

**Consolidated Audited Financial Statements
of**

Linde Bangladesh Limited

For the year ended 31 December 2020

Hoda Vasi Chowdhury & Co

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Linde Bangladesh Limited

Report on the consolidated Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition

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

Revenue arising from sale of goods

(i) Goods sold

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

(ii) Cash on delivery sales

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

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

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

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

Valuation of inventories

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

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

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

Valuation of Trade Receivables

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

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

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

Other Information

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

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

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

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

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

Auditor's responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements:

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Group so far as it appeared from our examination of those books;
- c) the Group's statement of financial position and the statement of profit or loss and other comprehensive income along with the annexed notes 1 to 45 dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the Group's business.

Dhaka, 08 APR 2021



A F Nesaruddin, FCA
Senior Partner
Enrolment # 469
Hoda Vasi Chowdhury & Co
Chartered Accountants

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Linde Bangladesh Limited

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

Basis for Opinion

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Revenue Recognition

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

Revenue arising from sale of goods:

(i) Goods sold

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

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- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the Company's statement of financial position and the statement of profit or loss and other comprehensive income along with the annexed notes 1 to 45 dealt with by the report are in agreement with the books of account and;
- d) the expenditure incurred was for the purposes of the Company's business.

Dhaka, 08 APR 2021

DVC: 2105060469AS773557




A F Nesaruddin, FCA
Senior Partner
Enrolment # 469
Hoda Vasi Chowdhury & Co
Chartered Accountants

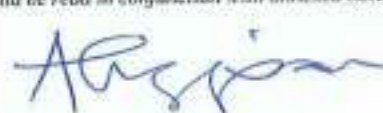
Linde Bangladesh Limited
Consolidated Statement of Financial Position
As at 31 December 2020

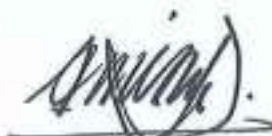
	Notes	2020 Taka '000	2019 Taka '000
ASSETS			
Non-current assets			
Property, plant and equipment	05	3,424,786	3,606,503
Intangible assets	06	485	5,295
Right-of-use (ROU) asset	07	12,159	11,136
Advances, deposits and prepayments	11(a)	104,811	109,752
		<u>3,542,241</u>	<u>3,732,686</u>
Current assets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

These financial statements should be read in conjunction with annexed notes


Ayub Quadri
Chairman


Rajeev Kumar Rai
Managing Director


Md. Anisuzzaman
Chief Financial Officer


Abu Mohammad Nisar
Company Secretary

As per our report of same date

Dhaka,

08 APR 2021




A F Nesaruddin, FCA
Senior Partner
Enrolment # 469
Hoda Vasi Chowdhury & Co
Chartered Accountants

Linde Bangladesh Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2020


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

These financial statements should be read in conjunction with annexed notes


Ayub Quadri
Chairman


Syed Kumar Pri
Managing Director


Md. Anisuzzaman
Chief Financial Officer


Abu Mohammad Nisar
Company Secretary

As per our report of same date

Dhaka, 08 APR 2021


A F Nesaruddin, FCA
Senior Partner
Enrolment # 469
Hoda Vasi Chowdhury & Co
Chartered Accountants


Linde Bangladesh Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2020

(Figures in Taka '000)


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

These financial statements should be read in conjunction with annexed notes


Ayub Quadri
Chairman


Sumeet Kumar Pasi
Managing Director


Md. Anisuzzaman
Chief Financial Officer


Abu Mohammad Nisar
Company Secretary


Linde Bangladesh Limited
Consolidated Statement of Cash Flow
For the year ended 31 December 2020


	2020	2019
Notes	Taka '000	Taka '000
A. Cash flows from operating activities		
Cash receipts from customers and others	4,691,298	5,601,987
Cash paid to suppliers and employees	(3,102,901)	(3,735,293)
Cash generated from operating activities	1,588,397	1,866,694
Income tax paid	(406,242)	(295,639)
Net cash from operating activities	1,182,155	1,571,035
B. Cash flows from investing activities		
Payment for acquisition of property, plant and equipment	(113,325)	(438,802)
Payment for acquisition of intangible assets	(129)	(264)
Proceeds from sale of property, plant and equipment	6,070	6,585
Investment in fixed deposit receipts	(266,583)	(1,233,866)
Interest received	90,561	66,338
Net cash used in investing activities	(283,404)	(1,600,009)
C. Cash flows from financing activities		
Dividend paid	(751,753)	(564,433)
Repayment of lease obligation	(6,618)	(6,170)
Net cash used in financing activities	(758,371)	(570,603)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	140,380	(599,577)
Cash and cash equivalents at beginning of the year	1,004,646	1,604,221
Cash and cash equivalents at end of the year	1,145,026	1,004,646
Net operating cash flow per share (NOCFPS) (in Taka)	43(a) 77.68	103.24

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Ayub Quadri
Chairman


Sujet Kumar Pai
Managing Director


Md. Anisuzzaman
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Abu Mohammad Nisar
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Linde Bangladesh Limited
Statement of Financial Position
As at 31 December 2020

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

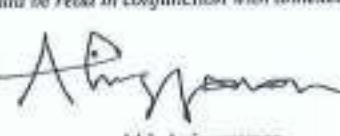
These financial statements should be read in conjunction with annexed notes



Ayub Quadri
Chairman



Sajet Kumar Rai
Managing Director



Md. Anisuzzaman
Chief Financial Officer



Abu Mohammad Nisar
Company Secretary

As per our report of same date

Dhaka, 08 APR 2021

DVC: 2105060469A5773557




A F Nesaruddin, FCA
Senior Partner
Enrolment # 469
Hoda Vasi Chowdhury & Co
Chartered Accountants

Linde Bangladesh Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2020


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

These financial statements should be read in conjunction with annexed notes


Ayub Quadri
Chairman


Suresh Kumar Pai
Managing Director



Md. Anisuzzaman
Chief Financial Officer


Abu Mohammad Nisar
Company Secretary

As per our report of same date

Dhaka, 08 APR 2021

DVC: 2105060469 AS773557


A F Nesaruddin, FCA
Senior Partner
Enrolment # 469
Hoda Vasi Chowdhury & Co
Chartered Accountants


Linde Bangladesh Limited
Statement of Changes in Equity
For the year ended 31 December 2020


(Figures in Taka '000)

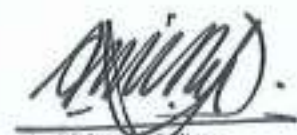
Particulars	Share capital	Other component of equity	General reserve/retained earnings	Total equity
Balance as at 1 January 2020	152,183	(28,912)	4,985,438	5,108,709
Profit for the year	-	-	1,073,609	1,073,609
Other comprehensive loss for the year	-	(7,567)	-	(7,567)
Final dividend for the year 2019	-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

These financial statements should be read in conjunction with annexed notes


Kyub Quadri
Chairman


Sujet Kumar Pal
Managing Director


Md. Anisuzzaman
Chief Financial Officer



Abu Mohammad Nisar
Company Secretary


Linde Bangladesh Limited
Statement of Cash Flow
For the year ended 31 December 2020

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

These financial statements should be read in conjunction with annexed notes


Ayub Quadri
Chairman


Sajeet Kumar Puri
Managing Director


Md. Anisuzzaman
Chief Financial Officer


Abu Mohammad Nisar
Company Secretary

Linde Bangladesh Limited
Notes to the Financial Statements
For the year ended 31 December 2020

01 Reporting entity

1.1 Company profile

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

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

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

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

1.2 Nature of business

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

02 Basis of preparation of financial statements

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

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

Financial statements were authorised for issuance by the Company's board of directors on 8 April 2021.

2.1 Functional and presentational currency

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

2.2 Basis of measurement

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

2.3 Use of judgments and estimates

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

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

(a) Judgments

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

Lease obligation - leases as lessee

: Note - 17

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2020 is included in the following notes:

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

03 Significant accounting policies

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

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

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

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

03 (a) Foreign currency

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

03 (b) Property, plant and equipment

(i) Recognition and measurement

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

<u>Category of property, plant and equipment</u>	<u>Useful lives</u>
Freehold buildings	25 years and 40 years
Plant, machinery and cylinders (including storage tank and vacuum insulated evaporator)	10-20 years
Motor vehicles	5 years
Furniture, fixtures and equipment	5-10 years
Computer hardware	5 years

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

(iv) Gains or losses on disposal

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

03 (c) Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent costs

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

(iii) Amortisation

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

03 (d) Leased assets

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

03 (e) Financial instruments

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

Financial assets

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

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

Financial assets include cash and cash equivalents, trade and other receivables and investment in subsidiaries.

(i) Cash and cash equivalents

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

(ii) Trade and other receivables

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

(iii) Investment

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

(iv) Investment in subsidiary

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

Financial liabilities

A financial liability is recognised when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits. The Company initially recognises financial liabilities on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

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

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

03 (f) Inventories

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

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

03 (g) Impairment

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

03 (h) Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

03 (i) Contingencies

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

03 (j) Income tax

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

i) Current tax

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

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

ii) Deferred tax

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

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

03 (k) Workers' profit participation fund (WPPF)

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

03 (l) Employee benefit

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

Defined contribution plan (provident fund)

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for its all permanent employees. The recognised Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 13.5% of their basic salary to the provident fund and the Company also makes equal contribution.

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

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

Defined benefit plans

(i) Gratuity scheme

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

(ii) Short-term employee benefits

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

03 (m) Revenue recognition

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

Revenue arising from sale of goods

(i) Goods sold

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

(ii) Cash on delivery sales

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

Services

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

Commission

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

03 (n) Finance income and expenses

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

Finance expenses comprise of interest expense on overdraft and bank charges. All finance expenses are recognised in Statement of Profit or Loss and Other Comprehensive Income.

03 (o) Basis of consolidation

(i) Subsidiaries

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

(ii) Non-controlling interests

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

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

(iii) Loss of control

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

(iv) Transactions eliminated on consolidation

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

03 (p) Earnings per share

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

Basic earnings per share

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

03 (q) General reserve/retained earnings

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

03 (r) Events after the reporting date

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

03 (s) General

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

04 Operating segments

4.1 Basis for segmentation

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

The following summary describes the operations of each reportable segment.

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

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

4.2 Information about reportable segments

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

(Figures in Taka '000)

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

	2020 Taka '000	2019 Taka '000
Reconciliation of information on reportable segments to IFRS measures		
i. Revenues		
Total revenue for reportable segments (note - 4.2)	4,711,416	5,683,441
Revenue for other segments	-	-
Elimination of inter-segment revenue	-	-
Total revenue	4,711,416	5,683,441
ii. Profit before tax		
Total profit before tax for reportable segments (note - 4.2)	1,719,717	1,999,178
Profit before tax for other segments	-	-
Elimination of inter-segment profit	-	-
Amount not related to reported segments	(271,426)	(320,290)
Total profit before tax	1,448,291	1,678,888
iii. Amount not related to reportable segments		
Other income (note - 26)	1,630	(2,954)
Net foreign exchange loss	(7,126)	(7,831)
Royalties and technical assistance fees (note - 25)	(36,503)	(37,150)
Finance income (note - 27)	78,127	72,474
Contribution to workers' profit participation fund (note - 28)	(76,046)	(87,420)
Unallocated corporate overheads	(311,344)	(383,170)
	(271,426)	(320,290)

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

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

05 Property, plant and equipment
See accounting policies in note 03 (b)

(Figures in Taka '000)

Reconciliation of carrying amounts

Particulars	Freehold land	Freehold Buildings	Buildings on leasehold land	Plant machinery and cylinders	Motor vehicles	Furniture fixtures and equipment	Computer hardware	Capital work in progress	Total
A. Cost									
Balance at 1 January 2020	75,080	736,931	106,426	4,569,587	158,623	90,181	60,990	311,747	6,109,565
Addition during the year	-	20,227	-	337,393	-	3,691	2,407	126,607	490,325
Disposal/transfer during the year	-	-	-	(79,539)	(16,010)	(8,481)	-	(363,718)	(467,748)
Balance as at 31 December 2020	75,080	757,158	106,426	4,827,441	142,613	85,391	63,397	74,636	6,132,141
B. Accumulated depreciation									
Balance at 1 January 2020	75,080	717,607	106,426	4,072,619	154,794	89,754	60,599	409,996	5,686,875
Addition during the year	-	19,324	-	320,575	3,829	2,355	531	453,575	1,000,189
Disposal/transfer during the year	-	-	-	(23,607)	-	(1,928)	(140)	(551,824)	(577,499)
Addition during the year	75,080	736,931	106,426	4,569,587	158,623	90,181	60,990	311,747	6,109,565
B. Accumulated depreciation									
Balance at 1 January 2020	-	152,962	66,446	2,039,069	127,817	69,223	47,545	-	2,303,062
Charged during the year	-	25,169	1,662	249,558	13,653	4,916	8,422	-	303,379
Disposal/transfer during the year	-	-	-	(78,587)	(12,018)	(8,481)	-	-	(99,086)
Balance as at 31 December 2020	-	178,131	68,108	2,210,040	129,452	65,658	55,967	-	2,707,355
C. Carrying amounts (A-B)									
Balance at 1 January 2019	-	129,099	64,614	1,834,216	108,963	66,433	38,085	-	2,241,412
Charged during the year	-	23,863	1,832	226,404	18,854	4,704	9,600	-	285,257
Disposal/transfer during the year	-	-	-	(21,551)	-	(1,916)	(140)	-	(23,607)
Balance as at 31 December 2019	-	152,962	66,446	2,039,069	127,817	69,223	47,545	-	2,503,062
C. Carrying amounts (A-B)									
At 31 December 2020	75,080	579,078	38,318	2,617,401	13,161	19,733	7,430	74,636	3,424,786
At 31 December 2019	75,080	583,969	39,980	2,530,518	30,806	20,958	13,445	311,747	3,606,503

05.1 Depreciation charge for the year has been allocated to

Cost of sales (note - 24.1.1)

Operating expenses note (note - 25)

	2020	2019
Taka '000	Taka '000	Taka '000
	223,893	200,622
	79,486	84,635
	303,379	285,257

06 Intangible assets
See accounting policies in note 03 (c)

(Figures in Taka '000)

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

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

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

	2020 Taka '000	2019 Taka '000
09 Inventories		
<i>See accounting policies in note 03 (f)</i>		
Raw materials	288,500	400,724
Finished goods	472,511	288,465
Goods in transit	17,982	53,039
Maintenance spares	158,797	151,484
Provision for inventory obsolescence (note - 09.1)	(64,348)	(61,912)
	873,442	831,800
09.1 Provision for inventory obsolescence		
Balance as at 1 January	61,912	66,302
Provision made/(reversed) during the year	2,436	(4,390)
Balance as at 31 December	64,348	61,912
In view of innumerable items of inventory and diversified units of measurement, it is not feasible to disclose quantities against each item.		
	2020 Taka '000	2019 Taka '000
10 Trade and other receivables		
<i>See accounting policies in note 03 (e)(ii)</i>		
Trade receivables (note - 10.1)	690,578	656,945
Inter company receivables	9,888	14,402
Interest receivable	427	12,180
Other receivables	30,975	30,558
	731,868	714,085
10.1 Trade receivables		
Gases	143,172	193,819
Welding	85,603	128,512
Healthcare	547,110	360,690
Total trade receivables	775,885	683,021
Provision for trade receivables (note - 10.1.1)	(85,307)	(26,077)
	690,578	656,945
10.1.1 Provision for trade receivables		
Balance as at 1 January	26,077	22,362
Provision made for trade receivables	59,230	3,715
Balance as at 31 December	85,307	26,077
11 Advances, deposits and prepayments		
Loans and advances to employees	68,616	76,288
Advances to suppliers	353	496
Deposits and prepayments	227,407	134,596
VAT current account	8,754	22,240
Current account with subsidiaries (note - 11.1)	416	99
	305,546	233,719
Advances, deposits and prepayments are segregated as follow:		
Non-current	104,811	109,752
Current	200,735	123,967
	305,546	233,719
11(a) Advances, deposits and prepayments (consolidated)		
Non-current	104,811	109,752
Current	200,319	123,868
	305,130	233,620

11.1 Current account with subsidiaries

BOC Bangladesh Limited
Bangladesh Oxygen Limited

Above amounts are unsecured, but considered good.

12 Investment in fixed deposit receipts - FDRs

See accounting policies in note 03 (e)(iii)

Investment in fixed deposit receipts - FDRs

13 Cash and cash equivalents

See accounting policies in note 03 (e)(i)

Cash in hand

Cash at bank

Fixed deposits with banks

13.1 Reconciliation of net operating cash flows

Net profit before tax

Add: Items not involving movement of cash

Depreciation on property, plant and equipment

Amortization on intangible assets

Gain on disposal of property, plant and equipment

Finance cost

Interest income

Provision for workers profit participation fund (WPPF)

Provision for gratuity

A. Cash generated from operations before changes in working capital

Changes in working capital:

(Increase)/decrease in inventories

Increase in trade and other receivables

(Increase)/decrease in advances, deposits and prepayments

Increase in other non current liability

(Decrease)/increase in other employee benefit

Increase/(decrease) in trade and other payables

Increase in provision for expenses

B. Total changes in working capital

C. Cash generated from operating activities (A+B)

Less: Payments made during the year

Tax paid

Interest paid

Workers profit participation fund (WPPF) paid

Gratuity paid

D. Total payment

Net cash inflows from operating activities (C+D)

13(a) Cash and cash equivalents (consolidated)

Linde Bangladesh Limited

BOC Bangladesh Limited

2020	2019
Taka '000	Taka '000
416	347
-	(248)
<u>416</u>	<u>99</u>

<u>1,511,202</u>	<u>1,244,619</u>
------------------	------------------

368	453
365,944	469,564
778,694	534,609
<u>1,145,006</u>	<u>1,004,626</u>

1,444,876	1,660,989
-----------	-----------

303,380	285,257
4,938	6,724
(1,126)	(4,517)
1	589
(78,808)	(74,153)
76,046	87,420
30,777	54,230
<u>335,208</u>	<u>355,350</u>
<u>1,780,084</u>	<u>2,016,538</u>

(41,642)	11,095
(29,516)	(87,301)
(71,510)	61,373
12,706	604
(26,188)	29,117
56,986	(74,948)
12,775	25,489
<u>(86,389)</u>	<u>(34,571)</u>
<u>1,693,695</u>	<u>1,981,967</u>

(406,242)	(295,659)
(1)	(589)
(87,420)	(71,814)
(17,560)	(42,732)
<u>(511,223)</u>	<u>(410,794)</u>
<u>1,182,472</u>	<u>1,571,174</u>

1,145,006	1,004,626
20	20
<u>1,145,026</u>	<u>1,004,646</u>

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

Net profit before tax

Add: Items not involving movement of cash

Depreciation on property, plant and equipment

Amortization on intangible assets

Gain on disposal of property, plant and equipment

Finance cost

Interest income

Provision for workers profit participation fund (WPPF)

Provision for gratuity

A. Cash generated from operations before changes in working capital

Changes in working capital:

(Increase)/decrease in inventories

Increase in trade and other receivables

(Increase)/decrease in advances, deposits and prepayments

Increase in other non current liability

(Decrease)/increase in other employee benefit

Increase/(decrease) in trade and other payables

Increase in provision for expenses

B. Total changes in working capital

C. Cash generated from operating activities (A+B)

Less: Payments made during the year

Tax paid

Interest paid

Workers profit participation fund (WPPF) paid

Gratuity paid

D. Total payment

Net cash inflows from operating activities (C+D)

2020	2019
Taka '000	Taka '000
1,444,876	1,660,989
303,380	285,257
4,938	6,724
(1,126)	(4,517)
1	589
(78,808)	(74,153)
76,046	87,420
30,777	54,230
335,208	355,550
1,780,084	2,016,538

(41,642)	11,095
(29,516)	(87,301)
(71,510)	61,373
12,706	604
(26,188)	29,117
56,669	(75,087)
12,775	25,489
(86,706)	(34,710)
1,693,378	1,981,828
(406,242)	(295,659)
(1)	(589)
(87,420)	(71,814)
(17,560)	(42,732)
(511,223)	(410,794)
1,182,155	1,571,035

		2020 Taka '000	2019 Taka '000																																																																
14	Equity attributable to owners of the company/share capital																																																																		
14.1	Authorised capital																																																																		
	20,000,000 ordinary shares of Taka 10 each	200,000	200,000																																																																
14.2	Issued, subscribed and paid up capital																																																																		
	3,616,902 ordinary shares of Taka 10 each issued for cash	36,169	36,169																																																																
	999,498 ordinary shares of Taka 10 each issued for consideration other than cash	9,995	9,995																																																																
	10,601,880 bonus shares of Taka 10 each	106,019	106,019																																																																
		152,183	152,183																																																																
14.3	Percentage of shareholdings																																																																		
	<table><tr><th rowspan="2">Shareholders</th><th colspan="2">% of shareholdings</th><th colspan="2">Amount in Taka '000</th></tr><tr><th>2020</th><th>2019</th><th>2020</th><th>2019</th></tr><tr><td>The BOC Group Limited</td><td>60.0</td><td>60.0</td><td>91,310</td><td>91,310</td></tr><tr><td>Investment Corporation of Bangladesh (ICB)</td><td>15.0</td><td>15.0</td><td>22,818</td><td>22,826</td></tr><tr><td>Pubali Bank Securities Limited</td><td>1.3</td><td>1.5</td><td>2,042</td><td>2,269</td></tr><tr><td>Sadharan Bima Corporation (SBC)</td><td>1.3</td><td>1.3</td><td>2,047</td><td>2,047</td></tr><tr><td>Pubali Bank Limited</td><td>1.1</td><td>1.1</td><td>1,633</td><td>1,633</td></tr><tr><td>Lankabangla Securities Limited</td><td>0.9</td><td>1.0</td><td>1,412</td><td>1,544</td></tr><tr><td>Other shareholders</td><td>20.3</td><td>20.1</td><td>30,921</td><td>30,554</td></tr><tr><td></td><td>100</td><td>100</td><td>152,183</td><td>152,183</td></tr></table>	Shareholders	% of shareholdings		Amount in Taka '000		2020	2019	2020	2019	The BOC Group Limited	60.0	60.0	91,310	91,310	Investment Corporation of Bangladesh (ICB)	15.0	15.0	22,818	22,826	Pubali Bank Securities Limited	1.3	1.5	2,042	2,269	Sadharan Bima Corporation (SBC)	1.3	1.3	2,047	2,047	Pubali Bank Limited	1.1	1.1	1,633	1,633	Lankabangla Securities Limited	0.9	1.0	1,412	1,544	Other shareholders	20.3	20.1	30,921	30,554		100	100	152,183	152,183																	
Shareholders	% of shareholdings		Amount in Taka '000																																																																
	2020	2019	2020	2019																																																															
The BOC Group Limited	60.0	60.0	91,310	91,310																																																															
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Other shareholders	20.3	20.1	30,921	30,554																																																															
	100	100	152,183	152,183																																																															
14.4	Classification of shareholders by holding																																																																		
	<table><tr><th rowspan="2">Holdings</th><th colspan="2">Number of holders</th><th colspan="2">Total holding (%)</th></tr><tr><th>2020</th><th>2019</th><th>2020</th><th>2019</th></tr><tr><td>Less than 500 shares</td><td>6,443</td><td>6,107</td><td>3.3</td><td>3.2</td></tr><tr><td>500 to 5,000 shares</td><td>440</td><td>437</td><td>3.9</td><td>4.0</td></tr><tr><td>5,001 to 10,000 shares</td><td>40</td><td>45</td><td>2.0</td><td>2.2</td></tr><tr><td>10,001 to 20,000 shares</td><td>30</td><td>34</td><td>3.0</td><td>3.4</td></tr><tr><td>20,001 to 30,000 shares</td><td>9</td><td>16</td><td>1.4</td><td>2.5</td></tr><tr><td>30,001 to 40,000 shares</td><td>7</td><td>4</td><td>1.6</td><td>0.8</td></tr><tr><td>40,001 to 50,000 shares</td><td>7</td><td>4</td><td>2.1</td><td>1.3</td></tr><tr><td>50,001 to 100,000 shares</td><td>8</td><td>7</td><td>3.9</td><td>3.1</td></tr><tr><td>100,001 to 1,000,000 shares</td><td>6</td><td>7</td><td>9.0</td><td>12.6</td></tr><tr><td>Over 1,000,000 shares</td><td>2</td><td>2</td><td>69.7</td><td>67.0</td></tr><tr><td></td><td>6,992</td><td>6,663</td><td>100</td><td>100</td></tr></table>	Holdings	Number of holders		Total holding (%)		2020	2019	2020	2019	Less than 500 shares	6,443	6,107	3.3	3.2	500 to 5,000 shares	440	437	3.9	4.0	5,001 to 10,000 shares	40	45	2.0	2.2	10,001 to 20,000 shares	30	34	3.0	3.4	20,001 to 30,000 shares	9	16	1.4	2.5	30,001 to 40,000 shares	7	4	1.6	0.8	40,001 to 50,000 shares	7	4	2.1	1.3	50,001 to 100,000 shares	8	7	3.9	3.1	100,001 to 1,000,000 shares	6	7	9.0	12.6	Over 1,000,000 shares	2	2	69.7	67.0		6,992	6,663	100	100		
Holdings	Number of holders		Total holding (%)																																																																
	2020	2019	2020	2019																																																															
Less than 500 shares	6,443	6,107	3.3	3.2																																																															
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100,001 to 1,000,000 shares	6	7	9.0	12.6																																																															
Over 1,000,000 shares	2	2	69.7	67.0																																																															
	6,992	6,663	100	100																																																															
15	Employee benefits	2020 Taka '000	2019 Taka '000																																																																
	See accounting policies in note 03 (i)																																																																		
	Gratuity scheme (note - 15.1)	180,180	166,963																																																																
15.1	Gratuity scheme																																																																		
	Amount recognised in the statement of financial positions																																																																		
	Defined benefit obligation (note - 15.1.1)	180,180	166,963																																																																
	Fair value of plan assets	-	-																																																																
		180,180	166,963																																																																
15.1.1	Change in benefit obligation																																																																		
	Net defined benefit liability at the end of prior period	166,963	127,443																																																																
	Service cost	9,300	8,640																																																																
	Interest cost	13,910	9,560																																																																
	Amount recognised in the other comprehensive income	7,567	36,030																																																																
	Benefit paid during the year	(17,560)	(14,710)																																																																
	Net defined benefit liability at the end of this period	180,180	166,963																																																																

15.2 Significant actuarial assumptions

Discount rate
Salary escalation rate
Withdrawal rate
Mortality rate

2020 Rate	2019 Rate
7.0%	7.5%
6.0%	6.0%
7.5%	7.5%
* Indian Assured Lives Mortality (2006-2008) Ultimate	

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

15.3 Expected cash flow for following year

Expected employer's contribution for next year
Expected benefit payments for the year ended

Year 1
Year 2
Year 3
Year 4
Year 5
Next 5 years

2020 Taka '000	2019 Taka '000
9,360	9,300
29,310	24,730
20,190	24,660
31,660	20,340
25,020	31,390
21,380	25,170
111,000	122,010

15.4 Sensitivity analysis

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

	2020 Taka '000	2019 Taka '000
Increase of discount rate	(4,310)	(3,890)
Increase in future salary growth	4,570	4,190
Decrease of discount rate	4,540	4,090
Decrease in future salary growth	(4,370)	(4,030)

15.5 Summary of principal rules of the plan

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

	2020 Taka '000	2019 Taka '000
16 Income tax expense		
<i>See accounting policies in note 03 (j)</i>		
Amounts recognised in profit or loss		
Income tax expense	340,665	376,118
Current tax expense	30,602	53,283
Deferred tax expense (note - 16.2)	<u>371,267</u>	<u>429,401</u>
16.1 Reconciliation of effective tax rate		
Profit before income tax	1,444,876	1,660,989
Applicable tax rate	25.00%	25.00%
Income tax	<u>361,219</u>	<u>415,247</u>
<i>Factors affecting the tax charge for current period</i>		
Excess of fiscal depreciation over accounting depreciation	(44,901)	(57,435)
Short of fiscal amortisation over accounting depreciation	443	931
Provision for stock obsolescence	(2,349)	1,420
Excess of gratuity provision over payment of gratuity	1,398	872
Provision for trade receivable charge	14,807	929
Inadmissible expenses	10,044	14,154
Movement of temporary differences (note - 16.2)	30,602	53,283
Total income tax expense	<u>371,263</u>	<u>429,401</u>
Effective tax rate (ETR)	<u>25.70%</u>	<u>25.85%</u>

16.2 Movement in deferred tax balances

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

17	Lease obligation - leases as lessee	2020	2019
		Taka '000	Taka '000
	i) Lease liabilities recognized in statement of financial position		
	Lease liability-non current portion	7,260	4,943
	Lease liability-current portion	4,585	5,200
		<u>11,845</u>	<u>10,143</u>
	ii) Amounts recognized in profit or loss		
	Interest on lease obligation	680	1,090
	Depreciation expense	6,617	6,829
		<u>7,297</u>	<u>7,919</u>
	iii) Amounts recognized in statement of cash flows		
	Total cash outflows for leases	<u>(6,618)</u>	<u>(6,170)</u>
	iv) Movement in lease payable		
	At 1 January	10,143	15,223
	Additions	7,640	-
	Interest accrued	680	1,090
	Repayment	<u>(6,618)</u>	<u>(6,170)</u>
		<u>11,845</u>	<u>10,143</u>
	(v) Maturity analysis of lease		
	Non-cancellable operating lease rentals are payable as follows:		
	No later than one year	4,585	5,200
	Between two and five years	6,965	3,982
	More than five years	295	962
		<u>11,846</u>	<u>10,143</u>
	The Company leases a number of sales centres and office facilities under operating leases. The leases typically run for a period of 4-15 years, with an option to renew the lease after its expiry.		
18	Other non-current liabilities <i>See accounting policies in note 03 (e)</i>	2020	2019
		Taka '000	Taka '000
	Cylinder security deposit	<u>261,545</u>	<u>248,839</u>
	Cylinder security deposit from customers is a liability of continuing nature.		
19	Trade and other payables <i>See accounting policies in note 03 (e)</i>	2020	2019
		Taka '000	Taka '000
	Trade payables	253,364	187,803
	Inter company payables	297,285	310,136
	Payables for capital items	49,239	35,957
	Advances from customers	72,785	63,892
	Others*	668,852	673,199
		<u>1,341,525</u>	<u>1,270,987</u>

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

	2020 Taka '000	2019 Taka '000
20 Provision for expenses		
<i>See accounting policies in note 03 (b)</i>		
Accrued expenses	79,855	67,080
Accrued employee benefits	35,227	61,415
Workers' profit participation fund (note - 20.1)	76,060	87,434
	<u>191,142</u>	<u>215,929</u>
20(a) Provision for expenses (consolidated)		
Accrued expenses	79,962	67,393
Accrued employee benefits	35,227	61,415
Workers' profit participation fund (note - 20.1)	76,060	87,434
	<u>191,249</u>	<u>216,242</u>
20.1 Workers' profit participation fund		
Balance as at 1 January	87,434	71,828
Add: Provision made during the year (note - 28)	76,046	87,420
	<u>163,480</u>	<u>159,248</u>
Less: Payment during the year	(87,420)	(71,814)
Balance as at 31 December	<u>76,060</u>	<u>87,434</u>
21 Current tax liabilities		
Provision for tax (note - 21.1)	360,874	392,654
Advance income tax (note - 21.2)	(259,730)	(225,933)
	<u>101,144</u>	<u>166,721</u>
21(a) Current tax liabilities (consolidated)		
Provision for tax (note - 21.1)	360,874	392,659
Advance income tax (note - 21.2)	(259,730)	(225,933)
	<u>101,144</u>	<u>166,726</u>
21.1 Provision for tax		
Balance as at 1 January	392,654	518,081
Add: Provision made during the year (note - 16)	340,665	376,118
	<u>733,319</u>	<u>894,199</u>
Less: Adjustment during the year	(372,445)	(501,545)
Balance as at 31 December	<u>360,874</u>	<u>392,654</u>
21.2 Advance income tax		
Balance as at 1 January	225,933	431,819
Payment made u/s- 64 and 74	282,850	130,508
Withholding tax	123,392	165,151
Tax adjusted for prior years	(372,445)	(501,545)
Balance as at 31 December	<u>259,730</u>	<u>225,933</u>
22 Unclaimed dividend		
The ageing of unclaimed dividend at the reporting date was		
Within 1 year	10,222	7,344
Upto 1 year to 2 years	7,235	5,847
Upto 2 years to 3 years	5,751	5,890
Above 3 years	74,555	69,522
	<u>97,763</u>	<u>88,602</u>

23 Revenue

See accounting policies in note 03 (a)

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

24 Cost of sales

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

24.1 Cost of goods manufactured

Raw and packing materials consumed (note - 24.1.2)	1,677,070	2,213,571
Manufacturing overhead (note - 24.1.1)	571,174	531,384
Fuel and power	210,286	304,337
	<u>2,458,531</u>	<u>3,049,292</u>

24.1.1 Manufacturing overhead

Salaries, wages and staff welfare	213,765	207,559
Depreciation	223,893	200,622
Repairs to machinery	77,027	80,204
Repairs to building	14,475	11,292
Maintenance	993	3,446
Insurance	6,394	3,409
Rent, rates and taxes	475	520
Travelling and conveyance	577	694
Training expenses	264	351
Vehicle running expenses	7,083	5,784
Telephone, telex and fax	689	784
Printing, postage, stationery and office supplies	1,749	2,403
Consultancy fees	2,243	2,532
Inventory written off	11,832	7,490
Provision made/(reversal) for inventory obsolescence	2,436	(4,390)
Sundry factory expenses	7,278	8,704
	<u>571,174</u>	<u>531,384</u>

24.1.2 Raw and packing materials consumed

Raw and packing materials consumed										
Particulars	Unit of measurement (UOM)	Opening stock		Purchase		Closing stock		Consumption		% of total consumption
		Quantity MT '000	Cost Taka '000	Quantity MT '000	Cost Taka '000	Quantity MT '000	Cost Taka '000	Quantity MT '000	Cost Taka '000	
For the year ended 31 December 2020										
Calcium carbide	M. Ton	90	7,717	466	37,835	69	6,056	487	39,496	2.56
Wire	M. Ton	605	33,277	16,046	862,633	259	15,657	16,393	880,253	52.49
Blended powder	M. Ton	1,252	156,461	683	91,552	683	88,913	1,253	159,100	9.49
Others*			203,269		572,826		177,875		598,220	35.67
Total 2020			400,724		1,564,846		288,500		1,677,070	100.00
For the year ended 31 December 2019										
Calcium carbide	M. Ton	63	4,791	649	50,866	90	7,717	622	47,940	2.17
Wire	M. Ton	344	23,141	20,719	1,254,642	605	33,277	20,458	1,244,506	56.22
Blended powder	M. Ton	1,771	170,419	3,182	397,886	1,252	156,461	3,701	411,844	18.61
Others*			162,811		549,739		203,269		509,281	23.01
Total 2019			361,162		2,253,133		400,724		2,213,571	100.00

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

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

25(a) Operating expenses (consolidated)

Salaries, wages and staff welfare	257,341	287,757
Depreciation on property, plant and equipment	79,486	84,635
Depreciation on right-of-use asset	6,617	6,829
Amortisation of intangible assets	4,938	6,724
Fuel and power	666	806
Repairs to building	463	1,610
Maintenance, others	3,589	6,544
Insurance	145	184
Delivery expenses	213,973	246,546
Rent, rates and taxes	4,309	2,844
Travelling and conveyance	3,455	5,559
Training expenses	140	617
Telephone, telex and fax	4,503	5,380
Global information service	30,986	41,858
Outsourcing service charge	8,095	15,183
Printing, postage, stationery and office supplies	5,752	7,919
Advertising and promotion	17,208	19,448
Provision made for trade receivable	59,230	3,715
Bad debts written off	2,499	2,393
Legal and professional charge	16,199	24,934
Technical assistance fee	36,503	37,150
Audit fees	919	950
Bank charges	4,901	5,439
Entertainment	87	263
Sundry office expenses	17,617	18,487
	779,624	833,774

	2020 Taka '000	2019 Taka '000
25.1 Audit fees		
Statutory audit	650	600
Other audit	200	200
	<u>850</u>	<u>800</u>
26 Other income		
Gain on disposal of property, plant and equipment (note - 26.1)	1,126	4,517
Rental income from house property	504	360
	<u>1,630</u>	<u>4,877</u>
26.1 Gain on disposal of property, plant and equipment		
A. Proceeds from sales of property, plant and equipment (note - 39)	6,070	6,585
B. Carrying amount		
Cost of the property, plant and equipment	104,030	25,675
Accumulated depreciation	(99,086)	(23,607)
	<u>4,945</u>	<u>2,068</u>
C. Gain on disposal (A-B)	<u>1,126</u>	<u>4,517</u>
27 Net finance income		
See accounting policies in note 03 (n)		
Finance income	78,808	74,153
Finance cost	(1)	(589)
Interest expenses for lease	(680)	(1,090)
	<u>78,127</u>	<u>72,474</u>
28 Contribution to workers' profit participation fund (WPPF)		
See accounting policies in note 03 (k)		
Contribution to workers' profit participation fund (WPPF) (note - 28.1)	<u>76,046</u>	<u>87,420</u>
28.1 Computation of contribution to WPPF		
Profit before contribution to WPPF	1,520,922	1,748,409
Applicable contribution rate	5%	5%
	<u>76,046</u>	<u>87,420</u>
29 Directors' remuneration		
Fees	200	275
Salaries and benefits	7,566	17,067
Accommodation	-	1,200
Provident fund contribution	-	768
Retirement benefits	-	483
	<u>7,766</u>	<u>19,793</u>

30 Financial Instruments - Fair values and risk management

30.1 Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

(Figures in Taka '000)

Note	Held-for trading	Designated at fair value	Fair value hedging instruments	Carrying amount				Available for sale	Other financial liabilities	Total amount
				Held to maturity	Loans and receivables					

31 December 2020

Financial assets not measured at fair value

Investment in subsidiaries	-	-	-	-	-	-	20	-	-	20
Trade and other receivables	-	-	-	-	731,868	-	-	-	-	731,868
Investment in fixed deposit receipts - FDRs	-	-	-	1,511,202	-	-	-	-	-	1,511,202
Cash and cash equivalents	-	-	-	-	1,145,006	-	-	-	-	1,145,006
	-	-	-	1,511,202	1,876,874	-	20	-	-	3,388,096

Financial liabilities not measured at fair value

Other non-current liabilities	-	-	-	-	-	-	-	-	261,545	261,545
Trade and other payables*	-	-	-	-	-	-	-	-	1,268,740	1,268,740
	-	-	-	-	-	-	-	-	1,530,285	1,530,285

31 December 2019

Financial assets not measured at fair value

Investment in subsidiaries	-	-	-	-	-	-	40	-	-	40
Trade and other receivables	-	-	-	-	714,085	-	-	-	-	714,085
Investment in fixed deposit receipts - FDRs	-	-	-	1,244,619	-	-	-	-	-	1,244,619
Cash and cash equivalents	-	-	-	-	1,004,626	-	-	-	-	1,004,626
	-	-	-	1,244,619	1,718,711	-	40	-	-	2,963,370

Financial liabilities not measured at fair value

Trade and other payables*	-	-	-	-	-	-	-	-	1,207,095	1,207,095
Other non-current liabilities	-	-	-	-	-	-	-	-	248,839	248,839
	-	-	-	-	-	-	-	-	1,455,934	1,455,934

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

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

30.2 Financial risk management

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and control and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

30.2.1 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

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

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

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

The Company held cash and cash equivalents of Taka 1,145,006 thousand at 31 December 2020 (2019: Taka 1,004,626 thousand), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with different banks which are rated from AA3 to AAA, based on ratings by Credit Rating Agency of Bangladesh (CRAB) and Credit Rating Information and Services Limited (CRISL).

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

a) Exposure to credit risk

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

	2020 Taka '000	2019 Taka '000
Trade receivables (note - 10.1)	775,885	683,021
Provision for trade receivable (note - 10.1.1)	(85,307)	(26,077)
	690,578	656,944
Cash at bank (note - 13)	1,144,638	1,004,173
	<u>1,835,216</u>	<u>1,661,117</u>

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

	2020	2019
Gases	143,172	193,819
Welding	85,603	128,512
Healthcare	547,110	360,690
	<u>775,885</u>	<u>683,021</u>

b) Ageing of trade receivables

The ageing of gross trade receivables at the reporting date was

	2020 Taka '000	2019 Taka '000
Invoiced 0-30 days	526,966	516,299
Invoiced 31-60 days	25,325	15,841
Invoiced 61-90 days	14,153	5,354
Invoiced 91-180 days	26,438	26,380
Invoiced 181-365 days	49,751	79,127
Invoiced and above 365 days	133,252	40,040
	775,885	683,021

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

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

30.2.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses for periods which the Company thinks appropriate, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters. Moreover, the group seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment.

The following are the contractual maturities of financial liabilities:

(Figures in Taka '000)

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

30.2.3 Market risk

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

a) Currency risk

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

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

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

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

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

31 Non-controlling interest (NCI)

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

	BOC	BOL	Intra-group eliminations	Total	Amount in thousand
31 December 2020					
NCI percentage	0.05%	-			
Non-current assets	-	-		-	-
Current assets	20,000	-		20,000	20
Non-current liabilities	-	-		-	-
Current liabilities	(523,250)	-		(523,250)	(523)
Net assets	(503,250)	-		(503,250)	(503)
Net assets attributable to NCI	(252)	-		(252)	(0.25)
Revenue	-	-		-	-
Loss	(69,000)	-		(69,000)	(69)
OCI	-	-		-	-
Total comprehensive income	-	-		-	-
Loss allocated to NCI	(35)	-		(35)	(0.04)
OCI allocated to NCI	-	-		-	-
Cash flows from operating activities	-	-		-	-
Cash flows from investing activities	-	-		-	-
Cash flows from financing activities	-	-		-	-
Net increase in cash and cash equivalents	-	-		-	-
31 December 2019					
NCI percentage	0.05%	0.50%			
Non-current assets	-	-		-	-
Current assets	20,000	247,848		267,848	268
Non-current liabilities	-	-		-	-
Current liabilities	(454,250)	(209,750)		(664,000)	(664)
Net assets	(434,250)	38,098		(396,152)	(396)
Net assets attributable to NCI	(217)	190	-	(27)	(0.03)
Revenue	-	-		-	-
Loss	(74,250)	(74,250)		(149,500)	(150)
OCI	-	-		-	-
Total comprehensive income	(74,250)	(74,250)		-	-
Loss allocated to NCI	(37)	(374)		(411)	(0.41)
OCI allocated to NCI	-	-		-	-
Cash flows from operating activities	-	-		-	-
Cash flows from investing activities	-	-		-	-
Cash flows from financing activities	-	-		-	-
Net increase in cash and cash equivalents	-	-		-	-

32 Related party transaction

32.1 Parent and ultimate controlling party

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

32.2 Transaction with key management personnel

Key management personnel compensation

Directors' remuneration (note - 29)

	2020	2019
	Taka '000	Taka '000
	7,766	19,793

32.3 Other related party transactions

Other related party transactions		Nature of relationship	Nature of transactions	Transaction for the year		Balance outstanding	
Name of party	2020			2019	2020	2019	
Intercompany payables							
BOC Gases, Technical Supply Centre	Fellow Subsidiary	Purchase of goods	-	1,556	356	296	
BOC Group Ltd.	Holding Company	Technical Assistance Fee	36,503	37,150	95,036	211,825	
BOC Group Ltd.	Holding Company	Dividend	410,894	308,170	-	-	
Linde AG, Linde Gas Headquarters	Holding Company of BOC Group Ltd.	Global IS fee	30,986	41,858	48,511	17,304	
Linde Gas Asia Pte. Ltd.	Fellow Subsidiary	Recharges cost received	(1,354)	8,578	-	1,327	
Linde Gas Asia Pte. Ltd. - ROHQ	Fellow Subsidiary	Service fee	-	10,308	-	3,604	
Linde Gas Singapore Pte. Ltd.	Fellow Subsidiary	Purchase of goods	3,892	2,145	1,722	(589)	
Linde India Ltd.	Fellow Subsidiary	Purchase of goods and assets	150,575	256,358	120,143	44,770	
Linde Malaysia Sdn Bhd	Fellow Subsidiary	Purchase of goods and assets	4,290	17,913	23,590	30,896	
Linde Treasury Asia Pacific Pte. Ltd.	Fellow Subsidiary	Service fee	-	288	-	-	
Thai Industrial Gases PLC	Fellow Subsidiary	Recharges cost received	-	-	-	103	
Linde Engineering India Pvt Ltd	Fellow Subsidiary	Service fee	1,058	1,002	85	85	
LINDE ROC SDN BHD	Fellow Subsidiary	Service fee	(410)	3,074	-	514.91	
Linde Business Solutions Center	Fellow Subsidiary	Service fee	7,744	-	7,744	-	
Praxair (Thailand)	Fellow Subsidiary	Service fee	704	-	297	-	
Bangladesh Oxygen limited	Subsidiary	Payment of expenses	18	69	231	248	
Intercompany receivables							
BOC HOLDINGS	Parent company	Recovery of expenses	-	1,251	-	1,251	
Linde Gas Asia Pte. Ltd. - ROHQ	Fellow Subsidiary	Recovery of expenses	-	-	-	203	
Linde Gas Asia Pte. Ltd.	Fellow Subsidiary	Recovery of expenses	(4,037)	8,094	-	10,943	
BOC India Limited	Fellow Subsidiary	Recovery of expenses	-	118	206	206	
Linde South Asia Support	Fellow Subsidiary	Recovery of expenses	7,883	-	7,883	-	
Linde AG, Linde Gas Headquarters	Holding Company of BOC Group Ltd.	Recovery of expenses	-	-	1,799	1,798	
BOC Bangladesh Limited	Subsidiary	Payment of expenses	69	69	416	347	

33 Remittance made in foreign currency

Name of parties	Currency	2020		2019	
		FC '000	Taka '000	FC '000	Taka '000
Dividend paid to The BOC Group, UK	GBP	3,826	410,894	2,859	308,170
Service Chg Linde Gas Asia Pte Ltd- ROHQ, Philippines	USD	42	3,615	210	17,739
EPRAC, India	USD	-	-	6	521
Linde India Ltd, India	USD	142	12,057	-	-
Linde Treasury Asia Pacific PTE LTD, Singapore	SGD	-	-	11	712
Linde AG, Germany	EUR	-	-	2,058	195,375
Safety Hitech, Italy	EUR	-	-	30	2,815
UL AG, USA	USD	5	385	4	325
Praxair (Thailand) Co., Ltd.	USD	5	407	5	404
M Junction, India	USD	-	-	6	523
R.V.Briggs & Co.Pvt.Ltd, India	USD	-	-	0	10
LINDE ROC SDN BHD, Malaysia	USD	1	105	75	6,291
SHELL-N-TUBE PVT. LTD., India	USD	-	-	5	396
Linde Gas Asia Pte. Ltd, Singapore	SGD	-	-	140	9,020
WILLIS TOWER WATSON, India	USD	2	204	-	-
Thai Industrial Gases PLC, Thailand	USD	1	103	-	-
TAF paid to The BOC Group, UK	GBP	1,016	113,998	-	-
		5,041	541,767	5,410	542,301

The BOC Group Ltd., UK is a non-resident shareholder which holds 9,130,968 shares in this Company. Dividend paid to The BOC Group Ltd., UK in 2020 includes final dividend of GBP 3,826 thousand for the year 2019.

34 Receipt in foreign currency

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

35 Value of imports calculated on CIF basis

	2020	2019
	Taka '000	Taka '000
Raw materials	1,410,465	1,933,975
Components and spare parts	25,908	23,275
Capital goods	55,492	358,725
	1,491,865	2,315,975

	2020 Taka '000	2019 Taka '000
36 Capital expenditure commitment		
Contracted but not provided for in these accounts	162,326	59,089
37 Contingent liabilities		
These includes bank guarantees to third parties, shipping guarantees, others guarantee, utility guarantee, performance bond, security bond, import bill, import receivables and bank acceptance	130,292	102,318
Outstanding letters of credit	924,782	600,476
Disputed tax other VAT related issues	102,525	12,996
37.1 Credit facilities available as at 31 December		
Standard Chartered Bank	1,200,000	1,200,000
The Hongkong and Shanghai Banking Corporation Limited	610,250	610,250
	1,810,250	1,810,250

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

As per renewed agreement executed on 28 September 2020 between Linde Bangladesh Limited and The Hongkong and Shanghai Banking Corporation Limited (HSBC), the Company has been availing credit facilities. The terms and conditions are as follows:

Facility limit	: BDT 610 million (BDT Six hundred and ten million) (in equivalent to EUR 6.0 million).
Purpose	: Working capital
Interest rate	: 9.00%
Security	: Demand promissory note, letter of continuation for BDT 610,25 million and letter of comfort from Linde AG.

Agreement with Standard Chartered Bank (Credit facility)

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

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

38 Production capacity

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

39 Proceeds from disposal of property, plant and equipment

(Figures in Taka '000)

Nature of assets	Cost	Accumulated depreciation	Carrying amount	Sales proceeds
Plant and Machinery	74,256	74,256	-	-
Vehicles	16,010	12,018	3,992	3,992
Furniture and Fixture	8,481	8,481	-	-
Cylinders:				
Sold	1,145	1,145	-	2,078
Condemned	4,138	3,186	952	-
Total 2020	104,030	99,086	4,945	6,070
Total 2019	25,675	23,607	2,068	6,585

40 Number of employees engaged for drawing remuneration

Disclosure as per requirement of schedule XI Part II of Para 3 is as follows:

(a) Above Taka 3,000 per month

(b) Below Taka 3,000 per month

**2020
Number**

**2019
Number**

316

296

-

-

316

296

41 Net Asset Value (NAV)

Total assets

Non-current Liabilities

Current liabilities

8,004,514

7,651,824

(854,518)

(795,676)

(1,736,159)

(1,747,439)

5,413,837

5,108,709

Number of ordinary shares of Taka 10 each as at 31 December (in thousand)

15,218

15,218

Net asset value (NAV) per share (in Taka)

355.75

335.70

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

Total assets

Non-current Liabilities

Current liabilities

8,004,098

7,651,704

(854,518)

(795,676)

(1,736,266)

(1,747,757)

5,413,314

5,108,271

Number of ordinary shares of Taka 10 each as at 31 December (in thousand)

15,218

15,218

Net asset value (NAV) per share (in Taka)

355.72

335.67

42 Earnings per share

See accounting policies in note 03 (p)

42.1 Basic earnings per share

The computation of earnings per share is given below:

Earnings attributable to the ordinary shareholders (in thousand)

Number of ordinary shares outstanding during the year (in thousand)

Basic earnings per share (EPS) (in Taka)

1,073,609

1,231,588

15,218

15,218

70.55

80.93

42.2 Diluted earnings per share

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

**2020
Taka '000**

**2019
Taka '000**

42(a) Basic earnings per share (consolidated)

Earnings attributable to the ordinary shareholders (in thousand)

Number of ordinary shares outstanding during the year (in thousand)

Basic earnings per share (EPS) (in Taka)

1,073,539

1,231,438

15,218

15,218

70.54

80.92

	2020 <u>Taka '000</u>	2019 <u>Taka '000</u>
43 Net operating cash flow per share (NOCFPS)		
Cash flows from operating activities as per statement of cash flows (in thousand)	1,182,472	1,571,174
Number of ordinary shares outstanding during the year (in thousand)	15,218	15,218
Net operating cash flow per share (NOCFPS) (in Taka)	77.70	103.25
43(a) Net operating cash flow per share (NOCFPS) (consolidated)		
Cash flows from operating activities as per statement of cash flows (in thousand)	1,182,155	1,571,035
Number of ordinary shares outstanding during the year (in thousand)	15,218	15,218
Net operating cash flow per share (NOCFPS) (in Taka)	77.68	103.24
44 Implications of COVID-19 on business		
The company has considered the possible impacts that may result from COVID-19 in the preparation of these financial results including the recoverability of carrying amount of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the company has, at the date of approval of these financial results, used internal and external sources of information and expects that the carrying amount of the assets will be recovered.		
45 Events after the reporting date		
For the year 2020 the board has recommended a final dividend of Taka 40 per share amounting to Taka 608,732 thousand at the board meeting held on 8 April 2021.		