

Annual Report 2012.



Corporate Vision.

We shall be recognised as the leader in all the business sectors in which we compete in Bangladesh.

Our success will be built on our absolute dedication to the satisfaction of our customers, through constant innovation, operational efficiency, cost effectiveness and the talents of our people.

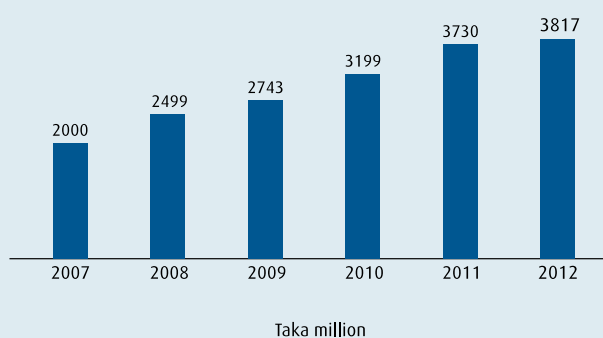
We shall always apply high standards of integrity and responsibility in our activities.

Financial History.

		2007	2008	2009	2010	2011	2012
Revenue	Taka'000	2,000,172	2,498,583	2,742,817	3,199,375	3,729,754	3,817,127
Profit before tax	"	350,155	457,740	772,611	903,256	940,136	660,493
Taxation	"	89,171	116,106	181,972	241,320	230,584	180,575
Deferred tax	"	-2,667	-17,708	-19,231	-6,132	28,037	-2,593
Earnings	"	263,651	359,342	609,870	668,068	681,515	482,511
Final dividend proposed	"	106,528	117,181	117,181	152,183	152,183	167,401
Interim dividend paid	"	-	152,183	152,183	380,457	380,457	304,366
General reserve*	"	1,195,914	1,312,546	1,666,177	1,823,141	1,993,048	2,019,010
Share capital	"	152,183	152,183	152,183	152,183	152,183	152,183
Revaluation reserve	"	46,181	46,181	20,174	20,174	20,174	20,174
Shareholder's equity*	"	1,394,278	1,510,910	1,838,534	1,995,498	2,165,405	2,191,367
Net fixed assets	"	1,004,121	961,178	922,735	1,043,552	1,238,834	1,474,836
Depreciation	"	134,386	135,466	136,321	132,769	131,915	146,144
Earnings per share	Taka	17.32	23.61	40.08	43.90	44.78	31.71
Price earnings ratio	"	19.00	11.00	12.00	16.00	14.00	17.00
Dividend per share	"	7.00	17.70	17.70	35.00	35.00	31.00
Dividend percentage	%	70	177	177	350	350	310
Net assets per share*	Taka	91.62	99.28	120.81	131.13	142.29	144.00
Operating cashflow per share	"	22.16	25.11	68.41	45.45	34.57	31.78

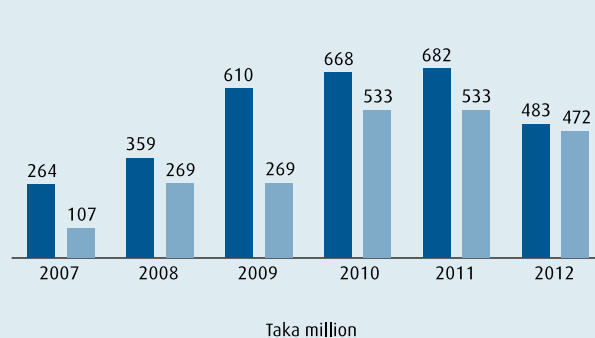
Revenue

■ Revenue



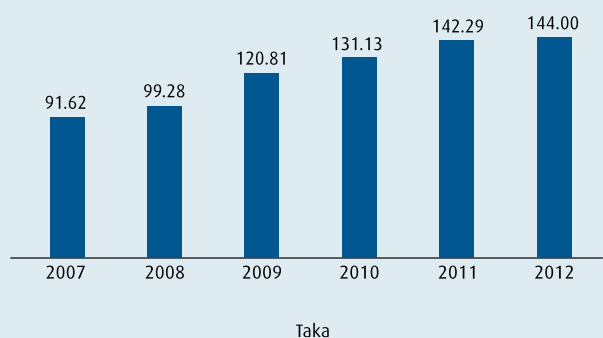
Earnings & Dividend

■ Earnings ■ Dividend



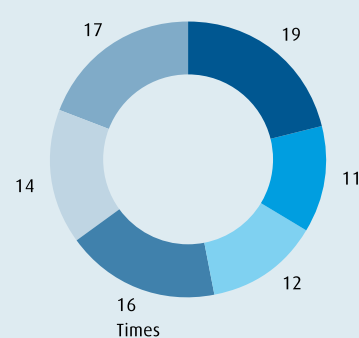
Net Assets per Share

■ Net Assets per Share



Price Earning Ratio*

■ 2007 ■ 2008 ■ 2009 ■ 2010 ■ 2011 ■ 2012



* Adjusted for change in presentation of proposed dividends

The Year at a Glance.

		2012	2011	Change over 2011
Revenue	'000 Taka	3,817,127	3,729,754	2.34%
Profit before tax	"	660,493	940,136	-29.74%
Earnings	"	482,511	681,515	-29.20%
Earnings per Share	Taka	31.71	44.78	-29.20%

Statement of Value Added.

	2012		2011	
	'000 Taka	%	'000 Taka	%
Value Added				
Revenue	3,817,127		3,729,754	
Bought in materials and services	(2,287,302)		(2,143,388)	
	1,529,825		1,586,366	
Other income including interest on bank deposits	42,085		77,046	
Available for distribution	1,571,910	100	1,663,412	100
Distributions				
To Employees in remuneration and benefits	494,048	31	438,699	27
To Provider of capital in :				
(a) interest on borrowings	8,631	1	6,321	-
(b) Interim and Final dividend proposed	471,767	30	532,640	32
To Government in taxes, duties and surcharges	440,576	28	404,962	24
Retained for reinvestment and future growth:				
(a) depreciation	146,144	9	131,915	8
(b) reserve and surplus	10,744	1	148,875	9
	1,571,910	100	1,663,412	100

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Corporate History.

The Linde Group has a history of over 130 years built on a heritage of innovation with a strong focus on technology. The company's founder, Professor Doctor Carl von Linde, invented refrigeration technology and pioneered a process of air separation. Today, we are a global market leader in gases and engineering solutions.

Our bequest in Bangladesh

Linde Bangladesh Limited, a member of the Linde Group, has been contributing towards the development of the nation as a silent partner. A strong in-built culture with work values reinforced and developed 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 400 trained, motivated and professional members manages 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 product & services. Our motto is to ensure optimum conditions in health, safety and the environment for employees, customers and stakeholders.

The Linde Group is a world-leading gases and engineering company with approximately 62,000 employees working in more than 100 countries worldwide. In the 2012 financial year, it achieved sales of EUR 15.280 bn.

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 CO₂ 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 Rupgonj ASU Plant was commissioned.
- 1999 Shitalpur plant was bought over with 20 TPD production facility.
- 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 The company changed its name from "BOC Bangladesh Limited" to "Linde Bangladesh Limited."

Notice of Annual General Meeting.

Notice is hereby given that the 40th Annual General Meeting of Linde Bangladesh Limited will be held at Officers Club, 26 Baily Road, Ramna, Dhaka 1000, on Thursday 16 May 2013 at 10:30 am to transact the following business:

- 1 To receive and adopt the accounts for the year ended 31 December 2012 and the reports of the Auditors and Directors thereon.
- 2 To declare a Dividend for the year ended 31 December 2012.
- 3 To elect Directors.
- 4 To appoint Auditors and to fix their remuneration.

By order of the Board

M Nazmul Hossain
Company Secretary
14 March 2013

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. 28 March 2013 will be eligible to attend the Annual General Meeting and receive dividend approved.
- 2 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.
- 3 Form of proxy, duly completed, must be deposited at the Company's Registered Office by 10:30 am on Monday 13 May 2013 and in default will not be treated as valid.

Company Secretary
M Nazmul Hossain

Statutory Auditors
Hoda Vasi Chowdhury & Co.

Bankers
The Hongkong Shanghai
Banking Corporation Limited
Standard Chartered Bank Ltd.

Legal Advisers
Huq & Company
Syed Ishtiaq
Ahmed & Associates

Registered Office
Corporate Office
285 Tejgaon I/A
Dhaka 1208

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) and Bangladesh Institute of Management (BIM). He joined the Board of Linde Bangladesh Limited in 2008.



Erphan S Matin

Managing Director since 2011

Mr Erphan Shehabul Matin is an Electrical Engineer from Bangladesh University of Engineering & Technology (BUET), Dhaka. Soon after graduation he started his career with the Company in 1980. Over the years Mr Matin has worked in a variety of senior positions in the Company heading Marketing, Sales, Customer Services, Procurement, Distributions, Customer Engineering Services, Welding – Operations and Projects. He joined the Board of Linde Bangladesh Limited in 2008.

He is a life member of Bangladesh Institution of Engineers, Dhaka.



Mr Bernd Hugo Eulitz

Director since 2012

Mr Bernd Eulitz is the regional business unit head responsible for Linde's gases business in South & East Asia, based in Singapore. He oversees Linde's businesses in 11 countries in Asia – Bangladesh, India, Indonesia, South Korea, Malaysia, Pakistan, Philippines, Singapore, Sri Lanka, Thailand and Vietnam.

Mr Bernd has a master's degree in process engineering from the University of Karlsruhe, Germany. He joined Linde AG in Germany in 2004 as Head of Sales Region East, where he was responsible for sales and applications technology in the East Germany region. During his 4 years at Linde AG, he was responsible for the growth of the East German business and a broad range of projects for the Linde Group.

In April 2008, Bernd was appointed Chief Executive Officer of PanGas AG, The Linde Group's unit in Switzerland responsible for the industrial and medical products business.

In October 2011, Bernd moved to Singapore to take up his new appointment as Regional Business Unit Head for South & East Asia.

Prior to his career in Linde, Bernd spent 4 years in the gas industry in Germany, in sales engineering and logistic roles, and another 4 years in consulting work at A. T. Kearney in Germany, UK and France.

Additionally, he also serves as Director on the Board of the following companies: Linde Gas Asia Pte Ltd., Linde Bangladesh Ltd., Linde Malaysia Holdings Berhad, Linde Pakistan Ltd., Linde Philippines Ltd., Linde Gas Singapore Pte Ltd., Linde (Thailand) Public Company Ltd., Linde Gas Vietnam Pte Ltd and Ceylon Oxygen Ltd.



Desiree Bacher

Director since 2012

Ms Desiree Bacher, is the Head of Finance & Control for South & East Asia, Linde Gas Asia Pte Limited, a member of The Linde Group. She oversees the finance & control function of the business that covers 11 countries in the region spanning Pakistan in the west to South Korea in the east. She is based in the regional headquarters in Singapore.

Ms Bacher has been with Linde for over 13 years. She joined Linde Philippines in August 1999 in the finance function, first as the Financial Controller. She then took on the Commercial Manager role and was responsible in setting up the commercial function looking after pricing and customer contracts. In 2001, she became the General Manager for Finance. She moved from the Philippines to Singapore in 2003 to take on a regional role as Service Quality Manager, Asia, responsible for finance organization development, Sarbanes-Oxley and various other projects in the North and Southeast Asia region. With the merger of The BOC Group and Linde AG in 2006 to form The Linde Group, Ms Bacher took on the role of Accounting and Reporting Director for South & East Asia. In 2010, she relocated to the Philippines to take on the role of Head of the Accounting Center of Excellence for South & East Asia where she spearheaded the successful implementation of the region's shared service center. In September 2011, she was appointed to her current role and is now based in Singapore.

Ms Bacher graduated Magna cum Laude from St. Scholastica's College Manila with a degree in Bachelor of Science in Accountancy. She is a Certified Public Accountant in the Philippines.



Sri Kumar Menon

Director since 2012

Mr Sri Kumar Menon is the Country Head and Managing Director of Linde India Ltd, a member of the Linde Group. He is also responsible as Cluster Head for the businesses in India, Bangladesh and Sri Lanka.

He joined Linde India Limited in 2001 as Head - Finance and become the Finance Director of the company in the same year. In 2008 Mr Menon was appointed as Managing Director of Linde India Limited and took over as Cluster Head for India, Bangladesh and Sri Lanka in January 2012. He is the Chairman of Ceylon Oxygen Limited, Sri Lanka. He is also on the board of directors of the Linde Global Support Services Pvt. Ltd based in Kolkata, India.

After completing his schooling from the Delhi Public School, Mathura Road, New Delhi he went on to complete a Bachelor of Commerce (Hons) degree from Hindu College, Delhi University.

Mr Menon is a qualified Chartered Accountant from The Institute of Chartered Accountants of India and commenced his career in 1978 as a Finance Executive in Balmer Lawrie and Co. Ltd. He has since then worked in various capacities in several large Indian corporations. Prior to joining BOC India in 2001, Mr Menon was Vice President, Finance at Pidilite Industries Limited.

Mr Menon serves as a committee member on several Business, Professional and Social bodies. He is a council member of the Indo German Chamber of Commerce & Industry and is also a past president and committee member of the Gas Industries Association of India. He is also a member of the General Committee of CII, Eastern Region, India and the Chairman of the Economic Affairs, Finance & Taxation Sub Committee.



Md Fayekuzzaman

Director since 2010

Mr Md. Fayekuzzaman is the Managing Director of Investment Corporation of Bangladesh (ICB) and Chairman, ICB Capital Management Limited. He is also the Member, Board of Directors of Bangladesh Institute of Capital Market (BICM), Standard Bank Limited, Industrial and Infrastructure Development Finance Company Ltd. (IIDFC), Bangladesh Development Bank Ltd. (BDBL), British American Tobacco Bangladesh Ltd. (BATB), GlaxoSmithKline Bangladesh Ltd., Renata Limited, ACI Limited, National Tea Company Ltd., Central Depository Bangladesh Ltd. (CDBL), Dhaka Stock Exchange Ltd., The Institute of Bankers, Bangladesh; Credit Rating Agencies of Bangladesh Ltd. (CRAB), Credit Rating Information and Services Ltd. (CRISL) and Apex Tannery Ltd.

Mr Md. Fayekuzzaman, born in 1953, obtained B.Com Hons., M. Com in Management. He completed his Postgraduation studies in Investment Planning, Appraisal and Management of Development Finance Institution in Bradford University, Bradford, United Kingdom. He attended Cambridge Leadership Program organized by the University of Cambridge, United Kingdom and Leadership Essential Program arranged by the Columbia University, USA. Mr Zaman has experience of about 35 years of which 27 years in Commercial and Investment Banking. Prior to the present position, he had been Deputy Managing Director of Agrani Bank Ltd. since 2007. Before that he was the General Manager of ICB.



Latifur Rahman

Director since 2006

Mr Latifur Rahman is the Chairman and CEO of Transcom Group, with annual turnover of around Taka 33 billion, employing over 10 thousand people. The business originated with tea plantations in 1885.

Group companies dealing with beverages, electronics, pharmaceuticals, fast food, distributions, print media and tea include, Transcom Beverages Ltd., Transcom Electronics Ltd., Eskayef Bangladesh Ltd., Transcom Foods Ltd., Transcom Distribution Company Ltd., Mediastar Ltd., Mediaworld Ltd. and Tea Holdings Ltd. Transcom Group is a major stakeholder in Reliance Insurance Limited and National Housing Finance and Investments Ltd.

He is the Chairman of Nestlé Bangladesh Ltd., Holcim Cement (Bangladesh) Ltd. and National Housing Finance & Investments Ltd. He is also a member of the Governing Body of Bangladesh Rural Advancement Committee (BRAC), world's largest NGO.

Mr Rahman is currently the Vice President of International Chamber of Commerce – Bangladesh.

He is a former President of Metropolitan Chamber of Commerce & Industry, Dhaka and held the position for seven terms. He is also a former President of Bangladesh Employers' Federation (two terms) and Member, Executive Committee, Federation of Bangladesh Chambers of Commerce & Industry, Bangladesh Jute Mills Association and Bangladesh Tea Association.

Mr Latifur Rahman had been closely involved with the fiscal and trade policy making bodies of the Government as Chairman, Tradebody Reforms Committee, Member – Bangladesh Better Business Forum, Advisory Committee on WTO, National Committee on Export Promotion and Consultative Committee on Jute. He was a Member of the Executive Board of Bangladesh Bank.

Mr Rahman is an Honouree of "Oslo Business for Peace Award 2012" and was awarded Business Executive of the Year 2001 by the American Chamber of Commerce in Bangladesh.



Parveen Mahmud

Director since 2011

Ms Parveen Mahmud joined the Board of Directors in 2011, is the Chairperson of Audit Committee. She is the Managing Director, Grameen Telecom Trust.

She started her career with BRAC. In her varied professional career Ms Mahmud worked substantial time with national and international development agencies and was practicing chartered accountant. Ms Mahmud was a partner, ACNABIN, Chartered Accountants. She was the Deputy Managing Director, Palli Karma-Sahayak Foundation (PKSF), an apex funding institution for wholesaling microcredit programme for employment generation and poverty alleviation.

Ms Parveen Mahmud is the past President, first female president for the year 2011, of the Institute of Chartered Accountants of Bangladesh (ICAB). She was the first female Board member in the South Asian Federation of Accountants (SAFA) as well.

She was a Working Group Member, Consultative Group on Social Indicators, UNCTAD/ISAR. She was the member, National Advisory Panel for SME Development of Bangladesh and founding board member of SME Foundation and was Convenor, SME Women's Forum. She has given input in the Technical committee for establishing Microcredit Regulatory Authority in Bangladesh.

She serves in various Boards, including, BRAC, Actionaid International Bangladesh, MIDAS, Manusher Jannyo Foundation (MJF), Under Privileged Children Educational Program (UCEP)-Bangladesh. She was the Chairperson, Acid Survivors Foundation.



M Nazmul Hossain

Director since 2011

Mr M Nazmul Hossain is a Bachelor of Commerce in Accounting (Hons) and a Chartered Accountant with many years of experience in the industry. He joined the Company in 1982 and held several senior positions in the Company prior to being appointed to the Board of Director. He also holds the office of the Company Secretary. He is a fellow member of the Institute of Chartered Accountants of Bangladesh.

Chairman's Statement.

Dear Shareholders,

It is my privilege to welcome you to the 40th Annual General Meeting of your Company "Linde Bangladesh Limited" and present to you the business result of the year just concluded. Let me say at the outset that the business performance of your Company during the accounting year just concluded was not encouraging. The revenue was slightly higher over last year, but there was a significant downfall in operating profit. Lower operating profit was mainly due to severe challenges encountered from devaluation of the Taka against foreign currencies, increase in import cost of raw materials, high inflation impact on other local expenses, shortage of natural gas and electricity. Given such a daunting set of adverse circumstances, management tried valiantly to achieve the targets set. Management deserves our appreciation for achieving the results that we report today.

Business Environment and Financial Performance

The Bangladesh economy maintained a growth of about 6% in last fiscal year in the face of weak global recovery from earlier economic downturn. However it registered lower growth compared to the previous year (2011). Some improvement in power sector was made through investment in the quick rental power and private sector power plants. On the other hand shortage of natural gas and upward price adjustment in fuel and power adversely affected growth in some sectors. High import cost of food and non food commodities and devaluation of local currency caused high inflation in the economy. To reduce inflation in the economy, the Central Bank tightened the monetary policy that resulted in liquidity crunch for private sector investments.

Shortage of power and natural gas in the country, led the government to stop providing new connections for domestic use. Non availability of natural gas and power for domestic use along with shortage of liquidity had adverse impact on Real Estate growth. Shipbuilding Industry also lost its earlier pace of growth, due to non receipt of new orders. It may be mentioned that Real Estate Sector and Boat Building Sector are the highest consumers of MS Electrode. Thus the demand of Mild Steel Electrode dropped significantly in 2012.

The economic environment of the country appeared better in the later part of the year due to some positive decisions taken by the Central Bank in order to control inflation. Flow of remittance and export earnings helped to build the highest foreign currency reserve in the history of Bangladesh. Increase in import cost of fuel for rental power plant resulted in the government making upward adjustment of power tariff several times during the year, causing cost escalation on industrial and consumer products. The cost base of industrial products was further aggravated by increase of major raw material import cost. Weighted average costs

of the major raw materials were much higher, compared to the previous year. Selling price of some products was revised upward to recover high inflation impact on raw materials. But due to competitive environment, entire inflation impact could not be recovered from the market through price adjustment.

Under these circumstances the turnover registered a net growth of 2% as against operating profit fall by 29% over the previous year. Operating profit dropped mainly due to inflation impact on cost of raw materials and higher operating expenses. Interest income for the year was much lower over last year due to fall in liquidity fund resulting from payment of dividend, purchase of capital items and excess investment in working capital.

Working Capital position was higher than last year throughout the year due to increase in imported cost of raw materials and strategic purchase of Rutile from international market due to its scarcity. Debtors outstanding reached all time high for failure to settle bills as per agreement by Government Hospitals on account of fund shortage. Trade creditors and other current liabilities were managed well. Your Board closely monitored the liquidity position of the company, with the objective to ensure prudent utilization of the liquid resources, by trade off between dividend pay out to shareholders, raw material purchase and to obtain future cost advantage. Accumulation of resources for future investment in upcoming projects to meet domestic demand and counter competition is also a key agenda of your company.

The Directors of your company recommended a final dividend of Taka 11.00 per share for the year ended 31 December 2012. This would require a payout of Taka 167,401,080. Therefore the total payout for the year including interim dividend of Taka 20.00 per share would be Taka 471,766,680 and the overall dividend percentage would be 310%. In last year total dividend payment was 350%.

For better understanding of the performance of the business, details are discussed by business segment i.e. Bulk, PG & P (Process Gas and Packages) and Hospital Care.

Bulk

Industrial liquid gases are reported under bulk segment. The performance of the segment was significantly better than last year. Liquid oxygen registered a growth of 19% over last year. Ship breaking was the main driver of liquid oxygen growth. Liquid nitrogen and carbon dioxide maintained its double digit growth in the year. However due to competition there were no growth in argon sales.



At the 39th AGM held on 10 May 2012



Shareholders at the 39th Annual General Meeting held on 10 May 2012

PG & P (Process Gas and Packages)

Industrial compressed gases and welding products are reported under this segment. Overall performance of the segment was slightly better than the previous year. Mild Steel Electrodes, the key product of the sector could not show any growth in 2012, mainly due to lower activity in Real Estate and Boat Building sector. It maintained its sales at last year's level. Your company has lost 7-8% (approx) market share of Mild Steel Electrodes to competition on price consideration. Performance of compressed industrial oxygen and dissolved acetylene was also below last year. Compressed industrial oxygen lost market share on price consideration and dissolved acetylene due to use of substitute product by the customers. Sale of packaged chemicals and special gases provided good support to maintain turnover of the segment slightly above last year's level.

Hospital Care

Medical gases and equipment, medical pipeline and related services are reported under Hospital Care segment. The overall performance of Hospital Care was 3% below last year due to full year impact of losing Compressed Medical Oxygen and Nitrous Oxide business of Government Hospital to competitor. Medical equipment and cylinder business could not achieve expectations. However sales growth in medical oxygen mostly driven by private hospital was very impressive. The strategy of converting compressed medical oxygen customer to liquid medical oxygen has helped to improve overall revenue of medical oxygen by 13%. One-off installation and maintenance contract of medical equipment and medical gas pipeline added to reduce the gap.

Development

Your Company struggled under a very challenging economic and business environment. Bulk and PGP manufactured gases registered growth both in volume and revenue. Loss in volume of Mild Steel Electrode over last year was compensated by price adjustment. The capacity utilisation of the various gases plants was close to the previous year. It may be mentioned that lower pressure of natural gas disrupted ASU gases production quite often. Deficit in availability of ASU gases were out sourced. The fourth line of the Welding Electrode Factory was put to trial operation from December 2012. Welding Electrode Factory is in operation three shifts a day.

Safety Matters

For all our stakeholders, specially for our employees and customers, safety remained the top-most priority for the Company as elsewhere in the Linde Group. In 2012 your Company achieved its Leading Safety Indicators and managed Lagging Indicators except for two major incidents, one of which took place in production and the other in transport operations. Transport operation is one area where there is no scope for complacency or to rest on success. The Company organized week long Road Show at its Major Sites where Managing Director led the programme along with Senior Managers and Country Leadership Team. The Company also arranged Transport Safety Training and Communication Programme for 3rd Party Bus Drivers at different Bus Terminals to raise awareness about transport accident and responsibility of the drivers. To reduce the number of major incidents and improve safety quality, LeadSafe, SiteSafe, Act Safe programme and Golden Rule of Safety have been put into operations in all major locations covering our employees, contractors and customers. New Group Safety Policy was launched and communicated to all the employees. The programme was led by the Managing Director.

Human Resources

High employee morale and excellent industrial relations was maintained throughout the year. Organizational restructuring was successfully completed in 2012. Online Performance Management System has been rolled out to align with Linde Global HR practices. For employee excellence and skill development, training on People Excellence in Action (PEIA) and First Line Manager's (FLM) was arranged. To encourage and motivate good performers, Company recognised contribution of a number of employees with "Excellence Award" and "Spot Recognition". Key Employee Bonus (KEB) and Secondment programme to other countries continued, to encourage and retain high performers. Global Employee Survey (GES) has been carried out to measure employees' satisfaction and engagement. In GES your Company achieved the highest score in the Region of South and East Asia (RSE).

Information Services

Information Services (IS) in your Company is responsible for implementation of Linde Group IS agenda to support Business requirements for beco-



Donated desktop PC at Blind Education and Rehabilitation Organisation (BERDO)



A transport mock drill held on 26 September 2012, on a public road side

ming a High Performing Organization. In April 2012, we have migrated our enterprise applications on SAP R/3 to the Regional system to align with Linde Business in Asia. The objective of migration was to carry out our business processes using the best operating practices that other RSE Companies follow. This brought all RSE Companies under common platform. Being hosted in a robust and world class infrastructure, our system has become more reliable and secure.

In 2012, Linde Bangladesh rolled out a computerized distribution scheduling system called GOLD. It was implemented with the objectives of improving the customer service level, reducing distribution cost and increasing efficiency of liquid deliveries. Gold project had earned Country and Regional excellence award.

Linde Bangladesh has also implemented SAP Invoice Management system for bill processing. From 10 December 2012 all vendor and employee payments are being processed through SAP invoice Management system controlled from Global Service Provider, Manila.

To ensure that business can run in an uninterrupted manner by addressing issues and changes efficiently, we have implemented a State-of-the-art Incident, Problem and Change Management system in 2012.

Corporate Social Responsibilities

We proactively take part in different CSR activities in order to be a partner of people's choice. As per the guidance of RSE corporate responsibility programme "HELP" (ie Healthcare, Education, Local Community Development & Protecting the Environment), our initiatives of tree plantation, donation of PC to blind schools and technical institutes, giving safety training among inter-district highway bus drivers, helpers, contractor drivers and employee-owned car drivers' gained sustainability. By engaging fresh university graduates from leading private and public universities as interns to different department, we have created a unique avenue for interns to gain leadership and managerial skills. Your Company awards scholarships among the offspring of welding dealers and non management staff every year to make our CSR effort as tangible and concrete as possible. Our CR roadmap is geared towards five main areas of activity: employees, SHEQ, corporate citizenship, ethics & compliance, and capital markets.

Board Matters

I am pleased to inform you that Mr Waliur Rahman Bhuiyan, OBE Former Managing Director of Linde Bangladesh Limited has joined the board as Independent Director. Please join me in welcoming Mr Bhuiyan. We look forward to his valuable contribution.

Prospects

2012 was a difficult year for your Company. We had to confront and operate within a daunting set of adverse circumstances. Given that, the performance of your Company has not been entirely unsatisfactory. We would like to believe that 2013 and the future years will see a much more conducive environment. The initial indications, however, are not very encouraging.

In such a situation, where so many factors are beyond our control, it is difficult to make promise or hold out assurances about results. What we can promise you, though, is that we shall spare no effort to achieve the best results that we are capable of. This is nothing new, your Company has always done that.

Dear Shareholders,

It is my privilege and pleasure to thank the Board members and the shareholders for their support, and the employees of the Company for making it possible to achieve the results I have described. We also owe a debt to our Customers, Suppliers, Bankers, Government authorities and agencies. We acknowledge this with deep gratitude.

Thank you,

Ayub Quadri
14 March 2013

Report of the Board of Directors.

The Board of Directors of Linde Bangladesh Limited are pleased to present the audited accounts of the Company for the year ended 31 December 2012.

The Company continued to be the market leader of industrial and medical gases, welding equipment and products, and medical products and consumables in the Country.

Business performance

The revenue of the Company for the year 2012 was Tk. 3,817 m as against Tk. 3,729 m of 2011. The revenue derived from following segments:

Segments	2012	2011
	Taka m	Taka m
Bulk Gases	397	339
Process Gas Solution (PGP)	3,085	3,045
Hospital care	335	345
	3,817	3,729

Bulk gases comprises of liquid industrial oxygen, liquid nitrogen and carbon dioxide. Process gas solutions comprises of mild steel electrodes and compressed industrial gases. Hospital Care comprises of medical Gases, medical equipment and medical pipeline.

Financial Results

The Company recorded 2% growth in Revenue in 2012 over previous year. Growth in the revenue derived mainly from industrial oxygen, nitrogen, carbon dioxide. Mild Steel Electrode sales was at last year level. On the other hand cost of sales went up by 11%. Increase in cost of sales resulted from higher import cost of raw material of welding electrodes and devaluation of local currency. This has caused Gross Profit to drop significantly in current year. Operating expenses of current year was higher than last year due to Taka 39 m incurred for restructuring of the organisation. All these amounted to Taka 280 million deficits in profit before taxation in 2012 over previous year.

Particulars	2012	2011
	Taka m	Taka m
Revenue	3,817	3,729
Cost of Sales	(2,527)	(2,280)
Gross Profit	1,290	1,449
Operating Expenses	(663)	(582)
Profit from operations	627	868
Other Income	-	2
Interest income	33	71
Profit before taxation	660	940

Working Capital Management

Working Capital position was higher than last year throughout the year due to increase in imported cost of raw materials and strategic purchase of Rutile from international market due to its scarcity. Debtors outstanding reached all time high for failure to settle bills as per agreement by Government Hospitals on account of fund shortage. Trade creditors and other current liabilities were managed well.

Dividends

An interim dividend of Taka 20.00 (200%) per share amounting to Taka 304,365,600 was paid out in the year.

With the Directors' recommendation for a final dividend of Taka 11.00 (110%) per share for the year, involving a payout of Taka 167,401,080 (2011 Taka 152,182,800) subject to approval at the Annual General Meeting, overall dividend percentage for the year would be 310% and total dividend payout for the year would amount to Taka 471,766,680 (2011 Taka 532,639,800)

Reserves

The Directors propose to transfer net profit for the year Taka 482,509,879 to General Reserve.

Directors

The present directors are named on pages 004 to 006 of this report.

Mr Bernd Hugo Eulitz, Mr Srikumar Menon and Mr Md. Fayekuzzaman retire under Article 81 of the Articles of Association of the Company. Mr Bernd Hugo Eulitz, Mr Srikumar Menon and Mr Md. Fayekuzzaman being eligible, offer themselves for re-election.

Ms Parveen Mahmud and Mr Waliur Rahman Bhuiyan, OBE were appointed by the Board in accordance with the Bangladesh Securities and Exchange Commission (BSEC) notification SEC/CMR-RCD/2006-158/134/Admin/44 dated 07 August 2012 as an Independent Directors of the Company. Following the notification of BSEC the appointment of the Independent Directors will be approved at the 40th Annual General Meeting.

Contribution to National Exchequer

Total payment of duty and taxes to National Exchequer in 2012 was Tk. 1,009 million as against Tk. 931 million for 2011.

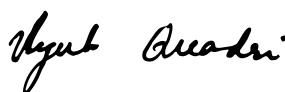
Auditors

Hoda Vasi Chowdhury & Co. , being eligible, offer themselves for reappointment.

On behalf of the Board of Directors,
14 March 2013



Erphan Shehabul Matin
Managing Director



Ayub Quadri
Director & Chairman

Committees.

Audit Committee

Chairperson	Ms Parveen Mahmud	Director
Member	Mr Latifur Rahman	Director
Member	Mr Srikumar Menon	Director
Member	Ms Desiree Bacher	Director
Secretary	Mr M Nazmul Hossain	Director
	Mr Indrajit Mitra	Country Head of Internal Audit India and Bangladesh, Internal Audit Asia/Pacific

Country Leadership Team

Chairman	Mr Erphan S Matin	Managing Director
Member	Mr M Nazmul Hossain	Finance Director & Company Secretary
Member	Ms Saiqa Mazed	Head of HR
Member	Mr Abu Shair	Country IS Manager
Member	Mr Iftekhar Karim	Head of Supply
Member	Mr Md Mostafizur Rahman	Head of Strategic Marketing
Member	Mr Md Abdul Matin	Manager, SHEQ
Member	Mr A K M Tareq	National Sales Manager, Welding
Member	Mr Momtaz Arif Khan	Head of Sales PG&P Bulk
Member	Mr Shorab Uddin Ahmed	Head of Health Care
Member	Mr Rafiqul Islam	Head of IR and Administration

Annexure 1.

Key operating and financial data of five years preceding the year ended 31 December 2012

Financial History

		2007	2008	2009	2010	2011	2012
Revenue	Taka'000	2,000,172	2,498,583	2,742,817	3,199,375	3,729,754	3,817,127
Profit before tax	"	350,155	457,740	772,611	903,256	940,136	660,493
Taxation	"	89,171	116,106	181,972	241,320	230,584	180,575
Deferred tax	"	-2,667	-17,708	-19,231	-6,132	28,037	-2,593
Earnings	"	263,651	359,342	609,870	668,068	681,515	482,511
Final dividend proposed	"	106,528	117,181	117,181	152,183	152,183	167,401
Interim dividend paid	"	-	152,183	152,183	380,457	380,457	304,366
General reserve*	"	1,195,914	1,312,546	1,666,177	1,823,141	1,993,048	2,019,010
Share capital	"	152,183	152,183	152,183	152,183	152,183	152,183
Revaluation reserve	"	46,181	46,181	20,174	20,174	20,174	20,174
Shareholder's equity*	"	1,394,278	1,510,910	1,838,534	1,995,498	2,165,405	2,191,367
Net fixed assets	"	1,004,121	961,178	922,735	1,043,552	1,238,834	1,474,836
Depreciation	"	134,386	135,466	136,321	132,769	131,915	146,144
Earnings per share	Taka	17.32	23.61	40.08	43.90	44.78	31.71
Price earnings ratio	"	19.00	11.00	12.00	16.00	14.00	17.00
Dividend per share	"	7.00	17.70	17.70	35.00	35.00	31.00
Dividend percentage	%	70	177	177	350	350	310
Net assets per share*	Taka	91.62	99.28	120.81	131.13	142.29	144.00
Operating cashflow per share	"	22.16	25.11	68.41	45.45	34.57	31.78

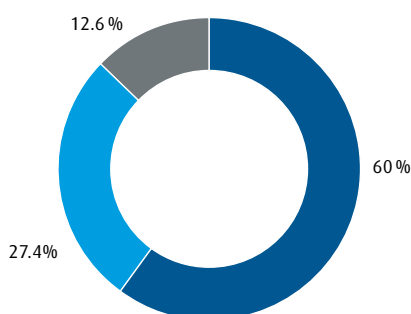
Annexure 2.

Shareholding Pattern

Director's Name	Holdings		
	2010	2011	2012
Mr Ayub Quadri (Chairman)	10	10	10
Mr Erphan Shehabul Matin (CEO)	12	12	12
spouse (Folio # N0018)	12	12	12
Mr Latifur Rahman	10	10	10
Mr Mohammed Nazmul Hossain (CFO & Company Secretary)	3	3	3
Ms Parveen Mahmud ((independent Director)	–	50	50
Executive Name			
Mr Mohammad Abu Shair	37	37	37
and spouse (Folio # F0335)	100	100	100
10 % or above shareholding:			
The BOC Group Limited	9,130,968	9,130,968	9,130,968
Parent, Subsidiary, Companies			
The BOC Group Limited			
Bangladesh Oxygen Limited			
BOC Bangladesh Limited			

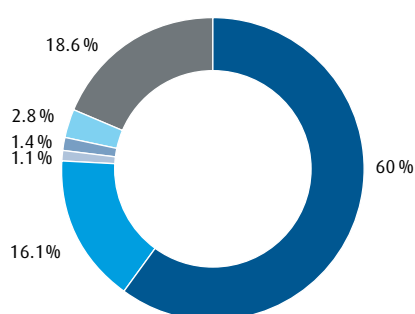
Percentage of shareholdings– institutes & others

- The BOC Group Limited (60%)
- Various Institutes (27.4%)
- Others (12.6%)



Percentage of shareholdings– various Companies & others

- The BOC Group Limited (60%)
- Investment Corporation of Bangladesh (16.1%)
- Bangladesh Development Bank Limited (1.1%)
- Sadharan Bima Corporation (1.4%)
- Bangladesh Fund (2.8%)
- Other Shareholders (18.6%)



Annexure 3.

Board Meetings

During the period the Board met 5 times

	Name of the Directors	No. of Attendance
1	Mr Ayub Quadri-Chairman	5
2	Mr Erphan Shehabul Matin-CEO	5
3	Mr Lee Bon Hian (Resigned February 2012)	1
4	Mr Sanjiv Lamba (Resigned February 2012)	Nil
5	Mr Binod Patwari (Resigned March 2012)	Nil
6	Mr Bernd Hugo Eulitz (Joined February 2012 in place of Mr Sanjiv Lamba)	Nil
7	Mr Srikumar Menon (Joined February 2012 in place of Mr Lee Bon Hian)	3
8	Ms Desiree Bacher (Joined March 2012 in place of Mr Binod Patwari)	1
9	Mr Md. Fayekuzzaman	4
10	Mr Latifur Rahman	3
11	Ms Parveen Mahmud	4
12	Mr Mohammed Nazmul Hossain	5

Audit Committee Meetings

There were three meetings during the period. Head of Global Business Controls of the Linde Group attended three meetings

	Name of the Members	No. of Attendance
1	Ms Parveen Mahmud -Chairperson (Independent Director)	3
2	Mr Lee Bon Hian (Resigned February 2012) Director-Corporate Investor nominated	Nil
3	Mr Binod Patwari (Resigned February 2012) Director-Corporate Investor nominated	Nil
4	Mr Latifur Rahman	3
5	Mr Srikumar Menon (Joined February 2012 in place of Mr Lee Bon Hian) Director-Corporate Investor nominated	3
6	Ms Desiree Bacher (Joined March 2012 in place of Mr Binod Patwari) Director-Corporate Investor nominated	Nil

Annexure 4.

Status of Compliance with Bangladesh Securities & Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012.

Condition No.	(Report under Condition No. 7.00) Title	Compliance Status
1.1	Board's Size: Board members should not be less than 5(five) and more than 20(twenty).	Complied
1.2 (i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	Complied
1.2 (ii) (a)	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.	Complied
1.2 (ii) (b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should 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.	Complied
1.2 (ii) (c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	Complied
1.2 (ii) (d)	Who is not a member, director or officer of any stock exchange.	Complied
1.2 (ii) (e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	Complied
1.2 (ii) (f)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	Complied
1.2 (ii) (g)	Who shall not be an independent director in more than 3 (three) listed companies.	Complied
1.2 (ii) (h)	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).	Complied
1.2 (ii) (i)	Who has not been convicted for a criminal offence involving moral turpitude.	Complied
1.2 (iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	Complied
1.2 (iv)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days.	Complied
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	Complied
1.2 (vi)	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.	Complied
1.3 (i)	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.	Complied
1.3 (ii)	The person should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	Complied
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	None

Condition		Compliance
No.	Title	Status
1.4	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	Complied
1.5 (i)	Industry outlook and possible future developments in the industry.	Complied
1.5 (ii)	Segment-wise or product-wise performance.	Complied
1.5 (iii)	Risks and concerns.	Complied
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	Complied
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	Not Applicable
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	Complied
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others 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)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	Complied
1.5 (x)	Remuneration to directors including independent directors.	Complied
1.5 (xi)	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.	Complied
1.5 (xii)	Proper books of account of the issuer company have been maintained.	Complied
1.5 (xiii)	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.	Complied
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	Complied
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	Complied
1.5 (xvi)	There are no significant doubts 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 thereof should be disclosed.	Complied
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Complied
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Complied
1.5 (xix)	If the issuer Company has not declared dividend (cash or stock) for the year, the reasons should be given.	Not Applicable
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	Complied
1.5 (xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	Complied
1.5 (xxi) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details).	Complied

Condition		Compliance
No.	Title	Status
1.5 (xxi) (c)	Executives.	Complied
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	Complied
1.5 (xxii) (a)	A brief résumé of the director.	Complied
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas.	Complied
1.5 (xxii) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	Complied
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	Complied: same person appoint. CFO & Co. Secretary.
2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	Complied
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	Complied
3 (ii)	The Audit Committee shall assist the Board of Directors 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.	Complied
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	Complied
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	Complied
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	Complied
3.1 (iii)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management experience.	Complied
3.1 (iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until 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 of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	Complied
3.1 (v)	The company secretary shall act as the secretary of the Committee.	Complied
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	Complied
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	Complied
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied
3.3 (i)	Oversee the financial reporting process.	Complied
3.3 (ii)	Monitor choice of accounting policies and principles.	Complied

Condition		Compliance
No.	Title	Status
3.3 (iii)	Monitor Internal Control Risk management process.	Complied
3.3 (iv)	Oversee hiring and performance of external auditors.	Complied
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	Complied
3.3 (vii)	Review the adequacy of internal audit function.	Complied
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	Complied
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	Complied
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds 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. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	Not Applicable
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	Complied
3.4.1 (ii) (a)	Reporting of Conflicts of interest to the Board of Director.	Complied
3.4.1 (ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.	Complied
3.4.1 (ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations.	Complied
3.4.1 (ii) (d)	Any other matter which shall be disclosed to the Board of Directors immediately.	Complied
3.4.2	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors 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 of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	None
3.5	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	Not Applicable
4.00 (i)	Appraisal or valuation services or fairness opinions.	Complied
4.00 (ii)	Non-engagement in designing of Financial Information System.	Complied
4.00 (iii)	Non-engagement in Book keeping.	Complied
4.00 (iv)	Non-engagement in Broker-dealer services.	Complied
4.00 (v)	Non-engagement in Actuarial services.	Complied
4.00 (vi)	Non-engagement in Internal Audit.	Complied
4.00 (vii)	Non-engagement in any other services.	Complied
4.00 (viii)	Non-engagement 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.	Complied

Condition No.	Title	Compliance Status
5.00 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Complied
5.00 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	Complied
5.00 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	Complied
5.00 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	Complied
5.00 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Complied
6.00 (i) (a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	Complied
6.00 (i) (b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	Complied
6.00 (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 violation of the company's code of conduct.	Complied
7.00 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	Complied
7.00 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	Complied

Corporate Governance.

Corporate Governance Practices

Sound corporate governance is fundamental to company's long term success. The Board of Directors of Linde Bangladesh Limited is firmly committed to upholding principles of sound corporate governance. Their Management and supervision actions are always guided by 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. Our success has always been built on close and effective cooperation between Board of Directors ability to serve shareholder interest, open communication within the company, proper accounting and auditing and responsible approach to risk, statutory regulations and internal control practices.

Board of Directors

The Board of Linde Bangladesh 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. The Board of Linde Bangladesh comprises of 10 members of whom 2 members are independent directors, 2 members are executive director and rest are nominated directors. The Board members include persons of high calibre with professional and academic qualification having experience in private and public sector operations. The Board of Director reviews business performance in each meeting and approves periodical and annual financial results for publications. Board approves annual plan, capital expenditure for the year and passes resolution at meetings held on a regular basis.

Board Meeting

The Board of Linde Bangladesh met five times in 2012. Board meeting held under section # 96 of Company act 1994 and Bangladesh Securities and Exchange Commission regulations regarding Board meeting were complied with. Director's attendance in the Board meeting is shown in the annexure-3 of Directors reports. In the Board Meeting the actions and decisions are geared towards the best interests of the Company taking into account the concern of shareholders, employees, customers and other stakeholders.

Annual General Meeting

The shareholder asserts 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 of each following financial year. Notice of Annual General Meeting/Extraordinary General Meeting together with the annual reports and documents required by company law to be sent to the shareholder fourteen/twenty-one days as appropriate 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 with the requirement of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 Corporate Governance Compliance and Status Report is attached in Annexure 1 to 4 on page 13 to 18.

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.
- Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), 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 regularly reviewed by the Group Internal auditor and update Management and Audit Committee on the status of internal control.

Accounting and External Audit

The Company prepares its annual financial statements, interim and half-year financial reports in accordance with Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The annual 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. The audit procedures include a review of the system for early identification of risks. The Audit Committee meets with Board to discuss the interim, half-year and annual financial statement in detail prior to publications.

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. With the migration of Accounts Payable in December 2012, all modules of Financial Accounting have been transferred to Linde Global Services, Manila (LGSM). Under new arrangement, Country Finance is responsible for preparing source data for Financial Accounting and LGSM is responsible for data editing, verifying and processing. After processing of a bill for payment by LGMS, country management approves the cheques as per Delegation of Authority (DOA), electronically or manually. Data ownership remained with country Finance. Information provision is responsibility of country management. LGSM is responsible for reconciliation of General Ledger Accounts, Accounts Receivable, Accounts Payable and Bank Accounts.

Internal Audit

The internal audit department of Linde Group reviews at regular intervals efficiency and effectiveness of the risk management and internal control on all activities of the Company. They also carry out substantive test on general accounting, accounts receivable, accounts payable, Treasury system and financial reporting. Internal Auditor submits their observation on weaknesses and non compliance of company's practices and statutory provisions. Each observation states the facts, weaknesses and recommendation 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 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 in 2012 to identify material business risks and accordingly risk mitigation plan has been worked out. The audit committee supports the Board in monitoring activities of management and deals with risk management issues.

Audit Committee

The Audit Committee reviews financial reporting process, system of internal control and management of business and financial risks, the audit process and the company's process for monitoring compliance with relevant laws and regulation and its own code of business ethics. The Audit Committee consist of four members, of which two are independent directors and rest are Group nominated directors. The Chairman of the Audit Committee is an independent director. Audit Committee meets three times in a year. It is a subcommittee of Board of directors. Only committee members are entitled to attend the meeting. However Managing Director, Finance Director and Internal Auditor are invited in the meeting. External auditor is invited in the meeting of the committee in which Annual Financial Statement is reviewed. Duties and Responsibilities of Audit Committee stated in Audit Committee Charter are as below:

- Oversee the financial reporting process.
- Monitor choice of accounting policy.
- Monitor internal control and Risk management process.
- Oversee hiring and performance of external auditor.
- Review annual financial statement before submission to the board for approval.
- Review periodical financial statement before submission to the board for approval.
- Review adequacy of internal audit function.
- Review statement of related party transactions.
- Review Management letter issued by statutory auditor.

Employee

Total number of employees in the Linde Bangladesh Limited at 31 December 2012 was 364 (2011: 394). The Company paid salary and wages Taka 459 million (2011: Taka 389 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 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

The Company respects the provisions of the law and comply 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 ensured all provisions of the law are complied with on timely manner. Any non compliance are 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 monitor standards set out in the code. Code of Ethics covers:

- Making ethical decision
- Dealing with customers, suppliers and markets
- Dealing with shareholders
- Dealing with employee
- 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 host in Company Website are shown below:

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

The link of company website is www.linde.com.bd.

Statement of Directors' Responsibilities.

Financial statements and accounting records

Linde Bangladesh Directors are responsible for preparing the Annual Report and its financial statements for the year ended 31 December 2012 in accordance with applicable law and regulations.

The Directors are required to prepare the financial statements in accordance with the Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), 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 the preparation and fair presentation of financial statements, which comprises of the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flow 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 27 of the Annual Report.

The financial statements were approved by the Board of Directors on 14 March 2012 and are signed on its behalf by:



Erphan Shehabul Matin
Managing Director



M Nazmul Hossain
Finance Director

Audit Committee Report.

The Audit Committee is appointed by the Board of Directors, as recommended by Bangladesh Securities and Exchange Commission (BSEC) notification. There are four members in the Audit Committee of Linde Bangladesh limited, two of whom are independent directors and rest are group nominated director. Meeting of the Committee were attended by the Managing Director, Finance Director and Internal Auditor of the company on invitation.

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 Parveen Mahmud, Chairperson
Mr Latifur Rahman, Member
Mr Srikumar Menon, Member
Ms Desiree Bacher, Member

Three (3) meetings of Audit Committee were held during the year under review. In all meeting internal auditor gave presentation to the committee which covered internal audit plan, number of audit carried out during the year, audit observations, audit recommendations and status of its implementation. Audit Committee also meet external auditor to discuss their observations on statutory audit and their recommendations for improvement.

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 and attendance

Managing Director, Finance Director and Internal Auditor attended all the meetings of the Committee. External Auditor was invited in the meeting in which the Annual Financial Statement was reviewed.

Activities carried out by the audit committee

Audit Committee acted as per guideline mentioned in the charter of the Committee. The Committee reviewed Annual Financial Statements, audited by External Auditor and also unaudited periodical Financial Statements. The Audit Committee made a brief report to the Board of Directors on their observations and advised for control improvement:

- The external auditor updated Audit Committee 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 response.
- Finance Director updated the Audit Committee on financial performance of the company for the period under review.
- The Audit Committee reviewed effectiveness of internal and external audit procedures and reports thereon.

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



Ms Parveen Mahmud
Chairperson, Audit Committee
14 March 2013

Compliance Certificate to the Shareholders.

This is to certify that the management of Linde Bangladesh Limited has complied with the necessary requirements of Corporate Governance for the year ended 31 December 2012 as per compliance requirements of the conditions imposed by Bangladesh Securities and Exchange Commission's Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 issued under section 2CC of the Securities and Exchange Ordinance 1969.

In our opinion, section 5 of Bangladesh Securities and Exchange Commission's Notification no. SEC/CMRRCD/2006-158/134/Admin/44 is not applicable to subsidiaries of Linde Bangladesh Limited as they do not have any business activities.

Dhaka, 14 March 2013



Rahman Rahman Huq
Chartered Accountants

Auditors' Report to the Shareholders.

We have audited the accompanying consolidated as well as separate financial statements of "Linde Bangladesh Limited", which comprises the consolidated & separate statements of financial position as at 31 December 2012 and the related statements of comprehensive income and statements of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion:

In our opinion, these Financial Statements are prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 31 December 2012 and of the results of its operations and its cash flow for the year then ended and comply with the Companies Act 1994, the Securities & Exchange Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- 1 we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- 2 in our opinion, proper books of account as required by law have been kept by company and its subsidiaries so far as it appeared from our examination of those books;
- 3 the company's Statements of Financial Position, Statements of Comprehensive Income and its Statements of Cash Flow dealt with by the report are in agreement with the books of account and returns;
- 4 the expenditure incurred was for the purpose of the company and its subsidiaries.

Dhaka, 14 March 2013



Hoda Vasi Chowdhury & Co.
Chartered Accountants

Statement of Financial Position.

		As at 31 December	
	Notes	2012 ‘000 Taka	2011 ‘000 Taka
Assets			
Non-current assets:			
Property, plant and equipment	5	1,474,836	1,238,834
Intangible assets	6	48,238	3,676
Investment in subsidiaries	7	40	20
Total non-current assets		1,523,114	1,242,530
Current assets:			
Inventories	8	805,766	657,315
Trade debtors	9	268,574	186,593
Advances, deposits and prepayments	10	189,157	134,486
Cash and cash equivalents	11	411,930	779,306
Total current assets		1,675,427	1,757,700
Total assets		3,198,541	3,000,230
Equity and Liabilities			
Shareholders' equity:			
Share capital	12	152,183	152,183
Revaluation reserve		20,174	20,174
General reserve	13	2,019,010	1,993,048
Total equity		2,191,367	2,165,405
Non-current liabilities:			
Employee benefits	14	87,892	85,538
Deferred tax liabilities	15	90,383	92,976
Other non-current liabilities	16	183,873	173,364
Total non-current liabilities		362,148	351,878
Current liabilities:			
Trade creditors	17	88,284	68,790
Expense creditors and accruals	18	281,130	210,157
Sundry creditors	19	191,539	115,111
Provision for taxation (net of advance tax payment)	20	84,073	88,889
Total current liabilities		645,026	482,947
Total liabilities		1,007,174	834,825
Total equity and liabilities		3,198,541	3,000,230


The annexed notes 1 to 40 form an integral part of these financial statements.

Dhaka, 14 March 2013

As per our report of same date




Ayub Quadri
Chairman



Erphan S Matin
Managing Director



M Nazmul Hossain
Company Secretary



Hoda Vasi Chowdhury & Co.
Chartered Accountants

Statement of Comprehensive Income.

	Notes	For the year ended 31 December	
		2012	2011
		'000 Taka	'000 Taka
Revenue	21	3,817,127	3,729,754
Cost of sales	22	(2,526,730)	(2,279,806)
Gross profit		1,290,397	1,449,948
Operating expenses	23	(663,358)	(582,415)
Profit from operations		627,039	867,533
Other income	24	194	2,027
Interest income, net	25	33,260	70,576
Profit before taxation		660,493	940,136
Taxation	26	(177,982)	(258,621)
Net profit for the year		482,511	681,515
Other comprehensive income:			
Actuarial gain on defined benefit plan		-	21,032
Other comprehensive income for the year		-	21,032
Total comprehensive income for the year		482,511	702,547
Earnings per share:			
Basic earnings per share (par value Tk 10) in Taka	27.1	31.71	44.78


The annexed notes 1 to 40 form an integral part of these financial statements.

Dhaka, 14 March 2013

As per our report of same date



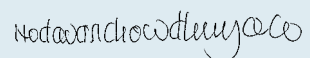
Ayub Quadri
Chairman



Erphan S Matin
Managing Director



M Nazmul Hossain
Company Secretary



Hoda Vasi Chowdhury & Co.
Chartered Accountants

Statement of Changes in Equity.

	For the year ended 31 December 2012			
	Share capital	Revaluation reserve	General reserve	Total
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Balance as at 1 January 2011	152,183	20,174	1,823,141	1,995,498
Dividend for the year	-	-	(532,640)	(532,640)
Total comprehensive income for the year:				
Profit earned during the year	-	-	681,515	681,515
Other comprehensive income	-	-	21,032	21,032
Balance as at 31 December 2011	152,183	20,174	1,993,048	2,165,405
Dividend for the year	-	-	(456,549)	(456,549)
Total comprehensive income for the year:				
Profit earned during the year	-	-	482,511	482,511
Other comprehensive income	-	-	-	-
Balance as at 31 December 2012	152,183	20,174	2,019,010	2,191,367

Statement of Cash Flow.

	Notes	For the year ended 31 December	
		2012	2011
		'000 Taka	'000 Taka
Cash flow from operating activities			
Receipts from sales		3,735,146	3,743,264
Other receipts		30,116	17,999
Payments for supply of goods and services		(3,148,491)	(3,020,526)
Net interest received		52,210	67,151
Income tax paid	20	(185,391)	(281,796)
		483,590	526,092
Cash flow from investing activities			
Payment for acquisition of property, plant and equipment*		(388,255)	(319,895)
Payment for acquisition of intangible assets	6	(70)	(521)
Proceeds from sale of property, plant and equipment	32	1,473	4,456
		(386,852)	(315,960)
Cash flow from financing activities			
Paid to subsidiary		(20)	(43)
Payment of dividend		(464,094)	(505,197)
		(464,114)	(505,240)
Net increase in cash during the year		(367,376)	(295,108)
Opening cash and cash equivalents		779,306	1,074,414
Closing cash and cash equivalents	11	411,930	779,306
*Payment for acquisition of property, plant and equipment			
Addition during the year	5	554,700	793,793
Transfer from capital work in progress	5.1	(171,345)	(464,168)
Paid to vendor for capital items for 2011		9,730	-
Payable to vendors for capital items	19	(4,830)	(9,730)
		388,255	319,895


Consolidated Statement of Financial Position.

		As at 31 December	
		2012	2011
	Notes	'000 Taka	'000 Taka
Assets			
Non-current assets:			
Property, plant and equipment	5	1,474,836	1,238,834
Intangible assets	6	48,238	3,676
Total non-current assets		1,523,074	1,242,510
Current assets:			
Inventories	8	805,766	657,315
Trade debtors	9	268,574	186,593
Advances, deposits and prepayments	10	189,157	134,486
Cash and cash equivalents	11(a)	411,948	779,304
Total current assets		1,675,445	1,757,698
Total assets		3,198,519	3,000,208
Equity and liabilities			
Shareholders' equity:			
Share capital	12	152,183	152,183
Revaluation reserve		20,174	20,174
General reserve	13(a)	2,019,406	1,993,524
Total equity		2,191,763	2,165,881
Non-current liabilities:			
Employee benefits	14	87,892	85,538
Deferred tax liabilities	15	90,383	92,976
Other non-current liabilities	16	183,873	173,364
Total non-current liabilities		362,148	351,878
Current liabilities:			
Trade creditors	17	88,284	68,790
Expense creditors and accruals	18(a)	280,707	209,654
Sundry creditors	19	191,539	115,111
Provision for taxation (net of advance tax payment)	20(a)	84,078	88,894
Total current liabilities		644,608	482,449
Total liabilities		1,006,756	834,327
Total equity and liabilities		3,198,519	3,000,208

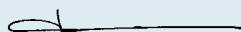
The annexed notes 1 to 40 form an integral part of these financial statements.

Dhaka, 14 March 2013

As per our report of same date




Ayub Quadri
Chairman



Erphan S Matin
Managing Director



M Nazmul Hossain
Company Secretary



Hoda Vasi Chowdhury & Co.
Chartered Accountants

Consolidated Statement of Comprehensive Income.

	Notes	For the year ended 31 December	
		2012	2011
		'000 Taka	'000 Taka
Revenue	21	3,817,127	3,729,754
Cost of sales	22	(2,526,730)	(2,279,806)
Gross profit		1,290,397	1,449,948
Operating expenses	23(a)	(663,438)	(582,452)
Profit from operations		626,959	867,496
Other income	24	194	2,027
Interest income, net	25	33,260	70,576
Profit before taxation		660,413	940,099
Taxation	26	(177,982)	(258,621)
Net profit for the year		482,431	681,478
Other comprehensive income:			
Actuarial gain on defined benefit plan		-	21,032
Other comprehensive income for the year		-	21,032
Total comprehensive income for the year		482,431	702,510
Earnings per share:			
Basic earnings per share (par value Tk 10) in Taka	27(a)	31.70	44.78

The annexed notes 1 to 40 form an integral part of these financial statements.

Dhaka, 14 March 2013

As per our report of same date




Ayub Quadri
Chairman



Erphan S Matin
Managing Director



M Nazmul Hossain
Company Secretary



Hoda Vasi Chowdhury & Co.
Chartered Accountants

Consolidated Statement of Changes in Equity.

	For the year ended 31 December 2012			
	Share capital	Revaluation reserve	General reserve	Total
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Balance as at 1 January 2011	152,183	20,174	1,823,654	1,996,011
Dividend for the year	-	-	(532,640)	(532,640)
Total comprehensive income for the year:				
Profit earned during the year	-	-	681,478	681,478
Other comprehensive income	-	-	21,032	21,032
Balance as at 31 December 2011	152,183	20,174	1,993,524	2,165,881
Dividend for the year	-	-	(456,549)	(456,549)
Total comprehensive income for the year:				
Profit earned during the year	-	-	482,431	482,431
Other comprehensive income	-	-	-	-
Balance as at 31 December 2012	152,183	20,174	2,019,406	2,191,763

Consolidated Statement of Cash Flow.

	Notes	For the year ended 31 December	
		2012	2011
		'000 Taka	'000 Taka
Cash flow from operating activities			
Receipts from sales		3,735,146	3,743,264
Other receipts		30,116	17,999
Payments for supply of goods, services and operating expenses		(3,148,491)	(3,020,569)
Net interest received		52,210	67,151
Income tax paid	20(a)	(185,391)	(281,796)
		483,590	526,049
Cash flow from investing activities			
Payment for acquisition of property, plant and equipment*		(388,255)	(319,895)
Payment for acquisition of intangible assets	6	(70)	(521)
Proceeds from sale of property, plant and equipment	32	1,473	4,456
		(386,852)	(315,960)
Cash flow from financing activities			
Payment of dividend		(464,094)	(505,197)
		(464,094)	(505,197)
Net increase in cash during the year		(367,356)	(295,108)
Opening cash and cash equivalents		779,347	1,074,412
Closing cash and cash equivalents	11(a)	411,991	779,304
*Payment for acquisition of property, plant and equipment			
Addition during the year	5	554,700	793,793
Transfer from capital work in progress	5.1	(171,345)	(464,168)
Paid to vendor for capital items for 2011		9,730	-
Payable to vendors for capital items	19	(4,830)	(9,730)
		388,255	319,895

Notes to the Financial Statements.

As at and for the year ended 31 December 2012.

1. Reporting entity

1.1 Company profile

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

1.2 Nature of business

The Company's principal activities are the manufacture and supply of industrial and medical gases, anaesthesia, welding products and equipments and ancillary equipments. The Company also earns rental from cylinders used by the customers and from vacuum insulated evaporators installed at customers' premises.

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Date of authorisation

The Board of Directors has authorised these financial statements on 14 March 2013 for public issue.

2.3 Basis of measurement

These financial statements have been prepared on going concern basis under the historical cost convention as modified to include the revaluation of certain property, plant and equipment.

2.4 Functional and presentational currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is both functional currency and presentation currency of the Company. The figures of financial statements have been rounded off to the nearest thousand, except as stated.

2.5 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

Note 9.1	Provision for doubtful debts
Note 14.1	Provision for gratuity
Note 15	Deferred tax liabilities
Note 18	Expense creditors and accruals
Note 20	Provision for taxation

2.6 Reporting period

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

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign currency

Foreign currencies are translated into 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 exchange rate at the date of transaction. Differences arising on conversion are charged or credited to the statement of comprehensive income.

3.2 Property, plant and equipment

3.2.1 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 revalued amount. Freehold buildings and leasehold buildings are measured at revalued amounts less accumulated depreciation. 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 bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

3.2.2 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 the statement of comprehensive income as incurred.

3.2.3 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 the current and comparative year are as follows:

	Year 2012	Year 2011
Freehold buildings	40	40
Plant, machinery and cylinders (including storage tank and vacuum insulated evaporator)	10-20	10-20
Motor vehicles	5	5
Furniture, fixtures and equipment	5-10	5-10
Computer hardware	5	5

Leasehold buildings below 40 years are depreciated over the duration of the leases.

3.2.4 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.

3.3 Intangible assets

3.3.1 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 BAS 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.

3.3.2 Subsequent expenditure

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 the statement of comprehensive income when incurred.

3.3.3 Amortisation

Amortisation is recognised in the statement of comprehensive income on a straight line basis over the estimated useful lives of the intangible assets, from the date they are available for use. Enterprise Resource Plan (ERP) software and other softwares are amortised at the rate of 12.50% and 25% respectively.

3.4 Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised as an item of property, plant and equipment. Advance lease payments on assets taken under operating lease are shown as prepayments.

3.5 Financial instruments

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

3.5.1 Financial assets

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

The Company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expires, 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 and trade debtors:

a) Cash and cash equivalents

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

b) Trade debtors

Trade debtors 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 uncollectibility of any amount so recognised.

3.5.2 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 creditors, expense creditors and accruals, sundry creditors and other non-current liabilities.

3.6 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. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

Inventories consist of raw materials, finished goods, goods in transit and maintenance spares.

3.7 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 the statement of comprehensive income.

3.8 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.

3.9 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.

3.10 Income tax

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

3.10.1 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 24.75% considering 10% tax rebate for declaring dividend of more than 20% of the paid up capital. Provision for taxation has been made on the basis of Finance Act 2012.

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 0.5% of the amount representing such company's gross receipts from all sources for that year. Since the subsidiaries company had no receipts from any sources during the year, no tax was provided for the subsidiaries company.

3.10.2 Deferred tax

Deferred tax is recognised in compliance with BAS 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.

3.11 Workers' profit participation fund (WPPF)

The Company provides 5% of its profit before charging such expense as WPPF in accordance with The Bangladesh Labour Act, 2006.

3.12 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.

3.12.1 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 12.5% 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.

3.12.2 Defined benefit plans

3.12.2.1 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. No actuarial valuation was made for this scheme after 2007. 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.

3.12.3 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.

3.13 Revenue recognition

3.13.1 Revenue arising from sale of goods

3.13.1.1 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.

3.13.1.2 Cash on delivery sales

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

3.13.2 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.

3.13.3 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.

3.14 Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised on accrual basis.

Finance expenses comprise interest expense on overdraft, finance lease and bank charges. All finance expenses are recognised in the statement of comprehensive income.

3.15 Consolidation of financial statements

Bangladesh Oxygen Limited and BOC Bangladesh Limited are subsidiaries of Linde Bangladesh Limited. These subsidiaries are entities controlled by the Company.

The financial statements of subsidiaries have been consolidated with those of the Company in accordance with BAS 27: Consolidated and separate financial statements. Intra-group balances and unrealised income and expenses arising from intra-group transactions, are eliminated in full while preparing the consolidated financial statements.

3.16 Earnings per share

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

3.16.1 Basic earnings per share

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

3.17 Cash flow statement

Cash flows from operating activities have been presented under direct method.

3.18 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 40.

4. 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.

4.1 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 and delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum open amount of credit sale without requiring approval from the Committee; these limits are reviewed at least once a year. Customers that fail to meet the Company's bench-

mark creditworthiness may transact with the Company only on a cash/deposit basis.

The Company has established a provision policy for doubtful debts. This represents the Company's estimate of incurred losses of trade debtors. The Company provides for 50% of trade debtors which are 90 days overdue and 100% of trade debtors which are 180 days overdue.

The Company held cash and cash equivalents of Taka 411,930 thousand at 31 December 2012 (2011: Taka 779,306 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.

4.2 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.

4.3 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.

The company, as part of its currency risk management enters into forward contracts with different banks for its upcoming purchase denominated in foreign currencies to ensure its net exposure is kept to an acceptable low level.

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.

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 powder, 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.

4.4 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.

5. Property, plant and equipment

a) Cost

Cost Year 2012

Particulars	Cost				Depreciation				Written down value as at 31 December 2012
	As at 1 January 2012	Addition during the year	Disposal/ transfer during the year	As at 31 December 2012	As at 1 January 2012	Charge during the year	Disposal/ transfer during the year	As at 31 December 2012	
	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka
Freehold land	37,901	-	-	37,901	-	-	-	-	37,901
Freehold buildings	263,520	4,202	-	267,722	47,099	7,298	-	54,397	213,325
Leasehold buildings	119,350	-	(10,399)	108,951	32,209	2,793	(10,359)	24,643	84,308
Plant, machinery and cylinders (including storage tank and vacuum insulated evaporator)	2,086,175	123,041	(10,677)	2,198,539	1,323,414	118,588	(10,109)	1,431,893	766,646
Motor vehicles	59,466	30,541	(4,735)	85,272	44,257	5,634	(4,079)	45,813	39,459
Furniture, fixtures and equipment	68,915	9,147	(3,449)	74,612	51,664	5,312	(3,435)	53,541	21,071
Computer hardware	45,543	4,344	(44)	49,843	25,252	6,021	(44)	31,229	18,614
	2,680,870	171,275	(29,304)	2,822,841	1,523,895	145,647	(28,025)	1,641,517	1,181,324
Capital work in progress (Note 5.1)	80,656	383,425	(171,275)	292,806	-	-	-	-	292,806
Sub-total (A)	2,761,526	554,700	(200,580)	3,115,647	1,523,895	145,647	(28,025)	1,641,517	1,474,130

Cost Year 2011

Particulars	Cost				Depreciation				Written down value as at 31 December 2011
	As at 1 January 2011	Addition during the year	Disposal/ transfer during the year	As at 31 December 2011	As at 1 January 2011	Charge during the year	Disposal/ transfer during the year	As at 31 December 2011	
	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka
Freehold land	30,511	7,390	-	37,901	-	-	-	-	37,901
Freehold buildings	161,842	101,678	-	263,520	41,259	5,840	-	47,099	216,421
Leasehold buildings	112,538	6,812	-	119,350	28,969	3,240	-	32,209	87,141
Plant, machinery and cylinders (including storage tank and vacuum insulated evaporator)	1,841,531	322,426	(77,782)	2,086,175	1,292,120	107,960	(76,666)	1,323,414	762,761
Motor vehicles	57,354	9,353	(7,241)	59,466	45,464	4,862	(6,069)	44,257	15,209
Furniture, fixtures and equipment	65,757	5,225	(2,067)	68,915	48,965	4,650	(1,951)	51,664	17,251
Computer hardware	38,702	11,284	(4,443)	45,543	24,854	4,816	(4,418)	25,252	20,291
	2,308,235	464,168	(91,533)	2,680,870	1,481,631	131,368	(89,104)	1,523,895	1,156,975
Capital work in progress (Note 5.1)	215,199	329,625	(464,168)	80,656	-	-	-	-	80,656
Sub-total (B)	2,523,434	793,793	(555,701)	2,761,526	1,481,631	131,368	(89,104)	1,523,895	1,237,631

b) Revaluation

Revaluation 2012

Particulars	Revaluation				Depreciation				Written down value as at 31 December 2012
	As at 1 January 2012	Addition during the year	Disposal/ transfer during the year	As at 31 December 2012	As at 1 January 2012	Charge during the year	Disposal/ transfer during the year	As at 31 December 2012	
	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka
Freehold land	147	-	-	147	-	-	-	-	147
Freehold buildings	176	-	-	176	111	11	-	122	54
Leasehold buildings	19,851	-	-	19,851	18,861	486	-	19,347	504
Sub-total (C)	20,174	-	-	20,174	18,972	497	-	19,469	705

Revaluation 2011

Particulars	Revaluation				Depreciation				Written down value as at 31 December 2011
	As at 1 January 2011	Addition during the year	Disposal/ transfer during the year	As at 31 December 2011	As at 1 January 2011	Charge during the year	Disposal/ transfer during the year	As at 31 December 2011	
	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka
Freehold land	147	-	-	147	-	-	-	-	147
Freehold buildings	176	-	-	176	100	11	-	111	65
Leasehold buildings	19,851	-	-	19,851	18,325	536	-	18,861	990
Sub-total (D)	20,174	-	-	20,174	18,425	547	-	18,972	1,202

Property, plant and equipment at cost and revaluation

	000 Taka								
As at 31 December 2012 (A + C)	2,781,700	554,700	(200,580)	3,135,821	1,542,867	146,144	(28,025)	1,660,986	1,474,836
As at 31 December 2011 (B + D)	2,543,608	793,793	(555,701)	2,781,700	1,500,056	131,915	(89,104)	1,542,867	1,238,834

5.1 Capital work in progress

Particulars	Balance as at 1 January 2012	Addition during the year	Transferred to property, plant and equipment	Balance as at 31 December 2012	Balance as at 1 January 2011	Addition during the year	Transferred to property, plant and equipment	Balance as at 31 December 2011
	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka
Freehold land, freehold and leasehold buildings	1,469	46,533	(4,202)	43,800	56,515	60,834	(115,880)	1,469
Plant, machinery, cylinders and motor vehicles	73,223	327,066	(153,582)	246,707	158,684	246,318	(331,779)	73,223
Furniture, fixtures and equipment	3,849	5,298	(9,147)	-	-	9,074	(5,225)	3,849
Computer hardware	2,115	4,528	(4,344)	2,299	-	13,399	(11,284)	2,115
	80,656	383,425	(171,275)	292,806	-	-	-	-
Computer software	-	48,181	(43,959)	4,222	-	-	-	-
Total	80,656	431,606	(215,234)	297,027	215,199	329,625	(464,168)	80,656

5.2 Allocation of depreciation charged during the year

	2012	2011
	'000 Taka	'000 Taka
Cost of sales (Note 22.1)	100,425	90,435
Operating expenses (Note 23)	45,719	41,480
	146,144	131,915

6. Intangible assets

Year 2012

Particulars	Cost				Amortisation				Written down value as at 31 December
	As at 1 January	Addition during the year	Disposal/adjustment during the year	As at 31 December	As at 1 January	Charge during the year	Disposal/adjustment during the year	As at 31 December	
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
ERP software	6,919	43,889	-	50,808	5,522	3,079	-	8,601	42,207
Other softwares*	9,413	70	-	9,483	7,134	540	-	7,674	1,809
	16,332	43,959	-	60,291	12,656	3,619	-	16,275	44,016
Capital work in progress (Note 5.1)	-	48,181	(43,959)	4,222	-	-	-	-	4,222
Total	16,332	92,140	(43,959)	64,513	12,656	3,619	-	16,275	48,238

Year 2011

Particulars	Cost				Amortisation				
	As at 1 January	Addition during the year	Disposal/ adjustment during the year	As at 31 December	As at 1 January	Charge during the year	Disposal/ adjustment during the year	As at 31 December	Written down value as at 31 December
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
ERP software	6,919	–	–	6,919	5,157	365	–	5,522	1,397
Other softwares*	8,892	521	–	9,413	5,888	1,246	–	7,134	2,279
Total	15,811	521	–	16,332	11,045	1,611	–	12,656	3,676

*Other softwares include server software and other application softwares.

	2012	2011
	'000 Taka	'000 Taka
7. Investment in subsidiaries	40	20

This represents the Company's holding of 199 ordinary shares (out of 200 issued ordinary shares) of Tk 100 each in Bangladesh Oxygen Limited and 1999 ordinary shares (out of 2000 issued ordinary shares) of Tk 10 each in BOC Bangladesh Limited. These subsidiaries net loss for the year ended 31 December 2012 amounted to Tk 40,250 and Tk 40,250 respectively.

8. Inventories

Raw materials	427,694	433,200
Finished goods	219,470	116,284
Goods in transit	73,359	35,532
Maintenance spares	85,243	72,299
	805,766	657,315

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

9. Trade debtors

Debts exceeding six months	97,373	81,972
Debts below six months	205,889	122,757
	303,262	204,729
Provision for debts considered doubtful (Note 9.1)	(34,688)	(18,136)
	268,574	186,593

9.1 As per policy of the Company where a debt is overdue by 90 days or 180 days, provision for doubtful debts is made at the rates of 50% and 100% respectively. Tk 16,552 thousand was charged during the year 2012.

10. Advances, deposits and prepayments

Loans and advances to employees	77,882	39,052
Advances to suppliers	20,242	7,492
Loan to Rajbari Enterprise Limited	5,231	5,231
Accrued interest on fixed deposit	–	18,950
Deposits and prepayments	38,910	29,130
VAT current account	46,892	34,631
	189,157	134,486

Above amounts are unsecured, but considered good. Of the total advances, deposits and prepayments Tk 109,124 thousand (2011: Tk 97,675 thousand) is receivable within 12 months from the reporting date.

	2012	2011
	'000 Taka	'000 Taka
11. Cash and cash equivalents		
Cash in hand	1,089	1,044
Cash at bank	410,841	228,262
Fixed deposits with banks (Note-11.1)	-	550,000
	411,930	779,306

11.1 Credit facilities available as at 31 December

Standard Chartered Bank	580,000	580,000
HSBC	550,000	350,000
	1,130,000	930,000

11 a) Consolidated cash and cash equivalents

Linde Bangladesh Limited	411,930	779,306
Bangladesh Oxygen Limited	(2)	(2)
BOC Bangladesh Limited	20	-
	411,948	779,304

12. Share capital**Authorised:**

20,000,000 ordinary shares of Tk 10 each	200,000	200,000
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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
	152,183	152,183

Percentage of shareholdings:	Percentage of shareholdings		Value (000 Taka)	
	2012	2011	2012	2011
The BOC Group Limited	60.0	60.0	91,310	91,310
Investment Corporation of Bangladesh (ICB)	16.1	16.4	24,568	25,005
Bangladesh Development Bank Limited (BDBL)	1.1	1.1	1,715	1,715
Sadharan Bima Corporation (SBC)	1.4	1.4	2,046	2,046
Bangladesh Fund	2.8	2.5	4,308	3,861
Other shareholders	18.6	18.6	28,236	28,246
	100.0	100.0	152,183	152,183

Classification of shareholders by holding:

	Number of holders		Total holding (%)	
Holdings	2012	2011	2012	2011
Less than 500 shares	7,804	8,135	4.05	4.53
500 to 5,000 shares	434	525	3.73	4.11
5,001 to 10,000 shares	37	41	1.69	1.80
10,001 to 20,000 shares	26	27	2.65	2.61
20,001 to 30,000 shares	9	12	1.41	1.89
30,001 to 40,000 shares	5	6	1.19	1.36
40,001 to 50,000 shares	7	6	2.16	1.83
50,001 to 100,000 shares	7	5	3.15	2.19
100,001 to 1,000,000 shares	5	5	11.15	10.86
Over 1,000,000 shares	2	2	68.82	68.82
	8,336	8,764	100.00	100.00

	2012	2011
	'000 Taka	'000 Taka
13. General reserve		
Opening balance	1,993,048	1,823,141
Profit earned during the year	482,511	681,515
Other comprehensive income	–	21,032
Payment of final dividend	(152,183)	(152,183)
Payment of interim dividend	(304,366)	(380,457)
	2,019,010	1,993,048
13 a) Consolidated general reserve		
Opening balance	1,993,524	1,823,654
Profit earned during the year	482,431	681,478
Other comprehensive income	–	21,032
Payment of final dividend	(152,183)	(152,183)
Payment of interim dividend	(304,366)	(380,457)
	2,019,406	1,993,524
14. Employee benefits		
Gratuity Scheme (Note 14.1)	87,892	85,538
	87,892	85,538
14.1 Gratuity Scheme		
Balance as at 1 January	85,538	86,854
Provision made during the year	19,023	24,061
	104,561	110,915
Payment made during the year	(16,669)	(25,377)
Balance as at 31 December	87,892	85,538

15. Deferred tax liabilities

Deferred tax assets and liabilities have been recognised and measured in accordance with the provision of BAS 12: Income Taxes. Related deferred tax expense/income have been disclosed in note 26. Deferred tax assets and liabilities are attributable to the following:

	Carrying amount at the reporting date '000 Taka	Tax base '000 Taka	Taxable/(deductible) temporary difference '000 Taka
As at 31 December 2012			
Assets			
Property, plant and equipment	1,474,836	920,743	554,093
Inventories	805,766	872,095	(66,329)
Trade debtors	268,574	303,262	(34,688)
	2,549,176	2,096,100	453,076
Liabilities			
Employee benefits: Pension fund	–	–	–
Employee benefits: Gratuity scheme	87,892	–	87,892
	87,892	–	87,892
Net taxable temporary differences			365,184
Effective tax rate			24.75%
Deferred tax liabilities			90,383
As at 31 December 2011			
Assets			
Property, plant and equipment	1,238,834	699,706	539,128
Inventories	657,315	718,998	(61,683)
Trade debtors	186,593	204,729	(18,136)
	2,082,742	1,623,433	459,309

As at 31 December 2012	Carrying amount at the reporting date '000 Taka	Tax base '000 Taka	Taxable/(deductible) temporary difference '000 Taka
Liabilities			
Employee benefits: Pension fund	-	1,889	(1,889)
Employee benefits: Gratuity scheme	85,538	-	85,538
	85,538	1,889	83,649
Net taxable temporary differences			375,660
Effective tax rate			24.75%
Deferred tax liabilities			92,976
Opening balance		92,976	64,939
Charge/(release) during the year		(2,593)	28,037
		90,383	92,976
		2012	2011
		'000 Taka	'000 Taka
16. Other non-current liabilities			
Cylinder security deposit		183,873	173,364
Cylinder security deposit from customers is a liability of a continuing nature.			
17. Trade creditors			
Payable to vendors		88,284	68,790
Trade creditors are unsecured and payable within a month.			
18. Expense creditors and accruals			
Salaries, wages and retirement benefits		49,065	39,968
Technical assistance fee		50,930	48,188
Accrued expenses		40,913	43,769
Other creditors		105,459	28,740
Workers' profit participation fund		34,763	49,492
		281,130	210,157
18. a) Consolidated expense creditors and accruals			
Salaries, wages and retirement benefits		49,065	39,968
Technical assistance fee		50,930	48,188
Accrued expenses		41,045	43,769
Other creditors		104,904	28,237
Workers' profit participation fund		34,763	49,492
		280,707	209,654
19. Sundry creditors			
Capital items		4,830	9,730
Deposit and advance from customers		75,083	55,476
Unpaid dividends		38,556	46,101
Others		73,070	3,804
		191,539	115,111
20. Provision for taxation			
Opening balance		88,889	140,101
Provision made during the year		180,575	230,584
		269,464	370,685
Payment during the year		(185,391)	(281,796)
Closing balance		84,073	88,889

	2012	2011
	'000 Taka	'000 Taka
20. a) Consolidated provision for taxation		
Opening balance	88,894	140,106
Provision made during the year:		
for Linde Bangladesh Limited	180,575	230,584
for Bangladesh Oxygen Limited	-	-
for BOC Bangladesh Limited	-	-
	180,575	230,584
	269,469	370,690
Payment during the year	(185,391)	(281,796)
Closing balance	84,078	88,894

21. Revenue

2012				2011	
	Unit	Quantity	Amount	Quantity	Amount
			'000 Taka		'000 Taka
ASU gases	'000 M3	13,587	557,073	12,358	506,338
Dissolved acetylene	'000 M3	316	172,745	360	178,519
Electrodes	MT	18,285	2,514,208	20,403	2,494,384
Others			573,101		550,513
			3,817,127		3,729,754

	2012	2011
	'000 Taka	'000 Taka
21.1 Entire business of the Company is analysed and reported under following segments:		
Bulk gases	396,932	338,745
Package gases and products (PG&P)	3,085,066	3,045,048
Hospital Care	335,129	345,961
	3,817,127	3,729,754

22. Cost of sales

Opening inventories for the year	142,108	70,707
Cost of goods manufactured (Note 22.1)	2,373,406	2,235,068
	2,515,514	2,305,775
Closing inventories of manufactured products	(106,957)	(142,108)
Cost of sales of manufactured products	2,408,557	2,163,667
Cost of trading products	118,173	116,139
	2,526,730	2,279,806

22.1 Cost of goods manufactured

Materials, goods and labour:		
Raw and packing materials consumed (Note 38)	1,919,338	1,815,017
Fuel and power	93,958	77,673
Direct wages	108,889	98,630
	2,122,185	1,991,320
Manufacturing overhead:		
Salaries, wages and staff welfare	50,117	42,888
Depreciation	100,425	90,435
Repairs to machinery (Note 22.1.1)	68,047	68,472
Repairs to building	3,275	2,803
Maintenance, others	10,628	18,691
Insurance	1,975	1,669

	2012	2011
	'000 Taka	'000 Taka
Rent, rates and taxes	154	486
Travelling and conveyance	1,015	1,442
Training expenses	186	525
Vehicle running expenses	6,867	8,248
Telephone, telex and fax	1,082	998
Printing, postage, stationery and office supplies	3,817	2,712
Consultancy fees	834	155
Sundry factory expenses	2,799	4,224
	251,221	243,748
	2,373,406	2,235,068

22.1.1 Repairs to machinery

Repairs to machinery amounting to Tk 68,047 thousand include Tk 40,343 thousand (2011: Tk 40,874 thousand) being cost of spare parts consumed for plant maintenance.

23. Operating expenses

Salaries, wages and staff welfare	300,279	247,701
Depreciation	45,719	41,480
Fuel and power	4,737	2,804
Repairs to building	1,899	2,186
Maintenance, others	5,899	5,599
Insurance	1,275	1,317
Delivery expenses	92,848	80,914
Rent, rates and taxes	9,845	8,375
Travelling and conveyance	8,852	9,634
Training expenses	1,230	1,478
Vehicle running expenses	38,957	37,749
Telephone, telex and fax	10,881	7,815
Global information service	18,203	10,653
ACE service charge	6,686	-
Printing, postage, stationery and office supplies	9,481	7,168
Trade journal and subscription	1,416	1,777
Advertising and promotion	10,420	19,580
Provision for doubtful debts	16,551	5,899
Bad debts written off	-	(3,223)
Legal and professional charge	966	1,632
Technical assistance fee	26,290	28,336
Auditors' remuneration:		
Audit fees	475	525
Other fees (tax advice, PF and WPPF audit, etc.)	436	768
Bank charges	3,978	4,601
Entertainment	1,076	860
Management meeting and conference	544	565
Sundry office expenses	6,033	5,130
Amortisation of intangible assets (Note-6)	3,619	1,611
Contribution to WPPF	34,763	49,481
	663,358	582,415

	2012	2011
	'000 Taka	'000 Taka
23. a) Consolidated operating expenses		
Salaries, wages and staff welfare	300,279	247,701
Depreciation	45,719	41,480
Fuel and power	4,737	2,804
Repairs to building	1,899	2,186
Maintenance, others	5,899	5,599
Insurance	1,275	1,317
Delivery expenses	92,848	80,914
Rent, rates and taxes	9,845	8,375
Travelling and conveyance	8,852	9,634
Training expenses	1,230	1,478
Vehicle running expenses	38,957	37,749
Telephone, telex and fax	10,881	7,815
Global information service	18,203	10,653
ACE service charge	6,686	-
Printing, postage, stationery and office supplies	9,481	7,168
Trade journal and subscription	1,416	1,777
Advertising and promotion	10,420	19,580
Provision for doubtful debts	16,551	5,899
Bad debts written off	-	(3,223)
Legal and professional charge	966	1,632
Technical assistance fee	26,290	28,336
Auditors' remuneration:		
Audit fees	495	535
Other fees (tax advice, PF and WPPF audit, etc.)	496	795
Bank charges	3,978	4,601
Entertainment	1,076	860
Management meeting and conference	544	565
Sundry office expenses	6,033	5,130
Amortisation of intangible assets (Note-6)	3,619	1,611
Contribution to WPPF	34,763	49,481
	663,438	582,452
24. Other income		
Proceeds from sale of items of property, plant and equipment (Note-32)	1,473	4,456
Less: Written down value:		
Cost of the property, plant and equipment	29,304	91,534
Less: Accumulated depreciation	28,025	89,105
	1,279	2,429
Gain/(Loss) on disposal	194	2,027
25. Interest income, net		
Interest income	41,891	76,897
Interest expense	(8,631)	(6,321)
	33,260	70,576

Interest income for 2011 includes Tk 18,950 thousand accrued at the year end.

	2012	2011
	'000 Taka	'000 Taka
26. Taxation		
Current tax expense (Note 20)	180,575	230,584
Deferred tax income/(expense) (Note 15)	(2,593)	28,037
	177,982	258,621

27. Earnings per share**27.1 Basic earnings per share**

The computation of earnings per share is given below:

Earnings attributable to the ordinary shareholders (net profit after tax) ('000 Taka)	482,511	681,515
Number of ordinary shares outstanding during the year ('000 Taka)	15,218	15,218
Basic earnings per share (EPS) (Taka)	31.71	44.78

27.2 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.

27. a) Consolidated earnings per share

Earnings attributable to the ordinary shareholders (net profit after tax) ('000 Taka)	482,431	681,478
Number of ordinary shares outstanding during the year ('000 Taka)	15,218	15,218
Basic earnings per share (EPS) (Taka)	31.70	44.78

28. Directors' remuneration

Fees	79	85
Salaries and benefits	16,596	24,965
Accommodation	1,560	1,890
Provident fund contribution	349	413
Retirement benefits	1,129	15,197
	19,713	42,550

Directors' remuneration is included in salaries, wages and staff welfare.

29. Capacity

Major products	Unit of measure	Normal Capacity for the year	Production for the year	Remarks
ASU Gases	000 M3	16,908	12,983	Additional capacity to meet future demand
Dissolved Acetylene	000 M3	1,150	316	-do-
Electrodes	MT	23,100	18,061	-do-

	2012	2011
	'000 Taka	'000 Taka
30. Financial instrument		
30.1 Credit risk		
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:		
Trade debtors	303,262	204,729
Less: Provision for doubtful debts	(34,688)	(18,136)
	268,574	186,593
Cash at bank	410,841	778,262
	679,415	964,855
The maximum exposure to credit risk for trade debtors at the reporting date by product category was:		
Gases	100,488	53,630
Welding	24,776	10,240
Hospital Care	177,998	140,859
	303,262	204,729
b) Ageing of trade debtors		
The ageing of gross trade debtors at the reporting date was:		
Invoiced 0–30 days	103,066	53,626
Invoiced 31–60 days	29,853	16,546
Invoiced 61–90 days	24,199	21,443
Invoiced 91–120 days	20,243	18,677
Invoiced 121–180 days	28,529	12,465
Invoiced 181–365 days	55,330	48,400
Invoiced and above 365 days	42,042	33,572
	303,262	204,729
Movement in the provision for doubtful debts during the year was as follows:		
Opening balance	18,136	12,237
Charged/(released) during the year	16,552	5,899
Closing balance	34,688	18,136

30.2 Liquidity risk

The following are the contractual maturities of financial liabilities

	Carrying amount '000 Taka	Contractual cash flows '000 Taka	6 months or less '000 Taka	6–12 months '000 Taka	1–2 years '000 Taka	2–5 years '000 Taka	More than 5 years '000 Taka
As at 31 December 2012							
Non-derivative financial liabilities:							
Trade creditors	88,284	88,284	75,246	13,038	–	–	–
Expense creditors and accruals	281,130	281,130	83,781	197,349	–	–	–
Sundry creditors	191,539	191,539	107,647	83,892	–	–	–
Derivative financial liabilities	–	–	–	–	–	–	–
	560,953	560,953	266,674	294,279	–	–	–
As at 31 December 2011							
Non-derivative financial liabilities:							
Trade creditors	68,790	68,790	68,790	–	–	–	–
Expense creditors and accruals	210,157	210,157	163,433	16,298	30,426	–	–
Sundry creditors	115,111	115,111	115,111	–	–	–	–
Derivative financial liabilities	–	–	–	–	–	–	–
	394,058	394,058	347,334	16,298	30,426	–	–

30.3 Market risk

a) Currency risk

The Company is exposed to foreign currency risk relating to purchases and other transactions which are denominated in foreign currencies. 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

	As at 31 December 2012				As at 31 December 2011			
	'000 BDT	'000 USD	'000 GBP	'000 EUR	'000 BDT	'000 USD	'000 GBP	'000 EUR
Foreign currency denominated assets								
Trade debtors	16,390	204	-	-	3,735	55	-	-
	16,390	204	-	-	3,735	55	-	-
Foreign currency denominated liabilities								
Trade creditors	(31,891)	(398)	-	-	(22,740)	(276)	-	-
Expense creditors and accruals	(129,587)	(42)	(390)	(701)	(65,497)	-	(375)	(161)
	(161,478)	(440)	(390)	(701)	(88,237)	(276)	(375)	(161)
Net exposure	(145,088)	(236)	(390)	(701)	(84,502)	(221)	(375)	(161)

The following significant exchange rates are applied during the year

Exchange rates as at	31 December 2012	31 December 2011
	Taka	Taka
US Dollar	80.20	82.50
Great Britain Pound (GBP)	130.43	128.34
EURO (EUR)	107.48	107.53

ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A change of 50 basis points (bp) in foreign currencies would have increased/(decreased) equity and profit or loss of the Company by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

	Profit or loss		Equity	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Year 2012	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Expenditures denominated in USD	(11,793)	11,793	(11,793)	11,793
Expenditures denominated in GBP	(40)	40	(40)	40
Expenditures denominated in EURO	(342)	342	(342)	342
Exchange rate sensitivity	(12,175)	12,175	(12,175)	12,175
	Profit or loss		Equity	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Year 2011	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Expenditures denominated in USD	(10,137)	10,137	(10,137)	10,137
Expenditures denominated in GBP	(95)	95	(95)	95
Expenditures denominated in EURO	(477)	477	(477)	477
Exchange rate sensitivity	(10,709)	10,709	(10,709)	10,709

b) Interest rate risk

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

	Carrying amount	
	2012	2011
	'000 Taka	'000 Taka
Fixed rate instruments		
Financial assets		
Cash at bank	410,841	778,262
Financial liabilities	-	-
Floating rate instruments		
Financial assets	-	-
Financial liabilities	-	-

c) Accounting classification and fair values

Fair value of financial assets and liabilities together with carrying amount shown in the statement of financial position are as follows:

	2012		2011	
	Carrying amount	Fair value	Carrying amount	Fair value
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Assets carried at fair value through profit or loss	-	-	-	-
Held to maturity assets				
Fixed deposits	-	-	550,000	550,000
Loans and receivables				
Trade debtors, net	268,574	268,574	186,593	186,593
Cash at bank excluding fixed deposits	410,841	410,841	228,262	228,262
Available for sale financial assets	-	-	-	-
Liabilities carried at fair value through profit or loss	-	-	-	-
Liabilities carried at amortised costs				
Trade creditors	88,284	88,284	68,790	68,790
Expense creditors and accruals	281,130	281,130	210,157	210,157
Sundry creditors	191,539	191,539	115,111	115,111
Other non-current liabilities	183,873	183,873	173,364	173,364
31. Capital expenditure commitment				
Contracted but not provided for in these accounts		99,105		97,872

32. Proceeds from sale of property, plant and equipment

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Mode of disposal	Purchaser
	'000 Taka	'000 Taka	'000 Taka	'000 Taka		
Leasehold buildings	10,399	10,359	39	-	Derecognition	Not applicable
Plant and machinery	8,382	8,318	64	-	Derecognition	Not applicable
Motor cycle	4,735	4,079	657	1,184	As per policy	Various
Furniture, fixtures and equipments:						
Sold	160	160	-	13	Tender	Various parties
Scrapped	3,333	3,319	14	-	Derecognition	Not applicable
	3,493	3,479	14	13		
Cylinders:						
Sold	61	47	14	276	Recovery from customers as per policy	Various customers.
Condemned	2,234	1,744	490	-		
	2,295	1,791	504	276		
2012	29,304	28,025	1,279	1,473		
2011	91,534	89,105	2,429	4,456		

33. Number of employees engaged

The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk 36,000 and above were 364 (Year 2011: 394).

34. Remittance made in foreign currency

	2012		2011	
	'000 FC	'000 Taka	'000 FC	'000 Taka
Technical assistance fee to BOC Group, UK (GBP)	161	21,194	170	20,118
Dividend paid to The BOC Group, UK (GBP)	1,915	246,536	2,325	258,863
Global IS Charge to Linde AG, Germany (Euro)	57	6,250	-	-
ACE Service Charge to Linde Gas Asia,(USD-\$)	38	3,106	-	-
Lloyds Register Asia, India (USD-\$)	18	1,496	-	-

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 2012 includes interim dividend of GBP 1,272 thousand for the year 2012.

35. Receipt in foreign currency

Name of customer/vendor	Nature of receipt	2012		2011	
		'000 US\$	'000 Taka	'000 US\$	'000 Taka
Uniglory Cycle Component Ltd.	Deemed export	96	7,772	215	16,372
Uniglory Cycle Industries Ltd.	Deemed export	100	8,066	-	-
Meghna Alloytech Ltd.	Deemed export	127	10,321	160	12,135
ESAB India Ltd.	Sales commission	-	-	9	643
Witemann Company	Sales commission	-	-	1	92
GE Health Care India	Sales commission	-	-	0	27
Jwchoongwae Medical Crop	Sales commission	-	-	1	104
Total		324	26,159	387	29,373

	2012	2011
	'000 Taka	'000 Taka
36. Value of imports calculated on CIF basis		
Raw materials	2,242,249	1,955,492
Components and spare parts	63,595	44,466
Capital goods	214,791	263,655
	2,520,635	2,263,613

37. Bank guarantees and commitments

37.1 Bank guarantee provided against various parties and disputed VAT

Bank guarantees to third parties, shipping guarantees, bank acceptance and disputed VAT	92,190	48,081
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37.2 Outstanding letters of credit

	495,438	383,216
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38. Raw and packing materials consumed

Description	Opening stock		Purchase		Closing stock		Consumption		% to total consumption
	Quantity MT	Cost '000 Taka	Quantity MT	Cost '000 Taka	Quantity MT	Cost '000 Taka	Quantity MT	Cost '000 Taka	
Calcium carbide	253	18,865	1,179	101,951	223	18,920	1,208	101,896	5.31
Wire	2,050	153,538	14,956	1,115,953	805	51,049	16,200	1,218,441	63.48
Blended powder	1,853	218,226	3,690	589,108	1,359	212,218	4,184	595,116	31.01
Others*	-	42,571	-	106,821	-	145,507	-	3,885	0.20
2012	-	433,200	-	1,913,832	-	427,694	-	1,919,338	100.00
2011	-	157,262	-	2,090,955	-	433,200	-	1,815,017	100.00

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

39. Related party transactions

i) The Company purchased/received following goods and services from the Group companies in the normal course of business.

	Transaction during the year		Closing balance	
	2012	2011	2012	2011
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Special gases, spares and cylinders	97,570	67,841	(31,891)	(13,970)
Software	46,588	-	(46,588)	-
Technical services	51,179	35,903	(81,186)	(65,497)
	195,337	103,744	(159,665)	(79,467)

ii) During the year following transactions were made with the organisations in which Mr Latifur Rahman, Director of the Company is interested as director.

Sales to Transcom Group of Companies	34,942	10,494	1,004	874
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iii) Dividend paid to The BOC Group Ltd.

	246,536	287,625	-	-
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iv) Key management personnel

Directors' remuneration	19,713	42,550	-	-
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Dividend paid to The BOC Group Ltd. in 2012 includes Tk 164,357 thousand paid as interim dividend for the year.

40. Events after the reporting date

For the year 2012 the Board has recommended a final dividend of Tk 11.00 per share amounting to Tk 167,401 thousand at the Board Meeting held on 14 March 2013.

Locations.

Registered Office

Corporate Office, 285 Tejgaon I/A
Dhaka – 1208
Phone +88.02.8870322-27
Fax +88.02.8870329/8870336

Factories

Tejgaon
285 Tejgaon Industrial Area, Dhaka – 1208
Phone +88.02.8870341-44
Fax +88.02.8870357

Rupganj
P.O. Dhuptara, P.S. Rupganj, Narayanganj
Mobile +88.01199851725/01711563317

Shitalpur
Shitalpur, Sitakund, Chittagong
Phone +88.031.2780205
Mobile +88.01199703140

Bogra LPG Plant
Dhankundi, Sherpur, Bogra
Mobile +88.01713145458

Sales Centres

Tejgaon
285 Tejgaon Industrial Area, Dhaka 1208
Phone +88.02.8870341-44
Fax +88.02.8870357
Mobile +88.01713099652

Postagola
P.O. Faridabad, Postagola, Dhaka 1204
Phone +88.02.7441320
Mobile +88.01713099673

Tipu Sultan Road
57-58 Tipu Sultan Road, P.S : Sutrapur, Dhaka
Phone +88.02.7163768
Mobile +88.01713099655

Tongi
241 Tongi Industrial Area, Millgate, Gazipur
Phone +88.02.9812402
Mobile +88.01713099654

Narayanganj
72 Sirajuddowla Road, Narayanganj
Phone +88.02.7632942
Mobile +88.01713099656

Mymensingh
28/1Kha, K C Roy Road, Mymensingh
Phone +88.091.52558
Mobile +88.01713099657

Noakhali
Contractor Masjid, (Maijdee Road), Alipur
Begumganj, Noakhali
Phone +88.0321.52023
Mobile +88.01713099660

Khulna
Off Rupsha Strand Road, Labonchora, Khulna
Phone +88.041.721206/723076
Mobile +88.01713099663

Barisal
Holding No. 7641, Alekanda, Kotwali, Barisal
Phone +88.0431.2173190
Mobile +88.01713099665

Rajshahi
Islampur (Debisingh para) Natore Road
Bhadra, Rajshahi
Phone +88.0721.750242
Mobile +88.01713099668

Shitalpur
Shitalpur, Sitakund, Chittagong
Phone +88.031.2780205
Mobile +88.01199703140

Sagorika
68/V Sagorika Road, Pahartali
P.O. Customs House, Chittagong
Phone +88.031.752122/752776/750839
Mobile +88.01713099658-9

Comilla
Sreemantapur, Chandpur Road
Ahmednagar, Comilla
Mobile +88.01713099661

Sylhet
Nishat Plaza Shopping Complex
Mominkhola, Sylhet
Phone +88.0821.841681
Mobile +88.01713099662

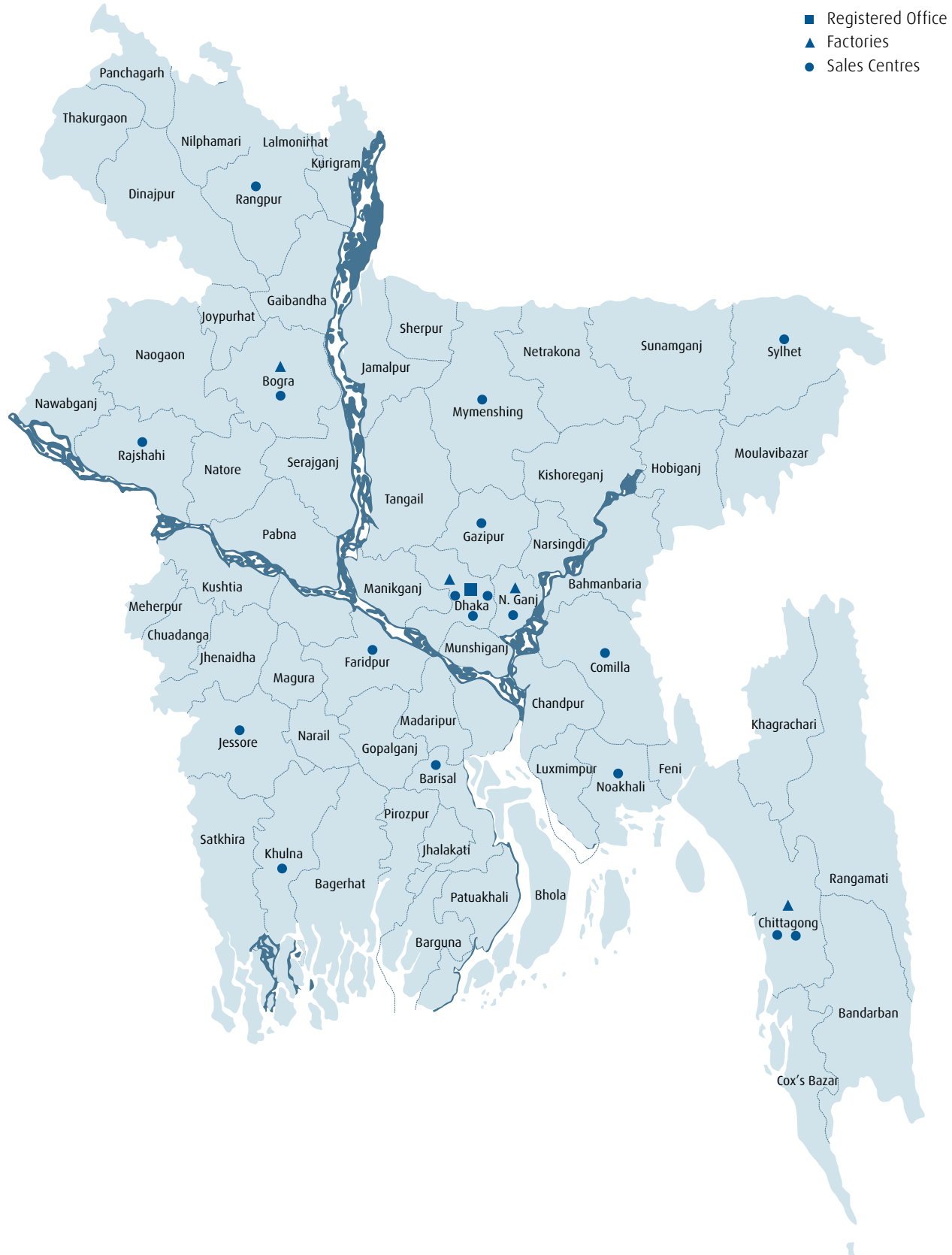
Jessore
Central Road, Ghope, Jessore
Phone +88.0421.68596/66426
Mobile 01713099672

Bogra
Charmatha, Rangpur Road, Nishindara, Bogra
Phone +88.051.64327
Mobile +88.01713099666

Rangpur
Central Bus Terminal, R.K. Road
Goneshpur, Rangpur
Phone +88.0521.63608
Mobile +88.01713099667

Faridpur
Rajbari Road mor
(Near Komorpur Filling Station)
Dhaka-Faridpur Highway
Brakhonkanda, Faridpur
Phone +88.0631.65345
Mobile +88.01713099664

Linde Bangladesh sites.



Range of Products and Services.

Industrial gases

- Compressed oxygen
- Liquid oxygen
- Compressed nitrogen
- Liquid nitrogen
- Dissolved acetylene
- Carbon dioxide
- Dry ice
- Argon
- Lamp gases
- LPG
- Refrigerant gases (Freon & Suva)
- Hydrogen
- Fire suppression system
- Compressed helium
- Helium
- Sulphurhexafluoride
- Sulphurdioxide
- Special gases & gas mixtures
- Any other gas on request

Welding gases & equipment

- Mild steel electrodes
- Low hydrogen/low alloy electrodes
- Cast iron electrodes
- Hard surfacing electrodes
- Stainless steel electrodes
- Arc welding equipment & accessories
- Gas welding rod & flux
- Gas welding and cutting equipment & accessories
- MIG welding equipment & accessories
- TIG welding equipment & accessories
- Plasma cutting equipment & accessories
- Welding training & services
- Welding equipment repairs
- Welding testing & services

Medical gases & equipment

- Medical oxygen liquid
- Medical oxygen compressed
- Nitrous oxide
- Entonox
- Sterilizing gases
- Medical gases cylinders
- Anaesthesia machines
- Anaesthesia ventilators
- ICU/CCU monitoring system
- ICU/CCU ventilators
- Pulse oximeter
- Infant warmer
- Photo therapy units
- Infant incubators
- OT table
- OT light
- Autoclave /Sterilizer
- Gynaecological tables
- Humidifier
- Oxygen concentrator
- Resuscitators
- Central sterilizing and supply department (CSSD)
- Other medical equipment 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 40th Annual General Meeting of the Company to be held on 16 May 2013 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 2013

.....
Signed (Shareholder/s)	Folio/BO ID #	Signed (Proxy)	Folio BO ID #

Affix revenue stamp Tk.8.00
(Also see notes on reverse)

Linde Bangladesh Limited

Shareholder's Attendance Slip

I hereby record my presence at the 40th Annual General Meeting of Linde Bangladesh Limited on 16 May 2013.

.....
Name	Folio/BO ID #	Signature

(Please complete this and deposit at the registration counter on the day of the meeting)

Notes

- 1 A member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him.
- 2 No person shall act as proxy unless he is entitled to be present in his own right.
- 3 The instrument appointing a proxy should be signed by the member or his attorney and duly authorised in writing.
- 4 If the member is a corporate body its common seal (if any) should be applied to the instrument of proxy.
- 5 The instrument of proxy, together with the Power of Attorney (if any) under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office by no later than 10:30 AM on Monday 13 May 2013.