

**CONDENSED INTERIM FINANCIAL INFORMATION  
(UNAUDITED)**

**SECOND QUARTER & HALF YEAR ENDED**

**30 JUNE 2017**



**Linde Pakistan Limited**



## 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 & environmental impact.

# Company information

## Board of Directors

Munnawar Hamid – OBE	Non-Executive Chairman
Muhammad Ashraf Bawany	Chief Executive & Managing Director
Humayun Bashir	Independent Director
Shahid Hafiz Kardar	Independent Director
Andrew James Cook	Non-Executive Director
Ganapathy Subramanian NarayanaSwamy	Non-Executive Director
Muhammad Samiullah Siddiqui	Executive Director
Jahanara Sajjad Ahmad	Non-Executive Director

## Chief Financial Officer

Muhammad Samiullah Siddiqui

## Company Secretary

Mazhar Iqbal

## Board Audit Committee

Humayun Bashir	Chairman	Independent Director
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 & Remuneration Committee

Munnawar Hamid – OBE	Chairman	Non-Executive Director
Muhammad Ashraf Bawany	Member	Chief Executive & Managing Director
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 & 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 NA  
 MCB Bank Limited  
 National Bank of Pakistan Limited  
 Meezan Bank Limited

## Share Registrar

Central Depository Company of Pakistan Limited

## Auditors

KPMG Taseer Hadi & Co.

## Legal advisor

Ayesha Hamid of Hamid Law Associates

## Registered office

West Wharf, Dockyard Road, Karachi-74000

## Website

www.linde.pk  
 www.linde.com

## Directors' Review

We are pleased to present the Directors' Review together with the Condensed Interim Financial Information of your Company for the half year ended 30 June 2017. The accompanying financial statements were subject to a limited scope review by the statutory auditors as required under the code of corporate governance.

Pakistan's economy continued to grow strongly as a result of robust economic activity, favorable supply conditions, private sector credit growth, accommodative monetary policy, and China Pakistan Economic Corridor (CPEC) related investments. The Gross Domestic Product (GDP) growth was recorded at 5.3% for FY2017 being the highest in the past decade and surpassed the previous year's level of 4.7%. Large Scale Manufacturing (LSM) depicted a strong positive momentum reflecting a growth of 5.7 percent during the period (July 16 – May 17) against 3.4 percent recorded during the same period last year. The Agricultural sector also recorded key growth of 3.5% against muted movement last year, whereas, services sector witnessed 5.98% growth against 5.55% last year. The Inflation remained benign at 4.2% below the target of 6.0% caused by lower oil prices, stability of commodity prices and lower inflationary expectations. The current account remained under pressure and deficit reached US\$ 12.1 billion during FY17 due to declining exports and workers' remittances and growing imports partly owing to machinery imports both for CPEC and non-CPEC energy and infrastructure related projects.

With an encouraging outlook for domestic growth and recent government initiatives as well as policy measures to address the challenges, Pakistan's exports are expected to post gains in FY 2018 which should, to some extent, ease the pressure on the current account while imports are expected to continue to grow in line with continuation of CPEC related activities and improving economic growth. However, stability of the external account and instrumental reserve accumulation will depend upon timely inflow of bilateral and financial inflows and workers' remittances. In addition, improved energy supplies, low interest rates, increased development spending, CPEC-related activities and consequent improvements in existing infrastructure are further expected to strengthen manufacturing sector growth.

Overall, Company's results witnessed a very strong performance during the half year ended June 30, 2016. During the second quarter, your Company achieved a turnover growth of 10% while net sales for the six month period stood at Rs. 2.1 billion capturing a healthy growth of 6.3% or Rs. 126 million over the same period last year. This growth in turnover was contributed by all business segments and was primarily driven by power and infrastructure related projects, hospital business and Gaddani's shipbreaking sector despite CO2 business and overall prices remaining under pressure owing to surplus capacity in the market. The gross profit earned in the second quarter went up by 9.4% while for the half year ended June 2017, it witnessed a growth of 6.3% compared to the same periods last year. This higher gross profit is an outcome of higher sales and continued stringent cost control, productivity initiatives to improve manufacturing efficiencies and reduced operational cost. Overheads remained below inflationary increase. As a result, operating profit went up by 19% in the second quarter and for overall first half of the year, it grew by 12%. Finance costs for the period were also reduced by 7.4% as a result of improved cash management.

As a result of overall robust performance i.e. strong sales growth, controlled costs, high gross profit, reduced financing cost and even after taking into account higher tax charge for the period, the company earned after tax profit of Rs. 123 million which went up by 33% and 24% for the second quarter and half year ended June 30, 2017 respectively. Earning per share for the second quarter and half year ended June 30, 2017 stood at Rs. 2.71 and Rs. 4.90 respectively.

As reported earlier on 31 May 2017 through Pakistan Stock Exchange (PSX), The BOC Group Limited (the "Group"), as a holder of 60% shares in Linde Pakistan Limited (the "Company") signed a binding Share Purchase Agreement (the "SPA") on 30 May 2017 with (i) Adira Capital Holdings (Private) Limited; (ii) Hilton Pharma (Private) Limited; (iii) Soorty Enterprises (Private) Limited; (iv) Al-Karam Textile Mills (Private) Limited; (v) Mr. Siraj Dadabhoy; and (vi) Mr. Fawad Anwar (the "Purchasers") for sale of its entire shareholding in the Company at the purchase consideration of EUR 2.47 per share which was subject to adjustments as specified in the SPA.

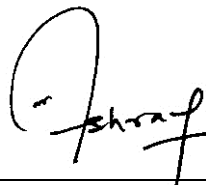
The final purchase consideration of EUR 2.53 per share was determined in accordance with the SPA as conveyed to PSX on 31 July 2017. The consummation of the transactions contemplated by the SPA is subject to satisfaction of regulatory approvals and other conditions precedent specified therein. The Company will keep you posted as soon as we are informed of further progress in the matter by the Group.

Keeping in view company's resilient performance, your directors look forward to a strong and an improved performance during rest of the year.

Karachi: 22 August 2017

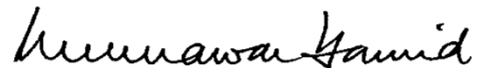


**Muhammad Samiullah Siddiqui**  
Chief Financial Officer



**Muhammad Ashraf Bawany**  
Chief Executive

On behalf of the Board



**Munnawar Hamid OBE**  
Chairman

باوجود اس کے کہ مارکیٹ میں اضافی گنجائش کے سبب CO2 اور مجموعی طور پر تمام قیمتیں دباؤ کی حالت میں رہیں، دوسری سہ ماہی میں مجموعی منافع میں 9.4 فیصد اضافہ دیکھا گیا جب کہ جون 2017 کو ختم ہونے والی ششماہی میں اس میں گزشتہ سال کی اسی مدت کے منافع کے مقابلے میں 6.3 فیصد اضافہ ہوا۔ یہ نمایاں اضافہ زیادہ سیلز اور لاگت پر مسلسل سخت کنٹرول، ہینڈلنگ کی استعداد میں بہتری کیلئے ہونے والے اقدامات اور تخفیف شدہ آپریشنل لاگت کے سبب حاصل ہوا۔ بالائی اخراجات میں اضافہ افراط زر کی سطح سے کم رہا۔ نتیجتاً دوسری سہ ماہی میں آپریٹنگ منافع کی سطح 19 فیصد بلند ہوئی اور ششماہی میں مجموعی طور پر اس میں 12 فیصد اضافہ ہوا۔ اس مدت میں بہتر کیش فلوش کے سبب مالیاتی لاگت میں بھی 7.4 فیصد کمی آئی۔

مجموعی طور پر شاندار کارکردگی یعنی سیلز کی توانا، موہ، لاگت پر کنٹرول، بلند مجموعی منافع، تخفیف شدہ مالیاتی لاگت اور اس مدت کے دوران ٹیکس میں اضافہ کے باوجود کمپنی نے 123 بلین روپے منافع بعد از ٹیکس حاصل کیا جو کہ دوسری سہ ماہی اور ششماہی تھمہ 30 جون 2017 میں بالترتیب 33 فیصد اور 24 فیصد تھا۔ دوسری سہ ماہی اور ششماہی تھمہ 30 جون 2017 میں فی شیئر آمدنی بالترتیب 2.71 روپے اور 4.90 روپے تھی۔

جیسا کہ اب سے پہلے 31 مئی 2017 کو پاکستان اسٹاک ایکسچینج (PSX) کے توسط سے مطلع کیا گیا تھا کہ دی بی اوی گروپ لمیٹڈ (دی "گروپ") نے Linde پاکستان لمیٹڈ (دی "کمپنی") کے 60 فیصد حصص کے حاصل ہونے کی بناء پر 30 مئی 2017 کو (i) ایڈیرا کیپٹل ہولڈنگز (پرائیویٹ) لمیٹڈ؛ (ii) ہلٹن فارما (پرائیویٹ) لمیٹڈ؛ (iii) سورتی انٹرپرائزز (پرائیویٹ) لمیٹڈ؛ (iv) الکریم نیگٹائل ملز (پرائیویٹ) لمیٹڈ؛ (v) جناب سراج دادا بھائی اور (vi) جناب فواد انور (دی "پریذر") کے ساتھ کمپنی میں اپنی تمام شیئرز ہولڈنگ کی فروخت کیلئے قابل غور 2.47 EURO فی شیئر کے حساب سے ہائڈ ٹنگ شیئرز پر چیز ایگریمنٹ ("SPA") پر دستخط کئے ہیں جو SPA میں تخصیص کردہ ایڈجسٹمنٹ سے مشروط تھا۔

حتمی قیمت 2.53 EURO فی شیئر کا تعین SPA کے مطابق کیا گیا جس کی اطلاع PSX کو 31 جولائی 2017 کو پہنچادی گئی تھی۔ SPA میں درج ٹرانزیکشن کی تکمیل ریگولیٹری منظوری اور SPA میں تخصیص کردہ دیگر شرائط کی تکمیل سے مشروط ہے۔ کمپنی کو جیسے ہی گروپ کی جانب سے اس معاملہ میں کسی پیش رفت کی اطلاع موصول ہوگی، وہ آپ کو مطلع کر دے گی۔

کمپنی کی متحرک کارکردگی کے پیش نظر، آپ کے ڈائریکٹرز سال کی بقیہ مدت میں ایک مضبوط اور بہتر کارکردگی کی توقع رکھتے ہیں۔  
منجانب بورڈ

Munawar Hamid

منور حمید - OBE  
چیئر مین

Ashraf

ایم۔ اشرف باوانی  
چیف ایگزیکٹو

کراچی: 22 اگست 2017

## ڈائریکٹرز کا جائزہ

ہم، مسرت ڈائریکٹرز کا جائزہ مع آپ کی کمپنی کی مختصر عبوری مالیاتی معلومات برائے ششماہی ختمہ 30 جون 2017 پیش کر رہے ہیں۔ منسلک مالیاتی گوشواروں کا قانونی آڈیٹرز نے کوڈ آف کارپوریٹ گورننس کے تحت محدود جائزہ لیا ہے۔

ملک میں جاری بھرپور معاشی سرگرمیوں، سپلائی کی موافق صورتحال، نجی شعبہ میں کریڈٹ میں اضافہ، ہم آہنگ مانیٹری پالیسی اور چائنا پاکستان اکنامک کوریڈور (سی پیک) سے متعلق سرمایہ کاری کے نتیجے میں پاکستان کی معیشت مستحکم طور پر ترقی کرتی رہی۔ مالیاتی سال 2017 میں مجموعی ملکی پیداوار (GDP) میں 5.3 فیصد اضافہ ریکارڈ کیا گیا جو گزشتہ دہائی میں سب سے زیادہ ہے اور یہ گزشتہ سال کے اضافہ 4.7 فیصد سے بھی بڑھ گیا ہے۔ بڑے پیمانے کی مینوفیکچرنگ (LSM) مضبوط اور مثبت رفتار سے ترقی کی راہ پر رواں دواں رہی اور (جولائی 16 تا مئی 17) کے عرصہ میں 5.7 فیصد اضافہ دیکھنے میں آیا جو گزشتہ سال کی اسی مدت میں 3.4 فیصد تھا۔ زرعی شعبہ میں بھی 3.5 فیصد کا نمایاں اضافہ ہوا جب کہ گزشتہ سال یہ اضافہ قابل ذکر نہیں تھا۔ البتہ خدمات کے شعبہ میں 5.98 فیصد اضافہ ہوا جو گزشتہ سال 5.55 فیصد تھا۔ تیل کی قیمتوں میں کمی، اشیائے ضرورت کی قیمتوں میں استحکام اور متوقع افراط زر میں کمی کی بدولت افراط زر کی شرح 4.2 فیصد رہی جو 6.0 فیصد کے ہدف سے مناسبت ترین کم سطح پر تھی، کرنٹ اکاؤنٹ دباؤ کی حالت میں رہا ہے اور مالیاتی سال 2017 میں خسارہ 12.1 بلین امریکی ڈالر کی سطح تک پہنچ گیا جس کی وجہ برآمدات اور ورکرز کی جانب سے ترسیل زر میں کمی اور دوسری طرف درآمدات میں اضافہ تھی۔ درآمدات میں اضافہ کا ایک حصہ خاص طور پر سی پیک اور نان سی پیک کے توانائی اور انفراسٹرکچر سے متعلق منصوبوں کیلئے مشینوں کی درآمدات کا بھی شامل ہے۔

ملکی ترقی کے مستقبل کے حوصلہ افزا منظر اور حکومت کے حالیہ اقدامات کے علاوہ چیلنجز سے نمٹنے کیلئے پالیسی اقدامات سے مالیاتی سال 2018 میں پاکستان کی برآمدات میں اضافہ کی توقع ہے جس سے کرنٹ اکاؤنٹ کے دباؤ میں آسانی پیدا ہوگی۔ اسی طرح سی پیک سے متعلق جاری سرگرمیوں اور بہتر معاشی ترقی کی بدولت درآمدات میں بھی اضافہ کی توقع ہے۔ تاہم بیرونی اکاؤنٹ کے استحکام اور انسٹریٹمنٹل ریزرو جمع ہونے کا انحصار دو طرفہ مالیاتی بہاؤ اور ورکرز کی جانب سے ترسیل زر پر ہے۔ اس کے علاوہ توانائی کی فراہمی میں بہتری، کم شرح سود، ترقیاتی اخراجات میں اضافہ، سی پیک سے متعلق سرگرمیوں اور ان کے نتیجے میں موجودہ انفراسٹرکچر میں بہتری سے مینوفیکچرنگ کے شعبہ کی ترقی میں مزید مضبوطی کی توقع ہے۔

مجموعی طور پر ششماہی ختمہ 30 جون 2017 میں کمپنی کے نتائج سے بہت توانا کارکردگی کا اظہار ہوتا ہے۔ دوسری سہ ماہی کے دوران میں آپ کی کمپنی کے ٹرن اوور میں 10 فیصد کا اضافہ ہوا جب کہ چھ ماہ کے عرصہ میں 2.1 بلین روپے کی خالص سیلز ہوئی جو گزشتہ سال کی اسی مدت سے 6.35 فیصد یا 126 بلین روپے زیادہ ہے۔ تمام کاروباری شعبہ جات نے اس ٹرن اوور میں اضافہ کے حصول میں اپنا کردار ادا کیا جس میں بنیادی طور پر پاور اور انفراسٹرکچر سے متعلق منصوبے، ہاسپٹل بزنس اور گڈانی شپ بریکنگ کے شعبہ جات شامل ہیں۔



**KPMG Taseer Hadi & Co.**  
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## **Auditor's Report to the Members on Review of Interim Financial Information**

### *Introduction*

We have reviewed the accompanying condensed interim balance sheet of **Linde Pakistan Limited** ("the Company") as at 30 June 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

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

### *Conclusion*

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

### *Other matters*

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended 30 June 2017, have not been reviewed and we do not express a conclusion on them.

Date : 22 August 2017

Karachi

**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Mohammad Mahmood Hussain

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

Linde Pakistan Limited  
Condensed Interim Profit and Loss Account (Unaudited)

<u>Rupees in '000</u>	<u>Note</u>	<u>For the</u>		<u>For the</u>	
		<u>30 Jun. 2017</u>	<u>30 Jun. 2016</u>	<u>30 Jun. 2017</u>	<u>30 Jun. 2016</u>
Gross sales	5	2,407,372	2,268,183	1,242,725	1,129,484
Trade discount and sales tax	5	(287,393)	(273,791)	(147,270)	(136,611)
<b>Net sales</b>		<b>2,119,979</b>	<b>1,994,392</b>	<b>1,095,455</b>	<b>992,873</b>
Cost of sales	5	(1,649,330)	(1,551,977)	(852,379)	(770,644)
<b>Gross profit</b>		<b>470,649</b>	<b>442,415</b>	<b>243,076</b>	<b>222,229</b>
Distribution and marketing expenses	5	(124,879)	(129,294)	(58,535)	(63,913)
Administrative expenses	5	(117,369)	(117,662)	(60,540)	(62,100)
Other operating expenses		(28,797)	(13,418)	(17,772)	(6,986)
		(271,045)	(260,374)	(136,847)	(132,999)
<b>Operating profit before other income</b>		<b>199,604</b>	<b>182,041</b>	<b>106,229</b>	<b>89,230</b>
Other income		10,265	5,259	5,156	4,700
<b>Operating profit</b>		<b>209,869</b>	<b>187,300</b>	<b>111,385</b>	<b>93,930</b>
Finance cost		(50,864)	(54,951)	(24,731)	(24,660)
<b>Profit before taxation</b>		<b>159,005</b>	<b>132,349</b>	<b>86,654</b>	<b>69,270</b>
Taxation	6	(36,437)	(33,299)	(18,701)	(18,155)
<b>Profit for the period</b>		<b>122,568</b>	<b>99,050</b>	<b>67,953</b>	<b>51,115</b>
----- (Rupees) -----					
<b>Earnings per share - basic and diluted</b>		<b>4.90</b>	<b>3.96</b>	<b>2.71</b>	<b>2.05</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

  
Muhammad Samiullah Siddiqui  
Chief Financial Officer

  
Muhammad Ashraf Bawany  
Chief Executive

  
Munnawar Hamid OBE  
Chairman



Linde Pakistan Limited  
Condensed Interim Statement of Comprehensive Income (Unaudited)

Rupees in '000	For the half year ended		For the second quarter ended	
	30 Jun. 2017	30 Jun. 2016	30 Jun. 2017	30 Jun. 2016
Profit for the period	122,568	99,050	67,953	51,115
<b>Other comprehensive income</b>				
<i>Items that will never be reclassified to profit and loss account</i>				
Net re-measurement on defined benefit plans	2,063	6,797	4,559	33,757
Tax thereon	(434)	(2,107)	(1,368)	(10,465)
	1,629	4,690	3,191	23,292
<i>Items that will be reclassified subsequently to profit and loss account</i>				
Derivative financial instruments	-	257	-	-
Tax thereon	-	(82)	-	-
	-	175	-	-
<b>Total comprehensive income for the period</b>	<b>124,197</b>	<b>103,915</b>	<b>71,144</b>	<b>74,407</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

  
Muhammad Samiullah Siddiqui  
Chief Financial Officer

  
Muhammad Ashraf Bawany  
Chief Executive

  
Munnawar Hamid OBE  
Chairman

Linde Pakistan Limited  
Condensed Interim Balance Sheet  
As at 30 June 2017



<u>Rupees in '000</u>	<i>Note</i>	As at 30 Jun. 2017 (Unaudited)	As at 31 Dec. 2016 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	2,982,929	3,130,100
Intangibles		14,333	16,192
Investment in subsidiary		10	10
Long term deposits		69,353	66,031
		<u>3,066,625</u>	<u>3,212,333</u>
<b>Current assets</b>			
Stores and spares		97,640	92,305
Stock-in-trade	8	257,485	354,576
Trade debts		569,102	519,720
Loans and advances		31,313	57,529
Deposits and prepayments		119,688	109,131
Other receivables		94,977	103,391
Taxation - net		353,105	378,525
Cash and bank balances		230,118	110,092
		<u>1,753,428</u>	<u>1,725,269</u>
<b>Total assets</b>		<u>4,820,053</u>	<u>4,937,602</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised:			
40,000,000 (2016: 40,000,000) Ordinary shares of Rs. 10 each		<u>400,000</u>	<u>400,000</u>
Issued, subscribed and paid-up:			
25,038,720 (2016: 25,038,720) Ordinary shares of Rs. 10 each		250,387	250,387
Reserves			
Unappropriated profit		1,475,338	1,375,413
		124,197	187,561
		<u>1,599,535</u>	<u>1,562,974</u>
		1,849,922	1,813,361
<b>Non-current liabilities</b>			
Long term financing		135,000	270,000
Long term deposits		170,719	165,858
Deferred liabilities		373,044	397,383
		678,763	833,241
<b>Current liabilities</b>			
Trade and other payables		1,399,562	1,431,889
Short term borrowings		371,806	89,111
Current maturity of long term financing		520,000	770,000
		<u>2,291,368</u>	<u>2,291,000</u>
<b>Total equity and liabilities</b>		<u>4,820,053</u>	<u>4,937,602</u>

Contingencies and Commitments

9

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

  
Muhammad Samiullah Siddiqui  
Chief Financial Officer

  
Muhammad Ashraf Bawany  
Chief Executive

  
Munnawar Hamid OBE  
Chairman



Linde Pakistan Limited  
Condensed Interim Cash Flow Statement (*Unaudited*)

<i>Rupees in '000</i>	Note	For the half year ended	
		30 Jun. 2017	30 Jun. 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	10	409,906	518,490
Finance costs paid		(51,655)	(58,817)
Income tax paid		(36,610)	(73,516)
Post retirement medical benefits paid		(42)	(86)
Long term loans and deposits		(3,322)	(3,232)
Long term deposits		4,861	4,597
Net cash generated from operating activities		323,138	387,436
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(31,433)	(161,224)
Proceeds from disposal of operating assets		4,614	2,714
Interest received on balances with banks		72	-
Net cash used in investing activities		(26,747)	(158,510)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		(385,000)	(135,000)
Dividends paid		(74,060)	(91,594)
Net cash used in financing activities		(459,060)	(226,594)
Net (decrease) / increase in cash and cash equivalents		(162,669)	2,332
Cash and cash equivalents at beginning of the period		20,981	94,026
Cash and cash equivalents at end of the period	11	(141,688)	96,358

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

  
Muhammad Samiullah Siddiqui  
Chief Financial Officer

  
Muhammad Ashraf Bawany  
Chief Executive

  
Munnawar Hamid OBE  
Chairman

Linde Pakistan Limited  
Condensed Interim Statement of Changes in Equity (Unaudited)

For the half year ended 30 June 2017

<i>Rupees in '000</i>	Share capital	Reserves		Unappropriated	Total
	Issued, subscribed and paid-up	Hedging reserve	General reserve	profit	
Balance as at 1 January 2016	250,387	(175)	1,359,204	110,104	1,719,520
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	99,050	99,050
Other comprehensive income for the period	-	175	-	4,690	4,865
	-	175	-	103,740	103,915
<i>Transactions with owners of the Company recognised directly in equity - distribution</i>					
Final dividend for the year ended 31 December 2015 - Rs. 3.75 per share	-	-	-	(93,895)	(93,895)
Transfer to general reserve	-	-	16,209	(16,209)	-
Balance as at 30 June 2016	250,387	-	1,375,413	103,740	1,729,540
Balance as at 1 January 2017	250,387	-	1,375,413	187,561	1,813,361
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	122,568	122,568
Other comprehensive income for the period	-	-	-	1,629	1,629
	-	-	-	124,197	124,197
<i>Transactions with owners of the Company recognised directly in equity - distribution</i>					
Final dividend for the year ended 31 December 2016 - Rs. 3.50 per share	-	-	-	(87,636)	(87,636)
Transfer to general reserve	-	-	99,925	(99,925)	-
Balance as at 30 June 2017	250,387	-	1,475,338	124,197	1,849,922

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

  
Muhammad Samiullah Siddiqui  
Chief Financial Officer

  
Muhammad Ashraf Bawany  
Chief Executive

  
Munnawar Hamid OBE  
Chairman

Linde Pakistan Limited  
Notes to the Condensed Interim Financial Information (*Unaudited*)  
For the six months period ended 30 June 2017

## 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 period. Accordingly, exemption has been granted by the Securities and Exchange Commission of Pakistan ("SECP") from the application of sub-section (1) to (7) of section 237 of the Companies Ordinance, 1984 requiring consolidation of subsidiary in the preparation of financial statements for the year ending 31 December 2017 and all interim periods within the aforementioned year.

The Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 17 of 2017 has clarified that the companies whose financial year including interim period closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this financial information is prepared in accordance with the provisions of repealed Companies Ordinance, 1984 and certain additional disclosures required under Companies Act, 2017 will be presented from next reporting periods.

## 2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the six months period ended 30 June 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information of the Company does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended 31 December 2016.

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies adopted by the Company in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual audited financial statements of the Company as at and for the year ended 31 December 2016.
- 3.2 Amendments to certain existing standards and new standards and interpretations on approved accounting standards became effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company.

### 4. ACCOUNTING ESTIMATES, JUDGMENTS, FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

In preparing these condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and judgements made by management in the preparation of this condensed interim financial information are the same as those that were applied to the audited annual financial

statements of the Company as at and for the year ended 31 December 2016.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the Company as at and for the year ended 31 December 2016. The Company has established control framework with respect to the measurements of fair values. Management uses observable inputs / data as far as possible to determine fair values of assets and liabilities, where ever required or permitted under accounting standards. At reporting date management considers fair values of financial assets and liabilities not measured at fair values approximate their carrying amounts.

### 5. SEGMENT RESULTS

Rupees in '000	For the half year ended						For the second quarter ended					
	30 June. 2017			30 June. 2016			30 June. 2017			30 June. 2016		
	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total
Gross sales	1,987,828	419,544	2,407,372	1,875,859	392,324	2,268,183	1,029,899	212,826	1,242,725	952,247	177,237	1,129,484
Less:												
Trade discount	1,199		1,199	1,606	-	1,606	434	-	434	1,370	-	1,370
Sales tax	227,253	58,941	286,194	216,883	55,302	272,185	116,836	30,000	146,836	110,614	24,627	135,241
	228,452	58,941	287,393	218,489	55,302	273,791	117,270	30,000	147,270	111,984	24,627	136,611
Net sales	1,759,376	360,603	2,119,979	1,657,370	337,022	1,994,392	912,629	182,826	1,095,455	840,263	152,610	992,873
Less:												
Cost of sales	1,365,724	283,606	1,649,330	1,296,205	255,772	1,551,977	708,462	143,917	852,379	654,275	116,369	770,644
Distribution and marketing expenses	104,449	20,430	124,879	105,549	23,745	129,294	49,209	9,326	58,535	53,533	10,380	63,913
Administrative expenses	98,168	19,201	117,369	96,053	21,609	117,662	50,850	9,690	60,540	51,849	10,251	62,100
	1,568,341	323,237	1,891,578	1,497,807	301,126	1,798,933	808,521	162,933	971,454	759,657	137,000	896,657
Segment result	191,035	37,366	228,401	159,563	35,896	195,459	104,108	19,893	124,001	80,606	15,610	96,216
Unallocated corporate expenses:												
Other operating expenses			(28,797)			(13,418)			(17,772)			(6,986)
Other Operating Income			10,265			5,259			5,156			4,700
			(18,532)			(8,159)			(12,616)			(2,286)
Operating profit			209,869			187,300			111,385			93,930
Finance cost			(50,864)			(54,951)			(24,731)			(24,660)
Taxation			(36,437)			(33,299)			(18,701)			(18,155)
Profit for the period			122,568			99,050			67,953			51,115

## 6. TAXATION

As per section 5A of Income Tax Ordinance, 2001, amended by Finance Act, 2017, tax shall be imposed at the rate of 7.5 percent of accounting profit before tax on every public company other than a scheduled bank or a modaraba, that derives profit for a tax year but does not distribute at least 40 percent of its after-tax profits within six months of the end of the said tax year through cash or bonus shares.

The Board of Directors of the Company intends to distribute sufficient dividend for the year ending 31 December 2017 to comply with the above stated requirement. Accordingly, no provision for tax on undistributed profits has been recognised in this condensed interim financial information.

## 7. PROPERTY, PLANT AND EQUIPMENT

<u>Rupees in '000</u>	<u>Note</u>	<u>30 June 2017 (Unaudited)</u>	<u>31 December 2016 (Audited)</u>
Operating assets	7.1	2,910,158	2,982,317
Capital work-in-progress		<u>72,771</u>	<u>147,783</u>
		<u><u>2,982,929</u></u>	<u><u>3,130,100</u></u>

### 7.1 Operating assets

Net book value as at 1 January 2017 / 2016	2,982,317	2,966,954
Additions / reclassification during the period / year:		
- Land and Building	3,284	(12,801)
- Plant and machinery	88,767	326,842
- Vehicles	10,354	28,319
- Furniture, fittings and office equipments	-	837
- Computer equipments	4,040	12,792
	106,445	355,989
Less:		
- Disposals during the period / year - net book value	(928)	(256)
- Depreciation charge during the period / year	(177,676)	(340,370)
	<u>(178,604)</u>	<u>(340,626)</u>
	<u><u>2,910,158</u></u>	<u><u>2,982,317</u></u>

## 8. STOCK-IN-TRADE

Raw and packing materials - in hand	85,872	144,855
Finished goods		
- in hand	157,682	209,721
- in transit	13,931	-
	<u>171,613</u>	<u>209,721</u>
	<u><u>257,485</u></u>	<u><u>354,576</u></u>

- 8.1 Raw and packing materials and finished goods include inventories held by various parties, located at Site and Landhi industrial area of Karachi, amounting to Rs.19,165 thousand (31 December 2016: Rs. 39,087 thousand) for manufacturing purposes.
- 8.2 The cost of raw and packaging materials and finished goods has been adjusted net of provision for slow moving and obsolete stock by Rs. 41,089 thousand (31 December 2016: Rs. 40,132 thousand).

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

The Company has disputed the unilateral increase in rentals of one of its leased premises being exorbitant, unreasonable and unjustified. Therefore, a civil suit has been filed against the Lessor. The Court has directed parties to maintain status quo. The amount not acknowledged as debt in this regard as at 30 June 2017 amounted to Rs. 44,216 thousand (31 December 2016: Rs.43,037 thousand).

### 9.2 Commitments

Capital commitments outstanding as at 30 June 2017 amounted to Rs. 192,738 thousand (31 December 2016: Rs. 101,341 thousand).

## 10. CASH GENERATED FROM OPERATIONS

<u>Rupees in '000</u>	Note	For the half year ended	
		<u>30 Jun.2017</u> (Unaudited)	<u>30 Jun.2016</u> (Unaudited)
Profit before taxation		159,005	132,349
<i>Adjustments for :</i>			
Depreciation		177,676	166,411
Amortisation		1,859	2,294
Gain on disposal of property, plant and equipment		(3,686)	(2,699)
Mark-up income from savings and deposit accounts		(72)	-
Finance cost		50,864	54,951
Post retirement medical benefits		269	296
Working capital changes	10.1	<u>23,991</u>	<u>164,888</u>
		<u>409,906</u>	<u>518,490</u>

### 10.1 Working capital changes

*Decrease / (increase) in current assets:*

Stores and spares	(5,335)	9,373
Stock-in-trade	97,091	33,278
Trade debts	(49,382)	(16,963)
Loans and advances	26,216	(14,389)
Deposit and prepayments	(10,557)	(9,789)
Other receivables	<u>4,789</u>	<u>22,915</u>
	62,822	24,425

*Increase / (decrease) in current liabilities:*

Trade and other payables	<u>(38,831)</u>	<u>140,463</u>
	<u>23,991</u>	<u>164,888</u>

## 11. CASH AND CASH EQUIVALENTS

Cash and bank balances	230,118	96,358
Short term borrowings - running finance under mark-up arrangement	<u>(371,806)</u>	-
	<u>(141,688)</u>	<u>96,358</u>



## 12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of group companies, entities with common directors, major shareholders, key management employees and retirement benefit funds. Transactions and balances with related parties and associated undertakings are given below:

### 12.1 Transactions with related parties are summarised as follows:

<i>Rupees in '000</i>		For the half year ended	
		30 Jun.2017	30 Jun.2016
<b>Nature of relationship</b>	<b>Nature of transactions</b>		
The BOC Group Limited (Parent)	Technical assistance fee	22,649	20,591
	Dividends	52,581	56,337
Linde AG (Ultimate parent)	Information systems support / maintenance and development	18,933	20,190
	Staff related cost in respect of services claimed by the Company from ultimate parent company	276	89
Associated Companies	Purchase of goods and receipt of services	20,429	21,677
	Staff related cost in respect of services claimed by the Company from associated companies	11,177	16,107
Related entities by virtue of common directorship	Sale of goods	28,110	29,892
Staff retirement benefits	Contributions to staff retirement funds	14,920	15,665
Key management personnel	Remuneration for the period	115,660	111,083
Meeting fee to Directors and remuneration to Non-Executive Directors		2,618	2,222
Re-measurement: Actuarial gain / (loss) recognised in other comprehensive income on account of Staff Retirement Benefits		2,662	7,074

12.2 Balances with related parties are summarised as follows:

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
	(Rupees in '000)	
Receivable from associates in respect of trade debts	<u>18,830</u>	<u>15,056</u>
Receivable from Staff Retirement Funds	<u>17,129</u>	<u>13,773</u>
Payable to holding company / associates in respect of trade and other payables	<u>260,254</u>	<u>232,756</u>

12.3 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.

13. CORRESPONDING FIGURES

The condensed interim balance sheet has been compared with the preceding balance sheet as at 31 December 2016, whereas the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the corresponding period of the previous year.

14. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on 22 August 2017 by the Board of Directors of the Company.

  
 \_\_\_\_\_  
**Muhammad Samiullah Siddiqui**  
 Chief Financial Officer

  
 \_\_\_\_\_  
**Muhammad Ashraf Bawany**  
 Chief Executive

  
 \_\_\_\_\_  
**Munnawar Hamid OBE**  
 Chairman

# 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 & compressed)
- Refrigerants

## Healthcare

### Medical gases

- Liquid medical oxygen
- Compressed medical oxygen
- Nitrous oxide
- ENTONOX®
- Specialty medical gases & 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<sub>2</sub>, N<sub>2</sub>O, Air, Suction etc)
- Safety, quality, risk analysis & 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 & 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



## 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	P.O.Box 205 Shalamar Link Road, Mughalpura Phones +92.42.36824091 (4 lines) Fax + 92.42.36817573	Nitrous oxide plant Gases compression facility
		Plot No. 705, Sundar Industrial Estate Phones +92.42.35297244-47 (4 lines)	ASU plant
	Multan	Adjacent to PFL Khanewal Road Phones + 92.61.6562201 & +92.61.6001360 (2 lines) 061-6001360 Fax + 92.61.6778401	Carbon dioxide plant
	Mehmood Kot	Adjacent to PARCO Mid Country Refinery, Mehmood Kot Qasba Gujrat, Muzaffargarh Phones +92.66.2290751 & 2290484-85 Fax +92.66.2290752	Nitrogen plant
	Faisalabad	Altaf Ganj Chowk Near Usman Flour Mills Jhang Road Phones +92.41.2653463 & 2650564	Sales depot Gas compression facility
	Wah Cantonment	Kabul Road Phone +92. 51.4902469	Acetylene plant
	Taxila	Adjacent to HMC No.2 Phones +92.51.4560701(5 lines) Fax +92.51.4560700	Gases compression facility
	Rawalpindi	2 <sup>nd</sup> Floor, Jahangir Multiplex Golra Mor, Peshawar Road Phones +92.51.2315501 (3 lines) Fax +92.51.2315050	Sales office
	Hasanabdal	Adjacent to Air Weapon Complex Abbotabad Road Phones +92.51.4515104	Hydrogen plant
Southern region	Karachi	P.O.Box 4845, West Wharf Phones +92.21.32313361 (9 lines) Fax +92.21.32312968	Gases compression facility Acetylene plant Electrode factory Speciality gases
	Port Qasim	Plot EZ/1/P-5(SP-1), Eastern Zone Phones +92.21.34740058 & 34740060 Fax +92.21.34740059	ASU plant Hydrogen plant Carbon dioxide plant Dry Ice plant
	Sukkur	A-15, Airport Road Near Bhatti Hospital Phone +92.71.5630871	Sales depot