

Linde Bangladesh Limited

Consolidated and Separate Audit Report and Financial Statements
As at and for the year ended 31 December 2024

Hoda Vasi Chowdhury & Co

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT To the Shareholders of Linde Bangladesh Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Linde Bangladesh Limited and its subsidiary** (hereinafter referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the consolidated financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

1) Revenue recognition

Revenue recognition has significant and wide influence on the consolidated financial statements. The Group reported revenue for the amount of BDT 2,214,080,280 for the year.

Revenue is recognized when the amounts and the related costs are reliably measured and the performance obligation is satisfied through passing of control to the customers. Revenue from the sale of goods is recognized at the time when the goods are dispatched for delivery to the distributor or handed over to its customers and revenue from providing services is recognized after the services are provided to customers. Since sales contracts include many different terms, there is considerable risk due to the complexity of the systems necessary for properly recording and identifying revenue and the risk of incorrect timing of revenue recognition.

Refer to note 23 to the consolidated financial statements for relevant disclosures regarding revenue.

How our audit addressed the key audit matter

- We assessed the reporting environment of the Group as well as other relevant systems supporting the accounting of revenue;
- We examined customer invoice (Mushak 6.3), VAT submission form (Mushak 9.1) and receipts of payment on a test basis;
- We examined the ERP system (SAP) which generated sales register and compared it with Mushak 6.3;
- We summarized Mushak 9.1, month wise sales and cross-checked with consolidated financial statements;
- We obtained and reviewed supporting documents for sales transactions recorded;
- We assessed whether sufficient disclosure has been given; and
- We tested the timing of revenue recognition as well as cut off checked.

2) Property, plant and equipment

Included on the consolidated financial statements is the Group's property, plant and equipment balance of BDT 2,562,364,000 as at 31 December 2024.

Property, plant and equipment include the Group's long-term assets, which flow economic benefits to the entities for more than one year. Property, plant and equipment measured at historical cost less accumulated depreciation as per IAS-16 "Property, plant and equipment".

The carrying value of property, plant and equipment represents a significant portion of the Group's assets which includes function of depreciation charges that involves estimation. Therefore, it has been considered as a significant area of management's judgment and requires special attention. There is also a risk that the impairment charges may not have been recognized.

Refer to note 5 to the consolidated financial statements for relevant disclosures regarding property, plant and equipment.

How our audit addressed the key audit matter

- We understood, evaluated and validated management's key controls over property, plant and equipment;
- We reviewed the basis of recognition, measurement and valuation of assets;
- We checked ownership of the major assets;
- We checked the capital work-in-progress (CWIP) and its transfer to property, plant and equipment;

- We performed physical asset verification during our audit; and
- We reviewed the Group's assumptions in relation to recoverable amounts of the major property, plant and equipment to identify if there is any requirement of recognition of impairment.

3) Income from sale of LIPL

During the year, the Group reported income from sale of LIPL of BDT 7,579,340,823.

The Group completed the sale of its shares (investment) in subsidiary named Linde Industries Pvt. Ltd. (LIPL), resulting in a net income of the noted amount. The transaction was extraordinary in nature and as such, involved legal and regulatory processes apart from accounting and capital gain tax issues. Due to the material impact of the transaction on the consolidated financial statements of the Group, significant amount of capital gain and the regulatory compliance issues involved, this matter is considered as a key audit matter.

Refer to note 27 to the consolidated financial statements for relevant disclosures regarding income from sale of LIPL.

How our audit addressed the key audit matter

- We obtained and reviewed the share Sale and Purchase Agreement (SPA) and related documents to understand the terms and conditions of the transaction;
- We assessed the appropriateness of the accounting treatment applied by management, including the recognition and measurement of the capital gain in accordance with the IFRSs;
- We recalculated the capital gain by verifying the sales consideration and the carrying amount of the investment in the subsidiary;
- We reviewed whether sufficient and appropriate disclosure has been made in the consolidated financial statements related to the transaction;
- We reviewed the treatment of the tax on the capital gain to ensure compliance with the Income Tax Act, 2023 and IFRSs.

Reporting on Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the Group so far as it appeared from our examination of those books;
- c. the consolidated statement of financial position and the statement of profit or loss and other comprehensive income along with the annexed notes 1 to 46 dealt with by the report are in agreement with the books of account; and
- d. the expenditures incurred and payments made were for the purposes of the Group's affairs.

Dhaka, Bangladesh

Date: **13 MAR 2025**



A F Nesaruddin, FCA
Enrolment # 469
Senior Partner
Firm Reg. # CAF-001-057
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Opinion

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- c. the statement of financial position and the statement of profit or loss and other comprehensive income along with the annexed notes 1 to 46 dealt with by the report are in agreement with the books of account; and
- d. the expenditures incurred and payments made were for the purposes of the Company's affairs.

Dhaka, Bangladesh

Date: **13 MAR 2025**

DVC: **2503180469AS960970**



A F Nesaruddin, FCA

Enrolment # 469

Senior Partner

Firm Reg. # CAF-001-057

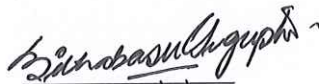
Hoda Vasi Chowdhury & Co

Chartered Accountants

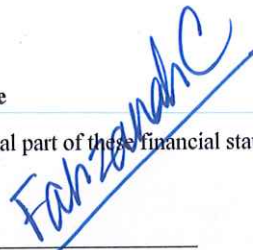
Linde Bangladesh Limited
Consolidated Statement of Financial Position
As at 31 December 2024

Note	31 December 2024 BDT'000	31 December 2023 BDT'000
Assets		
Property, plant and equipment	2,562,364	2,766,019
Right-of-use (ROU) assets	37,757	28,812
Investment in subsidiaries	-	1,000
Advances, deposits and prepayments	226,679	95,104
Total non-current assets	2,826,800	2,890,935
Inventories	387,156	482,234
Trade and other receivables	855,534	906,755
Advances, deposits and prepayments	139,012	200,973
Inter-company receivables	-	1,309,336
Cash and cash equivalents	13.A 1,559,584	2,204,380
Net current tax assets	169,732	110,188
Total current assets	3,111,018	5,213,866
Total assets	5,937,818	8,104,801
Equity		
Share capital	14 152,183	152,183
Other component of equity	(51,159)	(53,081)
General reserve/ Retained earnings	3,388,299	5,550,210
Equity attributable to owners of the parent company	3,489,323	5,649,313
Non-controlling interest	(0.22)	(0.19)
Total equity	3,489,322	5,649,312
Liabilities		
Employee benefits non-current portion	87,621	104,086
Deferred tax liabilities	253,153	277,873
Lease liabilities-non current portion	23,228	14,402
Other non-current liabilities	255,370	246,041
Total non-current liabilities	619,372	642,402
Lease liabilities-current portion	5,954	2,306
Employee benefits-current portion	21,340	12,025
Trade and other payables	1,083,554	1,289,068
Provision for expenses	535,672	131,324
Unclaimed dividends	182,603	378,363
Total current liabilities	1,829,123	1,813,086
Total liabilities	2,448,495	2,455,488
Total equity and liabilities	5,937,818	8,104,801
Net asset value (NAV) per share	41.A 229.28	371.22

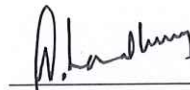
The annexed notes form an integral part of these financial statements.



Bibhabasu Sengupta
Managing Director



Farzanah Chowdhury
Director



Savendu Chowdhury
Chief Financial Officer



Abu Mohammad Nisar
Company Secretary

As per our annexed report of same date

Dhaka, Bangladesh

Date: **13 MAR 2025**




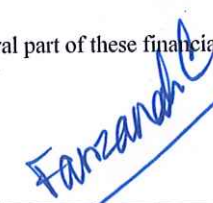
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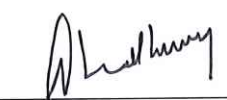
Linde Bangladesh Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2024


	Note	2024 BDT'000	2023 BDT'000
Revenue		2,214,080	2,164,337
Cost of sales		(1,171,247)	(1,103,683)
Gross profit		1,042,833	1,060,654
Operating expenses	25.A	(773,721)	(732,443)
Profit from operations		269,112	328,211
Net foreign exchange gain/(loss)		118,666	(7,489)
Other income		46,741	8,988
Income from sale of LIPL		7,579,341	-
Net finance income		15,548	38,276
Profit before WPPF provision		8,029,408	367,986
Provision for WPPF		(401,474)	(18,403)
Profit before tax		7,627,934	349,583
Income tax expenses		(1,206,737)	(121,011)
Profit after tax for the year		6,421,197	228,572
Other comprehensive income/(loss)			
Remeasurement of defined benefit liability, net of tax		2,480	(8,339)
Related tax		(558)	1,876
Other comprehensive (loss)/income for the year, net of tax		1,922	(6,463)
Total comprehensive income for the year		6,423,119	222,110
Profit attributable to			
Owners of the parent company		6,421,197	228,572
Non-controlling interests		-	-
		6,421,197	228,572
Total comprehensive income attributable to			
Owners of the parent company		6,423,119	222,110
Non-controlling interests		-	-
		6,423,119	222,110
Earnings per share (EPS)	42.A	421.94	15.02

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


Bibhabasu Sengupta
Managing Director


Farzana Chowdhury
Director



Suwendu Chowdhury
Chief Financial Officer


Abu Mohammad Nisar
Company Secretary

As per our annexed report of same date

Dhaka, Bangladesh

Date: **13 MAR 2025**


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Chartered Accountants

Linde Bangladesh Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2024

Particulars	Share capital BDT'000	Other components of equity BDT'000	General reserves/ Retained earnings BDT'000	Non-controlling interests BDT'000	Total equity BDT'000
Balance as on 01 January 2024	152,183	(53,081)	5,550,211	(0.19)	5,649,314
Comprehensive income for the year	-	-	6,421,197	(0.04)	6,421,197
Profit for the year	-	1,922	-	-	1,922
Other comprehensive loss for the year	-	1,922	6,421,197	(0.04)	6,423,119
Total comprehensive income for the year	-	-	-	-	-
Transaction with owners of the Group	-	-	(6,239,495)	-	(6,239,495)
Contributions and distributions	-	-	(2,343,615)	-	(2,343,615)
Payment of final dividend for the year 2023	-	-	(8,583,110)	-	(8,583,110)
Payment of interim dividend for the year 2024	-	-	3,388,299	(0.22)	3,489,323
Total transaction with the owners of the Group	152,183	(51,159)	3,388,299	(0.22)	3,489,323
Balance as on 31 December 2024					

Particulars	Share capital BDT'000	Other components of equity BDT'000	General reserves/ Retained earnings BDT'000	Non-controlling interests BDT'000	Total equity BDT'000
Balance as on 01 January 2023	152,183	(65,338)	5,960,807	(0.15)	6,047,652
Comprehensive income for the year	-	-	228,572	(0.04)	228,572
Profit for the year	-	(6,463)	-	-	(6,463)
Other comprehensive loss for the year	-	18,720	-	-	18,720
Transfer to Linde Industries Pvt. Ltd. (LIPL)	-	12,257	228,572	(0.04)	240,830
Total comprehensive income for the year	-	-	-	-	-
Transaction with owners of the Group	-	-	(639,168)	-	(639,168)
Contributions and distributions	-	-	(639,168)	-	(639,168)
Payment of final dividend for the year 2022	-	-	5,550,211	(0.19)	5,649,313
Total transaction with the owners of the Group	152,183	(53,081)	5,550,211	(0.19)	5,649,313
Balance as on 31 December 2023					

**Linde Bangladesh Limited
Consolidated Statement of Cash Flows
For the year ended 31 December 2024**

	Note	2024 BDT'000	2023 BDT'000
A. Cash flow from operating activities			
Cash receipts from customers		2,241,540	2,189,365
Cash paid to suppliers and employees		(1,740,801)	(1,336,374)
Cash generated from operating activities		<u>500,739</u>	<u>852,991</u>
Income tax paid		(132,502)	(300,118)
Net cash from operating activities		<u>368,237</u>	<u>552,873</u>
B. Cash flow from investing activities			
Payment for acquisition of property, plant and equipment		(209,696)	(152,671)
Proceeds from sale of property, plant and equipment		1,625	-
Net proceeds from sale of share of LIPL		7,947,624	704
Interest received		17,038	41,530
Net cash generated from/ (used in) investing activities		<u>7,756,592</u>	<u>(110,437)</u>
C. Cash flow from financing activities			
Dividend paid		(8,778,870)	(287,062)
Repayment of lease obligation		(3,310)	(5,992)
Paid to subsidiary		-	(469,150)
Net cash used in financing activities		<u>(8,782,180)</u>	<u>(762,204)</u>
Net (decrease)/increase in cash and cash equivalents (A+B+C)		<u>(657,351)</u>	<u>(319,768)</u>
Cash and cash equivalents as at 01 January		2,204,380	2,520,495
Effect of movements in exchange rates on cash held		12,555	3,653
Cash and cash equivalents as at 31 December		<u>1,559,584</u>	<u>2,204,380</u>
Net operating cash flow per share (NOCFPS)	43.A	<u>24.20</u>	<u>36.33</u>

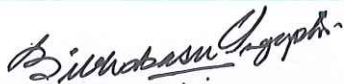
The annexed notes form an integral part of these financial statements.

Hoda Vasi Chowdhury & Co

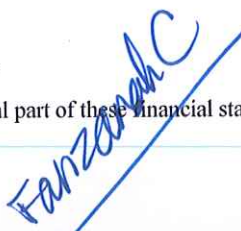
Linde Bangladesh Limited
Statement of Financial Position
As at 31 December 2024

	Note	31 December 2024 BDT'000	31 December 2023 BDT'000
Assets			
Property, plant and equipment	5	2,562,364	2,766,019
Intangible assets	6	-	-
Right-of-use (RoU) assets	7	37,757	28,812
Investment in subsidiaries	8	20	1,020
Advances, deposits and prepayments	11	226,679	95,104
Total non-current assets		2,826,820	2,890,955
Inventories	9	387,156	482,234
Trade and other receivables	10	855,534	906,755
Advances, deposits and prepayments	11	139,687	201,579
Inter-company receivables	12	-	1,309,336
Cash and cash equivalents	13	1,559,564	2,204,360
Net current tax assets	21	169,732	110,188
Total current assets		3,111,672	5,214,452
Total assets		5,938,493	8,105,407
Equity			
Share capital	14.2	152,183	152,183
Other component of equity		(51,159)	(53,081)
General reserve/ Retained earnings		3,389,097	5,550,941
Total equity		3,490,121	5,650,043
Liabilities			
Employee benefits non-current portion	15	87,621	104,086
Deferred tax liabilities	16.2	253,153	277,873
Lease liabilities-non current portion	17	23,228	14,402
Other non-current liabilities	18	255,370	246,041
Total non-current liabilities		619,372	642,402
Lease liabilities-current portion	17	5,954	2,306
Employee benefits-current portion	15	21,340	12,025
Trade and other payables	19	1,083,554	1,289,068
Provision for expenses	20	535,548	131,200
Unclaimed dividends	22	182,603	378,363
Total current liabilities		1,828,999	1,812,962
Total liabilities		2,448,371	2,455,364
Total equity and liabilities		5,938,493	8,105,407
Net asset value (NAV) per share	41	229.34	371.27

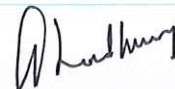
The annexed notes form an integral part of these financial statements.



Bibhabasu Sengupta
Managing Director



Farzanah Chowdhury
Director



Suwendu Chowdhury
Chief Financial Officer



Abu Mohammad Nisar
Company Secretary

As per our annexed report of same date

Dhaka, Bangladesh

Date: **13 MAR 2025**

DVC: **2503180469 AS960970**



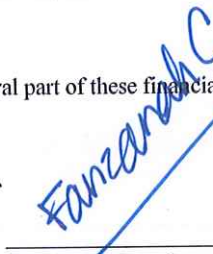
A F Nesaruddin, FCA
Enrolment # 469
Senior Partner
Firm Reg. # CAF-001-057
Hoda Vasi Chowdhury & Co
Chartered Accountants

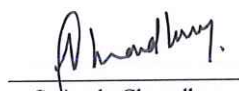
Linde Bangladesh Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2024

	Note	2024 BDT'000	2023 BDT'000
Revenue	23	2,214,080	2,164,337
Cost of sales	24	(1,171,247)	(1,103,683)
Gross profit		1,042,833	1,060,654
Operating expenses	25	(773,652)	(732,374)
Profit from operations		269,181	328,280
Net foreign exchange gain/(loss)		118,666	(7,489)
Other income	26	46,741	8,988
Income from sale of LIPL	27	7,579,341	-
Net finance income	28	15,548	38,276
Profit before WPPF provision		8,029,477	368,055
Contribution to workers' profit participation fund (WPPF)	29	(401,474)	(18,403)
Profit before tax		7,628,003	349,652
Income tax expenses	16	(1,206,737)	(121,011)
Profit after tax for the year		6,421,266	228,641
Other comprehensive income/(loss)			
Remeasurement of defined benefit liability, net of tax		2,480	(8,339)
Related tax		(558)	1,876
Other comprehensive income/(loss) for the year, net of tax		1,922	(6,463)
Total comprehensive income for the year		6,423,188	222,178
Earnings per share (EPS)	42	421.94	15.02

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


Bibhabasu Sengupta
Managing Director


Farzanah Chowdhury
Director


Suwendu Chowdhury
Chief Financial Officer


Abu Mohammad Nisar
Company Secretary

As per our annexed report of same date

Dhaka, Bangladesh

Date: **13 MAR 2025**

DVC: **2503180469AS960970**



A F Nesaruddin, FCA
Enrolment # 469
Senior Partner
Firm Reg. # CAF-001-057
Hoda Vasi Chowdhury & Co
Chartered Accountants

Linde Bangladesh Limited
Statement of Changes in Equity
For the year ended 31 December 2024

Particulars	Share capital BDT'000	Other components of equity BDT'000	General reserves/ Retained earnings BDT'000	Total equity BDT'000
Balance as on 01 January 2024	152,183	(53,081)	5,550,941	5,650,043
Comprehensive income for the year	-	-	6,421,266	6,421,266
Profit for the year	-	1,922	-	1,922
Other comprehensive income for the year	-	1,922	-	1,922
Total comprehensive income for the year	-	1,922	6,421,266	6,423,188
Transaction with owners of the Company				
Contributions and distributions	-	-	(2,343,615)	(2,343,615)
Payment of final dividend for the year 2023	-	-	(6,239,495)	(6,239,495)
Payment of interim dividend for the year 2024	-	-	(8,583,110)	(8,583,110)
Total transaction with the owners of the Company	-	-	(14,166,220)	(14,166,220)
Balance as on 31 December 2024	152,183	(51,159)	3,389,097	3,490,121

Particulars	Share capital BDT'000	Other components of equity BDT'000	General reserves/ Retained earnings BDT'000	Total equity BDT'000
Balance as on 01 January 2023	152,183	(65,338)	5,961,468	6,048,313
Comprehensive income for the year	-	-	228,641	228,641
Profit for the year	-	-	-	-
Other comprehensive loss for the year	-	(6,463)	-	(6,463)
Transfer to LIPL	-	18,720	-	18,720
Total comprehensive income for the year	-	12,257	228,641	240,898
Transaction with owners of the Company				
Contributions and distributions	-	-	(639,168)	(639,168)
Payment of final dividend for the year 2022	-	-	(639,168)	(639,168)
Total transaction with the owners of the Company	-	-	(1,278,336)	(1,278,336)
Balance as on 31 December 2023	152,183	(53,081)	5,550,941	5,650,043

Linde Bangladesh Limited
Statement of Cash Flows
For the year ended 31 December 2024

Note	2024 BDT'000	2023 BDT'000
A. Cash flow from operating activities		
Cash receipts from customers	2,241,540	2,189,365
Cash paid to suppliers and employees	(1,740,732)	(1,336,374)
Cash generated from operating activities	500,807	852,991
Income tax paid	(132,502)	(300,118)
Net cash generated from operating activities	368,305	552,873
B. Cash flow from investing activities		
Payment for acquisition of property, plant and equipment	(209,696)	(152,671)
Proceeds from sale of property, plant and equipment	1,625	704
Net proceeds from sale of share of LIPL	7,947,624	-
Interest received	17,038	41,530
Net cash generated from/ (used in) investing activities	7,756,592	(110,437)
C. Cash flow from financing activities		
Dividend paid	(8,778,870)	(287,062)
Repayment of lease obligation	(3,310)	(5,992)
Paid to subsidiary	(69)	(469,150)
Net cash used in financing activities	(8,782,249)	(762,204)
Net decrease in cash and cash equivalents (A+B+C)	(657,351)	(319,768)
Cash and cash equivalents as at 01 January	2,204,360	2,520,475
Effect of movements in exchange rates on cash held	12,555	3,653
Cash and cash equivalents as at 31 December	1,559,564	2,204,360
Net operating cash flow per share (NOCFPS)	24.20	36.33

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

Linde Bangladesh Limited
Notes to the Consolidated and Separate Financial Statements
As at and for the year ended 31 December 2024

1. Reporting entity

1.1 Company profile

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

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

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

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

BOC Bangladesh Limited ("BOC") is a wholly owned subsidiary of the Company which is not in operation.

In 2023, The Company underwent with a demerger of its Hardgoods Business. The Hardgoods Business has been transferred to the resulting company, LIPL. The effective date of the demerger is 1 January 2023, as per the order from the Honorable High Court Division of the Supreme Court of Bangladesh dated 14 August 2023. Following the order, all the employees along with their future benefits were transferred to LIPL on 5th October 2023 and from 1st November 2023, LIPL has started the operations in its own name.

Subsequently, in the 276th Board meeting held on 27 May 2024, the Company entered into a Sale and Purchase Agreement (SPA) with ESAB Group for sale of 138,290,500 equity shares of LIPL held by Linde Bangladesh Limited. LIPL is not associated with Linde Bangladesh Limited anymore, thus it is not consolidated in the current year financial statements. Moreover, for the purpose of fair comparison, prior year figures also excluded of LIPL financials, which were consolidated in the year 2023.

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

1.2 Nature of business

The Company's principal activities are manufacturing and supply of industrial and medical gases. The Company also earns rental from cylinders used by the customers and from Vacuum Insulated Evaporators (VIE) installed at customers' premises. The Company also provides services related to its products.

2. Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). Details are as follow:

Name of IFRS/IAS	Compliance status
IAS 1: Presentation of Financial Statements	Complied
IAS 2: Inventories	Complied
IAS 7: Statement of Cash Flows	Complied
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS 10: Events after the Reporting Period	Complied
IAS 11: Construction Contracts	Complied
IAS 12: Income Taxes	Complied
IAS 16: Property, Plant and Equipment	Complied
IAS 19: Employee Benefits	Complied
IAS 20: Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
IAS 21: The Effects of Changes in Foreign Exchange Rates	Complied
IAS 23: Borrowing Costs	Not Applicable
IAS 24: Related Party Disclosures	Complied
IAS 26: Accounting and Reporting by Retirement Benefit Plans	Not Applicable
IAS 27: Separate Financial Statements	Complied
IAS 28: Investment in Associates and Joint Ventures	Not Applicable

2. Basis of accounting (continued)

Name of IFRS/IAS	Compliance status
IAS 29: Financial Reporting in Hyperinflationary Economics	Not Applicable
IAS 32: Financial Instruments: Disclosure and Presentation	Complied
IAS 33: Earnings Per Share	Complied
IAS 34: Interim Financial Reporting	Complied
IAS 36: Impairment of Assets	Complied
IAS 37: Provisions, Contingent Liabilities and Contingent assets	Complied
IAS 38: Intangible Assets	Complied
IAS 39: Financial Instruments: Recognition and Measurement	Complied
IAS 40: Investment Property	Not Applicable
IAS 41: Agriculture	Not Applicable
IFRS 1: First time Adoption of International Financial Reporting Standards	Not Applicable
IFRS 2: Share based Payment	Not Applicable
IFRS 3: Business Combinations	Not Applicable
IFRS 4: Insurance Contracts	Not Applicable
IFRS 5: Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
IFRS 6: Exploration for and Evaluation of Mineral Resources	Not Applicable
IFRS 7: Financial Instruments: Disclosures	Complied
IFRS 8: Operating Segments	Complied
IFRS 9: Financial Instruments	Complied
IFRS 10: Consolidated Financial Statements	Complied
IFRS 11: Joint Arrangements	Not Applicable
IFRS 12: Disclosure of Interests in Other Entities	Not Applicable
IFRS 13: Fair Value Measurement	Complied
IFRS 14: Regulatory Deferral Accounts	Not Applicable
IFRS 15: Revenue from Contracts with Customers	Complied
IFRS 16: Leases	Complied
IFRS 17: Insurance Contracts	Not Applicable

The Company also follows relevant circulars of Bangladesh Securities Exchange Commission (BSEC) and sock exchanges (DSE,CSE).

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). They were authorised for issue by the Company's board of directors on 13 MAR 2023.

Details of the Company's accounting policies, including changes thereto, are included in Note 46.

2.1 Functional and presentational currency

These financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT), which is the Company's functional currency.

All amounts have been rounded to the nearest thousand, unless otherwise indicated. As a result of these rounding off, in some instances the total may not match the sum of individual balances; and

Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

2.2 Basis of measurement

These financial statements have been prepared on accrual basis following going concern concept under historical cost convention. The gratuity scheme is measured based on actuarial valuation.

3. Going concern

The accompanying financial statements have been prepared on a going concern assumption that the Company will continue in operation over the foreseeable future. The Company has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The Company has adequate resources to continue in operation for the foreseeable future and the current resources of the Company provide sufficient funds and attributable credit facilities to meet the present requirements of its existing business.

4. Use of judgments and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the 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 recognized in the financial statements is included in the following notes:

Note 7 and 46(Q) Right-of-use (RoU) assets

Note 17 and 46(Q) Lease term: whether the company is reasonably certain to exercise extension option.

(B) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following note:

Note 16 and 46(D) Uncertain tax treatment

Note 5 and 46(F) Useful life and residual value of property, plant and equipment

Note 9 and 46(E) Provision for inventory obsolescence

Note 10 and 46(H) Provision for trade receivable

Notes to the Consolidated and Separate Financial Statements (continued)

5. Property, plant and equipment
See accounting policy in Note 46(F)
5.1 Reconciliation of carrying amount

	Amount in thousands of BDT								
	Freehold land	Freehold buildings	Buildings on leasehold land	Plant machinery and cylinders	Motor vehicles	Furniture fixtures and equipment	Computer hardware	Capital work in progress	Total
Cost									
Balance at 01 January 2023	75,080	770,704	100,735	5,103,758	161,777	95,487	76,543	102,413	6,486,496
Additions	-	23,645	-	96,091	-	5,944	2,289	166,493	294,462
Disposals/transfers	-	-	-	(3,780)	(5,567)	(1,965)	-	(127,969)	(139,281)
Transfer to LIPL	-	(272,861)	-	(731,407)	(9,759)	(12,686)	(9,612)	-	(1,036,325)
Balance at 31 December 2023	75,080	521,487	100,735	4,464,662	146,450	86,780	69,220	140,937	5,605,352
Balance at 01 January 2024	75,080	521,487	100,735	4,464,662	146,450	86,780	69,220	140,937	5,605,352
Additions	-	-	17,692	158,996	4,318	7,485	10,164	127,164	325,817
Disposals/transfers	-	(4,121)	-	(89,325)	(2,650)	(155)	(6,186)	(198,654)	(301,092)
Transfer to LIPL	-	-	-	(11,778)	-	-	-	-	(11,778)
Balance at 31 December 2024	75,080	517,366	118,427	4,522,555	148,118	94,110	73,197	69,447	5,618,300
Accumulated depreciation									
Balance at 01 January 2023	-	227,487	65,679	2,652,852	139,936	73,605	64,065	-	3,223,624
Transfer to LIPL	-	(85,958)	-	(522,750)	(9,759)	(7,949)	(6,768)	-	(633,184)
Depreciation	-	18,558	2,001	226,014	6,579	2,216	4,505	-	259,874
Disposals/transfers	-	-	-	(3,448)	(5,567)	(1,965)	-	-	(10,980)
Balance at 31 December 2023	-	160,088	67,680	2,352,668	131,189	65,907	61,802	-	2,839,333
Balance at 01 January 2024	-	160,088	67,680	2,352,668	131,189	65,907	61,802	-	2,839,333
Depreciation	-	18,038	2,387	230,012	5,830	3,747	3,637	-	263,651
Impairment (Note 5.3)	-	20,351	-	29,697	-	272	-	4,211	54,532
Disposals/transfers	-	(4,121)	-	(88,243)	(2,650)	(155)	(6,186)	-	(101,356)
Transfer to LIPL	-	-	-	(224)	-	-	-	-	(224)
Balance at 31 December 2024	-	194,355	70,067	2,523,910	134,369	69,770	59,252	4,211	3,055,936
Carrying amounts									
At 1 January 2023	75,080	543,216	35,056	2,450,906	21,841	21,882	12,478	102,413	3,262,873
At 31 December 2023	75,080	361,400	33,055	2,111,994	15,262	20,873	7,418	140,937	2,766,019
At 31 December 2024	75,080	323,011	48,360	1,998,645	13,749	24,340	13,945	65,236	2,562,364

5.2 Allocation of depreciation

	2024	2023
Cost of sales	188,351	182,168
Operating expenses	75,300	77,706
	263,651	259,874

5.3 Impairment loss

Considering the condition of Shitalpur ASU plant, the Board of Directors in its meeting held on 31 October 2024 had decided to impair assets (building, machineries and office equipment) of the noted plant. Management has performed an impairment test and concluded that aforementioned assets are not in usable condition. Accordingly, a provision for impairment loss of BDT 54,531,642 is recognized in the financial statements. Cost of the assets impaired is BDT 139,196,621 and WDV as on 31 December 2024 is BDT 62,040,542. Based on the experience, management has estimated recoverable amount to be BDT 7,500,000. However, the actual salvage value will be recognized at the time of transaction in due course. Further, no decision has yet been taken on potential use of land and other installations and as such, value of land has been kept outside this impairment exercise.

Note

24.1.1

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Notes to the Consolidated and Separate Financial Statements (continued)

Note	31 December 2024 BDT'000	31 December 2023 BDT'000
6. Intangible assets		
See accounting policy in Note 46(G)		
Cost		
Balance at 01 January	68,503	68,503
Additions	-	-
Closing balance	<u>68,503</u>	<u>68,503</u>
Accumulated depreciation		
Balance at 01 January	68,503	68,471
Amortisation	-	32
Closing balance	<u>68,503</u>	<u>68,503</u>
Written down value	<u>-</u>	<u>-</u>
7. Right-of-use (RoU) assets		
See accounting policy in Note 46(Q)		
Cost		
Balance at 01 January	59,376	56,291
Additions to right-of-use assets	7,577	-
Lease adjustments	216	3,085
Closing balance	<u>67,169</u>	<u>59,376</u>
Accumulated depreciation		
Balance at 01 January	30,564	20,942
Depreciation charged	3,290	7,491
Lease adjustment	(4,442)	2,131
Closing balance	<u>29,412</u>	<u>30,564</u>
Written down value	<u>37,757</u>	<u>28,812</u>
8. Investment in subsidiaries		
BOC Bangladesh Limited	20	20
Linde Industries Pvt. Ltd. (LIPL)	-	1,000
	<u>20</u>	<u>1,020</u>
8.1 Movement of investment in Linde Industries Pvt. Ltd (LIPL)		
Opening balance	1,000	-
Addition during the year - converting inter-company balance	1,381,901	1,000
	<u>1,382,901</u>	<u>1,000</u>
Sale of investment during the year	(1,382,901)	-
Closing balance	<u>-</u>	<u>1,000</u>
<p>Pursuant to the order of the High Court Division of the Supreme Court of Bangladesh, the Board took the decision in its 276th meeting held on 27 May 2024 for conversion of the inter-company balance increasing the share (investment) base to 138,290,500 shares. Thereafter, the Company entered into a Sale and Purchase Agreement (SPA) with ESAB Group, UAE for disposal of the entire 138,290,500 equity shares held by the Company. The sale of shares has been approved by the Shareholders in the Extra-Ordinary General meeting held on 23 June 2024 and the shares were finally disposed of on 02 July 2024.</p>		
9. Inventories		
See accounting policy in Note 46(E)		
Raw materials	31,722	48,456
Finished goods	222,606	199,638
Goods in transit	70,174	145,107
Maintenance spares	115,175	131,105
Provision for inventory obsolescence	(52,521)	(42,072)
	<u>387,156</u>	<u>482,234</u>
9.1 Provision for inventory obsolescence		
Balance as at 01 January	42,072	62,522
Provision/(reversal) during the year	10,449	(20,450)
Closing balance	<u>52,521</u>	<u>42,072</u>

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

Notes to the Consolidated and Separate Financial Statements (continued)

	Note	31 December 2024 BDT'000	31 December 2023 BDT'000
10. Trade and other receivables			
See accounting policy in Note 46(H)			
Inter-company receivable		-	-
Trade receivables		915,682	945,237
Other receivables		57,403	53,572
Provision for trade receivables	10.1	<u>(117,551)</u>	<u>(92,054)</u>
		<u>855,534</u>	<u>906,755</u>
10.1 Provision for trade receivables			
Balance as at 01 January		92,054	99,529
Provision made/(reversal) for trade receivables		<u>25,496</u>	<u>(7,475)</u>
Closing balance		<u>117,551</u>	<u>92,054</u>
11. Advances, deposits and prepayments			
Loans and advances to employees		16,983	27,132
Advances to suppliers		560	508
Deposits and prepayments		300,950	222,018
VAT current account		47,198	46,419
Current account with subsidiaries - BOC Bangladesh Limited		675	606
		<u>366,366</u>	<u>296,683</u>
Non-current		226,679	95,104
Current		<u>139,687</u>	<u>201,579</u>
		<u>366,366</u>	<u>296,683</u>
11.A Advances, deposits and prepayments (consolidated)			
Non-current		226,679	95,104
Current		<u>139,012</u>	<u>200,973</u>
		<u>365,691</u>	<u>296,077</u>
Above amounts are unsecured but considered good.			
12. Inter-company receivables			
Property, plant and equipment		-	403,141
Depreciation		-	-
Inventories		-	867,527
Trade and other receivables		-	152,518
Advances, deposits and prepayments		-	19,779
Employee benefits		-	(50,185)
Other component of equity		-	18,720
Cash and cash equivalents		-	468,150
Trade and other payables		-	(84,721)
Provision for expenses		-	(436,741)
Deferred tax liabilities		-	(48,852)
		<u>-</u>	<u>1,309,336</u>
The above noted balance has been converted to equity shares in LIPL pursuant to the order of the High Court Division of the Supreme Court of Bangladesh dated 02 October 2023. The entire shares were sold as detailed in note 8.1.			
13. Cash and cash equivalents			
See accounting policy in Note 46(H)			
Cash in hand		482	351
Cash at bank		1,549,082	2,194,009
Fixed deposits with banks*		10,000	10,000
		<u>1,559,564</u>	<u>2,204,360</u>

*There is lien on one fixed deposit of BDT 10,000,000.

Notes to the Consolidated and Separate Financial Statements (continued)

	Note	31 December 2024 BDT'000	31 December 2023 BDT'000
13.1 Reconciliation of net operating cash flows			
Net profit before tax		7,628,003	349,652
Add: Items not involving movement of cash			
- Depreciation on property, plant and equipment	5	263,651	259,874
- Amortization on intangible assets		-	32
- Impairment loss on PPE		54,532	-
- Gain on disposal of property, plant and equipment	26	(543)	(371)
- Finance costs	28	1,490	1,808
- Interest income	28	(17,038)	(40,143)
- Provision for workers profit participation fund (WPPF)	29	401,474	18,403
- Provision/(reversal) for trade receivables	25	(11,445)	(7,474)
- Bad debt written off	25	36,941	-
- Provision for gratuity	15.1.1	18,990	18,299
- Income from sale of LIPL	27	(7,579,341)	-
- Cost associated to sale of LIPL	27	(143,858)	-
		<u>(6,975,147)</u>	<u>250,428</u>
A. Cash generated from operations before changes in working capital		<u>652,856</u>	<u>600,080</u>
Changes in working capital:			
- Inventories		95,078	642,656
- Trade and other receivables		25,725	140,171
- Advances, deposits and prepayments		(69,614)	124,278
- Other non-current liabilities		9,329	9,069
- Provision for expenses		(2,717)	(54,579)
- Trade and other payables		(167,772)	(1,553)
- Intercompany receivable		-	(481,296)
B. Total changes in working capital		<u>(109,972)</u>	<u>378,746</u>
C. Cash generated from operating activities (A+B)		<u>542,884</u>	<u>978,826</u>
Less: Payments made during the period			
- Tax paid		(132,502)	(125,911)
- Interest paid		(14)	(59)
- Workers profit participation fund (WPPF) paid		(18,403)	(59,741)
- Gratuity paid		(23,660)	(66,036)
D. Total payment		<u>(174,579)</u>	<u>(251,747)</u>
Net cash inflows from operating activities (C+D)		<u>368,305</u>	<u>727,079</u>
13.A Cash and cash equivalents (consolidated)			
Linde Bangladesh Limited		1,559,564	2,204,360
BOC Bangladesh Limited		20	20
		<u>1,559,584</u>	<u>2,204,380</u>
13.A.1 Reconciliation of net operating cash flows (consolidated)			
Net profit before tax		7,627,934	349,583
Add: Items not involving movement of cash			
- Depreciation on property, plant and equipment		263,651	259,874
- Amortization on intangible assets		-	32
- Impairment loss on PPE		54,532	-
- Loss on disposal of property, plant and equipment		(543)	(371)
- Finance costs		1,490	1,808
- Interest income		(17,038)	(40,143)
- Provision for workers profit participation fund (WPPF)		401,474	18,403
- Provision/(reversal) for trade receivables		(11,445)	(7,474)
- Bad debt written off		36,941	-
- Provision for gratuity		18,990	18,299
- Income from sale of LIPL		(7,579,341)	-
- Cost associated to sale of LIPL		(143,858)	-
		<u>(6,975,146)</u>	<u>250,427</u>
A. Cash generated from operations before changes in working capital		<u>652,789</u>	<u>600,010</u>

Notes to the Consolidated and Separate Financial Statements (continued)

	Note	31 December 2024 BDT'000	31 December 2023 BDT'000
13.A.1 Reconciliation of net operating cash flows (consolidated) (continued)			
Changes in working capital:			
- Inventories		95,078	642,656
- Trade and other receivables		25,725	140,171
- Advances, deposits and prepayments		(69,614)	124,278
- Other non-current liabilities		9,329	9,069
- Provision for expenses		(2,717)	(54,579)
- Trade and other payables		(167,774)	(1,553)
- Intercompany receivable		-	(481,296)
B. Total changes in working capital		(109,974)	378,746
C. Cash generated from operating activities (A+B)		542,816	978,756
Less: Payments made during the period			
- Tax paid		(132,502)	(125,911)
- Interest paid		(14)	(59)
- Workers profit participation fund (WPPF) paid		(18,403)	(59,741)
- Gratuity paid		(23,660)	(66,036)
D. Total payment		(174,579)	(251,747)
Net cash inflows from operating activities (C+D)		368,237	727,009

Notes to the Consolidated and Separate Financial Statements (continued)

	Note	31 December 2024 BDT'000	31 December 2023 BDT'000
14. Equity attributable to owners of the company/share capital			
14.1 Authorised capital			
20,000,000 ordinary shares of BDT 10 each		200,000	200,000
14.2 Issued, subscribed and paid up capital			
3,616,902 ordinary shares of BDT 10 each issued for cash		36,169	36,169
999,498 ordinary shares of BDT 10 each issued for consideration other than cash		9,995	9,995
10,601,880 bonus shares of BDT 10 each		106,019	106,019
		<u>152,183</u>	<u>152,183</u>
14.3 Percentage of shareholdings			
		% of shareholdings	In thousands of BDT
		31 December 2024	31 December 2023
Name of shareholders			
The BOC Group Limited		60.0	60.0
Investment Corporation of Bangladesh (ICB)		7.3	14.3
Sadharan Bima Corporation (SBC)		1.3	1.3
Pubali Bank Securities Limited		1.3	1.3
Other shareholders		30.1	23.1
		<u>100</u>	<u>100</u>
		<u>91,310</u>	<u>91,310</u>
		<u>11,045</u>	<u>21,683</u>
		<u>2,047</u>	<u>2,047</u>
		<u>2,023</u>	<u>1,923</u>
		<u>45,758</u>	<u>35,220</u>
		<u>152,183</u>	<u>152,183</u>
14.4 Classification of shareholders by holding			
		Number of holders	Total holding (%)
		31 December 2024	31 December 2023
Holdings			
Less than 500 shares		13,400	8,959
500 to 5,000 shares		1,162	589
5,001 to 10,000 shares		58	49
10,001 to 20,000 shares		42	45
20,001 to 30,000 shares		7	9
30,001 to 40,000 shares		4	6
40,001 to 50,000 shares		3	3
50,001 to 100,000 shares		5	8
100,001 to 1,000,000 shares		6	5
Over 1,000,000 shares		1	2
		<u>14,688</u>	<u>9,675</u>
			<u>7.04</u>
			<u>9.18</u>
			<u>2.66</u>
			<u>3.81</u>
			<u>1.20</u>
			<u>0.96</u>
			<u>0.93</u>
			<u>2.31</u>
			<u>11.88</u>
			<u>60.03</u>
			<u>100.00</u>
15. Employee benefits			
See accounting policy in Note 46(M)			
Gratuity scheme	15.1		<u>108,961</u>
Employee benefits non-current portion			<u>87,621</u>
Employee benefits current portion			<u>21,340</u>
			<u>108,961</u>
15.1 Gratuity scheme			
Amount recognised in the statement of financial positions			
Defined benefit obligation	15.1.1		<u>108,991</u>
Fair value of plan assets*			<u>(30)</u>
			<u>108,961</u>

*Gratuity scheme was unfunded in 2020 and a fund was formed in 2021 when approval from NBR was received on 15 July 2021. The Company has maintained the plan asset through a separate bank account in Standard Chartered Bank.

Notes to the Consolidated and Separate Financial Statements (continued)

15. Employee benefits (continued)

15.1.1 Movement in defined benefit obligation

	2024			2023		
	Defined benefit obligation	Fair value of plan assets	Net defined (asset)/liability	Defined benefit obligation	Fair value of plan assets	Net defined (asset)/liability
Balance at 1 January	116,141	(30)	116,111	205,725	(30)	205,695
Transfer to LIPL				(50,186)	-	(50,186.46)
Included in profit or loss						
Past service costs	-	-	-	-	-	-
Current service costs	6,880	-	6,880	8,820	-	8,820
Interest cost	12,110	-	12,110	9,479	-	9,479
Interest income	-	-	-	-	-	-
	18,990	-	18,990	18,299	-	18,299
Included in OCI						
-demographic assumption	-	-	-	-	-	-
-financial assumption	(7,790)	-	(7,790)	(20,262)	-	(20,262)
-experience adjustment	5,310	-	5,310	28,601	-	28,601
Actuarial loss on plan assets	-	-	-	-	-	-
	(2,480)	-	(2,480)	8,339	-	8,339
Other						
Contribution paid by the employer	(23,660)	23,660	-	-	(66,036)	(66,036)
Benefits paid	-	(23,660)	(23,660)	(66,036)	66,036	-
	(23,660)	-	(23,660)	(66,036)	-	(66,036)
Balances at 31 December	108,991	(30)	108,961	116,141	(30)	116,111

B. Significant actuarial assumptions

Discount rate	12.50%	6.8%
Salary escalation rate	8.5% for 2025 and 6% thereafter	8.5% for 2024-25 and 6% thereafter
Withdrawal rate	Age 20-50 years: 3%; 1% thereafter	
Mortality rate	* Indian Assured Lives Mortality (2006-2008) Ultimate	

* Willis Towers Watson is appointed as the actuary for Linde Bangladesh Limited. Actuary considered this table as no such mortality statistics is available for Bangladesh.

C. Summary of principal rules of the plan

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

D. Expected cash flow for following year

	In thousands of BDT	
	31 December 2024	31 December 2023
Expected employer's contribution for next year	21,340	27,295
Expected benefit payments for the year ended		
Year 1	21,340	24,110
Year 2	32,370	25,230
Year 3	6,380	37,970
Year 4	21,190	39,430
Year 5	8,040	38,590
Next 5 years	60,190	83,580

E. Sensitivity analysis

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

Increase of discount rate	(2,320)	(4,010)
Increase in future salary growth	2,590	4,120
Decrease of discount rate	2,450	8,550
Decrease in future salary growth	2,460	(8,080)

Notes to the Consolidated and Separate Financial Statements (continued)

16. Income tax expense
See accounting policy in Note 46(D)

Amounts recognised in profit or loss

	2024 BDT'000	2023 BDT'000
Income tax expense	1,231,438	147,358
Current tax expense	(24,701)	(26,347)
Deferred tax (income)/expense	1,206,737	121,011

16(I)

16.1 Reconciliation of effective tax rate

	January-December 2024 Rate	January-December 2024 BDT'000	January-December 2023 Rate	January-December 2023 BDT'000
Profit before income tax	20.00%	7,628,003	22.50%	349,652
Income tax		1,525,601		78,672
Factors affecting the tax charge for current period				
Non-deductible expenses	1.17%	89,378	23.42%	81,901
Admissible expenses	-0.46%	(35,462)	-17.58%	(61,452)
Differential tax rate for capital gain	-5.06%	(386,160)	-7.54%	(26,347)
Movement of temporary differences	-0.32%	(24,701)		
Prior year adjustment	0.50%	38,081	13.80%	48,237
Total income tax expense	15.82%	1,206,737	34.61%	121,011

16.2 Movement in deferred tax balances

Deferred tax liabilities have been recognised and measured in accordance with the provision of IAS -12, "Income Taxes".

	Opening balance	Transfer to LIPL	Net balance after transfer	Recognised in profit or loss	Recognised in OCI	Closing balance	Deferred tax assets	Deferred tax liabilities
31 December 2024								
Property, plant and equipment	(334,882)	-	(334,882)	(25,792)	-	(309,090)	-	(309,090)
Intangible assets	3,433	-	3,433	(391)	-	3,824	3,824	-
ROU assets	(6,483)	-	(6,483)	(4,553)	-	(1,929)	-	(1,929)
Lease liabilities	3,759	-	3,759	3,078	-	681	681	-
Provision for inventory obsolescence	9,466	-	9,466	2,575	-	6,891	6,891	-
Impairment loss allowance on trade receivables	20,712	-	20,712	364	-	20,348	20,348	-
Employee benefits	26,122	-	26,122	-	558	26,122	-	26,122
Net deferred tax assets (liabilities)	(277,873)	-	(277,873)	(24,720)	558	(253,153)	31,745	(284,898)
31 December 2023								
Property, plant and equipment	(442,361)	77,606	(364,755)	29,873	-	(334,882)	-	(334,882)
Intangible assets	4,671	-	4,671	(1,238)	-	3,433	3,433	-
ROU assets	-	-	-	(6,483)	-	(6,483)	-	(6,483)
Lease liabilities	-	-	-	3,759	-	3,759	3,759	-
Provision for inventory obsolescence	14,067	(5,168)	8,899	567	-	9,466	9,466	-
Impairment loss allowance on trade receivables	22,394	-	22,394	(1,682)	-	20,712	20,712	-
Employee benefits	46,281	(23,586)	22,695	1,550	1,876	26,122	26,122	-
Net deferred tax assets (liabilities)	(354,948)	48,852	(306,096)	26,347	1,876	(277,873)	63,492	(341,365)

Notes to the Consolidated and Separate Financial Statements (continued)

	Note	31 December 2024 BDT'000	31 December 2023 BDT'000
17. Lease liabilities - leases as lessee			
See accounting policy in Note 46(Q)			
The Company takes lease of warehouses and sales center premises. The leases typically run for specific years, with an option to renew the lease after that date. Lease payments are renegotiated time to time to reflect market rentals.			
A. Reconciliation of carrying amount			
Opening balance		16,708	20,544
Additions		2,999	-
Interest accrued		1,476	1,808
Repayment		(3,310)	(5,992)
Adjustment during the year		11,308	348
		29,182	16,708
Lease liabilities-non current portion		23,228	14,402
Lease liabilities- current portion		5,954	2,306
		29,182	16,708
B. Amounts recognized in profit or loss			
Interest on lease liabilities		1,476	1,808
Depreciation on right-of-use assets		3,290	7,491
		4,766	9,299
C. Amounts recognized in statement of cash flows			
Total cash outflow for leases		(3,310)	(5,992)
18. Other non-current liabilities			
See accounting policy in Note 46(H)			
Cylinder security deposit		255,370	246,041
Cylinder security deposit from customers is a liability of continuing nature raised through daily business operation.			
19. Trade and other payables			
See accounting policy in Note 46(H)			
Inter-company payables		169,648	325,168
Trade payables		210,638	180,953
Payables for capital items		5,658	48,861
Advances from customers		57,677	59,277
Others*		639,932	674,809
		1,083,554	1,289,068
* The Board of Directors of the Company, at a meeting held on 27 April 2016, approved the transfer of lease entitlement of land at Tejgaon site, Dhaka measuring 2.31 acres. The money has already been received but the transfer through the execution of transfer deed is in process.			
20. Provision for expenses			
See accounting policy in Note 46(K)			
Accrued expenses		58,287	34,292
Accrued employee benefits		75,774	78,491
Workers' profit participation fund	20.1	401,488	18,417
		535,548	131,200
20.1 Workers' profit participation fund			
See accounting policy in Note 46(L)			
Opening balance		18,417	59,755
Provision made during the period/year	29	401,474	18,403
		419,891	78,158
Payment during the period/year		(18,403)	(59,741)
		401,488	18,417

Notes to the Consolidated and Separate Financial Statements (continued)

	Note	31 December 2024 BDT'000	31 December 2023 BDT'000
20.A Provision for expenses (consolidated)			
Accrued expenses		58,411	34,416
Accrued employee benefits		75,774	78,491
Workers' profit participation fund	20.1	401,488	18,417
		535,673	131,324
21. Current tax liabilities/(assets)			
See accounting policy in Note 46(D)			
Provision for tax	21.1	1,208,842	114,605
Advance income tax	21.2	(1,378,574)	(224,793)
		(169,732)	(110,188)
21.1 Provision for tax			
Balance as at 1 January		114,605	275,535
Add: Provision made during the year	16	1,231,438	147,358
		1,346,043	422,892
Less: Adjustment during the year		(137,201)	(308,287)
Balance as at 31 December		1,208,842	114,605
21.2 Advance income tax			
Balance as at 1 January		224,793	232,962
Payment made u/s- 64 and 74		1,158,480	127,513
Withholding tax		132,502	172,605
Tax adjusted for prior years		(137,201)	(308,287)
Balance as at 31 December		1,378,574	224,793
22. Unclaimed dividends			
The ageing of unclaimed dividends at the reporting date was:			
Within 1 year		165,907	352,748
Up to 1 year to 2 years		7,429	9,563
Up to 2 years to 3 years		9,267	7,569
Above 3 years*		-	8,483
		182,603	378,363
22.1 Dividend payable to The BOC Group Ltd.		-	345,148
Dividend payable to others		182,603	33,215
		182,603	378,363

*As per the Directive No. BSEC/CMRRCD/2021-386/03 and Bangladesh Securities and Commission Rules (Capital Market Stabilisation Fund) Rules, 2021, if cash dividend remains unpaid or unclaimed for a period of three years from the date of declaration or approval or record date, it shall be transferred to CMSF (Capital market Stabilisation Fund). The Company transferred BDT 8,463,060 for year 2019 that was unclaimed for more than 3 years to CMSF.

Notes to the Consolidated and Separate Financial Statements (continued)

23. Revenue

See accounting policy in Note 46(A)

	UoM	2024		2023	
		Quantity'000	BDT'000	Quantity'000	BDT'000
ASU gases	M3	24,552	1,284,449	27,240	1,419,892
Dissolved acetylene	M3	76	98,932	86	98,664
Others	-	-	830,699	-	645,781
			2,214,080		2,164,337

24. Cost of sales

	Note	2024 BDT'000	2023 BDT'000
Opening inventories of manufactured products		22,145	42,046
Cost of goods manufactured	24.1	1,119,994	1,028,534
Closing inventories of manufactured products		(15,267)	(22,145)
Cost of sales of manufactured products		1,126,872	1,048,435
Cost of trading products		44,375	55,248
		1,171,247	1,103,683
24.1 Cost of goods manufactured			
Raw and packing materials consumed	24.1.2	406,182	251,030
Manufacturing overhead	24.1.1	335,271	351,733
Fuel and power		378,541	425,771
		1,119,994	1,028,534
24.1.1 Manufacturing overhead			
Salaries, wages and staff welfare		69,875	98,815
Depreciation on property, plant and equipment	5.2	188,351	182,168
Repair and maintenance		41,582	43,224
Insurance		5,752	3,547
Travelling and conveyance		1,978	2,131
Training expenses		21	12
Vehicle running expenses		5,080	7,715
Telephone, telex and fax		139	729
Printing, postage, stationery and office supplies		1,154	1,375
Consultancy fees		494	567
Inventory provision		10,449	7,269
Inventory written off		4,438	-
Provision made/(reversal) for inventory obsolescence		-	(988)
Sundry factory expenses		5,958	5,169
		335,271	351,733

Notes to the Consolidated and Separate Financial Statements (continued)

24. Cost of sales (continued) 24.1.2 Raw and packing materials consumed	Particulars	Unit of measurement (UOM)	Opening stock		Purchase		Closing stock		Consumption		% of total consumption
			Quantity MT '000	Cost BDT '000	Quantity MT '000	Cost BDT '000	Quantity MT '000	Cost BDT '000	Quantity MT '000	Cost BDT '000	
For the year ended 31 December 2024											
	Calcium carbide	M. Ton	141	21,956	205	26,353	59	7,852	287	40,457	9.96
	Others*			26,500		363,095		23,870		365,725	90.04
	Total 2024			48,456		389,449		31,722		406,182	100.00
For the year ended 31 December 2023											
	Calcium carbide	M. Ton	170	35,462	307	53,992	141	21,956	336	67,498	26.89
	Others*			178,832		31,200		26,500		183,532	73.11
	Total 2023			214,294		85,192		48,456		251,030	100.00

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

Notes to the Consolidated and Separate Financial Statements (continued)

	Note	2024 BDT'000	2023 BDT'000
25. Operating expenses			
Salaries, wages and staff welfare		231,966	291,465
Depreciation on property, plant and equipment	5.2	75,300	77,706
Depreciation on right-of-use asset	7	3,290	7,491
Impairment loss on property, plant and equipment	5	54,532	-
Amortisation of intangible assets	6	-	32
Fuel and power		1,112	738
Repair and maintenance		23,418	24,146
Insurance		2,971	2,452
Delivery expenses		168,553	186,343
Rent, rates and taxes		16,741	11,118
Travelling and conveyance		5,577	7,163
Training expenses		98	643
Telephone, telex and fax		3,554	2,517
Global information service		34,129	22,967
Outsourcing service charge		4,611	5,028
Printing, postage, stationery and office supplies		6,060	6,789
Advertising and promotion		4,026	8,715
Provision/(reversal) made for trade receivables	10.1	(11,445)	(7,474)
Bad debts written off		36,941	-
Legal and professional charge		33,616	16,241
Royalties and technical assistance fees		54,113	44,533
Audit fees	25.1	2,046	2,200
Bank charges		9,235	7,922
Entertainment		280	583
Sundry office expenses		12,928	13,056
Other business cost		-	-
		<u>773,652</u>	<u>732,374</u>
25.1 Fees paid to auditors			
Statutory audit		600	600
Interim audit		360	600
Tax compliance and other services		486	1,000
Transfer compliance and others		600	-
		<u>2,046</u>	<u>2,200</u>
25.A Operating expenses (consolidated)			
Salaries, wages and staff welfare		231,966	291,465
Depreciation on property, plant and equipment	5.2	75,300	77,706
Depreciation on right-of-use asset	7	3,290	7,491
Impairment loss on property, plant and equipment	5	54,532	-
Amortisation of intangible assets	6	-	32
Fuel and power		4,051	738
Repairs to building		1,074	2,896
Maintenance		22,343	21,250
Insurance		2,971	2,452
Delivery expenses		165,614	186,343
Rent, rates and taxes		16,741	11,118
Travelling and conveyance		5,577	7,163
Training expenses		98	643
Telephone, telex and fax		3,554	2,517
Global information service		34,129	22,967
Outsourcing service charge		4,611	5,028
Printing, postage, stationery and office supplies		6,060	6,789
Advertising and promotion		4,026	8,715
Provision/(reversal) made for trade receivables		(11,445)	(7,474)
Bad debts written off		36,941	-
Legal and professional charge		33,616	16,241
Royalties and technical assistance fees		54,113	44,533
Audit fees	25.A.1	2,115	2,269
Balance carried forward		<u>751,278</u>	<u>710,882</u>

Notes to the Consolidated and Separate Financial Statements (continued)

	Note	2024 BDT'000	2023 BDT'000
25.A Operating expenses (consolidated) (continue)			
Balance brought forward		751,278	710,882
Bank charges		9,235	7,922
Entertainment		280	583
Sundry office expenses		12,928	13,056
		<u>773,721</u>	<u>732,443</u>
25.A.1 Fees paid to auditors (consolidated)			
Audit fees - Linde Bangladesh Limited	25.1	2,046	2,200
Audit fees - BOC Bangladesh Limited		69	69
		<u>2,115</u>	<u>2,269</u>
26. Other income			
Gain on disposal of property, plant and equipment	26.1	543	371
Rental income from house property		3,335	1,760
Scrap sales and others		42,864	6,857
		<u>46,741</u>	<u>8,988</u>
26.1 Gain on disposal of property, plant and equipment			
A. Proceeds from sales of property, plant and equipment		1,625	704
B. Carrying amount			
Cost of property, plant and equipment		102,438	3,781
Accumulated depreciation		(101,356)	(3,448)
		<u>1,082</u>	<u>333</u>
C. Gain on disposal (A-B)		<u>543</u>	<u>371</u>
27. Income from sale of LIPL			
Sale proceeds		9,106,100	-
Investment in LIPL		(1,382,901)	-
Gross income from sale of LIPL		7,723,199	-
Cost associated to sale		(143,858)	-
		<u>7,579,341</u>	<u>-</u>
28. Net finance income			
See accounting policy in Note 46(B)			
Finance income		17,038	40,143
Finance costs		(14)	(59)
Interest expenses for lease		(1,476)	(1,808)
		<u>15,548</u>	<u>38,276</u>
29. Contribution to workers' profit participation fund (WPPF)			
See accounting policy in Note 46(L)			
Profit before contribution to WPPF		8,029,477	368,055
Applicable contribution rate		5%	5%
		<u>401,474</u>	<u>18,403</u>
30. Directors' remuneration			
Fees for attending board meeting		720	400
Salaries and benefits		12,778	18,153
		<u>13,498</u>	<u>18,553</u>

Notes to the Consolidated and Separate Financial Statements (continued)

31. Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

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

Amount in thousands of BDT

Note	Fair value - hedging instruments	Mandatorily at FVTPL-Others	Carrying amount				Total amount
			FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortised cost	Other financial liabilities	
31 December 2024							
Financial assets not measured at fair value							
8	-	-	-	-	20	-	20
10	-	-	-	-	855,534	-	855,534
13	-	-	-	-	1,559,082	-	1,559,082
	-	-	-	-	2,414,636	-	2,414,636
Financial liabilities not measured at fair value							
18	-	-	-	-	-	255,370	255,370
19	-	-	-	-	-	419,429	419,429
	-	-	-	-	-	674,799	674,799
31 December 2023							
Financial assets not measured at fair value							
8	-	-	-	-	1,020	-	1,020
10	-	-	-	-	906,755	-	906,755
13	-	-	-	-	2,204,008	-	2,204,008
	-	-	-	-	3,111,783	-	3,111,783
Financial liabilities not measured at fair value							
18	-	-	-	-	-	246,041	246,041
19	-	-	-	-	-	624,943	624,943
	-	-	-	-	-	870,984	870,984

* Advances against transfer of lease entitlement as referred in note number 19 is not of financial liabilities nature.

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.

Notes to the Consolidated and Separate Financial Statements (continued)

31. Financial instruments - Fair values and risk management (continued)

B. Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk (See (B)(ii));
- Liquidity risk (See (B)(iii)); and
- Market risk (See (B)(iv)).

i. Risk management framework

The Board of Directors 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 controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

ii. 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, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Management's review includes external ratings, if they are available, financial statements, credit agency information, industry information, and in some cases bank references. Sale limits are established for each customer and reviewed which represent the maximum outstanding amount of credit sale without requiring approval from the Committee; these limits are reviewed as per HPO (High Performance Organisation) guideline of Linde Group in each quarter. Customers who fail to meet the Company's benchmark creditworthiness may transact with the Company only on a cash/deposit scheme basis.

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

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are wholesale, retail or end-user customers, their geographic location, industry, trading history with the Company and existence of previous financial difficulties.

Exposure to credit risk for trade and other receivables

At 31 December 2024, the maximum exposure to credit risk for trade and other receivables was as follows:

	2024 BDT'000	2023 BDT'000
Trade receivables	915,682	945,237
Provision for trade receivables	(117,551)	(92,054)
	798,131	853,183
Cash at bank	1,559,082	2,204,009
	<u>2,357,214</u>	<u>3,057,192</u>

Ageing of trade and other receivables at the reporting date

The aging of trade receivables at the year end was:

Invoiced 0-30 days	393,218	446,329
Invoiced 31-60 days	78,299	30,044
Invoiced 61-90 days	15,075	26,421
Invoiced 91-180 days	15,452	42,761
Invoiced 181-365 days	56,621	83,410
Invoiced and above 365 days	357,018	316,272
	<u>915,682</u>	<u>945,237</u>

Cash and cash equivalents

The Company held cash and cash equivalents of BDT 1,559,564 thousand at 31 December 2024 (December 2023: BDT 2,204,361 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.

Notes to the Consolidated and Separate Financial Statements (continued)

31. Financial instruments - Fair values and risk management (continued)

B. Financial risk management (continued)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when 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, including financial obligations through the preparation of the cash flow forecast, based on timeline of payment of the financial obligation and accordingly arranging for sufficient liquidity/fund to make the expected payment within due date. Moreover, the company 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. In extremely stressed conditions, the Company may get support from the parent company in the form of shareholder's loan/capital contribution.

Exposure to liquidity risk

The followings are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

Amount in thousands of BDT

	Carrying amount	Total	Contractual cash flows				More than 5 years
			2 months or less	2 to 12 months	1 to 2 years	2 to 5 years	
31 December 2024							
Non-derivative financial liabilities							
Trade payables	210,638	221,927	158,483	14,530	22,667	26,247	-
Inter-company payables	169,648	158,359	52,183	76,831	29,346	-	-
Payables for capital items	5,658	5,658	4,764	85	25	785	-
Lease liabilities	29,182	29,182	680	3,312	6,571	9,622	8,996
	415,127	415,127	216,110	94,758	58,609	36,654	8,996
31 December 2023							
Non-derivative financial liabilities							
Trade payables	180,953	180,953	180,953	-	-	-	-
Inter-company payables	325,168	325,168	325,168	-	-	-	-
Payables for capital items	48,861	48,861	48,861	-	-	-	-
Lease liabilities	16,708	21,080	558	2,801	3,457	10,941	3,323
	571,690	576,062	555,540	2,801	3,457	10,941	3,323

Notes to the Consolidated and Separate Financial Statements (continued)

31. Financial instruments - Fair values and risk management (continued)

B. Financial risk management (continued)

iv. Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates and equity 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 transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of the Company. The functional currency of the Company is primarily Taka.

Majority of the Company's foreign currency transactions are denominated in USD, Euro, SGD and GBP and relate to the procurement of raw materials and 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.

Exposure to currency risk

The summary quantitative data about the company's exposure to currency risk as reported to the management of the company is as follows.

Amount in thousands of BDT

	31 December 2024						
	BDT	USD	INR	THB	GBP	EUR	SGD
A. Foreign currency denominated assets							
Trade receivables	-	-	-	-	-	-	-
Inter-company receivable	-	-	-	-	-	-	-
Cash at bank	598,298	5,003	-	-	-	-	-
	<u>598,298</u>	<u>5,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
B. Foreign currency denominated liabilities							
Trade payables	(14,704)	(86)	-	-	-	(36)	-
Inter-company payables	(88,077)	(518)	-	-	(4)	-	(292)
	<u>(102,781)</u>	<u>(604)</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>(36)</u>	<u>(292)</u>
Net statement of financial position exposure (A-B)	<u>495,518</u>	<u>4,400</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>(36)</u>	<u>(292)</u>
	31 December 2023						
	BDT	USD	INR	THB	GBP	EUR	SGD
A. Foreign currency denominated assets							
Trade receivables	-	-	-	-	-	-	-
Inter-company receivable	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
B. Foreign currency denominated liabilities							
Trade payables	(23,100)	(210)	-	-	-	-	-
Inter-company payables	(189,645)	(972)	-	-	(4)	(290)	(585)
	<u>(212,745)</u>	<u>(1,182)</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>(290)</u>	<u>(585)</u>
Net statement of financial position exposure (A-B)	<u>(212,745)</u>	<u>(1,182)</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>(290)</u>	<u>(585)</u>

The following significant exchange rates have been applied:

	Exchange rate at BDT			
	Average rate		Year - end spot rate	
	2024	2023	2024	2023
US Dollar (USD) 1	115.36	107.62	119.58	110.00
Great Britain Pound (GBP) 1	147.48	135.25	149.66	134.00
EURO (EUR) 1	124.80	114.94	123.80	116.00
SGD 1	86.35	76.87	87.56	83.00

Notes to the Consolidated and Separate Financial Statements (continued)

31. Financial instruments - Fair values and risk management (continued)

B. Financial risk management (continued)

iv. Market risk (continued)

a) Currency risk (continued)

Foreign exchange rate sensitivity analysis for foreign currency expenditures

A reasonably possible (assume 5%) strengthening/weakening) of foreign currencies against functional currency as at 31 December 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
	<i>Amount in thousands of BDT</i>			
31 December 2024				
USD	26,304	(26,304)	(21,044)	21,044
EUR	(220)	220	176	(176)
GBP	(29)	29	24	(24)
SGD	(1,279)	1,279	1,023	(1,023)
31 December 2023				
USD	(6,501)	6,501	5,038	(5,038)
EUR	(1,682)	1,682	1,304	(1,304)
GBP	(27)	27	20	(20)
SGD	(2,428)	2,428	1,882	(1,882)
			2024	2023
			BDT'000	BDT'000
Foreign exchange gain/(loss)			118,666	(7,489)
Foreign exchange gain/(loss)				

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates. The Company is not exposed to fluctuations in interest rates as it has no floating interest rate bearing financial liability as at the reporting date. The Company has not entered into any agreement involving derivative instrument at the reporting date.

Exposure to interest rate risk

The interest rate profile of the Company's interest - bearing financial instruments as reported to the management of the Company is as follows.

	31 December 2024	31 December 2023
	BDT'000	BDT'000
Fixed rate instruments		
Financial assets - Fixed deposits with banks	10,000	10,000
Financial liabilities	-	-
	10,000	10,000
Floating rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-

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.

C. Capital management

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing the Company's internal capital adequacy to ensure that the Company's operation is 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.

Notes to the Consolidated and Separate Financial Statements (continued)

32. Non-controlling interest (NCI)

The following table summarises the information relating to the Group's subsidiary:

	BOC Bangladesh Limited	Intra-group eliminations	Total	In thousands of BDT
31 December 2024				
NCI percentage	0.05%			
Non-current assets	-	-	-	-
Current assets	20,000	-	20,000	20
Non-current liabilities	-	-	-	-
Current liabilities	(799,250)	-	(799,250)	(799)
Net assets	(779,250)	-	(779,250)	(779)
Net assets attributable to NCI	(390)	-	(390)	(0.39)
Revenue	-	-	-	-
Loss	(69,000)	-	(69,000)	(69)
OCI	-	-	-	-
Total comprehensive income	(69,000)	-	(69,000)	(69)
Loss allocated to NCI	(35)	-	(35)	(0.04)
OCI allocated to NCI	-	-	-	-
Cash flows from operating activities	-	-	-	-
Cash flows from investing activities	-	-	-	-
Cash flows from financing activities	-	-	-	-
Net increase in cash and cash equivalents	-	-	-	-
31 December 2023				
NCI percentage	0.05%			
Non-current assets	-	-	-	-
Current assets	20,000	-	20,000	20
Non-current liabilities	-	-	-	-
Current liabilities	(730,250)	-	(730,250)	(730)
Net assets	(710,250)	-	(710,250)	(710)
Net assets attributable to NCI	(355)	-	(355)	(0.36)
Revenue	-	-	-	-
Loss	(69,000)	-	(69,000)	(69)
OCI	-	-	-	-
Total comprehensive income	(69,000)	-	(69,000)	(69)
Loss allocated to NCI	(35)	-	(35)	(0.04)
OCI allocated to NCI	-	-	-	-
Cash flows from operating activities	-	-	-	-
Cash flows from investing activities	-	-	-	-
Cash flows from financing activities	-	-	-	-
Net increase in cash and cash equivalents	-	-	-	-

Notes to the Consolidated and Separate Financial Statements (continued)

33. Related party transactions

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

B. Transaction with key management personnel

Key management personnel compensation
Directors' remuneration

Note	2024 BDT'000	2023 BDT'000
30	13,498	18,553

C. Other related party transactions

Name of party	Nature of relationship	Nature of transactions	Transaction for the year		Balance outstanding	
			2024	2023	31 December 2024	31 December 2023
			<i>Amount in thousands of BDT</i>			
Intercompany payables						
BOC Limited - ENG (Gases)	Fellow Subsidiary	Purchase of goods	-	612	537	626
BOC Group Ltd.	Holding Company	Technical assistance fee	54,113	44,533	54,113	163,960
BOC Group Ltd.	Holding Company	Dividend	5,149,866	383,501	-	-
Linde AG, Linde Gas Headquarters	Holding Company of BOC Group Ltd.	Global IS fee	34,129	33,897	-	33,897
Linde Gas Asia Pte. Ltd. - ROHQ	Fellow Subsidiary	Service fee	-	638	18,116	-
Linde Gas Singapore Pte. Ltd.	Fellow Subsidiary	Purchase of goods	425	2,583	2,874	4,530
Linde India Ltd.	Fellow Subsidiary	Purchase of goods and assets	104,609	95,408	91,980	84,638
Linde Malaysia Sdn Bhd	Fellow Subsidiary	Purchase of goods and assets	1,171	3,406	-	1,287
Linde (Thailand) Public Company Limited	Fellow Subsidiary	Service fee	8,033	552	638	6,910
Linde Business Solutions Center	Fellow Subsidiary	Service fee	6,811	6,618	1,389	2,010
Gas Praxair India Privates Limited	Fellow Subsidiary	Service fee	-	767	-	-
			5,359,157	572,515	169,648	297,859
Intercompany receivables						
BOC Bangladesh Limited	Subsidiary	Payment of expenses	69	69	675	606
			69	69	675	606

In addition to above, please see Note 11 which includes transfer from the Company to LIPL due to demerger. Note 9 amounts represents balances under related party for LIPL only. During consolidation, the transfers and balances are eliminated.

Notes to the Consolidated and Separate Financial Statements (continued)

34. Remittance made in foreign currency

Name of parties	Currency	2024		2023	
		FC '000	BDT '000	FC '000	BDT '000
Dividend paid to The BOC Group, UK	USD	42,916	5,149,866	-	-
Linde Gas Asia Pte. Ltd.	SGD	293	24,793	131	10,569
LINDE MALAYSIA SDN. BHD.	USD	0	4	-	-
R V BRIGGS AND CO PRIVATE LIMITED	USD	0	40	-	-
Ernst Young GmbH	EUR	29	-	9	996
Linde India Ltd, India	USD	10	1,103	-	-
Linde AG, Germany	EUR	530	65,111	238	27,759
DATA ONLINE, LLC	USD	5	619	-	-
WILLIS TOWER WATSON, India	USD	6	655	2	171
Linde (Thailand) Public Co Limited	USD	11	1,350	-	-
TAF paid to The BOC Group, UK	USD	1,310	174,617	-	-
Crown Relocations, Hong Kong	EUR	-	-	-	16
NICCO ENGINEERING SERVICES LIMITED	USD	18	3,116	-	-
LBSC, Philippines	USD	75	8,828	12	2,676
Smart Gas, Singapore	USD	7	735	-	-
		45,210	5,430,837	392	42,187

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 includes final dividend of USD 42,916 thousand for the year 2024.

35. Receipt in foreign currency

Name of customers/vendors	Nature of receipt	2024		2023	
		USD '000	BDT '000	USD '000	BDT '000
Uniglory Cycle Component Ltd.	Deemed export	9	1,071	67	7,168
Meghna Alloytech Ltd.	Deemed export	364	41,807	310	32,874
Karnafuly Ship Builders	Deemed export	-	-	207	21,376
ALCa Industries Limited	Deemed export	117	13,428	124	13,240
		490	56,307	708	74,658

36. Value of imports calculated on CIF basis

	31 December 2024 BDT'000	31 December 2023 BDT'000
Raw materials	81,752	1,408,099
Components and spare parts	28,424	26,441
Capital goods	81,078	43,806
	191,254	1,478,346

37. Commitments and contingencies

a) Commitments

i. Contracted but not accounted for	76,370	115,649
ii. Approved but not contracted for	262,169	192,780
iii. Outstanding letters of credit	169,263	354,696
	507,802	663,125

b) Contingencies

Disputed tax and VAT related issues	113,632	122,266
Guarantees and acceptances*	124,104	112,371
	237,736	234,637

*These includes bank guarantees to third parties, shipping guarantees, others guarantee, utility guarantee, performance bond, security bond, import bill, import receivables and bank acceptance.

37.1 Credit facilities available as at 31 December

The Hongkong and Shanghai Banking Corporation Limited	875,790	826,790
Standard Chartered Bank	1,200,000	1,200,000
BRAC Bank Limited	1,000,000	1,000,000
	3,075,790	3,026,790

Notes to the Consolidated and Separate Financial Statements (continued)

37.1 Credit facilities available as at 31 December (continued)

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

As per renewed agreement executed on 14 January 2024 between Linde Bangladesh Limited and The Hongkong and Shanghai Banking Corporation Limited (HSBC), the Company has been availing credit facilities. The terms and conditions are as follows:

Facility limit	:	BDT 408 million (BDT Four hundred and Eight million).
Purpose	:	Working capital
Interest rate	:	11.45%
Security	:	Demand promissory note, letter of continuation for BDT 408 million and letter of comfort from Linde AG.

Agreement with Standard Chartered Bank (Credit facility)

As per agreement executed on 29 April 2014 between Linde Bangladesh Limited and Standard Chartered Bank Bangladesh, the company has been availing credit facility. The terms and conditions are as follows:

Facility limit	:	BDT 1,200 million (BDT Twelve hundred million)
Purpose	:	Working capital
Interest rate	:	13% per annum
Security	:	Demand promissory note and letter of continuation for BDT 1,200 million

Agreement with BRAC Bank Limited (Credit facility)

Facility limit	:	BDT 1,000 million (BDT One Thousand million)
Purpose	:	Working capital
Interest rate	:	N/A
Security	:	100% Cash Margin

Agreement with Commercial Bank of Cylon (Credit facility)

Facility limit	:	Based on Margin
Purpose	:	Working capital
Interest rate	:	N/A
Security	:	100% Cash Margin

38. Production capacity

Major products	Unit of measurement (UOM)	Normal capacity for the year	(Quantity '000)		Remarks
			Production for the year		
ASU Gases	M3	26,937	20,562		Due to unstable power
Carbon-dioxide	M. Ton	13	6		Due to lower market demand
Dissolved Acetylene	M3	300	95		Due to lower market demand

39. Proceeds from disposal of property, plant and equipment

	Cost	Accumulated depreciation	Carrying amount	Sales proceeds
Building on Freehold Land	4,121	4,121	-	-
Plant and Machinery	83,849	83,849	0	-
Furniture and fixtures	155	155	-	-
Computer hardware	6,186	6,186	-	-
Motor Vehicle	2,650	2,650	0	1,137
Cylinders:				
Condemned	4,577	3,699	878	-
Sold	899	695	205	488
Total 2024	102,438	101,356	1,082	1,625
Total 2023	3,781	3,448	333	704

40. Number of employees engaged for drawing remuneration

	31 December 2024 Number	31 December 2023 Number
(a) Above Taka 3,000 per month	97	128
(b) Below Taka 3,000 per month	-	-
	97	128

Notes to the Consolidated and Separate Financial Statements (continued)

	31 December 2024 BDT'000	31 December 2023 BDT'000
41. Net Asset Value (NAV)		
Total assets	5,938,493	8,105,407
Total non-current liabilities	(619,372)	(642,402)
Total current liabilities	(1,828,999)	(1,812,962)
Net assets	3,490,122	5,650,043
Number of ordinary shares of Taka 10 each (in thousand)	15,218	15,218
Net asset value (NAV) per share (in BDT)	229.34	371.27
41.A Net Asset Value (NAV) (consolidated)		
Total assets	5,937,818	8,104,801
Total non-current liabilities	(619,372)	(642,402)
Total current liabilities	(1,829,123)	(1,813,086)
Net assets	3,489,323	5,649,313
Number of ordinary shares of Taka 10 each (in thousand)	15,218	15,218
Net asset value (NAV) per share (in BDT)	229.28	371.22
42. Earnings per share		
Basic earnings per share		
Profit attributable to the ordinary shareholders	6,421,266	228,641
Number of ordinary shares outstanding during the year	15,218	15,218
Basic earnings per share (EPS)	421.94	15.02
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.		
42.A Basic earnings per share (consolidated)		
Profit attributable to the ordinary shareholders	6,421,197	228,572
Number of ordinary shares outstanding during the year	15,218	15,218
Basic earnings per share (EPS)	421.94	15.02
42.B Basic earnings per share (EPS)		
Profit attributable to the ordinary shareholders	6,421,197	228,572
Less: income from sale of shares of LIPL	7,579,341	-
Related WPPF of sale of share	378,967	-
Related tax	1,158,480	-
Profit excluding capital gain	379,303	228,572
Number of ordinary shares outstanding during the year	15,218	15,218
Basic earnings per share (EPS)	24.92	15.02
43. Net operating cash flow per share (NOCFPS)		
Cash flows from operating activities as per statement of cash flows	368,305	552,873
Number of ordinary shares outstanding during the year	15,218	15,218
Net operating cash flow per share (NOCFPS)	24.20	36.33
43.A Net operating cash flow per share (NOCFPS) (consolidated)		
Cash flows from operating activities as per statement of cash flows	368,237	552,873
Number of ordinary shares outstanding during the year	15,218	15,218
Net operating cash flow per share (NOCFPS)	24.20	36.33
44. Events after the reporting date		
The Board of Directors has recommended final dividend at 400% (BDT 40 per share) for the year ended December 31, 2024, amounting to BDT 609 million (i.e. total 4500% cash dividend for the year 2024 inclusive of 4100% interim cash dividend which has already been paid). The total amount of dividend declared for the year 2024 is BDT 6,848 million.		
45. Standards issued but not yet effective		
A number of new standards are effective for periods beginning after 1 January 2025 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.		
The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:		
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)		
- Lack of Exchangeability (Amendments to IAS 21)		

Notes to the Consolidated and Separate Financial Statements (continued)

46. Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

- A. Revenue from contracts with customers
- B. Finance income and finance costs
- C. Foreign currency transactions
- D. Income tax
- E. Inventories
- F. Property, plant and equipment
- G. Intangibles
- H. Financial instruments
- I. Share capital
- J. Impairment
- K. Provisions
- L. Workers' profit participation fund
- M. Employee benefit
- N. Reporting period
- O. Earnings per share
- P. Statement of cash flows
- Q. Leases
- R. Contingencies
- S. Events after the reporting period
- T. Segment reporting

A. Revenue from contracts with customers

Type of product and service

Industrial and medical gases, installation of Vacuum Insulated Evaporators (VIE), rental of cylinders and VIEs and other services related to its products.

Revenue recognition from sale of goods

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

Invoices are usually paid instantly in case of cash sales or payable as per credit terms offered by the Company.

Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Cylinder rent is partially recognised on cash basis.

Revenue from the rental of VIEs and cylinders is recognised over time and invoice for rental of VIE are raised monthly.

B. Finance income and finance costs

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, bank charges and interest expense on lease liabilities. All finance expenses are recognised in profit or loss.

C. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency (BDT) at exchange rates ruling at the dates of transactions in accordance with IAS-21 "The Effects of Changes in Foreign Exchange Rates." Exchange rate difference at the statement of financial position date are charged/credited to statement of profit or loss and other comprehensive income. This Schedule requires all exchange gains and losses arising from foreign currency borrowings, taken to finance acquisition of construction of fixed assets, to be credited/charged to the cost/value of such assets.

The financial statements are presented in BDT, which is company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated into (BDT) at the exchange rates ruling at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into (BDT) at the exchange rate ruling at the date of transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Notes to the Consolidated and Separate Financial Statements (continued)

46. Material accounting policies (continued)

D. Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. The Company qualifies as a "Publicly Traded Company", as defined in income tax law. The applicable tax rate for the Company is 20%. Provision for taxation has been made on this basis which is compliant with the Finance Act 2024.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary difference in relation to right-of-use assets and a lease liability for a specific lease is regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. 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 realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

E. Inventories

Inventories are measured at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Inventories consist of raw materials, spare parts, work-in-process, goods in transit and finished goods. The cost of inventories is based on weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

F. Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment (PPE) is recognised as an asset if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably.

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. Freehold land is measured at cost. Freehold buildings and leasehold buildings are measured at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the assets, bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant & equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant & equipment. Any gain or loss on disposal of an item of property, plant & equipment is recognised in profit or loss.

ii. Subsequent costs

The cost of replacing 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 maintenance of property, plant and equipment are recognised in the profit and loss account as incurred.

Notes to the Consolidated and Separate Financial Statements (continued)

46. Material accounting policies (continued)

F. Property, plant and equipment (continued)

iii. Depreciation

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

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

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

iv. Derecognition

An asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Gains or losses arising from the derecognition of an asset are determined as the difference between net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

v. Asset under construction

Asset under construction represents the cost incurred for the acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost. These are transferred to the property, plant and equipment on the completion of the projects.

G. Intangibles

Recognition and measurement

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

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. 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 software are amortised at the rate of 12.50% and 33.33% respectively.

H. Financial instruments

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

Financial assets

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

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

Financial assets include cash and cash equivalents, trade receivable, long term receivables and deposits.

(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 receivables

Trade receivables represent the amounts due from customers for delivering goods or rendering services. Trade receivable is initially recognised at nominal value which is the fair value of the consideration given in return.

Notes to the Consolidated and Separate Financial Statements (continued)

46. Material accounting policies (continued)

H. Financial instruments (continued)

After initial recognition, allowances for trade receivables are calculated applying the rates under ECL method for different ageing buckets (in days) for the current year are as follows:

Ageing bucket (days)	31 December	31 December
	2024	2023
Invoiced 0-30 days	41.4%	50.5%
Invoiced 31-60 days	2.7%	5.2%
Invoiced 61-90 days	1.8%	3.5%
Invoiced 91-180 days	5.7%	14.1%
Invoiced 181-365 days	10.6%	11.6%
Invoiced and above 365 days	37.8%	15.1%

(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 BOC Bangladesh Limited and Linde Industries Pvt. Ltd. are presented in the financial statement at cost.

Financial liability

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, cancelled or expired.

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

I. Share capital

Ordinary shares issued by the Company are classified as equity.

J. Impairment

i) Financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ii) Non-financial assets

The carrying amounts of the Company's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Notes to the Consolidated and Separate Financial Statements (continued)

46. Material accounting policies (continued)

K. 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 and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably in accordance with IAS 37- "Provisions, Contingent Liabilities and Contingent Assets".

The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation at the date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows.

L. Workers' profit participation fund

The Company provides 5% of its net profit before tax as a contribution to workers' profit participation fund and charges such expense in accordance with The Bangladesh Labour Act 2006 (as amended in 2018).

M. Employee benefit

The Company maintains both defined contribution plan (provident fund) and a defined benefit plan (gratuity fund) for its eligible permanent employees. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Accordingly, necessary provision is made for the amount of annual leave encashment based on the latest basic salary. 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. This benefit is applicable for employees as per service rules.

i. Defined contribution plan (provident fund)

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for all of its 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. This fund is recognised by the National Board of Revenue (NBR).

The Company recognises contribution to defined contribution plan as an expense when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligations are created when they are due.

ii. Defined benefit plans (gratuity scheme)

The Company operates a funded 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.

Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service cost and mutually compatible actuarial assumptions about demographic and financial variables are used.

iii. 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.

N. Reporting period

The financial period of the Company covers one year from 1 January to 31 December. These financial statements were prepared for twelve months from 1 January to 31 December 2024.

O. Earnings per share

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

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split.

P. Statement of cash flows

Statement of Cash Flows (Cash Flow Statement) is prepared under direct method in accordance with IAS-7 "Statement of Cash Flows" as required by the Bangladesh Securities and Exchange Rules 1987.

Q. Leases

The Company has initially applied IFRS 16 from 1 January 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Notes to the Consolidated and Separate Financial Statements (continued)

46. Material accounting policies (continued)

Q. Leases (continued)

i. As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payments.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

Currently the Company has no such short-term lease or lease of low value asset. The Company will not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company will recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term as applicable.

ii. As a lessor

There is no such lease for which the Company accounted for a lessor.

R. Contingencies

i. Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the statement of financial position of the Company. Moreover, contingencies arising from claims, litigations, assessments, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

ii. Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognise contingent asset.

S. Events after the reporting period

Events after the statement of financial position date that provide additional information about the Company's position at the statement of financial position are reflected in the financial statements. Events after statement of financial position date that are non-adjusting events are disclosed in the notes when material.

T. Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services within a particular economic environment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company regards its Board of Directors as its chief operating decision maker, as the Board is responsible for allocating resources, assesses performances and makes strategic decision.