

Annual Report 2014.



Corporate Vision.

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

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

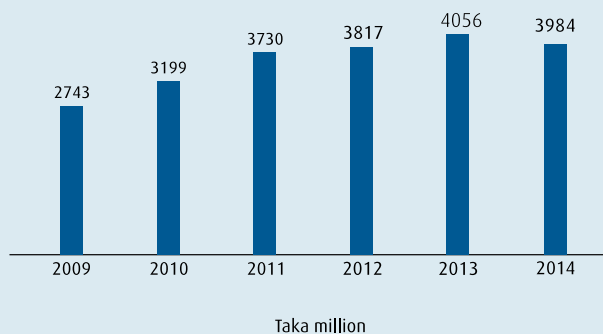
We shall always apply high standards of safety, integrity and responsibility in our activities.

Financial History.

		2009	2010	2011	2012	2013	2014
Revenue	Taka'000	2,742,817	3,199,375	3,729,754	3,817,127	4,056,278	3,984,482
Profit before tax	"	772,611	903,256	940,136	660,493	1,001,587	851,035
Taxation	"	181,972	241,320	230,584	180,575	225,544	242,659
Deferred tax	"	-19,231	-6,132	28,037	-2,593	37,148	-11,756
Earnings	"	609,870	668,068	681,515	482,511	738,895	620,132
Final dividend proposed	"	117,181	152,183	152,183	167,401	167,401	167,401
Interim dividend paid	"	152,183	380,457	380,457	304,366	304,366	304,366
General reserve*	"	1,666,177	1,823,141	1,993,048	2,019,010	2,286,138	2,434,503
Share capital	"	152,183	152,183	152,183	152,183	152,183	152,183
Revaluation reserve	"	20,174	20,174	20,174	20,174	20,174	20,174
Shareholder's equity*	"	1,838,534	1,995,498	2,165,405	2,191,367	2,458,495	2,606,860
Net fixed assets	"	922,735	1,043,552	1,238,834	1,474,836	1,508,991	1,535,145
Depreciation	"	136,321	132,769	131,915	146,144	157,425	164,531
Earnings per share	Taka	40.08	43.90	44.78	31.71	48.55	40.75
Price earnings ratio	"	12.00	16.00	14.00	17.00	13.00	22.00
Dividend per share	"	17.70	35.00	35.00	31.00	31.00	31.00
Dividend percentage	%	177	350	350	310	310	310
Net assets per share*	Taka	120.81	131.13	142.29	144.00	161.55	171.30
Operating cashflow per share	"	68.41	45.45	34.57	31.78	54.91	50.89

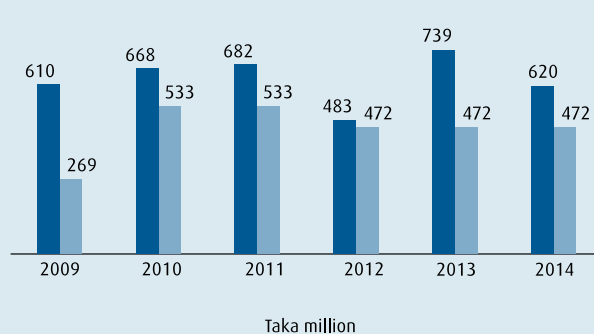
Revenue

Revenue



Earnings & dividend

Earnings & Dividend



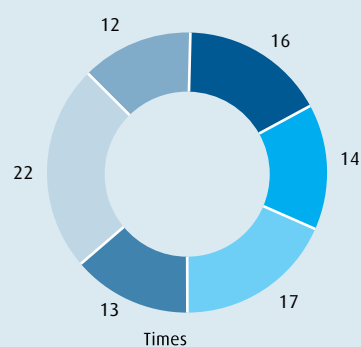
Net assets per share

Net Assets per Share



Price earning ratio*

■ 2009 ■ 2010 ■ 2011 ■ 2012 ■ 2013 ■ 2014



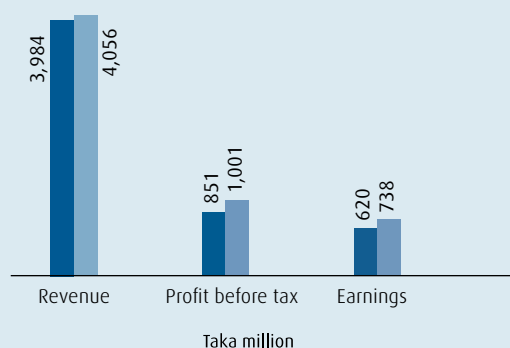
* Adjusted for change in presentation of proposed dividends

The Year at a Glance.

		2014	2013	Change over 2013
Revenue	'000 Taka	3,984,482	4,056,278	-1.77%
Profit before tax	"	851,035	1,001,587	-15.03%
Earnings	"	620,132	738,895	-16.07%
Earnings per share	Taka	40.75	48.55	-16.07%

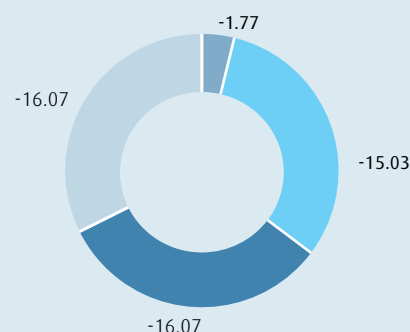
Revenue, profit before tax & earnings

■ 2014 ■ 2013



Percentage of change over 2013

■ Revenue ■ Profit before tax ■ Earnings ■ Earnings per share



Statement of Value Added.

	Year ended 31 December			
	2014		2013	
	'000 Taka	%	'000 Taka	%
Value added				
Revenue	3,984,482		4,056,278	
Bought in materials and services	(2,278,997)		(2,405,858)	
	1,705,485		1,650,420	
Other income including interest on bank deposits	28,712		125,549	
Available for distribution	1,734,197	100	1,775,969	100
Distributions				
To Employees in remuneration and benefits	595,145	34	470,398	26
To Provider of capital in :				
(a) interest on borrowings	1,288	0	2,969	0
(b) Interim and Final dividend proposed	471,767	27	471,767	27
To Government in taxes, duties and surcharges	353,101	20	406,283	23
Retained for reinvestment and future growth:				
(a) depreciation	164,531	9	157,424	9
(b) reserve and surplus	148,365	10	267,128	15
	1,734,197	100	1,775,969	100

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Corporate History.

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

Our bequest in Bangladesh

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

We sell our products to more than 35000 customers from a wide spectrum of industries running from chemicals and petrochemicals to steel. Our team of around 400 trained, motivated and professional members manages 24 hour operations at three major locations across the country to support our customers.

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

The Linde Group is a world-leading gases and engineering company with approximately 65,500 employees working in more than 100 countries worldwide. In the 2014 financial year, it achieved sales of EUR 17.1 bn (2013: EUR 16.7 bn).

Our milestones at a glance

- 1953 Chittagong Oxygen plant was commissioned.
- 1973 Bangladesh Oxygen Limited (BOL) Incorporated in the joint stock companies and received government approval as the first full-fledged "Company" of the newly formed country.
- 1976 First CO₂ plant was introduced.
- 1979 Welding Training Centre started its journey.
- 1995 The company changed its name from "Bangladesh Oxygen Limited" to "BOC Bangladesh Limited."
- 1995 Rupgonj ASU Plant was commissioned.
- 1999 Shitalpur plant was bought over with 20 TPD production facility.
- 2000 ASPEN at shitalpur and LPG Bottling plant at Bogra commissioned.
- 2004 Moved into newly built Corporate Office.
- 2006 The BOC Bangladesh Limited acquired by the Linde Group, Germany.
- 2010 Achieved BDT 100 Crore EBITDA.
- 2011 The company changed its name from "BOC Bangladesh Limited" to "Linde Bangladesh Limited."
- 2013 LPG Plant at Bogra decommissioned.

Notice of Annual General Meeting.

Notice is hereby given that the 42nd Annual General Meeting of Linde Bangladesh Limited will be held at Officers Club, 26 Baily Road, Ramna, Dhaka 1000, on Thursday 30 April 2015 at 10:30 am to transact the following business:

- 1 To receive and adopt the accounts for the year ended 31 December 2014 and the reports of the Auditors and Directors thereon.
- 2 To declare a Dividend for the year ended 31 December 2014.
- 3 To elect Directors.
- 4 To appoint Auditors and to fix their remuneration.

By order of the Board

Angela S Biswas
Acting Company Secretary
26 February 2015

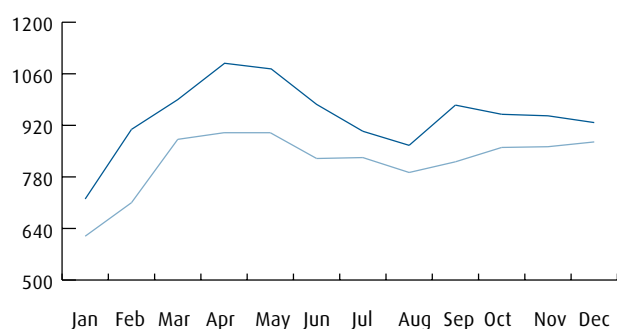
Registered Office
Corporate Office
285 Tejgaon I/A
Dhaka 1208

Notes

- 1 Shareholders whose names will appear in the share register of the Company or in the depository register as on Record Date i.e. 10 March 2015 will be eligible to attend the Annual General Meeting and receive dividend approved.
- 2 A member eligible to attend the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf. No person shall act as proxy unless he/she is entitled to be present and vote in his/her own right.
- 3 Form of proxy, duly completed, must be deposited at the Company's Registered Office by 10:30 am on Monday 27 April 2015 and in default will not be treated as valid.

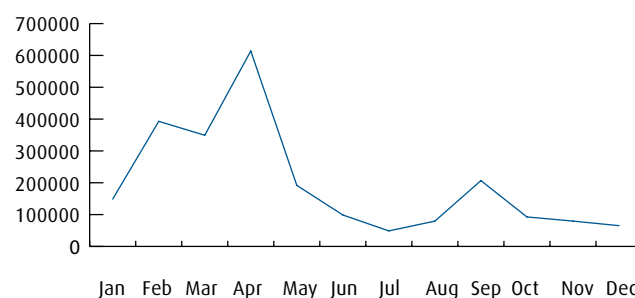
Company high & low share price month wise

■ High Share price ■ Low Share price



Company share volume traded month wise

■ Volume of Share



Acting Company Secretary
Angela S Biswas

Statutory Auditors
Hoda Vasi Chowdhury & Co.

Registered Office
Corporate Office
285 Tejgaon I/A
Dhaka 1208

Bankers
The Hongkong Shanghai Banking
Corporation Limited
Standard Chartered Bank Limited

Legal Advisers
Huq & Company
Syed Ishtiaq Ahmed
& Associates

Board of Directors.



Ayub Quadri

Chairman since 2011

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

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

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

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



Erphan S Matin

Managing Director since 2011

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

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



Desiree Bacher

Director since 2012

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

Ms Bacher has been with Linde for over 15 years. She joined Linde Philippines in August 1999 in the finance function, first as the Financial Controller. She then took on the Commercial Manager role and was responsible in setting up the commercial function looking after pricing and customer contracts. In 2001, she became the General Manager for Finance. She moved from the Philippines to Singapore in 2003 to take on a regional role as Service Quality Manager, Asia, responsible for finance organization development, Sarbanes-Oxley and various other projects in the North and Southeast Asia region. With the merger of The BOC Group and Linde AG in 2006 to form The Linde Group, Ms Bacher took on the role of Accounting and Reporting Director for South & East Asia. In 2010, she relocated to the Philippines to take on the role of Head of the Accounting Center of Excellence for South & East Asia where she spearheaded the successful implementation of the region's shared service center. In September 2011, she was appointed to her current role and is now based in Singapore.

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



Moloy Banerjee

Joined the Board of Directors in February 2015

Mr Moloy Banerjee has been appointed the Managing Director of Linde India Limited and a member of the Board of Directors of the company with effect from 30 July 2013. Linde India Limited, formerly known as BOC India Limited, is a member of The Linde Group, a world-leading gases and engineering company with around 65,500 employees in more than 100 countries worldwide.

Mr Banerjee is also assuming responsibilities as Head for the new cluster South Asia which includes India, Bangladesh, Sri Lanka and Pakistan. He has additional responsibilities as Director of Linde Bangladesh Limited and Ceylon Oxygen, a Member of The Linde Group.

Mr Banerjee started his career with Linde India as a Trainee in 1987. He has worked in various roles in the engineering division and the gases division of the company, including project engineering and management, business development, and marketing. In 2009, Mr Banerjee assumed the role of Vice President, Gases.

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

Mr Banerjee graduated with a bachelor's degree in mechanical engineering from the Indian Institute of Technology, Kanpur in 1987.



Latifur Rahman

Director since 2006

Mr Latifur Rahman is the Chairman and CEO of Transcom Group, with annual turnover of around Taka 39 billion, employing over 13,000 people. The business originated with tea plantations in 1885.

Group companies dealing with beverages, electronics, pharmaceuticals, fast food, snacks and breakfast cereals, distributions, print media and tea include, Transcom Beverages, Transcom Electronics, Eskayef Bangladesh, Transcom Foods, Transcom Distribution Company, Transcom Consumer Products, Mediastar, Mediaworld and Tea Holdings.

Transcom is a stakeholder in Mediaworld Limited (The Daily Star), Reliance Insurance Limited, National Housing Finance & Inv. Ltd., IDLC Finance Ltd. and Pubali Bank Ltd. He is Chairman of Nestlé Bangladesh, Holcim Cement (BD) and National Housing Finance & Inv. He is a member of the Governing Body of BRAC. Mr. Latifur Rahman is currently the Vice President of ICC – Bangladesh. Mr. Rahman has also been elected as a Member of the Executive Board of International Chamber of Commerce, Paris for a 3-year term w.e.f 1 July 2014. He is a former President of Metropolitan Chamber of Commerce, the position he held for seven terms and also a former President of Bangladesh Employers' Federation (two terms). Mr Rahman was Chairman, Tradebody Reforms Committee, Member – Bangladesh Better Business Forum, Advisory Committee on WTO. He was Member of the Executive Board of Bangladesh Bank (Central Bank).

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



Md Fayekuzzaman

Director since 2010

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

Mr. Md. Fayekuzzaman, born in 1953, obtained B.Com Hons., M. Com in Management. He completed his Post Graduation studies in Investment Planning, Appraisal and Management of Development Finance Institution in Bradford University, Bradford, United Kingdom. He attended Cambridge Leadership Program organized by the University of Cambridge, United Kingdom and Leadership Essential Program arranged by the Columbia University, USA. Mr. Zaman has experience of about 37 years of which 29 years in Commercial and Investment Banking. Prior to the present position, he had been Deputy Managing Director of Agrani Bank Ltd. since 2007. Before that he was the General Manager of ICB.



Parveen Mahmud

Director since 2011

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

In her varied professional career Ms. Mahmud worked substantial time with national and international development agencies and was practicing chartered accountant. Ms Mahmud was partner, ACNABIN, Chartered Accountants. She was the Deputy Managing Director, Palli Karma-Sahayak Foundation (PKSF).

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

Ms Mahmud was the member, National Advisory Panel for SME Development of Bangladesh and founding board member of SME Foundation and was Convenor, SME Women's Forum. She serves in various Boards, including, BRAC International, Actionaid International Bangladesh, MIDAS, Manusher Jannyo Foundation (MJF), Under Privileged Children Educational Program (UCEP) Bangladesh.

She was the Chairperson, Acid Survivors Foundation and is the Chairperson Shasha Denims Ltd. Ms Mahmud received Begum Rokeya Shining Personality Award 2006 for women's empowerment from Narikantha Foundation.



Waliur Rahman Bhuiyan, OBE

Director since 2013

Mr. Waliur Rahman Bhuiyan obtained a Masters in Economics and an MBA from University of Dhaka and joined Linde Bangladesh Limited (former BOC) in 1975 and spent his entire professional life in the organization. He joined the Board in 1996 and was appointed as the Managing Director in 1998. In May, 2011 he opted for early retirement due to health reasons. He was appointed as Advisor and served in that role until December 2012 and rejoined the Board as an Independent Director in March 2013.

In the year 2007 he was decorated with the Order of British Empire (OBE) by Her Majesty The Queen of Great Britain.

Mr. Bhuiyan was President of Foreign Investors' Chamber of Commerce & Industry (FICCI), Executive Committee Member of Metropolitan Chamber of Commerce & Industry (MCCI), Bangladesh Employers' Federation and Member, Bangladesh Better Business Forum.

Mr. Bhuiyan was with BRAC University as an Academic Council Member. He was Director of Biman Bangladesh Airlines and Chittagong Stock Exchange.

Mr. Bhuiyan is the former Honorary Consul General of Finland to Bangladesh.

Currently Mr. Bhuiyan is an Executive Board Member of International Chamber of Commerce (ICC) since 1998. He is in the Board of Directors of ACI Limited, Infrastructure Development Company Limited (IDCOL) and Eastland Insurance Company Limited.



Milan Sadhukhan

Joined the Board of Directors in February 2015

Mr. Milan Sadhukhan is the Chief Financial Officer of the Linde India Limited. He also has additional responsibility as Director of Linde Bangladesh Limited and Ceylon Oxygen, a Member of The Linde Group. Mr Sadhukhan has joined Linde (then BOC) in April 2000 and has worked in various roles in finance and marketing. He had worked in a regional role as the Investment Controller for Linde South East Asia based out of Singapore for 3 years between 2007 and 2010. He came back to India in Jan 2010 as Finance Controller and taken over as CFO in Aug 2011.

A qualified Chartered Accountant and a Cost Accountant, Mr Sadhukhan graduated in Commerce from St Xavier's college, Kolkata. Mr Sadhukhan is a member of the Finance and Taxation Sub Committee of CII, Eastern Region. He is on the Board of Linde Global Support Services (P) Ltd, India, the IT support services for the Linde Group.

Chairman's Statement.

Dear Shareholders,

It is my privilege to welcome you to the 42 Annual General Meeting of your Company, Linde Bangladesh Limited and present to you the business results of the year just concluded. Let me say at the outset that the business performance of your Company during the last accounting year was not encouraging. The Company failed to meet the targets set and profit was lower than in the previous year. All of us at Linde Bangladesh Limited must share responsibility for this. There are, however, a few extraneous factors over which we have no control and which continue to impact our performance adversely. The Company did relatively well on the Bulk and Healthcare segments of its business. Unfortunately, the continued stagnation and slow down in the country's real estate, ship breaking and ship building sectors reduced the demand for our products, specially Electrodes, and pulled down our financial results compared to targets and the previous year.

Business environment and financial performance

You would recall, Dear Shareholders, that 2013 was a turbulent year, with frequent and prolonged strikes and blockades that caused serious disruption to the operation of the Company. In contrast 2014 was relatively peaceful throughout the year and there was no major impediment to moving and distributing the Company's products. Expecting the Company to perform better in 2014 compared to 2013 could have been natural and reasonable. Yet that is not what happened. In hindsight, it appears that the apparent calm that prevailed in 2014 was an uneasy one, marked by anxiety and uncertainty about the future. Such a situation may be adequate for the country to attain its average growth of about 6 percent, which it did. But a situation of uneasy calm, marked by anxiety and uncertainty, is not conducive to fostering business confidence or for creating an environment for robust growth. That the calm in 2014 was fickle and ephemeral is perhaps evident from the violent political turmoil since the beginning of 2015.

The constraints that the Company encountered during the past several years continued in 2014. The gas shortage persisted impacting production adversely. On the one hand the Company was unable to produce to capacity because of shortage of gas. On the other hand, uncertainty about energy availability prevented the Company from making essential investments to increase capacity or replace old and inefficient plants. Frequent break down of old ASU plants was a feature

of 2014. The Company tried to meet the resulting shortfall in production, and hold on to its customer base, through cross border trucking of products. Though largely successful, this also resulted in higher costs and lower profits.

Under these circumstances, the turnover of the Company registered a negative growth of 1.8% and the operating profit declined by 6% compared to the previous year. The lower sales of Electrodes was mainly responsible for decline in turnover and profit. This was aggravated by the additional gratuity provisions that had to be made during the year as a consequence of change of law in this regard.

Working capital remained higher than the previous year because of higher inventories. Though the settlement of bills by Government hospitals showed a marked improvement in 2014, it was still short of ideal, resulting in overall debtors outstanding continuing to remain high. Trade creditors and other current liabilities were managed well. Your Board monitored the liquidity position of the Company closely to ensure prudent utilization of liquid resources. The trade off among dividend pay out to shareholders, raw material purchase to obtain present and future cost advantage and accumulation of resources for investment to meet demand and counter competition was always kept in view.

The Directors of your Company recommended a final dividend of taka 11.00 (110%) per share for the year ended 31 December 2014. This would require a pay out of Taka 167.4 million. Therefore the total payout for the year, including interim dividend of Taka 20.00 (200%) per share, would be Taka 471.77 million and the overall dividend percentage would be 31 (310%). Despite lower revenue and lower profit in 2014 compared to 2013, your Directors decided to recommended dividend for 2014 at the same level as 2013.

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

Bulk

Industrial liquid gases, Oxygen, Nitrogen, Argon and Carbon-di-oxide comprise the Bulk segment. Though the overall performance of the segment was better than the previous year, it was 1% below plan. This was mainly because of low Liquid Oxygen sales caused by low



At the 41st Annual General Meeting held on 8 May 2014.



Shareholders at the 41st Annual General Meeting held on 8 May 2014.

demand, competition with lower priced Compressed Oxygen market and occasional non availability of the product. Nitrogen sales were maintained based on its demand for gas pipeline purging in gas projects. Liquid Argon sales were 7% higher than the previous year. Liquid Carbon-di-Oxide sales were marginally higher than the previous year, but could have been much higher, if production had not been disrupted frequently for non-availability of gas.

PG&P (packaged gas & products)

Industrial Compressed packaged gases & welding goods products comprise the PG&P segment. Overall revenue of the segment was 4% lower than last year. Mild Steel Electrodes, the key and dominant product of the segment, registered a 3% fall in turnover compared to the previous year. The Company lost some market share of Mild Steel Electrodes to competition on price consideration. Performance of Compressed Industrial Oxygen & Dissolved Acetylene was marginally below the previous year. Compressed Nitrogen, Compressed Argon & Compressed Carbon-di-oxide registered significant growth over the previous year. Among special gases, except for Helium, all other products registered over 20% growth.

Healthcare

The Healthcare segment includes all services related to the supply of Medical Gases, such as Medical Oxygen and Nitrous Oxide, cylinders and accessories, supply and installation of Medical Gas Pipeline Systems and maintenance of Medical Equipment.

In 2014 the Healthcare segment registered a 14% revenue growth compared to 2013. This was 4% above the revenue target. Compared to the previous year there was an increase in revenue in all products of the segment in 2014 namely, Liquid Medical Oxygen (+19%), Compressed Medical Oxygen (+15%), Nitrous Oxide (+12%), Medical gas pipeline and Medical equipment maintenance. A significant event in 2014, was the reduction in DSO for Healthcare customers from 161 days to 141 days. This is a result of the government's decision to allocate special funds for the year 2013-2014 to clear outstanding debts of government hospitals. In addition, the Ministry of Health has increased the MSR

allocation from 5% to 9% which will improve cash conversion cycle in the long term.

In 2014, there was an increase in marketing activities by three local manufacturers and distributors of Medical Oxygen On-Site Generators.

Supply

The capacity utilization of the various plants was below that of the last year and much below the installed capacity. Production in the ASU plants was low because of frequent break downs. Carbon-di-oxide production was disrupted repeatedly because of non availability of gas and market demand for Dissolved Acetylene was low. In an effort to meet market demand and retain the customer base, import capability and storage capacity was increased for products the Company could not produce as per demand.

The Electrode factory continued uninterrupted production throughout the year, but considering the demand, not at full capacity. Flux Blending equipments were added to the Electrode Manufacturing facility to reduce dependency and capture new market areas.

Product distribution

Throughout the year, 2014, distribution activity in transporting products to Sales Centres across the country was good and delivery of bulk product to Healthcare and Industrial customers was seamless. CES did a very good job in making all the Healthcare Installations (total 22) compliant in Medical O&ED. Bulk Distribution, on the other hand, trucked 5507 Tons of Liquid Oxygen against the plan of 1667 Tons which helped improve Linde's image to customers.

Safety matters

For all stakeholders, especially for employees and customers, safety remained the top-most priority for the Company as elsewhere in The Linde Group. In 2014 the company achieved its Leading Safety Indicators and managed Lagging Indicators except one unavoidable



Emergency drill at Rupganj.



Tree plantation program at Hatirjheel.

major incident. This incident was in transport operations. Transport operation is an area where there is no scope for complacency or to the rest on success. The company organized 3 Golden Rules of Safety Stand Down programs across the country where Managing Director led the program along with Senior Managers and Country Leadership Team. The Company also continued to arrange Transport Safety Training and Communication Program for 3rd Party Bus & Truck Drivers at different Bus Terminals & Truck Stands to raise awareness about transport accident and responsibility of the drivers. This program covered 192 drivers in three lots. To reduce the number of major incidents and improve safety quality, LeadSafe, SiteSafe, Act Safe program and Golden Rules of Safety have been put into operation in all major locations covering employees, contractors and customers.

Human Resources

Throughout the company employees morale and industrial relations was maintained harmoniously. Long Term Agreement with CBA has been signed for 2 years without any industrial dispute. For employee motivation and recognition, programs like Excellence Award, Spot Recognition etc. have been effectively implemented. Global Employee Survey (GES) has been conducted to measure employees' satisfaction and engagement. Some global training such as People Excellence in Action (PEIA), First Line Manager's (FLM) training etc. have been conducted for the employees to develop their managerial skills.

Information Services

In 2014, Linde Bangladesh Limited IS initiatives were focused to and driven by the Linde Group vision of becoming a High Performing Organization (HPO).

In 2014, the company set up Disaster Recovery Site at Rupganj to ensure information systems uptime, data integrity & availability and business continuity in case of any major breakdown and failure of the systems. As per 1st phase activities the data center at Rupganj is equipped with redundant ACs, Power lines & UPSs, fire proof raised floor & door, fire detection system, electric & network cabling, Network & Server racks, room construction, etc. In 2nd phase we will carry out tower & data links

setup, server installation & testing which is planned to be completed by Q2-2015.

In 2014, Linde Bangladesh Limited IS took an initiative and deployed Smart Phones covering more than 60% of management employees including sales team which enabled employees to access office emails securely when they are on the move and also access to other value added applications. As the part of this activity all mobile data lines have been moved to 3G. With the help of various social collaboration tools employees can keep in touch with the customers and colleagues at no cost. Overall increase in cost for data services compared to expanded coverage of data mobility is not significant. Keeping Linde Group IS Vision 2020 and Enterprise Mobility in mind, Linde Bangladesh Limited is now very well positioned to move forward.

Linde Bangladesh limited implemented SAP BOC Template (Enterprise System) since April 2012. After implementing BOC Template, additional costs are charged on the basis of SAP users and as a result Global IS recharge increased significantly; this cost directly hits operating profit. Linde Bangladesh Limited took initiative to identify ways to minimize the cost. After reviewing all SAP users with the business, considering their roles & profiles, it was possible to rationalize and reduce the number of users.

In 2014, the Company could reduce the Internet bandwidth cost by 40% for both primary & secondary international links after strong negotiation with the vendors. The bandwidth of in-country networks for major sites has also been doubled with no cost impact which resulted in faster data access and smooth transaction processing.

Business data and information is one of the most valuable assets of an organization and it is one of the highest business risks if it falls in wrong hands. To protect portable devices like laptops, the Company encrypted all its laptops.

The Company established good governances and IS best practices as per global guideline. It has been maintaining 100% software license compliance from 2014. Currently Linde Bangladesh is the only 100% license compliant company in South & East Asia Region.

In 2014, South & East Asia Regional (RSE) IS conducted an “IS Survey” to gather feedback from Linde Bangladesh IS users on various IS related services and supports and subsequently identify areas of improvement for IS to focus on. Linde Bangladesh IS received an excellent feedback that clearly indicates positive perception on Linde Bangladesh IS. Linde Bangladesh IS scored the best in South & East Asia Region.

Corporate social responsibility

The Linde Group’s global Corporate Responsibility guidelines focus on the sustainability of the CSR projects and not on the number of the projects undertaken during a particular time period. Your Company strives to be a silent partner without making much noise about its CSR activities. In line with the CSR activities of previous years, tree plantation was undertaken in Hatir Jheel-Begun Bari project, Mirpur DOHS and Banani Grave yard. The Company continued to provide safety training among inter-district bus and truck drivers, helpers, contractor drivers and employee-owned car drivers to raise safety awareness to avoid road accidents. Throughout the year, the Company engaged fresh graduates from leading public and private universities as interns to different departments. The state of the art Welding Training Centre continued to produce skilled, world class welders for the local and overseas market. The Company also awarded various scholarships among the bright progeny of welding dealers and non-management staffs to support them to continue their studies at secondary and higher secondary levels.

Prospects

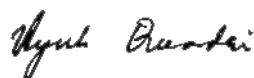
Dear Shareholders, in comparing the performance of your Company in 2014 with that in 2013, I may have pointed an unduly gloomy picture. We should not lose sight of the fact that your Company continues today to be one of the most profitable companies in the country. It is also among the very top companies in the country in terms of dividend payout. The challenge is to maintain and consolidate this exalted position in the face of a very adverse external environment. 2015 has

begun rather disastrously and the prospect of the Company doing well in 2015 may not appear very bright at this point in time. However, we are not entirely unfamiliar with situation like the present. In the past we have faced periods of international and domestic turmoil. We survived and prevailed through our resolve to spare no effort to achieve the best results for the Company. Doing the most we are capable of is the least that is expected of us.

Dear Shareholders,

It is my privilege and pleasure to thank the members of the Board and the shareholders for their support. I thank the employees of the Company for their hard and dedicated work and exhort them to greater effort to meet the challenges of the times ahead. We owe a debt to our Customers, Suppliers, Bankers, Government authorities and agencies. We acknowledge this with deep gratitude.

Thank you,



Ayub Quadri
26 February 2015

Report of the Board of Directors.

The Board of Directors Linde Bangladesh Limited is pleased to present the audited accounts of the Company for the year ended 31 December 2014.

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

Business performance

The revenue of the Company for the year 2014 was Tk. 3,984 m as against Tk. 4,056 m of 2013. The revenue is derived from following segments:

Segments	2014	2013
	Taka m	Taka m
Bulk Gases	351	353
Packaged Gas and Products (PG&P)	3,202	3,325
Healthcare	431	378
	3,984	4,056

Bulk gases comprise of liquid industrial oxygen, liquid nitrogen, liquid argon and carbon dioxide. Packaged gas solutions comprise of mild steel electrodes and compressed industrial gases. Healthcare comprises of medical gases, medical equipment and medical pipeline.

Financial results

A decline of 1.8% in Sales was reported in 2014 compared to previous year. This was mainly caused by a lower sales in MS Electrodes under PG&P Welding resulting from the slower growth in Real Estate business and the slower activities in ship breaking/ship building industries. Meanwhile, Bulk still managed to register a 2% increase in sales compared to last year. This is despite the disrupted supply of ASU gases due to unplanned breakdown of the plants during the year. The 14% growth of Healthcare sector over last year contributed in reducing the impact of the decline from other segments.

Despite the lower sales from previous years, gross profit margin is still higher by 5% and this is mainly due to the lower cost of purchase of imported raw material which was not passed on to the customers.

Overhead was 22% higher compared to previous year due to additional backlog gratuity provision made as prescribed by the change in law.

All of the above resulted into a lower Operating profit in 2014 compared to previous year:

Particulars	2014	2013
	Taka m	Taka m
Revenue	3,984	4,056
Cost of Sales	(2,401)	(2,550)
Gross Profit	1,583	1,506
Operating Expenses	(760)	(627)
Profit from operations	824	879
Other Income	(0.21)	94
Interest income	28	28
Profit before taxation	851	1,001

Working capital management

Working Capital position was Taka 846 m in 2014 as against Taka 778 m of 2013. Higher value from factored item (Trading Goods) and higher volume of MS Electrode at the year were the key contributor for additional Inventory. The better collection from Government Healthcare Customers reduced the impact of the delayed collection from gases debtors, main contributor of which is Fire Suppression Project customer. The higher debtor balance was also aggravated by the year-end sales boost up in welding business.

Dividends

An interim dividend of Taka 20 (200%) per share amounting to Taka 304.37 m was paid out in the year.

With the Directors' recommendation for a final dividend of Taka 11 (110%) per share for the year, involving a payout of Taka 167.4 m subject to approval at the Annual General Meeting, over all dividend percentage for the year would be taka 31 (310%) and total dividend payout for the year would amount to Taka 471.77 m (2013 Taka 471.77 m)

Reserves

The Directors propose to transfer net profit for the year Taka 620.13 m to General Reserve.

Directors

The present directors are named on pages 4 to 6 of this report.

Mr. Mohammed Fayekuzzaman retire under Article 81 of the Articles of Association of the Company. Mr. Mohammed Fayekuzzaman being eligible, offer himself for re-election.

As per Article 87 of the Articles of Association of the Company the Board of Directors appointed Mr. Moloy Banerjee and Mr. Milan Sadhukhan, on 2 February 2015, as such they hold office up to the next Annual General Meeting. Consent of shareholders is required for the re-appointment of Mr. Moloy Banerjee and Mr. Milan Sadhukhan as Director of the Company.

On behalf of the Board of Directors,
26 February 2015



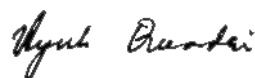
Erphan Shehabul Matin
Managing Director

Contribution to National Exchequer

Total payment of duty and taxes to National Exchequer in 2014 was Tk 1,017 m as against Tk. 979 m for 2013.

Auditors

The statutory auditors of the Company, Hoda Vasi Chowdhury & Co., Chartered Accountants, shall retire in this Annual General Meeting. As per SEC Order No.SEC/CMRRCD/2009-193/104/Admin dated 27 July, 2011, an audit firm cannot be engaged for more than three consecutive years as statutory auditors of the same Company. Hoda Vasi Chowdhury & Co. has been the statutory auditors of the Company for last three years. In compliance with SEC order, it is necessary to appoint new statutory auditors for the Company Rahman Rahman Huq, Chartered Accountants have expressed their willingness to be appointed as statutory auditors of Linde Bangladesh Limited. The Board recommends appointment of Rahman Rahman Huq Chartered Accountants, as statutory auditors of the Company for the year 2015 and to continue till the next Annual General Meeting at a fee of taka 625,000.



Ayub Quadri
Director & Chairman

Committees.

Audit Committee

Chairperson	Ms Parveen Mahmud	Director
Member	Mr Latifur Rahman	Director
Member	Mr Moloy Banerjee	Director
Member	Ms Desiree Bacher	Director
Secretary	Ms Angela S Biswas	Executive Secretary
	Ms Sanchita Chakraborty Das	Country Head of Internal Audit Bangladesh

Country Leadership Team

Chairman	Mr Erphan S Matin	Managing Director
Member	Ms Saiqa Mazed	Head of HR
Member	Mr Abu Shair	Country IS Manager
Member	Mr Iftekhar Karim	Head of Supply
Member	Mr Md Mostafizur Rahman	Head of Strategic Marketing
Member	Mr A K M Tareq	Head of Sales, Hardgoods
Member	Mr Shorab Uddin Ahmed	Head of Healthcare
Member	Mr Rafiqul Islam	Head of IR and Administration
Member	Mr. Tariqul Islam	Head of Customer Service
Member	Mr. Deba Brata Shaha	Head of Distribution
Member	Mr. Syed Asgar Ali	Head of Procurement
Member	Mr Khalilur Rahman	Head of SHEQ

Annexure 1.

Key operating and financial data of five years preceding the year ended 31 December 2014.

Financial History

		2009	2010	2011	2012	2013	2014
Revenue	Taka'000	2,742,817	3,199,375	3,729,754	3,817,127	4,056,278	3,984,482
Profit before tax	"	772,611	903,256	940,136	660,493	1,001,587	851,035
Taxation	"	181,972	241,320	230,584	180,575	225,544	242,659
Deferred tax	"	-19,231	-6,132	28,037	-2,593	37,148	-11,756
Earnings	"	609,870	668,068	681,515	482,511	738,895	620,132
Final dividend proposed	"	117,181	152,183	152,183	167,401	167,401	167,401
Interim dividend paid	"	152,183	380,457	380,457	304,366	304,366	304,366
General reserve *	"	1,666,177	1,823,141	1,993,048	2,019,010	2,286,138	2,434,503
Share capital	"	152,183	152,183	152,183	152,183	152,183	152,183
Revaluation reserve	"	20,174	20,174	20,174	20,174	20,174	20,174
Shareholder's equity*	"	1,838,534	1,995,498	2,165,405	2,191,367	2,458,495	2,606,860
Net fixed assets	"	922,735	1,043,552	1,238,834	1,474,836	1,508,991	1,535,145
Depreciation	"	136,321	132,769	131,915	146,144	157,425	164,531
Earnings per share	Taka	40.08	43.90	44.78	31.71	48.55	40.75
Price earnings ratio	"	12.00	16.00	14.00	17.00	13.00	22.00
Dividend per share	"	17.70	35.00	35.00	31.00	31.00	31.00
Dividend percentage (%)	%	177	350	350	310	310	310
Net assets per share*	Taka	120.81	131.13	142.29	144.00	161.55	171.30
Operating cash flow per share	"	68.41	45.45	34.57	31.78	54.91	50.89

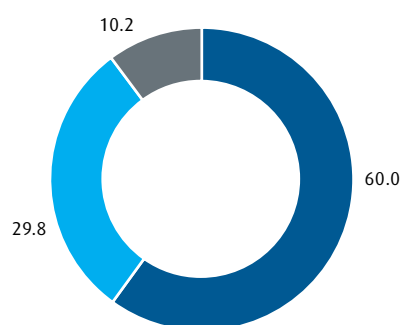
Annexure 2.

Shareholding Pattern

Director's Name	No. of shares		
	2012	2013	2014
Mr. Ayub Quadri (Chairman)	10	10	10
Mr. Erphan Shehabul Matin (CEO)	12	12	12
spouse (Folio # N0018)	12	12	12
Mr. Latifur Rahman	10	10	10
Mr. Mohammed Nazmul Hossain (resigned December 2014)	3	3	3
Ms Parveen Mahmud (independent Director)	50	50	50
Mr Waliur Rahman Bhuiyan OBE (independent Director)	44	44	44
spouse (Folio # S0606)	44	44	44
Executive Name			
Mr. Mohammad Abu Shair	37	37	37
spouse (Folio # F0335)	100	100	100
10% or above shareholding : Name			
The BOC Group Limited	9,130,968	9,130,968	9,130,968
ICB Unit Fund	–	1,840,705	1,772,605
Parent, Subsidiary, Associated Companies			
The BOC Group Limited			
Bangladesh Oxygen Limited			
BOC Bangladesh Limited			

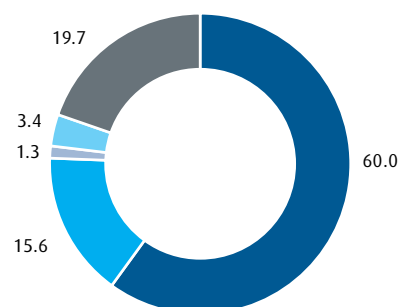
Percentage of shareholdings – institutes & publics

- The BOC Group Limited (60.0)
- Various Institutes (29.8)
- Public (10.2)



Percentage of shareholdings – various companies & others

- The BOC Group Limited (60.0)
- Investment Corporation of Bangladesh (15.6)
- Bangladesh Development Bank Limited (0.0)
- Sadharan Bima Corporation (1.3)
- Bangladesh Fund (3.4)
- Other Shareholders (19.7)



Annexure 3.

Board meetings

During the period the Board met 6 times

	Name of the Directors	No. of attendees
1	Mr. Ayub Quadri – Chairman	6
2	Mr. Erphan Shehabul Matin – CEO	6
3	Mr. Bernd Hugo Eulitz (resigned December 2014)	1
4	Mr. Srikumar Menon (resigned December 2014)	5
5	Ms. Desiree Bacher	1
6	Mr. Md. Fayekuzzaman	6
7	Mr. Latifur Rahman	3
8	Ms. Parveen Mahmud (Independent Director)	5
9	Mr. Mohammed Nazmul Hossain (resigned December 2014)	6
10	Mr. Waliur Rahman Bhuiyan OBE (Independent Director)	6

Audit Committee meetings

There were four meetings during the period. Head of Global Business Controls of The Linde Group attended all four meetings

	Name of the Members	No. of attendees
1	Ms Parveen Mahmud (Chairperson and Independent Director)	4
2	Mr. Latifur Rahman	Nil
3	Mr. Srikumar Menon (resigned December 2014) Director (Corporate Investor nominated)	4
4	Ms Desiree Bacher Director (Corporate Investor nominated)	1

Annexure 4.

Status of Compliance with Bangladesh Securities & Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August, 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013.

Condition No.	(Report under Condition No. 7.00) Title	Compliance Status
1.	Board of Directors.	
1.1	Board's Size: Board members should not be less than 5 (five) and more than 20 (twenty).	Complied
1.2	Independent Directors.	
1.2(i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors	Complied
1.2(ii) (a)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	Complied
1.2(ii) (b)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	Complied
1.2(ii) (c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	Complied
1.2(ii) (d)	who is not a member, director or officer of any stock exchange;	Complied
1.2(ii) (e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	Complied
1.2(ii) (f)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm;	Complied
1.2(ii) (g)	who shall not be an independent director in more than 3 (three) listed companies;	Complied
1.2(ii) (h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	Complied
1.2(ii) (i)	who has not been convicted for a criminal offence involving moral turpitude.	Complied
1.2(iii)	The independent director (s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	Complied
1.2(iv)	The post of independent director (s) can not remain vacant for more than 90 (ninety) days.	Complied
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	Complied
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	Complied
1.3	Qualification of Independent Director.	
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	Complied
1.3 (ii)	The person should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	Complied
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	Not applicable

Condition		Compliance
No.	Title	Status
1.4	Chairman of the Board and Chief Executive Officer.	
	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	Complied
1.5	The Directors' Report to Shareholders.	
1.5(i)	Industry outlook and possible future developments in the industry.	Complied
1.5(ii)	Segment-wise or product-wise performance.	Complied
1.5(iii)	Risks and concerns.	Complied
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	Complied
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	Not applicable
1.5(vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	Complied
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	Not applicable
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	Not applicable
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	Complied
1.5(x)	Remuneration to directors including independent directors.	Complied
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	Complied
1.5(xii)	Proper books of account of the issuer company have been maintained.	Complied
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	Complied
1.5(xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.	Complied
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	Complied
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	Complied
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Complied
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Complied
1.5(xix)	If has not declared dividend for the year, the reasons given (cash or stock).	Not applicable
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	Complied
1.5(xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	Complied

Condition		Compliance
No.	Title	Status
1.5(xxi) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details).	Complied
1.5(xxi) (c)	Executives.	Complied
1.5(xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	Complied
1.5(xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:	
1.5(xxii) (a)	A brief resume of the director.	Complied
1.5(xxii) (b)	Nature of his/her expertise in specific functional areas.	Complied
1.5(xxii) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board.	Complied
2.	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS).	
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	Complied: same person appoint. CFO & Co. Secretary.
2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	Complied
3.	Audit Committee.	
3(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	Complied
3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	Complied
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	Complied
3.1	Constitution of the Audit Committee.	
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	Complied
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	Complied
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	Complied
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	Complied
3.1(v)	The company secretary shall act as the secretary of the Committee.	Complied
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	Complied

Condition		Compliance
No.	Title	Status
3.2	Chairman of the Audit Committee.	
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	Complied
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied
3.3	Role of Audit Committee.	
3.3 (i)	Oversee the financial reporting process.	Complied
3.3 (ii)	Monitor choice of accounting policies and principles.	Complied
3.3 (iii)	Monitor Internal Control Risk management process.	Complied
3.3 (iv)	Oversee hiring and performance of external auditors.	Complied
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	Complied
3.3 (vii)	Review the adequacy of internal audit function.	Complied
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	Complied
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	Complied
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	Not applicable
3.4	Reporting of the Audit Committee.	
3.4.1	Reporting to the Board of Directors.	
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	Complied
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-	
3.4.1(ii)(a)	Reporting of Conflicts of interest to the Board of Director.	Not applicable
3.4.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.	Not applicable
3.4.1(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations;	Not applicable
3.4.1(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately.	Not applicable
3.4.2	Reporting to the Authorities.	
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	Not applicable
3.5	Reporting to the Shareholders and General Investors.	
	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	Not applicable

Condition		Compliance
No.	Title	Status
4.	External/Statutory Auditors.	
4.00(i)	Appraisal or valuation services or fairness opinions.	Complied
4.00(ii)	Non-engagement in designing of Financial Information System.	Complied
4.00(iii)	Non-engagement in Book keeping.	Complied
4.00(iv)	Non-engagement in Broker-dealer services.	Complied
4.00(v)	Non-engagement in Actuarial services.	Complied
4.00(vi)	Non-engagement in Internal Audit.	Complied
4.00(vii)	Non-engagement in any other services.	Complied
4.00(viii)	Non-engagement partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that Company.	Complied
4.00(ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.	Complied
5.	Subsidiary Company.	
5.00(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Not applicable
5.00(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	Not applicable
5.00(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	Complied
5.00(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	Complied
5.00(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Complied
6.	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO).	
6.00(i)(a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	Complied
6.00(i) (b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	Complied
6.00(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	Complied
7.	Reporting and Compliance of Corporate Governance.	
7.00(i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	Complied
7.00(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	Complied

Corporate Governance.

Corporate governance practices

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

Board of Directors

The Board of Linde Bangladesh Limited is responsible for managing the company and overseeing its general business activities. Its action and decisions are made in the best interests of the company, which includes the interests of shareholders, employees, customers and other stakeholder groups. Its aim is to create lasting value for stakeholders. The Board of Linde Bangladesh Limited comprises of 9 members of whom 2 members are independent directors, 1 member is executive director, 3 are Linde nominated directors, 1 ICB nominated director and rest 2 are non executive directors. The Board members include persons of high caliber with professional and academic qualification having experience in private and public sector operations. The Board of Directors reviews business performance in each meeting and approves periodical and annual financial results for publication. Board approves annual plan, capital expenditure for the year and passes resolution at meetings held on a regular basis.

Board meeting

The Board of Linde Bangladesh Limited met six times in 2014. Board meetings were held under section # 96 of Companies Act 1994 and Bangladesh Securities and Exchange Commission regulations regarding Board Meeting were complied with. Director's attendance in the Board Meeting is shown in the (annexure-3) of Directors report. In the Board Meeting the actions and decisions are geared towards the best interests of the Company taking into account the concern of shareholders, employee, customers and other stakeholders.

Annual General Meeting

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

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

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

Corporate Governance Compliance Report

In accordance of the requirement of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 Corporate Governance Compliance Report is attached in Annexure 1-4 on page 14 to 21.

Corporate and financial reporting framework

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

Accounting and external audit

Company prepares and publishes its annual financial statements and interim financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The annual and periodical financial statements are prepared by the management and reviewed by the Audit Committee. Financial statements are audited by the statutory auditor in accordance with Bangladesh Audit Standard as promulgated by the ICAB. The audit procedures include a review of the system for early identification of risks. The Audit Committee updates Board on annual and periodical financial statement in detail prior to its publications.

Internal control

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

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

Internal audit

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

Risk management

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

Audit Committee

The Audit Committee reviews financial reporting process, system of internal control and management of business and financial risks, the audit process and the company's process for monitoring compliance with relevant laws and regulation and its own code of business ethics. The Audit Committee consist of four members, of which one is independent director, one is non executive director and rest are Group nominated directors. The Chairman of the Audit Committee is an independent director. Audit Committee meets four times in a year. It is a subcommittee of Board of directors. Only committee members are

entitled to attend the meeting. However Managing Director, Finance Director and Internal Auditor are invited in the meeting. External auditor is invited in the meeting of the committee in which Annual Financial Statement is reviewed. Duties and Responsibilities of Audit Committee stated in Audit Committee Charter are as below:

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

Employee

Total number of employees in the Linde Bangladesh Limited at 31 December 2014 was 391 (31 December 2013: 382). The Company paid salary and wages Taka 550 million (31 December 2013 Taka 418 million) during the year under review. The strategy of Company is to attract, develop and promote the best employee, build long term loyalty to the Company which is the most important prerequisite for long term success of the Company. Training arrangements were made throughout the year for people development. Through occupational safety and health protection measures, Linde Bangladesh Limited help its employee to stay healthy and protects them from risks that might arise from the work they perform for the Company.

Compliance with laws

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

Code of Ethics

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

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

Corporate website

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

Information which are host in Company website are shown below:

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

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

Statement of Directors' Responsibilities.

Financial statements and accounting records

Linde Bangladesh Limited Directors are responsible for preparing the Annual Report and its financial statements for the year ended 31 December 2014 in accordance with applicable law and regulations.

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

The Directors are legally responsible for the preparation and fair presentation of financial statements, which comprises of the statement of financial position as at 31 December 2014, and the statement of Profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes and related consolidated financial statements of Linde Bangladesh Limited and its subsidiaries.

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

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

The Auditors of the Company have examined financial statements made available by the Board of Directors together with all relevant financial records and express their opinion in their report in page 28 of the Annual Report.

The financial statements were approved by the Board of Directors on 26 February 2015 and are signed on its behalf by:



Erphan Shehabul Matin
Managing Director



Desiree Bacher
Head of Finance & Control, RSE

Audit Committee Report.

The Audit Committee is appointed by the Board of Directors, as recommended by Bangladesh Securities and Exchange Commission (BSEC) notification. The Audit Committee consist of four members, of which one is independent director, one is non executive director and rest are Group nominated directors. Meeting of the Committee were attended by the Managing Director, Finance Director and Internal Auditor of the company on invitation.

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

Ms Parveen Mahmud, Chairperson
Mr Latifur Rahman, Member
Mr Moloy Banerjee, Member
Ms Desiree Bacher, Member

Four (4) meetings of Audit Committee were held during the year under review. In all meeting internal auditor gave presentation to the committee which covered internal audit plan, number of audit carried out during the year, audit observations, audit recommendations and status of its implementation. Audit Committee also meet external auditor to discuss their observations on statutory audit and their recommendations for improvement.

Role of Audit Committee

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

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

Meeting and attendance

The Company will hold at least 4 meetings in a year. The quorum of the Audit Committee meeting shall not constitute without at least 1 independent director, and two members present.

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

Activities carried out by the Audit Committee

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

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

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

On behalf of the Audit Committee



Parveen Mahmud
Chairperson, Audit Committee
26 February 2015

Compliance Certificate to the Shareholders.

We were engaged by Linde Bangladesh Limited (the “Company”) to provide certification whether the Company has complied with the conditions of corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission in its notification number SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 (the “conditions of corporate governance guidelines”) for the year ended 31 December 2014.

The company’s responsibilities

Those charged with governance and management of the Company is responsible for complying with the conditions of corporate governance guidelines. Those charged with the governance of the Company is also responsible for stating in the director’s report whether the Company has complied with the conditions of corporate governance guidelines.

Our responsibilities

Our responsibility is to examine the Company’s status of compliance with the conditions of corporate governance guidelines and to certify thereon in the form of an independent assurance conclusion based on the

evidence obtained. For the purpose of the engagement, we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain assurance whether the Company has complied with the conditions of corporate governance guidelines.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, except for matter described below, the Company has complied with the conditions of corporate governance guidelines for the year ended 31 December 2014.

Condition no. 5(ii) of the conditions of corporate governance guidelines requires that at least one independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company. In case of Bangladesh Oxygen Limited no independent director had been appointed during the year 2014.

Dhaka, 26 February 2015



Rahman Rahman Huq
Chartered Accountants

Auditors' Report to the Shareholders.

We have audited the accompanying consolidated as well as separate financial statements of Linde Bangladesh Limited (the "Company"), which comprise the consolidated and separate statements of financial position as at 31 December 2014, related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other relevant explanatory notes thereon.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements whether due to fraud and error.

Auditors' responsibility

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

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

accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

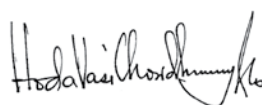
Opinion

In our opinion, these financial statements give a true and fair view of the financial position of Linde Bangladesh Limited and its subsidiaries as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

1. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
2. in our opinion, proper books of account as required by law have been kept by the Company and its subsidiaries so far as it appeared from our examination of those books;
3. the Company's statement of financial position and statement of profit or loss and other comprehensive income along with the annexed notes 1 to 40 dealt with by the report are in agreement with the books of account and returns;
4. the expenditure incurred and payments made were for the purposes of the Company's and its subsidiaries' business.

Dhaka, 26 February 2015




Hoda Vasi Chowdhury & Co.
Chartered Accountants

Statement of Financial Position.

	Notes	As at 31 December	
		2014	2013
		'000 Taka	'000 Taka
Assets			
Non-current assets:			
Property, plant and equipment	5	1,535,145	1,508,991
Intangible assets	6	43,207	43,781
Investment in subsidiaries	7	40	40
Total non-current assets		1,578,392	1,552,812
Current assets:			
Inventories	8	727,924	668,098
Trade debtors	9	467,845	380,830
Advances, deposits and prepayments	10	218,509	197,861
Cash and cash equivalents	11	813,758	708,272
Total current assets		2,228,036	1,955,061
Total assets		3,806,428	3,507,873
Equity and Liabilities			
Shareholders' equity:			
Share capital	12	152,183	152,183
Revaluation reserve		20,174	20,174
General reserve	13	2,434,503	2,286,138
Total equity		2,606,860	2,458,495
Non-current liabilities:			
Employee benefits	14	183,864	100,711
Deferred tax liabilities	15	115,775	127,531
Other non-current liabilities	16	207,116	186,794
Total non-current liabilities		506,755	415,036
Current liabilities:			
Trade creditors	17	107,536	70,602
Expense creditors and accruals	18	343,650	323,277
Sundry creditors	19	137,285	138,045
Provision for taxation (net of advance tax payment)	20	104,342	102,418
Total current liabilities		692,813	634,342
Total liabilities		1,199,568	1,049,378
Total equity and liabilities		3,806,428	3,507,873

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

Dhaka, 26 February 2015



Ayub Quadri
Chairman



Erphan S Matin
Managing Director



Angela S Biswas
Acting Company Secretary

As per our report of same date



Hoda Vasi Chowdhury & Co.
Chartered Accountants

Statement of Profit or Loss and other Comprehensive Income.

	Notes	For the year ended 31 December	
		2014	2013
		'000 Taka	'000 Taka
Revenue	21	3,984,482	4,056,278
Cost of sales	22	(2,400,925)	(2,550,089)
Gross profit		1,583,557	1,506,189
Operating expenses	23	(759,946)	(627,182)
Profit from operations		823,611	879,007
Other income	24	(206)	94,377
Interest income, net	25	27,630	28,203
Profit before taxation		851,035	1,001,587
Taxation	26	(230,903)	(262,692)
Net profit for the year		620,132	738,895
Other comprehensive income:			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		620,132	738,895
Earnings per share:			
Basic earnings per share (par value Tk 10) in Taka	27.1	40.75	48.55

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

Dhaka, 26 February 2015



Ayub Quadri
Chairman



Erphan S Matin
Managing Director



Angela S Biswas
Acting Company Secretary

As per our report of same date




Hoda Vasi Chowdhury & Co.
Chartered Accountants

Statement of Changes in Equity.

	For the year ended 31 December 2014			
	Share capital	Revaluation reserve	General reserve	Total
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Balance as at 1 January 2013	152,183	20,174	2,019,010	2,191,367
Dividend for the year	-	-	(471,767)	(471,767)
Total comprehensive income for the year:				
Profit earned during the year	-	-	738,895	738,895
Balance as at 31 December 2013	152,183	20,174	2,286,138	2,458,495
Dividend for the year	-	-	(471,767)	(471,767)
Total comprehensive income for the year:				
Profit earned during the year	-	-	620,132	620,132
Balance as at 31 December 2014	152,183	20,174	2,434,503	2,606,860

Dhaka, 26 February 2015



Ayub Quadri
Chairman



Erphan S Matin
Managing Director




Angela S Biswas
Acting Company Secretary

Statement of Cash Flow.

	Notes	For the year ended 31 December	
		2014	2013
		'000 Taka	'000 Taka
Cash flow from operating activities			
Receipts from sales		3,897,467	3,944,022
Other receipts/(payments)		20,284	(19,668)
Payments for supply of goods and services		(2,928,293)	(2,897,880)
Net interest received		25,806	16,434
Income tax paid	20	(240,735)	(207,199)
		774,529	835,709
Cash flow from investing activities			
Payment for acquisition of property, plant and equipment*		(200,513)	(201,846)
Payment for acquisition of intangible assets	6	(6,872)	(2,936)
Proceeds from sale of property, plant and equipment	32	784	119,836
		(206,601)	(84,946)
Cash flow from financing activities			
Payment of dividend		(462,442)	(454,420)
		(462,442)	(454,420)
Net increase in cash during the year		105,486	296,342
Opening cash and cash equivalents		708,272	411,930
Closing cash and cash equivalents	11	813,758	708,272
*Payment for acquisition of property, plant and equipment			
Addition during the year	5 & 6	385,090	658,347
Transfer from capital work in progress	5.1	(193,416)	(451,792)
Paid to vendor for capital items for 2013		9,539	4,830
Payable to vendors for capital items	19	(700)	(9,539)
		200,513	201,846

Dhaka, 26 February 2015



Ayub Quadri
Chairman



Erphan S Matin
Managing Director



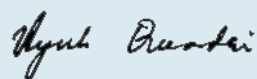
Angela S Biswas
Acting Company Secretary

Consolidated Statement of Financial Position.

		As at 31 December	
		2014	2013
	Notes	'000 Taka	'000 Taka
Assets			
Non-current assets:			
Property, plant and equipment	5	1,535,145	1,508,991
Intangible assets	6	43,207	43,781
Total non-current assets		1,578,352	1,552,772
Current assets:			
Inventories	8	727,924	668,098
Trade debtors	9	467,845	380,830
Advances, deposits and prepayments	10	218,509	197,861
Cash and cash equivalents	11(a)	813,778	708,292
Total current assets		2,228,056	1,955,081
Total assets		3,806,408	3,507,853
Equity and liabilities			
Shareholders' equity:			
Share capital	12	152,183	152,183
Revaluation reserve		20,174	20,174
General reserve	13(a)	2,434,699	2,286,454
Total equity		2,607,056	2,458,811
Non-current liabilities:			
Employee benefits	14	183,864	100,711
Deferred tax liabilities	15	115,775	127,531
Other non-current liabilities	16	207,116	186,794
Total non-current liabilities		506,755	415,036
Current liabilities:			
Trade creditors	17	107,536	70,602
Expense creditors and accruals	18(a)	343,429	322,936
Sundry creditors	19	137,285	138,045
Provision for taxation (net of advance tax payment)	20(a)	104,347	102,423
Total current liabilities		692,597	634,006
Total liabilities		1,199,352	1,049,042
Total equity and liabilities		3,806,408	3,507,853

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

Dhaka, 26 February 2015



Ayub Quadri
Chairman

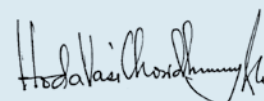


Erphan S Matin
Managing Director



Angela S Biswas
Acting Company Secretary

As per our report of same date



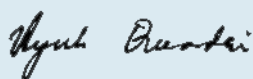
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Consolidated Statement of Profit or Loss and other Comprehensive Income.

	Notes	For the year ended 31 December	
		2014	2013
		'000 Taka	'000 Taka
Revenue	21	3,984,482	4,056,278
Cost of sales	22	(2,400,925)	(2,550,089)
Gross profit		1,583,557	1,506,189
Operating expenses	23(a)	(760,066)	(627,262)
Profit from operations		823,491	878,927
Other income	24	(206)	94,377
Interest income, net	25	27,630	28,203
Profit before taxation		850,915	1,001,507
Taxation	26	(230,903)	(262,692)
Net profit for the year		620,012	738,815
Other comprehensive income:			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		620,012	738,815
Earnings per share:			
Basic earnings per share (par value Tk 10) in Taka	27(a)	40.74	48.55

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

Dhaka, 26 February 2015



Ayub Quadri
Chairman



Erphan S Matin
Managing Director



Angela S Biswas
Acting Company Secretary

As per our report of same date




Hoda Vasi Chowdhury & Co.
Chartered Accountants

Consolidated Statement of Changes in Equity.

	For the year ended 31 December 2014			
	Share capital	Revaluation reserve	General reserve	Total
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Balance as at 1 January 2013	152,183	20,174	2,019,406	2,191,763
Dividend for the year	-	-	(471,767)	(471,767)
Total comprehensive income for the year:				
Profit earned during the year	-	-	738,815	738,815
Balance as at 31 December 2013	152,183	20,174	2,286,454	2,458,811
Dividend for the year	-	-	(471,767)	(471,767)
Total comprehensive income for the year:				
Profit earned during the year	-	-	620,012	620,012
Balance as at 31 December 2014	152,183	20,174	2,434,699	2,607,056

Dhaka, 26 February 2015



Ayub Quadri
Chairman



Erphan S Matin
Managing Director




Angela S Biswas
Acting Company Secretary


Consolidated Statement of Cash Flow.

	Notes	For the year ended 31 December	
		2014	2013
		'000 Taka	'000 Taka
Cash flow from operating activities			
Receipts from sales		3,897,467	3,944,022
Other receipts/(payments)		20,284	(19,668)
Payments for supply of goods, services and operating expenses		(2,928,293)	(2,897,878)
Net interest received		25,806	16,434
Income tax paid	20(a)	(240,735)	(207,199)
		774,529	835,711
Cash flow from investing activities			
Payment for acquisition of property, plant and equipment*		(200,513)	(201,846)
Payment for acquisition of intangible assets	6	(6,872)	(2,936)
Proceeds from sale of property, plant and equipment	32	784	119,836
		(206,601)	(84,946)
Cash flow from financing activities			
Payment of dividend		(462,442)	(454,420)
		(462,442)	(454,420)
Net increase in cash during the year		105,486	296,344
Opening cash and cash equivalents		708,292	411,948
Closing cash and cash equivalents	11(a)	813,778	708,292
*Payment for acquisition of property, plant and equipment			
Addition during the year	5 & 6	385,090	658,347
Transfer from capital work in progress	5.1	(193,416)	(451,792)
Paid to vendor for capital items for 2013		9,539	4,830
Payable to vendors for capital items	19	(700)	(9,539)
		200,513	201,846

Dhaka, 26 February 2015



Ayub Quadri
Chairman



Erphan S Matin
Managing Director



Angela S Biswas
Acting Company Secretary

Notes to the Financial Statements.

1. Reporting entity

1.1 Company profile

Linde Bangladesh Limited (the "Company") is a listed Company, limited by shares and was incorporated in Bangladesh in 1973 under the Companies Act 1913. The Company became a listed entity in the year 1976 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.

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

1.2 Nature of business

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

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Date of authorization

The board of directors has authorised these financial statements on 26 February 2015 for circulation to shareholders and other concerned stakeholders.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except for some Land & Buildings which are measured on revaluation model.

2.4 Functional and presentation currency

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

2.5 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on past experience and various other factors that are believed

to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

Note 5:	Useful life and residual value of property, plant & equipment
Note 9.1:	Provision for doubtful debts
Note 14.1:	Provision for gratuity
Note 15:	Deferred tax liabilities
Note 18:	Expense creditors and accruals
Note 20:	Provision for taxation

2.6 Reporting period

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

3 Significant accounting policies

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

3.1 Foreign currency

Foreign currencies are translated into Taka at the rates ruling on the transaction dates. Monetary assets and liabilities are reconverted at the rates prevailing at the reporting date. Non-monetary assets and liabilities are reported using the historical exchange rate. Differences arising on conversion are charged or credited to the Statement of profit or loss and other comprehensive income.

3.2 Property, plant and equipment

3.2.1 Recognition and measurement

Items of property, plant and equipment, excluding freehold land, freehold building and leasehold building, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is measured at revalued amounts. 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.

3.2.2 Borrowing costs

Pursuant to Linde Group policy, the Company uses the group borrowing rate to determine the borrowing costs to be capitalized for the qualifying assets, even if the asset is financed by equity or operating cash flow.

3.2.3 Subsequent costs

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

3.2.4 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:

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

Building on leasehold lands below 40 years are depreciated over the available duration of the land leases. Depreciation method, useful lives and residual values are reviewed at each reporting date.

3.2.5 Gains or losses on disposal

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

3.3 Intangible assets

3.3.1 Recognition and measurement

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

3.3.2 Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other expenditures are recognised in the Statement of Profit or Loss and Other Comprehensive Income when incurred.

3.3.3 Amortisation

Amortisation is recognised in the Statement of Profit or Loss and Other Comprehensive Income 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 25% respectively.

3.4 Leased assets

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

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

3.5 Financial instruments

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

3.5.1 Financial assets

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

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

(a) Cash and cash equivalents

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

(b) Trade debtors

Trade debtors represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognised at cost which is the fair value of the consideration given in

return. After initial recognition these are carried at cost less impairment losses due to uncollectibility of any amount so recognised.

3.5.2 Financial liabilities

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

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

Financial liabilities include trade creditors, expense creditors and accruals, sundry creditors and other non-current liabilities.

3.6 Inventories

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

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

3.7 Impairment

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

3.8 Provisions

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

3.9 Contingencies

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

3.10 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

3.10.1 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. The Company qualifies as a "Publicly Traded Company". The effective rate of taxation is 24.75% considering 10% tax rebate for declaring dividend of more than 30% of the paid up capital. Provision for taxation has been made on the basis of Finance Act 2014.

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 0.3% 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 subsidiaries company.

3.10.2 Deferred tax

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

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

3.11 Workers' profit participation fund (WPPF)

The Company provides 5% of its profit before charging such expense as WPPF in accordance with The Bangladesh Labour (Amendment) Act, 2013.

3.12 Employee benefit

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

3.12.1 Defined contribution plan (provident fund)

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for its all permanent employees. The recognised Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 12.5% of their basic salary to the provident fund and the Company also makes equal contribution.

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

3.12.2 Defined benefit plans

3.12.2.1 Gratuity scheme

The Company operates an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary. The Company calculated the provisions for maximum exposures as at the reporting date for all eligible employees. No actuarial valuation was made for this scheme after 2007. However, since there are no significant uncertainties/estimations with respect to gratuity payments, management considers, if actuarial valuation was made, the resulting difference, if any, would not be material.

3.12.2.2 Short-term employee benefits

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

3.13 Revenue recognition

3.13.1 Revenue arising from sale of goods

3.13.1.1 Goods sold

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

3.13.1.2 Cash on delivery sales

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

3.13.2 Services

Revenue from services rendered is recognised in Statement of Profit or Loss and Other Comprehensive Income in proportion to the stage of completion of the transaction at the reporting date. Cylinder and VIE rent is recognised on accrual basis.

3.13.3 Commission

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

3.14 Finance income and expenses

Finance income comprises 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 the Statement of Profit or Loss and Other Comprehensive Income.

3.15 Consolidation of financial statements

The subsidiary's financial statements have been consolidated with those of the Company in accordance with BFRS 10: Consolidated Financial Statements. Intra-group balances and unrealised income and expenses arising from intra-group transactions, are eliminated in full while preparing the consolidated financial statements.

3.16 Earnings per share

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

3.16.1 Basic earnings per share

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

3.17 Cash flow statement

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

3.18 Events after the reporting date

Events after the reporting date that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Material events after the reporting date that are not adjusting events are disclosed in the note 38.

4. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

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

4.1 Credit risk

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

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

The Debtors Management Review Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's payment and delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum 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. This represents the Company's estimate of incurred losses of trade debtors. The Company provides for 50% of trade debtors which are 90 days overdue and 100% of trade debtors which are 180 days overdue for gas and welding product customers. Loss rate for Healthcare customers is applied on gross debtors to work out provisions.

The Company held cash and cash equivalents of Taka 813,758 thousand at 31 December 2014 (2013: Taka 708,272 thousand), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with different banks which are rated from AA3 to AAA, based on ratings by Credit Rating Agency of Bangladesh (CRAB) and Credit Rating Information and Services Limited (CRISL).

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

4.2 Liquidity risk

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

term lines of credit with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment.

4.3 Market risk

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

a) Currency risk

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

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

b) Interest rate risk

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

c) Commodity risk

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

4.4 Capital management

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

5. Property, plant and equipment

a) Cost

Year 2014

Particulars	Cost				Depreciation				Written down value as at 31 December
	As at 1 January	Addition during the year	Disposal/ transfer during the year	As at 31 December	As at 1 January	Charge during the year	Disposal/ transfer during the year	As at 31 December	
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Freehold land	35,534	-	-	35,534	-	-	-	-	35,534
Freehold buildings	309,046	34,064	-	343,110	61,185	12,255	-	73,440	269,670
Buildings on leasehold land	108,378	-	-	108,378	26,862	-	-	26,862	81,516
Plant, machinery and cylinders	2,501,202	112,591	(3,802)	2,609,991	1,488,455	128,534	(2,868)	1,614,121	995,870
Motor vehicles	79,216	21,573	-	100,789	40,110	12,391	-	52,501	48,288
Furniture, fixtures and equipment	69,881	5,897	-	75,778	51,293	5,110	-	56,403	19,375
Computer hardware	39,734	5,547	(100)	45,181	24,272	6,212	(45)	30,439	14,742
	3,142,992	179,672	(3,902)	3,318,762	1,692,178	164,502	(2,913)	1,853,767	1,464,995
Capital work in progress (Note 5.1)	57,967	198,546	(186,544)	69,969	-	-	-	-	69,969
Sub-total (A)	3,200,959	378,218	(190,446)	3,388,731	1,692,178	164,502	(2,913)	1,853,767	1,534,964

Year 2013

Particulars	Cost				Depreciation				Written down value as at 31 December
	As at 1 January	Addition during the year	Disposal/ transfer during the year	As at 31 December	As at 1 January	Charge during the year	Disposal/ transfer during the year	As at 31 December	
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Freehold land	37,901	1,108	(3,475)	35,534	-	-	-	-	35,534
Freehold buildings	267,722	48,294	(6,970)	309,046	54,397	7,831	(1,043)	61,185	247,861
Buildings on leasehold land	108,951	-	(573)	108,378	24,643	2,792	(573)	26,862	81,516
Plant, machinery and cylinders	2,198,539	385,867	(83,204)	2,501,202	1,431,893	124,156	(67,594)	1,488,455	1,012,747
Motor vehicles	85,272	9,707	(15,763)	79,216	45,813	9,996	(15,699)	40,110	39,106
Furniture, fixtures and equipment	74,612	3,593	(8,324)	69,881	53,541	5,997	(8,245)	51,293	18,588
Computer hardware	49,843	3,308	(13,417)	39,734	31,229	6,156	(13,113)	24,272	15,462
	2,822,841	451,877	(131,726)	3,142,992	1,641,517	156,928	(106,267)	1,692,178	1,450,814
Capital work in progress (Note 5.1)	292,806	209,796	(444,634)	57,968	-	-	-	-	57,968
Sub-total (B)	3,115,647	661,673	(576,360)	3,200,960	1,641,517	156,928	(106,267)	1,692,178	1,508,782

b) Revaluation

2014

Particulars	Revaluation				Depreciation				Written down value as at 31 December
	As at 1 January	Addition during the year	Disposal/ transfer during the year	As at 31 December	As at 1 January	Charge during the year	Disposal/ transfer during the year	As at 31 December	
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Freehold land	147	-	-	147	-	-	-	-	147
Freehold buildings	176	-	-	176	133	11	-	144	32
Buildings on Leasehold land	19,851	-	-	19,851	19,833	18	-	19,851	-
Sub-total (C)	20,174	-	-	20,174	19,966	29	-	19,995	179

2013

Particulars	Revaluation				Depreciation				Written down value as at 31 December
	As at 1 January	Addition during the year	Disposal/ transfer during the year	As at 31 December	As at 1 January	Charge during the year	Disposal/ transfer during the year	As at 31 December	
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Freehold land	147	-	-	147	-	-	-	-	147
Freehold buildings	176	-	-	176	122	11	-	133	43
Buildings on Leasehold land	19,851	-	-	19,851	19,347	486	-	19,833	18
Sub-total (D)	20,174	-	-	20,174	19,469	497	-	19,966	208

Property, plant and equipment at cost and revaluation

	'000 Taka								
As at 31 December 2014 (A + C)	3,221,134	378,218	(190,446)	3,408,906	1,712,144	164,531	(2,913)	1,873,762	1,535,145
As at 31 December 2013 (B + D)	3,135,821	661,673	(576,360)	3,221,134	1,660,986	157,425	(106,267)	1,712,144	1,508,991

5.1 Capital work in progress

Particulars	Balance as at 1 January 2014	Addition during the year	Transferred to property, plant and equipment	Balance as at 31 December 2014	Balance as at 1 January 2013	Addition during the year	Transferred to property, plant and equipment	Balance as at 31 December 2013
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Freehold land, freehold and buildings on leasehold lands	14,294	19,770	(34,064)	-	43,800	19,895	(49,401)	14,294
Plant, machinery, cylinders and motor vehicles	39,688	164,446	(134,164)	69,970	246,707	181,313	(388,332)	39,688
Furniture, fixtures and equipment	-	5,897	(5,897)	-	-	3,593	(3,593)	-
Computer hardware	3,986	1,561	(5,547)	-	2,299	4,995	(3,308)	3,986
	57,968	191,674	(179,672)	69,970	292,806	209,796	(444,634)	57,968
Computer software	-	6,872	(6,872)	-	4,222	2,936	(7,158)	-
Total	57,967	198,546	(186,544)	69,970	297,028	212,732	(451,792)	57,968

5.2 Allocation of depreciation charged during the year

	2014	2013
	'000 Taka	'000 Taka
Cost of sales (Note 22.1)	109,887	106,072
Operating expenses (Note 23)	54,644	51,352
	164,531	157,424

6. Intangible assets

Year 2014

Particulars	Cost				Amortisation				Written down value as at 31 December
	As at 1 January	Addition during the year	Disposal/ adjustment during the year	As at 31 December	As at 1 January	Charge during the year	Disposal/ adjustment during the year	As at 31 December	
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
ERP software	56,937	-	-	56,937	15,206	-	-	15,206	41,731
Other softwares*	10,511	6,872	-	17,383	8,461	7,446	-	15,907	1,476
	67,448	6,872	-	74,320	23,667	7,446	-	31,113	43,207
Capital work in progress (Note 5.1)	-	6,872	(6,872)	-	-	-	-	-	-
Total	67,448	13,744	(6,872)	74,320	23,667	7,446	-	31,113	43,207

Year 2013

Particulars	Cost				Amortisation				
	As at 1 January	Addition during the year	Disposal/ adjustment during the year	As at 31 December	As at 1 January	Charge during the year	Disposal/ adjustment during the year	As at 31 December	Written down value as at 31 December
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
ERP software	50,808	6,129	-	56,937	8,601	6,605	-	15,206	41,731
Other softwares*	9,483	1,028	-	10,511	7,674	787	-	8,461	2,050
	60,291	7,157	-	67,448	16,275	7,392	-	23,667	43,781
Capital work in progress (Note 5.1)	4,222	2,936	(7,158)	-	-	-	-	-	-
Total	64,513	10,093	(7,158)	67,448	16,275	7,392	-	23,667	43,781

*Other softwares include server software and other application softwares.

	2014	2013
	'000 Taka	'000 Taka
7. Investment in subsidiaries		
	40	40

This represents the Company's holding of 199 ordinary shares (out of 200 issued ordinary shares) of Tk 100 each in Bangladesh Oxygen Limited and 1999 ordinary shares (out of 2000 issued ordinary shares) of Tk 10 each in BOC Bangladesh Limited. The above noted subsidiaries suffered net loss amounted to Tk 63,125 and Tk 57,500 respectively for the year ended 31 December 2014.

8. Inventories

Raw materials	381,176	356,466
Finished goods	242,070	214,598
Goods in transit	6,917	403
Maintenance spares	97,761	96,631
	727,924	668,098

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

9. Trade debtors

Debts exceeding six months	130,555	126,146
Debts below six months	366,226	281,308
	496,781	407,454
Provision for debts considered doubtful (Note 9.1)	(28,936)	(26,624)
	467,845	380,830

9.1 As per policy of the Company where a debt, other than Healthcare business, is overdue by 90 days or 180 days, provision for doubtful debts is made at the rates of 50% and 100% respectively. For Healthcare, loss rate is applied on gross debtors to arrive at debtors provision. During the year 2014 provision for an aggregate amount of Tk 2,312 thousand was recognized.

10. Advances, deposits and prepayments

Loans and advances to employees	82,343	84,959
Advances to suppliers	7,054	11,911
Loan to Rajbari Enterprise Limited	-	5,254
Accrued interest on fixed deposit	3,110	1,286
Deposits and prepayments	53,631	28,417
VAT current account	72,371	66,034
	218,509	197,861

Above amounts are unsecured, but considered good. Of the total advances, deposits and prepayments Tk 142,862 thousand (2013: Tk 103,553 thousand) is receivable within 12 months from the reporting date.

	2014	2013
	'000 Taka	'000 Taka
11. Cash and cash equivalents		
Cash in hand	2,237	2,036
Cash at bank	333,296	249,873
Fixed deposits with banks	478,225	456,363
	813,758	708,272

11.1. Credit facilities available as at 31 December

Standard Chartered Bank (SCB)	580,000	580,000
The Hong Kong & Shanghai Banking Corporation Ltd. (HSBC)	550,000	550,000
	1,130,000	1,130,000

Agreement with HSBC (Credit facility)

As per agreement executed on 22 Aug 2013 between Linde Bangladesh Limited and HSBC, the Company has been availing credit facilities. The terms and conditions are as follows:

Facility limit: EUR 5.50 million (Five and half million) in equivalent local currency.

Purpose: Working capital

Overdraft Interest Rate: 12.00%

Security: Demand promissory note, letter of continuation for BDT 550 million and letter of comfort from Linde AG.

Agreement with Standard Chartered Bank Bangladesh (Credit facility)

As per agreement executed on 8 September 2013 between Linde Bangladesh Limited and Standard Chartered Bank Bangladesh, the company has been availing credit facilities. The terms and conditions are as follows:

Facility limit: BDT 580 million (BDT Five hundred and eighty million)

Purpose: Working capital

Overdraft Interest Rate: 13.50%

Security: Demand promissory note and letter of continuation for BDT 580 million and letter of comfort from Linde AG.

11(a) Consolidated cash and cash equivalents

Linde Bangladesh Limited	813,758	708,272
Bangladesh Oxygen Limited	-	-
BOC Bangladesh Limited	20	20
	813,778	708,292

12. Share capital

Authorised:

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

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

Percentage of shareholdings:

	Percentage of shareholdings		Value ('000 Taka)	
	2014	2013	2014	2013
The BOC Group Limited	60.0	60.0	91,310	91,310
Investment Corporation of Bangladesh (ICB)	15.6	15.5	23,816	23,588
Bangladesh Development Bank Limited (BDBL)	0.0	1.0	9	1,517
Sadharan Bima Corporation (SBC)	1.3	1.3	2,047	2,046
Bangladesh Fund	3.4	2.9	5,100	4,405
Other shareholders	19.7	19.3	29,901	29,317
	100.0	100.0	152,183	152,183

Classification of shareholders by holding:

Holdings	Number of holders		Total holding (%)	
	2014	2013	2014	2013
Less than 500 shares	6,684	7,360	3.51	3.94
500 to 5,000 shares	435	490	3.71	4.11
5,001 to 10,000 shares	40	42	1.90	2.01
10,001 to 20,000 shares	26	23	2.45	2.23
20,001 to 30,000 shares	7	6	1.16	0.93
30,001 to 40,000 shares	3	5	0.68	1.18
40,001 to 50,000 shares	7	4	2.01	1.19
50,001 to 100,000 shares	7	8	3.51	3.50
100,001 to 1,000,000 shares	6	6	9.43	8.82
Over 1,000,000 shares	2	2	71.64	72.09
	7,217	7,946	100.00	100.00

	2014	2013
	'000 Taka	'000 Taka
13. General reserve		
Opening balance	2,286,138	2,019,010
Profit earned during the year	620,132	738,895
Payments of final dividends	(167,401)	(167,401)
Payments of interim dividends	(304,366)	(304,366)
	2,434,503	2,286,138

13(a) Consolidated general reserve

Opening balance	2,286,454	2,019,406
Profit earned during the year	620,012	738,815
Payments of final dividends	(167,401)	(167,401)
Payments of interim dividends	(304,366)	(304,366)
	2,434,699	2,286,454

14. Employee benefits

Gratuity scheme (Note 14.1)	183,864	100,711
	183,864	100,711

14.1 Gratuity scheme

Balance as at 1 January	100,711	87,892
Provision made during the year	97,573	16,031
	198,284	103,923
Payments made during the year	(14,420)	(3,212)
Balance as at 31 December	183,864	100,711

15. Deferred tax liabilities

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

	Carrying amount at the reporting date '000 Taka	Tax base '000 Taka	Taxable/(deductible) temporary difference '000 Taka
As at 31 December 2014			
Assets			
Property, plant and equipment	1,465,174	723,057	742,118
Inventories	727,924	789,464	(61,540)
Trade debtors	467,845	496,781	(28,936)
	2,660,943	2,009,302	651,642

	Carrying amount at the reporting date '000 Taka	Tax base '000 Taka	Taxable/(deductible) temporary difference '000 Taka
As at 31 December 2014			
Liabilities			
Employee benefits: Gratuity scheme	183,864	-	183,864
	183,864	-	183,864
Net taxable temporary differences			467,778
Effective tax rate			24.75%
Deferred tax liabilities			115,775
As at 31 December 2013			
Assets			
Property, plant and equipment	1,451,022	751,566	699,457
Inventories	668,098	724,943	(56,845)
Trade debtors	380,830	407,454	(26,624)
	2,499,950	1,883,963	615,988
Liabilities			
Employee benefits: Gratuity scheme	100,711	-	100,711
	100,711	-	100,711
Net taxable temporary differences			515,277
Effective tax rate			24.75%
Deferred tax liabilities			127,531
Opening balance		127,531	90,383
Charge/(release) during the year		(11,756)	37,148
		115,775	127,531
		2014	2013
		'000 Taka	'000 Taka
16. Other non-current liabilities			
Cylinder security deposit		207,116	186,794
Cylinder security deposit from customers is a liability of a continuing nature.			
17. Trade creditors			
Payable to vendors		107,536	70,602
Trade creditors are unsecured and payable within a month.			
18. Expense creditors and accruals			
Salaries, wages and retirement benefits		46,960	49,762
Technical assistance fee		89,198	67,319
Accrued expenses		11,160	9,431
Other creditors		196,540	144,050
Workers' profit participation fund (WPPF)		(208)	52,715
		343,650	323,277
18. a) Consolidated expense creditors and accruals			
Salaries, wages and retirement benefits		46,960	49,762
Technical assistance fee		89,198	67,319
Accrued expenses		11,430	9,621
Other creditors		196,049	143,519
Workers' profit participation fund (WPPF)		(208)	52,715
		343,429	322,936

	2014	2013
	'000 Taka	'000 Taka
19. Sundry creditors		
Capital items	700	9,539
Deposit and advance from customers	52,456	52,494
Unpaid dividends	65,228	55,903
Others	18,901	20,109
	137,285	138,045

20. Provision for taxation		
Opening balance	102,418	84,073
Provision made during the year (Note-26)	242,659	225,544
	345,077	309,617
Payment during the year	(240,735)	(207,199)
Closing balance	104,342	102,418

20. a) Consolidated provision for taxation		
Opening balance	102,423	84,078
Provision made during the year:		
for Linde Bangladesh Limited	242,659	225,544
for Bangladesh Oxygen Limited	-	-
for BOC Bangladesh Limited	-	-
	242,659	225,544
	345,082	309,622
Payment during the year	(240,735)	(207,199)
Closing balance	104,347	102,423

21. Revenue					
		2014		2013	
	Unit	Quantity	Amount	Quantity	Amount
			'000 Taka		'000 Taka
ASU gases	'000 M3	13,157	570,713	12,712	538,630
Dissolved acetylene	'000 M3	287	155,428	289	160,199
Electrodes	MT	19,383	2,665,653	19,839	2,788,710
Others			592,688		568,739
			3,984,482		4,056,278

	2014	2013
	'000 Taka	'000 Taka
21.1 Entire business of the Company is analysed and reported under following segments:		
Bulk gases	351,578	353,141
Packaged gas and products (PG&P)	3,201,578	3,324,785
Healthcare	431,326	378,352
	3,984,482	4,056,278

22. Cost of sales		
Opening inventories of manufactured products	135,060	106,957
Cost of goods manufactured (Note 22.1)	2,248,979	2,425,866
	2,384,039	2,532,823
Closing inventories of manufactured products	(138,285)	(135,060)
Cost of sales of manufactured products	2,245,754	2,397,763
Cost of trading products	155,171	152,326
	2,400,925	2,550,089

	2014	2013
	'000 Taka	'000 Taka
22.1 Cost of goods manufactured		
Materials, goods and labour:		
Raw and packing materials consumed (Note 39)	1,725,438	1,918,302
Fuel and power	85,340	107,360
Direct wages	159,872	111,336
	1,970,650	2,136,998
Manufacturing overhead:		
Salaries, wages and staff welfare	74,171	62,995
Depreciation	109,887	106,072
Repairs to machinery (Note 22.1.1)	62,503	72,435
Repairs to building	2,088	4,236
Maintenance, others	3,236	13,418
Insurance	2,697	4,013
Rent, rates and taxes	1,632	192
Travelling and conveyance	1,761	1,337
Training expenses	41	421
Vehicle running expenses	4,760	9,415
Telephone, telex and fax	1,166	1,168
Printing, postage, stationery and office supplies	3,045	2,057
Consultancy fees	1,818	2,550
Sundry factory expenses	9,524	8,559
	278,329	288,868
	2,248,979	2,425,866

22.1.1 Repairs to machinery

Repairs to machinery amounting to Tk 62,503 thousand include Tk 33,554 thousand (2013: Tk 33,494 thousand) being cost of spare parts consumed for plant maintenance.

23. Operating expenses

Salaries, wages and staff welfare	316,311	243,351
Depreciation	54,644	51,352
Fuel and power	2,407	5,619
Repairs to building	1,799	1,326
Maintenance, others	9,410	4,283
Insurance	1,390	2,458
Delivery expenses	125,941	98,112
Rent, rates and taxes	5,336	7,174
Travelling and conveyance	11,705	11,663
Training expenses	661	1,500
Vehicle running expenses	55,972	41,288
Telephone, telex and fax	11,263	10,819
Global information service	32,685	36,272
Outsourcing service charge	17,594	12,849
Printing, postage, stationery and office supplies	6,971	8,205
Trade journal and subscription	2,024	2,070
Advertising and promotion	4,173	3,104
Provision for doubtful debts	2,312	(8,064)
Bad debts written off	888	-
Legal and professional charge	3,265	2,866
Technical assistance fee	21,880	20,771

	2014	2013
	'000 Taka	'000 Taka
Auditors' remuneration:		
Audit fees	500	475
Other audit fees (half yearly accounts, PF and WPPF audit, etc.)	194	157
Bank charges	6,386	5,048
Entertainment	1,014	740
Management meeting and conference	8,055	1,906
Sundry office expenses	2,927	1,731
Amortisation of intangible assets (Note-6)	7,447	7,392
Contribution to WPPF	44,791	52,715
	759,946	627,182

Operating expenses for the year 2014 consist of Distribution expenses, Marketing & Selling expenses and Administration expenses of Tk. 225,910; Tk. 271,272 and Tk. 262,764 thousands respectively.

23. a) Consolidated operating expenses

Salaries, wages and staff welfare	316,311	243,351
Depreciation	54,644	51,352
Fuel and power	2,407	5,619
Repairs to building	1,799	1,326
Maintenance, others	9,410	4,283
Insurance	1,390	2,458
Delivery expenses	125,941	98,112
Rent, rates and taxes	5,336	7,174
Travelling and conveyance	11,705	11,663
Training expenses	661	1,500
Vehicle running expenses	55,972	41,288
Telephone, telex and fax	11,263	10,819
Global information service	32,685	36,272
Outsourcing service charge	17,594	12,849
Printing, postage, stationery and office supplies	6,971	8,205
Trade journal and subscription	2,024	2,070
Advertising and promotion	4,173	3,104
Provision for doubtful debts	2,312	(8,064)
Bad debts written off	888	-
Legal and professional charge	3,356	2,866
Technical assistance fee	21,880	20,771
Auditors' remuneration:		
Audit fees	530	495
Other audit fees (Half-yearly accounts, PF and WPPF audit, etc.)	194	219
Bank charges	6,386	5,048
Entertainment	1,014	740
Management meeting and conference	8,055	1,906
Sundry office expenses	2,927	1,729
Amortisation of intangible assets (Note 6)	7,447	7,392
Contribution to WPPF	44,791	52,715
	760,066	627,262
24. Other income		
Proceeds from sale of property, plant and equipment (Note-32)	784	119,836
Less: Written down value:		
Cost of the property, plant and equipment	3,902	131,727
Less: Accumulated depreciation	2,912	106,268
	990	25,459
Gain/(loss) on disposal of property, plant and equipment	(206)	94,377

	2014	2013
	'000 Taka	'000 Taka
25. Interest income-net off expenses		
Interest income	28,918	31,172
Interest expense	(1,288)	(2,969)
	27,630	28,203

Interest attributable to Welding Electrode Factory 4th line project for its tenor of 20 months BDT 10 million was capitalised in 2013.

26. Taxation		
Current tax expense (Note 20)	242,659	225,544
Deferred tax (income)/expense (Note 15)	(11,756)	37,148
	230,903	262,692

27. Earnings per share

27.1 Basic earnings per share

The computation of earnings per share is given below:

Earnings attributable to the ordinary shareholders (net profit after tax) ('000 Taka)	620,132	738,895
Number of ordinary shares outstanding during the year ('000 Taka)	15,218	15,218
Basic earnings per share (EPS) (Taka)	40.75	48.55

27.2 Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no potentially dilutive ordinary shares during the year.

27. a) Consolidated earnings per share

Earnings attributable to the ordinary shareholders (net profit after tax) ('000 Taka)	620,012	738,815
Number of ordinary shares outstanding during the year ('000 Taka)	15,218	15,218
Basic earnings per share (EPS) (Taka)	40.74	48.55

28. Directors' remuneration

Fees	480	147
Salaries and benefits	21,663	17,616
Accommodation	1,800	1,560
Provident fund contribution	478	370
Retirement benefits	2,065	496
	26,486	20,189

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

29. Capacity

Major products	Unit of measure	Normal Capacity for the year	Production for the year	Remarks
ASU Gases	000 M3	15,304	9,737	Low production output due to plant break down
Dissolved Acetylene	000 M3	1,150	286	Low demand of customers
Electrodes	MT	30,800	19,210	Additional capacity to meet future demand

	2014	2013
	'000 Taka	'000 Taka
30. Financial instrument		
30.1 Credit risk		
a) Exposure to credit risk		
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:		
Trade debtors	496,781	407,454
Less: Provision for doubtful debts	(28,936)	(26,624)
	467,845	380,830
Cash at bank	811,521	706,236
	1,279,366	1,087,066
The maximum exposure to credit risk for trade debtors at the reporting date by product category was:		
Gases	165,654	104,234
Welding	135,751	106,936
Healthcare	195,376	196,284
	496,781	407,454
b) Ageing of trade debtors		
The ageing of gross trade debtors at the reporting date was:		
Invoiced 0–30 days	180,429	152,343
Invoiced 31–60 days	98,511	59,083
Invoiced 61–90 days	30,429	32,593
Invoiced 91–120 days	25,338	16,557
Invoiced 121–180 days	31,519	20,732
Invoiced 181–365 days	70,806	62,521
Invoiced and above 365 days	59,749	63,625
	496,781	407,454
Movement in the provision for doubtful debts during the year was as follows:		
Opening balance	26,624	34,688
Charged/(released) during the year	2,312	(8,064)
Closing balance	28,936	26,624

30.2 Liquidity risk

The following are the contractual maturities of financial liabilities

	Carrying amount '000 Taka	Contractual cash flows '000 Taka	6 months or less '000 Taka	6–12 months '000 Taka	1–2 years '000 Taka	2–5 years '000 Taka	More than 5 years '000 Taka
As at 31 December 2014							
Non-derivative financial liabilities:							
Trade creditors	107,536	107,536	70,602	36,934	-	-	-
Expense creditors and accruals	343,650	343,650	168,426	40,531	134,693	-	-
Sundry creditors	137,285	137,285	131,394	1,539	4,352	-	-
	588,471	588,471	370,422	79,004	139,045	-	-
As at 31 December 2013							
Non-derivative financial liabilities:							
Trade creditors	70,602	70,602	70,602	-	-	-	-
Expense creditors and accruals	323,277	323,277	168,426	40,531	114,320	-	-
Sundry creditors	138,045	138,045	131,394	1,539	5,112	-	-
	531,924	531,924	370,422	42,070	119,432	-	-

30.3 Market risk

a) Currency risk

The Company is exposed to foreign currency risk relating to purchases and other transactions which are denominated in foreign currencies. As at 31 December, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

i) Exposure to currency risk

	As at 31 December 2014				As at 31 December 2013			
	'000 BDT	'000 USD	'000 GBP	'000 EUR	'000 BDT	'000 USD	'000 GBP	'000 EUR
Foreign currency denominated assets								
Trade debtors	21,852	277	-	-	14,437	184	-	-
	21,852	277	-	-	14,437	184	-	-
Foreign currency denominated liabilities								
Trade creditors	(38,554)	(488)	-	-	(41,906)	(536)	-	-
Expense creditors and accruals	(271,721)	(804)	(722)	(1,227)	(169,992)	(208)	(520)	(794)
	(310,275)	(1,292)	(722)	(1,227)	(211,898)	(744)	(520)	(794)
Net exposure	(288,423)	(1,015)	(722)	(1,227)	(197,461)	(560)	(520)	(794)

The following significant exchange rates are applied during the year:

Exchange rates as at	31 December 2014	31 December 2013
	Taka	Taka
US Dollar	78.95	78.25
Great Britain Pound (GBP)	123.46	129.50
EURO (EUR)	97.07	108.74

ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

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

	Profit or loss		Equity	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Year 2014	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Expenditures denominated in USD	(8,294)	8,294	(8,294)	8,294
Expenditures denominated in GBP	(111)	111	(111)	111
Expenditures denominated in EURO	(79)	79	(79)	79
Exchange rate sensitivity	(8,484)	8,484	(8,484)	8,484
	Profit or loss		Equity	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Year 2013	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Expenditures denominated in USD	(8,472)	8,472	(8,472)	8,472
Expenditures denominated in GBP	(69)	69	(69)	69
Expenditures denominated in EURO	(53)	53	(53)	53
Exchange rate sensitivity	(8,594)	8,594	(8,594)	8,594
			2014	2013
			'000 Taka	'000 Taka
iii) Foreign exchange gain/(loss)			1,888	(560)

b) Interest rate risk

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

	Carrying amount	
	2014	2013
	'000 Taka	'000 Taka
Fixed rate instruments		
Financial assets		
Cash at bank	811,521	706,236
Financial liabilities	-	-
Floating rate instruments		
Financial assets	-	-
Financial liabilities	-	-

c) Accounting classification and fair values

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

	2014		2013	
	Carrying amount	Fair value	Carrying amount	Fair value
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Assets carried at fair value through profit or loss	-	-	-	-
Held to maturity assets				
Fixed deposits	478,225	478,225	456,363	456,363
Loans and receivables				
Trade debtors, net	467,845	467,845	380,830	380,830
Cash at bank excluding fixed deposits	333,296	333,296	249,873	249,873
Available for sale financial assets	-	-	-	-
Liabilities carried at fair value through profit or loss	-	-	-	-
Liabilities carried at amortised costs				
Trade creditors	107,536	107,536	70,602	70,602
Expense creditors and accruals	343,650	343,650	323,277	323,277
Sundry creditors	137,285	137,285	138,045	138,045
Other non-current liabilities	207,116	207,116	186,794	186,794
			2014	2013
			'000 Taka	'000 Taka
31. Capital expenditure commitment				
Contracted but not provided for in these accounts			36,880	76,621

32. Proceeds from sale of property, plant and equipment

Particulars	Cost '000 Taka	Accumulated depreciation '000 Taka	Written down value '000 Taka	Sale proceeds '000 Taka	Mode of disposal	Purchaser
Computer Equipment	100	45	55	55	Derecognition	Various parties
Cylinders:						
Sold	705	407	298	729	Recovery from customers as per policy	Various customers.
Condemned	3,097	2,460	637	-		
	3,802	2,867	935	729		
2014	3,902	2,912	990	784		
2013	131,727	106,268	25,459	119,836		

33. Number of employees engaged

The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk 36,000 and above were 391 (Year 2013: 382).

34. Remittance made in foreign currency

	2014		2013	
	'000 FC	'000 Taka	'000 FC	'000 Taka
Dividend paid to The BOC Group, UK (GBP)	1,952.9	254,754	2,084.2	254,754
LGSM Service Charge to Linde Gas Asia, (USD)	37.7	2,848	-	-
Lloyds Register Asia, India (USD)	3.0	236	9.8	769
Thai Industrial Gases Pub. Co. (USD)	25.0	1,973	-	-
Atlantic Analytical Lab. Inc (USD)	3.2	247	1.0	79
Crown Relocations Limited (Euro)	1.3	131	-	-
R V Briggs and Co Pvt Ltd (USD)	0.8	64	-	-
BOC Gases Tech. Supply Cent, UK (GBP)	-	-	0.4	49
Siemens Bank, GMBH (EUR)	-	-	2.1	225
New Delhi Lab. Pvt. Ltd, (USD)	-	-	1.1	90
Mercer (Singapore) Pte. Ltd. (USD)	-	-	2.0	142

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 2014 includes interim dividend of GBP 1,262 thousand for the year 2014.

35. Receipt in foreign currency

Name of customer/vendor	Nature of receipt	2014		2013	
		'000 US\$	'000 Taka	'000 US\$	'000 Taka
Uniglory Cycle Component Ltd.	Deemed export	124	9,550	136	10,474
Uniglory Cycle Industries Ltd.	Deemed export	112	8,633	119	9,120
Meghna Alloytech Ltd.	Deemed export	73	5,633	76	5,894
Fairdeal Agencies (P) Ltd., India	Export	-	-	19	1,450
Steris Corporation, USA	Sales commission	24	1,826	114	8,763
JW Medical Crop, Korea	Sales commission	-	-	9	664
Linde Gas Asia (P) Ltd, S.pore	IS Cost	-	-	16	1,206
Total		333	25,642	489	37,571

	2014	2013
	'000 Taka	'000 Taka
36. Value of imports calculated on CIF basis		
Raw materials	1,505,839	1,562,399
Components and spare parts	51,486	42,527
Capital goods	96,120	141,767
	1,653,445	1,746,693
37. Bank guarantees and commitments		
37.1 Bank guarantee provided against various parties and disputed VAT		
Bank guarantees to third parties, shipping guarantees, bank acceptance and disputed VAT	71,458	55,477
37.2 Outstanding letters of credit	576,512	515,603

38. Events after the reporting date

For the year 2014 the board has recommended a final dividend of Tk 11.00 per share amounting to Tk 167,401 thousand at the board meeting held on 26 February 2015.

39. Raw and packing materials consumed

	Opening stock		Purchase		Closing stock		Consumption		
	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	% of total
Description	MT	'000 Taka	MT	'000 Taka	MT	'000 Taka	MT	'000 Taka	consumption
Calcium carbide	388	31,277	942	67,126	241	16,824	1,089	81,579	4.73
Wire	738	43,031	17,538	1,096,428	2,148	127,634	16,128	1,011,825	58.64
Blended powder	1,841	223,221	4,083	478,223	1,312	151,580	4,612	549,864	31.87
Others*	-	58,937	-	108,371	-	85,138	-	82,170	4.76
2014	-	356,466	-	1,750,148	-	381,176	-	1,725,438	100.00
2013	-	427,694	-	1,847,074	-	356,466	-	1,918,302	100.00

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

40. Related party transactions

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

	Transaction during the year		Closing balance	
	2014	2013	2014	2013
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Special gases, spares and cylinders	153,704	119,582	(33,071)	(30,618)
Software	-	3,300	(49,888)	(49,888)
Technical services	72,159	69,892	(188,761)	(120,104)
	225,863	192,774	(271,720)	(200,610)

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

Sales to Transcom Group of Companies	18,639	29,703	1,226	3,114
iii) Dividend paid to The BOC Group Ltd.	254,754	254,754	-	-
iv) Key management personnel				
Directors' remuneration	26,486	20,189	-	-

Dividend paid to The BOC Group Ltd. in 2014 includes Tk 164,357 thousand paid as interim dividend for the year.

Dhaka, 26 February 2015



Ayub Quadri
Chairman



Erphan S Matin
Managing Director



Angela S Biswas
Acting Company Secretary

Locations.

Registered Office

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

Factories

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

Rupganj
P.O. Dhuptara, P.S. Rupganj, Narayanganj
Mobile +88.01199851725/01711563317
+88.01713099673

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

Sales Centres

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

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

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

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

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

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

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

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

Rajshahi
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Bhadra, Rajshahi
Phone +88.0721.750242
Mobile +88.01713099668

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

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

Comilla
Sreemantapur, Chandpur Road
Ahmednagar, Comilla
Mobile +88.01713099661

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

Jessore
Jessore Khulna Highway
(Near Bokchar Primary School)
Bokchar, Jessore
Phone +88.0421.68596/66426
Mobile +88.01713099672

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

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

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

Linde Bangladesh Sites.



Range of Products and Services.

Industrial gases

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

Welding gases & equipment

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

Medical gases & equipment

- Medical oxygen liquid
- Medical oxygen compressed
- Nitrous oxide
- Entonox
- Sterilizing gases
- Medical gases cylinders
- Anaesthesia machines
- Anaesthesia ventilators
- ICU/CCU monitoring system
- ICU/CCU ventilators
- Pulse oximeter
- Infant warmer
- Photo therapy units
- Infant incubators
- OT table
- OT light
- Autoclave/Sterilizer
- Gynaecological tables
- Humidifier
- Oxygen concentrator
- Resuscitators
- Central sterilizing and supply department (CSSD)
- Other medical equipment on request





Linde Bangladesh Limited. Form of Proxy.

I/We (name)

of (address)

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

* Mr/Mrs/Miss (name)

of (address)

as my proxy, to attend on my/our behalf at the 42nd Annual General Meeting of the Company to be held on 30 April 2015 and at any adjournment of the meeting or any poll that may be taken in consequence thereof and to vote on my behalf as he/she thinks fit on all Resolutions.

As witness my/our hand this day of 2015

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

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

Linde Bangladesh Limited

Shareholder's attendance slip

I hereby record my presence at the 42nd Annual General Meeting of Linde Bangladesh Limited on 30 April 2015.

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

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

Notes

- 1 A member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him.
- 2 No person shall act as proxy unless he is entitled to be present in his own right.
- 3 The instrument appointing a proxy should be signed by the member or his attorney and duly authorised in writing.
- 4 If the member is a corporate body its common seal (if any) should be applied to the instrument of proxy.
- 5 The instrument of proxy, together with the Power of Attorney (if any) under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office by no later than 10:30 AM on Monday 27 April 2015.

Notes.



Published by

Linde Bangladesh Limited

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