006	-	-	1,145,006
		-	-	-	1,511,202	1,876,874	20	-	3,388,096
Financial liabilities not measured at fair value									
Other non-current liabilities	18	-	-	-	-	-	-	261,545	261,545
Trade and other payables*	19	-	-	-	-	-	-	1,268,740	1,268,740
		-	-	-	-	-	-	1,530,285	1,530,285
<b>31 December 2019</b>									
Financial assets not measured at fair value									
Investment in subsidiaries	08	-	-	-	-	-	40	-	40
Trade and other receivables	10	-	-	-	-	714,085	-	-	714,085
Investment in fixed deposit receipts - FDRs	12	-	-	-	1,244,619	-	-	-	1,244,619
Cash and cash equivalents	13	-	-	-	-	1,004,626	-	-	1,004,626
		-	-	-	1,244,619	1,718,711	40	-	2,963,370
Financial liabilities not measured at fair value									
Trade and other payables*	19	-	-	-	-	-	-	1,207,095	1,207,095
Other non-current liabilities	18	-	-	-	-	-	-	248,839	248,839
		-	-	-	-	-	-	1,455,934	1,455,934

\* Advances against land sale as referred note no 19 is not financial liabilities.

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.

#### 30.2 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
- Liquidity risk
- Market risk

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.

### 30.2.1. 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 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 1,145,006 thousand at 31 December 2020 (2019: Taka 1,004,626 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:

	Note	2020 '000 Taka	2019 '000 Taka
Trade receivables	10.1	775,885	683,021
Provision for trade receivable	10.1.1	(85,307)	(26,077)
		690,578	656,944
Cash and cash equivalents	13	1,144,638	1,004,173
		1,835,216	1,661,117

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

Gases	143,172	193,819
Welding	85,603	128,512
Healthcare	547,110	360,690
	775,885	683,021

#### b) Ageing of trade receivables

The ageing of gross trade receivables at the reporting date was:

Invoiced 0-30 days	526,966	516,299
Invoiced 31-60 days	25,325	15,841
Invoiced 61-90 days	14,153	5,334
Invoiced 91-180 days	26,438	26,380
Invoiced 181-365 days	49,751	79,127
Invoiced and above 365 days	133,252	40,040
	775,885	683,021

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

Opening balance	26,077	22,362
Provision made during the year	59,230	3,715
Closing balance	85,307	26,077

### 30.2.2 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) 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.

	Contractual cash flows						
	Carrying amount	Total	6 months or less	6–12 months	1–2 years	2–5 years	More than 5 years
31 December 2020							
Non-derivative financial liabilities:	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Trade payables	253,364	253,364	253,364	-	-	-	-
Inter Company payables	297,285	297,285	297,285	-	-	-	-
Payables for capital items	49,239	49,239	49,239	-	-	-	-
	599,888	599,888	599,888	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	599,888	599,888	599,888	-	-	-	-
31 December 2019							
Non-derivative financial liabilities:							
Trade payables	187,803	187,803	187,803	-	-	-	-
Inter Company payables	310,136	310,136	310,136	-	-	-	-
Payables for capital items	35,957	35,957	35,957	-	-	-	-
	533,896	533,896	533,896	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	533,896	533,896	533,896	-	-	-	-

### 30.2.3 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) Exposure to currency risk	'000 BDT	'000 USD	'000 PHP	'000 INR	'000 THB	'000 GBP	'000 EUR	'000 SGD
As at 31 December 2020								
A. Foreign currency denominated assets								
Trade receivable	690,578	-	-	-	-	-	-	-
Intercompany receivable	8,089	-	-	-	-	-	20	-
	698,667	-	-	-	-	-	20	-
B. Foreign currency denominated liabilities								
Trade payables								
Intercompany payables	(105,934)	(1,250)	-	(3,331)	-	-	(492)	-
	(105,934)	(1,250)	-	(3,331)	-	-	(492)	-
C. Net exposure (A-B)	592,733	(1,250)	-	(3,331)	-	-	(472)	-
As at 31 December 2019								
A. Foreign currency denominated assets								
Trade receivable	656,945	-	-	-	-	-	-	-
Intercompany receivable	12,070	5	47	-	-	-	20	-
	669,015	5	47	-	-	-	20	-
B. Foreign currency denominated liabilities								
Trade payables								
Intercompany payables	(211,791)	(840)	(88)	(3,232)	(41)	(3)	(182)	(6)
	(211,791)	(840)	(88)	(3,232)	(41)	(3)	(182)	(6)
C. Net exposure (A-B)	457,224	(835)	(41)	(3,232)	(41)	(3)	(162)	(6)

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

Exchange rate at taka	Average rate		Year end spot rate	
	2020	2019	2020	2019
US Dollar 1	84.76	84.88	84.69	84.88
Great Britain Pound (GBP) 1	114.00	111.20	115.77	112.52
EURO (EUR) 1	103.17	94.28	103.45	95.17
INR 1	1.15	63.83	1.16	63.06

## 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.

Effects in thousands of taka	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
31 December 2020				
USD	(5,294)	5,294	3,971	(3,971)
EURO	(2,442)	2,442	1,831	(1,831)
INR	(193)	193	145	(145)
31 December 2019				
USD	(3,541)	3,541	2,656	(2,656)
EURO	(771)	771	578	(578)
GBP	(15)	15	11	(11)
INR	(192)	192	144	(144)
PHP	(3)	3	2	(2)
SGD	(19)	19	14	(14)
THB	(6)	6	5	(5)

	2020	2019
	'000 Taka	'000 Taka
iii) Foreign exchange loss		
Foreign exchange loss	(7,126)	(7,831)

## 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:

	Carrying amount	
A. Fixed rate instruments		
Financial assets		
Investment in fixed deposit receipts - FDRs (note - 12)	1,511,202	1,244,619
Fixed deposits with banks (note - 13)	778,694	534,609
	2,289,896	1,779,228
Financial liabilities	-	-
	2,289,896	1,779,228
B. Floating rate instruments		
Financial assets	-	-
Financial liabilities	-	-
C. Carrying amount (A-B)	2,289,896	1,779,228

## 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.

### 30.3 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.

### 31. Non-controlling interest (NCI)

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

	BOC	BOL	Intra-group eliminations	Total	'000 Taka
<b>31 December 2020</b>					
NCI percentage	0.05%	-	-	-	-
Non-current assets	-	-	-	-	-
Current assets	20,000	-	-	20,000	20
Non-current liabilities	-	-	-	-	-
Current liabilities	(523,250)	-	-	(523,250)	(523)
<b>Net assets</b>	<b>(503,250)</b>	-	-	<b>(503,250)</b>	<b>(503)</b>
Net assets attributable to NCI	(252)	-	-	(252)	(0.25)
Revenue	-	-	-	-	-
Loss	(69,000)	-	-	(69,000)	(69)
OCI	-	-	-	-	-
<b>Total comprehensive income</b>				-	-
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	-	-	-	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	-	-	-	-	-
<b>31 December 2019</b>					
NCI percentage	0.05%	0.50%	-	-	-
Non-current assets	-	-	-	-	-
Current assets	20,000	247,848	-	267,848	268
Non-current liabilities	-	-	-	-	-
<b>Current liabilities</b>	<b>(454,250)</b>	<b>(209,750)</b>	-	<b>(664,000)</b>	<b>(664)</b>
<b>Net assets</b>	<b>(434,250)</b>	<b>38,098</b>	-	<b>(396,152)</b>	<b>(396)</b>
Net assets attributable to NCI	(217)	190	-	(27)	(0.03)
Revenue	-	-	-	-	-
Loss	(74,250)	(74,250)	-	(149,500)	(150)
OCI	-	-	-	-	-
<b>Total comprehensive income</b>	<b>(74,250)</b>	<b>(74,250)</b>	-		
Loss allocated to NCI	(37)	(374)	-	(411)	(0.41)
OCI allocated to NCI	-	-	-	-	-
Cash flows from operating activities	-	-	-	-	-
Cash flows from investing activities	-	-	-	-	-
Cash flows from financing activities	-	-	-	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	-	-	-	-	-

### 32. Related party transaction

#### 32.1 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 been 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.

	Note	2020 ‘000 Taka	2019 ‘000 Taka
<b>32.2 Transaction with key management personnel</b>			
Key management personnel compensation:			
Directors' remuneration	29	7,766	19,793

32.3 Other related party transactions			31 December 2020	31 December 2019	31 December 2020	31 December 2019
Name of party	Nature of relationship	Nature of transactions	Transaction for the year ‘000 Taka	‘000 Taka	Balance outstanding as at ‘000 Taka	‘000 Taka
<b>InterCompany payables</b>						
BOC Gases, Technical Supply Centre	Fellow Subsidiary	Purchase of goods	-	1,556	356	296
BOC Group Ltd.	Holding Company	Technical Assistance Fee	36,503	37,150	95,036	211,825
BOC Group Ltd.	Holding Company	Dividend	410,894	308,170	-	-
Linde AG, Linde Gas Headquarters	Holding Company of BOC Group Ltd.	Global IS fee	30,986	41,858	48,311	17,304
Linde Gas Asia Pte. Ltd.	Fellow Subsidiary	Recharges cost received	(1,354)	8,578	-	1,327
Linde Gas Asia Pte. Ltd.- ROHQ	Fellow Subsidiary	Service fee	-	10,308	-	3,604
Linde Gas Singapore Pte. Ltd.	Fellow Subsidiary	Purchase of goods	3,892	2,145	1,722	(589)
Linde India Ltd.	Fellow Subsidiary	Purchase of goods and assets	150,575	256,358	120,143	44,770
Linde Malaysia Sdn Bhd	Fellow Subsidiary	Purchase of goods and assets	4,290	17,913	23,590	30,896
Linde Treasury Asia Pacific Pte. Ltd.	Fellow Subsidiary	Service fee	-	288	-	-
Thai Industrial Gases PLC	Fellow Subsidiary	Recharges cost received	-	-	-	103
Linde Engineering India Pvt Ltd	Fellow Subsidiary	Service fee	1,058	1,002	85	85
LINDE ROC SDN BHD	Fellow Subsidiary	Service fee	(410)	3,074	-	515
Linde Business Solutions Center	Fellow Subsidiary	Service fee	7,744	-	7,744	-
Praxair (Thailand)	Fellow Subsidiary	Service fee	704	-	297	-
Bangladesh Oxygen limited	Subsidiary	Payment of expenses	18	69	231	248
<b>InterCompany receivables</b>						
BOC HOLDINGS	Parent company	Recovery of expenses	-	1,251	-	1,251
Linde Gas Asia Pte. Ltd.- ROHQ	Fellow Subsidiary	Recovery of expenses	-	-	-	203
Linde Gas Asia Pte. Ltd.	Fellow Subsidiary	Recovery of expenses	(4,037)	8,094	-	10,943
BOC India Limited	Fellow Subsidiary	Recovery of expenses	-	118	206	206
Linde South Asia Support	Fellow Subsidiary	Recovery of expenses	7,883	-	7,883	-
Linde AG, Linde Gas Headquarters	Holding Company of BOC Group Ltd.	Recovery of expenses	-	-	1,799	1,798
BOC Bangladesh Limited	Subsidiary	Payment of expenses	69	69	416	347

33. Remittance made in foreign currency	2020		2019	
	Currency	‘000 FC	‘000 Taka	‘000 Taka
Dividend paid to The BOC Group, UK	GBP	3,826	410,894	2,859
Service Chg Linde Gas Asia Pte Ltd- ROHQ, Philippines	USD	42	3,615	210
EFRAC, India	USD	-	-	6
Linde India Ltd, India	USD	142	12,057	-
Linde Treasury Asia Pacific PTE LTD, Singapore	SGD	-	-	11
Linde AG, Germany	EUR	-	-	2,058
Safety Hitech, Italy	EUR	-	-	30
UL AG, USA	USD	5	385	4
Praxair (Thailand) Co., Ltd.	USD	5	407	5
M Junction, India	USD	-	-	6
R.V.Briggs & Co.Pvt.Ltd, India	USD	-	-	0
LINDE ROC SDN BHD, Malaysia	USD	1	105	75
SHELL-N-TUBE PVT. LTD., India	USD	-	-	5
Linde Gas Asia Pte. Ltd.,Singapore	SGD	-	-	140
WILLIS TOWER WATSON, India	USD	2	204	-
Thai Industrial Gases PLC , Thailand	USD	1	103	-
TAF paid to The BOC Group, UK	GBP	1,016	113,998	-
		5,041	541,767	5,410
				542,301

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 2020 includes final dividend of GBP 3,826 thousand for the year 2019.

#### 34. Receipt in foreign currency

Name of customer/vendor	Nature of receipt	2020		2019	
		'000 FC	'000 Taka	'000 FC	'000 Taka
Uniglory Cycle Component Ltd.	Deemed export	120	10,209	93	7,849
Uniglory Cycle Industries Ltd.	Deemed export	73	6,242	133	11,256
Meghna Alloytech Ltd.	Deemed export	110	9,377	75	6,330
Linde Gas Asia PTE Ltd (Singapore)	IS cost recharge	81	6,905	32	2,728
Linde Gas Asia PTE Ltd (Philippines)	Cost recharge	2	203	-	-
BOC Holdings, UK	Cost recharge	15	1,251	-	-
ZTE Corporation	Service charge	198	16,830	332	28,059
Karnafuly Ship Builders	Deemed export	78	6,626	448	37,854
Total		678	57,643	1,113	94,077

	2020	2019
	'000 Taka	'000 Taka
35. Value of imports calculated on CIF basis		
Raw materials	1,410,465	1,933,975
Components and spare parts	25,908	23,275
Capital goods	55,492	358,725
	1,491,865	2,315,975

#### 36. Capital expenditure commitment

Contracted but not provided for in these accounts	162,326	59,089
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#### 37. Contingent liabilities

These includes bank guarantees to third parties, shipping guarantees, others guarantee, utility guarantee, performance bond, security bond, import bill, import receivables and bank acceptance	130,292	102,318
Outstanding letters of credit	924,782	600,476
Disputed tax other VAT related issue	102,525	12,996

#### 37.1 Credit facilities available as at 31 December

Standard Chartered Bank (SCB)	1,200,000	1,200,000
The Hong Kong & Shanghai Banking Corporation Ltd. (HSBC)	610,250	610,250
	1,810,250	1,810,250

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

As per renewed agreement executed on 28 September 2020 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 610 million (BDT Six hundred and ten million) (in equivalent to EUR 6.0 million).

Purpose: Working capital

Interest Rate: 9%

Security: Demand promissory note, letter of continuation for BDT 610.25 million and letter of comfort from Linde AG.

#### Agreement with Standard Chartered Bank Bangladesh (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

Overdraft Interest Rate: 9.00%

Security: Demand promissory note and letter of continuation for BDT 1,200 million.

38. Production capacity	Unit of measurement	Normal capacity for the year	Production for the year	Remarks
Major products				
ASU Gases	000 M <sup>3</sup>	35,018	23,505	Additional capacity to meet future demand
Carbon-dioxide	M. Ton	13,140	3,141	Additional capacity to meet future demand
Dissolved Acetylene	000 M <sup>3</sup>	300	137	Due to lower market demand
Electrodes	M. Ton	31	21	Additional capacity to meet future demand

39. Proceeds from disposals sale of property, plant and equipment	Cost	Accumulated depreciation	Carrying amount	Sales proceeds
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Plant and Machinery	74,256	74,256	-	-
Vehicles	16,010	12,018	3,992	3,992
Furniture and Fixture	8,481	8,481	-	-
Cylinders: Sold	1,145	1,145	-	2,078
Cylinders: Condemned	4,138	3,186	952	-
2020	104,030	99,086	4,945	6,070
2019	25,675	23,607	2,068	6,585

40. Number of employees engaged for drawing remuneration	2020	2019
Disclosure as per requirement of schedule XI Part II of Para 3 is as follows:		
(a) Above Taka 3,000 per month	316	296
(b) Below Taka 3,000 per month	-	-
	316	296

41. Net Asset Value (NAV)	2020	2019
	'000 Taka	'000 Taka
Total Assets	8,004,514	7,651,824
Non-Current Liabilities	(854,518)	(795,676)
Current Liabilities	(1,736,159)	(1,747,439)
	5,413,837	5,108,709
Number of ordinary Shares of Taka 10 each as at 31 December	15,218	15,218
Net Asset Value per Share	355.75	335.70

41.1 Net Asset Value (NAV) Consolidated	2020	2019
	'000 Taka	'000 Taka
Total Assets	8,004,098	7,651,704
Non-Current Liabilities	(854,518)	(795,676)
Current Liabilities	(1,736,266)	(1,747,757)
	5,413,314	5,108,271
Number of ordinary Shares of Taka 10 each as at 31 December	15,218	15,218
Net Asset Value per Share	355.72	335.67

42. Earnings per share		
See accounting policies in note 03 (p)		

42.1 Basic earnings per share		
The computation of earnings per share is given below:		
Earnings attributable to the ordinary shareholders (in thousand)	1,073,609	1,231,588
Number of ordinary shares outstanding during the year (in thousand)	15,218	15,218
Basic earnings per share (EPS) (Taka)	70.55	80.93

**42.2 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.

	2020	2019
<b>42(a) Basic earnings per share (consolidated)</b>		
Earnings attributable to the ordinary shareholders (in thousand)	1,073,539	1,231,438
Number of ordinary shares outstanding during the year (in thousand)	15,218	15,218
Basic earnings per share (EPS) (Taka)	70.54	80.92
<b>43. Net operating cash flow per share (NOCFPS)</b>		
Cash flows from operating activities as per statement of cash flows (in thousand)	1,182,472	1,571,174
Number of ordinary shares outstanding during the year (in thousand)	15,218	15,218
Net operating cash flow per share (NOCFPS) (in Taka)	77.70	103.25
<b>43(a) Net operating cash flow per share (NOCFPS) (consolidated)</b>		
Cash flows from operating activities as per statement of cash flows (in thousand)	1,182,155	1,571,035
Number of ordinary shares outstanding during the year (in thousand)	15,218	15,218
Net operating cash flow per share (NOCFPS) (in Taka)	77.68	103.24
<b>44. Implications of COVID-19 on business</b>		

The company has considered the possible impacts that may result from COVID-19 in the preparation of these financial results including the recoverability of carrying amount of financial and non- financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the company has, at the date of approval of these financial results, used internal and external sources of information and expects that the carrying amount of the assets will be recovered.

**45. Events after the reporting date**

For the year 2020 the board has recommended a final dividend of Taka 40.00 per share amounting to Taka 608,732 thousand at the 257 board meeting held on 08 April 2021.

# Range of Products and Services.



## Industrial gases

- Liquid oxygen
- Liquid nitrogen
- Liquid argon
- Liquid carbon dioxide
- Compressed oxygen
- Compressed nitrogen
- Compressed argon
- CORGON (Shielding Gas)
- Lamp gas
- Dissolved acetylene
- Carbon dioxide
- Dry ice
- Hydrogen
- Compressed air
- Refrigerant gases
- Fire suppression gas & system
- Helium
- Sulphur hexafluoride
- Sulphur dioxide
- Special gases & gas mixtures
- Any other gas on request

## Hardgoods Filler Materials & Equipment

- Mild steel electrodes
- Low hydrogen/low alloy electrodes
- Cast iron electrodes
- Hard surfacing electrodes
- Stainless steel electrodes
- AC Arc welding equipment & accessories
- DC Arc welding equipment & accessories
- Gas welding and cutting equipment & accessories
- MIG welding equipment & accessories
- TIG welding equipment & accessories
- Gas welding rod & flux
- Gas welding and cutting equipment & accessories

## Medical gases & equipment

- Medical oxygen liquid
- Medical oxygen compressed
- Nitrous oxide
- Entonox
- Sterilizing gases
- Medical Carbon-di-Oxide
- Medical Compressed Air
- Medical Gases Cylinders
- Oxytherapy Set
- Oxygen Concentrator
- Humidifier
- Medical Gases Pipeline Items
- Other Medical Gases on Request







# Linde Bangladesh Limited: Form of Proxy.

I/We ..... (name)

of ..... (address)

being a shareholder of Linde Bangladesh Limited hereby appoint, another member of the Company.

\* Mr/Mrs/Miss ..... (name)

of ..... (address)

as my proxy, to attend on my/our behalf at the 48th Annual General Meeting (Virtual) of the Company to be held on Thursday 27 May 2021 at 11:00 am and at any adjournment of the meeting or any poll that may be taken in consequence thereof and to vote on my behalf as he/she thinks fit on all Resolutions.

As witness my/our hand this ..... day of ..... 2021.

.....  
Signed (shareholder/s)

.....  
Folio/BO ID #

.....  
Signed (Proxy)

.....  
Folio BO ID #

Affix revenue stamp Tk.20.00  
(Also see notes on reverse)

## Linde Bangladesh Limited

### Shareholder's attendance slip

I hereby record my presence at the 48th Annual General Meeting (Virtual) of Linde Bangladesh Limited on Thursday 27 May 2021.

.....  
Name

.....  
Folio/BO ID #

.....  
Signature

## Notes

- 1 A member eligible to attend the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf. No person shall act as proxy unless he/she is entitled to be present and vote in his/her own right. The "Proxy Form", duly filled, signed and stamped at BDT 20 must be sent through email to Linde Bangladesh Limited Share Office at [info.bd@linde.com](mailto:info.bd@linde.com) no later than 72 hours before commencement of the AGM.

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