→ Linde Pakistan Limited.

THE LINDE GROUP

Linde

Gearing up for growth.

Annual Report 2016.


Linde

Linde Pakistan continues to lead the market and remains on a sustainable and profitable growth path. We build on our existing strong customer relationships, by consistently offering ‘real’ value in the form of safe, reliable and innovative solutions.

We build on our world-class German engineering excellence and actively offer pioneering gas applications customised for the local market to improve our customers’ productivity.

We are expanding our footprint by investing in our assets, our processes and our people. The resulting improvement in reliability, efficiency and product service offering enables us to meet our customers’ growing and emerging needs and positions us to remain the supplier of choice tomorrow.

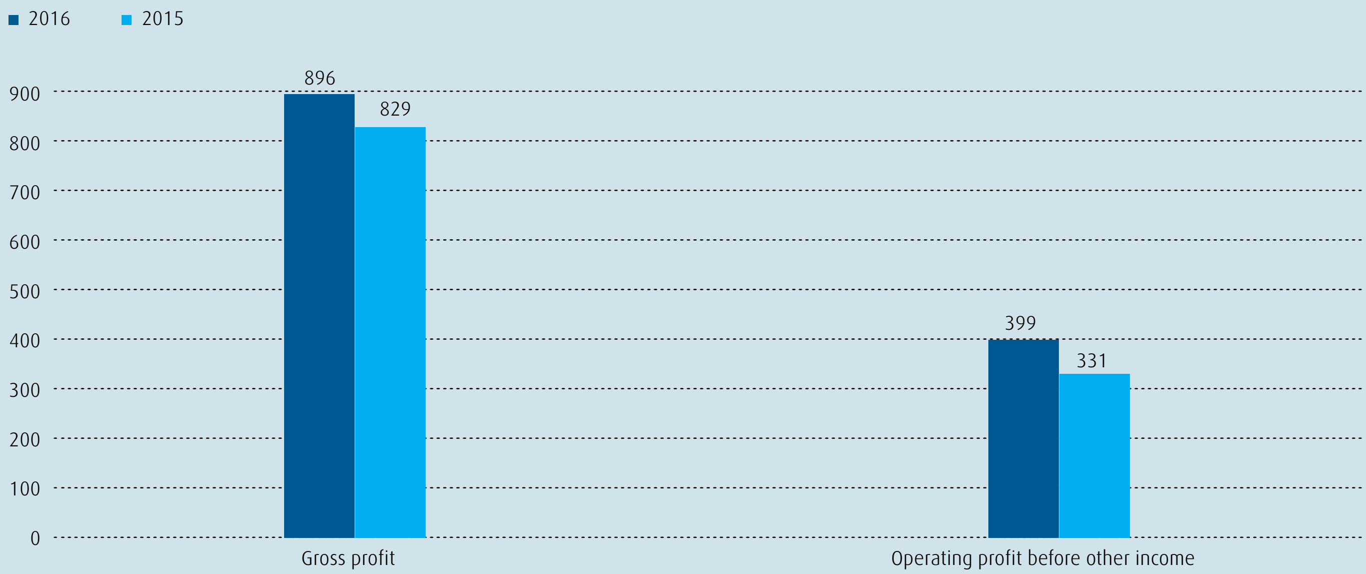
We are gearing up for growth by building on our strengths, constantly improving and learning so that we remain close to our customers and are able to support their business.

Year at a glance.

Rupees in '000	2016	2015
Net sales	3,954,638	3,914,176
Gross profit	895,994	829,223
Total overheads	(496,787)	(498,480)
Operating profit before other income	399,207	330,743
Reorganisation / restructuring cost	-	(33,500)
Operating profit after reorganisation / restructuring cost	420,199	318,119
Profit before taxation	309,589	191,805
Profit for the year	216,886	140,854
Earnings per share – basic and diluted (Rupees)	8.66	5.63
Number of permanent employees at year end	114	119

Entity credit rating by JCR-VIS Credit Rating Company Ltd.	A/A-2 (Single A/A-Two) with 'Stable' outlook

Gross profit and operating profit before other income (Rupees in million)



Contents.

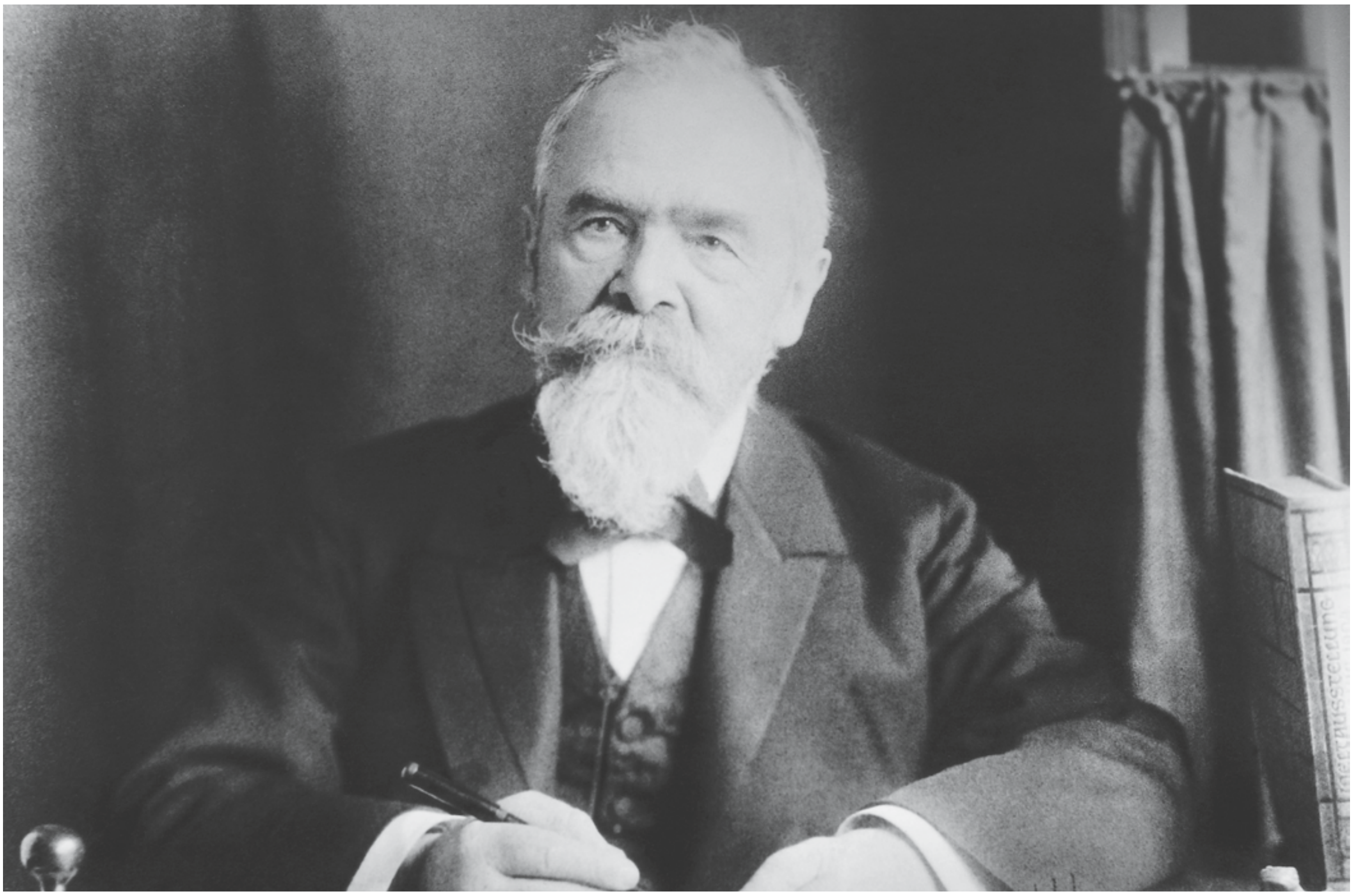
About The Linde Group.

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

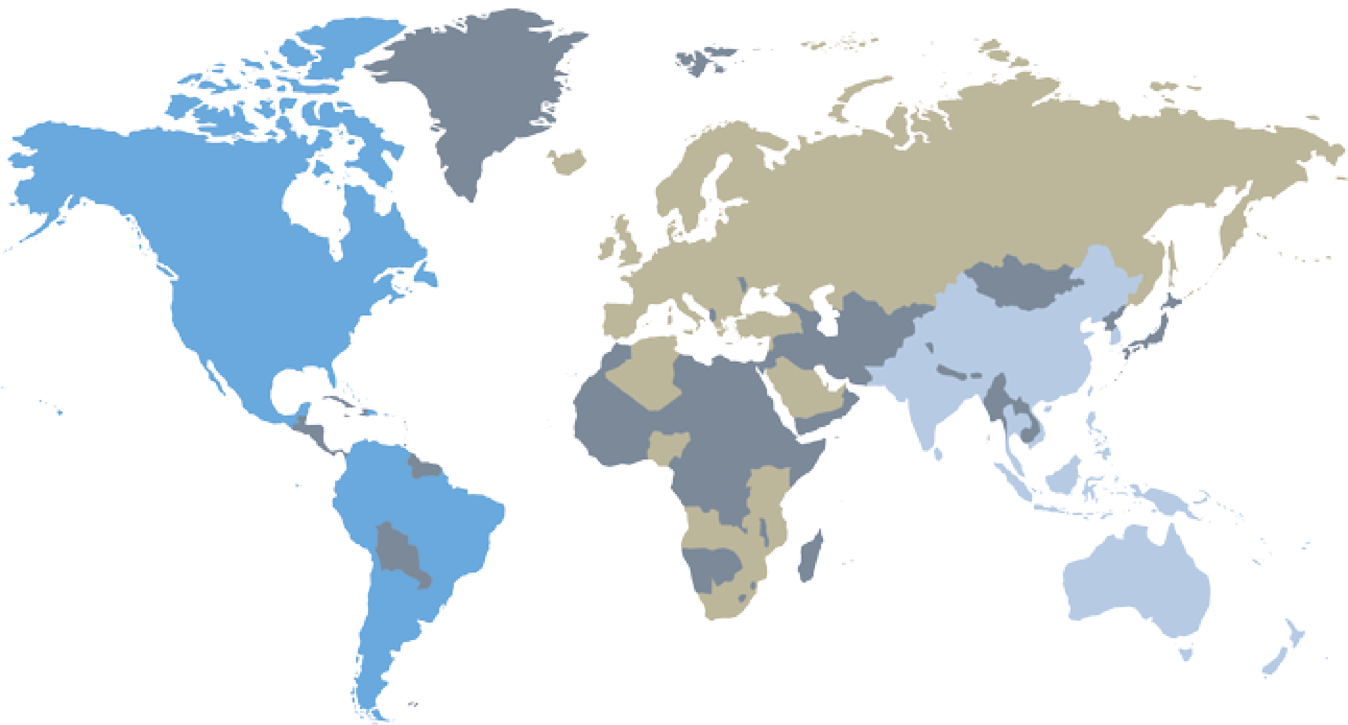
In the 2016 financial year, The Linde Group generated revenue of EUR 16.948 bn, making it one of the leading gases and engineering companies in the world, with approximately 65,000 employees working in more than 100 countries worldwide. The strategy of The Linde Group is geared towards long-term profitable 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 company 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 www.linde.com

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. For more information, see The Linde Group online at www.linde.com



Professor Doctor Carl von Linde, invented refrigeration technology and pioneered a process of air separation.



The Linde Group is present in more than 100 countries across the world.

About Linde Pakistan.

Global expertise adapted for Pakistani needs – this is the guiding principle which Linde Pakistan Limited (LPL), a member of The Linde Group, has been practicing for more than 70 years to meet customer requirements. We are the leading industrial gases solution provider in Pakistan, supporting the gases needs of a wide range of industries and delivering innovative, high quality and reliable solutions that create value for our customers since before the inception of Pakistan.

We have continued to be a steady partner in the economic development of the country and have added strategic value to the nation's industrial and infrastructure development.

We manufacture and distribute industrial, medical and speciality gases as well as welding products and provide a wide range of related services including the installation of on-site plants, gas equipment, pipelines and associated engineering services.

At Linde Pakistan, we put health, safety and environment (HSE) first. We continually work to uphold a leading HSE culture by adhering to strict industry and international standards. For more information, see www.linde.pk

Our National Tax Number is 0709930-4
Our Company Registration Number is 000288

Head office

Linde Pakistan Limited
P. O. Box 4845, Dockyard Road,
West Wharf, Karachi 74000, Pakistan
Phone +92.21.32313361 (9 lines)
Fax +92.21.32312968

Customer services

Linde Pakistan Limited
P. O. Box 4845, Dockyard Road,
West Wharf, Karachi 74000, Pakistan
UAN +92.21.111262725
Fax +92.21.32312968

Our legacy in Pakistan.

In Pakistan, Linde has led the development of the industrial gases industry for more than 70 years, providing global solutions with a local outlook, each customised to the specific needs of our customers.

We supply products to more than 4,000 customers from a wide spectrum of industries ranging from chemicals and petrochemicals to steel, food and healthcare. Our team of nearly 117 trained and professional staff manages 24-hour operations at ten major industrial locations across the country to support our customers wherever they may be located.

Our legacies are pioneering and sustaining technologies for the local industries. Our heritage is our partnership with our customers and enabling them to become leaders in their fields.

1935 Indian Oxygen and Acetylene Company.

1949 The Company was incorporated as a private limited company under the name of Pakistan Oxygen and Acetylene Company Limited.

1957 The Company's name was changed to Pakistan Oxygen Limited.

1958 The Company was converted into a public limited company with 60% BOC Group holding and 40% local public shareholding.

1995 Renamed as BOC Pakistan Ltd; no change in pattern of shareholding.

1997 BOC Pakistan becomes a strategic partner for Lotte PTA; installs Pakistan's largest air separation unit at that time capable of producing up to 100 tons per day

2000 Becomes a strategic supplier for PARCO, the country's largest refinery, through on-site MicroLN generator; also sets up an ASU at Taxila for meeting increased oxygen, nitrogen and argon demand in northern Pakistan.

2004 BOC Pakistan invests in a 60 tons per day carbon dioxide plant in Multan to meet the demand from the beverage sector in Pakistan.

2006 The BOC Group Limited, U.K., the majority shareholder of the Company, became a wholly owned subsidiary of Linde AG, Germany. Accordingly, the Company became a member of The Linde Group.

2008 Invests Rs. 214 million in a 23 tons per day carbon dioxide plant at Port Qasim to ensure reliable product availability for key beverage customers

2009 New nitrous oxide plant commissioned at Lahore

2010 BOC Pakistan announces Rs. 2 billion investment to build Pakistan's largest air separation plant in Lahore capable of producing up to 150 tons per day.

2011 BOC Pakistan rebrands as Linde Pakistan on 19 September.

2012 New state-of-the-art Air Separation Unit (ASU), the largest air separation plant in the country commissioned at Sunder Industrial Estate, Lahore.

2013 Relocates ASU from Taxila to Port Qasim to further improve supply reliability in south.

2014 Linde Pakistan invests in a new state-of-the art nitrogen generator at PARCO refinery in Qasba Gujrat.

2015 The nitrogen generator at PARCO refinery in Qasba Gujrat becomes fully operational; successful turnaround of the 30 TPD ASU at Port Qasim.

2016 Carbon dioxide compression facility commissioned at West Whaf site in Karachi.

1935 – 2016

Our vision.

Linde Pakistan Limited (LPL) will be the leading industrial gases and hospital care Company, admired for its 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.

The Company will be recognized by the communities 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 and 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 existing customers. This is underpinned by the development and provision of new products and services to its customers, offering real value in price, quality, safety and environmental impact.

Code of Ethics.

At Linde we work and live by a set of principles and values which we call The Linde Spirit, which encompasses our foundational principles of safety, integrity, sustainability and respect and our core values of passion to excel, innovating for customers, empowering people and thriving through diversity. Together our principles and core values underpin all our actions, decisions and behaviour, and express what we stand for as an organization and what differentiate us from our competitors. They are embedded in our organization and resonate in everything we do.

One of The Linde Group's most valuable assets is our reputation for uncompromising ethics and integrity is one of our four guiding principles ensuring that we always act with honesty and fairness.

The Linde Group has developed The Linde Code of Ethics which is a comprehensive guide to The Group's expectations for integrity in the workplace and while on company business and is structured to reflect the expectations of our main stakeholder groups. A Linde employee must learn and comply with the standards and laws that apply to their jobs and Linde actively monitors the standards set out in the code.

Since The Linde Group Code of Ethics is a comprehensive document and is supported by appropriate procedures and a 24 hours a day, 7 days a week Integrity Line, the Board of Directors of Linde Pakistan Limited have adopted The Linde Group Code of Ethics in its 467th meeting held on 25 October 2012.

The Code of Ethics in particular provides guidance to all employees on:

- Dealings with our customers, suppliers and markets encompassing competition, international trade, dealing with governments, our product development, ethical purchasing and advertising,
- Dealings with our shareholders, financial reporting and communication, insider dealing, protecting company secrets and protecting company assets,
- Dealings with our employees, conflicts of interest, avoidance of bribery, gifts and entertainment, data protection, HSE (health, safety and environment), human rights and on dealings with each other,
- Dealings with communities and the public with regard to our corporate responsibilities and on restrictions to provide support for political activities.

All employees of Linde Pakistan Limited undergo training on the Code of Ethics and are expected to comply with the standards laid out in the code. Employees are always encouraged to share and discuss any concerns with their line manager; however, where it is not possible to share or discuss an issue with a line manager then an employee may choose to raise his/her concerns via The Linde Group Integrity Line that can be accessed through the web-portal, phone, email, mail and fax. The Integrity Line is widely publicized across the company and is also available to external stakeholders to raise legitimate issues.

Information about The Linde Group Code of Ethics can be found on our web site at http://www.linde.pk/en/corporate_respobsibility/ethics_compliance/index.html and on our company intranet site in English, Urdu and many other languages.

Mr. M Ashraf Bawany, CEO and Managing Director (right) at office block.

Executives at training of Product Service Offer (PSO).

Our business.

Everyday we touch the lives of millions of people through the products and services we supply to our customers across a wide range of industries – from medical gases that sustain lives, to gases used in steel making and in food production and distribution. We provide innovative solutions in areas such as clean energy, food processing and distribution, waste water treatment, environmental protection and healthcare. We are relentless in our search for new technologies and applications for the benefit of our customers and our planet.

Linde Pakistan Limited proudly serves more than 4000 customers across Pakistan most of which are leading companies from a variety of industry sectors and span the petrochemicals, steel, metals, glass, food and beverage, fabrication, pharmaceutical and medical segments. We act as strategic solution providers to our customers, providing value through our innovative products and services and using best operating practices from across The Linde Group.

LPL business portfolio is strategically divided into four parts which are On-site, Bulk, Packaged Gases and Products (PGP) and Healthcare.

On-site

On-site customers e.g. petrochemicals, steelmaking and refineries etc. require extremely large amounts of gases for their daily production. Linde supplies such customers with product through pipeline supply schemes and on-site production units. In addition to catering to normal business activities, we ensure logistical and production capability to support extra demand due to turnaround at customer end.

Bulk

Bulk customers are those to whom the product is supplied through cryogenic road tankers in liquid form and is stored in storage tanks installed at their sites. The bulk product line includes Oxygen, Nitrogen, Argon, Hydrogen and Carbon Dioxide. LPL is actively involved in delivering products and solutions to a wide array of customers in industrial sectors such as chemicals, steel, glass, oil and gas, distributors and food and beverage.

Packaged Gases and Products

Packaged Gases and Products (PGP) cover a wide range of products which include compressed industrial gases, speciality gases, welding consumables and equipments. PGP is characterized by a diversified portfolio of customers nationwide from quality control labs to pharmaceutical companies and from ship-breaking to the construction industry.

Healthcare

Linde Pakistan has been the most trusted partner at hospitals across the country for decades and this trust has been hard-won and kept through our single minded focus on customer satisfaction. Our healthcare portfolio includes a variety of products including medical gases such as medical oxygen – liquid and compressed, nitrous oxide, special medical mixtures and medical equipment such as concentrators and flowmeters etc. LPL also provides the design, installation and maintenance of central medical gases pipeline systems.

Our products and services.

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. Linde Pakistan provides gas products, facilities and turnkey services and solutions which are customized to meet the unique needs of our customers and add value to their businesses. Our competitive advantage is our extensive process engineering, project development and comprehensive product portfolio. We have the widest range of bulk and compressed gases product lines as well as welding consumables, equipment and safety gear. At Linde, our highly qualified and experienced engineers, product managers, technologists and marketers excel at providing dedicated support. A Linde customer receives for each gas application, the complete solution – gas, know-how, tailor-made hardware and customized services.

Industrial gases

Bulk gases
- → Liquid oxygen
- → Liquid nitrogen
- → Liquid argon
- → Pipeline hydrogen
- → Trailer hydrogen
- → Liquid carbon dioxide
- → Industrial pipelines

PGP gases
- → Compressed oxygen
- → Aviation oxygen
- → Compressed nitrogen
- → Compressed argon
- → Compressed air
- → Compressed hydrogen
- → Compressed carbon dioxide
- → Dissolved acetylene

Speciality gases
- → High purity gases
- → Research grade gases
- → Gaseous chemicals
- → Calibration mixtures
- → Argon mixtures
- → Welding gas mixtures
- → Sterilization gases
- → Propane
- → Helium (liquid and compressed)
- → Refrigerants

Healthcare

Medical gases
- → Liquid medical oxygen
- → Compressed medical oxygen
- → Nitrous oxide
- → ENTONOX®
- → Speciality medical gases and mixtures e.g. helium, carbon dioxide, heliox etc.

Medical equipment
- → High precision flowmeters
- → Suction injector units and oxygen therapy products
- → ENTONOX® delivery systems, complete with apparatus, regulators and cylinders.
- → Medical Air, Vacuum and AGSS Plants
- → Medical Gas Pipeline Accessories
- → Medical Gas Distribution System
- → Medical Gas Source Equipment

Medical engineering services
- → Consultation, design, installation and service of medical gas pipeline systems (O_2, N_2O, Air, Suction etc)
- → Safety, quality, risk analysis and training on medical gas pipeline systems
- → Authorized Person Training for Hospital Staff
- → Qi Facility Management (Gas Pipeline Management System)
- → Qi Point Analysis (Point to Point Verification System)

Welding and others

Welding consumables
- → Low hydrogen welding electrodes – Fortrex E7018
- → Mild steel welding electrodes – Zodian Universal E6013
- → Mild steel welding electrodes – Matador®47 E6013
- → Mild steel welding electrodes – Spark® E6013
- → Stainless steel electrodes – Matador® E308-16 and E308L
- → Special electrodes
- → MIG welding wires

Welding machines
- → Automatic
- → Semi-automatic
- → Manual

Welding accessories
- → Regulators
- → Cutting torches
- → Welding torches
- → Cutting machines
- → Gas control equipment
- → Safety equipment
- → Matador cutting and grinding discs and wheels

PGP – others
- → Dry ice

Linde offers extensive range of welding equipment and consumables including complete solution for welding needs of industries.

Linde's ACCUCHILL™ solution is an efficient and preservative-free solution for the food industry.

Gearing up for growth.

The Linde Group continues to remain a world leading supplier of industrial and medical gas solutions and is poised to carry its growth agenda forward through focus on research and application development.

World-class engineering and global synergies

By harnessing the strength of German engineering and synergising the process and technical innovations from around the globe, Linde Pakistan is able to develop best in class solutions that add value to its customers' processes. In an economy increasingly characterised by volatility and cost sensitivity, Linde solutions add value to the production process by improving efficiency and productivity thereby alleviating the need for capital expenditures and improving customer profitability.

The most extensive product service offering

Another advantage that Linde Pakistan has over any other industrial gas supplier is our extensive product service offering (PSO). For more than 70 years we have continued to invest in our production abilities, delivery vehicles and storage vessels. We are able to serve the needs of the very largest industries who need on-site reliable gas supplies and the needs of a customer who needs a single cylinder of a specialised gas mixture. Our customers benefit from the convenience of having a single reliable gas supplier who can serve the complete spectrum of their industrial gas needs, packaging the basic product with the equipment and technical know-how that is needed to get complete value. We continue to add to our portfolio and further enhance our PSO so that our offerings are able to meet the customer demands of today and tomorrow.

Ongoing investments in assets

Linde Pakistan has continuously invested in all its assets: people, processes, plants, vehicles and storage tanks, so that we are able to grow with our customers. This strength has allowed us to retain and build on our customer relationships as customers trust us to meet their needs over the long-term.

We have set up the largest air separation unit in the country and we own the largest delivery fleet and the most extensive storage facilities in the country. Over the last five years only, Linde Pakistan has invested Rs. 2.5 billion in capital projects. These ensure that we are able to supply our customers where ever they are. Our multiple plants promise that reliability to the customer is always ensured.

Moving forward, we will continue to further invest in ourselves to ensure that our world-class offerings and solutions are available for our customers as they continue to expand.

Ongoing efficiency and productivity improvements

In 2016, the global and the local economy continued to face headwinds, with falling crude oil prices, power volatility and global steel oversupply leading to a slower demand growth. This was further exacerbated by the additional air separation plants going on-stream in the past few years resulting in excess product availability in the merchant market causing price erosion across the board. Despite this we were able to improve our profitability at a company level as we had continued to invest in improving our production efficiencies over the last several years. This is a major strength that leaves us poised to grow sustainably and profitably even during economic downturns.

Dedicated and professional teams

Linde Pakistan is proud of its people, with good reason. We attract and retain exceptionally talented people who work with us across sales, operations and support functions. We ensure that our people remain ahead of the advances taking place in the marketplace through regular internal and external trainings and collaboration with colleagues across The Linde Group. Our growth as a company is determined by our ambition to become the leading gases company, admired for its people.

Uncompromising focus on safety

Our greatest strength remains our uncompromising focus on safety, health, environment and quality. We continue to work towards our vision of zero incidents through trainings, process improvements, procedural controls, risk management and state-of-art monitoring and tracking devices that allow us to make timely improvements. In this we are supported by a dedicated team at the country, regional and global level. All the above efforts are to ensure the safety of all our assets, whether people, production, distribution or storage.

We are gearing up for growth by building on our strengths, constantly improving and learning so that we remain close to our customers and are able to support their business.

Our commitment to safety.

Safety is one of The Linde Group's foundational principles and our top-most priority.

Linde Pakistan aims to improve the quality of its products and services constantly, while maintaining the highest standards of safety, health and environmental protection.

Safety is a foundational principle and continues to be the top-most priority for us. We aspire to become a High Performance Organisation (HPO), where Health, Safety and Environment (HSE) rules and procedures are clearly defined, understood, respected and complied with by all employees, contractors, supervisors and managers instinctively and automatically.

The Linde Group has adopted 'Golden rules of safety' which apply across our company and to our contractors with the aim of preventing severe injuries and fatalities, and supporting the journey towards a leading HSE performance and culture. They underpin critical safety rules and regulations, compliance to which helps to prevent incidents and therefore serious injury or fatality. Each and every employee, contractor and driver working with us must abide by these Golden Rules which are enforced as a condition of work at Linde.

Visible leadership is also a critical component of our HSE Strategy and senior management team, plant managers, engineers – everyone supports the HSE agenda through active engagement, interventions, positive reinforcements etc., crucial for building an interdependent safety culture.

Continual audits and safety risk assessments are imperatives to ascertain what needs to be controlled so that appropriate measures are implemented, evaluated and monitored. We continue to make sustained efforts to progress towards an aspirational goal of ZERO incidents. Our HSE (Health, Safety and Environment) policy ensures clear communication of the principles, vision and commitment to HSE, and compliances to this policy is an imperative across all decisions, actions and behaviours. Our HSE rules and regulations reflect current global practices and are constantly updated to meet global standards.

We have also continued to progress well with the Major Hazards Review Programme. Under this programme production sites have received certification which gives assurance that all high risks and hazards have been assessed and mitigation measures implemented. As another leading initiative, we have installed in-cab cameras, in all commercial vehicles for effective monitoring of drivers' driving behaviours, which is critical for sustaining transport safety improvements.

We believe that our HSE policy and initiatives will help us achieve our vision of zero incidents and we continue to focus on the HSE aspects of all our decisions, actions and behaviours, visibly leading the HSE agenda, ensuring that all necessary training, systems, processes and tools are in place, and most importantly reinforcing the right attitude.

One company, countless solutions.

As a technology leader, we strive to constantly raise the bar and develop high-quality products and innovative processes that create added value, clearly discernible competitive advantages, and greater profitability for our customers.

Our customers use our gases to improve competitiveness, cut process costs and enhance quality and productivity. Even more importantly, our innovative gas technologies and applications are paving the way for more sustainable, green lifestyle choices and business practices.

Zero-additive preservation alternatives for the food & beverage industry

Food-grade industrial gases are an effective and natural way of meeting rising consumer demands for quality, variety and freshness in the food and beverage industry. It is a low or zero-additive alternative to conventional preservation techniques. Our state-of-the-art technologies and applications optimise processes, improve quality, increase yield, protect quality during transport and extend shelf life. We are able to support our customers from dairy, meat and fish through bakery and fruit and vegetables to the packaged business through our extensive gases portfolio which covers:

- Aquaculture
- Carbonation
- Chilling & freezing
- Fumigation
- Greenhouse horticulture
- Hydrogenation
- In-transit refrigeration
- Modified and controlled MAPAX®
- Purging
- Water treatment

The full spectrum of metal fabrication technologies

From general welding to highly specialised laser job shops, Linde is able to support the varying application needs across the full application and equipment spectrum, combining both traditional and new cutting, welding and coating processes. We provide the equipment, consumables and safety gear as well as the safety training to ensure that all the gases you need are installed and handled properly. Our engineers are available to guide you through the extensive range of welding and cutting options and gas mixtures available to help you make the process choice best suited to your budget, productivity and quality demands.

Speciality and fine chemicals

Fine and speciality chemicals cover the manufacture of speciality products used in everything from adhesives, sealants and coatings to pharmaceuticals, detergents and electronic goods. Highly complex with a huge portfolio of patented technologies, this sector is under pressure to meet increasingly stringent safety and environmental regulations and hone competitiveness, particularly as more and more fine chemicals are evolving into commodities. Manufacturers are challenged to innovate in the search for environmentally cleaner reactions and smart solutions to highly specialised problems. Our gas enabled technologies can help fine and speciality chemical players meet these challenges.

Applications for steel and metal production

Steel and metal production industries face stiff competition both locally and from imports. Striking the right balance between profitability and competitiveness requires vigilant control over fuel consumption, resource management, efficiency, productivity and quality.

Linde offers gas solutions to increase productivity, lower fuel consumption and other costs to support the metal industry in attaining their efficiency and profitability objectives. We cover the full spectrum – from ore reduction and metals recycling through refining and casting to reheating and metal working and, finally, heat treatment to deliver proven efficiency gains.

Solutions for the oil and gas segment

Environmental pressures are particularly acute for oil and gas customers including refineries due to increasingly severe environmental protection laws. Our gases applications can support customers in addressing their challenges. Our expertise will bring you quality and productivity benefits in the following areas in particular:

- Inerting, purging and blanketing
- Enhanced Oil recovery (EOR)
- NOx removal / SOx removal
- Water treatment.
- Diesel Hydrodesulphurisation

Our LoTOx™ technology supports Fluid Catalytic Cracking (FCC) units in controlling particulates, sulphur dioxide and NOx emissions. It is a patented innovation that uses ozone to selectively oxidize insoluble NOx to highly soluble species that can be easily removed in a wet scrubber. The benefits include increased capacity, greater flexibility in the choice of feeds, increased conversion rates and reduced emissions.

Improved quality of life through therapies and medicines

The pharmaceutical and life sciences industry is dedicated to improving quality of life by developing therapies and medicines that promise longer, healthier and more active lives. As a supplier of pharmaceutical-grade gases, we understand the pressures facing pharmaceutical companies and have developed numerous gas innovations that help meet this industry's needs. Our expertise will bring you quality and environmental benefits in the following areas in particular:

- Lyophilisation (freeze-drying valuable biologicals)
- Inerting, purging and blanketing
- Reactor cooling
- Solvent recovery and VOC abatement

Traditional mechanical cooling systems can be replaced with cryogenic cooling systems such as our patented CUMULUS® design. Our technology seamlessly integrates into existing lyophilises, allowing pharmaceutical producers to reach lower temperatures than with heat transfer fluids. In addition to providing a reliable source of cooling, our solution eliminates the maintenance associated with compressors. Liquid nitrogen also creates a sterile ice fog that is distributed inside the lyophilised to simultaneously and uniformly nucleate all of the vials. This results in a wide range of benefits, including cycle time reduction, enhanced process control, process repeatability and improved product quality.

Driving innovation with the latest gas applications

We are committed to enhancing production operations and improving quality and safety and our gas-enabled technologies can open up new areas of innovation, improve chemical handling, reduce variable and fixed costs, and boost the level of process automation for our customers.

Linde Pakistan has the experience and organisation to deliver complete turnkey installations including engineering, project handling, revamping and commissioning. Our portfolios include equipment and control systems customised for each gas which can handle all aspects of operations, safety, optimum heating and energy usage.

Our teams of engineers and market specialists work with industrial customers to understand their business needs and their existing processes and develop gas applications that are tailored specifically to their requirements. And with our extensive global network of local experts and our global development department, we are able to support our customers with our application know-how all over the world.

Key facilities around Pakistan.

With local capability backed by global technology and a strong commitment to quality, reliability and safety, Linde Pakistan provides the very best in technical know-how, quality products, professional service and life-saving dependability. This is why all major industrial corporations and hospitals throughout Pakistan depend on Linde for their complete gas solutions.

Relibility of supply

We take our customers' trust in our reliability very seriously. To ensure that we are able to meet our customers' evolving needs, today and over the coming decades we continue to make huge investments at our plant sites to increase capacity, improve reliability and efficiencies and ensure the highest quality. And with investment in each of our eleven industrial gas plants across the country, we have built long and enduring relationships with our customers that go beyond simple product provision. We understand their processes and their needs and in response offer complete gas and equipment solutions that meet their requirements. We are a strategic partner to our customers, catering to their evolving needs, and we have seen our customers grow with us over decades.

Air Separation plants

Our facilities include 3 Air Separation plants (ASU) at Lahore and Port Qasim, including the largest ASU in Pakistan with a capacity of 133 Tons per Day (TPD). In addition to this we have completed the installation of a new nitrogen generator at Qasba Gujrat to cater to PARCO's increased gas demand with dedicated supplies.

Carbon dioxide plants

We have also set up carbon dioxide plants at Port Qasim and Multan to meet the demand of our beverage customers in the north and south of Pakistan respectively with certified food-grade CO_2.

Recently we have also setup CO_2 compression and cylinder filling facility in south to meet demands of Hi-end users of industry.

Hydrogen and Dissolved acetylene plants

Hydrogen and Dissolved acetylene plants have been installed in both the south and west regions to meet customers demand on a nationwide basis.

Nitrous oxide plant

We have also installed a Nitrous oxide plant in Lahore which serves product to all the largest hospitals across Pakistan. As it is a medical product, we have installed state-of-the-art online purity analyzers to ensure product quality.

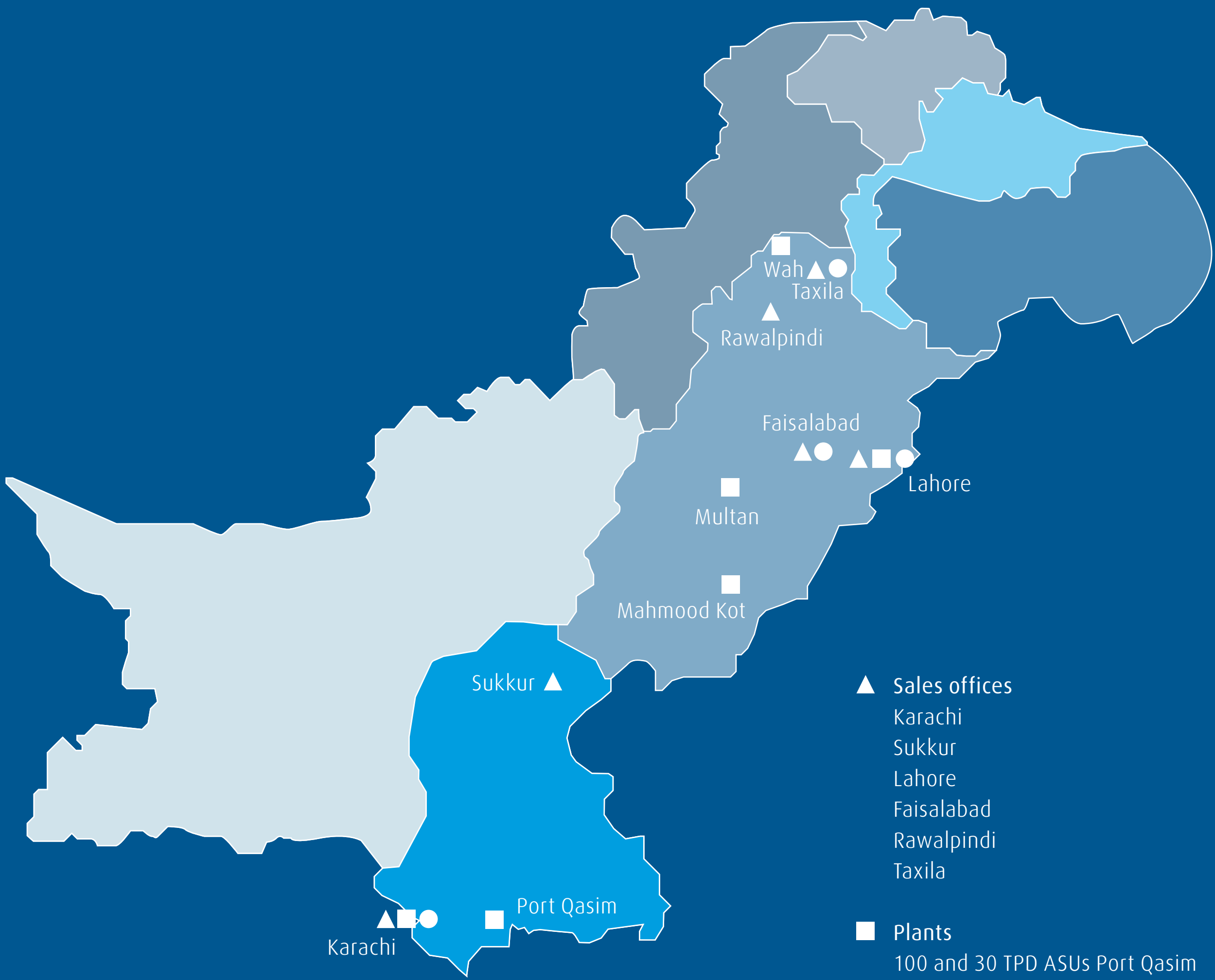
Dry ice plant and speciality gases laboratory

We have set up a dry ice plant which produces pellets used for both cooling and cleaning purposes and our speciality gases laboratory ensures that we are able to meet our customers demand for high purity gases as well as special mixtures in a cost-effective and timely manner.

Compression facilities

Our compression and cylinder filling sites are located in the north, south and west of Pakistan to ensure that we are able to serve our customers in a timely manner along with Customer Service Centers and sales depots to facilitate our customers in any way possible.

In addition to ensuring that our plants are present across Pakistan, near all the major industrial hubs of the country, we have also built up the most extensive fleet of distribution vehicles in Pakistan consisting of cryogenic tankers and cylinder trucks to ensure that we are able to serve our customers regardless of where they are located.



▲ **Sales offices**
Karachi
Sukkur
Lahore
Faisalabad
Rawalpindi
Taxila

■ **Plants**
100 and 30 TPD ASUs Port Qasim
23 TPD CO_2 Port Qasim
Electrolytic Hydrogen plant Port Qasim
Dry ice plant Port Qasim
133 TPD ASU Lahore
Nitrous Oxide plant Lahore
60 TPD CO_2 Multan
18 TPD and 10 TPD N_2 Mahmood Kot
Hydrogen, Dissolved Acetylene Wah
Electrode, Dissolved Acetylene Karachi

● **Company owned**
Compressing stations

Company information.

Board Of Directors

Munnawar Hamid – OBE	Non-Executive Chairman	
Muhammad Ashraf Bawany	Chief Executive & Managing Director	
Atif Riaz Bokhari	Non-Executive Director	(Resigned wef 30-01-2017)
Humayun Bashir	Independent Director	
Shahid Hafiz Kardar	Independent Director	
Khaleeq Kayani	Non-Executive Director	(Retired wef 29-01-2017)
Andrew James Cook	Non-Executive Director	
Ganapathy Subramanian Narayanaswamy	Non-Executive Director	
Muhammad Samiullah Siddiqui	Executive Director	
Jahanara Sajjad Ahmad	Non-Executive Director	(Elected wef 30-01-2017)

Chief Financial Officer

Muhammad Samiullah Siddiqui

Company Secretary

Mazhar Iqbal

Board Audit Committee

Humayun Bashir	Chairman	Independent Director	
Atif Riaz Bokhari	Member	Non-Executive Director	(Resigned wef 30-01-2017))
Shahid Hafiz Kardar	Member	Independent Director	
Andrew James Cook	Member	Non-Executive Director	
Ganapathy Subramanian Narayanaswamy	Member	Non-Executive Director	
Mazhar Iqbal	Secretary	Manager Finance & Company Secretary	

Board Human Resource And Remuneration Committee

Munnawar Hamid – OBE	Chairman	Non-Executive Director	
Muhammad Ashraf Bawany	Member	Chief Executive & Managing Director	
Khaleeq Kayani	Member	Non-Executive Director	(Retired wef 29-01-2017)
Andrew James Cook	Member	Non-Executive Director	
Ganapathy Subramanian Narayanaswamy	Member	Non-Executive Director	
Muhammad Salim Sheikh	Secretary	Head Of Hr	

Share Transfer Committee

Muhammad Ashraf Bawany	Chairman	Chief Executive And Managing Director
Muhammad Samiullah Siddiqui	Member	Executive Director
Wakil Ahmed Khan	Secretary	Manager – Corporate Services

Bankers

Standard Chartered Bank (Pakistan) Limited
Deutsche Bank AG
HBL Bank Limited
Citibank N.A.
MCB Bank Limited
National Bank of Pakistan Limited
Meezan Bank Limited

Share registrar

Central Depository Company of Pakistan Limited

Auditors

KPMG Taseer Hadi and Co.

Legal advisor

Ayesha Hamid of Hamid Law Associates

Registered office

West Wharf, Dockyard Road, Karachi – 74000

Website

www.linde.pk
www.linde.com

Mr. Shahid Hafiz Kardar
Director

Mr. Andrew James Cook
Director

Mr. Humayun Bashir
Director

Mr. Ganapathy Subramanian NarayanaSwamy
Director

Mr. Samiullah Siddiqui
Director

Ms. Jahanara Sajjad Ahmed
Director

Mr. Munnawar Hamid – OBE
Chairman

Mr. M Ashraf Bawany
Chief Executive Officer

Profile of Directors*.

Mr. Munnawar Hamid – OBE
Chairman

Mr Munnawar Hamid is the former Chairman and Chief Executive of the ICI Group in Pakistan, and was with the Group since his graduation from the Universities of Punjab (Government College Lahore) and Cambridge (Gonville & Caius College) and subsequent Advanced Management training at INSEAD. He retired in 2003 after nearly 35 years association with ICI including a concluding year as Advisor to the Group CEO in London.

He was the founding Chairman of the Intellectual Property Organization Pakistan, (the apex body governing intellectual property rights in Pakistan) and the Pak Britain Business Forum, as well as Chairman of International General Insurance (IGI) Ltd, Pakistan PTA Ltd (now Lotte Chemicals), the President of the Overseas Investors Chamber of Commerce and Industry, and Chairman of the Duke of Edinburgh Award in Pakistan.

He has also served on the Boards of the Civil Aviation Authority, Port Qasim Authority, the Public Procurement Regulatory Authority and the Policy Board of the Securities and Exchange Commission of the Government of Pakistan; as well as of Standard Chartered Bank, United Bank, Union Bank, and the Oil & Gas Development Corporation. He has been involved in high-level government consultative bodies including the Government's Economic Advisory Board between 1999 and 2002, and has chaired the Prime Minister's Committee on Chemical Industry in Pakistan and other committees between 1996 and 1998. Mr Munnawar Hamid was appointed OBE by Her Majesty the Queen in October 1997.

He has been the Chairman of Linde Pakistan Limited since 2002 and also currently a Trustee of the Aga Khan University (since 2000) and Chairman, Silkbank Limited (since 2008).

Mr. M Ashraf Bawany
Chief Executive Officer

Mr. Muhammad Ashraf Bawany is the CEO and Managing Director of Linde Pakistan Limited (formerly known as BOC Pakistan Limited) – a Member of Linde AG, Germany. He has served Linde Pakistan Limited for 30 years in various leadership roles and has successfully executed several local and regional initiatives and strategies. Prior to his appointment as CEO & MD, he held a number of key positions within the company.

He takes keen interest in the promotion of education, trade and industry and strongly advocates these causes through various professional, corporate and trade platforms and also supports various social and welfare activities and contributes greatly to several charitable trusts.

He is Chairman Pakistan German Business Forum (PGBF) and a Director on the Board of German Pakistan Chamber of Commerce & Industry (GPCCI). He is also a member of the Welfare Committees of Tabba Heart Institute (THI) and Aziz Tabba Foundation (ATF). He was recently elected as Chairman Strategic Advisory Board (SAB) of Memon Professional Forum. He also holds the office of Vice President of Bin Qasim Association of Trade & Industry (BQATI) and Vice-President Jetpur Memon Association (JMA).

He also served as nominee Director of Pakistan Stock Exchange on the Board of National Clearing Company of Pakistan Limited (NCCPL) and Chairman Board Audit Committee of NCCPL.

He is the former President of Institute of Cost and Management Accountants of Pakistan (ICMAP), Pakistan Institute of Public Finance Accountants (PIPFA) and Memon Professional Forum (MPF). Mr. Bawany has also contributed on Joint Committee of ICAP & ICMAP and on various committees of South Asian Federation of Accountants (SAFA). He has also served as a member on the Board of Institute of Corporate Secretaries of Pakistan (ICSP), committees of the Overseas Investors Chamber of Commerce and Industry (OICCI), Education Committee of All Pakistan Memon Federation (APMF) and on committees of FPCCI.

Mr. Bawany is a fellow member of ICMAP and ICSP. He is also a Bachelor of Law (LLB) and a Commerce graduate. He also completed various advanced management courses from local and foreign institutions. Mr. Bawany is a Certified Director from the Pakistan Institute of Corporate Governance (PICG).

*Other offices held by Directors are disclosed on page 47 under Corporate Governance

Mr. Humayun Bashir

Director

Mr Bashir has 40 years of diversified experience with IBM in Pakistan, Afghanistan, Iran, and IBM MEA headquarters Dubai. He served as IBM Pakistan CEO for 16 years. He is a certified director under IFC PICG program . He was recently appointed to the board of National Clearing Company NCCPL, and as Chairman of PSX Board appointed committee on IT and Security . He is also the elected member of executive committee of Management Association of Pakistan .

Mr Bashir is actively engaged with Incubators and Startups, like ICCBS, Nest io, Startup weekend, SEED, Momentum and other initiatives in Startups Ecosystems etc via hackathons as mentor, coach , speaker and serves on advisory council of upcoming Startups.

Mr Bashir combines his engineering degree with management and Leadership skills from IBA, INSEAD and Boston University. He has experience of Financial, Telecom, and industrial sectors. Past ten years he served on Boards of SILKBANK , Linde Pakistan, Karachi Port- KPT, Export Processing Zone Authority, MIT-EP. He was also active with chambers boards and was Elected President of Overseas Investors Chamber of Commerce & industry (OICCI) 2012 and President American Business Council (ABC) in 2011.

Mr. Shahid Hafiz Kardar

Director

Mr. Shahid Hafiz Kardar is the Vice Chancellor of the Beaconhouse National University (BNU). He is an ACA from England and a graduate of the University of Oxford (PPE). He has been Governor, State Bank of Pakistan and Minister for Finance and Planning and Development, Government of Punjab.

Mr. Kardar has authored three books. He also contributes to journals and newspapers both within and outside Pakistan and is interviewed regularly by both local and foreign televisions and radios.

He was the Chairman of Punjab Education Foundation that launched internationally acknowledged programmes during his tenure. He has remained an active member of (i) National Commission for Government Reform (ii) Banking Laws Review Commission and (iii) Task Force on Education established by the Government of Pakistan and the British Government. He was elected as Director of Linde Pakistan Limited from 30 January 2014. He has also served as Director on several companies both in private and public sectors. He is on the Board of Shaukat Khanum and has served in several government committees on various subjects.

Mr. Andrew James Cook
Director

Mr. Andrew Cook is the Head of Safety, Health, Environment and Quality for Linde's gases business in South Asia and ASEAN and is based in Singapore. He is a member of the regional management team that oversees Linde's business in 10 countries in Asia – Bangladesh, India, Indonesia, Malaysia, Pakistan, Philippines, Singapore, Sri Lanka, Thailand and Vietnam. He joined the Linde Pakistan Board of Directors on 6 February 2015.

Mr. Cook has a Bachelor's degree in Chemical engineering from the University of South Bank, London. He is a member of the Institute of Chemical Engineers. He joined BOC in the UK in 1989 and has held a number of senior roles in engineering and operations in the UK business before moving to Asia in 2000.

In April 2005, Mr. Cook was appointed as President and General Manager of Linde LienHwa, a joint venture of Linde and the Taiwanese industrial corporation, LienHwa. Based in Shanghai, in this role he was responsible for the electronics business in China.

In 2010, Mr. Cook returned to Singapore as Head of Operations and Engineering for the Global Electronics businesses for Linde and in 2013, Mr. Cook was appointed to his current role.

Mr. Ganapathy Subramanian NarayanaSwamy
Director

Mr. Ganapathy Subramanian NarayanaSwamy is the Head of On-site Account Management for the Regional Business Unit responsible for Linde's gases business in South Asia and ASEAN, based in Singapore. He is a member of the regional management team and is responsible for Linde's on-site business in 10 countries in Asia. He joined the Linde Pakistan Board of Directors on 6 February 2015.

He graduated from National University of Singapore with M.Sc in Environmental Engineering and holds an MBA from INSEAD, Fontainebleau, France. He joined Linde AG in Munich in August 2007 and has held a number of senior roles in corporate finance, sales and operations in Munich before moving to Asia in 2013.

Mr. Ganapathy NarayanaSwamy relocated to Singapore in August 2012 as a Senior Business Development Manager for On-site Business and since March 2013 has taken up his current role for the region.

Mr. Muhammad Samiullah Siddiqui

Executive Director and Chief Financial Officer

Mr. Muhammad Samiullah Siddiqui was appointed as Director of Linde Pakistan on 6 February 2015. He is also serving as Chief Financial Officer of the Company from 13 January 2014. Mr. Siddiqui has a diversified business and functional experience of over 20 years. He has served on a number of key positions in Siemens Pakistan such as CFO / Director Commercial Energy Business for Pakistan and its Branch offices in Afghanistan and Dubai, Commercial Head of Telecom Business, Head of Internal Audit and Commercial Head of IT/SAP Business.

Mr. Siddiqui is a Fellow member of Institute of Chartered Accountants of Pakistan (ICAP). He is a certified Director from the Lahore University of Management Sciences (LUMS). He received Management and Leadership Training (Harvard Business School, USA), Management Diploma (Siemens AG and Babson University, USA) and Law for Business Executives from LUMS. He serves as a member on an ICAP committee, the Professional Accountants in Business and is also nominated on the Taxation sub-committee of OICCI.

Mr. Siddiqui is also serving as Director on the Board of BOC Pakistan (Pvt.) Ltd., a wholly owned subsidiary of Linde Pakistan.

Ms. Jahanara Sajjad Ahmad

Director

Ms. Jahanara Sajjad Ahmad, FCA is a fellow member of the Institute of Chartered Accountants of Pakistan. She has over 15 years of post-qualification experience in finance, audit, capital markets, Islamic finance and corporate governance.

Currently, she is the Executive Director Corporate Governance and Group Financial Advisor to the Bibojee Group of Companies. Previously she has worked in the UAE in the field of Corporate Governance with Dubai Parks and Resorts PJSC and Hawkamah, the Institute of Corporate Governance, based in Dubai International Financial Centre. At Dubai Parks, she lead the process of the Company's participation in the 2016 Ethical board room Corporate Governance Awards, which Dubai Parks won and helped position the Company as the market leader in terms of governance frameworks and practices.

At Hawkamah, she provided consultancy to various GCC Companies, including State Owned Companies and Islamic Banks, and assisted them in setting up their Corporate Governance frameworks and practices in accordance with international best practice. She developed the Middle East's first Code of Corporate Governance for the Dubai Real Estate Developers. She was driving Hawkamah's Task Forces on Corporate Governance of State Owned Enterprises, Islamic Banks and Insolvency and Debtor Creditor Rights systems and implementation of the policy recommendations culminating out of the work of the Task Forces throughout the MENA region.

Prior to joining Hawkamah, she was Director Securities Market Division at the Securities and Exchange Commission of Pakistan where she was responsible for regulating the primary capital market of Pakistan, ensuring adequate disclosures in the prospectuses of companies proposing to be listed on the Pakistan and the International Stock Exchanges, licensing of Special Purpose Vehicles, monitoring the implementation of the Takeovers and Acquisition Law. She was the Chairperson of the working group established for the Development of Debt Capital Market of Pakistan and has represented the SECP at Board Meetings of the Privatization Commission.

She has also worked with Morison Stoneham Chartered Accountants in London (now known as the Tenon Group Plc). She is an IFC certified trainer on Corporate Governance and has been invited to speak on Corporate Governance both regionally and internationally. She is the Co-Author of the Chapter on "The Arab Spring emphasizes better corporate governance of state-owned enterprises", published by the OECD.

Directors' report.

The Directors of your company take pleasure in presenting the Annual Report together with the Company's audited financial statements, for the year ended 31 December 2016.

Economic environment

During the year 2016, Pakistan's economy continued to progress and Gross Domestic Product (GDP) reached an 8 year high at 4.7% compared to 4.0% in FY 2015. This growth was supported by an easing energy supply situation and an enabling policy environment, whilst increased infrastructure expenditure by the government and low interest rates also contributed to enhanced domestic demand. The Consumer Price Index (CPI) inflation remained at an average of 3.7% during the calendar year, mainly helped by the steep fall in global oil prices, which allowed SBP to continue with its accommodative monetary policy.

The external account position remained comfortable, as a result of a robust foreign exchange reserve built up fresh loans and a stable exchange rate, and consequently the overall balance of payment position remained in surplus. Whereas, the current upgrading of Pakistan's sovereign rating together with expected official financial inflows will sustain the country's foreign exchange reserve, for the long term sustainability of the external account and to consolidate the recent growth, a higher export earnings and healthy FDI flows are imperative.

The industrial sector posted a healthy growth of 6.8% during the year, which was not only higher than 4.8% growth realized in FY15, but also surpassed the annual target of 6.4%. This was primarily driven by the stable macroeconomic environment, low interest rates, a rise in infrastructure spending, better energy supplies and an improvement in security conditions. The ongoing CPEC-related projects also created demand for construction and allied industries, and construction activity grew by 13.1% in FY16 more than double the level of growth seen in FY15. This also played a key role in supporting large-scale manufacturing (LSM) due to its strong forward and backward linkages. Like FY15, however, the agriculture sector continued to remain under stress due to depressed commodity prices and unfavorable weather conditions.

Energy shortages, which has crippled domestic manufacturing activity, shaving at least 2% from potential GDP growth rate, is expected to substantially ease in the future with the commissioning of some fast-tract power generation projects in 2017 and 2018, and availability of gas to industry from imported RLNG. Though inflation is expected to pick up slightly, interest rates should still hover in mid-single digits, favoring private sector credit growth and investment. Likewise, the expected promising outlook for sugar, automobile, pharmaceuticals and construction related sectors is anticipated to help the economy gain further pace. Finally, the most significant support for the economy is expected to come from a steady macroeconomic environment, large investments in CPEC-related projects and consequent improvement in existing infrastructure and power supply to businesses, in a background of continuing reduced oil prices.

Company's performance – overview of sales and profitability

During the year, your Company successfully maintained its overall turnover for the year at last year's level, even registering an increase of 1% despite increasing competition. The performance was led primarily by the gases segment which recorded a growth of 4% compared to last year despite challenges. These challenges included a significant demand shortfall in the Shipbreaking and Steel segments during the last quarter of 2016 due to a tragic fire incident at Gaddani ship yard which led to a complete standstill of all steel cutting activities. In addition, prices remained highly competitive due to lower energy costs, surplus capacity and cheaper imports of finished steel affecting demand in downstream industries such as the steel and glass. The Hard goods segment also continued to remain under pressure as the imposition of Regulatory Duty on the raw and finished imported materials by the government encouraged smuggling and therefore increased availability of cheaper product in the market.

As a result of sustained productivity initiatives and continuing operational cost reduction measures, including a reduced power and diesel cost and improved manufacturing efficiency, the company recorded an enhanced Gross Profit of Rs 896 million exhibiting a growth of 8% compared to last year while the Gross Profit ratio has also increased to 23%. During the year, overheads remained well under control below last year's level despite inflation, and as a result operating profit before other income witnessed a 21% increase over last year. Finance costs were reduced by 12% which together with above mentioned improvements has led the Company to register a healthy pre-tax profit of Rs. 310 million or 61% higher versus the same period last year, and consequently even after taking into account a

Mr. M Ashraf Bawany, CEO and Managing Director (left) with the Linde team.

Inaugration of Carbon dioxide compression facility at West Whaf site in Karachi.

higher tax charge for the year a profit after tax and EPS of Rs. 217 million (54% higher than last year) and Rs. 8.66 respectively.

Sales

Industrial gases and healthcare

This core business witnessed a prominent growth of around 4%, despite many challenges and ever increasing competition due to surplus product nationally available in the market. This was primarily as a result of increased focus on the Energy, Chemical, Food & Beverages and the Oil & Gas sectors. New customers were also added to the portfolio both in industrial gases and medical segments.

In addition to retaining existing market share in Industrial gases at competitive prices, new opportunities were explored with effective marketing in the Liquid Carbon Dioxide & Liquid Nitrogen markets. There was increased focus on compressed carbon dioxide also and the new investment in the Linde Owned CO_2 compression site at West Wharf in Karachi is well positioned to cater for growth expected as a result of increased demand from the construction and manufacturing sectors.

While ensuring growth in the Healthcare business by establishing footprints in new geographies, growth was achieved in the Medical Oxygen business also by securing new accounts in existing markets. Our ability to comply with the medical Operation & Engineering Directives also helped us to stand as a highly regarded and differentiated supplier amongst all our other competitors. However, the Medical Engineering Services business suffered during the year as some of the major projects were delayed due to non-availability of funds at large hospitals.

Welding and others

The welding portfolio remained under pressure due to lower prices offered in the local market from cheaper smuggled goods. The situation was further worsened by Government's imposition of Regulatory Duty on the raw and finished imported materials, which made smuggled products even more attractive. Despite these challenges, Linde focused on better margin products and achieved a positive growth in existing products such as Zodian, Fortrex, Matador and Spark and also added new products i.e flashback arrestors, MIG welding machines, welding cables and holders.

Projects

During the year 2016, the Company carried out a major overhaul of the Air Separation Unit (ASU) plant at Port Qasim which was successfully done after 17 years of continuous operation. This overhaul is expected to enhance reliability as well as improved production efficiencies and hence availability to cater for increasing bulk and tonnage demand. The Company also invested significantly in upgrading all the bulk healthcare installations across the country to ensure supply reliability and improved response time in case of medical emergencies. Other investments include investment in product delivery and storage capacity at customer locations, which is expected to significantly improve product delivery to industry in general and the healthcare sector in particular.

Engineering Operations

During the year all Linde plants operated in a safe, efficient and reliable manner. As explained above, the Company successfully carried out major overhaul of its plant located at PQ. However, like past few years, as already reported, operations remained under stress as a result of continuing energy crisis and suspended feed gas supply.

The Company has launched several new initiatives at its production sites and other operation facilities aimed at reducing costs and enhancing productivity. We are pleased to report that ASPEN 1000 plant after last year's control system modification has delivered record production increasing by 20% compared to last year. All production sites have also maintained their Quality Management Certifications (ISO 9001), including the FSSC 22000 (Food Safety Standards Certification) at the Port Qasim CO_2 production facility.

Cash flow management

The Company continued to manage its cash flow obligations, including debt servicing, capital investments, taxes and payment of dividend to shareholders, efficiently and diligently during the year 2016. As a result of increased profitability and effective cash management, the Company generated a healthy cash inflow of Rs. 922 million from operations which was used to fund capital spending of Rs. 350 million, re-payment

Mr. M Ashraf Bawany with Consul General of Federal Republic of Germany at Company's Port Qasim Site.

Linde team at first line managers training in Karachi.

of long term financing including finance costs amounting to Rs. 382 million and a dividend & income tax payout of Rs. 258 million during the year. As a result, cash and cash equivalents stood at Rs. 21 million at the end of the year as against Rs. 94 million last year.

During the year under review, JCR-VIS Credit Rating Company Limited (JCR-VIS) re-evaluated credit worthiness of the Company. Your directors are pleased to report that JCR-VIS has re-affirmed entity ratings of your Company at 'A/A-2' (Single A/A-Two) with 'Stable' outlook.

Financial risk management

Overall risk exposure associated with the Company's financial assets and liabilities is very limited. The Company believes that it is not exposed to any major concentration of credit risk, exposure to which is managed through application of credit limits to its customers. The Company manages its exposure to financial risks as explained in Note 34 to the financial statements.

Contribution to national exchequer

Information with respect to Company's contribution towards the National Exchequer has been provided in the Statement of Value Added appearing in this Report on page 59.

Safety, Health, Environment and Quality (SHEQ)

SHEQ continues to remain a primary focus of the Company. During the year, the Company achieved all of its leading indicators in this area, and successfully implemented its Safety Improvement plan for 2016. The Company effectively maintained its Behavioral Safety Program to enable continuous development of a safety culture at all levels of the organization. The Head of Group SHEQ, during his visit to Pakistan, recognized the Port Qasim Operations team for executing two major turnarounds without a safety incident, as well as three workers of the DA plant, Karachi, for demonstrating exemplary safe behaviors.

In order to enhance patient safety, Liquid Medical Oxygen installations in Healthcare business were upgraded during the year.

Transport Safety remained an area of focus during the year and various Transport Safety initiatives were implemented across the RBU including Pakistan.

Human resources

With an emphasis on competencies based training and development plans, technical staff were trained during the year in Singapore, Malaysia, Thailand and Philippine at Linde Group facilities. Workshops were also conducted by local and regional trainers, for developing leadership competencies in first and second line managers. Safety, being one of the core principles of the Linde Group, workshops were held to strengthen the methodology and guidelines for recognition of safety compliant behaviors and consequent management of deviations, if any. Selected employees were also nominated to participate in external programs organized by the local training providers.

Linde summer internship programme

In pursuit of its internship program to provide learning and training opportunities to talented students, internships were offered to more than 25 students in various disciplines. While it helps to develop the students it also helps the company in identifying and engaging potential future employees for the company as well.

Industrial relations

Industrial relations remained harmonious throughout 2016.

Corporate Social Responsibility (CSR)

During 2016, Linde Pakistan Limited financially supported hospitals which provide subsidized or free medical care to the underprivileged. Employees also participated in the Rahbar program, managed by The Citizens Foundation (TCF) which mentors underprivileged youth and encourages them to be productive members of society.

Linde Pakistan Limited conducting Career Counselling trainging at AmanTech Karachi.

Fire fighting training for employees in Karachi.

In 2016 the Company continued its support to the Vocational and Technical Training Program sponsored by the German Consulate General in Karachi under the banner of GPATI (German Pakistan Training Initiative), and sponsored a fresh batch of five apprentices in identified trades. The program objective is to promote demand based vocational and technical training across Pakistan. The Company is also supporting the Advisory Board for the TVET (Technical, Vocational Education & Training) Reforms Support Program (2017 to 2021) of the Government of Pakistan to promote Cooperative Vocational Training across the country. The program is sponsored by the German Government through its organization GIZ as well as by the European Union.

Country and Regional Excellence Awards

In continuation of our practice to recognize and reward employees who made extraordinary contributions to the business through various initiatives and projects, nominations for the Country Excellence Awards for 2016 were evaluated and the successful winners given awards in a ceremony held in December 2016. Country Excellence Awards are given for nine categories broadly classified into Linde Group Values and Business Excellence. The four categories covered under the Linde Group Values are Passion to Excel, Innovating for Customers, Empowering People and Thriving through Diversity. The five Business Excellence categories are Customer Focus, Process Excellence, Ability to Execute, People Excellence and Safety.

In 2016, the Tax and Treasury Team of the Finance Department of the Company won two regional awards under the Functional Categories "The Innovator Award" and "Business Partner Award" in the South East Asia Region, for the second consecutive year. The Procurement team also won the South Asia Procurement Recognition Award for support to projects and sustainable savings for the third consecutive year.

Distribution of dividends and appropriation of profits

The Company is projecting cash outflows to the tune of over Rs. 1 billion in 2017 compared to around Rs. 500 million in 2016 on account of the due repayment of loans, finance costs and dividends. Considering this huge outflow, the more logical approach would have been to lower the dividends for the year. However, keeping in view the significantly higher profitability for the year 2016, the directors consider it justified to at least maintain the dividend for the year at the same level as paid out for the year 2015 i.e. 50% or Rs. 5 per share. As such, final dividend of Rs. 3.5 per share or 35% is being recommended which is in addition to the interim dividend of Rs. 1.5 per share or 15% already paid during the year 2016.

The appropriations approved by the Directors are, therefore, as follows:

Rupees in '000	
Un-appropriated profit as at 31 December 2015	110,104
Final dividend for the year ended 31 December 2015 at Rs 3.75 per share	(93,895)
Transfer to general reserve	**(16,209)**
Net profit after taxation for the year 2016	216,886
Remeasurement: net actuarial gains recognized in other comprehensive income	8,233
Disposable profit for appropriation	**225,119**
Interim dividend at Rs. 1.50 per share paid in October 2016	(37,558)
Unappropriated profit carried forward	187,561
Subsequent effects:	
Proposed final dividend at Rs 3.50 per share	87,636
Transfer to general reserve	99,925
	187,561
Total dividend per share for the year Rs 5.00	125,194
EPS – for the year 2016 Rs 8.66 (2015: Rs 5.63)	

Post-balance sheet events

There has been no significant event since 31 December 2016 to date, except the declaration of final dividend which is subject to the approval of the Members at the 68th Annual General Meeting to be held on 26 April 2017. The effect of such dividend shall be reflected in the next year's financial statements.

Employees celebrating Excellence Award Night at company beach hut.

Executive receiving Excellence Award from CFO.

Holding Company

The Company's holding company is The BOC Group Limited (The BOC Group), which is incorporated in the United Kingdom. The BOC Group Limited is a wholly owned subsidiary of Linde AG, which is incorporated in Germany. As such, Linde AG is the ultimate parent company of Linde Pakistan Limited. Your Directors would like to report that on January 16, 2017, The BOC Group, as holder of 60% of the shares of the Company has intimated to them that The BOC Group is evaluating a potential divestment of its shares in the Company as a consequence of a review of the Group's global strategy.

Auditors

The present auditors, KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment. As suggested by the Audit Committee, the Board of Directors has recommended their reappointment as auditors of the Company for the year ending 31 December 2017, at a fee to be mutually agreed. The present partner has completed five years of her engagement with the Company and shall be rotated from the year 2017 as required under clause 5.19.22(d)(ii) of the Code of Corporate Governance.

Directors' training

During the year under review, two foreign directors have completed certification in the directors' training program (DTP) from the Singapore Institute of Directors in terms of clause 5.19.7 of the of CCG as contained in Pakistan Stock Exchange Regulations. The current Board of the Company has 5 certified directors while the 2 are exempt on the basis of prescribed education and experience. Accordingly, the Company is fully compliant with the mandatory requirement of having at least half of certified directors on its board.

Board of Directors

The following changes have taken place in the Board of your Company since the last Annual Report 2015.

Nine directors were elected to the Board of the Company at its Extraordinary General Meeting held on 17 January 2017 for a term of 3-year effective from 30 January 2017. Out of these nine elected directors, Ms Jahanara Sajjad Ahmad is new and was elected as the nominee Director of the National Investment Trust in place of Mr Khaleeq Kayani.

Mr Khaleeq Kayani retired from the Board on 29 January 2017 after serving on it and its Committee on Human Resource and Remuneration for about two and a half years. The Board wishes to place on record its appreciation for the valuable contributions made by Mr Kayani during his tenure as Director of the Company and wishes him a very happy and healthy retirement.

The Board also welcomes its newly elected Director, Ms Jahanara Sajjad Ahmad, who brings with her rich experience of finance, audit, capital markets, Islamic finance and corporate governance, and looks forward to her participation in the Board.

Mr Atif Riaz Bokhari, a nominee director of The BOC Group Limited, UK, on the Board of the Company resigned from his directorship on 30 January 2017. The directors would like to express their appreciation for the contributions made by Mr Bokhari during his tenure as director of the Company.

Employees celebrating SHEQ day 2016.


Executives with Country Leadership Team.

Chief Executive Officer

The term of office of the Chief Executive Officer (CEO) and Managing Director (MD) of the Company, Mr Muhammad Ashraf Bawany, was to expire on 1 August 2018. However, following the election of directors held on 17 January 2017 and for the purpose of compliance with the provisions of the Companies Ordinance, 1984, Mr Muhammad Ashraf Bawany was reappointed as Chief Executive Officer of the Company with effect from 30 January 2017 for a period upto and including 1 August 2018 at the time when he reaches his age of superannuation.

Future prospects – challenges and strategies

The Company's strategy of keeping 'Safety' and "Customer Experience" agenda in the forefront, shall remain a top-most priority in order to add value at the customer's end. The Company will also continue to invest to drive optimization and efficiency in processes which will ultimately help it to serve customers in a more reliable and cost effective manner. It is also intended to put more focus on developing applications that benefits end users in optimization of their operations, productivity as well as reduce costs.

Pakistan's economy has turned a new leaf after years of being affected by various economic, energy and security related issues, and the Company is fully aware of the positive opportunities that this change could bring about. Going forward, strong signs of economic improvement largely under the umbrella of infrastructure and power projects will certainly have positive impact on the Company's business. It is also anticipated that the government's intention to construct medium sized hospitals in Industrial and Economic zones in the coming years will create more opportunities for the healthcare business as well.

The inflation and energy situation in the country is showing signs of improvement and with the assumption that global oil prices will continue to remain low and political and security situation will improve, the country's macro-economic indicators are expected to remain positive. As a result an improved investment climate in the country should contribute to the industrial growth of the economy as well, providing your Company new growth opportunities.

Acknowledgement

The Board would like to congratulate the management and employees for their valuable contribution towards this year's outstanding results in a highly competitive economic condition. The Board also wishes to acknowledge and thank all its distinguished customers and all other stakeholders for their unflinching support which remains a source of great strength to the Company.

On behalf of the Board

Munnawar Hamid – OBE
Chairman

Karachi
27 February 2017

مستقبل کی توقعات - چیلنجز اور حکمت عملی

کمپنی کی 'تحفظ' اور 'صارف کا تجربہ' کو اپنی حکمتِ عملی میں سرفہرست رکھنے کا سلسلہ اوّلین ترجیح رہے گا جو کہ صارف کیلئے ایک اضافی قدر شمار ہوگا۔ کمپنی بہتر سے بہتر نتائج اور بہتر استعداد کے طریقہ ءکار کے حصول کیلئے سرمایہ کاری جاری رکھے گی جس کا فائدہ صارفین کو ہوگا کہ وہ مناسب قیمت میں زیادہ قابل اعتماد پروڈکٹس حاصل کرسکیں گے۔ ہم اپنے طریقہ ءکار کو جدید ترین بنانے پر مزید توجہ دینا چاہتے ہیں جس سے صارفین کو بہتر آپریشنز اور پیداواری صلاحیت میں اضافہ کے علاوہ کم لاگت کا فائدہ حاصل ہو۔
کئی سالوں کے معاشی، توانائی اور سیکورٹی کے مختلف مسائل سے متاثر رہنے کے بعد اب پاکستانی معیشت کا ایک نیا باب کھل گیا ہے اور کمپنی ان مثبت مواقع سے بخوبی آگاہ ہے جو اس تبدیلی کے ذریعہ پیدا ہوں گے۔ مزید یہ کہ انفرااسٹرکچر اور توانائی کے منصوبوں سے معاشی ترقی کی واضح علامات سامنے آئی ہیں جس سے یقینی طور پر کمپنی کے کاروبار پر بھی مثبت اثرات مرتب ہوں گے۔ حکومت کے اس ارادے سے کہ آنے والے سالوں میں صنعتی اور معاشی زون میں درمیانہ سائز کے ہسپتال قائم کئے جائیں گے، توقع ہے کہ اس سے صحت کے شعبہ میں ہمارے لئے نئے مواقع پیدا ہوں گے۔ ملک میں افراطِ زر اور توانائی کی صورتحال میں بھی بہتری کے آثار نظر آرہے ہیں اور امید ہے کہ عالمی سطح پر تیل کی قیمتوں میں کمی کا رجحان برقرار رہے گا، سیاسی اور سیکورٹی کی صورتحال بھی بہتر ہوگی۔ نیز ملک کی بڑی معیشت کے اشارے بھی مثبت رہیں گے۔ ملک میں سرمایہ کاری کے بہتر ماحول کے باعث معیشت میں صنعتی ترقی کے کردار میں بھی اضافہ ہوگا اور آپ کی کمپنی کو بھی ترقی کے مواقع حاصل ہوں گے۔

اعتراف

بورڈ کمپنی کی منیجمنٹ اور کارکنوں کو مبارکباد پیش کرتا ہے جن کی قابل قدر کاوشوں سے اس سال انتہائی مسابقتی معاشی حالات میں کمپنی کو شاندار نتائج حاصل ہوئے۔ بورڈ ان تمام معزز صارفین اور دیگر اسٹیک ہولڈرز کا بھی شکریہ ادا کرتا ہے جن کا مسلسل تعاون کمپنی کیلئے استحکام کا ذریعہ ثابت ہوا۔

منجانب بورڈ

منور حمید - OBE

چیئر مین

کراچی 27 فروری2017

پوسٹ بیلنس شیٹ ایونٹس

31 دسمبر 2016 سے تاحال کوئی خاص واقعہ پیش نہیں آیا۔ البتہ حتمی منافع منقسمہ کا اعلان کیا گیا جس کی منظوری 26 اپریل 2017 کو منعقد ہونے والے 68 ویں سالانہ اجلاس عام میں ممبران سے حاصل کی جائے گی۔ اس منافع منقسمہ کی تفصیل اگلے سال کے مالیاتی اسٹیٹمنٹ میں شامل کی جائے گی۔

ہولڈنگ کمپنی

کمپنی کی ہولڈنگ کمپنی BOC گروپ لمیٹڈ (.The BOC Group Ltd) ہے جو یوکے میں انکارپوریٹڈ ہے۔ BOC گروپ لمیٹڈ Linde AG کی کل ملکیتی ذیلی کمپنی ہے جو جرمنی میں انکارپوریٹڈ ہے۔ اس لحاظ سے Linde AG حتمی طور پر .Linde Pakistan Ltd کی سرپرست کمپنی ہے۔ آپ کے ڈائریکٹرز آپ کو مطلع کرنا چاہتے ہیں کہ 16 جنوری 2017 کو کمپنی کے 60% حصص رکھنے والے The BOC Group نے اطلاع دی ہے کہ اپنے گروپ کی عالمی حکمت عملی کی روشنی میں وہ کمپنی میں اپنے شیئرز فروخت کرنے کے امکانات کے بارے میں جائزہ لے رہے ہیں۔

آڈیٹرز

موجودہ آڈیٹرز KPMG تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہوگئے ہیں اور اہل ہونے کی بنیاد پر انہوں نے خود کو دوبارہ تقرر کیلئے پیش کیا ہے۔ آڈٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹرز نے ان کو سال مختتمہ 31 دسمبر 2017 کیلئے دوبارہ کمپنی کا آڈیٹر مقرر کرنے کی سفارش کی ہے جس کیلئے متفقہ طور پر مشاہرہ طے کیا جائے گا۔ موجود پارٹنر نے کمپنی کے ساتھ اپنی پانچ سال کی مدت مکمل کرلی ہے اور ان کو کوڈ آف کارپوریٹ گورننس کی شق 5.19.22(d)(ii) کی رو سے سال 2017 سے دوبارہ تبدیل کیا جائے گا۔

ڈائریکٹرز کی تربیت

زیر جائزہ سال کے دوران میں دو غیر ملکی ڈائریکٹرز نے سنگاپور انسٹی ٹیوٹ آف ڈائریکٹرز سے ڈائریکٹرز ٹریننگ پروگرام (DTP) کی سرٹیفکیشن مکمل کی جو پاکستان اسٹاک ایکسچینج کے ضابطوں میں درج CCG کی شق 5.19.7 کے تحت مطلوب ہے۔ کمپنی کے موجودہ بورڈ میں 5 سرٹیفائیڈ ڈائریکٹرز شامل ہیں جب کہ 2 ڈائریکٹرز مطلوبہ تعلیم اور تجربہ کی بناء پر اس سے مستثنیٰ ہیں۔ اس طرح کمپنی اس شرط کو پورا کرتی ہے کہ بورڈ میں کم از کم نصف سرٹیفائیڈ ڈائریکٹرز شامل ہونا لازمی ہے۔

بورڈ آف ڈائریکٹرز

آپ کی کمپنی کے بورڈ میں گزشتہ سالانہ رپورٹ 2015 سے اب تک درج ذیل تبدیلیاں عمل میں آئی ہیں:

کمپنی کے بورڈ آف ڈائریکٹرز میں سے 9 ڈائریکٹرز 17 جنوری 2017 کو منعقد ہونے والے غیر معمولی اجلاس عام میں 3 سال کیلئے منتخب کئے گئے جس کا آغاز 30 جنوری 2017 سے ہوا ہے۔ ان 9 ڈائریکٹرز میں سے مس جہاں آرا سجاد احمد نئی ہیں جو نیشنل انوسٹمنٹ ٹرسٹ کی جانب سے نامزد کردہ ڈائریکٹر کے طور پر منتخب ہوئی ہیں۔ ان کو جناب خلیق کیانی کی جگہ منتخب کیا گیا ہے۔ جناب خلیق کیانی 29 جنوری 2017 کو بورڈ سے ریٹائر ہوئے۔ انہوں نے کمیٹی برائے انسانی وسائل اور مشاہرہ (Human resource & remuneration) میں تقریباً دو سال اور چھ ماہ تک بورڈ میں بطور ڈائریکٹر خدمات انجام دیں۔ بورڈ جناب کیانی کی گراں قدر خدمات کا معترف ہے جو انہوں نے کمپنی کے ڈائریکٹر کی حیثیت سے انجام دیں اور ان کیلئے ریٹائرمنٹ کی خوشگوار اور صحتمند زندگی کا خواہشمند ہے۔

بورڈ نئی منتخب ہونے والی ڈائریکٹر مس جہاں آرا سجاد احمد کو خوش آمدید کہتا ہے جو فنانس، آڈٹ، کیپٹل مارکیٹس، اسلامک فنانس اور کارپوریٹ گورننس کا وسیع تجربہ رکھتی ہیں اور بورڈ ان کی خدمات سے مستفیض ہونے کا متمنی ہے۔ کمپنی کے بورڈ آف ڈائریکٹر میں شامل BOC Group، یوکے کے نامزد کردہ ڈائریکٹر جناب عاطف ریاض بخاری نے 30 جنوری 2017 کو ڈائریکٹرشپ سے استعفیٰ دے دیا۔ ڈائریکٹرز جناب بخاری کی خدمات کے معترف ہیں جو انہوں کمپنی کے ڈائریکٹر کی حیثیت سے اپنے دور میں انجام دیں۔

چیف ایگزیکٹیو آفیسر

کمپنی کے چیف ایگزیکٹیو آفیسر (CEO) اور مینیجنگ ڈائریکٹر (MD) جناب محمد اشرف باوانی کی مدت ملازمت یکم اگست 2018 کو ختم ہونی تھی۔ تاہم ڈائریکٹرز کے انتخابات منعقدہ

17 جنوری 2017 کے بعد اور کمپنیز آرڈیننس، 1984 کے پرویژن کی رو سے جناب محمد اشرف باوانی کو دوبارہ کمپنی کا چیف ایگزیکٹیو آفیسر مقرر کیا گیا ہے۔

اس تقرر کی مدت 30 جنوری 2017 سے شروع ہو کر یکم اگست 2018 کو بشمول اس تاریخ تک ہوگی جب وہ اپنی پنشن کی عمر کو پہنچ جائیں گے۔

اس پروگرام کا مقصد پاکستان بھر میں ضرورت کے مطابق ووکیشنل اور ٹیکنیکل تربیت کو فروغ دینا ہے۔ کمپنی حکومتِ پاکستان کے ایڈوائزری بورڈ برائے TEVT یعنی (Technical, Vocational Education & Training) Reforms Support Program (2017 to 2021) کی معاونت بھی کرتی ہے جو ملک میں کوآپریٹیو ووکیشنل ٹریننگ کو فروغ دیتا ہے۔ اس پروگرام کو جرمنی کی حکومت اپنے ادارے GIZ اور اس کے علاوہ یورپین یونین نے بھی اسپانسر کیا ہے۔

ملکی اور علاقائی ایکسیلنس ایوارڈز

جو ملازمین مختلف اقدامات اور منصوبوں کے ذریعہ کمپنی کے کاروبار میں غیر معمولی کاوشوں کا مظاہرہ کرتے ہیں، ان کی کاوشوں کا اعتراف کرنے اور ان کو ایوارڈ دینے کی روایت پر عمل کرتے ہوئے کنٹری ایکسیلنس ایوارڈ برائے 2016 کے لئے نامزد افراد میں سے منتخب ہونے والوں کو دسمبر 2016 میں منعقدہ تقریب میں ایوارڈ دیئے گئے۔ کنٹری ایکسیلنس ایوارڈز نو (9) کیٹگریز کیلئے رکھے گئے جو Linde گروپ کے "ویلیو" اور "بزنس ایکسیلنس" میں تقسیم کی گئیں۔ ان میں سے چار (4) کیٹگریز Linde گروپ ویلیو کے تحت مقرر کی گئیں جو اعلیٰ مہارت کی لگن / صارفین کے لئے جدّت / لوگوں کو بااختیار بنانے اور تنوع کے ذریعہ نشوونما پر مبنی تھیں۔ بزنس ایکسیلنس کی پانچ (5) کیٹگریز میں کسٹمر پر توجہ / طریقہء کار میں مہارت / عمل درآمد کی اہلیت / لوگوں کی اعلیٰ مہارت اور تحفظ شامل تھیں۔ 2016 میں کمپنی کے فنانس ڈپارٹمنٹ کی ٹیکس اینڈ ٹریژری ٹیم نے دو علاقائی ایوارڈ جیتے۔ یہ ایوارڈ جنوب مشرقی ایشیاء کے علاقے میں فنکشنل کیٹگریز میں "The Innovator Award" اور "Business Partner Award" کے تحت دیئے گئے جو ہماری ٹیم نے مسلسل دوسرے سال میں حاصل کئے ہیں۔ پروکیورمنٹ ٹیم نے بھی مسلسل تیسرے سال ساؤتھ ایشیاء پروکیورمنٹ ریکوگنیشن ایوارڈ جیتا جو منصوبوں اور مستحکم سیونگز میں تعاون پر دیا گیا۔

منافع منقسمہ کی تقسیم اور منافع کی تخصیص

کمپنی کو 2017 میں ایک بلین روپے سے زائد نقد رقم کی ادائیگیاں کرنی ہیں جبکہ اس کے مقابلے میں 2016 میں ان ادائیگیوں کیلئے 500 ملین روپے کی رقم فراہم کی گئی تھی۔ یہ ادائیگیاں قرضہ جات کے واجبات کی دوبارہ ادائیگی، مالیاتی لاگت اور منافع منقسمہ کی مد میں کی جائیں گی۔ کثیر نقد رقم کے خارجی بہاؤ کے سبب اس سال کے منطقی طور پر منافع منقسمہ میں کمی ہونی چاہیئے تھی تاہم 2016 میں نمایاں طور پر زیادہ منفعت کی بناء پر ڈائریکٹرز نے اس بات کو مناسب سمجھا کہ منافع کی وہی شرح رکھی جائے جو سال 2015 میں تھی، یعنی 50% یا 5.00 روپے فی شیئر۔ اس لحاظ سے حتمی منافع منقسمہ بحساب 3.5 روپے فی شیئر یا 35% کی سفارش کی جاتی ہے جو عبوری منافع منقسمہ 1.5 روپے فی شیئر یا 15% کے علاوہ ہے جس کی ادائیگی سال 2016 کے دوران میں کی جا چکی ہے۔ ڈائریکٹرز کی منظور شدہ تخصیص کی تفصیلات درج ذیل ہیں:

	روپے (ہزار میں)
غیر تخصیص شدہ منافع بمطابق 31 دسمبر 2015	110,104
حتمی منافع منقسمہ برائے سال مختتمہ 31 دسمبر 2015	
بحساب 3.75 روپے فی شیئر	(93,895)
جنرل ریزرو میں منتقلی	(16,209)
خام منافع بعد از ٹیکس برائے سال 2016	216,886
دوبارہ جانچ: خالص ایکچو یئریل آمدنی، جو دیگر جامع آمدنی میں شمار کی گئی	8,233
تخصیص کیلئے قابل تصرف منافع	225,119
عبوری منافع منقسمہ بحساب 1.50 روپے فی شیئر ادا شدہ اکتوبر 2016	(37,558)
غیر تخصیص شدہ منافع کی منتقلی برائے اگلی ادائیگی	187,561
ذیلی اثرات:	
مجوزہ حتمی منافع منقسمہ بحساب 3.50 روپے فی شیئر	87,636
جنرل ریزرو میں منتقلی	99,925
	187,561
سال کا کل منافع منقسمہ بحساب 5.00 روپے فی شیئر	125,194

EPS برائے سال 2016: 8.66 روپے (2015: 5.63 روپے)

طویل المدت فنانسنگ کی دوبارہ ادائیگی بشمول مالیاتی لاگت پر382 ملین روپے اور منافع منقسمہ اور انکم ٹیکس کی مد میں258 ملین روپے ادا کئے گئے۔ اس کے نتیجے میں سال کے آخر میں نقد رقم اور اس کے مساوی مالیت کا حجم21 ملین روپے رہا جب کہ گزشتہ سال یہ حجم94 ملین روپے تھا۔ زیرِ جائزہ سال کے دوران میںJCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) نے کمپنی کی کریڈٹ کی قدر کی دوبارہ جانچ کی۔ اس سلسلے میں آپ کے ڈائریکٹرز بمسرت اطلاع دیتے ہیں کہJCR-VIS نے دوبارہ آپ کی کمپنی کی ریٹنگ کا درجہ (Single A/A-Two) 'A/A-2' مع'Stable' آؤٹ لک قرار دیا ہے۔

مالیاتی خطرات کے انتظامات

مجموعی طور پر کمپنی کے مالیاتی اثاثوں اور واجبات سے متعلق خطرات کے امکانات بہت محدود ہیں۔ کمپنی کو اطمینان ہے کہ اسے کسی کریڈٹ کے سلسلے میں کسی بڑے خطرے کا سامنا نہیں ہے اور جس حد تک اس کا امکان ہے اس کا انتظام اس کے صارفین کی کریڈٹ کی حد سے کیا جاسکتا ہے۔ کمپنی مالیاتی خطرات کے تدارک کا بخوبی انتظام کرتی ہے، جیسا کہ مالیاتی اسٹیٹمنٹ، نوٹ35 میں تفصیل سے درج ہیں۔

قومی خزانے میں ادائیگی

کمپنی کی جانب سے قومی خزانے میں ادائیگی سے متعلق معلومات اس رپورٹ کے اضافی اقدار کے اسٹیٹمنٹ میں صفحہ نمبر 59 پر فراہم کی گئی ہیں۔

تحفظ، صحت، ماحولیات اور معیار(SHEQ)

SHEQ ہمیشہ کمپنی کی بنیادی توجہ کا مرکز رہا ہے۔ چنانچہ سال کے دوران میں کمپنی نے اس شعبہ میں تمام بڑی علامتوں کی نشاندہی کر لی اور اپنے 'تحفظ کی بہتری کے پلان' برائے2016 پر کامیابی کے ساتھ عمل درآمد کیا۔ کمپنی نے اپنے تحفظ کے روّیہ کے پروگرام(Behavioral Safety Program) کو بھی موثر طور پر جاری رکھا تا کہ ادارے میں ہر سطح پر تحفظ کے کلچر کو فروغ حاصل ہو۔ SHEQ کے ہیڈ آف گروپ نے اپنے پاکستان کے دورے میں پورٹ قاسم کی ٹیم کے بغیر کسی حادثہ کے دو بڑی کارروائیاں انجام دینے اورDA پلانٹ، کراچی کے تین کارکنوں کو تحفظ کے مثالی روّیہ کا مظاہرہ کرنے پر ان کی کاوشوں کو سراہا۔ مریضوں کے تحفظ کو بہتر بنانے کیلئے اس سال کے دوران میں صحت کی سہولت کے کاروبار میں لیکوئڈ آکسیجن کی تنصیبات کو اپ گریڈ کیا گیا۔

اس سال کے دوران میں ٹرانسپورٹ میں تحفظ پر خاص توجہ دی گئی اور پورےRBU بشمول پاکستان میں ٹرانسپورٹ کے تحفظ کے اقدامات کو نافذ کیا گیا۔

انسانی وسائل

"اہلیت کی بنیاد پر تربیت اور ترقی" کے منصوبوں کے تحت اس سالLinde گروپ کے سنگاپور، ملائیشیا، تھائی لینڈ اور فلپائن کے دفاتر میں ٹیکنیکل عملے کے افراد کو تربیت دی گئی۔ اس سلسلے میں ورکشاپس کا بھی انعقاد کیا گیا جس میں مقامی اور علاقائی تربیت کاروں نے فرسٹ اور سیکنڈ لائن مینیجرز میں قائدانہ صلاحیت ابھارنے کیلئے تربیت دی۔ Linde گروپ کے بنیادی اصولوں میں 'تحفظ' بھی شامل ہے، اس اصول کو تقویت دینے کیلئے ورکشاپس منعقد کی گئیں جن میں تحفظ پر مبنی رویّوں پر عمل درآمد کی رہنما ہدایات اور اس کی خلاف ورزی کی صورت میں اس سے نمٹنے کیلئے طریقہء کار کو واضح کیا گیا۔ اس کے علاوہ منتخب ملازمین کو مقامی تربیت فراہم کرنے والوں کی جانب سے بیرونی پروگرام میں شرکت کیلئے نامزد کیا گیا۔

Linde کا موسم گرما کا انٹرن شپ پروگرام

کمپنی کے انٹرن شپ پروگرام کے تحت باصلاحیت طالب علموں کو سیکھنے اور تربیت حاصل کرنے کے مواقع فراہم کرنے کے لئے مختلف شعبہ جات کیلئے25 سے زائد طلبہ کو انٹرن شپ کی پیشکش کی گئی۔ اس سے نہ صرف طلبہ کو آگے بڑھنے کا موقع ملتا ہے بلکہ کمپنی کو بھی مستقبل کے اچھے ملازمین تلاش کرنے اور ان کو ادارے میں شامل کرنے میں مدد ملتی ہے۔

صنعتی تعلقات

2016 میں تمام صنعتی تعلقات خوش اسلوبی سے جاری رہے۔

اجتماعی سماجی ذمہ داری (CSR)

2016 کے دوران میںLinde Pakistan Ltd. نے ان ہسپتالوں کو مالی امداد فراہم کی جو غریب اور مستحق افراد کو بارعایت یا مفت طبی سہولتیں فراہم کرتے ہیں۔ ہمارے ملازمین نے دی سٹیزن فاؤنڈیشن(TCF) کی جانب سے منعقدہ رہبر پروگرام میں شرکت کی جو غیر مراعات یافتہ نوجوانوں کو تعلیم دیتا ہے اور ان کو معاشرہ کا کارآمد فرد بننے میں مدد دیتا ہے۔2016 کے دوران میں کمپنی نے جرمن کونسلیٹ، کراچی کی جانب سے اسپانسر کئے گئے ووکیشنل اینڈ ٹیکنیکل ٹریننگ پروگرام GPATI(German Pakistan Training Initiative) کیلئے بھی تعاون جاری رکھا اور مخصوص شعبہ جات میں پانچ(5) اپرنٹسز کے تازہ گروپ کو اسپانسر کیا۔

سیلز

صنعتی گیسز اور صحت عامہ

اگر چہ اس بنیادی کاروبار کو کئی چیلنجز اور ملک بھر میں دستیاب فاضل پروڈکٹس کے سبب مستقل طور پر مسابقت کا سامنا تھا لیکن اس کے باوجود اس میں تقریباً 4% اضافہ دیکھنے میں آیا۔ اس کی بنیادی وجہ یہ تھی کہ توانائی، کیمیکلز، فوڈ اور بیوریجز اور تیل اور گیس کے شعبوں پر خصوصی توجہ دی گئی۔ صنعتی گیسز اور میڈیکل کے پورٹ فولیو میں نئے صارفین کو بھی شامل کیا گیا۔

صنعتی گیسز کی مسابقتی قیمتوں پر فراہمی کے موجودہ مارکیٹ شیئر کے علاوہ لیکوئڈ کاربن ڈائی آکسائڈ اور لیکوئڈ نائٹروجن کی مارکیٹس میں نئے مواقع تلاش کئے گئے اور ان کی موثر طور پر مارکیٹنگ کی گئی۔ کمپریسڈ کاربن ڈائی آکسائڈ کے شعبہ پر زیادہ توجہ دی گئی اور Linde کی ملکیتی CO_2 کمپریشن سائٹ، واقع ویسٹ وہارف، کراچی میں نئی سرمایہ کاری کی گئی جس کے باعث تعمیراتی اور مینوفیکچرنگ کے شعبہ جات کی بڑھتی ہوئی مانگ کو پورا کیا جاسکے گا۔

صحت کی دیکھ بھال سے متعلق کاروبار کے فروغ کیلئے ہم نے نئی مارکیٹس میں رسائی حاصل کی اور موجودہ مارکیٹس میں بھی نئے صارفین کو شامل کر کے میڈیکل آکسیجن کے کاروبار میں اضافہ کا ہدف حاصل کیا۔ ہماری میڈیکل آپریشن اور انجینیئرنگ کی رہنما ہدایات کے مطابق کام کرنے کی اہلیت کی بناء پر ہمیں اپنے کاروباری حریفوں میں ایک باوقار اور امتیازی حیثیت کے سپلائر کے طور پر مانا جاتا ہے۔ تاہم اس سال میڈیکل انجینیئرنگ سروسز کا کاروبار کچھ متاثر ہوا کیونکہ کچھ بڑے ہسپتالوں میں فنڈز کی عدم دستیابی کے سبب بعض بڑے منصوبے تاخیر کا شکار ہو گئے۔

ویلڈنگ اور دیگر شعبہ جات

اسمگل شدہ سستے سامان کے سبب مقامی مارکیٹ میں قیمتوں میں کمی آئی جس کی وجہ سے ویلڈنگ کا پورٹ فولیو دباؤ کا شکار رہا۔ اس صورتحال میں مزید خرابی اس وقت پیدا ہوئی جب حکومت کی جانب سے خام اور تیار شدہ درآمدی میٹریل پر ریگولیٹری ڈیوٹی نافذ کردی گئی اور اس طرح لوگوں کی توجہ اسمگل شدہ اشیاء کی جانب زیادہ بڑھ گئی۔ ان چیلنجز کے باوجود Linde نے زیادہ مارجن والی پروڈکٹس پر توجہ مرکوز کی اور موجودہ پروڈکٹس جیسے Zodian, Fortrex, Matador اور Spark میں مثبت اضافہ حاصل ہوا۔ اس کے علاوہ نئی پروڈکٹس مثلاً فلیش بیک اریسٹرز MIG ویلڈنگ مشینز، ویلڈنگ کیبلز اور ہولڈرز بھی پیش کی گئیں۔

منصوبہ جات

سال 2016 میں کمپنی نے پورٹ قاسم کے مقام پر ائیر سپریشن یونٹ (ASU) پلانٹ کے مکمل اوورہال کا کام انجام دیا جو 17 سال کے مسلسل آپریشن کے بعد پہلی مرتبہ بخوبی انجام دیا گیا۔ اس اوورہال سے توقع ہے کہ پلانٹ کی پائیداری کی مدت میں اضافہ ہوگا اور پیداوار کی استعداد بھی بڑھ جائے گی جس سے Bulk اور Tonnage کی مقدار میں سامان کی بڑھتی ہوئی طلب کو پورا کیا جاسکے گا۔ کمپنی نے ملک بھر میں Bulk Healthcare کی تنصیبات کو اپ گریڈ کرنے کیلئے نمایاں سرمایہ کاری کی تاکہ طبی ہنگامی صورتحال میں ضروری اشیاء کی کم سے کم وقت میں لازمی فراہمی کو یقینی بنایا جاسکے۔ دیگر سرمایہ کاریوں میں صارفین کو ان کے دروازے پر پروڈکٹ پہنچانے اور اسٹوریج کی گنجائش کی سہولت کی فراہمی شامل ہے جس سے عام طور پر صنعت کو اور خاص طور پر صحت کی سہولتوں سے متعلق شعبہ کو پروڈکٹ کی ڈیلیوری میں نمایاں آسانی میسر آئے گی۔

انجینیئرنگ آپریشنز

سال کے دوران میں Linde کے تمام پلانٹس پر تمام امور محفوظ، مستعد اور با اعتماد طریقے سے انجام پائے۔ درج بالا تفصیل کے مطابق کمپنی نے پورٹ قاسم پر واقع پلانٹ کی مکمل اوورہالنگ کا کام انجام دیا گیا۔ جیسا کہ پہلے بھی بتایا جاچکا ہے کہ گزشتہ چند سالوں کی طرح توانائی کے مسلسل بحران اور معطل شدہ فیڈ گیس سپلائی کے نتیجے میں تمام آپریشنز دباؤ کی صورتحال میں رہے۔ کمپنی نے اپنی پیداواری سائیٹس اور دوسرے آپریشن کے مقامات پر کئی نئے اقدامات کئے ہیں جس کا مقصد اخراجات میں کمی اور پیداواری صلاحیت میں اضافہ کرنا تھا۔ ہمیں یہ بتاتے ہوئے خوشی محسوس ہورہی ہے کہ گزشتہ سال ASPEN 1000 پلانٹ کے کنٹرول سسٹم کو بہتر بنانے کے عمل سے اس کی پیداوار میں گزشتہ سال کے مقابلے میں 20% کا ریکارڈ اضافہ ہوا۔

تمام پیداواری سائٹس پر معیار کے انتظامات کی سرٹیفکیشن (ISO 9001) مع پورٹ قاسم پر واقع CO_2 پیداواری مقامات پر FSSC 22000 (فوڈ سیفٹی سٹینڈرڈ سرٹفکیشن) کے مطابق عمل کیا گیا ہے۔

نقد رقم کے بہاؤ کے انتظامات

سال 2016 میں کمپنی نے اپنی نقد رقم کے بہاؤ کی تمام ذمہ داریاں مستعدی سے پوری طرح نبھائیں جس میں قرضہ جات کی خدمات، رقوم کی سرمایہ کاری، ٹیکسز اور حصص داران کو منافع منقسمہ کی ادائیگی شامل ہے۔ سال کے دوران میں منفعت میں اضافہ اور نقد رقم کے موثر انتظامات کی بدولت کمپنی کو اپنے آپریشنز سے 922 ملین روپے کی خطیر رقم موصول ہوئی جس میں سے 350 ملین روپے فنڈ کیپٹل کے اخراجات کی مد میں استعمال کئے گئے۔

ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز بمسرت سالانہ رپورٹ مع کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے سال مختتمہ 31 دسمبر 2016 پیش کرتے ہیں۔

معاشی صورت حال

سال 2016 کے دوران میں پاکستان کی معیشت میں ترقی کا عمل جاری رہا اور مجموعی ملکی پیداوار (GDP) گزشتہ 8 سال کی بلند ترین سطح 4.7% تک پہنچ گئی جب کہ مالی سال 2015 میں یہ شرح 4.0% تھی۔ اس اضافہ کو توانائی کی فراہمی کی صورتحال میں بہتری اور موافق پالیسی سے بھی مدد ملی۔ اس کے علاوہ حکومت کی جانب سے انفرااسٹرکچر کے اخراجات میں اضافہ اور شرح سود میں کمی کی وجہ سے مقامی طلب میں اضافہ ہوا۔ اس کیلنڈر سال میں صارفین کی قیمتوں کے اشاریہ (CPI) کے مطابق افراطِ زر کا اوسط 3.7% رہا۔ اس کا بڑا سبب عالمی سطح پر تیل کی قیمتوں میں تیزی سے کمی آنا تھی جس کے باعث SBP نے مصالحانہ زری پالیسی جاری رکھی۔

زرِمبادلہ کے ٹھوس ذخائر، نئے قرضہ جات کی بڑی تعداد اور مستحکم شرح مبادلہ کے نتیجے میں بیرونی اکاؤنٹس کی صورتحال اطمینان بخش رہی اور اس بناء پر مجموعی توازنِ ادائیگی مقررہ حد سے فاضل رہا جب کہ پاکستان کی خودمختار ریٹنگ کی موجودہ اپ گریڈنگ کے ساتھ ساتھ متوقع سرکاری مالیاتی داخلی بہاؤ (inflow) کے سبب ملک کے زرمبادلہ کے ذخائر مستحکم رہیں گے، کیونکہ بیرونی اکاؤنٹس کے استحکام کو طویل عرصے تک برقرار رکھنے اور حالیہ اضافہ کو تقویت دینے کیلئے برآمدات سے زیادہ آمدنی کا حصول اور بہتر FDI کے بہاؤ کا ہونا لازمی ہے۔

سال کے دوران میں صنعتی شعبہ میں 6.8% کا نمایاں اضافہ ہوا جو نہ صرف مالی سال '15 کے 4.8% اضافہ سے زیادہ تھا بلکہ یہ 6.4% سالانہ کے ہدف کو بھی عبور کر گیا۔ اس کی بنیادی وجہ بڑی معیشت (Macroeconomics) کی مستحکم صورتحال، کم شرحِ سود، انفرااسٹرکچر پر خرچ ہونے والی رقم میں اضافہ، توانائی کی بہتر فراہمی اور امن وامان کی صورتحال میں بہتری تھی۔

سی پیک (CPEC) سے متعلق جاری منصوبوں سے بھی تعمیرات اور اس سے ملحقہ صنعتوں کی طلب بھی پیدا ہوگئی اور مالی سال '16 میں تعمیراتی سرگرمیوں میں 13.1% اضافہ ہوا جو کہ مالی سال '15 میں ہونے والے اضافہ سے دگنا ہے۔ ان سرگرمیوں سے بڑے پیمانے پر تیار کی جانے والی مصنوعات (LSM) کو بھی فائدہ حاصل ہوا کیونکہ ان کا ایک دوسرے کے ساتھ مضبوط ربط ہے تاہم، مالی سال-15 کی طرح اشیاء کی قیمتوں میں کمی اور ناموافق موسمی حالات کے باعث اس سال بھی زرعی شعبہ مسلسل دباؤ کی حالت میں رہا۔

توانائی کی کمی، جس نے مقامی پیداواری سرگرمیوں کو مفلوج کر کے رکھ دیا اس کی وجہ سے ممکنہ مجموعی قومی پیداوار (GDP) کے اضافہ کی شرح میں کم از کم 2% تک کمی آئی۔ تاہم توقع ہے کہ 2017 اور 2018 میں بعض تیز رفتار پاور جنریشن پروجیکٹس کے آغاز اور صنعتوں کو درآمد شدہ RLNG کی فراہمی سے آئندہ صورتحال میں بڑی حد تک بہتری آجائے گی۔ اگرچہ افراطِ زر میں معمولی سے اضافہ کا امکان ہے اور سود کی شرح یک ہندسہ (Mid-single digit) کے قریب رہے گی جس سے نجی شعبہ کیلئے کریڈٹ میں اضافہ اور سرمایہ کاری میں فائدہ ہوگا۔ اسی طرح توقع ہے کہ شوگر، آٹوموبائل، فارماسیوٹیکل اور تعمیرات سے متعلق شعبہ جات معیشت میں مزید بہتری لانے میں معاون ثابت ہوں گے۔ بہرحال سی پیک (CPEC) سے متعلق منصوبوں میں بڑی سرمایہ کاری اور اس کے نتیجے میں موجودہ انفرااسٹرکچر اور کاروبار کیلئے بہتر پاور سپلائی کے علاوہ تیل کی قیمتوں میں کمی سے معیشت کیلئے سب سے زیادہ فائدہ بڑی معیشت کی صورتحال کے استحکام کا ہوگا۔

کمپنی کی کارکردگی - سیلز اور منفعت کا عمومی جائزہ

سال کے دوران میں آپ کی کمپنی مجموعی طور پر اس سال کی آمدنی کو گزشتہ سال کی سطح پر برقرار رکھنے میں کامیاب رہی بلکہ بڑھتی ہوئی مسابقت کے باوجود اس میں 1% اضافہ رجسٹر کیا گیا۔

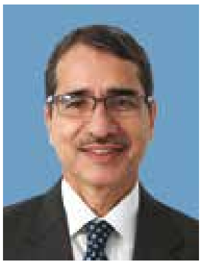
کارکردگی میں بہتری بنیادی طور پر گیسز کے شعبہ کی جانب سے آئی جس میں چیلنجز کے باوجود گزشتہ سال کے مقابلے میں 4% اضافہ ریکارڈ کیا گیا۔ ان میں 2016 کی آخری سہ ماہی میں شپ بریکنگ اور اسٹیل کے شعبوں کی جانب سے طلب میں نمایاں کمی بھی ایک بڑا چیلنج تھا جس کی وجہ گڈانی شپ یارڈ میں آتشزدگی کا افسوسناک واقعہ تھا جس سے اسٹیل کٹنگ کی تمام سرگرمیاں مکمل طور پر معطل ہوگئیں۔ اس کے علاوہ توانائی کی کم قیمتوں، گنجائش سے زیادہ مال کی دستیابی اور تیار شدہ اسٹیل کی سستی درآمدات کی بناء پر قیمتوں میں سخت مقابلہ رہا جس کا اثر اسٹیل اور گلاس جیسی ذیلی صنعتوں پر پڑا۔ Hard Goods کا شعبہ بھی دباؤ میں رہا کیونکہ درآمد شدہ خام اور تیار میٹریل پر حکومت کی جانب سے ریگولیٹری ڈیوٹی کے نفاذ کے سبب اسمگلنگ کی حوصلہ افزائی ہوئی اور مارکیٹ میں زیادہ سستی پروڈکٹس کی دستیابی میں اضافہ ہوا۔

پیداواری صلاحیت میں اضافہ اور تیاری کی لاگت میں کمی کے ٹھوس اقدامات بشمول پاور اور ڈیزل کے اخراجات میں کمی اور مینوفیکچرنگ کی استعداد میں بہتری کی بدولت کمپنی کو اس سال 896 ملین روپے کا خام منافع حاصل ہوا جو گزشتہ سال کے مقابلے میں 8% زیادہ ہے جب کہ خام منافع کی شرح میں 23% اضافہ ہوا۔ اس سال کے دوران میں افراطِ زر کے باوجود بالائی اخراجات میں گزشتہ سال کے مقابلے میں کمی آئی اور وہ کافی حد تک کنٹرول میں رہے۔ جس کے نتیجے میں دیگر آمدنی کے علاوہ آپریٹنگ کا منافع گزشتہ سال کے مقابلے میں 21% زیادہ رہا۔ مالی امور کے اخراجات میں بھی 12% کمی کی گئی۔ اس بچت اور درج بالا بہتری کے اقدامات کے سبب کمپنی کو 310 ملین روپے قبل از ٹیکس منافع حاصل ہوا جو گزشتہ سال کے اسی عرصہ کے منافع سے 61% زیادہ ہے۔ اس کی بناء پر زیادہ ٹیکس چارجز کے باوجود اس سال بعد از ٹیکس منافع 217 ملین روپے (گزشتہ سال کے مقابلے میں 54% زیادہ) اور EPS، 8.66 روپے رہا۔

Country Leadership Team (CLT).

Muhammad Ashraf Bawany
Managing Director and CEO

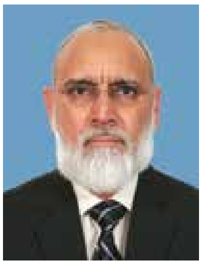
Muhammad Samiullah Siddiqui
Executive Director and CFO



Zubair Ahmad
Head of Sales & Marketing
Bulk

Farried Aman Shaikh
Head of Sales & Marketing
PGP & Hardgoods

Mazhar Ali
Head of Sales
Healthcare



Mashhood Zia
Head of SHEQ

Muhammad Salim Sheikh
Head of HR

Corporate governance.

Linde Pakistan Limited (the "Company") attaches great importance to good corporate governance and operates its business in full compliance with the best practices of laws, listing regulations and statutory guidelines, as applicable to companies listed on Pakistan Stock Exchange, as well as articles of association of the Company, internal policies and procedures formulated by the Board of Directors. The governance of the Company is further strengthened by its code of ethics, risk management and sound internal control system which ensures objectivity, accountability and integrity. The Company continuously strives towards betterment of its governance in order to perpetuate it into generating long term economic value for its shareholders, customers, employees, other associated stakeholders and the society as a whole.

Compliance statement

The Board of Directors has complied with the Code of Corporate Governance, the requirements of Pakistan Stock Exchange Regulations and the Financial Reporting Framework of Securities & Exchange Commission of Pakistan (SECP).

The Directors have confirmed that the following has been complied with:

a) The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.

b) Proper books of account of the Company have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.

e) The Company maintains sound internal control system which provides reasonable assurance against any material misstatement or loss. Such system is monitored effectively by the management; while the Board Audit Committee reviews internal control based on assessment of risks and reports to Board of Directors.

f) There are no significant doubts upon the Company's ability to continue as a going concern.

g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

h) Key operating and financial data of last 10-year in a summarized form is given on page number 54 of this annual report.

i) Information about outstanding taxes and levies is given in the notes to the financial statements.

j) Information with respect to significant business plans and decisions for the future prospects of profits have been stated in the Directors' Report as approved by the Board.

k) The value of net asset available as benefits in the staff retirement funds as per their respective financial statements is as follows:

Name of Funds	Un-audited	Audited
Staff Provident Fund	–	Rs.190 million as at 31 July 2016
Employees' Gratuity Fund	Rs 138 million as at 31 December 2016	Rs 127 million as at 31 December 2015
Management Staff Pension Fund	Rs 81 million as at 31 December 2016	Rs 79 million as at 31 December 2015
Management Staff Defined Contribution Pension Fund	Rs 154 million as at 31 December 2016	Rs 150 million as at 31 December 2015

The audit of these funds is in progress.

Board of Directors

Election of Directors of the Company was held on 17 January 2017 for a term of 3 years commencing from 30 January 2017. The newly reconstituted Board comprises a well-balanced mix of executive, non-executive and independent Directors including a female Director with the requisite skills, competence, knowledge and experience so that the Board as a group includes core competencies and diversity, including gender, considered relevant in the context of the company's operations. It has nine Directors including two executive, five non-executive and two independent Directors, including a Director representing a financial institution (NITL). The Chairman of the Board, who is non-executive, ensures that the Board plays an effective role in fulfilling all its responsibilities while the non-executive Directors constructively challenge and help in formulating strategy.

During the year four (4) meetings of the Board of Directors and the same number of meetings of its Audit Committee and Human Resource & Remuneration Committee were held. Attendance by each Director in the meetings of the Board and its Committees is as follows:

		Board of Directors	Audit Committee	Human Resources and Remuneration Committee
		Total number of meetings held during the year/ Attendance (2016)		
	Name of Directors	4	4	3
1.	Mr Munnawar Hamid OBE	4/4	--	4/4
2.	Mr M Ashraf Bawany	4/4	--	4/4
3.	Mr Atif Riaz Bokhari	3/4	3/4	--
4.	Mr Humayun Bashir	4/4	4/4	--
5.	Mr Shahid Hafiz Kardar	2/4	2/4	--
6.	Mr Khaleeq Kayani	2/4	--	2/4
7.	Mr Andrew James Cook	3/4	3/4	3/4
8.	Mr Ganapathy Subramanian NarayanaSwamy	3/4	3/4	3/4
9.	Mr Muhammad Samiullah Siddiqui	4/4	--	--

Leave of absence was granted to Directors who could not attend meetings.

Role and responsibility of the Chairman and Chief Executive

The Board of Directors has clearly defined the respective roles and responsibilities of the Chairman (Non-Executive) and the Chief Executive.

The role of the Chairman is primarily to manage the Board, its various Committees and their respective processes to ensure effective oversight of the Company's operations and performance in line with strategy, to discharge its various fiduciary and other responsibilities. The Chief Executive is responsible for all matters pertaining to the operation and functioning of the Company.

Committees of the Board

The Committees of the Board act in line with their respective terms of reference as determined by the Board. These Committees assist the Board in discharge of its fiduciary responsibilities.

Audit Committee with brief terms of reference

Board Audit Committee (BAC) assists the Board in fulfilling its responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders and complying with all relevant statutory requirements and best practices of the code of corporate governance. BAC also ascertains that internal control systems are adequate and effective and reports matters of significance to the Board. BAC is authorized to call for information from management and to consult directly with independent professionals as considered appropriate.

BAC comprises of five Non-Executive Directors including its Chairman who is an Independent Director. The Chief Executive Officer, Chief Financial Officer, Head of Internal Audit and a representative of External Auditors attend the meetings by invitation. The Committee also privately meets with the External Auditors and Head of Internal Audit and other members of the internal audit function, at least once in a year. The present members of BAC are as follows:

1.	Mr Humayun Bashir	Chairman	Independent Director
2.	Mr Atif Riaz Bokhari*	Member	Non-Executive Director
3.	Mr Shahid Hafiz Kardar	Member	Independent Director
4.	Mr Andrew James Cook	Member	Non-Executive Director
5.	Mr Ganapathy S NarayanaSwamy	Member	Non-Executive Director

*Resigned on 30 January 2017

Mr. Mazhar Iqbal, Company Secretary, is the Secretary of the Committee.

Human Resource and Remuneration Committee (HR&RC)

HR&RC assists the Board in the effective discharge of its responsibilities in matters relating to appointments of senior executives and their remuneration as well as management performance review, succession planning and career development.

The Committee comprises 5 (five) members, out of whom are 4 non-executive directors including the Chairman whilst the fifth is the Chief Executive of the Company. The present members are as follows:

1.	Mr Munnawar Hamid – OBE	Chairman	Non-Executive Director
2.	Mr Muhammad Ashraf Bawany	Member	Executive Director
3.	Mr Khaleeq Kayani*	Member	Non-Executive Director
4.	Mr Andrew James Cook	Member	Non-Executive Director
5.	Mr Ganapathy S NarayanaSwamy	Member	Non-Executive Director

*Retired on 29 January 2017

The Secretary of the Committee is Mr M Salim Sheikh, Head of HR.

Share Transfer Committee

The Committee approves registration, transfers and transmission of shares, a summary of which is subsequently notified to the Board.

This Committee consists of two executive directors as follows:

1.	Mr Muhammad Ashraf Bawany	Chairman	Managing Director & CEO
2	Mr M Samiullah Siddiqui	Member	Executive Director

The Secretary of the Committee is Mr Wakil Ahmed Khan, Manager – Corporate Services.

Engagement of Directors in other companies/entities

Mr Munnawar Hamid – OBE

- Silkbank Limited
- The Aga Khan University
- The Aga Khan University Provident Fund
- The Aga Khan University Gratuity Fund
- Physical Plant & Infrastructure Committee of the Aga Khan University, Board of Trustees
- Audit Committee, HR Committee, Resource Development Committee and the Executive, Finance Committee of the Aga Khan University Board of Trustees

Mr Muhammad Ashraf Bawany

- Pakistan German Business Forum
- German Pakistan Trade & Investment
- BOC Pakistan (Private) Limited
- Aziz Tabba Foundation Welfare Committee
- Tabba Heart Institute Welfare Committee
- Strategic Advisory Board - Memon Professional Forum
- Jetpur Memon Association
- Bin Qasim Association of Trade & Industry

Mr Atif Riaz Bokhari

- PICIC Asset Management Company Limited
- Board of Governors of National Management Foundation of LUMPS

*Resigned on 30 January 2017

Mr Humayun Bashir

- Pakistan Stock Exchange – IT Security Steering Committee
- Management Association of Pakistan

Mr Shahid Hafiz Kardar

- Beaconhouse National University (BNU)
- Board of Governors of Shaukat Khanam Memorial Trust
- Imran Khan Foundation
- Human Rights Commission of Pakistan

Mr. Andrew James Cook

- Nil

Mr. Ganapathy Subramanian NarayanaSwamy

- Nil

Mr. Muhammad Samiullah Siddiqui

- BOC Pakistan (Private) Limited
- ICAP Committee, the Professional Accountants in Business
- Taxation Sub-Committee of Overseas Investors Chamber of Commerce & Industry

Ms Jahanara Sajjad Ahmad*

- Nil

*Elected on the Board wef 30 January 2017

Internal and external audit

Internal audit

At Linde Pakistan Limited, the Internal Audit function is an integral part of The Linde Group Internal Audit Department. Internal Audit aims to assist the Board of Directors and management in discharging their responsibilities by identifying and carrying out independent, objective audits as well as consultancy services aimed at creating value and improvement of business processes. It helps the organisation to achieve its objectives by assessing and helping to improve the effectiveness of risk management, control mechanisms and the governance, management and monitoring of processes through a systematic and targeted approach.

To maintain the highest level of independence, Internal Audit has a functional reporting relationship directly to the Board Audit Committee (BAC) as well as to the Head of Internal Audit, South Asia & Asean/South. Such a reporting structure allows the Linde Pakistan Limited Head of Internal Audit to be completely independent from the company's operations and to receive appropriate support in fulfilling the required role. In addition, the Head of Internal Audit has unrestricted access to the Board Audit Committee Chairman, the Managing Director and the Chief Financial Officer of the company to ensure that effective reporting and communication lines exist and guidance is sought as required. In order to ensure transparency, all reports are shared with the External Auditors and all material findings from both internal and external audits are fully analyzed and discussed.

The BAC reviews all Internal Audit reports which are also discussed in detail with the BAC Chairman regularly. The work of Internal Audit is focused on areas of material risks to the company, determined on the basis of a risk based planning approach. Further, globally identified high value reviews also form part of the audit plan to provide further value to Linde Pakistan Limited.

The Internal Audit department is guided by a comprehensive audit manual as provided by its Global Group function. The key principles covered in the manual are: objectivity in gathering, assessment and communication of findings; independence from the audited entity; unlimited access to relevant information; integrity in execution of its functions; confidentiality with disclosure only as authorized and assured access to necessary skills and knowledge from the global function should it not exist in the department. The standard audit process is quality based, in that all reports or memos undergo intensive quality reviews at Internal Audit's local regional and global levels. In addition, the department is guided by the Institute of Internal Auditors' standards and the company's Code of Ethics.

External Audit

Shareholders appoint the external auditors on a yearly basis at the annual general meeting of the Company as proposed by the Audit Committee and recommended by the Board of Directors. The annual financial statements are audited by such independent external auditors (KPMG) and half-year financial reports are subject to a review by the same firm. In addition to conducting audits and reviews, the auditors also report on any matters arising from the audit particularly in the key areas of focus.

Best corporate practices

As part of The Linde Group, the Company is committed to integrity in all its business dealings. This is non-negotiable. Integrity and ethical values are prerequisites for everyone at the Company.

Governance standards and best corporate practices are regularly reviewed and updated by the Board to ensure their effectiveness and relevance in line with the Company's objective including implementation thereof.

The Board with active participation of all members in its meetings formulates and approves policies, strategies, business plans and provides guidance on operations and matters of significant importance. Additionally, the Board sets compliance with all applicable legal and listing requirements as a priority.

Linde's Code of Ethics anchors ethical conduct within the Company. In addition, since 2006, the Company (as part of The Linde Group) has pledged its commitment to the United Nations Global Compact. The UN Global Compact is a global alliance of organizations and private businesses, which aims to protect human rights, support compliance with labour standards, encourage environmental responsibility and combat corruption. The Company incorporates the principles of the UN Global Compact in our business activities.

At Linde, we have zero tolerance for corruption. The Company has in place an Anti-Corruption Compliance Guide (ACCG). The ACCG is designed to help employees conduct business in a legal and legitimate way and avoid violations of the Code of Ethics. It offers guidance to our employees on the granting and receiving of benefits, such as gifts, meals and invitations to events that are prevalent in all cultures in general business dealings and thereby aims to minimize the risk of corruption in our business.

Integrity Line (IL)

The Integrity Line (IL) reporting system is an important element of the compliance framework at The Linde Group. It enables both internal and external stakeholders to raise issues or report any doubts or suspicions that they might have through telephone or e-mail. Complete anonymity of the person using this facility is assured. If an internal investigation reveals that the doubts or suspicions raised were justified, a prescribed process is used within a defined timeframe to determine which measures are required and whether these have been implemented.

Insider trading

The Company strictly observes 'closed period' prior to announcement of its interim and final results as prescribed in the Code of Corporate Governance during which no director, CEO, CFO, Company Secretary, Head of Internal Audit or designated executives drawing annual basic salary exceeding Rs 1.2 million as determined by the Board and their spouses can directly or directly deal in the shares of the Company.

During the year under review, no trading in the shares of the Company was carried out by its directors, Chief Executive, Chief Financial Officer, Company Secretary, Head of Internal Audit, designated executives and their spouses.

Competition law

The Company strongly believes in free and fair competition as embodied in its Code of Ethics. The Company fully supports healthy competition in the country and aggressively but fairly competes with its competitors staying within the bounds of applicable laws. At LPL, we endeavor to win a business in a legitimate manner and to provide better products & services to our customers.

The Legal & Secretarial Department of the Company also endeavors to keep all the functional heads of the Company well informed of the importance of the competition laws and shares with them all related news items that appear from time to time in the press to ensure compliance with the competition laws.

Disclosure and transparency

The Company in compliance with the legal and listing requirements treats all its shareholders equally. For the purpose of transparency, the Company always aims to provide shareholders and public up-to-date information about its business activities through the stock exchange, the press, its website and periodic published financial statements as the case may be. The Company also publishes a financial calendar, which appears in its annual report, showing a tentative schedule for the announcement of financial results to be made in a calendar year.

Moreover, the Company follows the Companies Ordinance, 1984 and applicable International Financial Reporting Standards (IFRS) and endeavors to provide as much supplementary information in the financial statements as possible.

Material Interests of Board of Directors

At the time of election/appointment and thereafter, on an annual basis, each of the Directors is required to disclose his/her directorship or membership held in any other body corporate or firm in compliance with Section 214 of the Companies Ordinance, 1984. List of offices held by the directors is maintained and updated as and when any change is notified by a director which helps determine the related parties.

Related Party Transactions

The Company maintains a record of transactions entered into with related parties. All transactions with related parties are carried out at arm's length basis. The details of related party transactions are placed before the Audit Committee and upon its recommendations the same is put up before the Board for review and approval.

Evaluation of the Board's Own Performance

As required under the Code of Corporate Governance of the Rule Book of Pakistan Stock Exchange, the Board, on the basis of a mechanism carries out annual evaluation of its own performance. The mechanism is designed to assess and identify strengths and weaknesses in the performance of the Board covering sound corporate governance practices, strategy, roles of the chairman & directors, objective settings, effectiveness of meetings of the Board and its committees.

Annual General Meeting

The Company considers the annual general meeting as the most appropriate forum for open and transparent discussions with its shareholders where they get an opportunity to review business performance as well as financial information as contained in the annual report and accounts. The event not only provides an opportunity for the shareholders to raise questions to the directors present, but is also an opportunity for informing the shareholders about the future direction of the Company. As the Company believes in transparency and disclosure of information for all its stakeholders, the Company, as required, gives notice of the general meeting in the press well before the prescribed time and offers free transportation service between a pre-designated generally convenient place and the venue of the meeting to encourage maximum attendance of its members at the general meeting.

Pattern of Shareholding

The pattern of shareholding together with additional information thereon is given on pages 102 and 103 to disclose the aggregate number of shares with the break-up of certain classes of shareholders as prescribed under the corporate and financial reporting framework.

Statement of compliance with the Code of Corporate Governance.
Year ended 31 December 2016.

This statement is being presented to comply with the Code of Corporate Governance (CCG) as contained in the Pakistan Stock Exchange Regulations for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Independent Directors*
- Mr Humayun Bashir
- Mr Shahid Hafiz Kardar

Executive Directors
- Mr Muhammad Ashraf Bawany
- Mr Muhammad Samiullah Siddiqui

Non-Executive Directors
- Mr Munnawar Hamid – OBE
- Mr Atif Riaz Bokhari****
- Mr Khaleeq Kayani**
- Mr Andrew James Cook
- Mr Ganapathy Subramanian Narayanaswamy
- Ms Jahanara Sajjad Ahmad***

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred during the year under review.
5. As required, a "Code of Ethics" of the ultimate parent company, Linde AG Germany, is in place as a "Code of Conduct" of the Company. Company ensures that the directors and employees are familiar with the "Code of Ethics" which is also available on the Company's website at www.linde.pk
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of annual remuneration and terms and conditions of employment of the CEO and non-executive directors, have been taken by the Board.
8. The Board met four (4) times this year including once in every quarter for consideration and approval of the financial statements. All four meetings were presided over by the Chairman. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Directors are well conversant with the listing regulations, legal requirements and operational imperatives of the Company, and as such fully aware of their duties and responsibilities to effectively manage the affairs of the Company for and on behalf of shareholders. Moreover, newly appointed directors are provided with the copies of Listing Regulations, Memorandum & Articles of Association and Code of Corporate Governance while orientation session is also arranged for them to acquaint with the market situations, business objectives and affairs of the Company.

* The independent directors meet the criteria of independence under clause 5.19.1(b) of the CCG.

** Retired on 29 January 2017

*** Elected on 30 January 2017

**** Resigned on 30 January 2017

10. Additionally, Directors were kept abreast with the changes in the laws as and when notified to ensure compliance thereon. During the year under review, two foreign directors completed certification in the directors' training program (DTP) in terms of clause 5.19.7 of the CCG as contained in Pakistan Stock Exchange Regulations. The current Board of the Company has 5 certified directors while two are exempt on the basis of prescribed education and experience. Accordingly, the Company is fully compliant with the mandatory requirement of having at least half of directors on its board certified. The Company shall, however, arrange training for rest of the 2 directors to make the entire Board DTP certified.

11. No new appointment of Company Secretary, CFO and Head of Internal Audit has been made during the year. The Board has, however, approved their annual remuneration and terms and conditions of employment, as recommended by the Human Resource & Remuneration Committee of the Board.

12. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

13. The financial statements of the company were duly endorsed by the CEO and CFO before approval of the Board. The half yearly and annual financial statements were also initialed by the external auditors before presentation to the Board.

14. The directors, CEO and designated executives or their spouses do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

15. The Company has complied with all the corporate and financial reporting requirements of the CCG.

16. The Board Audit Committee has been in existence since May 2002. It comprises 5 members, all of whom are non-executive directors including the Chairman of the Committee who is also an independent director. Currently, Mr. Mazhar Iqbal, Company Secretary, is the Secretary to the Audit Committee.

17. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

18. The Company has a Human Resource & Remuneration Committee of the Board. It has 5 members. Of these, 4 are non-executive directors including the Chairman of the Committee while the CEO, an executive director, is also a member of the Committee in terms of clause 5.19.16(b) of the CCG.

19. The board has set up an effective internal audit function. The appointed Head of Internal Audit is responsible for the work plan and reports the results of all Internal Audit activities to the Board Audit Committee. The Internal Audit function remains independent from the Company by having a reporting line to the Parent Company and also direct access to the Chairman of the Board Audit Committee.

20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

22. The ‘closed period’, prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company’s securities, was determined and intimated to directors, CEO, CFO, Head of Internal Audit, designated Executives and stock exchange.

23. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

24. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list

25. We confirm that all other material principles enshrined in the CCG have been complied with.

Karachi
27 February 2017

Muhammad Ashraf Bawany
Chief Executive

Munnawar Hamid – OBE
Chairman

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

Review Report to the Members on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of **Linde Pakistan Limited** ("the Company") for the year ended 31 December 2016 to comply with the requirements of Listing Regulation of Pakistan Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2016.

KPMG Taseer Hadi

Date: 27 February 2017

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi

Ten year financial review.

Rupees in '000	2007	2008	2009
Operating results			
Sales	2,174,515	2,453,341	2,307,741
Gross profit	934,021	835,647	710,989
Profit from operations	685,866	550,395	491,609*
Profit before taxation	682,370	547,693	374,284
Taxation	(223,321)	(145,587)	(122,672)
Profit after taxation	459,049	402,106	251,612
Dividends	325,503	325,503	225,349
Capital employed			
Paid-up capital	250,387	250,387	250,387
Reserves and unappropriated profits	1,175,745	1,257,040	1,202,319
Shareholders' fund	**1,426,132**	**1,507,427**	**1,452,706**
Deferred liabilities	277,175	229,124	202,034
Long-term liabilities and borrowings (net of cash)	(442,534)	(221,477)	(384,745)
	1,260,773	**1,515,074**	**1,269,995**
Represented by			
Non-current assets	1,190,726	1,380,166	1,276,004
Working capital	70,047	134,908	(6,009)
	1,260,773	**1,515,074**	**1,269,995**
Statistics			
Expenditure on fixed assets	66,561	417,354	123,421
Annual depreciation and amortisation	139,319	148,817	171,647
Earnings per share – Rupees	18.33	16.06	10.05
Dividend per share – Rupees (note 1)	13.00	13.00	9.00
Dividend cover – times (note 1)	1.41 x	1.24 x	1.12 x
Net asset backing per share – Rupees	56.96	60.20	58.02
Return on average shareholders' fund (based on profit after tax)	33.13%	27.41%	17.00%
Dividend on average shareholders' fund (note 1)	23.49%	22.19%	15.23%
Return on average capital employed (based on profit before financial charges and tax)	50.87%	39.66%	27.03%
Price/earning ratio (unadjusted)	13.78	7.03	12.73
Dividend yield ratio (note 1)	5.14%	11.52%	7.03%
Dividend payout ratio (note 1)	70.91%	80.95%	89.55%
Fixed assets/turnover ratio	2.53	2.17	2.17
Debt/equity ratio	0:100	0:100	0:100
Current ratio	2.31	2.01	1.91
Interest cover – times	196.19 x	203.70 x	177.13 x
Debtors turnover ratio	14.57	17.15	14.86
Gross profit ratio (as percentage of turnover)	42.95%	34.06%	30.81%
Market value per share at year end	252.70	112.82	127.95

Note 1 includes proposed final dividend declared subsequent to the year end
*Profit from operations represent operating profit before reorganisation / restructuring cost

2010	2011	2012	2013	2014	2015	2016
2,530,022	3,044,800	3,739,405	4,016,101	3,925,036	3,914,176	3,954,638
686,774	769,209	954,170	764,231	710,372	829,223	895,994
413,224*	404,639	564,252*	350,459	295,078	351,619*	420,199
375,026	402,723	315,414	245,408	177,402	191,805	309,589
(131,201)	(139,848)	(39,125)	(63,941)	(50,515)	(50,951)	(92,703)
243,825	262,875	276,289	181,467	126,887	140,854	216,886
150,232	175,271	175,271	137,713	112,674	125,194	125,194
250,387	250,387	250,387	250,387	250,387	250,387	**250,387**
1,240,743	1,331,291	1,428,510	1,452,807	1,440,580	1,469,133	1,562,974
1,491,130	**1,581,678**	**1,678,897**	**1,703,194**	**1,690,967**	**1,719,520**	**1,813,361**
195,281	167,315	204,192	291,789	339,425	399,414	397,383
(355,569)	204,329	538,037	959,159	827,866	1,371,743	1,184,877
1,330,842	**1,953,322**	**2,421,126**	**2,954,142**	**2,858,258**	**3,490,677**	**3,395,621**
1,342,471	2,075,442	2,631,493	3,076,995	3,214,373	3,193,016	3,212,333
(11,629)	(122,120)	(210,367)	(122,853)	(356,115)	297,661	183,288
1,330,842	**1,953,322**	**2,421,126**	**2,954,142**	**2,858,258**	**3,490,677**	**3,395,621**
311,453	991,470	839,481	684,267	400,265	279,445	350,411
177,492	204,304	268,203	244,873	290,509	328,713	344,959
9.74	10.50	11.03	7.25	5.07	5.63	8.66
6.00	7.00	7.00	5.50	4.50	5	5
1.62 x	1.50 x	1.58 x	1.32 x	1.13 x	1.13 x	1.73 x
59.55	63.17	67.05	68.02	67.53	68.67	72.42
16.57%	17.11%	16.95%	10.73%	7.48%	8.26%	12.28%
10.21%	11.41%	10.75%	8.14%	6.64%	7.34%	7.09%
29.01%	24.64%	16.44%	13.04%	9.59%	9.51%	12.20%
9.36	9.62	13.91	24.67	40.94	20.65	22.56
6.59%	6.93%	4.56%	3.08%	2.17%	4.30%	2.56%
61.61%	66.67%	63.44%	75.86%	88.75%	88.88%	57.73%
2.03	1.50	1.44	1.31	1.22	1.23	1.23
0:100	11:89	31:69	39:61	37:63	43:57	36 : 64
1.81	1.00	1.17	1.06	0.86	1.09	0.75
171.62 x	211.19 x	8.13 x	3.34 x	2.51 x	2.52 x	3.80 x
15.72	18.71	20.78	17.79	14.49	10.68	8.25
27.14%	25.26%	25.52%	19.03%	18.10%	21.19%	22.66%
91.10	101.00	153.49	178.86	207.48	116.25	195.37

Profit and loss account.
Vertical and horizontal analysis.

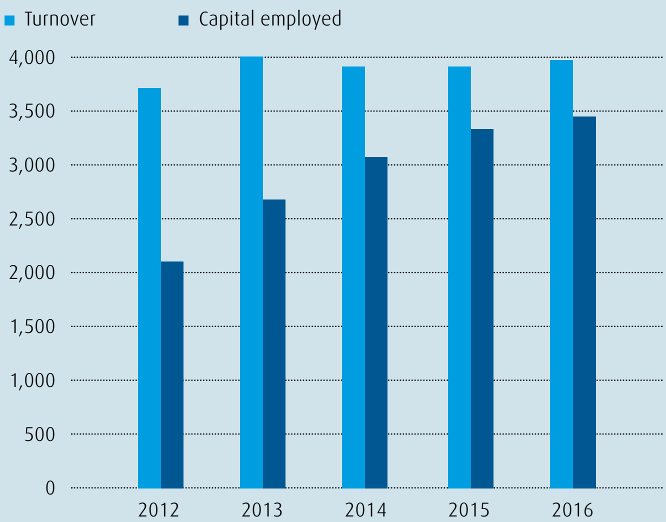
Rupees in '000	2016	2015	2014	2013	2012	2011
Net sales	3,954,638	3,914,176	3,925,036	4,016,101	3,739,405	3,044,800
Cost of sales	(3,058,644)	(3,084,953)	(3,214,664)	(3,251,870)	(2,785,235)	(2,275,591)
Gross profit	**895,994**	**829,223**	**710,372**	**764,231**	**954,170**	**769,209**
Distribution and marketing expenses	(235,127)	(244,393)	(240,854)	(209,527)	(231,066)	(211,490)
Administrative expenses	(229,614)	(227,649)	(233,622)	(214,358)	(193,676)	(171,376)
Other operating expenses	(32,046)	(26,438)	(26,897)	(46,472)	(33,811)	(40,554)
Other income	20,992	20,876	86,079	56,585	68,635	58,850
Operating profit before reorganization / restructuring cost	**420,199**	**351,619**	**295,078**	**350,459**	**564,252**	**404,639**
Reorganization / restructuring cost	-	(33,500)	-	-	(204,572)	-
Operating profit after reorganization / restructuring cost	**420,199**	**318,119**	**295,078**	**350,459**	**359,680**	**404,639**
Finance costs	(110,610)	(126,314)	(117,676)	(105,051)	(44,266)	(1,916)
Profit before tax	**309,589**	**191,805**	**177,402**	**245,408**	**315,414**	**402,723**
Taxation	(92,703)	(50,951)	(50,515)	(63,941)	(39,125)	(139,848)
Profit for the year	216,886	140,854	126,887	181,467	276,289	262,875
Vertical analysis – percentage (%) of sales						
Net sales	100	100	100	100	100	100
Cost of sales	(77)	(79)	(82)	(81)	(74)	(75)
Gross profit	**23**	**21**	**18**	**19**	**26**	**25**
Distribution and marketing expenses	(6)	(6)	(6)	(5)	(6)	(7)
Administrative expenses	(6)	(6)	(6)	(5)	(5)	(6)
Other operating expenses	(1)	(1)	(1)	(1)	(1)	(1)
Other income	1	1	2	1	2	2
Operating profit before reorganization / restructuring cost	**11**	**9**	**7**	**9**	**16**	**13**
Reorganization / restructuring cost	-	(1)	0	0	(5)	0
Operating profit after reorganization / restructuring cost	**11**	**8**	**7**	**9**	**11**	**13**
Finance costs	(3)	(3)	(3)	(3)	(1)	(0)
Profit before tax	**8**	**5**	**4**	**6**	**10**	**13**
Taxation	(2)	(1)	(1)	(2)	(1)	(5)
Profit for the year	6	4	3	4	9	8
Horizontal analysis (year on year) **Percentage increase / (decrease) over preceeding year**						
Net sales	1	(0)	(2)	7	23	20
Cost of sales	(1)	(4)	(1)	17	22	23
Gross profit	**8**	**17**	**(7)**	**(20)**	**24**	**12**
Distribution and marketing expenses	(4)	1	15	(9)	9	8
Administrative expenses	1	(3)	9	11	13	15
Other operating expenses	21	(2)	(42)	37	(17)	(23)
Other income	1	(76)	52	(18)	17	(52)
Operating profit before reorganization / restructuring cost	**20**	**19**	**(16)**	**(38)**	**39**	**(2)**
Reorganization / restructuring cost	(100)	100	0	(100)	100	(100)
Operating profit after reorganization / restructuring cost	**32**	**8**	**(16)**	**(3)**	**(11)**	**7**
Finance costs	(12)	7	12	137	2210	(13)
Profit before tax	**61**	**8**	**(28)**	**(22)**	**(22)**	**7**
Taxation	82	1	(21)	63	(72)	7
Profit for the year	54	11	(30)	(34)	5	8

Balance sheet.
Vertical and horizontal analysis.

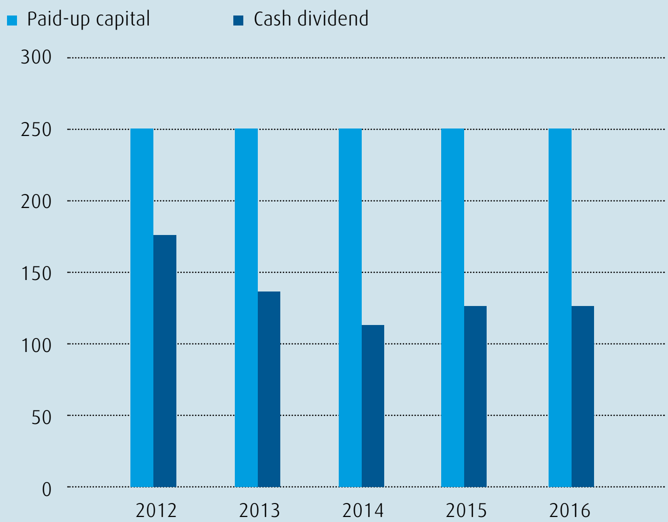
Rupees in '000	2016	2015	2014	2013	2012	2011
Equity and liabilities						
Total equity	1,813,361	1,719,520	1,690,967	1,703,194	1,678,897	1,581,678
Total non-current liabilities	833,241	1,595,183	1,289,903	1,441,147	1,095,778	497,195
Total current liabilities	2,291,000	1,350,658	1,616,945	1,045,058	863,816	692,760
Total equity and liabilities	**4,937,602**	**4,665,361**	**4,597,815**	**4,189,399**	**3,638,491**	**2,771,633**
Assets						
Total non-current assets	3,212,333	3,193,016	3,214,373	3,076,995	2,631,493	2,075,442
Total current assets	1,725,269	1,472,345	1,383,442	1,112,404	1,006,998	696,191
Total assets	**4,937,602**	**4,665,361**	**4,597,815**	**4,189,399**	**3,638,491**	**2,771,633**
Vertical analysis						
Equity and liabilities						
Total equity	37	37	37	41	46	57
Total non-current liabilities	17	34	28	34	30	18
Total current liabilities	46	29	35	25	24	25
Total equity and liabilities	**100**	**100**	**100**	**100**	**100**	**100**
Assets						
Total non-current assets	65	68	70	73	72	75
Total current assets	35	32	30	27	28	25
Total assets	**100**	**100**	**100**	**100**	**100**	**100**
Horizontal analysis (year on year) **Percentage increase / (decrease) over preceeding year**						
Equity and liabilities						
Total equity	5	2	(1)	1	6	6
Total non-current liabilities	(48)	24	(10)	32	120	56
Total current liabilities	70	(16)	55	21	25	20
Total equity and liabilities	**6**	**1**	**10**	**15**	**31**	**16**
Assets						
Total non-current assets	1	(1)	4	17	27	55
Total current assets	18	6	24	10	45	(33)
Total assets	**6**	**1**	**10**	**15**	**31**	**16**

Key financial data.

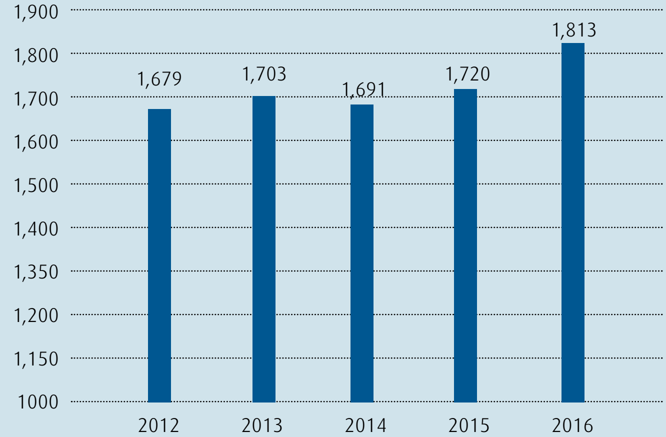
Turnover (net) and average capital employed (Rupees in million)



Paid-up capital and cash dividend (Rupees in million)

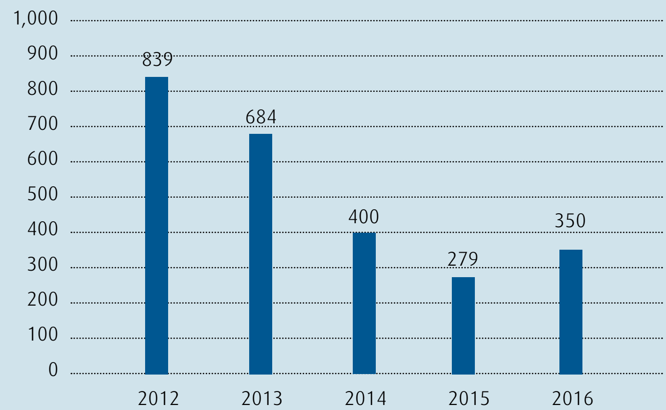


Shareholders' fund (Rupees in million)

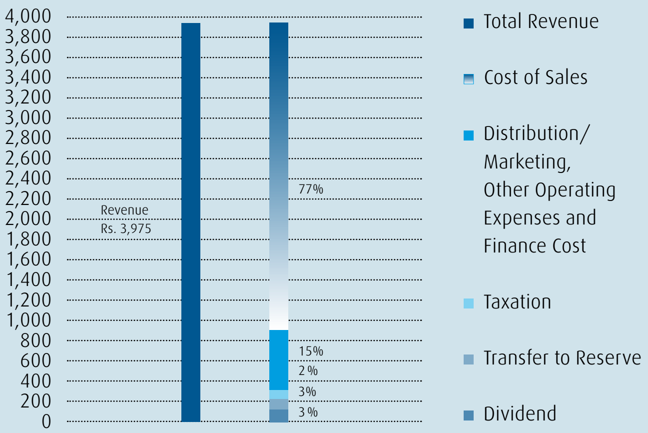


Break up value and EPS (Rupees)

Capital expenditure (Rupees in million)



Application of revenue 2016 (Rupees in million)



Statement of value added during 2016.

The statement below shows the amount of wealth generated by the Company employees and its assets during the year and the way this wealth has been distributed.

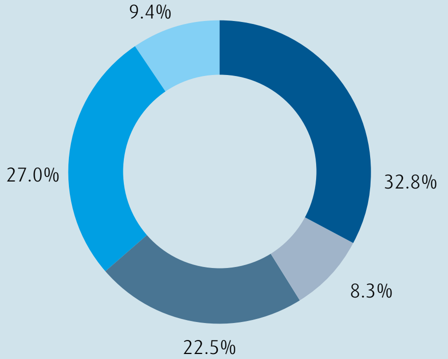
Rupees in '000	2016	2015
Wealth Generated		
Total Revenue (net of trade discount and sales tax)	3,975,630	3,935,052
Bought-in-material & services	(2,646,292)	(2,794,735)
	1,329,338	1,140,317
Wealth Distributed		
To Employees		
Salaries, wages and benefits	357,851	342,308
To Government		
Income Tax on Profit, Workers' Funds,Import Duties (exclusive of capital items) and un-adjustable Sales Tax	299,031	202,128
To Providers of Capital		
Cash Dividends to Shareholders *	125,194	125,194
To Lenders		
Finance cost	110,610	126,314
Retained in the Business		
Represented by depreciation and transfer to general reserve for replacement of fixed assets	436,651	344,373
	1,329,338	1,140,317

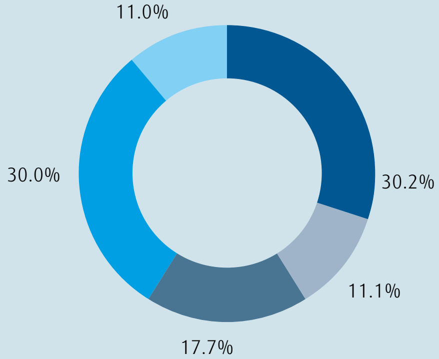
*Includes proposed final dividend declared subsequent to year end

Wealth generated and distributed 2016

Wealth generated and distributed 2015

Net Retention | To Lenders | To Government | To Employee | To Shareholders





Financial statements of the Company.

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

Auditors' Report to the Members

We have audited the annexed balance sheet of **Linde Pakistan Limited** ("the Company") as at 31 December 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profits and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of the profit, its cash flows and changes in equity for the year then ended; and

KPMG Taseer Hadi & Co.

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

KPMG T—R

Date: 27 February 2017

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Moneeza Usman Butt

Profit and loss account.

Rupees in '000	Note	For the year ended 31 Dec. 2016	For the year ended 31 Dec. 2015
Gross sales	5	4,494,967	4,434,576
Trade discount and sales tax	5	(540,329)	(520,400)
Net sales		**3,954,638**	**3,914,176**
Cost of sales	6	(3,058,644)	(3,084,953)
Gross profit		**895,994**	**829,223**
Distribution and marketing expenses	7	(235,127)	(244,393)
Administrative expenses	8	(229,614)	(227,649)
Other operating expenses	9	(32,046)	(26,438)
		(496,787)	**(498,480)**
Operating profit before other income		**399,207**	**330,743**
Other income	10	20,992	20,876
Operating profit before reorganization / restructuring cost		**420,199**	**351,619**
Reorganization / restructuring cost		-	(33,500)
Operating profit after reorganization / restructuring cost		**420,199**	**318,119**
Finance costs	11	(110,610)	(126,314)
Profit before taxation		**309,589**	**191,805**
Taxation	12	(92,703)	(50,951)
Profit for the year		216,886	140,854
Earnings per share – basic and diluted in Rupees	13	8.66	5.63

The annexed notes 1 to 41 form an integral part of these financial statements.

Muhammad Ashraf Bawany
Chief Executive

Munnawar Hamid – OBE
Chairman

Statement of comprehensive income.

Rupees in '000	Note	For the year ended 31 Dec. 2016	For the year ended 31 Dec. 2015
Profit for the year		216,886	140,854
Other comprehensive income			
Items that will never be reclassified to profit and loss account			
Re-measurement on defined benefit plans - net	32.1	11,932	768
Tax thereon		(3,699)	(220)
		8,233	548
Items that will be reclassified subsequently to profit and loss account			
Derivative financial instruments		257	(257)
Tax thereon		(82)	82
		175	(175)
Total comprehensive income for the year		225,294	141,227

The annexed notes 1 to 41 form an integral part of these financial statements.

Muhammad Ashraf Bawany
Chief Executive

Munnawar Hamid – OBE
Chairman

Balance sheet.

Rupees in '000	Note	As at 31 Dec. 2016	As at 31 Dec. 2015
Assets			
Non-current assets			
Property, plant and equipment	14	3,130,100	3,120,315
Intangible assets	15	16,192	20,781
Investment in subsidiary		10	10
Long term deposits		66,031	51,910
		3,212,333	3,193,016
Current assets			
Stores and spares	16	92,305	109,167
Stock-in-trade	17	354,576	299,169
Trade debts	18	519,720	439,332
Loans and advances	19	57,529	19,950
Deposits and prepayments	20	109,131	75,582
Other receivables	21	103,391	86,277
Taxation - net		378,525	348,842
Cash and bank balances	22	110,092	94,026
		1,725,269	1,472,345
Total assets		4,937,602	4,665,361
Equity and liabilities			
Share capital and reserves			
Share capital	23	250,387	250,387
Reserves		1,375,413	1,359,029
Unappropriated profit		187,561	110,104
		1,562,974	1,469,133
		1,813,361	1,719,520
Non-current liabilities			
Long-term financing	24	270,000	1,040,000
Long-term deposits	25	165,858	155,769
Deferred liabilities	26	397,383	399,414
		833,241	1,595,183
Current liabilities			
Trade and other payables	27	1,431,889	1,080,658
Short-term borrowings	28	89,111	-
Current maturity of long term financing		770,000	270,000
		2,291,000	1,350,658
Total equity and liabilities		4,937,602	4,665,361
Contingencies and commitments	29		

The annexed notes 1 to 41 form an integral part of these financial statements.

Muhammad Ashraf Bawany
Chief Executive

Munnawar Hamid – OBE
Chairman

Cash flow statement.

Rupees in '000	Note	For the year ended 31 Dec. 2016	For the year ended 31 Dec. 2015
Cash flow from operating activities			
Cash generated from operations	30	921,577	483,215
Finance costs paid		(112,460)	(132,347)
Income tax paid		(125,274)	(116,506)
Post retirement medical benefits paid		(242)	(212)
Reorganizaton / restructuring cost paid		(3,460)	(24,867)
Long-term loans and deposits		(14,121)	(25,500)
Long-term deposits payable		10,088	15,292
Net cash from operating activities		**676,108**	**199,075**
Cash flow from investing activities			
Acquisition of property, plant and equipment		(350,411)	(279,445)
Proceeds from disposal of operating assets		3,394	5,013
Interest received on balances with banks		207	1,424
Net cash used in investing activities		**(346,810)**	**(273,008)**
Cash flow from financing activities			
(Repayment of) / proceeds from long term financing		(270,000)	315,000
Dividends paid		(132,343)	(111,460)
Net cash (used in) / from financing activities		**(402,343)**	**203,540**
Net (decrease) / increase in cash and cash equivalents		**(73,045)**	**129,607**
Cash and cash equivalents at beginning of the year		94,026	(35,581)
Cash and cash equivalents at end of the year	31	20,981	94,026

The annexed notes 1 to 41 form an integral part of these financial statements.

Muhammad Ashraf Bawany
Chief Executive

Munnawar Hamid – OBE
Chairman

Statement of changes in equity.

Rupees in '000	Issued, subscribed and paid-up capital	Reserves: Hedging reserve	Reserves: General reserve	Unappropriated profit	Total
					For the year ended 31 Dec. 2016
Balance as at 1 January 2015	250,387	-	1,348,427	92,153	1,690,967
Total comprehensive income for the year					
Profit for the year	-	-	-	140,854	140,854
Other comprehensive income for the year	-	(175)	-	548	373
	-	(175)	-	141,402	141,227
Transactions with owners of the Company, recognized directly in equity					
Final dividend for the year ended 31 December 2014 - Rs. 3.25 per share	-	-	-	(81,376)	(81,376)
Interim dividend for the year ended 31 December 2015 - Rs. 1.25 per share	-	-	-	(31,298)	(31,298)
	-	-	-	(112,674)	(112,674)
Transfer to general reserve	-	-	10,777	(10,777)	-
Balance as at 31 December 2015	250,387	(175)	1,359,204	110,104	1,719,520
Total comprehensive income for the year					
Profit for the year	-	-	-	216,886	216,886
Other comprehensive income for the year	-	175	-	8,233	8,408
	-	175	-	225,119	225,294
Transactions with owners of the Company, recognized directly in equity					
Final dividend for the year ended 31 December 2015 - Rs. 3.75 per share	-	-	-	(93,895)	(93,895)
Interim dividend for the year ended 31 December 2016 - Rs. 1.50 per share	-	-	-	(37,558)	(37,558)
	-	-	-	(131,453)	(131,453)
Transfer to general reserve	-	-	16,209	(16,209)	-
Balance as at 31 December 2016	250,387	-	1,375,413	187,561	1,813,361

The annexed notes 1 to 41 form an integral part of these financial statements.

Muhammad Ashraf Bawany
Chief Executive

Munnawar Hamid – OBE
Chairman

Notes to the financial statements.
For the year ended 31 December 2016.

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 Pakistan Stock Exchange Limited. The address of its registered office is West Wharf, Dockyard Road, Karachi, Pakistan.

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

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

The Company owns a wholly owned subsidiary, BOC Pakistan (Private) Limited (BOCPL), which has not carried out any business activities during the year. 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. Financial highlights of BOCPL and nature of auditors' opinion thereon are attached to the annual accounts of the Company.

2. Basis of preparation

2.1 Statement of compliance
These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provision of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement
These financial statements have been prepared on the historical cost basis, except as otherwise disclosed.

2.3 Functional and presentation currency
The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand.

2.4 Use of estimates and judgements
The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about judgements made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates that have a significant risk of resulting in a material adjustment in the subsequent years are provided below:

Income taxes
In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

Provision for slow and non-moving stock
The management continuously reviews its inventory for existence of any items which may have become obsolete. These estimates are based on historical experience and are continuously reviewed.

Staff retirement benefits
Certain actuarial assumptions have been adopted as disclosed in these financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in the assumptions in future years might effect gains and losses in those years.

Property, plant and equipment
The Company estimates the residual values and useful lives of property, plant and equipment. Any changes in these estimates and judgements would have an impact on financial results of subsequent years.

Trade debts and other receivables
Impairment loss against doubtful trade and other debts is made on a judgemental basis, which may differ in future years based on the actual experience. The difference in provision, if any, would be recognized in the future periods.

Impairment of assets
In accordance with the accounting policy, the management carries out an annual assessment to ascertain whether any of the Company's assets are impaired. This assessment may change due to technological developments.

3. New accounting standards, amendments to existing standards and interpretations

3.1 Standards, interpretations and amendments effective in current year
During the year, certain amendments to existing standards became effective which were not relevant to the Company's accounting policies.

3.2 Amendments to existing accounting standards and interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 1 January 2017:

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on the Company's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.
- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on the Company's financial statements.
- Transfers of Investment Property (amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on the Company's financial statements.
- Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:
  - Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 – 'Non-current Assets Held for Sale and Discontinued Operations'. The amendments are not likely to have an impact on the Company's financial statements.
  - Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on the Company's financial statements.
  - IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The interpretation is not likely to have an impact on the Company's financial statements.

4. Significant accounting policies

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year. The principal accounting policies are summarised below:

4.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably.

i) Revenue from sale of goods is measured net of sales tax, returns, trade discounts and volume rebates, and is recognized when significant risks and rewards of ownership are transferred to the buyer, that is, when deliveries are made and recovery of the consideration is probable.
ii) Rental income is recognized over the period of relevant agreement based on agreed rate and other service income is recognized in profit and loss account on rendering of relevant services.
iii) Return on bank deposits is recognized on time proportion using the effective rate of return.
iv) Miscellaneous income is recognized on receipt basis.

4.2 Operating segments
An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the Company's management to make decisions about resources to be allocated to the segment and to assess its performance; and for which discrete financial information is available. The Company's format for segment reporting is based on its products and services.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities, such as, cash and bank balances and related income and expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

4.3 Finance lease income
The financing method is used in accounting for income on finance leases. Under this method the unearned lease income, that is, the excess of aggregate lease rentals and the estimated residual value over the net investment (cost of leased assets) is amortized to income over the term of the lease, so as to produce a constant periodic rate of return on net investment outstanding in the leases.

4.4 Dividend and appropriation to reserves
Dividend distribution to the Company's shareholders and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

4.5 Long term incentive plan
The fair value of the amount payable to employees in respect of long term incentive plan, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees become entitled to payment subject to satisfactory fulfilment of certain performance conditions. The accrued liability is remeasured at each reporting date and at settlement date. Any change in the fair value of the liability is recognized as salary expense in profit and loss account.

4.6 Taxation
Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit and loss account except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years.

Deferred
Deferred tax is recognized, using the balance sheet liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognized is based on expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax losses and unutilized tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carried forward unused tax losses can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

4.7 Property, plant and equipment

Operating fixed assets
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any, except freehold land which is stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. Cost incurred to replace a component of an item of property, plant and equipment is capitalized and the asset so replaced is retired from the use. Normal repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Depreciation
Depreciation is based on the cost of an asset less its residual value. Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful life of an item of property, plant and equipment. Freehold land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Gains and losses on disposal
Gains or losses on disposal of an item of property, plant and equipment are recognized in the profit and loss account.

Capital work in progress
Capital work in progress is stated at cost and consists of expenditures incurred and advances made in respect of tangible and intangible assets in the course of their construction and installation. Transfers are made to the relevant asset category as and when assets are available for intended use.

4.8 Intangible assets
An intangible asset is recognized if it is probable that future economic benefits attributable to the asset will flow to the enterprise and the cost of such asset can be measured reliably.

Cost directly associated with identifiable software that will have probable economic benefits beyond one year, is recognized as an intangible asset. Direct cost includes the purchase cost of software and other directly attributable costs of preparing the software for its intended use.

Computer software acquisition or development cost is stated at cost less accumulated amortization and impairment losses, if any, and is amortised on straight-line basis over its estimated useful life.

4.9 Investment in subsidiary
Investment in subsidiary is stated at cost net of provision for impairment, if any. The investment has been classified as a long term investment.

4.10 Embedded finance lease
Contractual arrangement, the fulfillment of which is dependent upon the use of a specific asset and whereby the right to use the underlying asset is conveyed to the customer, is classified as finance lease. Net investment in finance lease is recognized at an amount equal to the present value of the lease payments to be received, including any guaranteed residual value.

4.11 Impairment
The carrying amounts of Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognized in the profit and loss account.

4.12 Stores and spares
Stores and spares are stated at cost determined using moving average method. Provision is made for slow moving and obsolete items, if any.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

4.13 Stock-in-trade
Stock-in-trade is stated at the lower of cost and net realisable value. The cost is determined using moving average method, and includes expenditure incurred in acquiring the stocks, conversion costs and other costs incurred in bringing the inventory to its existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

Stock in transit is valued at cost comprising invoice value plus other charges incurred thereon.

4.14 Trade debts and other receivables
Trade debts and other receivables are initially measured at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment, if any. A provision is established when there is an objective evidence that the Company will not be able to collect all the amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

4.15 Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and deposits held with banks. Running finance facilities availed by the Company, which are repayable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of the statement of cash flows.

4.16 Financial assets and liabilities
The Company recognizes financial asset or a financial liability when it becomes a party to the contractual provision of the instrument. Financial assets and liabilities are recognized initially at cost, which is the fair value of the consideration given or received as appropriate, plus any directly attributable transaction cost. These financial assets and liabilities are subsequently measured at fair value or amortised cost using the effective interest rate method, as the case may be.

Financial assets are derecognized when the contractual right to cash flows from the asset expire, or when substantially all the risks and rewards of ownership of the financial asset are transferred. Financial liability is derecognized when its contractual obligation is discharged, cancelled or expired.

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to offset the recognized amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counterparties.

A financial asset is assessed at each reporting date to determine whether there is an objective evidence that a loss event has occurred after the initial recognition of the asset, and if that event has a negative effect on the estimated future cash flows of that asset, the Company recognizes an impairment thereagainst.

4.17 Staff retirement benefits

Defined benefit plans
The Company operates:

i) an approved defined benefit gratuity scheme for all permanent employees. Minimum qualifying period for entitlement to gratuity is five years continuous service with the Company;

ii) an approved defined benefit pension scheme for certain management staff. The scheme provides for pension to employees and their wives for life and to specified number of children upto a given age. This pension scheme had been curtailed with effect from 1 October 2006. No new members have been inducted in this scheme since then. The members in this scheme are 23.

  Both the above schemes are funded and contributions to them are made monthly on the basis of an actuarial valuation and in line with the provisions of the Income Tax Ordinance, 2001. Actuarial valuations of these schemes are carried out at each year end.

iii) a scheme to provide post retirement medical benefits to members of Management Staff Pension Funds, retiring on or after 1 July 2000. Provision is made annually to cover obligations under the scheme, by way of a charge to profit and loss account, calculated in accordance with the actuarial valuation. However, with effect from 1 January 2009, the scheme has been discontinued and a one-time lump sum payment was made to the beneficiaries on the basis of their entitlement ascertained by a qualified actuary as at 31 December 2008. In the case of retirees, it was elective to opt for the one-time lump sum payment.

Amount recognized in the balance sheet with respect to above schemes represent the present value of obligations under the schemes as reduced by the fair value of plan assets, if any. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of net defined benefit liability / (asset) which comprises actuarial gains / (losses), return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognized immediately in other comprehensive income.

Net interest is calculated by applying discount rate at the beginning of reporting period to the net defined benefit liability or asset at the beginning of that reporting period adjusted for contribution and benefit payments, service cost, including past service cost and settlement gains / (losses) are recognized in profit and loss account.

Defined contribution plans

The Company operates:

i) a recognized defined contribution pension fund for the benefit of its officer cadre employees. Monthly contributions are made by the Company to the Fund at the rate of 8.9% of basic salary plus house rent and utility allowances, in respect of each member.

ii) a recognized contributory provident fund for all permanent employees who have completed six months service. For officer cadre employees, equal monthly contributions are made, both by the Company and the employees at the rate of 5.42% and 6.5% of basic salary plus house rent and utility allowances, depending on the length of employees' service. In case of other employees, equal monthly contributions are made, both by the Company and the employees at the rate of 8.33% and 10% of basic salary plus applicable cost of living allowance, depending on the length of employees' service.

4.18 Compensated absences

The liability for accumulated compensated absences of employees is recognized in the period in which employees render service that increases their entitlement to future compensated absences.

4.19 Trade and other payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in for goods and services received, whether or not billed to the Company.

4.20 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

4.21 Foreign currency transactions

Transactions in foreign currencies are translated into Pakistan Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated into Pakistan Rupees at the exchange rate prevailing at that date. Foreign currency differences, if any, arising on retranslation are recognized in profit and loss account.

4.22 Derivative financial instruments

When a derivative is designated as a hedging instrument, to hedge the exposure of variability in cash flows attributable to a particular risk associated with a recognized asset or liability, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit and loss account.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognized. In other cases the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

4.23 Borrowings and their cost

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of cost of that asset.

5. Segment information

The Company's reportable segments are based on the following product lines:

Industrial, medical and other gases

This segment covers business with large-scale industrial customers, typically in the oil, chemical, food and beverage, metals, glass sectors and medical customers in healthcare sector. Gases and services are supplied as part of customer specific solutions. These range from supply by pipeline or from dedicated on-site plants to the large users and supply by road tankers in liquefied form to others. Gases for cutting and welding, hospitals, laboratory applications and a variety of medical purposes are also distributed under pressure in cylinders. This segment also covers the supply of associated medical equipment.

Welding and others

This segment covers sale of welding electrodes, packaged chemicals and a range of associated equipments such as, cutting and welding products and associated safety equipments.

5.1 Segment results are as follows:

	2016			2015		
Rupees in '000	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total
Gross sales	3,751,926	743,041	4,494,967	3,583,160	851,416	4,434,576
Less						
Trade discount	4,507	-	4,507	4,955	-	4,955
Sales tax	428,968	106,854	535,822	392,384	123,061	515,445
	433,475	**106,854**	**540,329**	**397,339**	**123,061**	**520,400**
Net sales	**3,318,451**	**636,187**	**3,954,638**	**3,185,821**	**728,355**	**3,914,176**
Less						
Cost of sales	2,561,848	496,796	3,058,644	2,508,805	576,148	3,084,953
Distribution and marketing expenses	198,548	36,579	235,127	199,535	44,858	244,393
Administrative expenses	193,893	35,721	229,614	185,863	41,786	227,649
	2,954,289	**569,096**	**3,523,385**	**2,894,203**	**662,792**	**3,556,995**
Segment result	364,162	67,091	431,253	291,618	65,563	357,181
Unallocated corporate expenses						
Other operating expenses			(32,046)			(26,438)
Other income			20,992			20,876
			(11,054)			**(5,562)**
Operating profit before reorganization / restructuring cost			420,199			351,619
Reorganization / restructuring cost			-			(33,500)
Operating profit after reorganization / restructuring cost			420,199			318,119
Finance costs			(110,610)			(126,314)
Taxation			(92,703)			(50,951)
Profit for the year			216,886			140,854

5.2 Transfers between business segments, if any, are recorded at cost. There were no inter segment transfers during the year.

5.3 There was no major customer whose revenue accounted for more than 10% of the Company's total revenue.

5.4 The segment assets and liabilities as at 31 December 2016 and capital expenditures for the year then ended are as follows:

	2016			2015		
Rupees in '000	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total
Segment assets	3,800,960	311,933	4,112,893	3,765,975	222,789	3,988,764
Unallocated assets			824,709			668,721
Total assets			**4,937,602**			**4,657,485**
Segment liabilities	745,428	2,271	747,699	510,342	3,699	514,041
Unallocated liabilities			2,376,542			2,431,800
Total liabilities			**3,124,241**			**2,945,841**
Capital expenditures	**365,411**	**-**	**365,411**	**283,712**	**-**	**283,712**

5.5 All non-current assets of the Company as at 31 December 2016 were located within Pakistan. Depreciation expense mainly relates to industrial, medical and other gases segment.

6. Cost of sales

Rupees in '000	Note	2016	2015
Fuel and power		921,875	1,131,894
Raw materials consumed		529,401	514,786
Third party manufacturing charges		38,783	31,442
Depreciation	14.5	317,725	302,421
Salaries, allowances and other benefits	6.1	161,341	162,058
Transportation expenses		216,218	217,563
Repairs and maintenance		69,017	68,512
Consumable spares		68,843	67,894
Insurance		25,361	33,658
Travelling and conveyance		28,775	25,880
Safety and security expenses		22,983	20,193
Rent, rates and taxes		9,473	5,709
Staff training, development and other expenses		1,144	1,566
Miscellaneous expenses		9,334	9,706
Cost of goods manufactured		**2,420,273**	**2,593,282**
Opening stock of finished goods		212,453	220,371
Purchase of finished goods		629,393	479,879
Write down of inventory to net realisable value		6,246	3,874
Closing stock of finished goods		(209,721)	(212,453)
		3,058,644	3,084,953

6.1 Salaries, allowances and other benefits include amounts in respect of

Rupees in '000	2016	2015
defined benefit schemes	1,768	2,588
defined contribution plans	4,926	4,492
	6,694	7,080

7. Distribution and marketing expenses

Rupees in '000	Note	2016	2015
Salaries, allowances and other benefits	7.1	135,750	126,113
Technical assistance fee		42,539	43,029
Travelling and conveyance		15,788	12,957
Systems support and shared services		16,348	13,611
Depreciation	14.5	8,525	8,231
(Reversal of provision) / provision for doubtful debts		(6,073)	19,694
Communications and stationery		5,297	4,350
Repairs and maintenance		1,893	1,573
Safety and security expenses		1,278	1,261
Electricity expense		4,207	4,020
Rent, rates and taxes		4,105	4,333
Sales promotion and symposium		1,092	808
Staff training, development and other expenses		3,165	3,738
Miscellaneous expenses		1,213	675
		235,127	244,393

7.1 Salaries, allowances and other benefits include amounts in respect of

Rupees in '000	2016	2015
defined benefit schemes	3,098	4,123
defined contribution plans	10,252	10,537
	13,350	14,660

8. Administrative expenses

Rupees in '000	Note	2016	2015
Salaries, allowances and other benefits	8.1	104,035	102,067
Travelling and conveyance		15,354	13,911
Systems support and shared services		51,380	50,963
Communications and stationery		14,375	14,344
Depreciation	14.5	14,120	13,472
Repairs and maintenance		6,843	6,029
Electricity expense		6,057	6,242
Directors' fee and remuneration		5,298	5,421
Amortization		4,589	4,589
Safety and security expenses		2,447	2,733
Staff training, development and other expenses		1,276	3,117
Insurance		515	571
Rent, rates and taxes		904	708
Miscellaneous expenses		2,421	3,482
		229,614	227,649

8.1 Salaries, allowances and other benefits include amounts in respect of

Rupees in '000	2016	2015
defined benefit schemes	2,556	2,485
defined contribution plans	8,682	8,657
	11,238	11,142

9. Other operating expenses

Rupees in '000	Note	2016	2015
Workers' Profits Participation Fund		16,658	10,301
Workers' Welfare Fund		6,921	3,914
Legal and professional charges		6,053	7,903
Auditors' remuneration	9.1	1,764	1,645
Donations		650	400
Exchange loss - net		-	2,275
		32,046	26,438

9.1 Auditors' remuneration

Rupees in '000	2016	2015
Audit fee	943	850
Audit of provident, gratuity, pension and workers' profits participation fund and fee for special certifications	430	430
Fee for review of half yearly financial statements	266	240
Out-of-pocket expenses	125	125
	1,764	1,645

10. Other income

Rupees in '000	2016	2015
Income from financial asset:		
Mark-up income on saving and deposit accounts	207	1,424
Exchange gain - net	9,463	-
Income from non financial assets:		
Gain on disposal of property, plant and equipment	3,137	3,157
Liabilities no more payable written back	6,890	12,386
Others	1,295	3,909
	20,992	20,876

11. Finance costs

Rupees in '000	2016	2015
Mark-up on long term financing	89,831	89,040
Mark-up on short term running finances	19,833	34,891
Bank charges	922	2,349
Interest on Workers' Profits Participation Fund	24	34
	110,610	126,314

12. Taxation

Rupees in '000	2016	2015
Current	90,450	-
Deferred	2,253	50,951
	92,703	50,951

12.1 Relationship between tax expense and accounting profit

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the Company's applicable tax rate as follows:

Rupees in '000	2016	2015
Profit before taxation	**309,589**	**191,805**
Tax at the applicable tax rate of 31% (2015: 32%)	95,973	61,378
Effect of change in tax rate	(12,441)	(15,881)
Tax effect of non-deductible expenses	13,049	(12,338)
Effect of tax under final tax regime	28,948	25,105
Effect of tax credit	(32,684)	(7,157)
Others	(142)	(156)
	92,703	50,951

12.2 The returns of total income for and upto the tax year 2016 have been filed by the Company and the said returns, as per the provisions of Section 120 of the Income Tax Ordinance, 2001 (the Ordinance), have been taken to be the deemed assessment orders passed by the concerned Commissioner on the day the said returns were furnished. However, the Commissioner may, at any time during a period of five years from the date of filing of return, select the deemed assessment order for audit.

12.3 Under Section 5A of the Income Tax Ordinance, 2001 (the Ordinance), a tax shall be imposed at the rate of 10%, on every public company other than a scheduled bank or a modaraba, that derives profits for a tax year but does not distribute cash dividends within six months of the end of said tax year or distributes dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital, so much of its reserves as exceed 100% of its paid up capital shall be treated as income of the said company. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40% of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

The Board of Directors in their meeting held on 27 February 2017 has recommended sufficient cash dividend for the year ended 31 December 2016 (refer note 41) which complies with the above stated requirements. Accordingly, no provision for tax on undistributed reserves was required to be provided in these financial statements.

13. Earnings per share – basic and diluted

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. There is no dilutive effect on the basic earnings per share of the Company.

	2016	2015
Profit for the year – Rupees in '000	216,886	140,854
Number of ordinary shares in '000	25,039	25,039
Earnings per share – basic and diluted in Rupees	8.66	5.63

14. Property, plant and equipment

Rupees in '000	Note	2016	2015
Operating assets	14.1	2,982,317	2,966,954
Capital work in progress	14.6	147,783	153,361
		3,130,100	3,120,315

14.1 Operating assets

				Buildings on							
Rupees in '000	Note	Freehold land	Leasehold land	Freehold land	Leasehold land	Customers' land	* Plant and machinery	Vehicles	Furniture, fittings and office equipments	Computer equipments	Total
As at 1 January 2015											
Cost		43,071	25,526	283,161	91,949	21,841	4,782,317	89,814	61,291	27,018	5,425,988
Accumulated depreciation		-	(9,026)	(35,496)	(45,473)	(13,271)	(2,153,054)	(49,195)	(38,286)	(21,292)	(2,365,093)
Net book value		43,071	16,500	247,665	46,476	8,570	2,629,263	40,619	23,005	5,726	3,060,895
Additions		-	-	-	4,790	-	212,360	-	9,230	5,659	232,039
Disposals											
Cost		-	-	-	-	-	(1,900)	(7,189)	-	(95)	(9,184)
Accumulated depreciation		-	-	-	-	-	1,884	5,349	-	95	7,328
		-	-	-	-	-	(16)	(1,840)	-	-	(1,856)
Depreciation		-	(856)	(13,742)	(4,872)	(967)	(278,490)	(14,330)	(5,825)	(5,042)	(324,124)
Net book value as at 31 December 2015		43,071	15,644	233,923	46,394	7,603	2,563,117	24,449	26,410	6,343	2,966,954
Additions / reclassification		-	(15,000)	-	2,199	-	326,842	28,319	837	12,792	355,989
Disposals											
Cost		-	-	-	-	-	-	(7,195)	-	(4,755)	(11,950)
Accumulated depreciation		-	-	-	-	-	-	6,999	-	4,695	11,694
		-	-	-	-	-	-	(196)	-	(60)	(256)
Depreciation	14.5	-	(642)	(13,742)	(4,962)	(967)	(292,716)	(14,395)	(6,308)	(6,638)	(340,370)
Net book value as at 31 December 2016		43,071	2	220,181	43,631	6,636	2,597,243	38,177	20,939	12,437	2,982,317
As at 31 December 2015											
Cost		43,071	25,526	283,161	96,739	21,841	4,992,777	82,625	70,521	32,582	5,648,843
Accumulated depreciation		-	(9,882)	(49,238)	(50,345)	(14,238)	(2,429,660)	(58,176)	(44,111)	(26,239)	(2,681,889)
Net book value		43,071	15,644	233,923	46,394	7,603	2,563,117	24,449	26,410	6,343	2,966,954
Annual rate of depreciation (%)		-	5	2.5 to 5	2.5 to 5	2.5 to 5	5 to 10	20	10 to 20	25 to 33.33	
As at 31 December 2016											
Cost		43,071	10,526	283,161	98,938	21,841	5,319,619	103,749	71,358	40,619	5,992,882
Accumulated depreciation		-	(10,524)	(62,980)	(55,307)	(15,205)	(2,722,376)	(65,572)	(50,419)	(28,182)	(3,010,565)
Net book value		43,071	2	220,181	43,631	6,636	2,597,243	38,177	20,939	12,437	2,982,317
Annual rate of depreciation (%)		-	5	2.5 to 5	2.5 to 5	2.5 to 5	5 to 10	20	10 to 20	25 to 33.33	

* Include capital spares having cost of Rs. 88,360 thousand (2015: Rs. 88,360 thousand) and net book value of Rs. 36,593 thousand (2015: Rs. 40,581 thousand).

14.2 Borrowing costs capitalized during the year amounted to Rs. Nil (2015: Rs. 4,266 thousand).

14.3 As at 31 December 2016, plant and machinery includes cylinders held by customers and Vacuum Insulated Evaporator (VIEs) installed at certain customer sites for supply of gas products. Cost and net book values of such cylinders and VIEs are as follows:

	Cost		Net book value	
Rupees in '000	2016	2015	2016	2015
Cylinders	200,988	157,275	132,174	96,947
Vacuum Insulated Equipments	639,358	614,437	328,822	340,669
	840,346	771,712	460,996	437,616

14.4 The detail of operating assets disposed off during the year having net book value exceeding Rs. 50,000 are as follows

Rupees in '000	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchasers
Motor vehicle	1,176	(980)	196	353	Company policy	Mr. Mazhar Iqbal (employee)

14.5 Depreciation has been allocated as follows

Rupees in '000	2016	2015
Cost of sales	317,725	302,421
Distribution and marketing expenses	8,525	8,231
Administrative expenses	14,120	13,472
	340,370	324,124

14.6 Capital work in progress

Rupees in '000	Land and Buildings	Plant and machinery	Advances to suppliers against vehicles	Furniture, fittings and office equipments	Total
As at 1 January 2015	-	75,298	14,799	11,591	101,688
Additions during the year	4,790	259,309	11,304	8,309	283,712
Transfers during the year	(4,790)	(197,561)	(14,799)	(14,889)	(232,039)
As at 31 December 2015	-	137,046	11,304	5,011	153,361
Additions / reclassification during the year	20,599	313,959	31,674	14,179	380,411
Transfers / adjustments during the year	(17,199)	(326,842)	(28,319)	(13,629)	(385,989)
As at 31 December 2016	3,400	124,163	14,659	5,561	147,783

15. Intangible assets

Rupees in '000	Note	2016	2015
Computer software	15.1	16,192	20,781

15.1 Computer software

Rupees in '000	2016	2015
Amortization		
Amortization for the year	4,589	4,589
Carrying amounts		
Cost	32,368	32,368
Accumulated amortization	(16,176)	(11,587)
	16,192	20,781

Intangible assets are amortized over an estimated useful life of 8 years and the amortization is allocated to administrative expenses.

16. Stores and spares

Rupees in '000	2016	2015
Stores	2,199	2,769
Spares	193,320	212,845
	195,519	215,614
Provision against slow moving stores and spares	(103,214)	(106,447)
	92,305	109,167

17. Stock-in-trade

Rupees in '000	2016	2015
Raw and packing materials		
In hand	144,855	86,716
Finished goods		
In hand	209,721	209,419
In transit	-	3,034
	209,721	212,453
	354,576	299,169

17.1 The cost of raw and packing materials and finished goods has been adjusted net of provision for slow moving and obsolete stock by Rs. 40,132 thousand (2015: Rs. 24,128 thousand).

17.2 Raw and packing materials and finished goods include inventories held with various parties, located at Site and Landhi industrial area of Karachi, amounting to Rs. 39,087 thousand (2015: Rs. 13,276 thousand), for manufacturing purposes.

18. Trade debts – unsecured

Rupees in '000	Note	2016	2015
Considered good	18.1	519,720	439,332
Considered doubtful		38,307	46,559
		558,027	485,891
Provision for doubtful debts		(38,307)	(46,559)
		519,720	439,332

18.1 These include balances due from related parties as follows

Rupees in '000	2016	2015
Tabba Heart Institute	590	1,945
Aga Khan University Hospital	11,379	7,114
Shaukat Khanum Memorial Cancer Hospital	3,089	2,017
	15,058	11,076
Past due considered doubtful as per Company's credit policy	(2)	-
	15,056	11,076

The aging of the trade debts receivable from related parties as at the balance sheet date are as under

Rupees in '000	2016	2015
Not past due	9,249	5,870
Past due from 1- 90 days	5,296	5,206
Past due from 90 days onward	513	-
	15,058	11,076
Past due considered doubtful as per Company's credit policy	(2)	-
	15,056	11,076

19. Loans and advances – considered good

Rupees in '000	2016	2015
Loans to employees – secured	-	214
Advances		
Employees	462	546
suppliers	57,067	19,190
	57,529	19,736
	57,529	19,950

20. Deposits and prepayments

Rupees in '000	2016	2015
Security deposits	31,614	10,832
Other deposits	77,345	62,711
Prepayments	172	2,039
	109,131	75,582

21. Other receivables

Rupees in '000	Note	2016	2015
Receivable from staff retirement benefit funds	21.1	15,817	27,518
Sales tax recoverable		87,574	58,759
		103,391	86,277

21.1 This includes Rs. Nil (2015: Rs. 15,833 thousand) in respect of prepaid contribution to staff retirement benefit funds.

22. Cash and bank balances

Rupees in '000	Note	2016	2015
Cash in hand		472	651
Cash at bank - current and saving accounts	22.1	109,620	93,375
		110,092	94,026

22.1 The mark-up on saving accounts ranging from 3.00% to 3.75% per annum (2015: 4.00% to 4.75% per annum).

23. Share capital

23.1 Authorised share capital

	Number of shares		Rupees in '000	
	2016	2015	2016	2015
Ordinary shares of Rs. 10 each	40,000,000	40,000,000	400,000	400,000

23.2 Issued, subscribed and paid-up capital

	Number of shares		Rupees in '000	
	2016	2015	2016	2015
Ordinary shares of Rs. 10 each fully paid in cash	452,955	452,955	4,530	4,530
Ordinary shares of Rs. 10 each issued for consideration other than cash	672,045	672,045	6,720	6,720
Ordinary shares of Rs. 10 each issued as fully paid bonus shares	23,913,720	23,913,720	239,137	239,137
	25,038,720	25,038,720	250,387	250,387

At 31 December 2016 and 2015, The BOC Group Limited - U.K., held 15,023,232 ordinary shares of Rs. 10 each of the Company, whose parent company is Linde AG, Germany.

24. Long-term financing – secured

Rupees in '000	Note	2016	2015
Diminishing Musharika Financing - I	24.1	270,000	540,000
Diminishing Musharika Financing - II	24.2	-	500,000
		270,000	1,040,000

24.1This represents long term Islamic financing arrangement entered into by the Company for an amount of Rs. 1,300 million to meet specific capital project funding requirements. The loan is repayable in ten half yearly installments over a period of five years beginning June 2014. One-third portion of the borrowing is fixed at 9.5% per annum (2015: 9.5% per annum) whereas, the remaining two-third of the financing amount is based on 6 month Karachi Interbank Offer Rate (KIBOR) + 0.5% per annum (2015: 6 month KIBOR + 0.5% per annum). The facility is secured against the plant.

24.2 This represents financing arrangement entered into by the Company for an amount of Rs. 500 million in 2015 to meet medium-term capital funding requirements. The loan is repayable in two half-yearly installments over a period of twenty-one months beginning March 2017 and carries markup based on 3 month Karachi Interbank Offer Rate (KIBOR) + 0.5% per annum. The facility is secured against one of the plants of the Company.

25. Long-term deposits

Rupees in '000	2016	2015
Against cylinders	143,053	132,464
Others	22,805	23,305
	165,858	155,769

26. Deferred liabilities

Rupees in '000	Note	2016	2015
Deferred taxation	26.1	390,431	384,398
Staff retirement benefit funds	32.1	6,952	15,016
		397,383	399,414

26.1 Deferred taxation

Rupees in '000	2016	2015
Taxable temporary differences		
Accelerated tax depreciation	453,895	464,656
Remeasurement – actuarial gain on defined benefit plans - net	4,714	966
Deductible temporary differences		
Slow moving stores and spares and stock-in-trade	(44,437)	(41,785)
Employees' benefit plans	(12,163)	(9,771)
Tax losses carried forward	-	(2,903)
Tax credit on certain capital investments	-	(12,886)
Doubtful receivables and other provisions	(11,578)	(13,879)
	390,431	384,398

27. Trade and other payables

Rupees in '000	Note	2016	2015
Creditors	27.1	747,699	514,042
Accrued liabilities		499,367	410,006
Advances from customers		35,813	28,622
Technical assistance fee		42,539	43,029
Payable to staff retirement benefit funds		2,044	-
Workers' Profits Participation Fund		2,615	1,305
Workers' Welfare Fund		17,030	18,502
Unclaimed dividends		14,327	15,217
Vendor claims		32,067	30,052
Mark-up payable		12,707	14,557
Other payables		25,681	5,326
		1,431,889	1,080,658

27.1 This includes trade and other liabilities payable to associated / Group companies amounting to Rs. 190,217 thousand (2015: Rs. 165,455 thousand).

28. Short-term borrowings – secured

Running finance under mark-up arrangements

The Company has arrangement for short-term running finance facility from certain banks. The overall facility for the running finance under mark-up arrangement and short-term revolving credit amounts to Rs. 825,000 thousand (2015: Rs. 825,000 thousand). The unutilized short-term running finance facility as at year end is Rs. 309,946 thousand (2015: Rs. 536,401 thousand).

The rate of mark-up on the running finance facilities ranges from 1 month KIBOR + 0.75% to 3 months KIBOR + 1% (2015: 3 months KIBOR + 1%) per annum. The arrangements are secured by way of first pari passu charge against hypothecation of stock in trade, trade debts and inter group guarantee and stand-by letter of credit from the banks.

The facilities for opening letters of credit and issuing guarantees as at 31 December 2016 amount to Rs. 440,000 thousand (2015: Rs. 446,000 thousand) out of which, the unutilized amount as at year end is Rs. 227,965 thousand (2015: Rs. 299,000 thousand).

29. Contingencies and commitments

Contingencies

29.1 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 31 December 2016 amounted to Rs. 43,037 thousand (2015: Rs. 40,724 thousand).

Commitments

29.2 Capital commitments outstanding as at 31 December 2016 amounted to Rs. 101,341 thousand (2015: Rs. 30,316 thousand).

29.3 Commitments under letters of credit for inventory items as at 31 December 2016 amounted to Rs. 21,646 thousand (2015: Rs. 60,575 thousand).

29.4 Banks have provided guarantees to various parties on behalf of the Company in normal course of business. Guarantees outstanding as at 31 December 2016 amounted to Rs. 63,205 thousand (2015: Rs. 56,084 thousand).

30. Cash generated from operations

Rupees in '000	Note	2016	2015
Profit before taxation		309,589	191,805
Adjustments for			
Depreciation		340,370	324,124
Gain on disposal of property, plant and equipment		(3,137)	(3,157)
Mark-up income from saving and deposit accounts		(207)	(1,424)
Finance costs		110,610	126,314
Amortization		4,589	4,589
Reorganization / restructuring cost		-	33,500
Liabilities written back		(6,890)	(12,386)
Post retirement medical benefits		529	649
Working capital changes	30.1	166,124	(180,799)
		921,577	483,215

30.1 Working capital changes

Rupees in '000	2016	2015
(Decrease) / increase in current assets		
Stores and spares	16,862	5,623
Stock-in-trade	(55,407)	(22,578)
Trade debts	(80,388)	(145,842)
Loans and advances	(37,579)	(4,719)
Deposits and prepayments	(33,549)	(28,700)
Other receivables	(26,127)	14,391
	(216,188)	**(181,825)**
Increase in current liabilities		
Trade and other payables	382,312	1,026
	166,124	(180,799)

31. Cash and cash equivalents

Rupees in '000	Note	2016	2015
Cash and bank balances	22	110,092	94,026
Short term borrowings - running finance under mark-up arrangement		(89,111)	-
		20,981	94,026

32. Staff retirement benefits

32.1 Defined benefit schemes

The actuarial valuation of pension, gratuity and medical benefit schemes was carried out at 31 December 2016. The projected unit credit method using the following significant assumptions, has been used for the actuarial valuation:

			2016
Percent % per annum	Pension fund	Gratuity fund	Medical scheme
Financial assumptions			
Rate of discount	8%	8%	8%
Expected rate of pension increase	6%	-	-
Expected rate of salary increase			
for first three years following valuation	-	9% to 10%	-
long term (fourth year following valuation)	-	8%	-
Medical cost escalation rate	-	-	8%
Demographic assumptions			
Mortality rate	SLIC (2001-05)-1	SLIC(2001-05)-1	SLIC(2001-05)-1
Rates of employee turnover	-	Moderate	-

The amounts recognised in balance sheet are as follows:

				2016
Rupees in '000	Pension Fund	Gratuity Fund	Medical Scheme	Total
Present value of defined benefit obligation	70,756	132,648	6,952	210,356
Fair value of plan assets	(82,358)	(136,863)	-	(219,221)
(Asset) / liability in balance sheet	**(11,602)**	**(4,215)**	**6,952**	**(8,865)**
Movements in the present value of defined benefit obligation				
Present value of defined benefit obligation - beginning of the year	68,195	134,795	6,626	209,616
Current service cost	-	7,169	-	7,169
Interest cost	6,074	12,311	592	18,977
Re-measurements – Actuarial losses / (gains) on obligation	2,460	(11,304)	(25)	(8,869)
Benefits paid	(5,973)	(10,323)	(241)	(16,537)
Present value of defined benefit obligation - end of the year	**70,756**	**132,648**	**6,952**	**210,356**
Movements in the fair value of plan assets				
Fair value of plan assets - beginning of the year	(79,880)	(126,405)	-	(206,285)
Interest income on plan assets	(7,155)	(11,569)	-	(18,724)
Re-measurements – Actuarial gain on plan assets	(1,296)	(1,767)	-	(3,063)
Benefits paid	5,973	10,323	-	16,296
Contribution to fund	-	(7,445)	-	(7,445)
Fair value of plan assets - end of the year	**(82,358)**	**(136,863)**	**-**	**(219,221)**
Movement in the net defined benefit liability/(asset)				
Opening balance	(11,685)	8,390	6,626	3,331
Net periodic benefit (income) / cost for the year	(1,081)	7,911	592	7,422
Contribution paid during the year	-	(7,445)	-	(7,445)
Benefits paid during the year	-	-	(241)	(241)
Re-measurements recognized in other comprehensive income during the year	1,164	(13,071)	(25)	(11,932)
Closing balance	(11,602)	(4,215)	6,952	(8,865)

Amounts recognized in total comprehensive income

The following amounts have been charged in respect of these benefits to profit and loss account and other comprehensive income:

				2016
Rupees in '000	Pension Fund	Gratuity Fund	Medical Scheme	Total
Component of defined benefit costs recognized in profit and loss account				
Current service cost	-	7,169	-	7,169
Net interest cost				
Interest cost on defined benefit obligation	6,074	12,311	592	18,977
Interest income on plan assets	(7,155)	(11,569)	-	(18,724)
	(1,081)	**7,911**	**592**	**7,422**
Component of defined benefit costs (re-measurement) recognized in other comprehensive income				
Re-measurements – Actuarial (gain)/loss on obligation				
(Gain)/loss due to change in financial assumptions	(139)	(2,942)	848	(2,233)
(Gain)/loss due to change in experience adjustments	2,599	(8,362)	(873)	(6,636)
	2,460	**(11,304)**	**(25)**	**(8,869)**
Re-measurements – Net return on plan assets over interest income				
Actual return on plan assets	(8,451)	(13,336)	-	(21,787)
Interest income on plan assets	7,155	11,569	-	18,724
	(1,296)	**(1,767)**	**-**	**(3,063)**
Net re-measurement recognized in other comprehensive income	**1,164**	**(13,071)**	**(25)**	**(11,932)**
Total defined benefit cost recognized in profit and loss account and other comprehensive income	83	(5,160)	567	(4,510)
Actual return on plan assets	8,451	13,336	-	21,7867
Expected contributions to funds in the following year	(893)	6,660	537	6,304
Expected benefit payments to retirees in the following year	5,583	14,606	477	20,666
Re-measurements – Accumulated actuarial (gains) / losses recognised in equity	(18,462)	6,425	(3,170)	(15,207)
Weighted average duration of the defined benefit obligation (years)	8.43	7.03	9.06	-
Analysis of present value of defined benefit obligation				
Type of Members:				
Pensioners	70,756	-	-	70,756
Beneficiaries	-	-	6,952	6,952
Officers	-	108,218	-	108,218
Supervisors	-	24,430	-	24,430
	70,756	132,648	6,952	210,356
Vested / Non-Vested				
Vested benefits	70,756	127,407	6,952	205,115
Non-vested benefits	-	5,241	-	5,241
	70,756	132,648	6,952	210,356
Type of benefits				
Accumulated obligations	70,756	78,182	6,952	155,890
Amounts attributed to future salary increase	-	54,466	-	54,466
	70,756	132,648	6,952	210,356

Rupees in '000	Pension Fund	Gratuity Fund	Medical Scheme	2016 Total
Disaggregation of fair value of plan assets				
The fair value of the plan assets at balance sheet date for each category are as follows				
Cash and cash equivalents (comprising bank balances and adjusted for current liabilities) - quoted	2,417	6,692	-	9,109
Debt instruments				
AAA	51,859	101,251	-	153,110
AA	12,718	10,810	-	23,528
	64,577	112,061	-	176,638
Equity instruments - Oil and gas sector	1,375	881	-	2,256
Mutual Funds				
Money Market Fund	1,111	-	-	1,111
Stock Market Fund	1,063	7,907	-	8,970
Income Fund	-	-	-	-
Assets Allocation Fund	2,017	2,392	-	4,409
Islamic Income Fund	7,063	6,470	-	13,533
Islamic Asset Allocation Fund	2,142	-	-	2,142
Islamic Stock Fund	593	460	-	1,053
	13,989	17,229	-	31,218
	82,358	136,863	-	219,221

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Rupees in '000	Pension Fund	Gratuity Fund	2016 Medical Scheme
Discount rate +0.5%	67,884	128,132	6,649
Discount rate -0.5%	73,848	137,478	7,278
Long term pension / salary increase +0.5%	73,893	136,142	-
Long term pension / salary decrease -0.5%	67,818	129,339	-
Withdrawal rates : Light	-	133,551	-
Withdrawal rates: Heavy	-	131,691	-
Medical cost +1% - effect on service cost and interest cost	-	-	47
Medical cost +1% - effect on defined benefit obligation	-	-	550
Medical cost -1% - effect on service cost and interest cost	-	-	(41)
Medical cost -1% - effect on defined benefit obligation	-	-	(480)

The sensitivity analysis prepared presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Defined benefit schemes

The actuarial valuation of pension, gratuity and medical benefit schemes was carried out at 31 December 2015. The projected unit credit method using the following significant assumptions, has been used for the actuarial valuation:

(Percent % per annum)	Pension Fund	Gratuity Fund	2015 Medical Scheme
Financial assumptions			
Rate of discount	9.25%	9.25%	9.25%
Expected rate of pension increase	7.25%	-	-
Expected rate of salary increase			
for first four years following valuation	-	11.5% to 13.50%	-
long term (fifth year following valuation)	-	9.25%	-
Medical cost escalation rate	-	-	9.25%
Demographic assumptions			
Mortality rate	SLIC (2001-05)	SLIC(2001-05)	SLIC(2001-05)
Rates of employee turnover	-	Moderate	-

The amounts recognized in balance sheet are as follows:

				2015
Rupees in '000	Pension Fund	Gratuity Fund	Medical Scheme	Total
Present value of defined benefit obligation	68,195	134,795	6,626	209,616
Fair value of plan assets	(79,880)	(126,405)	-	(206,285)
(Asset) / liability in balance sheet	**(11,685)**	**8,390**	**6,626**	**3,331**
Movements in the present value of defined benefit obligation				
Present value of defined benefit obligation - beginning of the year	62,193	134,744	6,117	203,054
Current service cost	-	8,651	-	8,651
Interest cost	6,580	14,804	649	22,033
Re-measurements – Actuarial losses / (gains) on obligation	3,855	(6,300)	72	(2,373)
Benefits paid	(4,433)	(17,104)	(212)	(21,749)
Present value of defined benefit obligation - end of the year	**68,195**	**134,795**	**6,626**	**209,616**
Movements in the fair value of plan assets				
Fair value of plan assets - beginning of the year	(76,071)	(121,121)	-	(197,192)
Interest income on plan assets	(8,106)	(13,382)	-	(21,488)
Re-measurements – Return on plan assets excluding interest income	(136)	1,741	-	1,605
Benefits paid	4,433	17,104	-	21,537
Contribution to fund	-	(10,747)	-	(10,747)
Fair value of plan assets - end of the year	**(79,880)**	**(126,405)**	**-**	**(206,285)**
Movement in the net defined benefit liability / (asset)				
Opening balance	(13,878)	13,623	6,117	5,862
Net periodic benefit (income) / cost for the year	(1,526)	10,073	649	9,196
Contribution paid during the year	-	(10,747)	-	(10,747)
Benefits paid during the year	-	-	(212)	(212)
Re-measurements recognized in other comprehensive income during the year	3,719	(4,559)	72	(768)
Closing balance	**(11,685)**	**8,390**	**6,626**	**3,331**

Amounts recognized in total comprehensive income

The following amounts have been charged in respect of these benefits to profit and loss account and other comprehensive income:

				2015
Rupees in '000	Pension Fund	Gratuity Fund	Medical Scheme	Total
Component of defined benefit costs recognized in profit and loss account				
Current service cost	-	8,651	-	8,651
Net interest cost				
Interest cost on defined benefit obligation	6,580	14,804	649	22,033
Interest income on plan assets	(8,106)	(13,382)	-	(21,488)
	(1,526)	10,073	649	9,196
Component of defined benefit costs (re-measurement) recognized in other comprehensive income				
Re-measurements – Actuarial (gain) / loss on obligation				
(Gain) / loss due to change in financial assumptions	(186)	2,728	962	3,504
(Gain) / loss due to change in experience adjustments	4,041	(9,028)	(890)	(5,877)
	3,855	(6,300)	72	(2,373)
Re-measurements – Net return on plan assets overinterest income				
Actual return on plan assets	(8,242)	(11,641)	-	(19,883)
Interest income on plan assets	8,106	13,382	-	21,488
	(136)	1,741	-	1,605
Net re-measurement recognized in other comprehensive income	3,719	(4,559)	72	(768)
Total defined benefit cost recognized in profit and loss account and other comprehensive income	2,193	5,514	721	8,428
Actual return on plan assets	(8,242)	(11,641)	-	(19,883)
Expected contributions to funds in the following year	(1,081)	7,911	592	7,422
Expected benefit payments to retirees in the following year	5,183	10,643	464	16,290
Re-measurements – Accumulated actuarial (gains) / losses recognized in equity	(19,627)	19,495	(3,145)	(3,277)
Weighted average duration of the defined benefit obligation (years)	8.51	7.16	9.17	

Analysis of present value of defined benefit obligation				
Type of members:				
Pensioners	68,195	-	-	68,195
Beneficiaries	-	-	6,626	6,626
Officers	-	110,341	-	110,341
Supervisors	-	24,454	-	24,454
	68,195	134,795	6,626	209,616
Vested / Non-Vested				
Vested benefits	68,195	130,129	6,626	204,950
Non - vested benefits	-	4,666	-	4,666
	68,195	134,795	6,626	209,616
Type of benefits				
Accumulated obligations	68,195	64,952	6,626	139,773
Amounts attributed to future salary increase	-	69,843	-	69,843
	68,195	134,795	6,626	209,616

Rupees in '000	Pension Fund	Gratuity Fund	Medical Scheme	2015 Total
Disaggregation of fair value of plan assets				
The fair value of the plan assets at balance sheet date for each category are as follows				
Cash and cash equivalents (comprising bank balances and adjusted for current liabilities) - quoted	215	139	-	354
Debt instruments				
AAA	50,689	96,621	-	147,310
AA	14,009	9,962	-	23,971
A	2,012	2,012	-	4,024
	66,710	**108,595**	**-**	**175,305**
Equity instruments - Oil and gas sector	975	624	-	1,599
Mutual funds				
Money Market Fund	1,120	-	-	1,120
Stock Market Fund	-	6,867	-	6,867
Income Fund	-	1,094	-	1,094
Assets Allocation Fund	1,709	1,817	-	3,526
Islamic Income Fund	7,053	6,515	-	13,568
Islamic Asset Allocation Fund	1,637	-	-	1,637
Islamic Stock Fund	461	754	-	1,215
	11,980	**17,047**	**-**	**29,027**
	79,880	126,405	-	206,285

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Rupees in '000	Pension Fund	Gratuity Fund	2015 Medical Scheme
Discount rate +0.5%	65,403	130,143	6,334
Discount rate -0.5%	71,203	139,762	6,942
Long term pension / salary increase +0.5%	71,247	139,843	-
Long term pension / salary decrease -0.5%	65,340	130,024	-
Withdrawal rates : Light	-	135,903	-
Withdrawal rates: Heavy	-	133,579	-
Medical cost +1% - effect on service cost and interest cost	-	-	25
Medical cost +1% - effect on defined benefit obligation	-	-	250
Medical cost -1% - effect on service cost and interest cost	-	-	(23)
Medical cost -1% - effect on defined benefit obligation	-	-	(233)

The sensitivity analysis prepared presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

32.2 Defined contribution plan

Staff Provident Fund

The following information is based on latest audited financial statements of the Fund:

Rupees in '000	31 July 2016	31 July 2015
Size of the Fund (net of Liabilities)	192,602	202,689
Cost of investment made	107,660	123,360
Fair value / amortized cost of the investments	191,374	201,611
Percentage of investment made (%) - based on fair value / amortized cost	99%	99%

Break up of the investments is as follows:

	Rupees in '000		% of total investment	
	31 July 2016	31 July 2015	31 July 2016	31 July 2015
Government securities	183,803	175,490	96.04	87.05
Term finance certificates	-	997	-	0.49
Certificate of deposits	-	2,805	-	1.39
Listed securities (including mutual funds units)	2,635	22,032	1.38	10.93
Cash and bank balances	4,936	287	2.58	0.14
	191,374	201,611	100	100

Investments out of the Staff Provident Fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

33. Remuneration of Chief Executive, Directors and Executives

		2016			2015		
Rupees in '000	Note	Chief Executive	Executive Director	Executives	Chief Executive	Executive Director	Executives
Managerial remuneration		15,561	9,829	76,032	14,433	8,680	77,140
Bonus, house rent, utilities etc.	33.2	2,899	1,605	63,661	3,226	1,606	74,724
Company's contribution to staff retirement benefits		3,408	2,223	24,668	3,161	1,964	25,021
Medical and others		322	138	2,263	766	185	3,894
		22,190	**13,795**	**166,624**	**21,586**	**12,435**	**180,779**
Reorganization / restructuring cost		-	-	-	-	-	12,990
		22,190	13,795	166,624	21,586	12,435	193,769
Number of persons (including those who worked part of the year)		1	1	61	1	1	63

33.1 The Chief Executive, executive director and certain executives of the Company are provided with company maintained cars as per terms of employment. During the year, cars were sold to executives, as per the Company policy. Provision in respect of compensated absences is also made and charged in accounts as per the requirements of International Financial Reporting Standards.

33.2 In addition to the above, Rs.3,319 thousand (2015: Rs. 1,449 thousand) and Rs. 1,443 thousand (2015: Rs. 551 thousand) have been charged in respect of Chief Executive and executive director respectively, on account of provision for the long term incentive plan payable upon completion of qualifying period of service and subject to satisfactory fulfilment of certain performance conditions over such qualifying period, and is based on share value of the ultimate parent company. The number of options available to above executives under the scheme are 1,178 (2015: 800), and the accrued liability in respect of this benefit amounted to Rs. 9,915 thousand (2015: Rs. 5,153 thousand).

33.3 Aggregate amount charged in the financial statements for fee to five non-executive directors was Rs. 678 thousand (2015: five directors - Rs. 801 thousand).

33.4 During the year, remuneration of Rs. 4,620 thousand (2015: Rs. 4,620 thousand) was paid to Chairman of the Board of Directors.

33.5 Professional indemnity insurance cover is available to the directors. The Chief Executive, executive director and executives are also covered under the group life insurance as per their terms of employment.

34. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the management under policies approved by the Board of Directors.

34.1 Credit risk

Credit risk represents the risk of financial loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The Company's credit risk is primarily attributable to its receivables and its balances at bank. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. Deposits are provided to suppliers or counterparties as per agreement and are refundable upon termination of agreement with them. Management does not anticipate any impairment thereagainst.

Rupees in '000	Note	2016	2015
Loans to employees	34.1.1	-	214
Deposits		174,990	125,453
Trade debts	34.1.2	519,720	439,332
Bank balances		109,620	93,375
		804,330	658,374

34.1.1 These loans are secured against retirement benefits of the employees.

34.1.2 The Company mostly deals with reputable organizations and believes it is not exposed to any major concentration of credit risk. The Company has policies that limit the amount of credit exposure to any customer.

According to the age analysis, trade debts include balances which are due by not later than 90 days valuing Rs. 447,167 thousand (2015: Rs. 420,731 thousand). Trade debts due by more than 90 days as at 31 December 2016 amounted to Rs. 72,553 thousand (2015: Rs. 18,601 thousand), net of impairment. Based on the past experience, consideration of financial position, payment behaviour, past track records and recoveries, the Company believes that trade debtors past due up to 90 days do not require any impairment.

The movement in the allowance for impairment in respect of trade debts is as follows:

Rupees in '000	2016	2015
Opening balance	46,558	31,329
(Reversal) / provision for the year	(6,073)	19,694
Written off during the year	(2,178)	(4,465)
Closing balance	38,307	46,558

During the year, the Company made provision of doubtful debts in respect of its Health Care Segment based on the Group's criteria for this segment as its Health Care debtors met the group's prescribed criteria. Had management calculated provision using old mechanics (i.e. age based criteria) the profit after tax would have been lower by Rs. 32,585 thousand.

34.2 Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk 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. Following are the contractual maturities of the Company's financial liabilities:

	2016					2015				
Rupees in '000	Carrying amount	On demand	Contractual cashflows	Maturity upto one year	Maturity after one year	Carrying amount	On demand	Contractual cashflows	Maturity upto one year	Maturity after one year
Long term financing	270,000	-	(284,150)	-	(284,150)	1,040,000	-	(1,110,771)	-	(1,110,771)
Current portion of long term financing	770,000	-	(820,687)	(820,687)	-	270,000	-	(373,945)	(373,945)	-
Long term deposits	165,858	-	(165,858)	(165,858)	-	155,769	-	(155,769)	(155,769)	-
Trade and other payables	1,344,364	-	(1,344,364)	(1,344,364)	-	992,162	-	(992,162)	(992,162)	-
Short term borrowings	89,111	(89,111)	-	-	-	-	-	-	-	-
	2,639,333	(89,111)	(2,615,059)	(2,330,909)	(284,150)	2,457,931	-	(2,632,647)	(1,521,876)	(1,110,771)

34.3 Market risk

34.3.1 Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to foreign exchange risk arising from currency exposures. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities, denominated in a currency that is not the Company's functional currency. The Company ensures that its net exposure is kept to an acceptable level at all times. Further, the Company enters into forward exchange contracts to hedge its foreign currency risk exposures whenever necessary.

The significant currency exposure at year end was as follows:

							2016
Equivalent Rupees in '000	THB	Euro	USD	SGD	GBP	Others	Total
Financial liabilities							
Trade and other payables	(44)	(85,195)	(120,734)	(5,514)	(2,801)	(700)	(214,988)

							2015
Equivalent Rupees in '000	THB	Euro	USD	SGD	GBP	Others	Total
Financial liabilities							
Trade and other payables	(117)	(101,699)	(83,766)	(5,310)	(3,361)	(711)	(194,964)

Significant exchange rates applied during the year in translating foreign currency transactions into Pakistan Rupees were as follows:

		Average rate for the year		Reporting date spot rate	
		2016	2015	2016	2015
Thai Baht	(THB)	2.97	3.00	1.32	2.91
Euro	(EUR)	115.93	114.09	109.76	113.87
US Dollar	(USD)	104.72	102.78	104.38	104.85
Singapore Dollar	(SGD)	75.89	74.77	72.07	73.96
Pound Sterling	(GBP)	141.46	157.12	128.78	154.54
Others					
Korean Won	(KRW)	0.09	0.09	0.09	0.09
Bangladesh Takka	(BDT)	1.33	1.32	1.32	1.34
Philippines Pesso	(PHP)	2.21	2.26	2.10	2.23

Sensitivity Analysis

A 10 percent depreciation of the Pakistan Rupees at the year end would have had the following effect on profit and loss:

	Effect on profit and loss (net of tax)	
Rupees in '000	2016	2015
Thai Baht (THB)	(3)	(8)
Euro (EUR)	(5,878)	(6,916)
US Dollar (USD)	(8,331)	(5,696)
Singapore Dollar (SGD)	(380)	(361)
Pound Sterling (GBP)	(193)	(229)
Bangladesh Takka (BDT)	(48)	(48)

A 10 percent appreciation of Pak Rupee against the above currencies at 31 December would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant. The above analysis is performed using hypothetical change which is not necessarily be the indication of the actual impact on Company's financial position and performance.

34.3.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest / mark-up rates. Sensitivity to interest / mark-up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

As at the balance sheet date, the interest / profit bearing financial instruments comprised bank balances in savings accounts, short and long term financing.

The long term financing has been arranged in a manner so that one-third of the financing has a fixed rate.

For the remainder two-third of the financing which carries floating rate, a hypothetical change of 100 basis points in interest rates at the balance sheet date would have decreased / (increased) profit for the year by approximately Rs. 3,308 thousand (2015: Rs. 5,666 thousand) in respect of the variable portion of the long term financing. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2015.

The medium term financing which carries floating rate, a hypothetical change of 100 basis points in interest rates at the balance sheet date would have decreased / (increased) profit for the year by approximately Rs. 3,373 thousand (2015: Rs. 134 thousand) in respect of the variable portion of the long term financing. The analysis assumes that all other variables remain constant. The above analysis is performed using hypothetical change which is not necessarily indication of the actual impact on Company's financial position and performance. The analysis is performed on the same basis as for 2015.

The above analysis is performed using hypothetical change which is not necessarily be the indication of the actual impact on Company's financial position and performance.

34.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to price risk.

34.4 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

						2016
			Carrying amount			Fair Value
Rupees in '000	Loan and receivables	Fair value-hedging instruments	Other financial liabilities	Level 1	Level 2	Level 3
Financial assets not measured at fair value						
Trade debts	519,720	-	-	-	-	-
Loans to employees	462	-	-	-	-	-
Deposits	174,990	-	-	-	-	-
Cash and bank balances	110,092	-	-	-	-	-
Financial liabilities not measured at fair value						
Long term financing	-	-	270,000	-	-	-
Current maturity of long term financing	-	-	770,000	-	-	-
Long term deposits	-	-	165,858	-	-	-
Trade and other payables	-	-	1,344,364	-	-	-
Short term borrowings	-	-	89,111	-	-	-

						2015
			Carrying amount			Fair Value
Rupees in '000	Loan and receivables	Fair value-hedging instruments	Other financial liabilities	Level 1	Level 2	Level 3
Financial assets not measured at fair value						
Trade debts	439,332	-	-	-	-	-
Loans to employees	214	-	-	-	-	-
Deposits	125,453	-	-	-	-	-
Cash and bank balances	94,026	-	-	-	-	-
Financial liabilities measured at fair value						
Forward exchange contracts used for hedging	-	257	-	-	257	-
Financial liabilities not measured at fair value						
Long term financing	-	-	1,040,000	-	-	-
Current maturity of long term financing	-	-	270,000	-	-	-
Long term deposits	-	-	155,769	-	-	-
Trade and other payables	-	-	992,162	-	-	-

It does not include fair value information for financial assets and financial liabilities not measured at fair value, as the carrying amount is a reasonable approximation of their fair values. The fair value of derivative financial instruments are measured at rate obtained from financial institution.

35. Capital management

The Company's objectives when managing capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the sustained development of its businesses.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors also monitors the level of dividends to the ordinary shareholders.

The Company is not subject to externally imposed capital requirements.

36. Transactions and balances with related parties

The related parties comprise of group companies, entities with common directors, major shareholders, key management employees (included in note 33) 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.

36.1 Transactions with related parties are summarised as follows:

Rupees in '000		2016	2015
Nature of relationship	Nature of transactions		
	Technical assistance fee	42,539	43,029
The BOC Group Limited (parent)	Dividends	78,872	67,605
	Information systems support / maintenance and development	39,526	40,650
Linde AG (ultimate parent)	Staff related cost in respect of services claimed by the Company from parent company	1,668	5,436
	Purchase of goods and receipt of services	43,905	43,061
Associated companies	Staff related cost in respect of services claimed by the Company from associated companies	31,972	22,254
Related entities by virtue of common directorship	Sale of goods	59,359	60,745
Staff retirement benefits	Contributions to staff retirement funds	30,689	32,233
Re-measurement: Actuarial gain recognized in other comprehensive income on account of Staff Retirement Benefits		11,906	840

36.2 Balances with related parties are summarised as follows:

Rupees in '000	2016	2015
Receivable from staff retirement funds	15,817	27,518
Payable to staff retirement benefit funds	(2,044)	-

36.3 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.

There are no transactions with key management personnel other than under their terms of employment, as disclosed elsewhere in these financial statements.

The related party balances as at 31 December 2016 are included in trade debts, other receivables and trade and other payables, respectively.

37. Production capacity – net of normal losses

Cubic meters (m^3)	Capacity 2016	Capacity 2015	Actual production* 2016	Actual production* 2015
Oxygen/Nitrogen	82,233,900	82,233,900	63,238,852	65,450,026
Hydrogen	3,400,056	3,400,056	2,584,191	1,540,528
Dissolved acetylene	268,152	268,152	154,845	148,420
Nitrous oxide	116,494,767	116,494,767	59,952,330	63,711,454
Carbon dioxide	13,261,548	13,261,548	1,369,118	1,837,244
	215,658,423	215,658,423	127,299,336	132,687,672

* Actual production is mainly based on triple shift.

In case of almost all of the above mentioned products, production is demand driven and, hence, the variance and utilization is attributable to demand. Additionally, countrywide load shedding of electricity and non availability of natural gas throughout the year also contributed towards reduced utilization of plants.

38. Number of employees

	2016	2015
Average number of employees during the year	117	134
Number of employees as at 31 December	114	119

39. Date of authorization

These financial statements were authorized for issue on 27 February 2017 by the Board of Directors of the Company.

40. Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and better presentation, the effect of which is immaterial.

41. Non adjusting events after the balance sheet

The Board of Directors in its meeting held on 27 February 2017 approved the transfer of Rs. 99,925 thousand from unappropriated profit to general reserve; and (ii) proposed a final dividend of Rs. 3.50 per share for the year ended 31 December 2016, amounting to Rs. 87,636 thousand for approval of the members at the Annual General Meeting to be held on 26 April 2017.

Muhammad Ashraf Bawany
Chief Executive

Munnawar Hamid – OBE
Chairman

BOC Pakistan (Private) Limited.

BOC Pakistan (Private) Limited ("BOCPL") is wholly owned subsidiary of Linde Pakistan Limited.

Consolidation

As explained in note 1 of the financial statements of Linde Pakistan Limited for the year ended 31 December 2016, the Securities and Exchange Commission of Pakistan ("SECP") has granted exemption to Linde Pakistan Limited 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 year ended 31 December 2016.

Financial Highlights of BOCPL

Rupees	2016	2015
Profit after taxation	55	84
Net assets / shareholders fund	10,461	10,406
Total assets and liabilities	11,497	11,245

Auditors' Opinion

The auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants, have expressed unmodified opinions on the financial statements of BOCPL for the year ended 31 December 2016.

General

The annual audited accounts of BOCPL are available for inspection to the members at its registered office situated at P.O Box 4845, Dockyard Road, West Wharf, Karachi - 74400, on their request without any cost.

Shareholders' information.

Stock Exchange Listing

Linde Pakistan Limited is a public limited company and its shares are traded on Pakistan Stock Exchange Limited (previously in all the three stock exchanges of Pakistan).

The Company's shares are quoted in leading dailies under the heading of Chemical sector.

Market Capitalization and Market Price of Linde Share

Market capitalization
As at 31 December 2016, the market capitalization of Linde Share stood at Rs 4.89 billion with a market value of Rs 195.37 per share and breakup value of Rs 72.42 per share.

The 68.06% increase in the value of the shares compared to last year reflects the confidence of our members and investors in the Company.

Market Price Share

Highest price per share during the year	Rs 195.37
Lowest price per share during the year	Rs 91.89
Closing price per share at year-end	Rs 195.37

Financial Calendar

The Company follows the period of January 01 to December 31 as the Financial Year.

Financial Results for the year 2017 will be announced as per the following tentative schedule:

1st quarter ending 31 March 2017	April 2017
2nd quarter ending 30 June 2017	August 2017
3rd quarter ending 30 September 2017	October 2017
Year ending 31 December 2017	February 2018

Announcements of the Financial Results for the year ended 31 December 2016 were made as follows:

1st quarter ended 31 March 2016	26 April 2016
2nd quarter ended 30 June 2016	22 August 2016
3rd quarter ended 30 September 2016	26 October 2016
Year ended 31 December 2016	27 February 2017

Annual General Meeting

The Sixty-eighth annual general meeting of the shareholders will be held on 26th April 2017 at 9:00 am. at the Company's Registered Office, West Wharf, Dockyard Road, Karachi.

A member entitled to attend, speak and vote at the Annual General Meeting may appoint another Member as a proxy to attend and vote on his/her behalf.

Investor Relations Contact

Mr Wakil Ahmed Khan
(Manager – Corporate Services)
Email: Wakil.Khan@linde.com Phone: (021) 32316914
Fax: (021) 32312968

In compliance with the requirements of Section 204(A) of the Companies Ordinance of 1984, Central Depository Company of Pakistan Limited (CDC) acts as an Independent Share Registrar of the Company.

Enquiries concerning lost share certificates, dividend payment, change of address, verification of transfer deeds and share transfers may please be addressed to CDC at:

Central Depository Company of Pakistan
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahrah-e-Faisal
Karachi – 74400
Telephone No.: (92-21) 111-111-500
Fax No.: (92-21) 34326031
Timings: 9:00 am to 1:00 pm and from 2:30 pm to 4:30 pm (Monday to Friday)
Email: info@cdcpak.com

Public Information

Financial analysts, stock brokers and interested investors desiring financial statements of the Company may visit our website at http://www.linde.pk

معلومات برائے حصص یافتگان

اسٹاک ایکسچینج کی لسٹنگ

Linde پاکستان لمیٹڈ ایک پبلک لمیٹڈ کمپنی ہے اور اس کے حصص کی تجارت پاکستان اسٹاک ایکسچینج پر کی جاتی ہے (جو پہلے پاکستان کے تینوں اسٹاک ایکسچینجز پر کی جاتی تھی)۔

کمپنی کے حصص کی تفصیلات معروف روزناموں میں کیمیکلز کے شعبہ کے عنوان کے تحت دی جاتی ہیں۔

لنڈے (Linde) حصص کی مارکیٹ میں سرمایہ کاری اور ان کی مارکیٹ کی قیمت:

مارکیٹ میں سرمایہ کاری

31 دسمبر 2016 کو Linde حصص کی مارکیٹ میں سرمایہ کاری 4.89 بلین روپے تھی جب کہ مارکیٹ ویلیو 195.37 روپے فی شیئر اور بریک اپ ویلیو 72.42 روپے فی شیئر تھی۔

مارکیٹ میں حصص کی قیمت

سال کے دوران میں زیادہ سے زیادہ قیمت فی شیئر	195.37 روپے
سال کے دوران میں کم سے کم قیمت فی شیئر	91.89 روپے
سال کے اختتام پر اختتامی قیمت فی شیئر	195.37 روپے

مالیاتی کیلنڈر

کمپنی کے مالی سال کی مدّت یکم جنوری سے 31 دسمبر تک ہوتی ہے۔

2017 کے لئے مالیاتی نتائج کا اعلان درج ذیل عارضی گوشوارے کے مطابق کیا جائے گا:

برائے پہلی سہ ماہی مختتمہ 31 مارچ 2017	اپریل 2017
برائے دوسری سہ ماہی مختتمہ 30 جون 2017	اگست 2017
برائے تیسری سہ ماہی مختتمہ 30 ستمبر 2017	اکتوبر 2017
برائے سال مختتمہ 31 دسمبر 2017	فروری 2018

31 دسمبر 2016 کو ختم ہونے والے سال کے مالیاتی نتائج کا اعلان درج ذیل عارضی گوشوارے کے مطابق کیا گیا:

برائے پہلی سہ ماہی مختتمہ 31 مارچ 2016	26 اپریل 2016
برائے دوسری سہ ماہی مختتمہ 30 جون 2016	22 اگست 2016
برائے تیسری سہ ماہی مختتمہ 30 ستمبر 2016	26 اکتوبر 2016
برائے سال مختتمہ 31 دسمبر 2016	27 فروری 2017

سالانہ اجلاس عام

حصص یافتگان کا اڑسٹھواں (68واں) سالانہ اجلاس عام مورخہ 26 اپریل 2017 کو صبح 9.00 بجے کمپنی کے رجسٹرڈ دفتر ویسٹ وہارف، ڈاکیارڈ روڈ، کراچی میں منعقد ہوگا۔

سالانہ اجلاس عام میں شرکت کرنے، بولنے اور ووٹ دینے کے حقدار ممبر کو یہ اختیار حاصل ہے کہ وہ اپنی جگہ کسی دوسرے ممبر کو اجلاس میں شرکت کرنے اور ووٹ دینے کیلئے پراکسی مقرر کرے۔

سرمایہ کاروں کیلئے رابطہ افسر

جناب وکیل احمد خان

(منیجر، کارپوریٹ سروسز)

ای میل: wakil.khan@linde.com

فون: 32316914 (021) فیکس: 32312968 (021)

کمپنیز آرڈیننس 1984 کی شق 204(A) کی پیروی میں سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDC) کمپنی کے خودمختار شیئر رجسٹرار کے طور پر کام کرتی ہے۔

حصص سٹوفکیٹ کی گمشدگی، منافع منقسمہ کی ادائیگی، پتے میں تبدیلی، ٹرانسفر ڈیڈز کی تصدیق اور حصص کی منتقلی کے بارے میں CDC سے درج ذیل پتے پر رجوع کریں:

سینٹرل ڈپازٹری کمپنی آف پاکستان

CDC ہاؤس، B-99، بلاک 'B'، ایس ایم سی ایچ ایس

مین شاہراہِ فیصل، کراچی 74400

فون نمبر: 111-111-500 (92-21)

فیکس نمبر: 34326031 (91-21)

اوقاتِ کار: 9.00 بجے صبح تا 1.00 بجے دوپہر

اور 2.30 بجے دوپہر تا 4.30 بجے سہ پہر (پیر تا جمعہ)

ای میل: info@cdcpak.com

اطلاع عام

مالیاتی تجزیہ کار، اسٹاک بروکرز اور سرمایہ کار جو کمپنی کے مالیاتی اسٹیٹمنٹ میں دلچسپی رکھتے ہوں، وہ ہماری ویب سائٹ http://www.linde.pk ملاحظہ کر سکتے ہیں۔

Pattern of shareholdings.
Year ended 31 December 2016.

Number of shareholders			Shareholdings	Total number of shares held
	from		to	
588	1	-	100	23,170
438	101	-	500	139,536
287	501	-	1,000	239,638
365	1,001	-	5,000	923,429
93	5,001	-	10,000	676,194
38	10,001	-	15,000	457,089
24	15,001	-	20,000	434,635
14	20,001	-	25,000	324,082
6	25,001	-	30,000	165,164
6	30,001	-	35,000	197,353
8	35,001	-	40,000	306,014
4	40,001	-	45,000	171,053
1	45,001	-	50,000	46,102
1	70,001	-	75,000	71,152
2	75,001	-	80,000	155,387
1	80,001	-	85,000	82,657
1	85,001	-	90,000	88,376
1	90,001	-	95,000	92,000
2	120,001	-	125,000	248,500
1	155,001	-	160,000	156,000
1	210,001	-	215,000	213,400
1	260,001	-	265,000	265,000
1	280,001	-	285,000	281,585
1	295,001	-	300,000	300,000
1	415,001	-	420,000	420,000
1	425,001	-	430,000	430,000
1	755,001	-	760,000	755,843
1	960,001	-	965,000	961,841
1	1,390,001		1,395,000	1,392,791
1	15,020,001		15,025,000	15,020,729
1,891				25,038,720

Categories of shareholders.

Categories of shareholders	Number of shareholders	Shares held	Percentage
Associated Companies, undertakings and related parties			
The BOC Group Limited and its 4 nominees*	5	15,023,232	60.00
Directors and their spouse(s) and minor children**			
Mr Humayun Bashir	1	50	-
Mr Shahid Hafiz Kardar	1	50	-
Executives	1	74	-
Public sector companies and corporations	5	1,676,319	6.69
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	9	516,028	2.06
Mutual Funds			
CDC - Trustee MCB Pakistan Stock Market Fund	1	39,900	0.16
CDC - Trustee Pakistan Capital Market Fund	1	3,000	0.01
CDC - Trustee Pak. Int. Element Islamic Asset Allocation Fund	1	34,000	0.14
CDC -Trustee National Investment (UNIT) Trust	1	961,841	3.84
General Public			
a. Local	1,821	4,823,008	19.26
b. Foreign	1	1	-
Foreign Companies	5	1,641,543	6.56
Others	38	319,674	1.28
Total	1,891	25,038,720	100.00
Shareholders holding 5% or more voting interest			
The BOC Group Limited and its 4 nominees*		15,023,232	60.00
State Life Insurance Corporation of Pakistan		1,392,791	5.56

* Represents the 60% shareholding of The BOC Group Limited, U.K. and includes its four nominee shareholders.
** No spouse and minor children of the directors and executives hold shares in the Company

Notice of Annual General Meeting.

Notice is hereby given that the Sixty-eighth Annual General Meeting of LINDE PAKISTAN LIMITED will be held on Wednesdady, 26th day of April 2017 at 9:00 a.m. at the Company's Registered Office, West Wharf, Dockyard Road, Karachi to transact the following business:

1. To receive and consider the Financial Statements of the Company for the year ended 31 December 2016 and Reports of the Directors and Auditors thereon.

2. To consider and, if thought fit, to authorise the payment of final dividend of Rs 3.50 per ordinary share of Rs 10/= each for the year ended 31 December 2016 as recommended by the Directors of the Company, payable to those Members whose names appear on the Register of Members as at the close of business on 12 April 2017.

3. To appoint the Auditors of the Company and to fix their remuneration.

By order of the Board

Karachi
27 February 2017

Mazhar Iqbal
Company Secretary

Notes

1. Transport will be provided to members of the Company from the Parking Area of the Pakistan Stock Exchange Limited at Railway premises, near Tower and departure will be at 8:15 a.m. sharp on 26 April 2017.

2. The Share Transfer Books of the Company will be closed from 13 April to 26 April 2017 (both days inclusive).

3. A member entitled to attend, speak and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf and a proxy so appointed shall have the same rights in respect of speaking and voting at the meeting as are available to a Member. Proxies in order to be effective must be received at the Registered Office of the Company not later than 48 hours before the time of the meeting. The proxy must be a member of the Company, except that a Corporation being a member of the Company may appoint as its proxy one of the officers or some other person though not a member of the Company.

4. Members are requested to immediately notify any change in their address or bank mandate as registered to the Company's Share Registrar, Central Depository Company of Pakistan Limited, Shares Registrar Department, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi -74400.

5. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1, dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan:

A. For attending the meeting

- In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing proxies

- In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Submission of CNIC (Mandatory)

Pursuant to the directives of the Securities & Exchange Commission of Pakistan (SECP), CNIC numbers of shareholders are mandatorily required to be mentioned on dividend warrants. Shareholders are therefore once again requested to submit a copy of their CNIC (if not already provided) to the Company's Share Registrar, Central Depository Company of Pakistan Limited, Share Registrar Department, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400. In case of non-receipt of valid CNICs, the Company will be constrained to withhold dispatch of dividend warrants to such shareholders.

Dividend Mandate (optional)

Pursuant to SECP Circular No. 18 of 2012, a shareholder may, if so desire, direct the Company to pay dividend through his/her/its bank account. In this regard, shareholders are advised to submit application to the Company's Share Registrar giving particulars relating to their name, folio number, title of account, bank account number, the bank's name and complete mailing address of the bank. Please note that this dividend mandate is optional and not compulsory.

Payment of cash dividend electronically (optional)

In compliance with the SECP Circular No.8(4)SM/CDC 2008 dated 5 April 2013, the Company wishes to inform its shareholders that under the law they are also entitled to receive their cash dividend directly in their bank accounts instead of receiving it through dividend warrants. Accordingly, shareholders, wishing to exercise this option, may submit their application to the Company's Share Registrar, stating therein particulars as required above under the Bank Mandate.

Circulation of Audited Financial Statements through E-mail and by CD/DVD/USB

Pursuant to Notification SRO No. 470(I)/2016 dated 31 May 2016, the SECP has allowed (in addition to email), circulation of annual balance sheet and profit and loss account, auditor's report and directors report etc. ("Audited Financial Statements") to the members along with the notice of the Annual General Meeting ("AGM") through CD/DVD/USB sent to the members at their registered addresses.

Therefore, it is notified to all members that in accordance with Notification SRO No. 470(I)/2016, members who wish to receive the hard copies of the Audited Financial Statements (Annual Report) along with notice of AGM, may send the Standard Request Form to the Company's Share Registrar. The Standard Request Form is available from the Company's website: www.linde.pk. If a member prefers to receive hard copies for all the future Audited Financial Statements and notice of AGM, then such preference of the member shall be noted in the Standard Request Form.

Deduction of Withholding Tax on the amount of Dividend U/S 150 of the Income Tax Ordinance, 2001 (Mandatory)

As per Section 150 of the Income Tax Ordinance, 2001, different rates are prescribed for deduction of withholding tax on the gross amount of dividend paid by the companies. These rates are as under:

(a) For filers of income tax returns:	12.5%
(b) For non-filers of income tax returns:	20.0%

To enable the Company to make a tax deduction on the amount of cash dividend @ 12.5% instead of 20.0%, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised immediately to make sure that their names are entered into ATL by the close of business on 12 April 2017, otherwise tax on their cash dividend will be deducted @ 20.0% instead of 12.5%. For any query/problem/information, the investors may contact the Company and/or the Share Registrar.

Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as Joint-holder(s) based on their shareholding proportions, in case of joint accounts. In this regard, all shareholders who hold shares jointly are requested to furnish shareholding details of Principal shareholder and Joint-holder(s) in respect of shares held by them to the Company's Share Registrar in writing in the following manner by close of business on 12 April 2017:

		Principal Shareholder		Joint Shareholder	
Folio/CDS Account#	Total Shares	Name and CNIC #	Shareholding proportion (No. of shares)	Name and CNIC #	Shareholding proportion (No. of shares)

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Company's Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

Consent for video conference facility:

For this Annual General Meeting, under following conditions, members can also avail video conference facility at Karachi.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

In this regard, members who wish to participate through video conference facility at Karachi should send a duly signed request as per the following format to the registered address of the Company at least 10 days before the date of general meeting.

I, We ______________________________ of _________________
being a member of Linde Pakistan Limited, holder of ____________
ordinary share(s) as per registered Folio No/CDC Account No ____________ hereby opt for video conference facility at Karachi.

		Principal Shareholder		Joint Shareholder	
Folio/CDS A/c#	Total Shares	Name and CNIC#	Shareholding Proportion (No. of Shares)	Name and CNIC#	Shareholding Proportion (No. of Shares)

سی ڈی سی اکاؤنٹس رکھنے والے کارپوریٹ شیئر ہولڈرز اپنا نیشنل ٹیکس نمبر (NTN) اپنے متعلقہ Participants کے ساتھ اپ ڈیٹ کرلیں جبکہ کارپوریٹ فزیکل شیئر ہولڈرز این ٹی این سرٹیفکیٹس کی کاپی کمپنی کے شیئر رجسٹرار کو ارسال کردیں۔ حصص یافتگان این ٹی این یا این ٹی این سرٹیفکیٹ بھیجتے ہوئے کمپنی کا نام اور اپنے متعلقہ فولیو نمبرز لازمی درج کریں۔

ویڈیو کانفرنس کی سہولت کی اجازت:

درج ذیل شرائط کے تحت اس سالانہ اجلاسِ عام میں شرکت کیلئے ممبران کراچی میں ویڈیو کانفرنس کی سہولت بھی حاصل کرسکتے ہیں۔

اگر کمپنی کو اجلاسِ عام میں بذریعہ ویڈیو کانفرنس شرکت کیلئے قرب وجوار کے رہائشی ایسے ممبران کی رضامندی موصول ہوتی ہے جو مجموعی طور پر 10 فیصد یا اس سے زیادہ حصص کے مالک ہیں تو کمپنی اس شہر میں سہولت کی دستیابی سے مشروط ویڈیو کانفرنس کی سہولت کا انتظام کردے گی۔

کمپنی ممبرز کو اجلاسِ عام کی تاریخ سے کم از کم 5 روز قبل ویڈیو کانفرنس کے مقام سے مطلع کرے گی اور اس سہولت تک رسائی حاصل کرنے کیلئے تمام معلومات فراہم کرے گی۔

اس سلسلے میں کراچی میں ویڈیو کانفرنس کے ذریعے اجلاس میں شرکت کرنے کے خواہشمند ممبران درج ذیل طریقۂ کار کے مطابق باضابطہ طور پر دستخط کیا گیا رضامندی پر مشتمل دستاویز اجلاسِ عام کی تاریخ سے 10 دن قبل کمپنی کے رجسٹرڈ پتے پر بھیج دیں۔

میں / ہم ــــــــــــــــــــــ کا / کے ــــــــــــ بطور ممبر Linde Pakistan Ltd رجسٹرڈ فولیو نمبر / CDC اکاؤنٹ نمبر ــــــــــــ کے مطابق ــــــــــــ عام حصص رکھنے والا / والے بذریعہ ہٰذا کراچی میں ویڈیو کانفرنس کی سہولت کا انتخاب کرتا ہوں / کرتے ہیں۔

کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل کی حوالگی (لازمی)

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی ہدایت کے مطابق حصص یافتگان کے CNIC نمبر ڈیویڈنڈ وارنٹس پر درج ہونا لازمی ہیں۔ اس لئے حصص یافتگان سے ایک بار پھر درخواست کی جاتی ہے کہ وہ اپنے CNIC کی نقل (اگر پہلے جمع نہیں کرائی) کمپنی کے شیئرز رجسٹرار، سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، شیئرز رجسٹرار ڈپارٹمنٹ، سی ڈی سی ہاؤس، B-99، بلاک B، سندھی مسلم کوآپریٹو ہاؤسنگ سوسائٹی، مین شاہراہ فیصل، کراچی ۔۷۴۴۰۰ کو ارسال کریں۔ مؤثر کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل موصول نہ ہونے کی صورت میں کمپنی ایسے حصص یافتگان کو ڈیویڈنڈ وارنٹس کی ترسیل روکنے پر مجبور ہوگی۔

ڈیویڈنڈ مینڈیٹ (اختیاری)

SECP کے 2012 کے سرکلر نمبر 18 کے مطابق شیئر ہولڈر اگر چاہے تو کمپنی کو اس کے بینک اکاؤنٹ کے ذریعے ڈیویڈنڈ کی ادائیگی کی ہدایت دے سکتا ہے۔ اسلئے حصص یافتگان سے درخواست ہے کہ وہ اس بابت ایک تحریری درخواست ہمارے شیئر رجسٹرار کو دیں جس میں انکی تمام مطلوبہ تفصیلات بشمول نام، فولیو نمبر، ٹائٹل آف اکاؤنٹ، بینک اکاؤنٹ نمبر اور بینک کا نام اور مکمل ڈاک کا پتہ موجود ہو۔ برائے مہربانی نوٹ کرلیں کہ یہ ڈیویڈنڈ مینڈیٹ مرضی پر منحصر ہے۔

منافع منقسمہ کی ادائیگی الیکٹرانک طریقے سے (اختیاری)

SECP کے سرکلر نمبر SM/CDC 2008 (4)8 بتاریخ 5/ اپریل 2013 کے مطابق کمپنی، حصص یافتگان کو مطلع کرنا چاہتی ہے کہ قانوناً وہ نقد منافع منقسمہ بذریعہ ڈیویڈنڈ وارنٹس وصول کرنے کے بجائے براہ راست اپنے بینک کھاتوں میں وصول کرنے کے بھی مجاز ہیں۔ اسلئے حصص یافتگان اگر یہ طریقہ اختیار کرنا چاہیں تو اس بابت ایک تحریری درخواست جس میں ان کی تمام مذکورہ بالا بینک مینڈیٹ میں بیان کردہ مطلوبہ تفصیلات موجود ہوں، کمپنی کے شیئر رجسٹرار کو ارسال کریں۔

ای میل اور CD/DVD/USB کے ذریعے آڈٹ شدہ سالانہ فنانشل اسٹیٹمنٹس کی ترسیل:

نوٹیفیکیشن ایس آر او نمبر 2016(1)470، بتاریخ 31 مئی 2016 کے تحت SECP نے کمپنیز کو ممبران کے رجسٹرڈ پتہ پر سالانہ بیلنس شیٹ اور نفع ونقصان کی تفصیلات، آڈیٹرز اور ڈائریکٹرز کی رپورٹ وغیرہ (آڈٹ شدہ فنانشل اسٹیٹمنٹس) (Annual Report) کے ہمراہ سالانہ اجلاس عام (AGM) کے نوٹس کی ترسیل (ای میل کے علاوہ) بذریعہ CD/DVD/USB بھیجنے کی بھی اجازت دے دی ہے۔

لہٰذا نوٹیفیکیشن ایس آر او نمبر 2016(1)470 کے مطابق تمام ممبران کو مطلع کیا جاتا ہے وہ تمام ممبران جو آڈٹ شدہ فنانشل اسٹیٹمنٹس (Annual Report) اور AGM نوٹس دستاویزی شکل میں حاصل کرنے کے خواہشمند ہیں، وہ کمپنی کے شیئرز رجسٹرار کو اس سلسلے میں اسٹینڈرڈ درخواست فارم بھیج سکتے ہیں۔ اسٹینڈرڈ درخواست فارم کمپنی کی ویب سائٹ **www.linde.pk** پر بھی دستیاب ہے۔ اگر ممبر مستقبل میں آڈٹ شدہ فنانشل اسٹیٹمنٹس (Annual Reports) اور AGM نوٹس دستاویزی شکل میں وصول کرنے کا خواہشمند ہے تو اسے اسٹینڈرڈ درخواست فارم میں اس کی نشاندہی کرنا ہوگی۔

انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت ودہولڈنگ ٹیکس کی کٹوتی (لازمی)

انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے مطابق کمپنی کی طرف سے ادا کی جانے والی ڈیویڈنڈ کی رقم پر ودہولڈنگ ٹیکس کی کٹوتی کے لئے مختلف شرحیں تجویز کی گئی ہیں۔ یہ شرحیں مندرجہ ذیل ہیں:

(الف)	انکم ٹیکس ریٹرنز فائل کرنے والوں کیلئے	12.5 فیصد
(ب)	انکم ٹیکس ریٹرنز فائل نہ کرنے والوں کیلئے	20.0 فیصد

کمپنی کو کیش ڈیویڈنڈ پر 20.0 فیصد کے بجائے 12.5 فیصد ٹیکس کی کٹوتی کا مجاز بنانے کیلئے تمام حصص یافتگان جن کے نام FBR کی ویب سائٹ پر فراہم کردہ ایکٹیو ٹیکس پیئر زلسٹ (ATL) میں موجود نہیں باوجود فائلر ہونے کے، ان کو متنبہ کیا جاتا ہے کہ وہ ۱۲/ اپریل ۲۰۱۷ء تک کاروباری اوقات کے اختتام سے قبل ATL میں اپنے نام کا اندراج یقینی بنائیں۔ بصورت دیگران کے کیش ڈیویڈنڈ پر ٹیکس کی کٹوتی 12.5% کے بجائے 20.0% کے حساب سے کی جائیگی۔ مزید سوالات/ مسائل/ معلومات کیلئے سرمایہ کار کمپنی اور/ یا شیئرز رجسٹرار سے رابطہ کرسکتے ہیں۔

مزید یہ کہ فیڈرل بورڈ آف ریوینیو (ایف بی آر) سے موصول ہونے والی وضاحت کے مطابق ودہولڈنگ ٹیکس کا تعین پرنسپل ہولڈر کے فائلر/ نان فائلر ہونے کی بنیاد پر الگ الگ اور مشترکہ اکاؤنٹ ہونے کی صورت میں جوائنٹ کے شیئر ہولڈنگ کے تناسب کی بنیاد پر کیا جائے گا۔ اس سلسلے میں تمام شیئر ہولڈرز جن کے شیئرز مشترکہ ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنے شیئرز کے مطابق پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈرز کی تفصیلات تحریری طور پر کمپنی کے شیئر رجسٹرار کو ۱۲/ اپریل ۲۰۱۷ کو کاروباری اوقات کے اختتام تک درج ذیل انداز میں بھیج دیں:

اطلاع برائے سالانہ اجلاسِ عام

بذریعہ ہٰذا مطلع کیا جاتا ہے کہ **Linde Pakistan Limited** کا اڑسٹھواں (۶۸ واں) سالانہ اجلاسِ عام بتاریخ ۲۶ر اپریل ۲۰۱۷ء بروز بدھ، بوقت نو بجے صبح، کمپنی کے رجسٹرڈ آفس بمقام ویسٹ وہارف، ڈاکیارڈ روڈ کراچی پر منعقد ہوگا، جس میں درجِ ذیل کارروائی عمل میں لائی جائیگی:

ا۔ ۳۱ر دسمبر ۲۰۱۶ء کو کمپنی کے ختم ہونے والے سال کی فردحسابات اور اُس پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی اور اُن پر غور۔

۲۔ کمپنی کے ڈائریکٹرز کی سفارش کے مطابق ۳۱ر دسمبر ۲۰۱۶ء کو ختم ہونے والے مالی سال کے لئے ۱۰ روپے کے ہر عام حصّص پر تین روپے پچاس پیسے کے حتمی منافع کی ادائیگی پر غور اور اگر مناسب سمجھا گیا تو اُس کی منظوری دینا، جو اُن حصص یافتگان کو ادا کئے جائیں گے جن کے نام ۱۲ر اپریل ۲۰۱۷ء کو کاروباری اوقات کے خاتمے تک حصص یافتگان کے رجسٹر میں درج ہوں گے۔

۳۔ کمپنی کے آڈیٹران کا تقرر اور اُن کے معاوضے کا تعین۔

بحکم بورڈ

مظہر اقبال

کمپنی سیکریٹری

کراچی : ۲۷ر فروری ۲۰۱۷ء

نوٹس:

ا۔ کمپنی ممبران کیلئے پاکستان اسٹاک ایکسچینج کے پارکنگ ایریا بمقام احاطہ پاکستان ریلوے، نزد ٹاور سے ٹرانسپورٹ کی سہولت میسر ہوگی جو ۲۶ر اپریل ۲۰۱۷ء کو ٹھیک سوا آٹھ بجے صبح روانہ ہوگی۔

۲۔ کمپنی کے حصص کی منتقلی کا رجسٹر ۱۳ر اپریل تا ۲۶ر اپریل ۲۰۱۷ء (بشمول دونوں دن) بند رہے گا۔

۳۔ سالانہ اجلاسِ عام میں شرکت، بولنے اور ووٹ کا استحقاق رکھنے والے کسی بھی ممبر کو یہ حق حاصل ہے کہ وہ میٹنگ میں شرکت کرنے، بولنے اور ووٹ دینے کیلئے اپنی جگہ کسی کو عیوضی مقرر کردے۔ جسے میٹنگ میں بولنے اور ووٹ دینے کے وہی اختیارات حاصل ہونگے جو ایک ممبر کو حاصل ہیں۔ عیوضی کے مؤثر ہونے کیلئے اطلاع نامہ کمپنی کے رجسٹرڈ آفس میں جلسہ شروع ہونے سے کم از کم ۴۸ گھنٹے پہلے موصول ہونا چاہئیے۔ عیوضی کو لازمی طور پر کمپنی کا ممبر ہونا چاہئیے۔ ماسوائے اس صورتحال کے کہ کوئی کارپوریشن کمپنی کی ممبر ہو اور وہ اپنے کسی افسر یا کسی اور فرد کو عیوضی مقرر کردے چاہے وہ کمپنی کا ممبر نہ ہو۔

۴۔ ممبران سے درخواست ہے کہ وہ اپنے رجسٹرڈ پتہ یا بینک مینڈیٹ میں ہونیوالی کسی تبدیلی سے فوری طور پر کمپنی کے شیئرز رجسٹرار، سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، شیئرز رجسٹرار ڈپارٹمنٹ، سی ڈی سی ہاؤس، 99-B، بلاک B، سندھی مسلم کوآپریٹو ہاؤسنگ سوسائٹی، مین شاہراہ فیصل، کراچی ۷۴۴۰۰ کو مطلع کریں۔

۵۔ مزید برآں سی ڈی سی اکاؤنٹ ہولڈرز کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر نمبر 1، بتاریخ 26ر جنوری 2000 میں درج رہنما ہدایات کی پیروی کرنا ہوگی۔

A. **اجلاس میں شرکت کیلئے:**

i. ایک فرد ہونے کی حیثیت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/ یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کے رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ کی گئی ہیں، اس کو اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کیلئے اپنا اصل کمپیوٹرائزڈ شناختی کارڈ (CNIC) یا اصل پاسپورٹ پیش کرنا ہوگا۔

ii. کارپوریٹ اکائی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی مع نامزد کردہ فرد کے دستخط کے نمونے کے (اگر پہلے نہ جمع کرایا گیا ہو) اجلاس میں شرکت کے وقت پیش کرنا ہوں گے۔

B. **پراکسی کے تقرر کیلئے**

i. ایک فرد ہونے کی حیثیت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/ یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کے رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ کی گئی ہیں، اس کو درج بالا شرائط کے مطابق پراکسی فارم جمع کرانا ہوگا۔

ii. پراکسی فارم پر دو گواہان کے دستخط ہوں گے جن کے نام، پتے اور CNIC نمبر پراکسی فارم میں درج ہونا لازمی ہے۔

iii. بینیفیشل مالکان اور پراکسی کے CNIC یا پاسپورٹ کی تصدیق شدہ نقل پراکسی فارم کے ساتھ جمع کرانی ہوگی۔

iv. پراکسی کیلئے لازم ہے کہ وہ اجلاس میں شرکت کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرے۔

v. کارپوریٹ اکائی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی مع نامزد کردہ فرد کے دستخط کے نمونے کے (اگر پہلے نہ فراہم کئے گئے ہوں) پراکسی فارم کے ہمراہ جمع کرانا ہوں گے۔

Extraordinay General Meeting in progress at the Linde Head office.

Shareholders and Directors at the Extraordinay General Meeting.

Form of proxy.
Annual General Meeting.

I/We ______________________________ of ______________________ in the district of ______________________________ being a Member of **Linde Pakistan Limited**, hereby appoint ______________________________ of ______________________ as my/our proxy, and failing him/her, ______________________________ of ______________________________ another Member of the Company to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on the 26th day of April 2017 and at any adjournment thereof.

Signed on this ____ day of ________ 2017 in the presence of:

1. Signature ______________________
   Name ______________________
   Address ______________________
   CNIC or Passport No. ______________________

2. Signature ______________________
   Name ______________________
   Address ______________________
   CNIC or Passport No. ______________________

Folio/CDC Account No.

Signature on Revenue Stamp of Rs 10/-

This signature should agree with the specimen registered with the Company

Important

- This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, West Wharf, Dockyard Road, Karachi not less than 48 hours before the time of holding the meeting
- No person shall act as proxy unless he himself/herself is a member of the Company, except that a corporation may appoint a person who is not a member.
- If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC account holders/corporate entities:

In addition to the above the following requirements have to be met:

- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

فارم برائے پراکسی

سالانہ اجلاس عام

میں / ہم ______________ سکنہ ______________ ضلع ______________ بحیثیت ممبرLinde پاکستان لمیٹڈ،

بذریعہ ہذا کمپنی کے ممبر ______________ سکنہ ______________ کو، اوراس کی عدم موجودگی کی صورت میں دوسرے

ممبر ______________ سکنہ ______________ کواپنی جگہ 26 اپریل 2017 کومنعقد ہونے والے کمپنی کے سالانہ اجلاس عام

یا کسی ملتوی شدہ اجلاس میں شرکت کرنے اورووٹ دینے کیلئے اپناپراکسی مقرر کرتا/ کرتی ہوں/ کرتے ہیں۔

مورخہ ______ 2017 کودرج ذیل گواہان کی موجودگی میں دستخط کئے گئے:

ا۔ دستخط ______________	۲۔ دستخط ______________
نام: ______________	نام: ______________
پتہ: ______________	پتہ: ______________
CNIC یاپاسپورٹ نمبر ______________	CNIC یاپاسپورٹ نمبر ______________

فولیو/CDC اکاؤنٹ نمبر

-/10 روپے کے ریوینیوٹکٹ پردستخط

یہ دستخط کمپنی میں رجسٹرڈ نمونے کے دستخط کے مطابق ہونا چاہئیں

اہم ہدایات:

- ہرلحاظ سے مکمل اوردستخط شدہ پراکسی فارم، کمپنی کے رجسٹرڈ دفتر، ویسٹ وہارف، ڈاکیارڈ روڈ، کراچی میں اجلاس شروع ہونے کے وقت سے کم ازکم 48 گھنٹے پہلے لازمی طور پرپہنچ جانا چاہئے۔
- کوئی ایسا شخص پراکسی مقررنہیں کیاجاسکتا جو کمپنی کاممبر نہ ہو؛ البتہ کارپوریشن کسی غیرممبر شخص کو پراکسی مقرر کرسکتی ہے۔
- اگرکوئی شخص ایک سے زیادہ پراکسی مقرر کرے اور پراکسی کی ایک سے زیادہ دستاویز جمع کرائے توایسی تمام دستاویز مسترد کردی جائیں گی۔

CDC اکاؤنٹ ہولڈرز / کارپوریٹ اکائیوں کیلئے ہدایات

درج بالا کے علاوہ درج ذیل شرائط پوری ہونا بھی لازمی ہے:

- پراکسی فارم پردوگواہوں کے دستخط مع ان کے نام، پتے اورCNIC نمبر درج ہونالازمی ہے۔
- پراکسی فارم کے ہمراہ مستفید ہونے والے ممبر (Beneficial owner) اور پراکسی کے CNIC یاپاسپورٹ کی تصدیق شدہ کاپی منسلک ہونالازمی ہے۔
- پراکسی کواجلاس میں شرکت کے وقت اپنااصل قومی شناختی کارڈ یااصل پاسپورٹ پیش کرنا ہوگا۔
- کارپوریٹ اکائی کی صورت میں پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/ پاورآف اٹارنی مع نمونہ کے دستخط (اگر پہلے سے جمع نہ کرائے گئے ہوں) کمپنی کے پاس جمع کرانا ضروری ہے۔


www.jamapunji.pk
Jama Punji
سرمایہ کاری سمجھداری کے ساتھ
Jama
Be aware, Be alert, Be safe
Learn about investing at www.jamapunji.pk
Key features:
Licensed Entities Verification
Scam meter*
Jamapunji games*
Tax credit calculator*
Company Verification
Insurance & Investment Checklist
FAQs Answered
Stock trading simulator (based on live feed from KSE)
Knowledge center
Risk profiler*
Financial calculator
Subscription to Alerts (event notifications, corporate and regulatory actions)
Jamapunji application for mobile device
Online Quizzes
jamapunji.pk
@jamapunji_pk
Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan
*Mobile apps are also available for download for android and ios devices

Business locations.

Registered office/head office

Karachi
P.O.Box 4845, West Wharf
Phones +92.21.32313361 (9 lines)
Fax 92.21 32312968

North-western region

Lahore — Nitrous oxide plant, Gas compression facility
P.O.Box 205
Shalamar Link Road, Mughalpura
Phones +92.42.36824091 (4 lines)
Fax + 92.42.36817573

Plot No. 705, Sundar Industrial Estate — ASU plant
Phones +92.42.35297244-47 (4 lines)

Multan — Carbon dioxide plant
Adjacent to PFL Khanewal Road
Phones + 92.61.6562201 &
+ 92.61.6001360 (2 lines)
Fax + 92.61.6778401

Mehmood Kot — Nitrogen plant
Adjacent to PARCO
Mid Country Refinery, Mehmood Kot
Qasba Gujrat, Muzaffargarh
Phones +92.66.2290751 & 2290484-85
Fax +92.66.2290752

Faisalabad — Sales depot, Gas compression facility
Altaf Ganj Chowk
Near Usman Flour Mills
Jhang Road
Phones +92.41.2653463 & 2650564
Sales depot

Wah Cantonment — Acetylene plant
Kabul Road
Phone +92.51.4545359

Taxila — Gas compression facility
Adjacent to HMC No.2
Phones +92.51.4560701(5 lines) & 4560600
Fax +92.51.4560700

Rawalpindi — Sales office
2nd Floor, Jahangir Multiplex
Golra Mor, Peshawar Road
Phones +92.51.2315501 (3 lines)
Fax +92.51.2315050

Hasanabdal — Hydrogen plant
Adjacent to Air Weapon Complex
Abbotabad Road
Phones +92.572.520017 (Ext. 104)
& 522428 (Ext. 104)

Southern region

Karachi — Gas compression facility, Acetylene plant, Electrode factory, Speciality gases
P.O.Box 4845, West Wharf
Phones +92.21.32313361 (9 lines)
Fax +92.21.32312968

Port Qasim — ASU plant, Hydrogen plant, Carbon dioxide plant, Dry ice plant
Plot EZ/1/P-5(SP-1), Eastern Zone
Phones +92.21.34740058 & 34740060
Fax +92.21.34740059

Sukkur — Sales depot
A-15, Airport Road
Near Bhatti Hospital
Phone +92.71.5630871

Linde Pakistan Limited
P.O. Box 4845, Dockyard Road, West Wharf, Karachi-74000, Pakistan
Phone +92.21.32313361 (9 lines), info.pk@linde.com, www.linde.pk

YCOM 35810392-6