

**CONDENSED INTERIM FINANCIAL INFORMATION  
(UNAUDITED)**

**SECOND QUARTER & HALF YEAR ENDED  
30 JUNE 2013**

**Linde Pakistan Limited**





## Our Vision

Linde Pakistan Limited (LPL) will be the leading industrial gases and hospital care Company, admired for our people, who provide innovative solutions that make a difference to the community.

## Our Mission

To engage effectively, responsibly and profitably in the industrial gases, healthcare and welding markets. LPL consistently seeks a high standard of performance, and aims to maintain a long-term leadership position in its competitive environment.

This will be achieved through operating efficiency, continued dedication to serving our customers, cost effectiveness and behavioral conformance to our values: Passion to Excel, Innovation for Customers, Empowering People and Thriving through Diversity.

The Company will be recognized in the community it operates in, as a safe and environmentally responsible organization. Our people will be acknowledged for their integrity and talent.

The corporation acknowledges that commercial success and sustained profitable growth depends on the recruitment, development and retention of competent human resources. It will continue to invest in building this organizational capacity and capability.

For shareholders, it protects their investment and provides an acceptable return. This is achieved through continued commercial success in winning new business and retaining old customers. This is underpinned by the development and provision of new products/services to its customers, offering real value in price, quality, safety & environmental impact.

## Company Information

### Board of Directors

Munnawar Hamid – OBE	Non-Executive Chairman
Muhammad Ashraf Bawany	Chief Executive & Managing Director
Sanaullah Qureshi	Non-Executive Director
Towfiq Habib Chinoy	Non-Executive Director
Manzoor Ahmed	Non-Executive Director
Bernd Hugo Eulitz	Non-Executive Director
Siew Yap Wong	Non-Executive Director
Atif Riaz Bokhari	Non-Executive Director
Desiree Co Bacher	Non-Executive Director

### Company Secretary & Legal Manager

Jamal A Qureshi

### Board Audit Committee

Sanaullah Qureshi	Chairman	Non-Executive Director
Bernd Hugo Eulitz	Member	Non-Executive Director
Siew Yap Wong	Member	Non-Executive Director
Atif Riaz Bokhari	Member	Non-Executive Director
Jamal A Qureshi	Secretary	Company Secretary & Legal Manager

### Board Human Resource & Remuneration Committee

Towfiq Habib Chinoy	Chairman	Non-Executive Director
Muhammad Ashraf Bawany	Member	Chief Executive & Managing Director
Bernd Hugo Eulitz	Member	Non-Executive Director
Siew Yap Wong	Member	Non-Executive Director
Manzoor Ahmed	Member	Non-Executive Director
Muhammad Salim Sheikh	Secretary	Head of HR

### Share Transfer Committee

Sanaullah Qureshi	Chairman	Non-Executive Director
Muhammad Ashraf Bawany	Member	Chief Executive & Managing Director
Wakil Ahmed Khan	Secretary	Manager - Corporate Services

### Bankers

Standard Chartered Bank (Pakistan) Limited  
Deutsche Bank AG  
Citibank N.A.  
HSBC Bank Middle East Limited  
Barclays Bank Plc  
MCB Bank Limited  
National Bank of Pakistan Limited  
Meezan Bank Limited

### Auditors

KPMG Taseer Hadi & Co.

### Legal Advisor

Ayesha Hamid  
of Hamid Law Associates

### Registered Office

West Wharf, Dockyard Road  
Karachi-74000

### Share Registrar

Central Depository Company of Pakistan Limited

### Website

[www.linde.pk](http://www.linde.pk) &  
[www.linde.com](http://www.linde.com)

### Note:

- Mr Muhammad Ashraf Bawany was appointed as Chief Executive and Managing Director effective 02 August 2013 in place of Mr Yousuf Husain Mirza who resigned as Director & CEO effective 01 August 2013
- Ms Desiree Co Bacher was appointed as Director effective 02 August 2013
- Mr Jamal A Qureshi was appointed as Company Secretary effective 16 August 2013

## Directors' Review

I am pleased to present the Directors' Review together with the condensed interim financial information of your Company for half year ended 30 June 2013. The accompanying financial statements were subject to a limited scope review by the statutory auditors as required under the code of corporate governance.

Pakistan's fiscal year 2012-13 started with the numerous historical problems including severe power and gas shortages, deteriorating law and order situation, lack of foreign financial inflows and high fiscal borrowings from the banking system. The adverse impact of these economic difficulties therefore continued unabated. However, the post elections scenario resulted in a discernible positive change in sentiment clearing, to a great extent, the clouds of an uncertain political future. Further, the rising trend in the KSE-100 index has encouraged foreign investment in the stock market and large scale manufacturing (LSM) has also shown signs of recovery. Inflation fell significantly to 5.9% on YoY bases in June 2013 as compared to 11.3% in the corresponding month of last year. However, average inflation for FY14 will exceed the target of 8% for the year as a result of the announced increase in electricity/gas tariff, increase in GST from 16% to 17% and changes in the tax structure for some goods and services.

In spite of all the adverse elements in the economy and tough competitive challenges, your Directors are pleased to report that the Company has managed to achieve, during the period under review, growth in net turnover by 12% over the same period last year as a result of strong demand from oil & gas, chemical, healthcare, food & beverage and fabrication sectors. Net sales for the half year were Rs 2,007 million.

As stated above, severe power and gas shortages continued unabated and this situation not only increased the frequency of plant shutdowns and caused product shortages but also impacted operational efficiencies. To overcome this deepening energy crises, the Company took the mitigating action of installing rented diesel-gensets at the new ASU Plant in Lahore. Although this strategy significantly improved operational efficiencies and resulted in improved production, it has adversely impacted profitability, and overall cost of production increased by 16% over the corresponding period last year. In addition, the profitability of the Company was also impacted by a revision in terms and conditions of contract to maintain competitiveness with a major customer (on expiry of a previous long term contract); subdued activity in the ship-breaking sector in the Second Quarter of 2013 and a financing cost charge on account of the long term financing arrangements, which was capitalized in the corresponding period last year. As a result and despite the robust growth of 12% in turnover and a strict control over overhead expenses, overall profit after taxation and EPS stood at Rs 92 million and Rs 3.69, respectively, compared to profit after taxation of Rs 147 million and EPS of Rs 5.85 in the same period last year. Your Directors, however, expect that your Company shall demonstrate sustainable and improved growth for the remaining part of the current financial year.

Your Directors are pleased to inform that ASPEN 1000 Plant has been successfully set up at Port Qasim and the commercial production is expected to commence by the end of August 2013. The Plant, which was previously installed at Taxila site, will support increased demand and serve customers more reliably in the southern region.

As already announced, consequent upon the resignation of Mr Yousuf Husain Mirza, Mr Muhammad Ashraf Bawany has been appointed as the Chief Executive Officer and Managing Director of the Company with effect from 2 August 2013. Prior to this appointment Mr Bawany was Deputy Managing Director and Chief Financial Officer, and has worked in the Company for nearly 28 years, in various leadership roles. He is also currently Executive Director on the Board of the Company.

The Board would like to record its appreciation of Mr Mirza's services to the Company, and wish Mr Bawany every success in his new role.

On behalf of the Board



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**Munnawar Hamid - OBE**  
Chairman

Karachi:  
16 August 2013



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847  
Fax + 92 (21) 3568 5095  
Internet www.kpmg.com.pk

## **Independent Auditors' Report to the Members on Review of Condensed Interim Financial Information**

### *Introduction*

We have reviewed the accompanying condensed interim balance sheet of **Linde Pakistan Limited** ("the Company") as at 30 June 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarters ended 30 June 2013 and 30 June 2012 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed by us and we do not express a conclusion on them.

**Date: 16 August 2013**

**Karachi**

  
**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**  
**Moneeza Usman Butt**

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan  
and a member firm of the KPMG network of independent member  
firms affiliated with KPMG International Cooperative  
("KPMG International"), a Swiss entity.

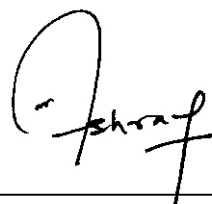
Linde Pakistan Limited

Condensed Interim Profit and Loss Account (Unaudited)

For the half year ended 30 June 2013

	Note	For the half year ended		For the second quarter ended	
		30 June 2013	30 June 2012	30 June 2013	30 June 2012
------(Rupees in '000)-----					
Gross sales		2,268,056	2,042,049	1,208,174	1,084,501
Trade discount and sales tax		(260,855)	(250,853)	(143,364)	(134,574)
Net sales	5	2,007,201	1,791,196	1,064,810	949,927
Cost of sales	5	(1,573,475)	(1,352,528)	(861,154)	(748,255)
<b>Gross profit</b>		<b>433,726</b>	438,668	<b>203,656</b>	201,672
Distribution and marketing expenses	5	(104,009)	(118,482)	(49,007)	(64,823)
Administrative expenses	5	(114,476)	(93,707)	(58,964)	(48,825)
Other operating expenses	6	(32,238)	(21,957)	(23,221)	(8,953)
Other income	7	6,860	15,230	2,349	7,901
		(243,863)	(218,916)	(128,843)	(114,700)
<b>Operating profit</b>		<b>189,863</b>	219,752	<b>74,813</b>	86,972
Finance costs		(44,299)	(1,358)	(22,038)	(504)
<b>Profit before taxation</b>		<b>145,564</b>	218,394	<b>52,775</b>	86,468
Taxation	8	(53,295)	(71,891)	(11,302)	(27,808)
<b>Profit for the period</b>		<b>92,269</b>	146,503	<b>41,473</b>	58,660
----- (Rupees) -----					
<b>Earnings per share - basic and diluted</b>		<b>3.69</b>	5.85	<b>1.66</b>	2.34

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



Muhammad Ashraf Bawany  
Chief Executive



Munnawar Hamid OBE  
Chairman

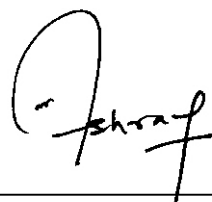
## Linde Pakistan Limited

### Condensed Interim Statement of Comprehensive Income (Unaudited)

For the half year ended 30 June 2013

	For the half year ended		For the second quarter ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
----- (Rupees in '000) -----				
Profit for the period	92,269	146,503	41,473	58,660
<b>Other comprehensive income</b>				
<i>Items that will never be reclassified to profit and loss account:</i>				
Actuarial gains on defined benefit plans	5,923	1,987	5,406	2,826
Tax thereon	(2,014)	(695)	(1,833)	(989)
	3,909	1,292	3,573	1,837
<i>Items that will be reclassified subsequently to profit and loss account:</i>				
(Loss) / gain on derivative financial instruments	(1,113)	2,348	(1,113)	-
Tax thereon	378	(822)	378	-
	(735)	1,526	(735)	-
<b>Total comprehensive income for the period</b>	<b>95,443</b>	<b>149,321</b>	<b>44,311</b>	<b>60,497</b>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



Muhammad Ashraf Bawany  
Chief Executive



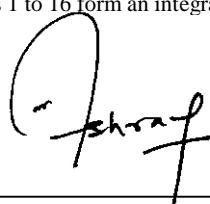
Munnawar Hamid OBE  
Chairman



Linde Pakistan Limited  
Condensed Interim Balance Sheet  
As at 30 June 2013

	Note	30 June 2013 (Unaudited)	31 December 2012 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	2,892,009	2,604,743
Intangible assets		21,487	-
Investment in subsidiary		10	10
Long term loans		25	49
Long term deposits		26,663	26,691
		<u>2,940,194</u>	<u>2,631,493</u>
<b>Current assets</b>			
Stores and spares		110,051	116,732
Stock-in-trade	10	309,827	208,695
Current maturity of net investment in finance lease		-	14,260
Trade debts		271,000	203,269
Loans and advances		14,852	19,135
Deposits and prepayments		40,769	27,029
Other receivables		17,340	40,175
Taxation - net		61,733	24,154
Cash and bank balances		159,387	353,549
		<u>984,959</u>	<u>1,006,998</u>
<b>Total assets</b>		<u><b>3,925,153</b></u>	<u><b>3,638,491</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised: 40,000,000 (2012: 40,000,000) Ordinary shares of Rs. 10 each		<u>400,000</u>	<u>400,000</u>
Issued, subscribed and paid-up: 25,038,720 (2012: 25,038,720) Ordinary shares of Rs. 10 each		250,387	250,387
Reserves		1,302,581	1,207,623
Unappropriated profit		96,178	220,887
		<u>1,398,759</u>	<u>1,428,510</u>
		1,649,146	1,678,897
<b>Non-current liabilities</b>			
Long term financing		880,000	750,000
Long term deposits		147,300	141,586
Deferred liabilities	11	258,811	204,192
		<u>1,286,111</u>	<u>1,095,778</u>
<b>Current liabilities</b>			
Trade and other payables		919,896	863,816
Current maturity of long term financing		70,000	-
		<u>989,896</u>	<u>863,816</u>
<b>Total equity and liabilities</b>		<u><b>3,925,153</b></u>	<u><b>3,638,491</b></u>
Contingencies and commitments	12		

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



**Muhammad Ashraf Bawany**  
Chief Executive

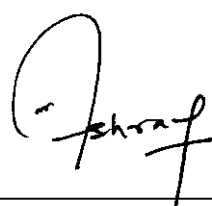


**Munnawar Hamid OBE**  
Chairman

**Linde Pakistan Limited**  
**Condensed Interim Cash Flow Statement (Unaudited)**  
*For the half year ended 30 June 2013*

	<i>Note</i>	<b>30 June 2013</b>	30 June 2012
<b>(Rupees in '000)</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	13	<b>242,805</b>	98,734
Finance costs paid		<b>(45,894)</b>	(1,533)
Income tax paid		<b>(37,579)</b>	(72,069)
Post retirement medical benefits paid		<b>(475)</b>	(33)
Long term loans and deposits		<b>52</b>	428
Long term deposits (cylinders and others)		<b>5,714</b>	7,451
Interest received on investment in finance lease		-	1,179
Net investment in finance lease		-	12,495
Net cash from operating activities		<b>164,623</b>	46,652
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(434,775)</b>	(352,722)
Intangible assets		<b>(9,457)</b>	-
Proceeds from disposal of operating assets		<b>2,598</b>	7,738
Interest received on balances with banks		<b>5,110</b>	3,361
Interest received on investment in finance lease		-	1,179
Investment in subsidiary		-	(10)
Net cash used in investing activities		<b>(436,524)</b>	(340,454)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		<b>200,000</b>	550,000
Dividends paid		<b>(122,261)</b>	(123,209)
Net cash generated from financing activities		<b>77,739</b>	426,791
Net (decrease) / increase in cash and cash equivalents		<b>(194,162)</b>	132,989
Cash and cash equivalents at beginning of the period		<b>353,549</b>	125,551
Cash and cash equivalents at end of the period		<b>159,387</b>	258,540

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



**Muhammad Ashraf Bawany**  
Chief Executive

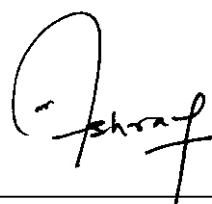


**Munnawar Hamid OBE**  
Chairman

Linde Pakistan Limited  
Condensed Interim Statement of Changes in Equity (Unaudited)  
For the half year ended 30 June 2013

	Share capital Issued, subscribed and paid-up capital	Reserves Hedging reserve      General reserve		Unappropriated profit	Total
----- (Rupees in '000) -----					
<b>Balance as at 1 January 2012</b>	250,387	(1,526)	1,128,069	204,748	1,581,678
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	146,503	146,503
Other comprehensive income for the period	-	1,526	-	1,292	2,818
	-	1,526	-	147,795	149,321
<i>Transaction with owners of the Company</i>					
Final dividend for the year ended 31 December 2011 - Rs. 5 per share	-	-	-	(125,194)	(125,194)
Transfer to general reserve	-	-	79,554	(79,554)	
<b>Balance as at 30 June 2012</b>	<u>250,387</u>	<u>-</u>	<u>1,207,623</u>	<u>147,795</u>	<u>1,605,805</u>
<b>Balance as at 1 January 2013</b>	250,387	-	1,207,623	220,887	1,678,897
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	92,269	92,269
Other comprehensive income for the period	-	(735)	-	3,909	3,174
	-	(735)	-	96,178	95,443
<i>Transaction with owners of the Company</i>					
Final dividend for the year ended 31 December 2012 - Rs. 5 per share	-	-	-	(125,194)	(125,194)
Transfer to general reserve	-	-	95,693	(95,693)	-
<b>Balance as at 30 June 2013</b>	<u>250,387</u>	<u>(735)</u>	<u>1,303,316</u>	<u>96,178</u>	<u>1,649,146</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



**Muhammad Ashraf Bawany**  
Chief Executive



**Munnawar Hamid OBE**  
Chairman

## Linde Pakistan Limited

### Notes to the Condensed Interim Financial information (Unaudited)

*For the half year ended 30 June 2013*

#### **1. LEGAL STATUS AND OPERATIONS**

Linde Pakistan Limited ("the Company") was incorporated in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984), as a private limited company in 1949 and converted into a public limited company in 1958. Its shares are quoted on all the Stock Exchanges of Pakistan. The address of its registered office is West Wharf, Dockyard Road, Karachi, Pakistan.

The Company is principally engaged in the manufacture of industrial and medical gases, welding electrodes and marketing of medical equipment.

The Company is a subsidiary of The BOC Group Limited whereas its ultimate parent company is Linde AG, Germany.

The Company has a wholly owned subsidiary, BOC Pakistan (Private) Limited ("BOCPL"), which has not carried out any business activities during the period. Accordingly, exemption has been granted by the Securities and Exchange Commission of Pakistan ("SECP") from the application of sub-section (1) to (7) of section 237 of the Companies Ordinance, 1984 requiring consolidation of subsidiary in the preparation of financial statements for the current year.

#### **2. BASIS OF PREPARATION**

This condensed interim financial information of the Company for the half year ended 30 June 2013 has been prepared in accordance with the requirements of the International Accounting Standards 34 Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information of the Company does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended 31 December 2012.

This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.

#### **3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1** The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited annual financial statements of the Company for the year ended 31 December 2012.

**3.2** Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company except where changes affected presentation and disclosures in this condensed interim financial information.

#### 4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

Estimates and judgements made by management in the preparation of this condensed interim financial information are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended 31 December 2012.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the Company as at and for the year ended 31 December 2012.

#### 5. SEGMENT RESULTS

	For the half year ended						For the second quarter ended					
	30 June 2013			30 June 2012			30 June 2013			30 June 2012		
	Industrial medical and other gases	Welding and others	Total	Industrial medical and other gases	Welding and others	Total	Industrial medical and other gases	Welding and others	Total	Industrial medical and other gases	Welding and others	Total
	(Rupees in '000)											
Gross sales	1,669,400	598,656	2,268,056	1,440,712	601,337	2,042,049	898,155	310,019	1,208,174	732,537	351,964	1,084,501
Less:												
Trade discount	6,429	-	6,429	41,814	-	41,814	5,040	-	5,040	22,301	-	22,301
Sales tax	172,409	82,017	254,426	125,686	83,353	209,039	95,575	42,749	138,324	63,080	49,193	112,273
	178,838	82,017	260,855	167,500	83,353	250,853	100,615	42,749	143,364	85,381	49,193	134,574
Net sales	1,490,562	516,639	2,007,201	1,273,212	517,984	1,791,196	797,540	267,270	1,064,810	647,156	302,771	949,927
Less:												
Cost of sales	1,120,975	452,500	1,573,475	880,457	472,071	1,352,528	629,712	231,442	861,154	469,142	279,113	748,255
Distribution and marketing expenses	88,103	15,906	104,009	106,081	12,401	118,482	39,869	9,138	49,007	57,461	7,362	64,823
Administrative expenses	96,970	17,506	114,476	83,899	9,808	93,707	48,289	10,675	58,964	43,232	5,593	48,825
	1,306,048	485,912	1,791,960	1,070,437	494,280	1,564,717	717,870	251,255	969,125	569,835	292,068	861,903
Segment result	184,514	30,727	215,241	202,775	23,704	226,479	79,670	16,015	95,685	77,321	10,703	88,024
Unallocated corporate expenses:												
Other operating expenses	6		(32,238)			(21,957)			(23,221)			(8,953)
Other income	7		6,860			15,230			2,349			7,901
Operating profit			189,863			219,752			74,813			86,972
Finance costs			(44,299)			(1,358)			(22,038)			(504)
Taxation	8		(53,295)			(71,891)			(11,302)			(27,808)
Profit for the period			92,269			146,503			41,473			58,660

#### 6. OTHER OPERATING EXPENSES

	For the half year ended		For the second quarter ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	(Rupees in '000)			
Workers' Profit Participation Fund	7,818	11,729	2,837	4,626
Workers' Welfare Fund	2,971	4,457	1,078	1,417
Legal and professional charges	4,733	5,635	1,886	2,774
Net investment in finance lease written off	14,260	-	14,260	-
Exchange loss - net	1,668	-	2,372	-
Others	788	136	788	136
	32,238	21,957	23,221	8,953

6.1 This represents adjustment of net investment in finance lease balance as of 1 January 2013, resulting from revision in terms of a long term arrangement with a customer which was classified as Embedded Finance Lease (EFL) under IFRIC 4 'Determining whether an Arrangement contains a Lease'.

#### 7. OTHER INCOME

Income on saving and deposits accounts	4,709	3,442	1,372	2,029
Income on investment in finance lease	-	1,179	(52)	515
Exchange gain - net	-	3,876	-	41
Gain on disposal of operating assets	1,927	6,081	871	5,288
Others	224	652	158	28
	6,860	15,230	2,349	7,901

#### 8. TAXATION

Current	-	95,607	-	34,753
Deferred	53,295	(23,716)	11,302	(6,945)
	53,295	71,891	11,302	27,808

#### 9. PROPERTY, PLANT AND EQUIPMENT

	30 June 2013	31 December 2012
	(Rupees in '000)	
Operating assets	9.1	2,578,037
Capital work-in-progress	9.2	313,972
		2,892,009
		2,604,743

**9.1 Operating assets**

**30 June 2013**      **31 December 2012**  
**(Rupees in '000)**

Net book value as at 1 January 2013 / 2012	<b>2,369,734</b>	1,092,612
Additions during the period / year:		
- Land and building	<b>149,945</b>	124,347
- Plant and machinery	<b>190,070</b>	1,385,393
- Vehicles	<b>4,664</b>	18,390
- Furniture and fittings	<b>-</b>	8,427
- Office equipments	<b>1,589</b>	10,878
	<b>346,268</b>	1,547,435
Less:		
- Disposals during period / year - net book value	<b>(671)</b>	(2,107)
- Depreciation charge during the period / year	<b>(137,294)</b>	(268,203)
- Write off during the period / year	<b>-</b>	(3)
	<b>(137,965)</b>	(270,313)
	<b>2,578,037</b>	2,369,734

**9.2** Additions to capital work in progress during the period relate to industrial, medical and other gases segment.

**10. STOCK-IN-TRADE**

Raw and packing materials			
- in hand	<i>10.1</i>	<b>63,540</b>	63,557
- in transit		<b>10,177</b>	14,876
		<b>73,717</b>	78,433
Finished goods			
- in hand	<i>10.1</i>	<b>101,969</b>	117,248
- in transit		<b>134,141</b>	13,014
		<b>236,110</b>	130,262
		<b>309,827</b>	208,695

**10.1** Raw and packing materials and finished goods include inventories with a value of Rs. 36,188 thousand (31 December 2012: Rs. 20,503 thousand) which were held by third parties.

**11. DEFERRED LIABILITIES**

Deferred taxation	<b>254,254</b>	199,322
Post retirement medical benefits	<b>4,557</b>	4,870
	<b>258,811</b>	204,192

**12. CONTINGENCIES AND COMMITMENTS**

**12.1 Contingencies**

The Company has disputed the unilateral increase in rentals of one of its leased premises being exorbitant, unreasonable and unjustified. Therefore, a civil suit has been filed against the Lessor. The Court has directed parties to maintain status quo. The amount not acknowledged as debt in this regard as at 30 June 2013 amounted to Rs. 35,315 thousand (31 December 2012: Rs. 34,307 thousand).

## 12.2 Commitments

Capital commitments outstanding as at 30 June 2013 amounted to Rs. 618,935 thousand (31 December 2012: Rs. 753,743 thousand).

## 13. CASH GENERATED FROM OPERATIONS

	<b>For the half year ended</b>	
	<b>30 June 2013</b>	<b>30 June 2012</b>
	<b>(Rupees in '000)</b>	
Profit before taxation	<b>145,564</b>	218,394
<i>Adjustments for :</i>		
Depreciation	<b>137,294</b>	112,694
Amortisation	<b>1,181</b>	-
Gain on disposal of operating assets	<b>(1,927)</b>	(6,081)
Income from savings and deposit accounts	<b>(4,709)</b>	(3,442)
Income on investment in finance lease	-	(1,179)
Net investment in finance lease written off	<b>14,260</b>	-
Finance costs	<b>44,299</b>	1,358
Post retirement medical benefits	<b>283</b>	320
Working capital changes	<b>(93,440)</b>	(223,330)
	<b>242,805</b>	98,734

### 13.1 Working capital changes

*(Increase) / decrease in current assets:*

Stores and spares	<b>6,681</b>	(13,351)
Stock-in-trade	<b>(101,132)</b>	(178,062)
Net investment in finance lease	-	19,371
Trade debts	<b>(67,731)</b>	(52,395)
Loans and advances	<b>4,283</b>	(3,617)
Deposit and prepayments	<b>(13,740)</b>	7,384
Other receivables	<b>22,434</b>	(20,992)
	<b>(149,205)</b>	(241,662)
<i>Increase in current liabilities:</i>		
Trade and other payables	<b>55,765</b>	18,332
	<b>(93,440)</b>	(223,330)

## 14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of group companies, entities with common directors, major shareholders, key management employees and retirement benefit funds. Transactions and balances with related parties and associated undertakings other than those which have been disclosed elsewhere in these financial statements, are given below.

**14.1 Transactions with related parties are summarised as follows:**

		<b>30 June 2013</b>	<b>30 June 2012</b>
		<b>(Rupees in '000)</b>	
<b>Nature of relationship</b>	<b>Nature of transactions</b>		
The BOC Group Limited (Parent)	Technical assistance fee	<u>20,756</u>	<u>17,781</u>
Linde AG (Ultimate parent)	Information systems support / maintenance and development	<u>23,137</u>	<u>5,768</u>
Associated Companies	Purchase of plant and machinery (and related services), plant spares, welding equipments and electrodes, gases and gas cylinders	<u>117,899</u>	<u>16,488</u>
	Remote operating charges	<u>5,196</u>	<u>4,815</u>
	Shared service centre charges	<u>4,886</u>	<u>4,088</u>
	Reimbursement of staff related cost incurred by the Company on behalf of associated companies	<u>2,451</u>	<u>5,728</u>
Related entities by virtue of common directorship	Sale of goods	<u>14,752</u>	<u>11,241</u>
Key management personnel	Remuneration for the period	<u>109,770</u>	<u>98,892</u>
Staff Retirement Benefits	Contributions to Staff Provident Fund	<u>5,090</u>	<u>5,747</u>
	Contributions to Management Staff Defined Contribution Pension Fund	<u>6,340</u>	<u>5,856</u>
	Contributions to Management Staff Pension Fund	<u>(840)</u>	<u>(972)</u>
	Contributions to Pakistan Employees' Gratuity Fund	<u>5,505</u>	<u>5,105</u>
Meeting fee to Directors and remuneration to Non-Executive Directors		<u>2,266</u>	<u>2,486</u>
Actuarial gain / (loss) recognised during the period in the Statement of Comprehensive Income on account of:			
- Management Staff Pension Fund		<u>2,315</u>	<u>(938)</u>
- Pakistan Employees' Gratuity Fund		<u>3,486</u>	<u>2,569</u>



**14.2 Balances with related parties are summarised as follows:**

	<b>30 June 2013</b>	<b>31 December 2012</b>
	<b>(Rupees in '000)</b>	
Receivable from associates in respect of trade debts	<u>1,297</u>	<u>530</u>
Payable to holding company / associate in respect of trade and other payables	<u>(95,916)</u>	<u>(86,564)</u>
Payable to Staff Provident Fund	<u>(1,782)</u>	<u>(1,654)</u>
(Payable to) / Receivable from Management Staff Defined Contribution Pension Fund	<u>(1,109)</u>	<u>2,595</u>
Receivable from Management Staff Pension Fund	<u>17,153</u>	<u>13,998</u>
Payable to Pakistan Employees' Gratuity Fund	<u>(11,937)</u>	<u>(15,431)</u>

**14.3** Sales, purchases and other transactions with related parties are carried out on commercial terms and conditions. The cost of technical assistance fee has been determined on the basis of agreement, duly acknowledged by the State Bank of Pakistan, between the Company and the BOC Group Limited based on an agreed methodology consistently applied.

**15. CORRESPONDING FIGURES**

The condensed interim balance sheet has been compared with the preceding balance sheet as at 31 December 2012, whereas the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the corresponding period of the previous year. Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison and has no material effect.

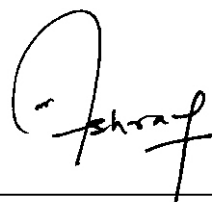
**16. GENERAL**

**16.1 Date of authorisation**

This condensed interim financial information was authorised for issue on 16 August 2013 by the Board of Directors of the Company.

**16.2 Non adjusting events after balance sheet date**

The Board of Directors has declared an interim cash dividend of Rs. 1.5 per share for the year ending 31 December 2013 amounting to Rs. 37,558 thousand in their meeting held on 16 August 2013 (2012: interim cash dividend of Rs. 2 per share for the year ended 31 December 2012 amounting to Rs. 50,077 thousand). This condensed interim financial information does not include the effect of interim cash dividend announced on 16 August 2013, which will be accounted for in the financial statements for the year ending 31 December 2013.



**Muhammad Ashraf Bawany**  
Chief Executive



**Munnawar Hamid OBE**  
Chairman

## Business Divisions, Products and Services

The BOC Group Limited, U.K., the majority shareholder of Linde Pakistan Limited, is a wholly owned subsidiary of Linde AG, Germany. Accordingly, Linde AG is the ultimate parent company of Linde Pakistan Limited. The Linde Group is a world-leading gases and engineering company with around 62,000 employees in more than 100 countries worldwide. In the 2012 financial year, it generated revenue of EUR 15.280 billion. The strategy of The Linde Group is geared towards long-term profitable growth and focuses on the expansion of its international business with forward-looking products and services.

Linde acts responsibly towards its shareholders, business partners, employees, society and the environment – in every one of its business areas, regions and locations across the globe. The Group is committed to technologies and products that unite the goals of customer value and sustainable development.

For more information, see The Linde Group online at <http://www.linde.com>

In Pakistan our business and reputation is built around our customers. Whatever the industry or interest, we continue to respond to its needs as quickly and effectively as possible. The ever-changing requirements of customers are the driving force behind the development of all our products, technologies and support services. Through our people, we play a full and active role in communities around us and are committed to the highest standards of safety and environmental practice. At the same time, we believe that the best way to assist any community is to build a successful business.

### Industrial Gases

#### Bulk Gases:

Liquid Oxygen  
Liquid Nitrogen  
Liquid Argon  
Pipeline Hydrogen  
Liquid Carbon Dioxide  
Industrial Pipelines

#### PGP – Gases:

Compressed Oxygen  
Aviation Oxygen  
Compressed Nitrogen  
Compressed Argon  
Compressed Air  
Compressed Hydrogen  
Dissolved Acetylene

#### Speciality Gases:

High Purity Gases  
Research Grade Gases  
Gaseous Chemicals  
Calibration Mixtures  
Argon Mixtures  
Welding Gas Mixtures  
Sterilization Gases  
Propane  
Helium  
Refrigerants  
Dry Ice

### Healthcare

#### Medical Gases:

Liquid Medical Oxygen  
Compressed Medical Oxygen  
Nitrous Oxide & Entonox  
Specialty Medical Gases & Mixtures e.g. Helium, Carbon-di-Oxide, Heliox etc.

#### Medical Equipment:

Ventilators & Anesthesia Machines  
High Precision Flowmeters, Suction Injector Units and Oxygen Therapy Products  
Entonox Delivery systems, complete with Apparatus, regulators, cylinders and

#### Medical Engineering Services:

Complete Range of Medical Gas Pipeline Systems through Strategic alliance with Atlas Copco Beacon Medaes  
Consultation Design, Installation and Servicing of Medical Gas Pipeline Systems  
Safety, Quality, Risk Analysis & Training on Medical Gas Pipeline Systems

### Welding & Others

#### Welding Consumables:

Welding Electrodes  
MIG Welding Wires

#### Welding Machines:

Automatic  
Semi-automatic  
Manual

#### Welding Accessories:

Regulators  
Cutting Torches  
Welding Torches  
Cutting Machines  
Gas Control Equipment  
Safety Equipment

#### PGP – Others:

Calcium Carbide



## Business Locations

<b>Registered Office Head Office</b>	Karachi	P.O.Box 4845, West Wharf Tel: 021-32313361 (9 Lines) Fax: 021-32312968	
<b>North Western Region</b>	Lahore	P.O.Box 205 Shalamar Link Road, Mughalpura Tel: 042-36824091 (4 Lines) Fax: 042-36817573	ASU Plant and Nitrous Oxide Plant
		Plot No. 705, Sundar Industrial Estate Tel: 042 - 35297244-47	ASU Plant
	Multan	Adjacent to PFL Khanewal Road Tel: 061-6562201 (2 Lines) 061-6001360 Fax: 061-6778401	Carbon Dioxide Plant
	Mehmood Kot	Adjacent to PARCO Mid Country Refinery, Mehmood Kot Qasba Gujrat, Muzaffargarh Tel: 066-2290751 & 2290484-85 Fax: 066-2290752	Nitrogen Plant
	Faisalabad	Altaf Ganj Chowk Near Usman Flour Mills Jhang Road Tel: 041-2653463 & 2650564	Sales Depot
	Wah Cantonment	Kabul Road Tel: 051-4545359	Acetylene Plant
	Taxila	Adjacent to HMC No.2 Tel: 051-4560600 051-4560701-05 Fax: 051-4560700	ASU Plant
	Rawalpindi	2 <sup>nd</sup> Floor, Jahangir Multiplex Golra Mor, Peshawar Road Tel: 051-2315501-03 Fax: 051-2315050	Sales Office
	Hasanabdal	Adjacent to Air Weapon Complex Abbotabad Road Tel: 0572-520017 Ext. 104 0572-522428 Ext. 104	Hydrogen Plant
	<b>Southern Region</b>	Karachi	P.O.Box 4845, West Wharf Tel: 021-32313361 (9 Lines) Fax: 021-32312968
Port Qasim		Plot EZ/1/P-5(SP-1), Eastern Zone Tel: 021-34740058 & 34740060 Fax: 021-34740059	ASU Plant Hydrogen Plant Carbon Dioxide Plant
Sukkur		A-15, Airport Road Near Bhatti Hospital Tel: 071-5630871	Sales Depot