

**CONDENSED INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

FOR THE NINE MONTHS ENDED

30 SEPTEMBER 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 (un-audited) of your Company for the quarter and nine months ended 30 September 2017.

Pakistan's economy has continued to maintain its momentum as a result of conducive macroeconomic environment. The Gross Domestic Product (GDP) growth is expected to reach the annual target of 6.0 percent for FY2018 as against 5.3 percent for FY 2017 leading to an improved capacity to accommodate rising domestic demand. Large Scale Manufacturing (LSM) also depicted a healthy and broad-based growth of 5.7 percent for FY17. Manufacturing activities are expected to go up owing to higher development spending mainly driven by CPEC-related projects, stable & low cost of borrowing and improving security conditions. CPI inflation has remained benign at 3.2 percent in July to August FY-18 compared to 3.8 percent during the same period previous year and it is expected to remain well below FY18 target of 6.0 percent.

These positive indicators, however, have on the other hand, generated pressures on the current account resulting in widening of deficit to \$2.6 billion during FY18 mainly due to growing imports of machinery, metal and petroleum products despite being partly offset by some growth in exports and a healthy workers' remittances. Going forward, in view of favorable global economic conditions, and recent government initiatives as well as policy measures and improvement in domestic energy supplies, exports present an encouraging outlook, but imports are also expected to rise due to ongoing CPEC related investments and domestic economic activities and with the declining number of workers' proceeding abroad, growth in workers' remittances will be sluggish. Hence, an improvement in the country's external account and its foreign exchange reserve relies upon timely realization of official financial inflows along with effective adoption of structural reforms to improve trade competitiveness in the medium term.

Overall, the results of your Company for the nine months period ended September 30, 2017 displayed an exceptional performance leading to improvement in all the key performance indicators. Net Sales for the third quarter and for the three quarters recorded a strong growth of 22% and 11% respectively which resulted in net Sales of Rs. 3.3 billion for the nine month period ended September 30, 2017. More importantly, this growth in business was contributed by all the business segments despite price pressures on account of surplus capacity in the market. To name a few, increased sales to sugar industry, medical engineering projects, power and infrastructure related projects and Gaddani's ship breaking sector. As a result, Gross profit registered even higher growth of 23% and 12% for the third quarter and the nine months period respectively in relation to the same period last year. Overheads continued to remain an area of focus, and increase therein net of other income were restricted to Rs.22 million, the increase being primarily on account of exchange loss, profit related workers' charges payable to the Government and inflation. With this performance, operating profit increased by a record 36% and 20% for the third quarter and the nine months period ended September 30, 2017 respectively. Efficient cash management also helped in reducing the Finance costs by 12% for the nine months period, and your Company despite an increased tax charge, recorded an exceptional 58% and 35% growth in profit after tax for the third quarter of and for the nine months period, respectively. Consequently, the Earning per share (EPS) stood at Rs. 3.01 and 7.91 for the third quarter and nine months period ended September 30, 2017 compared to Rs. 1.91 and Rs. 5.87 respectively, last year.

Subsequent to the public announcement of intention to acquire ordinary shares of the Company made by (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 "acquirers") from The BOC Group Limited (the BOC Group) under and pursuant to the provision of Securities Act 2015 and Listed Companies Substantial Acquisition of Voting Shares and Takeovers Regulations, 2017 (Regulations) (collectively referred to as "takeover laws") and Share Price Agreement (SPA) entered into between the acquirers and the BOC Group as reported earlier through Pakistan Stock Exchange (PSX) from time to time, on 11 October 2017, the acquirers have made public announcement to offer to acquire up to 5,007, 744 ordinary shares of the Company representing 20% of the total issued ordinary share capital of the Company at a price equivalent of EUR 2.53, that is PKR 314.22/- per share in accordance with the Takeover Regulations. This was also reported to PSX by the Company on October 12, 2017.

Keeping in view company's robust performance during the nine months period, your directors look forward to a stronger fourth quarter and an improved performance for the year. The Board would like to congratulate the management for their valuable contribution to achieve the excellent performance and results during the period under review, notwithstanding the uncertainties of this transitional period.

Karachi: 26 October 2017

Muhammad Ashraf Bawany
Chief Executive

On behalf of the Board

Munnawar Hamid OBE
Chairman

- ۲ -

اس کے نتیجے میں تیسری سہ ماہی اور نو ماہ کی مدت میں مجموعی منافع میں بالترتیب 23% اور 12% کا اضافہ ہوا جو گزشتہ سال کی اسی مدت کے مقابلے میں کہیں زیادہ ہے۔ بالائی اخراجات پر بھی خصوصی توجہ مرکوز رہی اور ان اخراجات میں (دیگر آمدنی کے بعد) اضافہ کو 22 ملین روپے تک محدود رکھا گیا۔ یہ اضافہ بنیادی طور پر زرمبادلہ میں نقصان، ورکرز کی اجرت سے متعلق منافع پر حکومت کے چارجز کی ادائیگی اور افراط زر کی بناء پر ہوا۔ اس کارکردگی کی روشنی میں ہم دیکھتے ہیں کہ تیسری سہ ماہی اور 30 ستمبر 2017 کو ختم ہونے والے نو ماہ کی مدت میں کاروباری منافع میں بالترتیب 36% اور 20% اضافہ ریکارڈ کیا گیا۔ اس نو ماہ کی مدت میں کیش کی دانشمندانہ منجھٹ کے سبب مالیاتی لاگت 12% تک کم ہوئی اور آپ کی کمپنی نے ٹیکس چارجز میں اضافہ کے باوجود تیسری سہ ماہی اور نو ماہ کی مدت میں بالترتیب 58% اور 35% کا شاندار بعد از ٹیکس منافع حاصل کیا۔ اس کے نتیجے میں تیسری سہ ماہی اور 30 ستمبر 2017 کو ختم ہونے والے نو ماہ کی مدت میں فی شیئر آمدنی (EPS) بالترتیب 3.01 روپے اور 7.91 روپے رہی جبکہ اس کے مقابلے میں گزشتہ سال یہ بالترتیب 1.91 روپے اور 5.87 روپے تھی۔

کمپنی کے عمومی شیئرز کی خریداری کے ارادے کے بارے میں اعلان عام کے بعد، جو (i) اوپریٹنگ ہولڈنگز (پرائیویٹ) لمیٹڈ (II) بلٹن فارما (پرائیویٹ) لمیٹڈ (iii) سورتی انٹرپرائزز (پرائیویٹ) لمیٹڈ (iv) الکریم ٹیکسٹائل ملز (پرائیویٹ) لمیٹڈ (v) جناب سراج دادا بھائی اور (vi) جناب فواد نور ("خریدار") نے بی اوی گروپ لمیٹڈ (بی اوی گروپ) کے ساتھ سیکورٹیز ایکٹ 2015 اور (سٹریٹجیٹک سٹریٹجیٹک ایکیویزیشن آف ووٹنگ شیئرز اینڈ ٹیک اوورز) ریگولیشنز 2017 (ریگولیشنز) (مجموعی حوالہ بطور "ٹیک اوور لاز") کے تحت کیا اور خریداروں اور بی اوی گروپ کے درمیان ہونے والے شیئرز پرائس ایگریمنٹ (SPA) کے تحت جس کی اطلاع اس سے پہلے وقتاً فوقتاً پاکستان اسٹاک ایکسچینج (PSX) کو دی گئی اور 11 اکتوبر 2017 کو خریداروں نے کمپنی کے 5,007,744 تک عمومی شیئرز کی خریداری کی پیشکش کا اعلان عام کیا جو کہ کمپنی کے کل جاری کردہ عمومی شیئرز کا 20% ہے اور اس کیلئے 2.53 یورو یعنی 314.22 پاکستانی روپے فی شیئر لگائی ہے جو ٹیک اوور ریگولیشنز کے مطابق ہے۔ کمپنی نے اسکے بارے میں PSX کو 12 اکتوبر 2017 کو مطلع کر دیا تھا۔

اس نو ماہ کی مدت میں کمپنی کی شاندار کارکردگی کے پیش نظر آپ کے ڈائریکٹرز کو چوتھی سہ ماہی میں مزید بہتر اور سال میں بہترین کارکردگی کی توقع ہے۔ بورڈ، زیر جائزہ سال کی اس عبوری مدت میں غیر یقینی صورتحال کے باوجود کمپنی کی بے مثال کارکردگی اور بہترین نتائج کے حصول پر انتظامیہ کی کاوشوں پر ان کو مبارکباد پیش کرتا ہے۔

بہتر منعم اور

Munawar Hamid

منور حمید - OBE
چیئر مین

Ashraf

ایم۔ اشرف باوانی
چیف ایگزیکٹو

کراچی 26 اکتوبر 2017

ڈائریکٹرز کا جائزہ

ہم ہمسرت ڈائریکٹرز کا جائزہ مع آپ کی کمپنی کی عبوری مالیاتی معلومات (غیر آڈٹ شدہ) کا خلاصہ برائے نو ماہ اختتامہ 30 ستمبر 2017 پیش کرتے ہیں۔

سازگار میکرو اکنامک ماحول کی بدولت پاکستان کی معاشی ترقی کا عمل روانی سے جاری ہے۔ توقع ہے کہ مالی سال 2018 میں مجموعی قومی پیداوار (GDP) میں سالانہ 6.0 فیصد اضافہ کا ہدف حاصل ہو جائے گا جو کہ مالی سال 2017 میں 5.3 فیصد تھا، اور اب اس کے نتیجے میں بڑھتی ہوئی مقامی طلب کو پورا کرنے کی بہتر گنجائش پیدا ہوگی۔ مالی سال 2017 میں بڑے پیمانے کی مینوفیکچرنگ (LSM) میں 5.7% اضافہ صحت مند اور توسیع کے رجحان کی علامت ہے۔ مینوفیکچرنگ کی سرگرمیوں کا یہ سلسلہ مزید بڑھنے کی توقع ہے جس کی وجہ خاص طور پر سی پیک سے متعلق بڑے اخراجات کے ترقیاتی کاموں، مستحکم اور کم قیمت کے قرضہ جات کا حصول اور سیکورٹی کی بہتر صورت حال ہے۔ مالی سال 2018 میں جولائی سے اگست تک CPI کے مطابق افراط زر کی شرح کافی حد تک مناسب یعنی 3.2 فیصد رہی جبکہ گزشتہ سال کے اسی عرصہ میں یہ شرح 3.8 فیصد تھی اور توقع ہے کہ مالی سال 2018 میں بھی یہ 6.0 فیصد کے ہدف سے کافی کم رہے گی۔

تاہم دوسری جانب ان مثبت اشاروں سے کرنٹ اکاؤنٹ پر دباؤ پڑا ہے جس کے نتیجے میں مالی سال 2018 کے دوران میں خسارہ بڑھ کر 2.6 بلین ڈالر کی حد کو پہنچ گیا جس کی بڑی وجہ مشینری، مینل اور پٹرولیم پروڈکٹس کی درآمدات میں اضافہ تھی اگرچہ درآمدات میں کچھ اضافے اور بیرون ملک سے بھیجی جانے والی زیادہ رقم سے اس کا کچھ زوالہ ہو گیا۔ مزید یہ کہ عالمی سطح پر موافق معاشی حالات اور حکومت کے حالیہ اقدامات کے ساتھ ساتھ پالیسی تدابیر اور ملک میں توانائی کی فراہمی میں بہتری کے سبب درآمدات میں حوصلہ افزاء اضافہ نظر آتا ہے لیکن اس کے ساتھ درآمدات میں بھی اضافہ کی توقع ہے جس کی وجہ سی پیک سے متعلق جاری سرمایہ کاری اور مقامی معاشی سرگرمیوں میں اضافہ ہے۔ اس کے علاوہ بیرون ملک جانے والے افراد کی تعداد میں کمی اور ورکرز کی جانب سے رقوم کی ترسیل میں کمی آئے گی۔ لہذا ملک کے بیرونی اکاؤنٹ اور زرمبادلہ کے ذخائر میں بہتری کا انحصار سرکاری سطح پر مالیاتی داخلی بہاؤ کے بروقت ادراک اور وسطی مدت کی تجارت میں مسابقت میں بہتری کیلئے موثر اسٹریٹجی پر اصلاحات کرنے پر ہے۔

مجموعی طور پر آپ کی کمپنی نے 30 ستمبر 2017 کو ختم ہونے والے نو ماہ میں غیر معمولی کارکردگی کا مظاہرہ کیا ہے جس سے بنیادی کارکردگی کے تمام اشاریوں میں بہتری نظر آ رہی ہے۔ تیسری سہ ماہی اور تین سہ ماہیوں میں خالص سیلز میں بالترتیب 22% اور 11% کا نمایاں اضافہ ہوا جس کے نتیجے میں 30 ستمبر 2017 کو ختم ہونے والے نو ماہ کی مدت میں 3.3 بلین روپے کی خالص سیلز ریکارڈ کی گئی۔ اس سے بھی اہم یہ بات ہے کہ مارکیٹ میں اضافی گنجائش کے باعث قیمتوں میں خاصے دباؤ کے باوجود مجموعی کاروبار کے اس اضافہ میں ہمارے کاروبار کے تمام شعبہ جات کا حصہ ہے۔ جن شعبہ جات کی سیلز میں اضافہ ہوا ان میں چینی کی صنعت، میڈیکل انجینئرنگ کے منصوبے، پاور انفراسٹرکچر سے متعلق منصوبہ جات اور گلدانی شپ بریکنگ کے شعبہ جات شامل ہیں۔

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

Rupees in '000	Note	For the nine months ended		For the third quarter ended	
		30 Sep. 2017	30 Sep. 2016	30 Sep. 2017	30 Sep. 2016
Gross sales	5	3,723,618	3,353,839	1,316,246	1,085,656
Trade discount and sales tax	5	(438,297)	(403,720)	(150,904)	(129,929)
Net sales		3,285,321	2,950,119	1,165,342	955,727
Cost of sales	5	(2,542,816)	(2,287,259)	(893,486)	(735,282)
Gross profit		742,505	662,860	271,856	220,445
Distribution and marketing expenses	5	(194,707)	(194,489)	(69,828)	(65,195)
Administrative expenses	5	(181,399)	(176,483)	(64,030)	(58,821)
Other operating expenses		(45,474)	(20,643)	(16,677)	(7,225)
		(421,580)	(391,615)	(150,535)	(131,241)
Operating profit before other income		320,925	271,245	121,321	89,204
Other income		20,421	12,481	10,156	7,222
Operating profit		341,346	283,726	131,477	96,426
Finance costs		(73,404)	(83,147)	(22,540)	(28,196)
Profit before taxation		267,942	200,579	108,937	68,230
Taxation	6	(69,781)	(53,640)	(33,344)	(20,341)
Profit for the period		198,161	146,939	75,593	47,889
----- (Rupees) -----					
Earnings per share - basic and diluted		7.91	5.87	3.01	1.91


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*)

<i>Rupees in '000</i>	For the nine months ended		For the third quarter ended	
	30 Sep. 2017	30 Sep. 2016	30 Sep. 2017	30 Sep. 2016
Profit for the period	198,161	146,939	75,593	47,889
<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	(805)	4,003	(2,868)	(2,794)
Tax thereon	427	(1,241)	861	866
	(378)	2,762	(2,007)	(1,928)
<i>Items that will be reclassified subsequently to profit and loss account</i>				
Derivative financial instruments	(737)	257	(737)	-
Tax thereon	221	(82)	221	-
	(516)	175	(516)	-
Total comprehensive income for the period	197,267	149,876	73,070	45,961

The annexed notes 1 to 14 form an integral part of these 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

<i>Rupees in '000</i>	<i>Note</i>	As at 30 Sep. 2017 (Unaudited)	As at 31 Dec. 2016 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	2,895,654	3,130,100
Intangible assets		13,404	16,192
Investment in subsidiary		10	10
Long term deposits		69,353	66,031
		<u>2,978,421</u>	<u>3,212,333</u>
Current assets			
Stores and spares		112,221	92,305
Stock-in-trade	8	231,781	354,576
Trade debts		700,660	519,720
Loans and advances		48,449	57,529
Deposits and prepayments		110,523	109,131
Other receivables		95,464	103,391
Taxation - net		330,714	378,525
Cash and bank balances		356,026	110,092
		<u>1,985,838</u>	<u>1,725,269</u>
Total assets		<u>4,964,259</u>	<u>4,937,602</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			
Unappropriated profit		1,474,822	1,375,413
		197,783	187,561
		<u>1,672,605</u>	<u>1,562,974</u>
		1,922,992	1,813,361
Non-current liabilities			
Long term financing		405,000	270,000
Long term deposits		175,760	165,858
Deferred liabilities		360,708	397,383
		941,468	833,241
Current liabilities			
Trade and other payables		1,491,136	1,431,889
Short term borrowings		358,663	89,111
Current maturity of long term financing		250,000	770,000
		<u>2,099,799</u>	<u>2,291,000</u>
Total equity and liabilities		<u>4,964,259</u>	<u>4,937,602</u>
Contingencies and Commitments	9		

The annexed notes 1 to 14 form an integral part of these 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 nine months ended	
		30 Sep. 2017	30 Sep. 2016
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	10	591,436	591,119
Finance costs paid		(66,822)	(71,800)
Income tax paid		(58,900)	(99,540)
Post retirement medical benefits paid		(93)	(189)
Reorganisation / restructuring cost paid		-	(3,460)
Long term loans and deposits		(3,322)	(8,677)
Long term deposits		9,902	6,288
Net cash generated from operating activities		472,201	413,741
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(33,329)	(172,804)
Proceeds from disposal of operating assets		6,411	3,345
Interest received on balances with banks		72	-
Net cash used in investing activities		(26,846)	(169,459)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term financing		(385,000)	(135,000)
Dividends paid		(83,973)	(97,075)
Net cash used in financing activities		(468,973)	(232,075)
Net (decrease) / increase in cash and cash equivalents		(23,618)	12,207
Cash and cash equivalents at beginning of the year		20,981	94,026
Cash and cash equivalents at end of the period	11	(2,637)	106,233

The annexed notes 1 to 14 form an integral part of these 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 nine months ended 30 Sep.2017

Rupees in '000	Share capital	Hedging reserve	Reserves General reserve	Unappropriated profit	Total
	Issued, subscribed and paid-up capital				
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	-	-	-	146,939	146,939
Other comprehensive income for the period	-	175	-	2,762	2,937
	-	175	-	149,701	149,876
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)
Interim dividend for the year ending					
31 December 2016 - Rs. 1.50 per share				(37,558)	(37,558)
Transfer to general reserve	-	-	16,209	(16,209)	-
Balance as at 30 September 2016	250,387	-	1,375,413	112,143	1,737,943
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	-	-	-	198,161	198,161
Other comprehensive income for the period	-	(516)	-	(378)	(894)
	-	(516)	-	197,783	197,267
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 30 September 2017	250,387	(516)	1,475,338	197,783	1,922,992

The annexed notes 1 to 14 form an integral part of these 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 nine months ended 30 September 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.

The Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 23 of 2017 has clarified that the companies whose financial year closes on or before December 31, 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.

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the nine months ended 30 September 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 nine months period ended						For the third quarter ended					
	30 Sep. 2017			30 Sep. 2016			30 Sep. 2017			30 Sep. 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
(Rupees in '000)												
Gross sales	3,081,981	641,637	3,723,618	2,823,234	530,605	3,353,839	1,094,153	222,093	1,316,246	947,375	138,281	1,085,656
Less:												
Trade discount	1,767		1,767	2,341	-	2,341	568	-	568	735	-	735
Sales tax	345,164	91,366	436,530	326,258	75,121	401,379	117,911	32,425	150,336	109,375	19,819	129,194
	346,931	91,366	438,297	328,599	75,121	403,720	118,479	32,425	150,904	110,110	19,819	129,929
Net sales	2,735,050	550,271	3,285,321	2,494,635	455,484	2,950,119	975,674	189,668	1,165,342	837,265	118,462	955,727
Less:												
Cost of sales	2,105,147	437,669	2,542,816	1,939,737	347,522	2,287,259	739,423	154,063	893,486	643,532	91,750	735,282
Distribution and marketing expenses	165,179	29,528	194,707	162,812	31,677	194,489	60,730	9,098	69,828	57,263	7,932	65,195
Administrative expenses	153,890	27,509	181,399	147,739	28,744	176,483	55,722	8,308	64,030	51,686	7,135	58,821
	2,424,216	494,706	2,918,922	2,250,288	407,943	2,658,231	855,875	171,469	1,027,344	752,481	106,817	859,298
Segment result	310,834	55,565	366,399	244,347	47,541	291,888	119,799	18,199	137,998	84,784	11,645	96,429
Unallocated corporate expenses:												
- Other operating expenses		(45,474)				(20,643)			(16,677)			(7,225)
- Other income		20,421				12,481			10,156			7,222
		(25,053)				(8,162)			(6,521)			(3)
Operating profit		341,346				283,726			131,477			96,426
Finance costs		(73,404)				(83,147)			(22,540)			(28,196)
Taxation		(69,781)				(53,640)			(33,344)			(20,341)
Profit for the period		198,161				146,939			75,593			47,889

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 Sep.</u> <u>2017</u> <u>(Unaudited)</u>	<u>31 December</u> <u>2016</u> <u>(Audited)</u>
Operating assets	7.1	2,827,240	2,982,317
Capital work-in-progress		68,414	147,783
		<u>2,895,654</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 / reclassification during the period / year:			
- Land and Building		3,284	(12,801)
- Plant and machinery		88,767	326,842
- Vehicles		16,606	28,319
- Furniture, fittings and office equipments		-	837
- Computer equipments		4,040	12,792
		112,697	355,989
Less:			
- Disposals during the period / year - net book value		(1,313)	(256)
- Depreciation charge during the period / year		(266,461)	(340,370)
		<u>(267,774)</u>	<u>(340,626)</u>
		<u>2,827,240</u>	<u>2,982,317</u>

8. STOCK-IN-TRADE

Raw and packing materials - in hand		73,910	144,855
Finished goods			
- in hand		134,502	209,721
- in transit		23,369	-
		<u>157,871</u>	<u>209,721</u>
		<u>231,781</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. 39,162 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. 44,455 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 September 2017 amounted to Rs. 44,828 thousand (31 December 2016: Rs.43,037 thousand).

9.2 Commitments

Capital commitments outstanding as at 30 September 2017 amounted to Rs. 217,616 thousand (31 December 2016: Rs. 101,341 thousand).

10. CASH GENERATED FROM OPERATIONS

<u>Rupees in '000</u>	<u>Note</u>	<u>30 Sep. 2017</u>	<u>30 Sep. 2016</u>
Profit before taxation		267,942	200,579
<i>Adjustments for :</i>			
Depreciation		266,461	253,125
Amortisation		2,790	3,440
Gain on disposal of property, plant and equipment		(5,099)	(3,134)
Mark-up income from savings and deposit accounts		(72)	-
Finance cost		73,404	83,147
Post retirement medical benefits		403	444
Working capital changes	10.1	<u>(14,393)</u>	<u>53,518</u>
		<u>591,436</u>	<u>591,119</u>

10.1 Working capital changes

<i>Decrease / (increase) in current assets:</i>			
Stores and spares		(19,916)	10,836
Stock-in-trade		122,795	(115,507)
Trade debts		(180,940)	(79,580)
Loans and advances		9,080	(13,020)
Deposit and prepayments		(1,392)	(26,345)
Other receivables		<u>3,947</u>	<u>20,201</u>
		<u>(66,426)</u>	<u>(203,415)</u>
<i>Increase in current liabilities:</i>			
Trade and other payables		<u>52,033</u>	<u>256,933</u>
		<u>(14,393)</u>	<u>53,518</u>

11. CASH AND CASH EQUIVALENTS

Cash and bank balances		356,026	106,233
Short term borrowings - running finance under mark-up arrangement		<u>(358,663)</u>	-
		<u>(2,637)</u>	<u>106,233</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 nine months ended	
		30 Sep.2017	30 Sep.2016
Nature of relationship	Nature of transactions		
The BOC Group Limited (Parent)	Technical assistance fee	34,402	31,491
	Dividends	52,582	78,872
Linde AG (Ultimate parent)	Information systems support / maintenance and development	28,705	29,989
	Staff related cost in respect of services claimed by the Company from ultimate parent companies	276	89
Associated Companies	Purchase of goods and receipt of services	35,848	32,675
	Staff related cost in respect of services claimed by the Company from associated companies	15,529	26,229
Related entities by virtue of common directorship	Sale of goods	42,880	44,196
Staff retirement benefits	Contributions to staff retirement funds	22,420	23,623
Key management personnel	Remuneration for the period	172,248	158,847
Meeting fee to Directors and remuneration to Non-Executive Directors		3,927	4,019
Re-measurement: Actuarial gain / (Loss) recognised in other comprehensive income on account of Staff Retirement Benefits		207	4,450

12.2 Balances with related parties are summarised as follows:

<u>Rupees in '000</u>	30 Sep.2017 (Unaudited)	31 Dec.2016 (Audited)
Receivable from associates in respect of trade debts	17,459	15,056
Receivable from staff retirement funds	16,427	15,817
Payable to staff retirement benefit funds	(2,745)	(20,144)
Payable to holding company / associates in respect of trade and other payables	(282,518)	(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 October 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 (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, Mughalpora 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 Phone +92.71.5630871	Sales depot