

**CONDENSED INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

FOR THE FIRST QUARTER ENDED

31 MARCH 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

I am pleased to present the Directors' Review together with the Condensed Interim Financial Information (un-audited) of your Company for the first quarter ended 31 March 2017.

The economic activity in the country continued to gather pace during the current fiscal year as a result of increase in Large-scale Manufacturing, a healthy growth in the private sector credit and better agricultural output. Gross Domestic Product (GDP) growth in FY 2017 is expected to improve further to reach at the level of 5% as compared to 4.7% in FY 2016 on the back of positive economic sentiments, improved energy supplies, and China Pakistan Economic Corridor (CPEC) related investments. The inflation remained at the level of 4.9% at the end of Q1 2017 against the average of 3.7% during the calendar year 2016 mainly caused by a recovery in food commodity prices and certain taxation measures. Current Account remained under pressure due to increasing imports and declining exports coupled with a slight decline in foreign remittances. Although the Government has taken measures to improve the current account deficit, the overall external account position will depend on higher export earnings; continuity of the financial inflows, CPEC related imports and global oil prices. 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.

During the first quarter of the year 2017, your Company achieved an overall turnover of Rs. 1 billion, registering an increase of Rs. 23 million or 2% compared to the same period last year. The Gases business witnessed a growth of 4% over last year as a result of growing demand from power & infrastructure related projects as well as opportunities in the food sector and recovery in Gaddani shipbreaking, despite prices remaining under pressure due to surplus capacity and lower energy costs. Hard good segment's sales continued to remain under pressure due to imposition of regulatory duty by the Government on raw and finished imported materials which has encouraged smuggling and therefore increase availability of cheaper product in the market.

The gross profit for the quarter ended March 2017 stood at Rs. 228 million, exhibiting a growth of 3% compared to the corresponding period last year and gross profit ratio also increased to 22.2%. The growth in gross profit was achieved as a result of stringent cost control measures, continued productivity initiatives to improve manufacturing efficiencies and reduce operational cost and improved sales in premium sectors. After accounting for overheads and other income, the operating profit of the Company witnessed an increase of 5% over last year. Finance costs for the period reduced by 14% and after taking into account the higher tax charge for the current year, the profit after tax stood at Rs. 55 million (EPS of Rs. 2.18), witnessing a healthy growth of 14% over corresponding period last year.

With regard to divestment of 60% shares by The BOC Group Limited, U.K. in the Company, as reported earlier at the Pakistan Stock Exchange, four potential buyers have expressed their intention for acquisition of these shares. Currently, the Due Diligence Review by these potential buyers is underway.

Keeping in view the company's performance, your directors are confident of sustainable and strong performance during the rest of the year.

On behalf of the Board

Karachi:
26 April 2017



Munnawar Hamid OBE
Chairman

ڈائریکٹرز کا جائزہ

میں، بسرت ڈائریکٹرز کا جائزہ مع آپ کی کمپنی کی عبوری مالیاتی معلومات (غیر آڈٹ شدہ) کا خلاصہ برائے پہلی سہ ماہی مئی 2017ء تک پیش کرتا ہوں۔ موجودہ مالی سال کے دوران میں ملک میں معاشی ترقی کا سفر جاری ہے جس کی وجہ سے بڑے پیمانے کی پیداوار میں اضافہ، نجی شعبہ کے کریڈٹ میں نمایاں اضافہ اور زرعی پیداوار کے بہتر نتائج ہے۔ مالی سال 2017ء میں خام ملکی پیداوار (GDP) میں مزید اضافہ کی توقع ہے جو مثبت معاشی کیفیت، توانائی کی بہتر فراہمی اور چائنا پاک اکنامک کوریڈور (CPEC) سے متعلق سرمایہ کاری کی بناء پر مالی سال 2016ء میں 14.7% اضافہ کے مقابلے میں مالی سال 2017ء میں 5% کی سطح تک پہنچ سکتا ہے۔ 2017ء کی پہلی سہ ماہی کے اختتام پر افراط زر کی شرح 4.9% رہی جو کہ کلینڈر سال 2016ء میں اوسطاً 3.7% تھی۔ اس کی بڑی وجہ غذائی اشیاء کی قیمتوں میں بحالی اور ٹیکس کے بعض اقدامات کا نفاذ تھا۔ درآمدات میں اضافے اور برآمدات میں کمی کے علاوہ بیرون ملک سے ترسیل زر میں معمولی کمی کے سبب کرنٹ اکاؤنٹ دباؤ کی حالت میں رہا۔ اگرچہ حکومت نے کرنٹ اکاؤنٹ کے خسارے کو کم کرنے کیلئے کچھ اقدامات کئے ہیں، تاہم مجموعی طور پر بیرونی اکاؤنٹس کی صورتحال کا انحصار برآمدات کی زیادہ آمدنی، مالیاتی رقوم کے اندرون ملک بہاؤ میں تسلسل، ہی پیک سے متعلق درآمدات اور عالمی سطح پر تیل کی قیمتوں پر ہوگا۔ اس کے علاوہ توانائی کی بہتر فراہمی، کم شرح سود، ترقیاتی اخراجات میں اضافے، ہی پیک سے متعلق سرگرمیوں اور اس کے نتیجے میں موجودہ انفراسٹرکچر میں بہتری کے باعث توقع ہے کہ پیداواری شعبہ کی ترقی کو مزید تقویت حاصل ہوگی۔

سال 2017ء کی پہلی سہ ماہی کے دوران میں آپ کی کمپنی کی مجموعی آمدنی ایک بلین روپے تک پہنچ گئی جو گزشتہ سال کی اسی مدت کی آمدنی سے 23 بلین روپے یا 2% زیادہ ہے۔ گیسز کے کاروبار میں گزشتہ سال کے مقابلے میں 4% اضافہ دیکھنے میں آیا جس کی وجہ توانائی اور انفراسٹرکچر سے متعلق منصوبے، فوڈ کے شعبہ میں مواقع اور گڈائی شپ بریکنگ کی بحالی تھی، باوجود اس کے کہ اضافی مصنوعات کی دستیابی اور توانائی کی قیمتوں میں کمی کی وجہ سے قیمتوں پر دباؤ رہا۔ Hard Goods کے شعبہ کی سبزی دباؤ کا شکار رہی اس کی وجہ حکومت کی جانب سے خام اور تیار شدہ درآمدی میٹریل پر ریگولیٹری ڈیوٹی کا نفاذ تھا جس سے اسمگلنگ کی حوصلہ افزائی ہوئی اور مارکیٹ میں سستی اشیاء فراوانی کے ساتھ دستیاب ہو گئیں۔

مارچ 2017ء کو ختم ہونے والی سہ ماہی کیلئے خام منافع 228 بلین روپے رہا جو گزشتہ سال کی اسی مدت کے مقابلے میں 3% زیادہ ہے اور خام منافع کی شرح بڑھ کر 22.2% ہو گئی۔ خام منافع میں اضافہ قیمتوں پر کنٹرول کے سخت اقدامات، مینوفیکچرنگ کی استعداد بڑھانے کیلئے مسلسل اور بھرپور اقدامات اور کاروبار چلانے کی تخفیف شدہ لاگت اور خصوصی شعبہ جات میں سبزی دباؤ کی بہتری کے سبب ہوا، جب کہ بالائی اخراجات اور دیگر آمدنی کو ملحوظ خاطر رکھنے کے بعد کمپنی کے آپریٹنگ منافع میں گزشتہ سال کی نسبت 5% اضافہ ہوا۔ اس مدت میں مالیاتی لاگت 14% کم ہوئی اور موجودہ سال میں زیادہ ٹیکس چارج کو زیر غور رکھتے ہوئے بعد از ٹیکس منافع 55 بلین روپے (نیٹ سیزر منافع 2.18 روپے) ہوا جو گزشتہ سال کے اسی عرصہ کے مقابلے میں نمایاں طور پر 14% زیادہ ہے۔

جیسا کہ پاکستان اسٹاک ایکسچینج کو پہلے مطلع کیا جا چکا ہے، کمپنی بینک The BOC Group Ltd, UK کے 60% حصص کی فروخت کے سلسلے میں 4 مئی 2017ء کو خریداروں نے ان حصص کی خریداری میں دلچسپی کا اظہار کیا ہے۔ اس وقت یہ متوقع خریدار اس کے بارے میں بغور جائزہ لے رہے ہیں۔ کمپنی کی موجودہ کارکردگی کو مد نظر رکھتے ہوئے، آپ کے ڈائریکٹرز کو بھروسہ ہے کہ سال کے بقیہ حصہ میں بھی مستحکم اور مضبوط کارکردگی جاری رہے گی۔

منجانب بورڈ

کراچی 26 اپریل 2017

Muhammad Kamid

OBE - منور حمید

چیئر مین

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

For the first quarter ended 31 March 2017

<u>Rupees in '000</u>	<u>Note</u>	<u>31 March 2017</u>	<u>31 March 2016</u>
Gross sales	5	1,164,647	1,138,699
Trade discount and sales tax	5	(140,123)	(137,180)
Net sales		1,024,524	1,001,519
Cost of sales	5	(796,951)	(781,333)
Gross profit		227,573	220,186
Distribution and marketing expenses	5	(66,344)	(65,381)
Administrative expenses	5	(56,829)	(55,562)
Other operating expenses		(11,025)	(6,432)
		(134,198)	(127,375)
Operating profit before other income		93,375	92,811
Other income		5,109	559
Operating profit		98,484	93,370
Finance costs		(26,133)	(30,291)
Profit before taxation		72,351	63,079
Taxation	6	(17,736)	(15,144)
Profit for the period		54,615	47,935
----- (Rupees) -----			
Earnings per share - basic and diluted		2.18	1.91

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



Muhammad Ashraf Bawany
Chief Executive



Munnawar Hamid OBE
Chairman

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

For the first quarter ended 31 March 2017

<i>Rupees in '000</i>	31 March 2017	31 March 2016
Profit for the period	54,615	47,935
<i>Other comprehensive income</i>		
<i>Items that will never be reclassified to profit and loss account</i>		
Net re-measurement on defined benefit plans	(2,496)	(26,960)
Tax thereon	934	8,358
	(1,562)	(18,602)
<i>Items that will be reclassified subsequently to profit and loss account</i>		
Derivative financial instruments	-	257
Tax thereon	-	(82)
	-	175
Total comprehensive income for the period	53,053	29,508

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



Muhammad Ashraf Bawany
Chief Executive



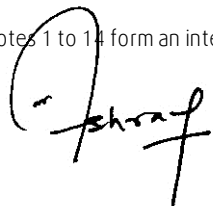
Munnawar Hamid OBE
Chairman

Linde Pakistan Limited
Condensed Interim Balance Sheet

As at 31 March 2017

<i>Rupees in '000</i>	<i>Note</i>	31 March 2017 (Unaudited)	31 December 2016 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	3,055,864	3,130,100
Intangible assets		15,263	16,192
Investment in subsidiary		10	10
Long term deposits		69,353	66,031
		<u>3,140,490</u>	<u>3,212,333</u>
Current assets			
Stores and spares		97,445	92,305
Stock-in-trade	8	302,581	354,576
Trade debts		545,182	519,720
Loans and advances		68,735	57,529
Deposits and prepayments		117,640	109,131
Other receivables		100,508	103,391
Taxation - net		372,750	378,525
Cash and bank balances		185,913	110,092
		<u>1,790,754</u>	<u>1,725,269</u>
Total assets		<u><u>4,931,244</u></u>	<u><u>4,937,602</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
<i>Authorised:</i>			
40,000,000 (2016: 40,000,000) Ordinary shares of Rs. 10 each		<u>400,000</u>	<u>400,000</u>
<i>Issued, subscribed and paid-up:</i>			
25,038,720 (2016: 25,038,720) Ordinary shares of Rs. 10 each		250,387	250,387
Reserves		1,475,338	1,375,413
Unappropriated profit		53,053	187,561
		<u>1,528,391</u>	<u>1,562,974</u>
		1,778,778	1,813,361
Non-current liabilities			
Long term financing		270,000	270,000
Long term deposits		166,293	165,858
Deferred liabilities		387,098	397,383
		823,391	833,241
Current liabilities			
Trade and other payables		1,550,436	1,431,889
Short term borrowings		258,639	89,111
Current maturity of long term financing		520,000	770,000
		<u>2,329,075</u>	<u>2,291,000</u>
Total equity and liabilities		<u><u>4,931,244</u></u>	<u><u>4,937,602</u></u>
Contingencies and Commitments			
	9		

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



Muhammad Ashraf Bawany
Chief Executive



Munnawar Hamid OBE
Chairman

Linde Pakistan Limited
Condensed Interim Cash Flow Statement (Unaudited)
For the first quarter ended 31 March 2017

Rupees in '000	Note	31 March 2017	31 March 2016
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	10	209,389	272,075
Finance costs paid		(15,881)	(15,439)
Income tax paid		(21,605)	(28,159)
Post retirement medical benefits paid		(3)	(37)
Long term loans and deposits		(3,322)	-
Long term deposits		435	694
Net cash generated from operating activities		<u>169,013</u>	<u>229,134</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(14,385)	(76,328)
Proceeds from disposal of operating assets		3,051	184
Interest received on balances with banks		38	-
Net cash used in investing activities		<u>(11,296)</u>	<u>(76,144)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term financing		(250,000)	-
Dividends paid		(1,424)	(118)
Net cash used in financing activities		<u>(251,424)</u>	<u>(118)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(93,707)</u>	<u>152,872</u>
Cash and cash equivalents at beginning of the year		<u>20,981</u>	<u>94,026</u>
Cash and cash equivalents at end of the period	11	<u>(72,726)</u>	<u>246,898</u>

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



Muhammad Ashraf Bawany
Chief Executive



Munnawar Hamid OBE
Chairman

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

For the first quarter ended 31 March 2017

	Share capital Issued, subscribed and paid-up	Reserves Hedging reserve	General reserve	Unappropriated profit	Total
<i>Rupees in '000</i>					
Balance as at 1 January 2016	250,387	(175)	1,359,204	110,104	1,719,520
Total comprehensive income for the period					
Profit for the period	-	-	-	47,935	47,935
Other comprehensive income for the period	-	175	-	(18,602)	(18,427)
	-	175	-	29,333	29,508
Transactions with owners of the Company recognised directly in equity - distribution					
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 31 March 2016	250,387	-	1,375,413	29,333	1,655,133
Balance as at 1 January 2017	250,387	-	1,375,413	187,561	1,813,361
Total comprehensive income for the period					
Profit for the period	-	-	-	54,615	54,615
Other comprehensive income for the period	-	-	-	(1,562)	(1,562)
	-	-	-	53,053	53,053
Transactions with owners of the Company recognised directly in equity - distribution					
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 31 March 2017	250,387	-	1,475,338	53,053	1,778,778

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



Muhammad Ashraf Bawany
Chief Executive



Munnawar Hamid OBE
Chairman



Linde Pakistan Limited
Notes to the Condensed Interim Financial Information (*Unaudited*)
For the first quarter ended 31 March 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 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 year ending 31 December 2017 and all interim periods within the aforementioned year.

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the first quarter ended 31 March 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	31 March 2017			For the first quarter ended 31 March 2016		
	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total
	----- (Rupees in '000) -----					
Gross sales	957,929	206,718	1,164,647	923,612	215,087	1,138,699
Less:						
Trade discount	765		765	236	-	236
Sales tax	110,417	28,941	139,358	106,269	30,675	136,944
	111,182	28,941	140,123	106,505	30,675	137,180
Net sales	846,747	177,777	1,024,524	817,107	184,412	1,001,519
Less:						
Cost of sales	657,262	139,689	796,951	641,930	139,403	781,333
Distribution and marketing expenses	55,240	11,104	66,344	52,016	13,365	65,381
Administrative expenses	47,318	9,511	56,829	44,204	11,358	55,562
	759,820	160,304	920,124	738,150	164,126	902,276
Segment result	86,927	17,473	104,400	78,957	20,286	99,243
Unallocated corporate expenses:						
- Other operating expenses			(11,025)			(6,432)
- Other income			5,109			559
			(5,916)			(5,873)
Operating profit			98,484			93,370
Finance costs			(26,133)			(30,291)
Taxation			(17,736)			(15,144)
Profit for the period			54,615			47,935

6. TAXATION

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

7. PROPERTY, PLANT AND EQUIPMENT

<u>Rupees in '000</u>	<u>Note</u>	<u>31 March</u> <u>2017</u> <u>(Unaudited)</u>	<u>31 December</u> <u>2016</u> <u>(Audited)</u>
Operating assets	7.1	2,962,375	2,982,317
Capital work-in-progress		93,489	147,783
		<u>3,055,864</u>	<u>3,130,100</u>

7.1 Operating assets

Net book value as at 1 January 2017 / 2016		2,982,317	2,966,954
Additions during the period / year:			
- Land and Building		1,987	(12,801)
- Plant and machinery		55,141	326,842
- Vehicles		7,511	28,319
- Furniture, fittings and office equipments		-	837
- Computer equipments		4,040	12,792
		<u>68,679</u>	<u>355,989</u>
Less:			
- Disposals during the period / year - net book value		(132)	(256)
- Depreciation charge during the period / year		(88,489)	(340,370)
		<u>(88,621)</u>	<u>(340,626)</u>
		<u>2,962,375</u>	<u>2,982,317</u>

8. STOCK-IN-TRADE

Raw and packing materials - in hand		86,996	144,855
Finished goods			
- in hand		193,749	209,721
- in transit		21,836	-
		<u>215,585</u>	<u>209,721</u>
		<u>302,581</u>	<u>354,576</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. 28,029 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. 44,582 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 31 March 2017 amounted to Rs. 43,626 thousand (31 December 2016: Rs.43,037 thousand).

9.2 Commitments

Capital commitments outstanding as at 31 March 2017 amounted to Rs. 139,830 thousand (31 December 2016: Rs. 101,341 thousand).

10. CASH GENERATED FROM OPERATIONS

<u>Rupees in '000</u>	<u>Note</u>	<u>31 March 2017</u>	<u>31 March 2016</u>
Profit before taxation		72,351	63,079
<i>Adjustments for :</i>			
Depreciation		88,489	80,587
Amortisation		930	1,147
Gain on disposal of property, plant and equipment		(2,919)	(184)
Mark-up income from savings and deposit accounts		(38)	-
Finance cost		26,133	30,291
Post retirement medical benefits		134	148
Working capital changes	10.1	24,309	97,007
		<u>209,389</u>	<u>272,075</u>

10.1 Working capital changes

Decrease / (increase) in current assets:

Stores and spares	(5,140)	15,098
Stock-in-trade	51,995	113,443
Trade debts	(25,462)	(138,942)
Loans and advances	(11,206)	(8,818)
Deposit and prepayments	(8,509)	(2,780)
Other receivables	1,517	33,369
	<u>3,195</u>	<u>11,370</u>

Increase in current liabilities:

Trade and other payables	21,114	85,637
	<u>24,309</u>	<u>97,007</u>

11. CASH AND CASH EQUIVALENTS

Cash and bank balances	185,913	246,898
Short term borrowings - running finance under mark-up arrangement	(258,639)	-
	<u>(72,726)</u>	<u>246,898</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:

<u>Rupees in '000</u>		<u>31 March 2017</u>	<u>31 March 2016</u>
Nature of relationship	Nature of transactions		
The BOC Group Limited (Parent)	Technical assistance fee	<u>11,211</u>	<u>10,398</u>
	Dividends	<u>52,581</u>	<u>56,337</u>
Linde AG (Ultimate parent)	Information systems support / maintenance and development	<u>9,069</u>	<u>9,337</u>
Associated Companies	Purchase of goods and receipt of services	<u>10,749</u>	<u>10,803</u>
	Staff related cost in respect of services claimed by the Company from associated companies	<u>6,811</u>	<u>8,093</u>
Related entities by virtue of common directorship	Sale of goods	<u>14,745</u>	<u>16,973</u>
Staff retirement benefits	Contributions to staff retirement funds	<u>7,259</u>	<u>7,651</u>
Key management personnel	Remuneration for the period	<u>51,235</u>	<u>47,884</u>
Meeting fee to Directors and remuneration to Non-Executive Directors		<u>1,217</u>	<u>1,401</u>
Re-measurement: Actuarial gain / (Loss) recognised in other comprehensive income on account of Staff Retirement Benefits		<u>(2,329)</u>	<u>(25,998)</u>

12.2 Balances with related parties are summarised as follows:

<i>Rupees in '000</i>	31 March 2017	31 December 2016
Receivable from associates in respect of trade debts	18,984	15,056
Receivable from Staff Retirement Funds	15,480	13,773
Payable to holding company / associates in respect of trade and other payables	251,663	232,756

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 26th April 2017 by the Board of Directors of the Company.



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 flow meters
- 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 (O₂, N₂O, 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 nd 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	Sales depot