

Consolidating for growth.

Annual Report 2015.



Our Vision.

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

Our Values.

Passion to excel.
Innovating for customers.
Empowering people.
Thriving through diversity.

Our Principles.

Safety.
Integrity.
Respect.
Sustainability.

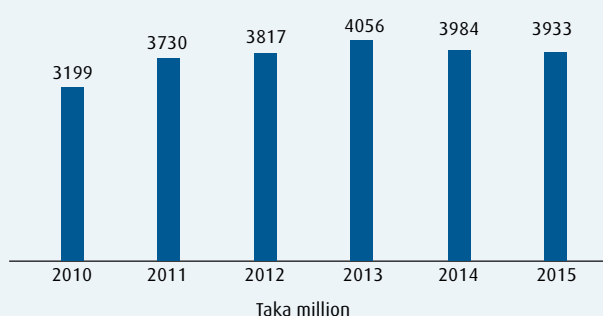


Financial History.

		2010	2011	2012	2013	2014	2015
Revenue	'000 Taka	3,199,375	3,729,754	3,817,127	4,056,278	3,984,482	3,933,185
Profit before tax	"	903,256	940,136	660,493	1,001,587	851,035	881,343
EBITDA	"	973,682	1,003,086	776,996	1,138,255	994,095	1,031,104
Taxation	"	241,320	230,584	180,575	225,544	242,659	213,086
Deferred tax	"	-6,132	28,037	-2,593	37,148	-11,756	17,786
Earnings	"	668,068	681,515	482,511	738,895	620,132	650,471
Final dividend proposed	"	152,183	152,183	167,401	167,401	167,401	167,401
Interim dividend paid	"	380,457	380,457	304,366	304,366	304,366	304,366
General reserve*	"	1,823,141	1,993,048	2,019,010	2,286,138	2,434,503	2,613,207
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*	"	1,995,498	2,165,405	2,191,367	2,458,495	2,606,860	2,785,564
Net fixed assets	"	1,043,552	1,238,834	1,474,836	1,508,991	1,535,145	1,914,405
Depreciation	"	132,769	131,915	146,144	157,425	164,531	162,617
Earnings per share	Taka	43.90	44.78	31.71	48.55	40.75	42.74
Price earnings ratio-times		16	14	17	13	22	27
Return on Capital Employed	%	34	32	22	30	24	24
Gross profit ratio	%	42	39	34	37	40	43
Debt equity ratio-times		-	-	-	-	-	-
Current ratio-times		3.80	3.64	2.60	3.08	3.11	2.44
Dividend per share	Taka	35.00	35.00	31.00	31.00	31.00	31.00
Dividend percentage	%	350	350	310	310	310	310
Net assets per share*	Taka	131.13	142.29	144.00	161.55	171.30	183.04
Operating cashflow per share	"	45.45	34.57	31.78	54.91	50.89	67.14

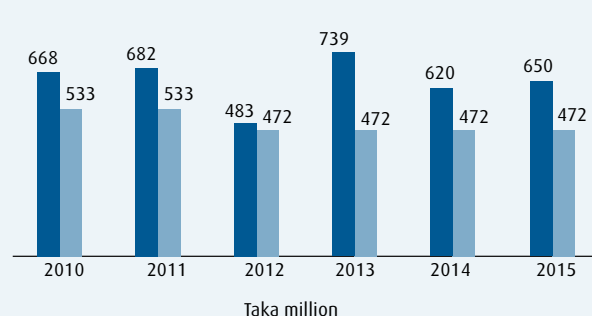
Revenue

■ Revenue



Earnings & dividend

■ Earnings ■ Dividend



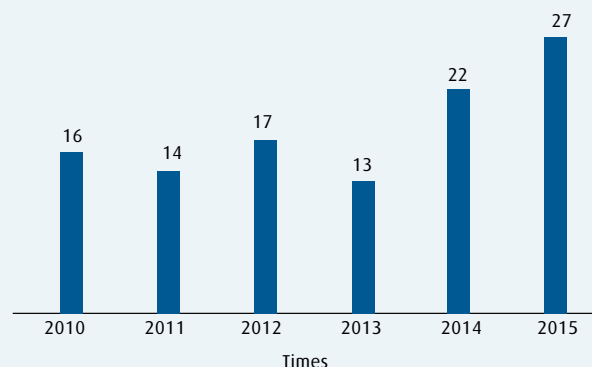
Net assets per share

■ Net Assets per Share



Price earning ratio*

■ 2010 ■ 2011 ■ 2012 ■ 2013 ■ 2014 ■ 2015

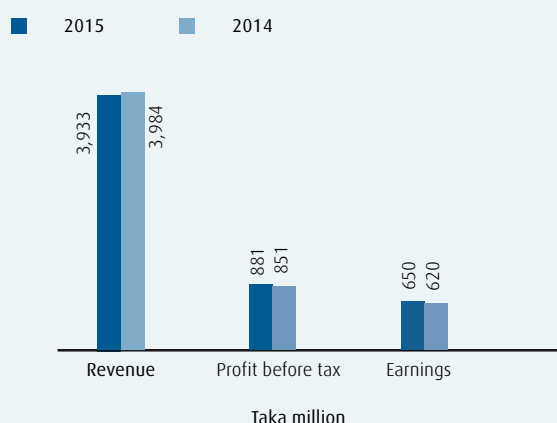


* Adjusted for change in presentation of proposed dividends

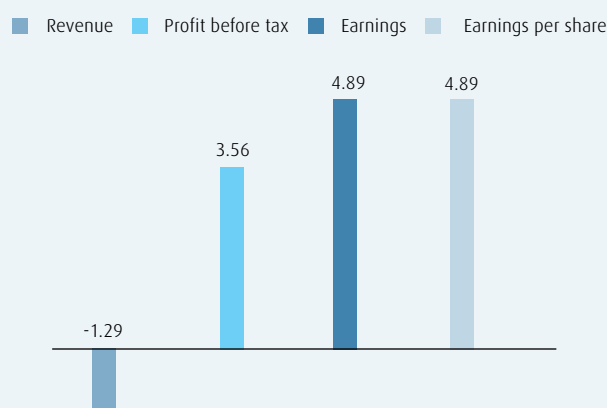
The Year at a Glance.

		2015	2014	Change over 2014
Revenue	'000 Taka	3,933,185	3,984,482	-1.29%
Profit before tax	"	881,343	851,035	3.56%
Earnings	"	650,471	620,132	4.89%
Earnings per share	Taka	42.74	40.75	4.89%

Revenue, profit before tax & earnings



Percentage of change over 2014



Statement of Value Added.

	2015		Year ended 31 December 2014	
	'000 Taka	%	'000 Taka	%
Statement of Value Added				
Value Added				
Revenue	3,933,185		3,984,482	
Bought in materials & Services	(2,323,053)		(2,395,565)	
	1,610,132		1,588,917	
Other income including interest on bank deposits	40,042		30,529	
Available for distribution	1,650,174	100	1,619,446	100
Distributions				
To Employees in remuneration and benefits	597,292	36	595,145	36
To provider of capital in:				
(a) interest on short term borrowings	97	0	1,288	0
(b) Interim and final dividend proposed	471,767	29	471,767	29
Provision for taxation	230,872	14	230,903	14
Retained for reinvestment and future growth				
(a) Depreciation & amortisation	171,442	10	171,978	10
(b) reserve and surplus	178,704	10	148,365	10
	1,650,174	100	1,619,446	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.

The Linde Group is a world-leading gases and engineering company with approximately 64,500 employees working in more than 100 countries worldwide. In the 2015 financial year, it achieved sales of EUR 17.9 billion (2014: EUR 17.1 billion).

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 solid work values developed and strengthened Linde Bangladesh over the years which are reflected in the performance of its employees for more than 60 years with continuous expansion in operations and business.

We sell our products to more than 35000 customers from a wide spectrum of industries running from chemicals and petrochemicals to steel. Our team of around 315 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.

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 The company has commissioned a 30TPD ASU Plant and 1st Welding Production line at Rupganj.
- 1998 2nd Welding production line at Rupganj was commissioned.
- 1999 20 TPD Shitalpur plant was acquired.
- 2000 ASPEN at shitalpur and LPG Bottling plant at Bogra commissioned.
- 2004 Moved into newly built Corporate Office.
- 2006 The BOC Bangladesh Limited acquired by the Linde Group, Germany.
- 2010 Achieved BDT 100 Crore EBITDA.
- 2011 3rd Welding production line at Rupganj was commissioned.
- 2011 The company changed its name from "BOC Bangladesh Limited" to "Linde Bangladesh Limited."
- 2012 4th Welding production line at Rupganj was commissioned.
- 2013 LPG Plant at Bogra decommissioned.

Company Secretary
Md Anisuzzaman

Statutory Auditors
Rahman Rahman Huq

Bankers
The Hongkong Shanghai Banking
Corporation Limited
Standard Chartered Bank Limited

Legal Advisers
Huq & Company

Registered Office
Corporate Office
285 Tejgaon I/A
Dhaka 1208

Notice of Annual General Meeting.

Notice is hereby given that the 43rd Annual General Meeting of Linde Bangladesh Limited will be held at Officers Club, 26 Baily Road, Ramna, Dhaka 1000, on Wednesday 27 April 2016 at 10:30 am to transact the following business:

- 1 To receive and adopt the accounts for the year ended 31 December 2015 and the reports of the Auditors and Directors thereon.
- 2 To declare a Dividend for the year ended 31 December 2015.
- 3 To reappoint Managing Director.
- 4 To elect Directors.
- 5 To appoint Auditors and to fix their remuneration.

By order of the Board



Company Secretary
24 February 2016

Registered Office
Corporate Office
285 Tejgaon I/A
Dhaka 1208

- 1 Shareholders whose names will appear in the share register of the Company or in the depository register as on Record Date i.e. 16 March 2016 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 Sunday 24 April 2016 and in default will not be treated as valid.

Company in the Capital Market.

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

Bangladesh's stock markets crashed in 2011 and since then it has been falling continuously. The share index of the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) was 9500 in 2011 and it stands at 4500 in 2015. This gives a gloomy picture of Bangladesh's stock market. Many small and big investors lost their investments due to the crash of the stock markets in 2011. The share prices of most of the listed companies are declining.

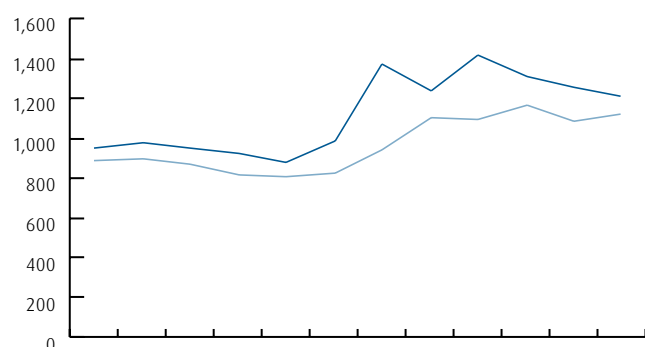
Capital market-based figures

		For the year ended 31 December	
		2015	2014
Number of shares with dividend entitlement for the financial year	No.	152,18,280	152,18,280
Year-end closing price	Tk	1,138.40	914.60
Year high	Tk	1,418.00	1,133.00
Year low	Tk	806.00	619.00
Volume	No.	2,543,778	2,367,792
Total dividend for the financial year	Tk million	471.77	471.77
Market capitalisation	Tk million	17,325	13,919
Information per share			
Cash dividend	Tk	31.00	31.00
Dividend yield	%	2.72	3.39
Operating cash flow per share	Tk	67.14	50.89
EPS	Tk	42.74	40.75

Company high & low share price month wise

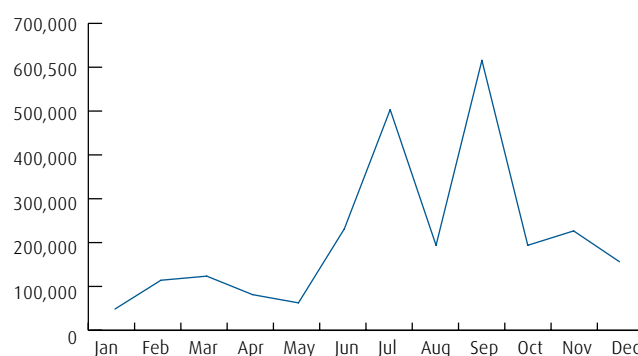
■ High Share price

■ Low Share price



Company share volume traded month wise

■ Volume of Share



Glimpses from 42nd Annual General Meeting.



At the 42nd Annual General Meeting held on 30 April 2015.



Registration at the 42nd Annual General Meeting held on 30 April 2015.



A Shareholder speaking at the 42nd Annual General Meeting held on 30 April 2015.



Shareholders at the 42nd Annual General Meeting held on 30 April 2015.

Board of Directors.



Ayub Quadri

Chairman since 2011

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

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

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

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



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 of The Linde Group. She oversees the finance function of the business that covers 10 countries in the region. She is based in the regional headquarters in Singapore.

Ms Bacher has been with Linde for over 16 years. She joined Linde Philippines in August 1999 as the Financial Controller. She took on various roles in the Philippines business. 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.

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

Director since 2015

Mr Moloy Banerjee was appointed the Managing Director of Linde India Limited and a member of the Board of Directors of the company with effect from 30 July 2013. Linde India Limited is a member of The Linde Group, a world-leading gases and engineering company with around 64,500 employees in more than 100 countries worldwide.

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

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

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

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



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 Iftikhar-Uz-Zaman

Joined the Board of Directors in February 2016

Mr Md Iftikhar-uz-Zaman was appointed as the Managing Director of Investment Corporation of Bangladesh (ICB), the core public sector investment bank of the country. Prior to this position, he had been Deputy Managing Director of Janata Bank Ltd and ICB. Before that he was General Manager of ICB. He joined at ICB in 1983 as a Senior Officer, enriched with the store of expertise of development & investment banking with supervisory and managerial capability having served in senior management position for a long time. He is truly a seasoned professional and has strong knowledge on Capital Market. He has remarkable expertise in public relation. He has reached the pinnacle of his organization with his outstanding effort and skill.

He has been contributing his professional expertise as the Chairman of ICB Capital Management Ltd. Apart from that he is now serving as the Director of British American Tobacco Bangladesh Co. Ltd. (BATBC), Linde Bangladesh Limited, GlaxoSmithKline Bangladesh Ltd. (GSK), Renata Limited, Bangladesh Krishi Gobeshona Endowment Trust (BKGET), Credit Rating Agency of Bangladesh Ltd. (CRAB), Credit Rating Information and Services Ltd. (CRISL), Standard Bank Limited, National Tea Company Limited, Apex Tannery Limited, Central Depository Bangladesh Ltd. (CDBL), CAPM Venture Capital & Finance Ltd. (CVCF) and some other Directorship.

Mr Md. Iftikhar-uz-Zaman obtained B.A (Hons) and M.A in Statistics from University of Rajshahi. During his career he attended a number of training programs on different Capital market issue at home & abroad.



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

Director since 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 August 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 43rd Annual General Meeting of your Company, Linde Bangladesh Limited (LBL) and present to you the business results of the year 2015. At first glance it may appear that the performance of your Company in 2015 was not impressive and not very different from that in 2014. A closer look will show, however, that despite lower revenue in 2015 compared to the previous year, profit showed reasonable improvement. This is no small achievement. It was made possible primarily because of the cost containment measures adopted by the Company. The continued low price of raw materials in the international market also helped. I think the management of Linde Bangladesh Limited deserves commendation for continued effort and hard work in achieving the results that I present today.

2015 was a year of consolidation and of strategic decisions to make the company more efficient and build the capacity for continued profitable operation in the years to come. A significant event, perhaps one of the most significant events in your Company's history, was the decision to set up an ASU plant at Rupganj Narayanganj at a cost of about taka 120 crores. This unit will have a production capacity of 100 tons of liquefied gases per day. It is our hope that when the plant starts commercial production in late 2017, our chronic supply constraint will end and we shall be able to expand our customer base.

2015 also saw a review and major restructuring of our operating model and organizational set up. It is our hope that the new structure will allow us to be more focused, closer to markets and customers, clearer in terms of roles and responsibilities and ultimately enable us to operate LBL more efficiently and effectively.

Business Environment and Financial Performance

After a tumultuous period of the destructive violence in the first quarter of 2015, relative political calm descended on the nation's body politic, creating space for economic progress and human development. The country attained its average growth of 6% plus. GDP growth numbers are a subject of much contentious debate, largely among the Government, the BBS, independent researchers and international organizations. Without entering that debate, it can be said that the lower numbers suggested by international organizations and independent researchers, though below potential, constitute a substantial growth rate by international standards. It also shows the potential of the Bangladesh economy to attain substantially higher growth rate in an environment of political stability, better governance and better policies. Ensuring

equitable growth will remain a challenge. A major milestone in 2015 was Bangladesh's crossing from a low income country to the Lower Middle Income Country (LMIC) category according to The World Bank's classification. Hopes of moving up to the next category within the time frame being articulated now appear overly optimistic. It is possible, though, that Bangladesh would graduate out of the UN's LDC status by 2021. This could result in substantial preference erosion in market access of exports to some of Bangladesh's major export destinations. Bangladesh needs to prepare now to meet the emerging challenges that are not far distant.

The constraints the company encountered during the past several years continued in 2015. The natural gas shortage persisted impacting our power generation which resulted in lower ASU production. Frequent break down of ASU plants resulted in higher Repair & Maintenance (R&M) cost throughout 2015. As usual, the Company tried to meet the shortfall in production, and hold on to its customer base, through cross border trucking of products with relatively higher cost base. The inactivity in the Real Estate and Ship Building sectors continued, inhibiting the demand for our Hardgoods products.

In 2015, your company pursued growth aspirations in terms of new customer acquisition, opportunities and sites, amid a challenging external environment.

In the year under review, the turnover of the company registered a net fall of 1%. On the other hand, both profit from operations and profit before taxation achieved growth by about 4% over last year. Improvement of profit from operations resulted primarily from cost containment measures adopted by the company and low price of raw material in the international market. Interest income for the year was lower than last year mainly on account of drop in interest rate compared to earlier year.

Working Capital position was lower than last year due to decrease in inventory on account of reduced imported raw material cost and also reduction in volume of welding inventory. Trade creditors and other current liabilities were managed well. Your Board closely monitored the liquidity position of the company, with the objective to ensure prudent utilization of the liquid resources to achieve business objectives and optimize the value of the organization. Accumulation of resources for future investment in upcoming projects to meet domestic demand and counter competition is a key agenda of your company. Surplus liquid funds were placed in fixed deposit to earn incremental profit as much as possible.

The Directors of your Company recommended a final dividend of taka 11.00 (110%) per share for the year ended 31 December 2015. This would require a pay out of Taka 167.4 million. The total payout for the year, including interim dividend of Taka 20.00 (200%) per share, would be Taka 471.77 million and the dividend would be Taka 31.00 (310%) per share.

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 dioxide 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. Installed Flux Blending equipment operated smoothly throughout the year as per planned requirement.

Product distribution

Amid the highly risky political situation of first few months of 2015, delivery team took the lead in keeping Hospitals running through Liquid Medical Oxygen (LMO) delivery under the escort of Law Enforcing Agency initially and later on expanded the delivery horizon across the country. On the other hand, importation of Liquid Oxygen (LOX) from India had been maintained by dedicated tanker fleets on both sides of the border. The long term expertise of Linde Bangladesh Limited in gases distribution has enabled the consistent supply of Bulk and Compressed gases despite the Plant shutdown and other disruption including political disturbance.

Safety matters

For all stakeholders, especially for employees, contractor and customers, safety remained the topmost priority for the Company. In 2015, the company had zero LTI (Lost Time Injury) to both of its employees and contractors except one major incident resulting in a fatality of a third-party.

The Linde Group organized Global Safety Assessment (GSA) through external safety expert (DuPont) among all employees & contractors in Linde worldwide. The GSA assessed LBL's safety performance & process to find out areas needing improvement to achieve zero incident. Outcome of GSA was released at the end of 2015 with short term focus area identification & action plan. This is being acted upon.

Personal ownership of Safety-a new Golden Rule has been introduced along with existing 7 golden rules of safety. The company organized Stand Down programs on Personal ownership of Safety & HSE & Quality policy across the country where Managing Director led the program along with Senior Managers.

The company also continued Transport Safety Training and Communication Program for 3rd Party Bus & Truck Drivers to raise awareness about transport accident and responsibility of the drivers. The Company introduced online Vehicle Tracking System (VTS) and In Cab camera with all commercial vehicles.

Human Resources

I have already referred to the major restructuring of the Company's operating model and organizational setup in 2015. Throughout the company employees morale and industrial relations were maintained harmoniously considering the challenging scenario. Programs like Excellence Award, Spot Recognition etc. have been effectively implemented to recognize extraordinary contribution by employees. Various actions have been taken based on the result of Global Employee Survey to address the voice of employees. Based on training need assessment throughout the year, various training and development programs have been introduced to address employees' development requirement.

Information Services

In 2015, the company set up cluster mail server and distributed file server at Rupganj DR Server Room to ensure information systems uptime, data integrity & availability and business continuity in case of any major breakdown and failure of the systems at Dhaka. As per 2nd phase of Disaster Recovery Site setup activities, the data center at Rupganj is equipped with data links from two different vendors through Radio connectivity, redundant mail & file servers. The company also rolled out Junos Pulse and RSA Secure ID to identified remote access users,

improving Linde Bangladesh VPN security with dual factor authentication on a fully supported platform.

It is very important to have seamless secured Wireless Solution for the mobile devices in parallel to the wireless infrastructure for internal employees. Linde has adopted secured Wireless Solution from its leading technology Partner Cisco Systems which has been rolled out as standard solution in Linde Bangladesh. As a part of standard Wireless Solution SSIDs has been designed—(oxygen)—for Linde office Laptop, (guestnet)—secure internet only access for the guest users and (hydrogen)—for the Mobility clients.

Corporate social responsibility

The Linde Group's global Corporate Responsibility guidelines focus on the sustainability and impact of the CSR projects rather than the number of projects undertaken during a particular time period. Our 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 Padma Bridge Rehabilitation Area and Kolakandail Union Parishad, Rugganj. The Company continued to provide safe driving 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 scholarships among the bright and meritorious children of non-management staff to support them to continue their studies at higher secondary and graduation level.

Prospects

Dear Shareholders: you know your Company strives to be the leader in all the business sectors in which it operates in Bangladesh, while upholding its values and principles. We have to innovate constantly, increase operational efficiency and cost effectiveness to maintain our position. We are striving to do this.

I had said earlier that 2015 was a year of consolidation and preparing for the future. I had mentioned about the new ASU plant at Rugganj, work on which has already began, and the organizational restructuring of your Company. The Company will also build a high tech cylinder filling facility

in Rugganj to provide a range of cylinder products to customers across all market segments. All these, we hope, will yield positive result in the years to come.

We would like to believe that 2016 and the future years will see a much more conducive business environment. But it is not the environment that is the main determinant of our performance. Our response to the environment is. When our response to the environment in good and appropriate, we do well though the environment may be adverse. This happened in 2013. Otherwise the results may not be so good, as we saw in 2014.

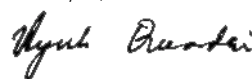
Dear Shareholders,

I thank all concerned who helped in achieving our 2015 results, the Board members for their counsel and guidance, the shareholders for their support, and above all the employees of the Company. We are also beholden to all our customers, suppliers, bankers, Government authorities and agencies for their co-operation and help.

I end on a note of sadness. Mr Latifur Rahman, a very distinguished member of the Board of Directors of your Company, has chosen not to continue on the Board after over ten years of invaluable service to the Company. While his decision is understandable given his preoccupation with his own companies, it is a huge loss to Linde Bangladesh Limited. The Company, the Board and I personally benefitted immensely from his wisdom, experience and guidance. On behalf of all of us, and on my own behalf, I express our gratitude and thanks to Mr Latifur Rahman. We wish him continued success, prosperity and happiness.

Thank you, ladies and gentlemen.

Thank you,



Ayub Quadri
24 February 2016

Report of the Board of Directors.

The Board of Directors Linde Bangladesh Limited is pleased to present the Directors' Report and Auditors' Report together with the Financial Statements of the Company for the year ended 31 December 2015. The Director's report highlights the key business activities that drove the performance of the Company and presents the necessary disclosures in relation to good corporate governance.

Industry Outlook and Possible Future Developments

The Company continued to be the market leader of industrial and medical gases, welding equipment and products, and medical products and consumables in the Country. Linde Bangladesh Limited (LBL) is geared towards long-term profitable growth. Leveraging The Linde Group's advanced technology, LBL focuses on the expansion of its business with innovative and customized solutions and products for its customers to meet tomorrow's challenges. Over the years, LBL has partnered in the country's economic growth, backed by its efficient operations that helped reduce energy costs, safeguard the people and protect the environment.

Today, LBL possessed diverse product base with integrated production facilities and offices across the country. In addition, it is equipped to provide a wide range of services including construction, installation of plants, equipment, pipelines and associated engineering services. LBL has been in operation for several decades and is today a leading gases and engineering company in Bangladesh delivering innovative, cost effective qualitative solutions and services to its customers. LBL continues to invest in its people, helping them build and improve their capabilities. In addition, it has also invested in its capacities and operations, helping it deliver products and services more efficiently and effectively to its customers.

LBL maintains a strong focus on business growth, steadily enhancing its offerings to add value for its customers. Recent examples include the new strategic decision on investment in an ASU plant at Rupganj, Bangladesh due to have positive impact on the market environment for significant demand of the products.

Business performance

Despite political agitation early in 2015 that adversely affected transport services, exports, and private investment growth in Bangladesh, the company continued its sustainable growth in terms of business

performance. The revenue of the Company for the year 2015 was Tk. 3,933 m as against Tk. 3,984 m of 2014. The revenue is derived from following segments:

Segments	2015	2014
	Taka'm	Taka'm
Bulk Gases	351	351
Packaged Gas and Products (PG&P)	3,110	3,202
Healthcare	472	431
	3,933	3,984

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.

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 dioxide comprise the Bulk segment. The overall performance of the segment was similar to the previous year despite consecutive three months political unrest. The sales reflected 18% volume growth in Liquid Argon. The low demand in Ship Breaking & the associated industries affected the oxygen volume growth while Nitrogen & CO² did well. Nitrogen sales were maintained based on its demand for gas pipeline purging in gas projects and the livestock sales. Liquid Carbon dioxide sales could have been higher than last year but due to the low supply, the customer network could not be extended well. In bulk segment some new customers would be added in the coming year which may help promote growth in this segment for both Liquid Oxygen & Liquid Argon.

The capacity of all ASU plants is less than the rated capacity since these are old plants. However the Production of ASU plants is also affected by frequent interruption of natural gas, and power supply. These interruptions also contribute to breakdown of the plant.

In an effort to meet market demand and retain the customer base, import capability was increased for products where the Company could not produce as per demand.



Mr Erphan Shehabul Matin receives award in Fuel and Power Companies category from Mr Abul Maal Abdul Muhith MP, Hon'ble Minister, Ministry of Finance.



Finance Team of Linde Bangladesh Limited receives "RSE Excellence Awards 2016" from Mr Sanjiv Lamba and Mr Rob Hughes, Colombo, Sri Lanka on 4 March 2016.

PG&P (packaged gas & products)

Industrial Compressed packaged gases & welding products comprise the PG&P segment. Overall revenue of the segment was 3% lower than last year. Performance of Compressed Industrial Oxygen & Dissolved Acetylene was below the previous year. This has happened due to the cylinder package and pricing issue and the reducing trend of Acetylene market. Among special gases, Helium gas sales registered 29% growth over last year. In spite of low sales, this segment registered increase of 11% growth in operating profit over last year. This was mainly on account of reduction in raw material cost of electrodes.

Healthcare

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

In 2015 the Healthcare business has delivered a stellar performance. Here we achieved 5% above the revenue target. Compared to the previous year there was 10% increase in revenue of Medical Oxygen mainly from acquisition of customers through conversion from Compressed oxygen to Liquid Oxygen. A significant event in 2015 was the reduction in Days Sales Outstanding (DSO) for Healthcare customers from 141 days to 133 days. This is a result of the government's decision to allocate special funds for the year 2014-2015 to clear outstanding debts of government hospitals. In addition, the Ministry of Health's decision to increase the MSR allocation from 5% to 9% has improved cash conversion cycle as we mentioned last year. Healthcare business has also increased its operating profit by 34% over last year.

In 2015, there was an increase in marketing activities by local manufacturers and distributors of Medical Oxygen On-Site Generators. Another new company has entered medical gas business in the beginning of this year.

Financial Results

A decline of 1% in Sales was reported in 2015 compared to the previous year. This was mainly caused by lower sales in MS Electrodes under PGP Welding resulting from the slower growth in Real Estate business and the slower activities in ship breaking/ship building industries. Moreover,

sales and distribution were badly impacted due to frequent and long strikes in first quarter of 2015. However, 10% growth of Healthcare sector over last year contributed in reducing the impact of the decline from other segments.

Despite the lower sales from previous year, gross profit margin is higher by 7% and this is mainly due to the lower cost of purchase of imported raw material.

Overhead was 11% higher compared to previous year due to additional cost incurred under Voluntary Retirement Scheme (VRS).

All of the above resulted into a higher Operating profit in 2015 compared to previous year:

Particulars	2015	2014
	Taka 'm	Taka 'm
Revenue	3,933	3,984
Cost of Sales	(2,244)	(2,401)
Gross Profit	1,689	1,583
Other Income	18	2
Operating Expenses	(802)	(717)
Profit from operations	905	868
Net finance income	22	28
Profit before contribution to WPPF	927	896
Contribution to WPPF	(46)	(45)
Profit before taxation	881	851

Working Capital Management

Working Capital position was Taka 596 m in 2015 as against Taka 846 m of 2014. Lower working capital is mainly from decrease in inventory on account of reduced imported raw material cost and also reduction in volume of welding inventory. Collection from Government HC Customers also resulted in lower debtors further reducing the working capital.

Risks & Concerns

The Company has a system of supervision of its business risk which has been defined under Corporate Governance Chapter and the notes to the Financial Statements.



Management Conference at The Palace Luxury Resort, Hobiganj held on 13 Feb 2016



Emergency drill at Tejgaon held on 11 August 2015.

Internal Control

The Company maintains a sound internal control system which gives reasonable assurance that the Company's resources are safeguarded and the financial position of the Company is well managed. The internal control framework is regularly reviewed by the Audit Committee in each meeting and reported to the Board of Directors. Group Internal Audit team conducts audit to evaluate appropriateness of internal control. The findings and subsequent follow up with remedial status are reported to the Audit Committee and are escalated to the Group Internal Audit. This report further encloses a detailed discussion on the Corporate Governance.

Going Concern

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

Remuneration to Directors

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

The remuneration, performance and related bonus of Executive Directors are reviewed and approved by the concerned management. The details of the remuneration paid to the Executive Directors during the year are given in Notes of the Financial Statements.

Dividends

An interim dividend of Taka 20.00 (200%) per share amounting to Taka 304.36m was paid out in the year.

With the Directors' recommendation for a final dividend of Taka 11.00 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 310% and total dividend payout for the year would amount to Taka 471.77 m (2014 Taka 471.77 m).

Additional statements on regulatory disclosure

The Directors of the Company have included the other following disclosures:

- The financial statement prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- All deviations from the last year's operating results of the Company have been highlighted under the above Financial Results;
- The summarized key operating and financial data of at least preceding five years (2010-2015) is set out in Annexure-1.
- All transactions with related parties have been made on a commercial basis and the basis was the principle of "Arm's Length Transactions". Related party transactions have been presented in notes to the Financial Statements;
- There is no extra-ordinary gain or loss during the year;
- Utilization of proceeds from public issues is not applicable;
- Explanation of financial results after IPO is not applicable;
- During the year, the Company has paid a total of Tk 250,000 as Board meeting attendance fees. The remuneration of Directors has been mentioned in the Notes to the Financial Statements;

Reserves

The Directors propose to transfer net profit for the year Taka 650.47 m to General Reserve.

Directors

The present directors are named on pages 6 to 8 of this report.

Ms Desiree Bacher and Mr Moloy Banerjee shall retire from the Board by rotation at the 43 Annual General Meeting under Article 81 of the Articles of Association of the Company. All the retiring Directors, being eligible, are proposed for re-election at the 43 Annual General Meeting.

Mr Md Iftikhar-Uz-Zaman, upon taking over the charge as Managing Director of Investment Corporation of Bangladesh in place of Mr Md



Transport safety training with bus and track drivers.



Tree plantation program at Rugganj.

Fayekuzzaman, joined as the Director of the Company on 24 February 2016. The Board of Directors would like to put on record its appreciation of Mr Md Fayekuzzaman's contribution to the Company during the long tenure that he was with the Company.

The Board of Directors appointed Mr Md Iftikhar-Uz-Zaman, on 24 February 2016 as a Director of the Company. Mr Zaman having been appointed to the board since the last Annual General Meeting under the provision of Article 87 also retires and being eligible, offers himself for re-election.

In accordance with Article 69 (2) of the Articles of Association of the Company, Mr Latifur Rahman and Mr Ayub Quadri having reached the age above 70 years, shall retire at 43 Annual General Meeting. Mr Latifur Rahman decided not to offer himself for re-election on his personal grounds after 10 years plus of valuable service to the Company. Mr Ayub Quadri is proposed for re-election at 43 Annual General Meeting.

The current tenure of Mr Erphan Shehabul Matin is to 31 December 2016, since his joining on the Board on 12 May 2011 as Managing Director of the Company. Subject to the provisions of section 110 of the Companies Act 1994 and under Article 74 (a) of the Articles of Association of the Company, a Managing Director shall not be appointed for more than 5 (Five) years at a time. Consent of shareholders is required for the re-appointment of Mr Erphan Shehabul Matin as Managing Director of the Company.

Being Independent Directors, the current tenure of office of Ms Parveen Mahmud and Mr Waliur Rahman Bhuiyan, OBE shall be for a period of 3 years to be completed on 17 April 2016 and 13 March 2016 respectively. Subject to the provisions of Bangladesh Securities and Exchange

Commission (BSEC) notification SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, Independent Director shall not appointed for more than 3 (Three) years at a time and which may be extended for 1 (One) term only. Hence, consent of shareholders is required for the re-appointment of Ms Parveen Mahmud and Mr Waliur Rahman Bhuiyan, OBE at 43 Annual General Meeting as Independent Directors of the Company for another term of 3 years.

Contribution to National Exchequer

Total payment of duty and taxes to National Exchequer in 2015 was Tk. 1,087 m as against Tk. 1,017 m for 2014.

Auditors

Rahman Rahman Huq, Chartered Accountants, being eligible, offer themselves for reappointment.

On behalf of the Board of Directors,
24 February 2016

Erphan Shehabul Matin
Managing Director

Ayub Quadri
Director & Chairman

Committees.

Audit Committee

The Board has constituted an Audit Committee for the Company according to the conditions of BSEC guidelines. The composition of Audit Committee as at 31 December 2015 is as follows:

Chairperson	Ms Parveen Mahmud	Independent Director
Member	Ms Desiree Bacher	Director
Member	Mr Moloy Banerjee	Director
Member	Mr Latifur Rahman	Director
Secretary	Md Anisuzzaman	CFO and Company Secretary
In Attendance	Ms Sanchita Chakraborty Das	Country Head of Internal Audit Bangladesh

Country Leadership Team

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

Chairman	Mr Erphan S Matin	Managing Director
Member	Ms Saiqa Mazed	Head of HR
Member	Mr Md Anisuzzaman	CFO and Company Secretary
Member	Mr A K M Tareq	Head of Sales & Marketing, Hardgoods
Member	Mr Shorab Uddin Ahmed	Head of Healthcare
Member	Mr Rafiqul Islam	Head of IR & Admin
Member	Mr Syed Asgar Ali	Head of Procurement
Member	Mr Khalilur Rahman	Head of SHEQ
Member	Mr Nurur Rahman	Head of Sales & Marketing, PG & Bulk

Safety Council Team

Safety Council Team, this forum works to support safety related programs and try to improve the safety performance and culture. The objective of the team is to monitor the country leading and lagging indicator of safety and also other safety related issues. The Managing Director leads the Safety Council Team which comprises of 17 members as follows:

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

Annexure 1.

Key operating and financial data of five years preceding the year ended 31 December 2015.

Financial History

		2010	2011	2012	2013	2014	2015
Revenue	'000 Taka	3,199,375	3,729,754	3,817,127	4,056,278	3,984,482	3,933,185
Profit before tax	"	903,256	940,136	660,493	1,001,587	851,035	881,343
EBITDA	"	973,682	1,003,086	776,996	1,138,255	994,095	1,031,104
Taxation	"	241,320	230,584	180,575	225,544	242,659	213,086
Deferred tax	"	(6,132)	28,037	(2,593)	37,148	(11,756)	17,786
Earnings	"	668,068	681,515	482,511	738,895	620,132	650,471
Final dividend proposed	"	152,183	152,183	167,401	167,401	167,401	167,401
Interim dividend paid	"	380,457	380,457	304,366	304,366	304,366	304,366
General reserve*	"	1,823,141	1,993,048	2,019,010	2,286,138	2,434,503	2,613,207
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*	"	1,995,498	2,165,405	2,191,367	2,458,495	2,606,860	2,785,564
Net fixed assets	"	1,043,552	1,238,834	1,474,836	1,508,991	1,535,145	1,914,405
Depreciation	"	132,769	131,915	146,144	157,425	164,531	162,617
Earnings per share	Taka	43.90	44.78	31.71	48.55	40.75	42.74
Price earnings ratio-times		16	14	17	13	22	27
Return on Capital Employed	%	34	32	22	30	24	24
Gross profit ratio	%	42	39	34	37	40	43
Debt equity ratio-times		-	-	-	-	-	-
Current ratio-times		3.80	3.64	2.60	3.08	3.11	2.44
Dividend per share	Taka	35.00	35.00	31.00	31.00	31.00	31.00
Dividend percentage	%	350	350	310	310	310	310
Net assets per share*	Taka	131.13	142.29	144.00	161.55	171.30	183.04
Operating cashflow per share	"	45.45	34.57	31.78	54.91	50.89	67.14

* Adjusted for change in presentation of proposed dividends

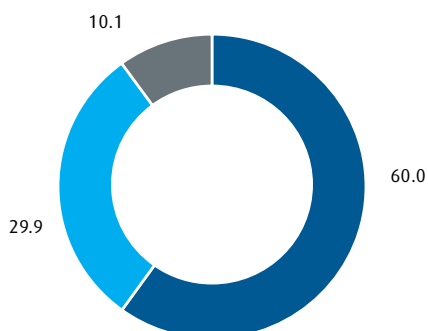
Annexure 2.

Shareholding Pattern

Director's Name	No. of shares		
	2013	2014	2015
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
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			
Nil			
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	1,772,605
Parent, Subsidiary, Associated Companies			
The BOC Group Limited			
Bangladesh Oxygen Limited			
BOC Bangladesh Limited			

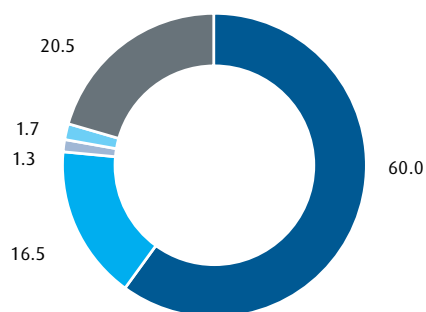
Percentage of shareholdings – institutes & publics

- The BOC Group Limited (60.0)
- Various Institutes (29.9)
- Public (10.1)



Percentage of shareholdings – various companies & others

- The BOC Group Limited (60.0)
- Investment Corporation of Bangladesh (16.5)
- Sadharan Bima Corporation (1.3)
- Bangladesh Fund (1.7)
- Other Shareholders (20.5)



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. Moloy Banerjee (Joined 2 February 2015 in place of Mr. Srikumar Menon)	5
4	Ms Desiree Bacher	4
5	Mr. Md. Fayekuzzaman (resigned on 17 December 2015)	6
6	Mr Latifur Rahman	nil
7	Ms Parveen Mahmud (Independent Director)	4
8	Mr. Milan Sadhukhan (Joined 2 February 2015 in place of Mr. Md Nazmul Hossain)	5
9	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. Moloy Banerjee (Joined 2 February 2015 in place of Mr. Srikumar Menon) Director-Corporate Investor	4
4	Ms Desiree Bacher Director (Corporate Investor nominated)	2

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
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

Condition No.	(Report under Condition No. 7.00) Title	Compliance Status
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
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

Condition		Compliance
No.	Title	Status
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
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

Condition		Compliance
No.	Title	Status
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.	Complied
4.	External/Statutory Auditors.	
4.(i)	Appraisal or valuation services or fairness opinions.	Complied
4.(ii)	Non-engagement in designing of Financial Information System.	Complied
4.(iii)	Non-engagement in Book keeping.	Complied
4.(iv)	Non-engagement in Broker-dealer services.	Complied
4.(v)	Non-engagement in Actuarial services.	Complied
4.(vi)	Non-engagement in Internal Audit.	Complied
4.(vii)	Non-engagement in any other services.	Complied
4.(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.(ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.	Complied
5.	Subsidiary Company.	
5.(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Complied
5.(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	Complied
5.(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.(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.(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.(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.(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.(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.(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.(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 of actions are always guided by strong sense of responsibility. Board of Directors continues to follow developments in this area and adapt corporate governance practices as appropriate and beneficial for the Company. The main objective of corporate governance is creation of lasting value for stakeholders. Our success has always been built on close and effective cooperation between Board of Directors ability to serve shareholder interest, open communication within the company, proper accounting and auditing and responsible approach to risk, statutory regulations and internal control practices.

Board of Directors

The Board of Linde Bangladesh 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 2015. 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, 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 who updates 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, Chief Financial Officer 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 as at 31 December 2015 was 315 (31 December 2014: 391). The Company paid salary and wages Taka 551 million (31 December 2014 Taka 550 million) during the year under review. The strategy of Company is to attract, develop and promote the best employee, build long term loyalty to the Company which is the most important prerequisite for long term success of the Company. Training arrangements were made throughout the year for people development. Through occupational safety and health protection measures, Linde Bangladesh Limited help its employee to stay healthy and protects them from risks that might arise from the work they perform for the Company.

Compliance with laws

Company respects the provisions of the law and complies with those in business practices. Each employee of the Company must learn provisions

of the law that applies to their job. The Board of the Company ensures that all provisions of the law are complied with in a timely manner. Any non compliance is immediately addressed.

Code of Ethics

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

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

Corporate website

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

Information which are hosted in Company website are shown below:

- Annual Financial Statements.
- Periodical Financial Statements.
- 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 2015 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 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes and related consolidated financial statements of Linde Bangladesh Limited and its subsidiaries.

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


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

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

The financial statements were approved by the Board of Directors on 24 February 2016 and are signed on its behalf by:



Erphan Shehabul Matin
Managing Director



Ayub Quadri
Director & Chairman

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, Chief Financial Officer 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 meetings 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 met 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 Committee will hold 4 meetings in a year. The quorum shall be not less than two directors, one of whom, at least, shall be independent director.

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

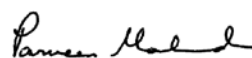
Activities carried out by the Audit Committee:

Audit Committee acted as per guideline mentioned in the charter of the Committee. The Committee reviewed effectiveness of internal control and external audit procedures and reports thereon. The Audit Committee regularly updates the Board of Directors on their observations and status of control environment. The members of Audit Committee were 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 Chief Financial Officer 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 safeguarded and the financial position of the Company is well managed.

On behalf of the Audit Committee.



Parveen Mahmud
Chairperson, Audit Committee
24 February 2016


Compliance Certificate to the Shareholders.

We have examined the compliance of conditions of corporate governance guidelines of the Bangladesh Securities and Exchange Commission ("BSEC") by Linde Bangladesh Limited (the "Company") for the year ended 31 December 2015 as stipulated in clause 7(i) of the BSEC Notification number SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012.

To the best of our information and according to the explanations given to us, we certify that, as reported on the attached status of compliance statement, the Company has complied with the conditions of corporate governance stipulated in the above mentioned BSEC notification dated 7 August 2012.

The compliance conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the Company's management. Our examination for the purpose of issuing this certification was limited to the checking of procedures and implementations thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

Dhaka, 24 February 2016



Hoda Vasi Chowdhury & Co.
Chartered Accountants

Consolidated Independent Auditors' Report to the Shareholders.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Linde Bangladesh Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated 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 information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 consolidated 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, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2015, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2014, were audited by another auditor who expressed an unmodified opinion on those statements on 26 February 2015.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

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

Dhaka, 24 February 2016



Rahman Rahman Huq
Chartered Accountants

Independent Auditors' Report to the Shareholders.

Report on the Financial Statements

We have audited the accompanying financial statements of Linde Bangladesh Limited ("the Company"), which comprise the statement of financial position as at 31 December 2015, 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 information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Other Matter

The financial statements of the Company for the year ended 31 December 2014, were audited by another auditor who expressed an unmodified opinion on those statements on 26 February 2015.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

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

Dhaka, 24 February 2016



Rahman Rahman Huq
Chartered Accountants

Consolidated Statement of Financial Position.

		As at 31 December	
		2015	2014
	Notes	'000 Taka	'000 Taka
Assets			
Property, plant and equipment	21	1,914,405	1,535,145
Intangible assets	22	34,618	43,207
Advances, deposits and prepayments	17	49,094	75,647
Non-current assets		1,998,117	1,653,999
Inventories	15	652,561	727,924
Trade and other receivables	16	435,235	470,955
Advances, deposits and prepayments	17	193,001	139,752
Investment	18	60,000	-
Cash and cash equivalents	19(a)	785,187	813,778
Current assets		2,125,984	2,152,409
Total assets		4,124,101	3,806,408
Equity			
Share capital	23	152,183	152,183
Revaluation reserve		20,174	20,174
General reserve		2,613,281	2,434,697
Equity attributable to owners of the Company	23	2,785,638	2,607,054
Non- controlling interest	39	2	2
Total equity		2,785,640	2,607,056
Liabilities:			
Employee benefits	24	121,962	183,864
Deferred tax liabilities	14.2	133,561	115,775
Other non-current liabilities	25	211,423	207,116
Non-current liabilities		466,946	506,755
Trade and other payables	26(a)	719,006	528,529
Provision for expenses	27(a)	70,259	59,721
Current tax liabilities	28(a)	82,250	104,347
Current liabilities		871,515	692,597
Total liabilities		1,338,461	1,199,352
Total equity and liabilities		4,124,101	3,806,408

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.

Dhaka, 24 February 2016

As per our report of same date



Ayub Quadri
Chairman



Erphan S. Matin
Managing Director



Md Anisuzzaman
Chief Financial Officer &
Company Secretary



Rahman Rahman Huq
Chartered Accountants

Consolidated Statement of Profit or Loss and other Comprehensive Income.

	Notes	For the year ended 31 December	
		2015	2014
		'000 Taka	'000 Taka
Revenue	6	3,933,185	3,984,482
Cost of sales	7	(2,243,767)	(2,400,925)
Gross profit		1,689,418	1,583,557
Other income	9	18,361	1,611
Operating expenses	8(a)	(801,754)	(717,094)
Profit from operations		906,025	868,074
Net finance income	10	21,584	27,630
Profit before contribution to WPPF		927,609	895,704
Contribution to WPPF	12	(46,386)	(44,791)
Profit before tax		881,223	850,913
Income tax expenses	14	(230,872)	(230,903)
Profit		650,351	620,010
Other comprehensive income		-	-
Total comprehensive income		650,351	620,010
Profit attributable to:			
Owners of the Company		650,351	620,010
Non- controlling interests	39	-	-
Earnings per share:			
Basic and diluted earnings per share (par value Tk 10) in Taka	11(a)	42.74	40.74

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.

Dhaka, 24 February 2016

As per our report of same date



Ayub Quadri
Chairman



Erphan S. Matin
Managing Director



Md Anisuzzaman
Chief Financial Officer &
Company Secretary



Rahman Rahman Huq
Chartered Accountants

Consolidated Statement of Changes in Equity.

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Revaluation reserve	General reserve	Total		
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Balance as at 1 January 2015	152,183	20,174	2,434,697	2,607,054	2	2,607,056
Profit for the year	-	-	650,351	650,351	-	650,351
Final dividend for the year 2014	-	-	(167,401)	(167,401)	-	(167,401)
Interim dividend for the year 2015	-	-	(304,366)	(304,366)	-	(304,366)
Balance as at 31 December 2015	152,183	20,174	2,613,281	2,785,638	2	2,785,640
Balance as at 1 January 2014	152,183	20,174	2,286,454	2,458,811	2	2,458,813
Profit for the year	-	-	620,010	620,010	-	620,010
Final dividend for the year 2013	-	-	(167,401)	(167,401)	-	(167,401)
Interim dividend for the year 2014	-	-	(304,366)	(304,366)	-	(304,366)
Balance as at 31 December 2014	152,183	20,174	2,434,697	2,607,054	2	2,607,056

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flow.

		For the year ended 31 December	
		2015	2014
	Notes	'000 Taka	'000 Taka
Cash flow from operating activities			
Cash receipts from customers		3,991,950	3,897,467
Other (payments)/receipts		(45,569)	20,284
Cash paid to suppliers and employees		(2,689,481)	(2,927,005)
Cash generated from operating activities		1,256,900	990,746
Income tax paid		(235,183)	(240,735)
Interest paid		(97)	(1,288)
Net cash from operating activities		1,021,620	748,723
Cash flow from investing activities			
Payment for acquisition of property, plant and equipment		(558,548)	(200,513)
Payment for acquisition of intangible assets		(236)	(6,872)
Proceeds from sale of property, plant and equipment		13,767	784
Investment in fixed deposit receipts		(60,000)	-
Interest received		21,816	25,806
Net cash used in investing activities		(583,201)	(180,795)
Cash flow from financing activities			
Dividend paid		(467,010)	(462,442)
Net cash used in financing activities		(467,010)	(462,442)
Net (decrease)/increase in cash and cash equivalents		(28,591)	105,486
Cash and cash equivalents as at 1 January		813,778	708,292
Cash and cash equivalents as at 31 December		785,187	813,778

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.

Statement of Financial Position.

	Notes	As at 31 December	
		2015	2014
		'000 Taka	'000 Taka
Assets			
Property, plant and equipment	21	1,914,405	1,535,145
Intangible assets	22	34,618	43,207
Investment in subsidiaries	20	40	40
Advances, deposits and prepayments	17	49,094	75,647
Non-current assets		1,998,157	1,654,039
Inventories	15	652,561	727,924
Trade and other receivables	16	435,235	470,955
Advances, deposits and prepayments	17	193,001	139,752
Investment	18	60,000	-
Cash and cash equivalents	19	785,167	813,758
Current assets		2,125,964	2,152,389
Total assets		4,124,121	3,806,428
Equity			
Share capital	23	152,183	152,183
Revaluation reserve		20,174	20,174
General reserve		2,613,207	2,434,503
Total equity		2,785,564	2,606,860
Liabilities			
Employee benefits	24	121,962	183,864
Deferred tax liabilities	14.2	133,561	115,775
Other non-current liabilities	25	211,423	207,116
Non-current liabilities		466,946	506,755
Trade and other payables	26	719,398	529,021
Provision for expenses	27	69,968	59,450
Current tax liabilities	28	82,245	104,342
Current liabilities		871,611	692,813
Total liabilities		1,338,557	1,199,568
Total equity and liabilities		4,124,121	3,806,428

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.

Dhaka, 24 February 2016

As per our report of same date



Ayub Quadri
Chairman



Erphan S. Matin
Managing Director



Md Anisuzzaman
Chief Financial Officer &
Company Secretary



Rahman Rahman Huq
Chartered Accountants

Statement of Profit or Loss and other Comprehensive Income.

	Notes	For the year ended 31 December	
		2015	2014
		'000 Taka	'000 Taka
Revenue	6	3,933,185	3,984,482
Cost of sales	7	(2,243,767)	(2,400,925)
Gross profit		1,689,418	1,583,557
Other income	9	18,361	1,611
Operating expenses	8	(801,634)	(716,972)
Profit from operations		906,145	868,196
Net finance income	10	21,584	27,630
Profit before contribution to WPPF		927,729	895,826
Contribution to WPPF	12	(46,386)	(44,791)
Profit before tax		881,343	851,035
Income tax expenses	14	(230,872)	(230,903)
Profit		650,471	620,132
Other comprehensive income		-	-
Total comprehensive income for the year		650,471	620,132
Earnings per share:			
Basic and diluted earnings per share (par value Tk 10) in Taka	11	42.74	40.75

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.

Dhaka, 24 February 2016

As per our report of same date



Ayub Quadri
Chairman



Erphan S. Matin
Managing Director



Md Anisuzzaman
Chief Financial Officer &
Company Secretary



Rahman Rahman Huq
Chartered Accountants

Statement of Changes in Equity.

	Share capital	Revaluation reserve	General reserve	Total equity
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Balance as at 1 January 2015	152,183	20,174	2,434,503	2,606,860
Profit for the year	-	-	650,471	650,471
Final dividend for the year 2014	-	-	(167,401)	(167,401)
Interim dividend for the year 2015	-	-	(304,366)	(304,366)
Balance as at 31 December 2015	152,183	20,174	2,613,207	2,785,564
Balance as at 1 January 2014	152,183	20,174	2,286,138	2,458,495
Profit for the year	-	-	620,132	620,132
Final dividend for the year 2013	-	-	(167,401)	(167,401)
Interim dividend for the year 2014	-	-	(304,366)	(304,366)
Balance as at 31 December 2014	152,183	20,174	2,434,503	2,606,860

The annexed notes 1 to 44 form an integral part of these financial statements.

Statement of Cash Flow.

	Notes	For the year ended 31 December	
		2015	2014
		'000 Taka	'000 Taka
Cash flow from operating activities			
Cash receipts from customers		3,991,950	3,897,467
Other (payments)/receipts		(45,569)	20,284
Cash paid to suppliers and employees		(2,689,381)	(2,927,005)
Cash generated from operating activities		1,257,000	990,746
Income tax paid		(235,183)	(240,735)
Interest paid		(97)	(1,288)
Net cash from operating activities		1,021,720	748,723
Cash flow from investing activities			
Payment for acquisition of property, plant and equipment		(558,548)	(200,513)
Payment for acquisition of intangible assets		(236)	(6,872)
Proceeds from sale of property, plant and equipment		13,767	784
Investment in fixed deposit receipts		(60,000)	-
Interest received		21,816	25,806
Net cash used in investing activities		(583,201)	(180,795)
Cash flow from financing activities			
Paid to subsidiary		(100)	-
Dividend paid		(467,010)	(462,442)
Net cash used in financing activities		(467,110)	(462,442)
Net (decrease)/increase in cash and cash equivalents		(28,591)	105,486
Cash and cash equivalents as at 1 January		813,758	708,272
Cash and cash equivalents as at 31 December		785,167	813,758

The annexed notes 1 to 44 form an integral part of these financial statements.

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 (replaced by the Companies Act 1994). The Company became a listed entity in the year 1976 & 1996 in Dhaka Stock Exchange and Chittagong Stock Exchange respectively. The address of the registered office is 285 Tejgaon I/A, Dhaka-1208, Bangladesh. 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 ("BOL") and BOC Bangladesh Limited ("BOC") are wholly owned subsidiaries of Linde Bangladesh Limited. These subsidiaries are entities controlled by the Company. Both of the subsidiaries are not in operation.

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

1.2 Nature of business

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

2. Basis of accounting

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.

The Financial Reporting Act 2015 (FRA) has been enacted during the year. Under the FRA, the Financial Reporting Council (FRC) is to be formed and it is to issue financial reporting standards for public interest entities such as listed company. As the FRC is yet to be formed and as such no financial reporting standards have been issued as per the provisions of the FRA, hence, the financial statements of the Company continue to be prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the Companies Act 1994. Financial statements were authorised for issue by the Company's board of directors on 24 February 2016.

Details of the Company's accounting policies, including changes during the year, if any, are included in Notes 43 and 44.

3. Functional and presentational currency

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

4. Use of judgments and estimates

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

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

(a) Judgments

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

Note 38: Operating leases - leases as lessee

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2016 is included in the following notes:

Note 14.2: Deferred tax liabilities

Note 16.1.1: Provision for doubtful debts

Note 21 : Useful life and residual value of property, plant and equipment

Note 24.1: Provision for gratuity

Note 28 : Current tax liabilities

5. Operating segments

(a). Basis for segmentation

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

The following summary describes the operations of each reportable segment.

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

These three reportable segments are the strategic business units of the Company and are managed separately based on the Company's management and internal reporting structure. For each of the strategic

business units, the management reviews internal management report on at least quarterly basis. Performance is measured based on segment profit from operation, as included in the internal management reports. Segment revenue and operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

(b) Information about reportable segments

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

	Reportable segments			Total
	Bulk gases	PG&P	Healthcare	
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
2015				
Revenue	351,283	3,109,537	472,365	3,933,185
Cost of sales	(201,031)	(1,819,386)	(223,350)	(2,243,767)
Gross profit	150,252	1,290,151	249,015	1,689,418
Operating expenses	(117,274)	(254,585)	(73,408)	(445,267)
Profit from operations	32,978	1,035,566	175,607	1,244,151
2014				
Revenue	351,578	3,201,578	431,326	3,984,482
Cost of sales	(203,893)	(1,971,096)	(225,936)	(2,400,925)
Gross profit	147,685	1,230,482	205,390	1,583,557
Operating expenses	(103,026)	(298,767)	(74,063)	(475,856)
Profit from operations	44,659	931,715	131,327	1,107,701

(c) Reconciliation of information on reportable segments to BFRS measures

	Note	2015	2014
i. Revenue		'000 Taka	'000 Taka
Total revenue for reportable segments	5 (b)	3,933,185	3,984,482
Revenue for other segments		-	-
Elimination of inter-segment revenue		-	-
Total revenue		3,933,185	3,984,482
ii. Profit before tax			
Total profit before tax for reportable segments	5 (b)	1,244,151	1,107,701
Profit before tax for other segments		-	-
Elimination of inter-segment profit		-	-
Amount not related to reported segments		(362,808)	(256,666)
Total profit before tax		881,343	851,035
iii. Amount not related to reportable segments			
Other income (loss)	9	18,361	1,611
Technical services fee	8	(22,219)	(21,880)
Finance income	10	21,584	27,630
Contribution to Workers' Profit Participation Fund	12	(46,386)	(44,791)
Unallocated corporate overheads		(334,148)	(219,236)
		(362,808)	(256,666)

Considering the current size and operations of the Company, segmental assets and liabilities are not considered to be critical for regular review by the management. Accordingly no disclosure is made regarding the segmental assets and liabilities.

6. Revenue

See accounting policies in Note 44(m).

	Unit	Quantity	2015	Quantity	2014
			Amount		Amount
		'000	'000 Taka	'000	'000 Taka
ASU gases	M3	13,131	595,988	13,157	570,713
Dissolved acetylene	M3	248	133,013	287	155,428
Electrodes	M. Ton	20	2,691,810	19	2,665,653
Others			512,374		592,688
			3,933,185		3,984,482

	Note	2015	2014
		'000 Taka	'000 Taka
7. Cost of sales			
Opening inventories of manufactured products		138,285	135,060
Cost of goods manufactured	7.1	2,163,643	2,248,979
Closing inventories of manufactured products		(165,724)	(138,285)
Cost of sales of manufactured products		2,136,204	2,245,754
Cost of trading products		107,563	155,171
		2,243,767	2,400,925
7.1 Cost of goods manufactured			
Raw and packing materials consumed	7.1.1	1,623,454	1,720,743
Fuel and power		107,353	85,340
		1,730,807	1,806,083
Manufacturing overhead:			
Salaries, wages and staff welfare		180,930	234,043
Depreciation		102,467	109,887
Repairs to machinery		61,403	62,503
Repairs to building		17,917	2,088
Maintenance		31,864	3,236
Insurance		1,071	2,697
Rent, rates and taxes		1,082	1,632
Travelling and conveyance		1,430	1,761
Training expenses		51	41
Vehicle running expenses		1,765	4,760
Telephone, telex and fax		896	1,166
Printing, postage, stationery and office supplies		3,054	3,045
Consultancy fees		256	1,818
Provision for inventory obsolescence		18,527	4,695
Sundry factory expenses		10,123	9,524
		432,836	442,896
		2,163,643	2,248,979

7.1.1 Raw and packing materials consumed

	Unit of measurement	Opening stock		Purchase		Closing stock		Consumption		% of total consumption
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	
			'000 Taka		'000 Taka		'000 Taka		'000 Taka	
Calcium carbide	M. Ton	241	16,824	833	53,498	167	11,249	907	59,073	3.64
Wire	M. Ton	2,148	127,634	16,624	782,814	2,236	94,022	16,536	816,426	50.29
Blended powder	M. Ton	1,312	151,580	3,504	343,795	904	76,630	3,911	418,745	25.79
Others*			91,954		346,456		109,200		329,210	20.28
2015			387,992		1,526,563		291,101		1,623,454	100.00
2014			364,079		1,744,656		387,992		1,720,743	100.00

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

	Note	2015	2014
		'000 Taka	'000 Taka
8. Operating expenses*			
Salaries, wages and staff welfare		369,976	316,311
Depreciation		60,150	54,644
Amortisation of intangible assets		8,825	7,447
Fuel and power		2,266	2,407
Repairs to building		2,225	1,799
Maintenance		11,087	9,410
Insurance		1,295	1,390
Delivery expenses		194,143	181,913
Rent, rates and taxes		5,141	5,336
Travelling and conveyance		10,453	11,705
Training expenses		1,774	661
Telephone, telex and fax		11,224	11,263
Global information service		33,024	32,685
Outsourcing service charge		14,773	17,594
Printing, postage, stationery and office supplies		4,224	6,971
Trade journal and subscription		3,998	2,024
Advertising and promotion		16,198	4,173
Provision (reversal)/ made for trade receivable		(8,198)	2,312
Bad debts written off		2,067	888
Legal and professional charge		6,446	3,265
Technical assistance fee		22,219	21,880
Audit fees	8.1	825	694
Bank charges		5,684	6,386
Entertainment		958	1,015
Management meeting and conference		7,978	8,055
Sundry office expenses		12,879	4,744
		801,634	716,972

*Operating expenses for the year 2015 consist of distribution expenses Tk. 229,944 thousand (2014: Tk 225,910 thousand) and administrative, selling & marketing expenses of Tk. 571,690 thousand (2014 : Tk 491,062 thousand).

		2015	2014
	Note	'000 Taka	'000 Taka
8(a) Operating expenses (Consolidated)			
Salaries, wages and staff welfare		369,976	316,311
Depreciation		60,150	54,644
Amortisation of intangible assets		8,825	7,447
Fuel and power		2,266	2,407
Repairs to building		2,225	1,799
Maintenance, others		11,087	9,410
Insurance		1,295	1,390
Delivery expenses		194,143	181,913
Rent, rates and taxes		5,141	5,336
Travelling and conveyance		10,453	11,705
Training expenses		1,774	661
Telephone, telex and fax		11,224	11,263
Global information service		33,024	32,685
Outsourcing service charge		14,773	17,594
Printing, postage, stationery and office supplies		4,224	6,971
Trade journal and subscription		3,998	2,024
Advertising and promotion		16,198	4,173
Provision (reversal)/ made for trade receivable		(8,198)	2,312
Bad debts written off		2,067	888
Legal and professional charge		6,546	3,355
Technical assistance fee		22,219	21,880
Audit fees		845	724
Bank charges		5,684	6,386
Entertainment		958	1,015
Management meeting and conference		7,978	8,055
Sundry office expenses		12,879	4,746
		801,754	717,094
8.1 Audit fees			
Statutory audit		625	500
Other audit		200	194
		825	694
9. Other income			
Gain/(loss) on disposal of property, plant and equipment	9.1	7,798	(206)
Net foreign exchange gain		10,563	1,817
		18,361	1,611
9.1 Gain/(loss) on disposal of property, plant and equipment			
Proceeds from sales of property, plant and equipment	31	13,767	784
Less: Carrying amount:			
Cost of the property, plant and equipment	31	28,319	3,902
Less: Accumulated depreciation	31	22,350	2,912
Carrying amount		5,969	990
Gain/(loss) on disposal of property, plant and equipment		7,798	(206)
10. Net finance income			
See accounting policies in Note 44(a,n).			
Finance income		21,681	28,918
Finance cost		(97)	(1,288)
		21,584	27,630

	2015	2014
11. Earnings per share		
See accounting policies in Note 44(p).		

11.1 Basic earnings per share

The computation of earnings per share is given below:

Earnings attributable to the ordinary shareholders ('000 Taka)	650,471	620,132
Number of ordinary shares outstanding during the year ('000)	15,218	15,218
Basic earnings per share (EPS) (Taka)	42.74	40.75

11.2 Diluted earnings per share

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

11(a) Consolidated earnings per share

Earnings attributable to the ordinary shareholders ('000 Taka)	650,351	620,010
Number of ordinary shares outstanding during the year ('000)	15,218	15,218
Basic earnings per share (EPS) (Taka)	42.74	40.74

	Note	2015 '000 Taka	2014 '000 Taka
12. Contribution to workers profit participation fund			
See accounting policies in Note 44(k).			
Contribution to WPPF	12.1	46,386	44,791

12.1 Computation of contribution to WPPF

Profit before contribution to WPPF	927,729	895,826
Applicable contribution rate	5%	5%
Amount of contribution to WPPF	46,386	44,791

13. Directors' remuneration

Fees	250	480
Salaries and benefits	10,058	21,663
Accommodation	1,200	1,800
Provident fund contribution	272	478
Retirement benefits	168	2,065
	11,948	26,486

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

14. Income tax expense

See accounting policies in Note 44(j).

Amounts recognised in profit or loss			
Current tax expense			
Current year		212,964	242,659
Prior years adjustment		122	-
		213,086	242,659
Deferred tax (income)/expense			
Origination/(reversal) of temporary differences	14.2	17,786	(11,756)
		17,786	(11,756)
Income tax expense		230,872	230,903

	2015	2014
	'000 Taka	'000 Taka
14.1. Reconciliation of effective tax rate		
Profit before income tax	881,343	851,035
Applicable tax rate	25%	24.75%
Income tax	220,336	210,631
Factors affecting the tax charge for current period:		
(Excess)/ short of fiscal depreciation over accounting depreciation	(13,131)	(10,559)
Provision for stock obsolescence	4,632	1,162
Excess of gratuity provision over payment of gratuity	(15,476)	20,581
Provision for trade receivable charge/(written back)	(2,050)	572
Inadmissible expenses	18,379	20,795
Admissible expenses	-	(727)
Other income to be treated separately	274	204
Prior years' adjustment	122	-
Movement of temporary differences: (credit)/charge as above	17,786	(11,756)
Total income tax expense	230,872	230,903
Effective Tax Rate (ETR)	26.20%	27.13%

14.2 Movement in deferred tax balances

	Net balance at 1 January	Recognised in profit or loss	Balance as at 31 December		
			Net	Deferred tax assets	Deferred tax liabilities
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
2015					
Property, plant and equipment	(183,674)	7,236	(190,910)	-	(190,910)
Intangible assets	-	(1,656)	1,656	1,656	-
Inventories	15,231	(4,786)	20,017	20,017	-
Trade receivables	7,162	1,977	5,185	5,185	-
Employee benefits	45,506	15,015	30,491	30,491	-
Net deferred tax assets (liabilities)	(115,775)	17,786	(133,561)	57,349	(190,910)
2014					
Property, plant and equipment	(173,116)	10,558	(183,674)	-	(183,674)
Inventories	14,069	(1,162)	15,231	15,231	-
Trade receivables	6,589	(573)	7,162	7,162	-
Employee benefits	24,927	(20,579)	45,506	45,506	-
Net deferred tax assets (liabilities)	(127,531)	(11,756)	(115,775)	67,899	(183,674)

	2015	2014
	'000 Taka	'000 Taka
15. Inventories		
See accounting policies in Note 44(f).		
Raw materials	291,101	387,992
Finished goods	286,466	249,392
Goods in transit	-	6,917
Maintenance spares	155,061	145,163
Provision for inventory obsolescence	15.1 (80,067)	(61,540)
	652,561	727,924

15.1. Provision for inventory obsolescence

Balance as at 1 January	61,540	56,845
Provision made during the year	18,527	4,695
Balance as at 31 December	80,067	61,540

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

		2015	2014
	Note	'000 Taka	'000 Taka
16. Trade and other receivables			
See accounting policies in Note 44(e) (ii).			
Trade receivables	16.1	373,909	432,674
Inter company receivable		33,216	18,485
Interest receivable		2,975	3,110
Other receivables		25,135	16,686
		435,235	470,955
16.1 Trade receivables			
Gases		97,636	135,117
Welding		101,287	134,978
Healthcare		195,724	191,515
		394,647	461,610
Provision for trade receivable	16.1.1	(20,738)	(28,936)
		373,909	432,674
16.1.1 Provision for trade receivable			
Balance as at 1 January		28,936	26,624
Provision (reversal)/ made for trade receivable		(8,198)	2,312
Balance as at 31 December		20,738	28,936
17. Advances, deposits and prepayments			
Loans and advances to employees		57,172	82,343
Advances to suppliers		2,212	7,054
Deposits and prepayments		49,853	53,631
VAT current account		132,858	72,371
		242,095	215,399
Non-current		49,094	75,647
Current		193,001	139,752
		242,095	215,399
Above amounts are unsecured, but considered good.			
18. Investment			
See accounting policies in Note 44(e) (iii).			
Investment in fixed deposit receipts		60,000	-
19. Cash and cash equivalents			
See accounting policies in Note 44(e) (i).			
Cash in hand		2,319	2,237
Cash at bank		430,890	333,296
Fixed deposits with banks		351,958	478,225
		785,167	813,758
19(a). Cash and cash equivalents (Consolidated)			
Linde Bangladesh Limited		785,167	813,758
Bangladesh Oxygen Limited		-	-
BOC Bangladesh Limited		20	20
		785,187	813,778
20. Investment in subsidiaries			
Bangladesh Oxygen Limited		20	20
BOC Bangladesh Limited		20	20
		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 60,000 each for the year ended 31 December 2015.

21. Property, plant and equipment

See accounting policies in Note 44(b,d)

Reconciliation of carrying amount:

Particulars	Freehold land	Freehold Buildings	Buildings on leasehold land	Plant machinery and cylinders	Motor vehicles	Furniture fixtures and equipment	Computers hardware	Capital work in progress	Total
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
(a) Cost									
Balance at 1 January 2015	35,534	343,110	108,378	2,609,991	100,789	75,778	45,181	69,969	3,388,730
Addition	-	10,155	-	163,176	-	-	3,965	547,846	725,142
Disposal/transfer	-	-	-	(20,289)	(7,603)	(427)	-	(177,294)	(205,613)
Balance at 31 December 2015	35,534	353,265	108,378	2,752,878	93,186	75,351	49,146	440,521	3,908,259
Balance at 1 January 2014	35,534	309,046	108,378	2,501,202	79,216	69,881	39,734	57,967	3,200,958
Addition	-	34,064	-	112,591	21,573	5,897	5,547	191,674	371,346
Disposal/transfer	-	-	-	(3,802)	-	-	(100)	(179,672)	(183,574)
Balance at 31 December 2014	35,534	343,110	108,378	2,609,991	100,789	75,778	45,181	69,969	3,388,730
Accumulated depreciation									
Balance at 1 January 2015	-	70,162	30,140	1,614,121	52,501	56,403	30,439	-	1,853,766
Depreciation	-	9,447	3,277	124,850	14,709	4,305	6,018	-	162,606
Disposal/transfer during the year	-	-	-	(15,331)	(6,887)	(132)	-	-	(22,350)
Balance at 31 December 2015	-	79,609	33,417	1,723,640	60,323	60,576	36,457	-	1,994,022
Balance at 1 January 2014	-	61,185	26,862	1,488,455	40,110	51,293	24,272	-	1,692,177
Charged during the year	-	8,977	3,278	128,534	12,391	5,110	6,212	-	164,502
Disposal/transfer during the year	-	-	-	(2,868)	-	-	(45)	-	(2,913)
Balance at 31 December 2014	-	70,162	30,140	1,614,121	52,501	56,403	30,439	-	1,853,766
(b) Revaluation									
Balance at 1 January 2015	147	176	19,851	-	-	-	-	-	20,174
Addition	-	-	-	-	-	-	-	-	-
Disposal/transfer	-	-	-	-	-	-	-	-	-
Balance at 31 December 2015	147	176	19,851	-	-	-	-	-	20,174
Balance at 1 January 2014	147	176	19,851	-	-	-	-	-	20,174
Addition	-	-	-	-	-	-	-	-	-
Disposal/transfer	-	-	-	-	-	-	-	-	-
Balance at 31 December 2014	147	176	19,851	-	-	-	-	-	20,174
Accumulated depreciation									
Balance at 1 January 2015	-	144	19,851	-	-	-	-	-	19,995
Depreciation	-	11	-	-	-	-	-	-	11
Disposal/transfer during the year	-	-	-	-	-	-	-	-	-
Balance at 31 December 2015	-	155	19,851	-	-	-	-	-	20,006
Balance at 1 January 2014	-	133	19,833	-	-	-	-	-	19,966
Charged during the year	-	11	18	-	-	-	-	-	29
Disposal/transfer during the year	-	-	-	-	-	-	-	-	-
Balance at 31 December 2014	-	144	19,851	-	-	-	-	-	19,995
Carrying amounts (a+b)									
At 1 January 2014	35,681	247,904	81,534	1,012,747	39,106	18,588	15,462	57,967	1,508,989
At 31 December 2014	35,681	272,980	78,238	995,870	48,288	19,375	14,742	69,969	1,535,145
At 31 December 2015	35,681	273,677	74,961	1,029,238	32,863	14,775	12,689	440,521	1,914,405

	2015	2014
	'000 Taka	'000 Taka
21.1 Allocation of depreciation during the year		
Cost of sales	102,467	109,887
Operating expense	60,150	54,644
	162,617	164,531

22. Intangible assets

See accounting policies in Note 44(c)

	Software	Capital work in progress	Total
	'000 Taka	'000 Taka	'000 Taka
Cost			
Balance at 1 January 2015	74,320	-	74,320
Addition	236	236	472
Transfer	-	(236)	(236)
Adjustment	(8,017)	-	(8,017)
Balance at 31 December 2015	66,539	-	66,539
Balance at 1 January 2014	67,448	-	67,448
Addition	6,872	6,872	13,744
Transfer	-	(6,872)	(6,872)
Adjustment	-	-	-
Balance at 31 December 2014	74,320	-	74,320
Accumulated amortisation			
Balance at 1 January 2015	31,113	-	31,113
Amortisation	8,825	-	8,825
Adjustment	(8,017)	-	(8,017)
Balance at 31 December 2015	31,921	-	31,921
Balance at 1 January 2014	23,667	-	23,667
Amortisation	7,446	-	7,446
Adjustment	-	-	-
Balance at 31 December 2014	31,113	-	31,113
Carrying amounts			
At 1 January 2014	43,781	-	43,781
At 31 December 2014	43,207	-	43,207
At 31 December 2015	34,618	-	34,618

	2015	2014
	'000 Taka	'000 Taka
23. Equity attributable to owners of the company/Share capital		
Authorised:		
20,000,000 ordinary shares of Tk 10 each	200,000	200,000
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:	%		Value ('000 Taka)	
	2015	2014	2015	2014
The BOC Group Limited	60.0	60.0	91,310	91,310
Investment Corporation of Bangladesh (ICB)	16.5	15.6	25,149	23,816
Sadharan Bima Corporation (SBC)	1.3	1.3	2,047	2,047
Bangladesh Fund	1.7	3.4	2,501	5,100
Other shareholders	20.5	19.8	31,176	29,910
	100.0	100.0	152,183	152,183

Classification of shareholders by holding:	Number of holders		Total holding (%)	
	2015	2014	2015	2014
Holdings				
Less than 500 shares	6,810	6,684	3.65	3.51
500 to 5,000 shares	556	435	4.78	3.71
5,001 to 10,000 shares	33	40	1.6	1.9
10,001 to 20,000 shares	28	26	2.56	2.45
20,001 to 30,000 shares	7	7	1.19	1.16
30,001 to 40,000 shares	5	3	1.13	0.68
40,001 to 50,000 shares	4	7	1.15	2.01
50,001 to 100,000 shares	5	7	2.29	3.51
100,001 to 1,000,000 shares	6	6	10.02	9.43
Over 1,000,000 shares	2	2	71.63	71.64
	7,456	7,217	100.00	100.00

	Note	2015 '000 Taka	2014 '000 Taka
24. Employee benefits			
See accounting policies in Note 44(f)			
Gratuity scheme	24.1	116,104	183,864
Other employee benefits		5,858	-
		121,962	183,864

24.1 Gratuity scheme

Balance as at 1 January		183,864	100,711
Provision made during the year		35,635	97,573
		219,499	198,284
Paid during the year		(103,395)	(14,420)
Balance as at 31 December		116,104	183,864

25. Other non-current liabilities

See accounting policies in Note 44(e)

Cylinder security deposit		211,423	207,116
Cylinder security deposit from customers is a liability of a continuing nature.			

26. Trade and other payables

See accounting policies in Note 44(e)

Trade payables		186,563	41,635
Inter company payables		320,080	271,721
Payables for capital items		69,915	80,617
Advances from customers		61,154	52,456
Unpaid dividend		69,985	65,228
Current account with subsidiaries	26.(a)	392	492
Others		11,309	16,872
		719,398	529,021

		2015	2014
	Note	'000 Taka	'000 Taka
26(a) Current account with subsidiaries			
Bangladesh Oxygen limited		493	543
BOC Bangladesh Limited		(101)	(51)
		392	492
26.1 Trade and other payables (consolidated)			
See accounting policies in Note 44(e)			
Trade payables		186,563	41,635
Inter company payables		320,080	271,721
Payables for capital items		69,915	80,617
Advances from customers		61,154	52,456
Unpaid dividend		69,985	65,228
Others		11,309	16,872
		719,006	528,529
27. Provision for expenses			
See accounting policies in Note 44(h).			
Accrued expenses		15,775	12,699
Accrued employee benefits		53,807	46,959
Workers' profit participation fund	27.1	386	(208)
		69,968	59,450
27(a) Provision for expenses (consolidated)			
Accrued expenses		16,066	12,970
Accrued employee benefits		53,807	46,959
Workers' profit participation fund	27.1	386	(208)
		70,259	59,721
27.1 Workers' profit participation fund			
Balance as at 1 January		(208)	52,715
Provision made during the year		46,386	44,791
		46,178	97,506
Paid during the year		(45,792)	(97,714)
Balance as at 31 December		386	(208)
28. Current tax liabilities			
Provision for tax	28.1	216,871	246,565
Advance income tax	28.2	(134,626)	(142,223)
		82,245	104,342
28(a) Current tax liabilities (consolidated)			
Provision for tax	28.1	216,876	246,570
Advance income tax	28.2	(134,626)	(142,223)
		82,250	104,347
28.1 Provision for tax			
Balance as at 1 January		246,565	229,603
Tax Expenses			
- Current year	14	212,964	242,659
- Prior year	14	122	-
Tax adjusted for the AY: 2015- 2016		(242,780)	-
Tax adjusted for the AY: 2014- 2015		-	(225,697)
Balance as at 31 December		216,871	246,565

	Note	2015 ‘000 Taka	2014 ‘000 Taka
28.2 Advance income tax			
Balance as at 1 January		142,223	127,184
Payment made u/s- 64 and 74		138,427	162,513
Withholding tax		96,756	78,223
Tax adjusted for the AY: 2015- 2016		(242,780)	-
Tax adjusted for the AY: 2014- 2015		-	(225,697)
Balance as at 31 December		134,626	142,223

29. Financial instruments - Fair values and risk management

29.1 Accounting classifications and fair values

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

		Carrying amount							
	Note	Held-for trading	Designated at fair value	Fair value hedging instruments	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total amount
31 December 2015			‘000 Taka	‘000 Taka	‘000 Taka	‘000 Taka	‘000 Taka	‘000 Taka	‘000 Taka
Financial assets not measured at fair value									
Trade and other receivables	16	-	-	-	-	435,235	-	-	435,235
Investment	18	-	-	-	60,000	-	-	-	60,000
Cash and cash equivalents	19	-	-	-	-	785,167	-	-	785,167
Investment in subsidiaries	19	-	-	-	-	-	40	-	40
		-	-	-	60,000	1,220,402	40	-	1,280,442
Financial liabilities not measured at fair value									
Trade and other payables*	26	-	-	-	-	-	-	658,244	658,244
Other non-current liabilities	25	-	-	-	-	-	-	211,423	211,423
		-	-	-	-	-	-	869,667	869,667
31 December 2014									
Financial assets not measured at fair value									
Trade and other receivables	16	-	-	-	-	470,955	-	-	470,955
Investment	18	-	-	-	-	-	-	-	-
Cash and cash equivalents	19	-	-	-	-	813,758	-	-	813,758
Investment in subsidiaries	20	-	-	-	-	-	40	-	40
		-	-	-	-	1,284,713	-	-	1,284,753
Financial liabilities not measured at fair value									
Trade and other payables*	26	-	-	-	-	-	-	476,565	476,565
Other non-current liabilities	25	-	-	-	-	-	-	207,116	207,116
		-	-	-	-	-	-	683,681	683,681

* Advances from customer are not financial liabilities (amount of Taka 61,154 thousand in 2015 and Taka 52,456 thousand in 2014) are not included.

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

29.2 Financial risk management

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

29.2.1 Credit risk

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

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

The Debtors Management Review Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's payment 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 receivables. The Company provides for 50% of trade receivables which are 90 days overdue but less than 180 days and 100% of trade receivables which are 180 days overdue for gas and welding product customers. Loss rate for healthcare customers is applied on gross trade receivable to work out provisions.

The Company held cash and cash equivalents of Taka 785,167 thousand at 31 December 2015 (2014 : Taka 813,758 thousand), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with different banks which are rated from AA3 to AAA, based on ratings by Credit Rating Agency of Bangladesh (CRAB) and Credit Rating Information and Services Limited (CRISL).

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

(a) Exposure to credit risk

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

	Note	2015 '000 Taka	2014 '000 Taka
Trade receivables	16	394,647	461,610
Provision for trade receivable	16.1.1	(20,738)	(28,936)
		373,909	432,674
Cash and cash equivalents	19	782,848	811,521
		1,156,757	1,244,195

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

Gases	97,636	135,117
Welding	101,287	134,978
Healthcare	195,724	191,515
	394,647	461,610

(b) Ageing of trade receivables

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

Invoiced 0-30 days	131,828	176,225
Invoiced 31-60 days	65,952	97,048
Invoiced 61-90 days	32,472	28,495
Invoiced 91-180 days	64,744	52,223
Invoiced 181-365 days	72,479	62,628
Invoiced and above 365 days	27,172	44,991
	394,647	461,610
Movement in the provision for doubtful debts during the year was as follows:		
Opening balance	28,936	26,624
Provision (reversed)/made during the year	(8,198)	2,312
Closing balance	20,738	28,936

29.2.2 Liquidity risk

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

The following are the contractual maturities of financial liabilities:

	Contractual Cash Flow						
	Carrying amount '000 Taka	Total '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 2015							
Non-derivative financial liabilities:							
Trade payables	186,563	186,563	186,563	-	-	-	-
Inter company payables	320,080	320,080	320,080	-	-	-	-
Payables for capital items	69,915	69,915	69,915	-	-	-	-
	576,558	576,558	576,558	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	576,558	576,558	576,558	-	-	-	-
As at 31 December 2014							
Non-derivative financial liabilities:							
Trade payables	41,635	41,635	41,635	-	-	-	-
Inter company payables	271,721	271,721	271,721	-	-	-	-
Payables for capital items	80,617	80,617	80,617	-	-	-	-
	393,973	393,973	393,973	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	393,973	393,973	393,973	-	-	-	-

29.2.3 Market risk

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

a) Currency risk

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

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

i) Exposure to currency risk

	As at 31 December 2015					As at 31 December 2014				
	'000 BDT	'000 USD	'000 GBP	'000 EUR	'000 SGD	'000 BDT	'000 USD	'000 GBP	'000 EUR	'000 SGD
Foreign currency denominated assets										
Trade receivable	36,329	465	-	-	-	21,852	277	-	-	-
	36,329	465	-	-	-	21,852	277	-	-	-
Foreign currency denominated liabilities										
Trade payables	-	-	-	-	-	(38,554)	(488)	-	-	-
Inter company payables	(311,318)	(596)	(967)	(1,791)	(21)	(271,721)	(804)	(722)	(1,227)	-
	(311,318)	(596)	(967)	(1,791)	(21)	(310,275)	(1,292)	(722)	(1,227)	-
Net exposure	(274,989)	(131)	(967)	(1,791)	(21)	(288,423)	(1,015)	(722)	(1,227)	-

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

Exchange rate at taka	Average rate		Year end spot rate	
	2015	2014	2015	2014
US Dollar 1	77.95	78.24	78.21	78.95
Great Britain Pound (GBP) 1	118.94	129.49	115.27	123.46
EURO (EUR) 1	86.05	104.33	84.93	97.07
SGD 1	56.57	62.83	55.16	60.82

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 2015	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Expenditures denominated in USD	(7,234)	7,234	(7,234)	7,234
Expenditures denominated in GBP	(104)	104	(104)	104
Expenditures denominated in EURO	(317)	317	(317)	317
Expenditures denominated in SGD	(8)	8	(8)	8
Exchange rate sensitivity	(7,663)	7,663	(7,663)	7,663
Year 2014				
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
			2015	2014
			'000 Taka	'000 Taka
iii) Foreign exchange gain			10,563	1,888

b) Interest rate risk

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

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

	Carrying amount	
	2015	2014
	'000 Taka	'000 Taka
Fixed rate instruments		
Financial assets		
Fixed deposits with banks	351,958	478,225
Investment	60,000	-
	411,958	478,225
Financial liabilities		
	-	-
	411,958	478,225
Floating rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	411,958	478,225

c) Commodity risk

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

29.3 Capital management

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

		2015	2014
		'000 Taka	'000 Taka
30. Capital expenditure commitment			
Contracted but not provided for in these accounts		957,197	36,880

31. Proceeds from sale of property, plant and equipment

	Cost	Accumulated depreciation	Carrying amount	Sales proceeds
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Office Equipment	427	132	295	295
Vehicles	7,603	6,887	716	1,689
Plant & Machineries	6,174	5,059	1,115	1,465
Cylinders:				
Sold	11,361	8,842	2,519	10,318
Condemned	2,754	1,430	1,324	-
2015	28,319	22,350	5,969	13,767
2014	3,902	2,912	990	784

32. Number of employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk 36,000 and above were 315 (Year 2014: 391).

33. Production capacity

	Unit of measurement	Normal capacity for the year	Production for the year	Remarks
Major products				
ASU Gases	000 M ³	15,304	8,788	Low production out put due to plant break down
Dissolved Acetylene	000 M ³	1,150	230	Low demand of customers
Electrodes	M. Ton	30,800	20,165	Additional capacity to meet future demand

34. Remittance made in foreign currency

	2015		2014	
	'000 FC	'000 Taka	'000 FC	'000 Taka
Dividend paid to The BOC Group, UK (GBP)	2,081	254,754	1,952.9	254,754
LGSM Service Charge to Linde Gas Asia, (USD)	-	-	37.7	2,848
Lloyds Register Asia, India (USD)	1.6	133	3.0	236
Thai Industrial Gases Pub. Co. (USD)	-	-	25.0	1,973
Atlantic Analytical Lab. Inc (USD)	3.3	264	3.2	247
Crown Relocations Limited (Euro)	0.2	16	1.3	131
R V Briggs and Co Pvt. Ltd. (USD)	-	-	0.8	64
New Delhi Lab. Pvt. Ltd, (USD)	5.6	440	-	-
Software One India Pvt. Ltd. (USD)	4	318	-	-

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 2015 includes interim dividend of GBP 1,332 thousand for the year 2015 (in 2014: GBP 1,262 thousand).

35. Receipt in foreign currency

Name of customer/vendor	Nature of receipt	2015		2014	
		'000 FC	'000 Taka	'000 FC	'000 Taka
Uniglory Cycle Component Ltd.(USD)	Deemed export	68	5,207	124	9,550
Uniglory Cycle Industries Ltd. (USD)	Deemed export	58	4,474	112	8,633
Meghna Alloytech Ltd. (USD)	Deemed export	4	315	73	5,633
Steris Corporation, USA (USD)	Sales commission	155	11,821	24	1,826
Linde Malaysia Sdn Bhd (USD)	Service charge	1	62	-	-
Matpac International (USD)	Service charge	1	80	-	-
Total		287	21,959	333	25,642

	2015	2014
	'000 Taka	'000 Taka
36. Value of imports calculated on CIF basis		
Raw materials	1,364,931	1,505,839
Components and spare parts	29,596	51,486
Capital goods	117,704	96,120
	1,512,231	1,653,445
37. Contingent liabilities		
These includes bank guarantees to third parties, shipping guarantees, others guarantee, utility guarantee, performance bond, security bond, import bill, import receivables and bank acceptance	88,336	52,703
Outstanding letters of credit	346,022	537,893
Writ petition No. 2226 of 2015 filled by the Company against the Government of Bangladesh and others challenging demand as tax (VAT) and is pending for hearing.	6,328	47,490
37.1 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 12 February 2014 and 22 August 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 19 August 2015 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: 11%		
Security: Demand promissory note and letter of continuation for BDT 580 million and letter of comfort from Linde AG.		
38. Operating leases - Leases as lessee		
Non-cancellable operating lease rentals are payable as follows:		
No later than one year	4,373	2,850
Between two and five years	9,779	5,761
More than five years	1,438	1,834
	15,590	10,445
The Company leases a number of sales centre and office facilities under operating leases. The leases typically run for a period of 4-15 years, with an option to renew the lease after its expiry.		

39. Non-controlling interest (NCI)

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

	BOC	BOL	Intra-group eliminations	Total	'000 Taka
31 December 2015					
NCI percentage	0.05%	0.50%			
Non-current assets	-	-			
Current assets	20,000	493,348			
Non-current liabilities	-	-			
Current liabilities	(198,000)	(199,000)			
Net assets	(178,000)	294,348			
Net assets attributable to NCI	(89)	1,472	-	1,383	2
Revenue	-	-			
Loss	(60,000)	(60,000)			
OCI	-	-			
Total comprehensive income					
Loss allocated to NCI	(30)	(300)	-	(330)	-
OCI allocated to NCI					
Cash flows from operating activities	-	-			
Cash flows from investing activities	-	-			
Cash flows from financing activities	-	-			
Net increase (decrease) in cash and cash equivalents	-	-			
31 December 2014					
NCI percentage	0.05%	0.50%			
Non-current assets	-	-			
Current assets	20,000	543,348			
Non-current liabilities	-	-			
Current liabilities	(138,000)	(189,000)			
Net assets	(118,000)	354,348			
Net assets attributable to NCI	(59)	1,772	-	1,713	2
Revenue	-	-			
Loss	(57,500)	(63,125)			
OCI	-	-			
Total comprehensive income	(57,500)	(63,125)			
Loss allocated to NCI	(29)	(316)	-	(345)	-
OCI allocated to NCI	-	-			
Cash flows from operating activities	-	-			
Cash flows from investing activities	-	-			
Cash flows from financing activities	-	-			
Net increase (decrease) in cash and cash equivalents	-	-			

40. Events after the reporting date

For the year 2015 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 24 February 2016.

41. Related party transaction

41.1 Parent and ultimate controlling party

BOC Group Limited of United Kingdom (UK) has 60% shareholding of the Company which is fully owned by Linde AG of Germany. As a result, the ultimate controlling party of the company is Linde AG of Germany.

	2015	2014
	'000 Taka	'000 Taka
41.2 Transaction with key management personnel		
	Transaction for the year	
Key management personnel:		
Directors' remuneration	11,948	26,486

41.3 Other related party transactions

Name of party	Nature of relationship	Nature of transactions	Transaction for the year		Balance outstanding as at	
			2015	2014	31 December 2015	31 December 2014
			'000 Taka	'000 Taka	'000 Taka	'000 Taka
Inter Company payables						
BOC Gases, Technical Supply Centre	Fellow Subsidiary	Service fee	48	-	48	-
BOC Group Ltd.	Holding Company	Technical Assistance Fee	22,219	21,880	111,417	89,199
BOC Group Ltd.	Holding Company	Dividend	283,060	283,060	-	-
Linde AG, Linde Gas Headquarters	Ultimate Holding Company	Global IS fee	33,024	32,687	152,094	119,070
Linde Gas Asia Pte. Ltd.	Fellow Subsidiary	Recharges cost received	-	224	1,003	1,003
Linde Gas Asia Pte. Ltd.- ROHQ	Fellow Subsidiary	Service fee	13,199	16,995	43,208	30,009
Linde Gas Singapore Pte. Ltd.	Fellow Subsidiary	Purchase of goods	18,756	5,783	805	-
Linde India Ltd.	Fellow Subsidiary	Purchase of goods and assets	123,647	121,676	7,650	30,060
Linde Malaysia Sdn Bhd	Fellow Subsidiary	Purchase of goods and assets	13,933	26,245	109	109
Linde Treasury Asia Pacific Pte. Ltd.	Fellow Subsidiary	Service fee	789	372	1,163	372
Thai Industrial Gases PLC	Fellow Subsidiary	Recharges cost received	-	-	1,899	1,899
Linde AG, Engineering Division	Fellow Subsidiary	Service fee	684	-	684	-
BOC Australia	Fellow Subsidiary	Purchase of cylinders	5,993	-	-	-
Bangladesh Oxygen limited	Subsidiary	Payment of expenses	50	-	493	543
Inter Company receivables						
Linde Gases Singapore Pte. Ltd.	Fellow Subsidiary	Recovery of expenses	-	-	96	96
Linde Gas Asia Pte. Ltd.- ROHQ	Fellow Subsidiary	Recovery of expenses	-	-	127	127
Linde Gas Asia Pte. Ltd.	Fellow Subsidiary	Recovery of expenses	14,831	9,670	31,724	16,892
Linde Korea Co. Limited	Fellow Subsidiary	Recovery of expenses	-	-	454	454
Linde Malaysia Sdn Bhd	Fellow Subsidiary	Recovery of expenses	-	-	202	202
BOC India Limited	Fellow Subsidiary	Recovery of expenses	-	-	88	88
Linde Pakistan Limited	Fellow Subsidiary	Recovery of expenses	-	-	525	525
Ceylon Oxygen Limited	Fellow Subsidiary	Recovery of expenses	-	-	-	101
BOC Bangladesh Limited	Subsidiary	Payment of expenses	50	-	101	51

42. Basis of measurement

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

43. New standards and interpretations

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standards and amendments to standards during the year 2015-2016. All previously adopted reporting standards are consistently applied by the Company to the extent relevant for the Company.

New standards	Summary of the requirements	Possible impact on financial statements
BFRS 9 Financial Instruments	BFRS 9 replaces the existing guidance in BAS 39 Financial Instruments: Recognition and Measurement. BFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.	The Company is assessing the potential impact on its financial statements resulting from the application of BFRS 9.
BFRS 14 Regulatory Deferral Accounts	BFRS 14 specify the financial reporting requirements for regulatory deferral account balance that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation. BFRS 14 is effective for annual reporting periods beginning on or after 1 January 2016, with early adoption permitted.	None. The Company does not perform any activity that is subject to rate regulation.
BFRS 15 Revenue from Contracts with Customers	BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including BAS 18 Revenue, BAS 11 Construction Contracts and BFRIC 13 Customer Loyalty Programmes. BFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.	The Company is assessing the potential impact on its financial statements resulting from the application of BFRS 15.
Agriculture: Bearer Plants (Amendments to BAS 16 and BAS 41)	These amendments require a bearer plant, defined as a living plant, to be accounted for as property, plant and equipment and included in the scope of BAS 16 Property, Plant and Equipment, instead of BAS 41 Agriculture. The amendments are effective for annual reporting periods beginning on or after 1 January 2016, with early adoption permitted.	None. The Company does not have any bearer plants.

44. Significant accounting policies

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

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

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

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

a) 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.

b) Property, plant and equipment

Recognition and measurement

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

Subsequent costs

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

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.

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.

c) Intangible assets

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.

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 profit or loss, when incurred.

Amortisation

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

d) 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.

e) Financial instruments

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

Financial assets

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

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

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

(i) Cash and cash equivalents

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

(ii) Trade and other receivables

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

(iii) Investment

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

(iv) Investment in subsidiaries

Investment in subsidiaries represent investment in the equity of Bangladesh Oxygen Limited and BOC Bangladesh Limited.

Financial liabilities

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

on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

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

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

f) Inventories

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

g) Impairment

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

h) Provisions

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

i) Contingencies

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

j) Income tax

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

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. The Company qualifies as a "Publicly Traded Company". The effective rate of taxation is 25%. Provision for taxation has been made on the basis of Finance Act 2015.

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.

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.

k) Workers' profit participation fund (WPPF)

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

l) Employee benefit

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

Defined contribution plan (provident fund)

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

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

Defined benefit plans

(i) Gratuity scheme

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

(ii) Short-term employee benefits

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

m) Revenue recognition**Revenue arising from sale of goods****(i) Goods sold**

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

(ii) Cash on delivery sales

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

Services

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

Commission

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

n) Finance income and expenses

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

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

o) Basis of consolidation**i. Subsidiaries**

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

ii. Non-controlling interests

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

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

iii. Loss of control

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

iv. Transactions eliminated on consolidation

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

p) Earnings per share

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

Basic earnings per share

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

q) Cash flow statement

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

r) General reserve

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

s) Events after the reporting date

Events after the reporting date that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Material events after the reporting date that are not adjusting events are disclosed in the note 40.

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
Fax +88.02.8870357
Mobile +88.01713099652

Rupganj

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

Tipu Sultan Road

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

Tongi

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

Narayanganj

72 Sirajuddowla Road, Narayanganj
Phone +88.02.7632942
Mobile +88.01713099656

Mymensingh

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

Noakhali

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

Khulna

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

Barisal

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

Rajshahi

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

Shitalpur

Shitalpur, Sitakund, Chittagong
Phone +88.031.2780205
Mobile +88.01199703140

Sagorika

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

Comilla

Sreemantapur, Chandpur Road
Ahmednagar, Comilla
Mobile +88.01713099661

Sylhet

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

Jessore

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

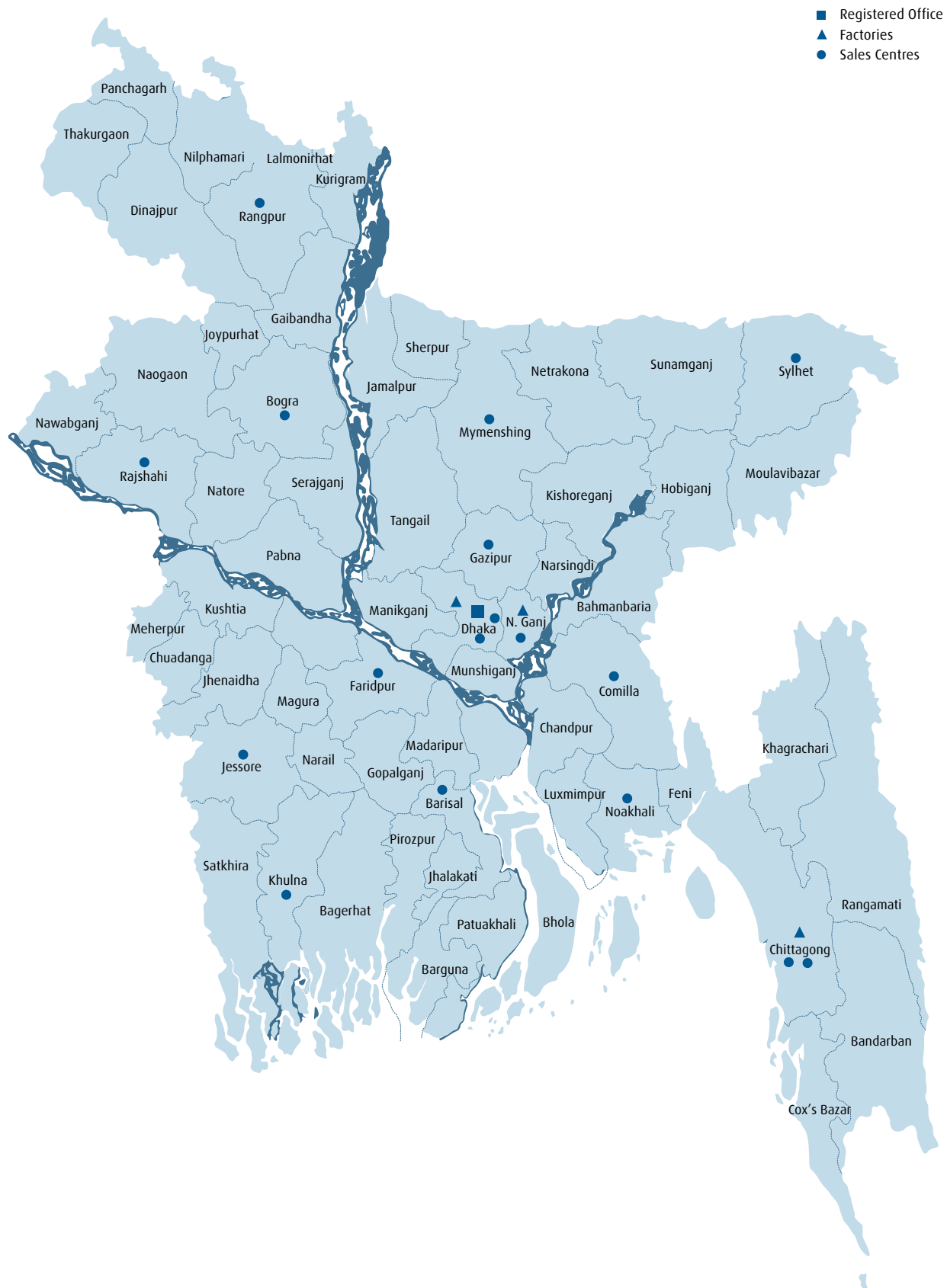
Rangpur

Ulipur Market, R.K. Road
South 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 43rd Annual General Meeting of the Company to be held on 27 April 2016 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 2016

.....
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 43rd Annual General Meeting of Linde Bangladesh Limited on 27 April 2016.

.....
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 Sunday 24 April 2016.

[illegible]



Published by

Linde Bangladesh Limited

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