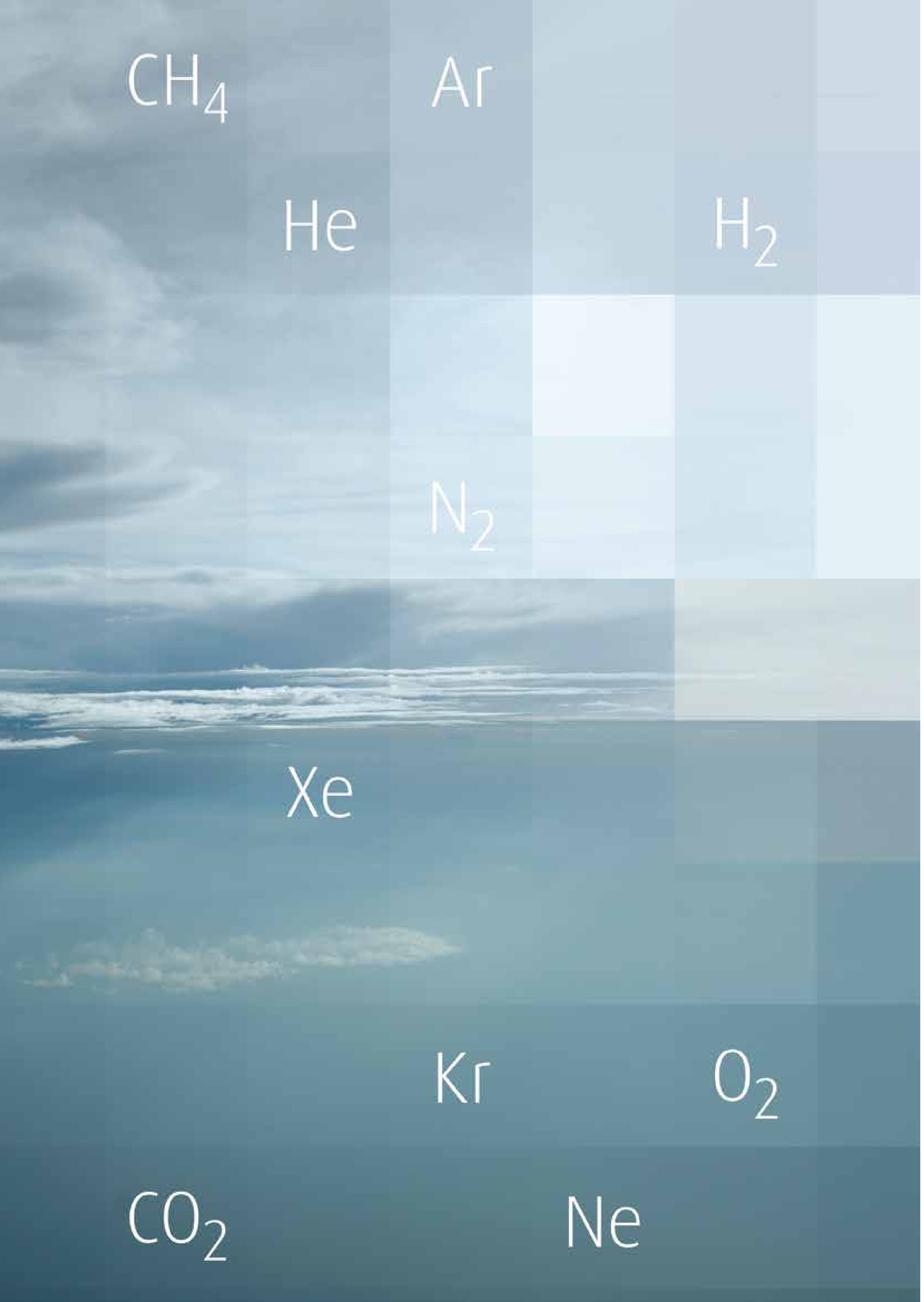
Linde Pakistan Limited.

THE LINDE GROUP

Linde

Building on strengths.

Annual Report 2015.



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

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

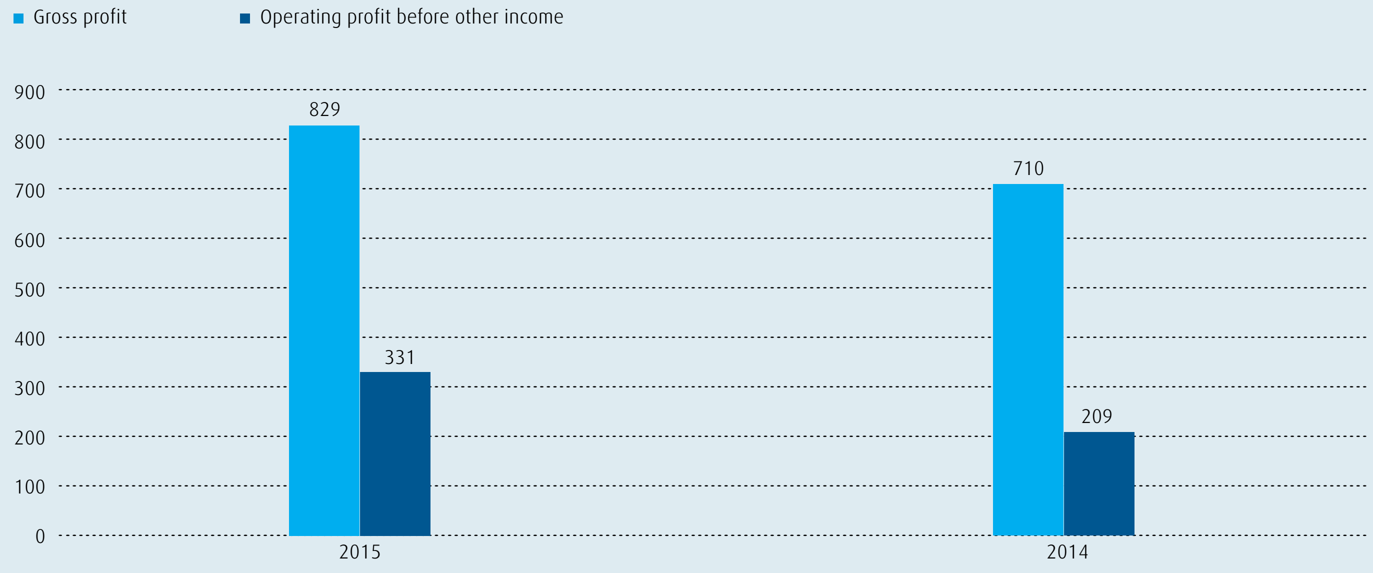
We continue to expand our footprint and build on our strengths by investing in our assets, our processes and our people. The resulting improvement in reliability, efficiency and product service offering enables us to meet our customers’ growing and emerging needs and positions us to remain the supplier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

Year at a glance.

Rupees in '000	2015	2014
Net sales	3,914,176	3,925,036
Gross profit	829,223	710,372
Total overheads	(498,480)	(501,373)
Operating profit before other income	330,743	208,999
Reorganisation / restructuring cost	(33,500)	-
Operating profit after reorganisation / restructuring cost	318,119	295,078
Profit before taxation	191,805	177,402
Profit for the year	140,854	126,887
Earnings per share – basic and diluted (Rupees)	5.63	5.07
Number of permanent employees at year end	119	148

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

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



Contents.

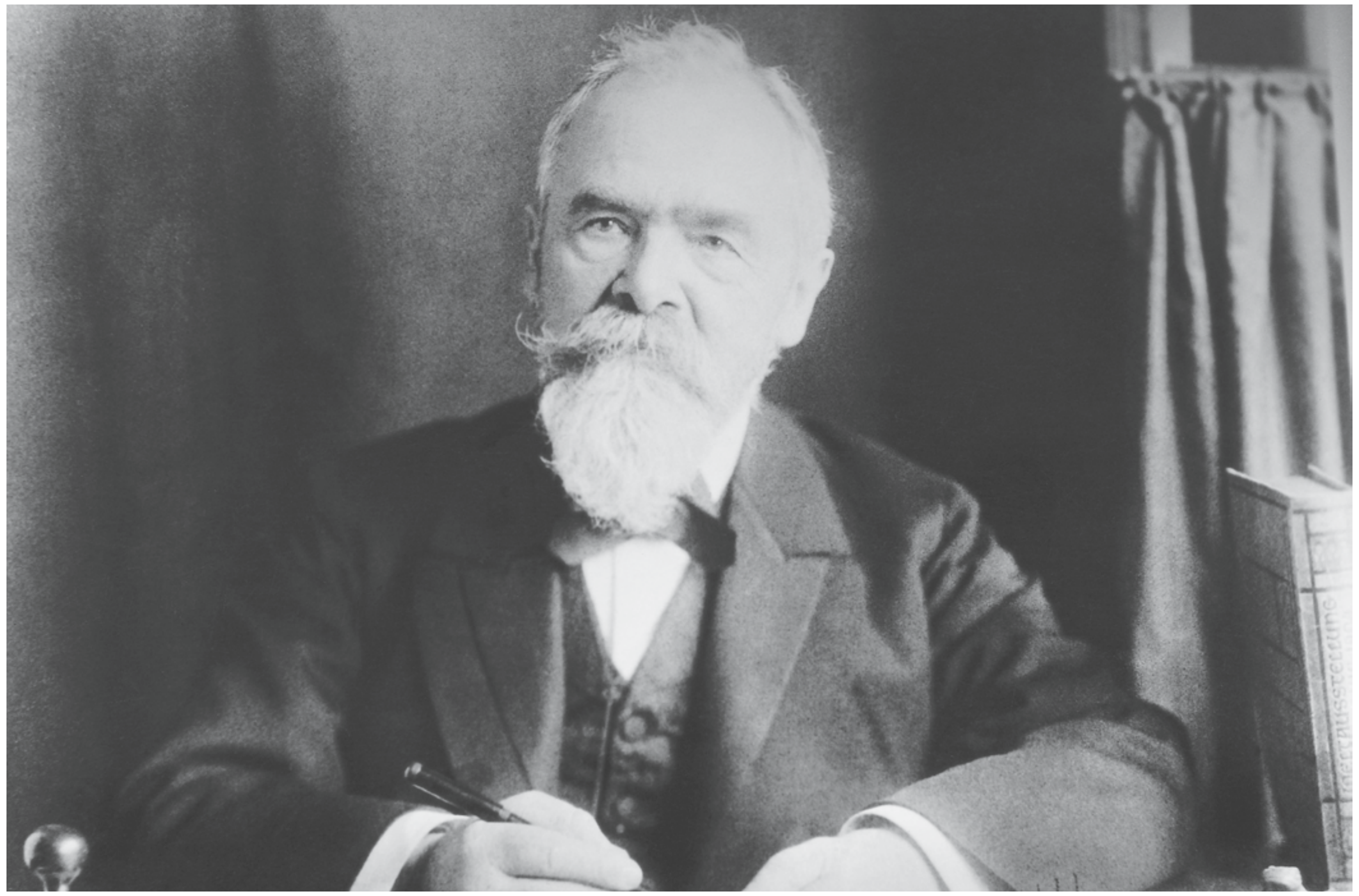
About The Linde Group.

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

In the 2015 financial year, The Linde Group generated revenue of EUR 17.944 bn, making it one of the leading gases and engineering companies in the world, with approximately 65,000 employees working in more than 100 countries worldwide. The strategy of The Linde Group is geared towards long-term profitable growth and focuses on the expansion of its international business with forward-looking products and services.

Linde acts responsibly towards its shareholders, business partners, employees, society and the environment – in every one of its business areas, regions and locations across the globe. The company is committed to technologies and products that unite the goals of customer value and sustainable development. For more information, see The Linde Group online at www.linde.com

The BOC Group Limited, U.K., the majority shareholder of Linde Pakistan Limited, is a wholly owned subsidiary of Linde AG, Germany. Accordingly, Linde AG is the ultimate parent company of Linde Pakistan Limited. For more information, see The Linde Group online at www.linde.com



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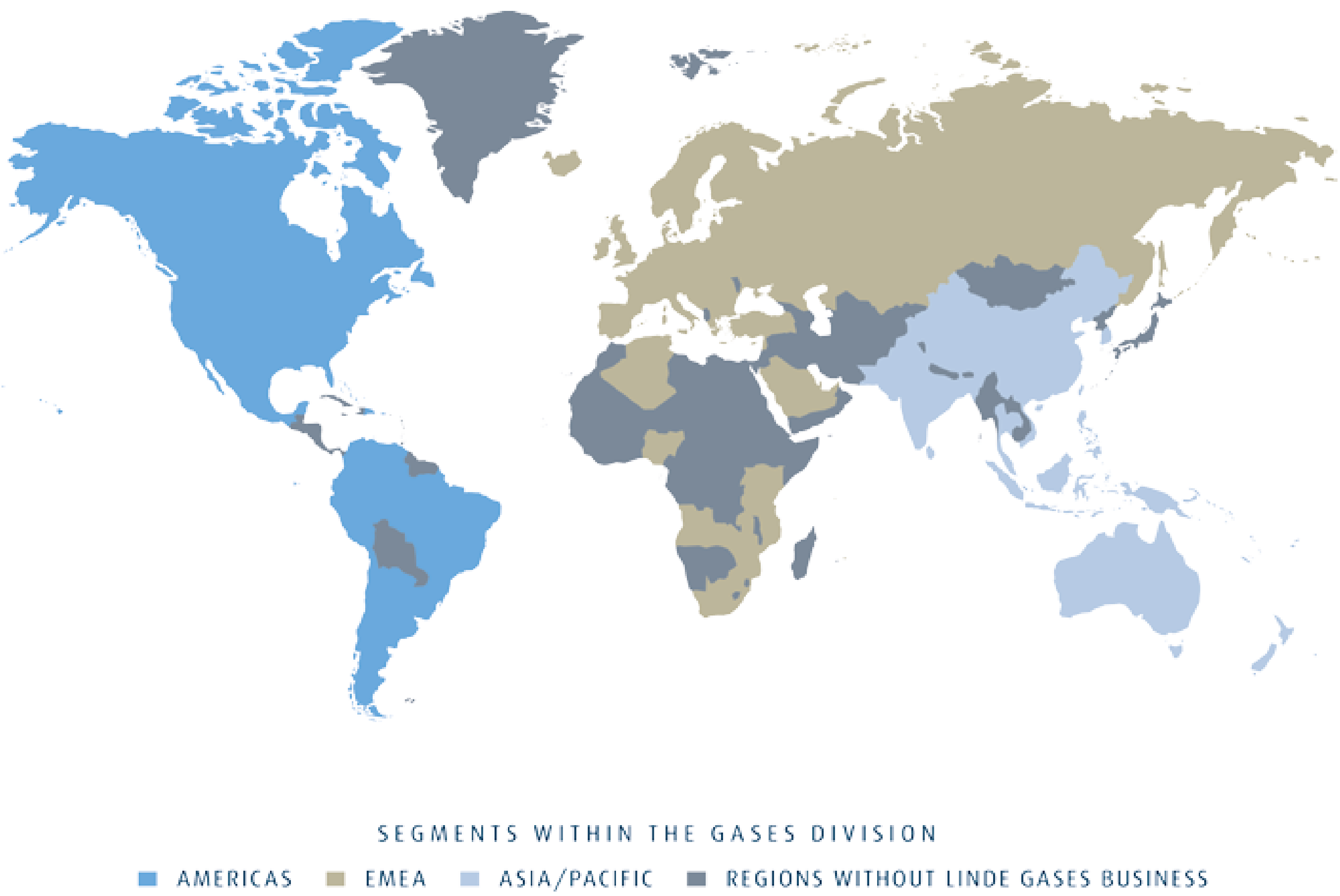

The Linde Group is present in more than 100 countries across the world.

About Linde Pakistan.

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

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

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

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

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

Head office

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

Customer services

Linde Pakistan Limited
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Fax +92.21.32312968

Our legacy in Pakistan.

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

We supply products to more than 4,000 customers from a wide spectrum of industries ranging from chemicals and petrochemicals to steel, food and healthcare. Our team of nearly 120 trained and professional staff manages 24-hour operations at ten major industrial locations across the country to support our customers wherever they may be located.

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

1935 Indian Oxygen and Acetylene Company

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

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

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

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

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

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

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

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

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

2009 New nitrous oxide plant commissioned at Lahore

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

2011 BOC Pakistan rebrands as Linde Pakistan on 19 September

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

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

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

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

1935 – 2015

Our vision.

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

Our mission.

To engage effectively, responsibly and profitably in the industrial gases, healthcare and welding markets.

LPL consistently seeks a high standard of performance, and aims to maintain a long-term leadership position in its competitive environment. This will be achieved through operating efficiency, continued dedication to serving our customers, cost effectiveness and behavioral conformance to our values.

The Company will be recognized by the communities it operates in, as a safe and environmentally responsible organization.

Our people will be acknowledged for their integrity and talent. The corporation acknowledges that commercial success and sustained profitable growth depends on the recruitment, development and retention of competent human resources and it will continue to invest in building this organizational capacity and capability.

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

Code of Ethics.

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

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

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

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

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

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

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

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

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

Executives at work.

Our business.

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

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

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

On-site

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

Bulk

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

Packaged Gases and Products

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

Healthcare

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

Our products and services.

In Pakistan our business and reputation is built around our customers. Whatever the industry or interest, we continue to respond to its needs as quickly and effectively as possible. The ever-changing requirements of customers are the driving force behind the development of all our products, technologies and support services. Linde Pakistan provides gas products, facilities and turnkey services and solutions which are customized to meet the unique needs of our customers and add value to their businesses. Our competitive advantage is our extensive process engineering, project development and comprehensive product portfolio. We have the widest range of bulk and compressed gases product lines as well as welding consumables, equipment and safety gear. At Linde, our highly qualified and experienced engineers, product managers, technologists and marketers excel at providing dedicated support. A Linde customer receives for each gas application, the complete solution – gas, know-how, tailor-made hardware and customized services.

Industrial gases

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

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

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

Healthcare

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

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

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

Welding and others

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

Welding machines
- Automatic
- Semi-automatic
- Manual

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

PGP – others
- Dry ice

Building on strengths.

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

German engineering and global synergies

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

The most extensive product service offering

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

Ongoing investments in assets

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

We have set up the largest air separation unit in the country and we own the largest delivery fleet and the most extensive storage facilities in the country. Over the last five years only, Linde Pakistan has invested Rs. 3.2 billion in capital projects. These ensure that we are able to supply our customers where ever they are. Our multiple plants promise that reliability to the customer is always ensured.

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

Ongoing efficiency and productivity improvements

In 2015, the global and the local economy continued to face headwinds, with falling crude oil prices, power volatility and global steel oversupply leading to a slower demand growth. This was further exacerbated by the additional air separation plants going on-stream in the past few years resulting in excess product availability in the merchant market causing price erosion across the board. Despite this we were able to improve our profitability at a company level as we had continued to invest in improving our production efficiencies over the last several years. This is a major strength that leaves us poised to grow sustainably and profitably even during economic downturns.

Dedicated and professional teams

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

Uncompromising focus on safety

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

We continue to build on our strengths, constantly improving and learning and growing so that we remain close to our customers and are able to support their growth.

Our commitment to safety.

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

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

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

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

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

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

We have also continued to progress well with the Major Hazards Review Programme. Under this programme production sites have received certification which gives assurance that all high risks and hazards have been assessed and mitigation measures implemented. As another leading initiative, we have installed in-cab cameras, during 2015, in all commercial vehicles for effective monitoring of drivers' driving behaviours, which is critical for sustaining transport safety improvements.

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

One company, countless solutions.

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

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

Zero-additive preservation alternatives for the food & beverage industry

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

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

The full spectrum of metal fabrication technologies

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

Speciality and fine chemicals

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

Applications for steel and metal production

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

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

Solutions for the oil and gas segment

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

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

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

Improved quality of life through therapies and medicines

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

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

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

Driving innovation with the latest gas applications

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

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

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

Key facilities around Pakistan.

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

Relibility of supply

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

Air Separation plants

Our facilities include 3 Air Separation plants (ASU) at Lahore and Port Qasim, including the largest ASU in Pakistan with a capacity of 150 Tons per Day (TPD). In addition to this we have completed the installation of a new nitrogen generator at Qasba Gujrat to cater to PARCO's increased gas demand with dedicated supplies.

Carbon dioxide plants

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

Hydrogen and Dissolved acetylene plants

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

Nitrous oxide plant

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

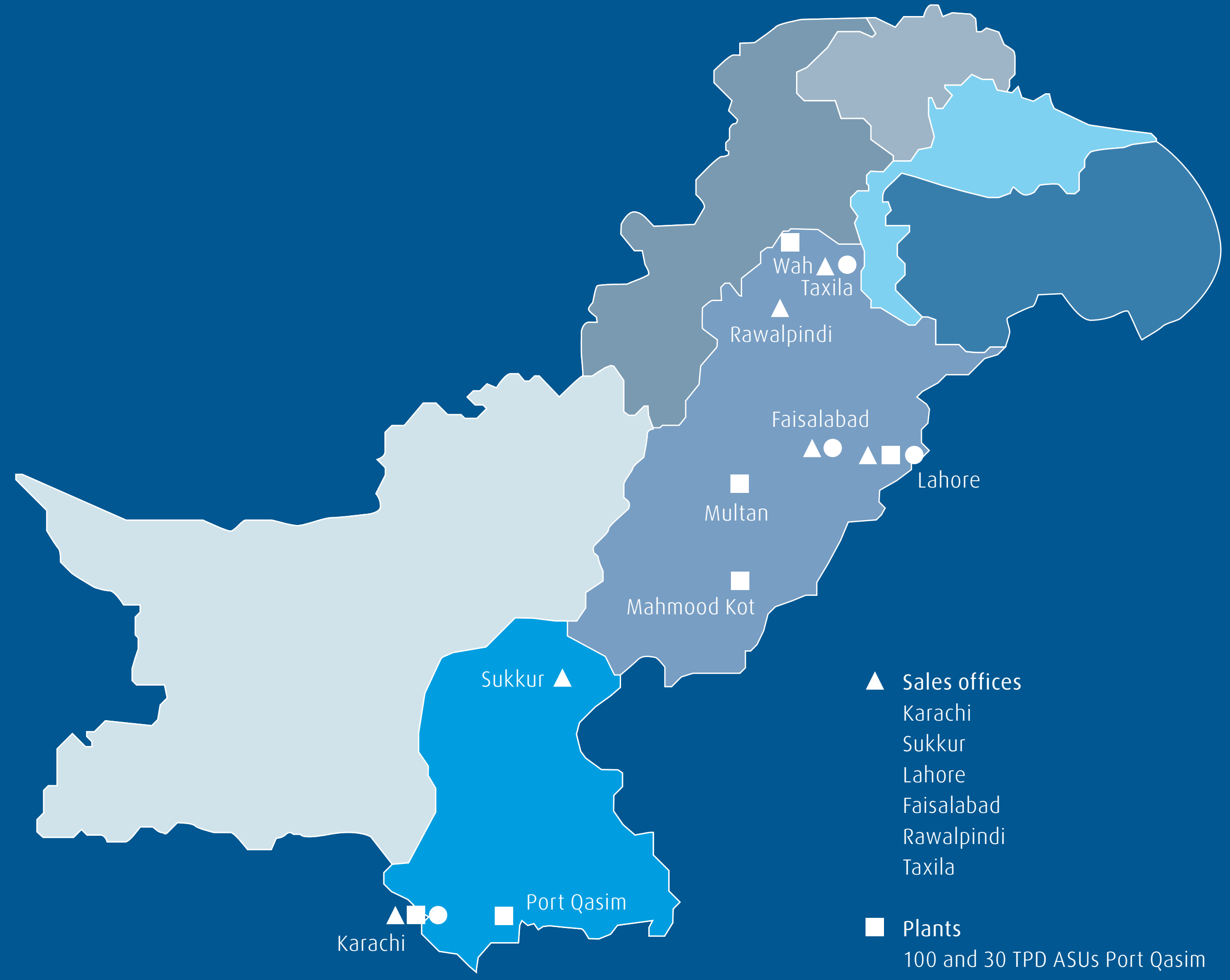
Dry ice plant and speciality gases laboratory

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

Compression facilities

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

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



▲ Sales offices
Karachi
Sukkur
Lahore
Faisalabad
Rawalpindi
Taxila

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

● Company owned
Compressing stations

Company information.

Board of Directors	
Munnawar Hamid – OBE	Non-Executive Chairman
Muhammad Ashraf Bawany	Chief Executive and Managing Director
Atif Riaz Bokhari	Non-Executive Director
Humayun Bashir	Independent Director
Shahid Hafiz Kardar	Independent Director
Khaleeq Kayani	Non-Executive Director
Andrew James Cook	Non-Executive Director
Ganapathy Subramanian NarayanaSwamy	Non-Executive Director
Muhammad Samiullah Siddiqui	Executive Director

Chief Financial Officer	
Muhammad Samiullah Siddiqui	

Company Secretary	
Mazhar Iqbal	

Board Audit Committee		
Humayun Bashir	Chairman	Independent Director
Atif Riaz Bokhari	Member	Non-Executive Director
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 and Company Secretary

Board Human Resource and Remuneration Committee		
Munnawar Hamid – OBE	Chairman	Non-Executive Director
Muhammad Ashraf Bawany	Member	Chief Executive and Managing Director
Khaleeq Kayani	Member	Non-Executive 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 and Managing Director
Muhammad Samiullah Siddiqui	Member	Executive Director
Wakil Ahmed Khan	Secretary	Manager – Corporate Services

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

Share registrar
Central Depository Company of Pakistan Limited

Auditors
KPMG Taseer Hadi and Co.

Legal advisor
Ayesha Hamid of Hamid Law Associates

Registered office
West Wharf, Dockyard Road, Karachi – 74000

Website
www.linde.pk
www.linde.com

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

Linde offers myriad solutions suited for both the upstream and downstream steel industry.

Mr. Khaleeq Kayani
Director

Mr. Andrew James Cook
Director

Mr. M Ashraf Bawany
Chief Executive Officer

Mr. Munnawar Hamid – OBE
Chairman

Mr. Atif Riaz Bokhari
Director

Mr. Ganapathy Subramanian NarayanaSwamy
Director

Mr. Humayun Bashir
Director

Mr. Shahid Hafiz Kardar
Director

Mr. Samiullah Siddiqui
Director

Profile of Directors*.

Mr. Munnawar Hamid – OBE
Chairman

Mr. Munnawar Hamid is the former Chairman and Chief Executive of the ICI Group in Pakistan, and was with the Group since his graduation from the Universities of Punjab (Government College Lahore) and Cambridge (Gonville and Caius College) and subsequent Advanced Management training at INSEAD. He retired in 2003 after nearly 35 years association with ICI including a concluding year as Advisor to the Group CEO in London. He is the Chairman of Linde Pakistan Limited since 2002.

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

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

Mr. M Ashraf Bawany
Chief Executive Officer

Mr. Muhammad Ashraf Bawany is the Chief Executive and Managing Director of Linde Pakistan Limited. He has served Linde Pakistan Limited for about 30 years in various leadership roles and was responsible for successfully executing several local and regional initiatives and strategies. Prior to his appointment as CEO and MD, he held a number of key positions within the Company including Deputy Managing Director, Chief Financial Officer, Company Secretary and Chief Internal Auditor.

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

He is Chairman Pakistan German Business Forum (PGBF) and a Director on the Board of German Pakistan Trade and Investment (GPTI). He is also a member of the Welfare Committees of Tabba Heart Institute and Aziz Tabba Foundation. He is also a member of Managing Committee of Bin Qasim Association of Trade and Industry (BQATI) and has recently been appointed as Vice-Chairman Jetpur Memon Association.

Mr. Bawany is a fellow member of the Institute of Cost and Management Accountants of Pakistan, Institute of Corporate Secretaries of Pakistan and a law graduate. He has also participated in various advanced management courses from local and foreign institutions. Mr. Bawany is also a Certified Director from the Pakistan Institute of Corporate Governance.

He is the former President of the Institute of Cost and Management Accountants of Pakistan, Pakistan Institute of Public Finance Accountants and Memon Professional Forum besides serving on a number of committees of the Overseas Investors Chamber of Commerce and Industry.

Mr. Atif Riaz Bokhari
Director

Mr. Atif Riaz Bokhari joined the Linde Pakistan Board of Directors on 21 January 2013. Mr. Bokhari, currently President and CEO, NIB Bank Limited, is a career banker with extensive experience in domestic and international banking. He started his banking career in 1985 with Bank of America, where he handled diverse assignments over 15 years. Subsequent to leaving Bank of America in July 2000, Mr. Bokhari joined Habib Bank Limited wherein he was Head of Corporate and Investment Banking.

In May 2004, Mr. Bokhari took charge of UBL as President and CEO. Under his successful leadership, UBL has ventured into new diversified business and revenue streams namely consumer financing, e-commerce, branchless banking, asset management and general insurance.

Mr. Bokhari also served as Chairman or Director in several UBL Group companies. He was very actively involved with a private sector program for the development of education in Karachi. Specifically he is a founding Director of the Karachi School for Business and Leadership affiliated with the Jude Business School, Cambridge, U.K.

Mr. Humayun Bashir
Director

Mr. Humayun Bashir is a certified Director under the IFC + PICG Board development program and has thirty eight years of diversified experience with IBM Pakistan and IBM Middle East Headquarters (Dubai) in sales, technology services, alliances, financial sector, government sector projects and general management.

Mr. Bashir served 15 years as CEO and Country General Manager at IBM Pakistan and Afghanistan. He served at IBM Middle East Africa Headquarters (Dubai) in 1998-99 and in 2012-2013. He has served on boards like Export Processing Zone Authority, Karachi Port Trust, Silkbank, ABC and OICCI. He was elected President of American Business Council of Pakistan in 2011, President of Overseas Investors Chamber of Commerce and Industry (OICCI) in 2012 and served on the Institute of Business Administration (IBA) Advisory Council. Mr. Bashir holds a Degree in Engineering and Business Courses from IBA, INSEAD France and Boston University. He also served on the Board of Linde Pakistan from 3 October 2011 to 25 October 2012 before his one year stint in Dubai. Mr. Bashir, after his election as Director, rejoined the Board of Linde Pakistan Limited on 30 January 2014.

*Other offices held by Directors are disclosed on page 43 under Corporate Governance

Mr. Shahid Hafiz Kardar
Director

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

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

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

Mr. Khaleeq Kayani
Director

Subsequent to completing his studies at the University of Punjab and at the American University of Beirut, Mr. Kayani joined American Express Bank in 1970. He, thus, has over forty-four years of professional experience, including twenty-three years at the senior management positions with large financial institutions such as Bank of America (BoA), Habib Bank Limited (HBL) and the JS Group.

Mr. Kayani has completed several short-term assignments at the London, New York, Hong Kong and Athens offices of both BoA and American Express Bank and has also worked as a member of the General Loan Committee of Bank of America, San Francisco. He has been on the Board of Directors of the Karachi Stock Exchange, National Institution Facilitation Technologies (Pvt) Ltd. and a number of other local and international companies. In addition to these, he has also been a financial consultant for manufacturing and financial service companies.

Mr. Kayani has participated in a number of professional training courses organized by Bank of America and American Express Bank and due to his participation in the Stanford Business School's Executive Program, he is a life-time member of Stanford Business School's Alumni Association. He is representing National Investment Trust Limited (NITL) and joined the Linde Pakistan Board on 20 October 2014.

Mr. Andrew James Cook
Director

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

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

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

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

Mr. Ganapathy Subramanian NarayanaSwamy
Director

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

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

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

Mr. Muhammad Samiullah Siddiqui

Executive Director and Chief Financial Officer

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

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

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

Directors' report.

The Directors of your Company take pleasure in presenting the Annual Report together with the Company's audited financial statements for the year ended 31 December 2015.

Economic environment

During the year ended 2015, Pakistan's economy has shown signs of gradual improvement as macroeconomic indicators point towards improving economic and financial health of the economy. Gross Domestic Product (GDP) growth was 4.2%, which is slightly higher compared to 4.0% in FY14, and inflation continued to follow a downward trajectory and the 12 months moving average Consumer Price Index (CPI) inflation came down to 2.5% in December 2015 from 7.2% in December 2014. The current account deficit, despite subdued exports, has narrowed down significantly, largely because of declining oil prices, growing workers' remittances and the realization of the Coalition Support Fund (CSF). A surplus in capital and financial account, as a result of official disbursements and Eurobond inflows, has supported the overall balance of payments position and the foreign exchange reserves have shown an upward trajectory during the year. As a consequence of all this, the State Bank of Pakistan (SBP) has further slashed the policy discount rate making it a total of 350 basis points since July 2015.

However, Large scale Manufacturing (LSM) though showing an improvement over last year remained below the ambitious target of 6% primarily because of energy and gas shortages. Similarly a decline in cotton and rice production also brings challenges to overall economic performance.

Favorable progression of macroeconomic indicators accompanied with various proposed foreign investments through the Pak-China Economic Corridor and the Qatar LNG project is expected to increase prospects of real economic activity in the country. The government has also exhibited an overall progress in implementing macroeconomic and structural reforms to strengthen the fiscal position and reduce energy shortages. However, sustained stability on the macroeconomic front and growth in investment will remain highly dependent on the pace and diligence of a sustained execution of these policies and activities, an improvement in governance, and effective management of the political and security challenges.

Company's performance – overview of sales and profitability

During the year under review, energy shortages continued to be a severe challenge to your Company's performance. In addition, increasing local competition in industrial and healthcare gases due to surplus capacity in the market, demand shortfalls particularly in steel and oil and gas segments and lower demand from one of our on-site/major customers have also impacted the Company's performance.

To mitigate these challenges, your Company continued to improve plant productivity and efficiency through new process initiatives. Similarly, the Company also strengthened its position by focusing its emphasis on application development for value addition for its customers in various industry sectors including refineries, steel manufacturers and food and beverage. As a result, gases volumes increased by around 5% over last year. Likewise renewed focus on special gases, refrigerants, pipeline business and welding solutions is expected to continue to improve Linde Pakistan's competitive position. The Company has consolidated its position in the Matador® 47 electrode brand which was introduced towards the end of last year along with the Matador branded cutting and grinding disks. It has also successfully launched Matador Stainless Steel electro, Spark electrodes and MIG Wire, and strengthened focus on existing brands like Zodian and Fortrex. As a result, the welding business grew by 13%.

Finally, the CO_2 business volumes recorded an increase of 16% over last year, the compressed gas business grew by 7% and the Medical Engineering Services (MES) business also showed substantial growth.

As a result overall turnover did not decline compared to last year despite increasing competition, which together with continuing operational cost reductions (reduced power and diesel costs, increased plant loadings and improvement in plant efficiencies and productivity, and manpower reorganization/rationalization) resulted in an increase in margins from 18% to 21% and an enhanced gross profit for the year of Rs. 829 million, higher by 17% compared to last year. Spend on overheads also remained controlled and was below last year, despite salary increments and inflation, and therefore operating profit before other income improved significantly and increased by 58% over last year.

A new brand of electrodes called Spark was launched in 2015.

Country Leadership Team visibly leading the safety agenda.

In order to ensure permanence of the cost efficiencies and improved productivity, the Company has continued to review its organizational structure during the year necessitating a voluntary separation for the employees. The cost of the scheme amounted to Rs. 33.5 million which has been recognized in the annexed accounts, and the Company is confident that this cost will be more than offset by future cost savings and strengthen overall profitability. Financing cost for the year at Rs.9 million was higher than last year mainly on account of higher capitalization last year. After accounting for these one-off costs profit after tax and EPS increased by 11% from last year and stood at Rs. 141 million and Rs. 5.63 respectively. (Excluding the impact of one off restructuring cost, EPS would have been at Rs. 6.6 showing an increase of 30% over last year).

Keeping in view the trend of the Company's performance during the year under review, your Directors are confident of an improving performance in the coming years as well.

Sales

Industrial gases and healthcare

The Company retained its market share across all strategically important segments and in fact managed to grow its overall gases volumes by expanding further into new geographies and penetrating further into existing business segments. Several new high-value opportunities were capitalized upon in the year which are expected to grow further over the short to medium term and contribute to growth. Product prices, however, remained under pressure due to surplus product availability. Imports of cheaper Chinese steel products affected the upstream and downstream metal segments, with many customer units remaining shutdown or underutilized for most part of the year. Similarly, oil and gas exploration activities were slower than last year as the falling global oil prices impacted exploration activities.

In the compressed gases business, which includes refrigerants, dissolved acetylene, argon and carbon dioxide etc, success with securing new accounts and growth from existing customers drove the business higher than the previous year by 7%, and growth is expected to continue. This is despite the fact that CO_2 availability remained a critical concern, due to unavailability and rising cost of natural gas. However, a reliable supply was ensured to the critical beverage customers from the CO_2 plant at Port Qasim and other alternative sources. As a result, together with higher demand in consumer products due to lower inflation and improving per capita income, market share in the food and beverage industry grew by around 3%.

The Healthcare segment also grew by 3% over the previous year. All major healthcare customers were retained in line with the corporate strategy and the business ensured that the profitability of the business was maintained. The medical engineering and services portfolio, which includes equipment and services provided to hospitals, contributed significantly to growth compared to last year. The business also expanded its geographical footprint by entering previously underserved areas of Northern Punjab and Khyber Pakhtunkhwa. Sizeable investments were also made to ensure that all medical bulk installations on a national basis are compliant with the latest medical standard HTM 0201 which include state-of-the-art alarms, regulators and adequate backups at each site. This has enabled Linde Pakistan to establish a medical gas system reliability, to ensure patient safety, at par with leading international standards. This sector is expected to grow at the back of new sizable investments being made in healthcare infrastructure in the not-for-profit sector, private sector and through donor funded programs, and Linde is positioned very well to cater to this growth.

Welding and others

In line with ongoing strategy, the Company successfully launched new products during the year, which included two new variants of stainless steel electrodes under the Matador brand and launched another electrode named Spark. In addition, efforts continued to strengthen market share of Matador®47 welding electrodes introduced last year. Also, Matador cutting and grinding disks and Mig wire are also gradually gaining ground in the market and the Company's established brands like Zodian and Fortrex have also grown on the back of strong demand from manufacturing sector and infrastructure projects. As a result, the overall welding business grew by 13%.

Engineering operations

During the year all Linde plants operated in a safe, efficient and reliable manner. However, like past few years, as already reported, operations remained under stress by the continuing energy crisis and suspended feed gas supply.

Linde supplies liquid Helium to hospitals for MRI equipment.

Mr. Rob Hughes, RBU Head – RSE, conducts a townhall meeting with all Linde employees.

The Company has launched several new initiatives at its production sites and other operation facilities aimed to improve costs and productivity. We are pleased to report that the Company's largest ASU at Lahore has delivered a record production and overall ASU volumes went up by 5% compared to last year despite severe challenges. All production sites have also maintained their Quality Management Certifications (ISO 9001), including the FSSC 22000 (Food Safety Standards Certification) at the Port Qasim CO_2 production facility and the Llyod's certification for its electrode business.

Projects

In 2015, your Company successfully stabilized production at the new Nitrogen plant installed last year, to cater for expansion requirements of the PARCO refinery. The Company, as reported above, also invested heavily in upgrading all the bulk healthcare installations across the country to ensure supply reliability and improved response time in case of medical emergency. Other investments include replacement of obsolete control systems at one of the Company's old ASPEN plant, located at Port Qasim to improve reliability, and investment in product delivery and storage capacity at customer locations, which is expected to significantly improve product delivery to industry in general and the healthcare sector in particular

Cash flow management

During 2015, the Company continued to manage its cash flow obligations, including debt servicing, capital investments, taxes and payment of dividend to shareholders, efficiently and diligently. Profitability and effective cash management generated a healthy cash inflow of Rs. 483 million from operations. Despite a substantial outflow of Rs. 875 million during the year, which mainly included a spend of Rs. 279 million on capital projects, repayment of long-term financing including finance costs amounting to Rs. 317 million and a dividend and income tax payout of Rs. 228 million, the Company required medium term financing to the extent of Rs. 500 million only. As a result, the Company has a bank balance of Rs. 94 million as at December 31, 2015 as against bank overdraft of Rs. 35 million last year. Likewise, despite a capital outflow of Rs. 3.2 billion for capital projects over the last 5 years coupled with a dividend payout amounting to Rs. 632 million, the total external borrowing including both long-term and short-term financing stands at Rs. 1.3 billion (2014: Rs. 1.3 billion) as on 31 December 2015.

During the year under review, the Company engaged JCR-VIS Credit Rating Company Limited (JCR-VIS) to evaluate its credit-worthiness. Your Directors are pleased to share that JCR-VIS has assigned entity ratings of A/A-2 (Single A/A-Two) with stable outlook to your Company.

Financial risk management

Overall risk exposure associated with the Company's financial assets and liabilities is very limited. The Company believes that it is not exposed to any major concentration of credit risk, exposure to which is managed through application of credit limits to its customers. The Company manages its exposure to financial risks as explained in note 35 to the financial statements.

Contribution to national exchequer

Information with respect to Company's contribution towards the National Exchequer has been provided in the Statement of Value Added appearing in this Report on page 55.

Health, Safety and Environment (HSE)

HSE continues to remain a primary focus of the Company. During the year, the Company achieved all of its leading indicators in this area, and enhanced the robustness of its reporting and monitoring system as well as the system for implementation of corrective and preventative measures. The Company effectively maintained its Behavioral Safety Program, to enable the development of a safety culture at all levels of the organization. The Company was awarded a certificate of excellence in the category of Responsibility for Health and Safety from The Professionals Network Pakistan. Occupational health risks were effectively controlled during the year.

Environment and energy conservation

The Company's core business and sustainability go hand-in-hand and it constantly strives to ensure that it grows in a sustainable and efficient

Employees' committment to take personal ownership for safety.

manner. The environment and energy conservation initiatives launched in previous years continued to give the desired results towards containing all emissions and effluents within the prescribed limits of the National Environment Quality Standards (NEQS), and improving the efficiency of energy consumption.

Linde Pakistan Limited – a High Performance Organization (HPO)

In 2015, Linde Pakistan continued to focus on High Performance and implemented projects to strengthen Linde Pakistan's position as a leading gases solutions provider. The Company successfully established its comprehensive Product Service Offering (PSO) in an effort to align with the regional and global The Linde Group system. This effort is a first in the gases industry and visibly communicates to customers the Company's commitment to support them with the highest level of service quality.

At the same time Linde Pakistan is also focusing on its gas applications business and assisting customers to develop gas solutions to improve productivity and cost efficiency of their processes. The Company is using its successful global experience in the cement, steel and chemical business and has very actively engaged with major players in the local industry to establish mutually beneficial solutions. This, if successful, will lead to the opening up of some major new business opportunities.

Human resources

Linde Pakistan continued its focus on developing and deploying them effectively for more efficient use of their competencies. In 2015 as part of The Linde Group organizational refinement initiative Linde Pakistan also reviewed available resources and was able to reduce the number of employees by 22 without compromising the quality of output.

For continuous employee development a First Line Managers Development program was conducted by a regionally trained internal trainer. For the Second Line Managers Development program an internal trainer has also been trained and training has been planned.

In addition, selected employees were provided training at The Linde Group facilities in other countries and one employee has been selected for a one year developmental assignment in Australia.

Mr. Andy Cook, Regional Head of SHEQ, planting a tree to commemorate the SHEQ day that was celebrated nationally.

Linde summer internship programme

Linde Pakistan continued to offer 6 to 8 week project-based internship program on an annual basis to students from top-tier engineering universities and leading business schools of Pakistan. The interns selected were provided specific projects to work on and were assigned to a full-time Linde employee who mentors them on an ongoing basis. The initiative is useful and effective in developing the positive image of Linde at the top-tier institutions and had also made available two potential employees to the Company.

Industrial relations

Industrial relations remained harmonious throughout 2015.

Corporate Social Responsibility (CSR)

The Linde Group promotes its HELP agenda which focuses on resolving Health and Education issues, supporting Local communities and protecting the Environment. Linde Pakistan in line with this program assists local organizations through donations, sponsorships, as well as volunteer work by employees in these areas as well as projects which enable Linde to use its specialist knowledge as a technology and gases expert.

As a result during 2015, Linde Pakistan Limited financially supported hospitals which provide subsidized or free medical care to the underprivileged. In support of the community, a voluntary blood donation drive was held by Company employees to support a programme at the Indus Hospital, Karachi, to provide free blood to needy patients. Employees also participated in the Rahbar program, managed by The Citizens Foundation (TCF) that mentors underprivileged youth and encourages them to be productive members of society. The employees also contributed actively to support relief efforts following the earthquake in Nepal and the local charitable contribution was matched by the regional The Linde Group office.

This year the Company has continued its support to the Vocational and Technical Training Program sponsored by the German Consulate General in Karachi under the banner of GPATI (German Pakistan Training Initiative), and sponsored a batch of five apprentices in identified trades. The program objective is to promote demand based vocational and technical training across Pakistan.

Sales and marketing tem being awarded the Global Hardgoods award for Best New Development of a Linde Brand.

Country and Regional Excellence Awards

Several employees were recognized by The Linde Group's Global and Regional offices for exceptional performance.

The sales and marketing team won the Global Hardgoods award for Best New Development of a Linde Brand award. This award was given in recognition of their joint efforts to launch the new product, Matador®47 welding electrode in a manner that was superior to any other country within The Linde Group world. From Finance and Control function (FiCo), a Planning and Control team member won a Regional award under the category of Empowering People. In addition the FiCo's Tax and Treasury team won three awards of RSE Finance Superhero in the categories of The Innovator Award, Excellence Master Award and Business Partner Award during 2015. These awards were given to the team for their outstanding efforts in enhancing efficiencies in the system, reducing the cost of doing business including insurance and efficient tax and cash flow management.

Distribution of dividends and appropriation of profits

The appropriations approved by the Directors are as follows:

Rupees in '000	
Unappropriated profit as at 31 December 2014	92,153
Final dividend for the year ended 31 December 2014 at Rs. 3.25 per share	(81,376)
Transfer to general reserve	**(10,777)**
Net profit after taxation for the year 2015	140,854
Remeasurement: net actuarial gains recognized in other comprehensive income	548
Disposable profit for appropriation	**141,402**
Interim dividend at Rs. 1.25 per share paid in October 2015	(31,298)
Unappropriated profit carried forward	110,104
Subsequent effects:	
Proposed final dividend at Rs. 3.75 per share	93,895
Transfer to general reserve	16,209
	110,104
Total dividend per share for the year Rs. 5.00	125,194
EPS – for the year 2015 Rs. 5.63 (2014: Rs. 5.07)	

Linde Pakistan 2015 Excellence Award winners celebrating.

Post-balance sheet events

There has been no significant event since 31 December 2015 to date, except the declaration of final dividend which is subject to the approval of the Members at the 67th Annual General Meeting to be held on 26 April 2016. The effect of such dividend shall be reflected in the next year's financial statements.

Holding Company

The Company's holding Company is The BOC Group Limited, which is incorporated in the United Kingdom. The BOC Group Limited is a wholly owned subsidiary of Linde AG, which is incorporated in Germany. As such, Linde AG is the ultimate parent Company of Linde Pakistan Limited.

Auditors

The present auditors, KPMG Taseer Hadi and Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment. As suggested by the Audit Committee, the Board of Directors has recommended their reappointment as auditors of the Company for the year ending 31 December 2016, at a fee to be mutually agreed.

Directors' training

During the year under review, one Director completed certification in the Directors' Training Program (DTP) in terms of clause 5.19.7 of the of CCG as contained in Pakistan Stock Exchange Regulations while two foreign Directors have completed part of the DTP in 2015 and shall accomplish their remaining modules shortly. The current Board of the Company has 3 certified Directors while one is exempt on the basis of prescribed education and experience. The Company shall, however, arrange training for rest of the Directors by 30 June 2016 as prescribed in the CCG.

Finance team recieving their award for excellent performance from Mr. Rob Hughes.

Board Audit Committee meeting to review the financial results.

Board of Directors

No change has taken place in the Board of your Company since the last Annual Report 2014. However, current term of the Board will expire on 29 January 2017.

Future prospects – challenges and strategies

Pakistan's economy is turning a new leaf after years of being affected by various economic, energy and security-related issues, and your Company is fully aware of the positive opportunities that this change could bring about.

In line with The Linde Group strategy, your Company is focused on developing its customer base through the introduction of applications in both the gases and welding business. There has been increased leveraging of the engineering expertise and research and development work available within The Linde Group to provide value added and innovative solutions to customers and this will continue as the Company strengthens its position as a reliable solution provider. As in previous years all new opportunities will be capitalized on and organizational focus will remain on sustainable growth. In tandem with this the Company will also continue to implement global standardized processes and systems in order to improve reliability and reduce costs while remaining competitive and profitable.

Furthermore, the Company's portfolio expansion will also continue in the years to come. These would further add to the Company's unique selling proposition to the customer and allow Linde Pakistan to grow in new business areas, which would consolidate and maximize profitability as well as enhance competitiveness. Your Company introduced two new product ranges – Spark and Matador® Stainless Steel electrodes – and is focused on strengthening the existing product portfolio through improved Product Service Offerings.

As mentioned earlier, control panel system of ASPEN 30 TPD plant located at Port Qasim was upgraded towards the end of the year to achieve better reliability, efficiency and productivity. These investments and others will add to efficiency and reliability.

Improving safety awareness at our customers' sites and patient safety will be high on our agenda with the objective that we continue to add value to these areas.

Inflation and energy situation in the country is showing signs of improvement and with the assumption that global oil prices will continue to remain low and political and security situation will improve, the country's macroeconomic indicators are expected to remain positive. The aforementioned variables are expected to result in improved investment in the country and contribute to the industrial growth of the economy. Linde Pakistan has continued to invest in its assets and its human resources and this will allow it to be perfectly poised to take advantage of any opportunity for growth that arises.

Acknowledgement

The Board is fully appreciative of the dedication and commitment of its all employees and would like to thank them for their valuable contributions in producing sustainable growth in a highly competitive economic condition. The Board also acknowledges and wishes to thank all its valuable customers and other stakeholders for their continued support and loyalty to the Company.

On behalf of the Board

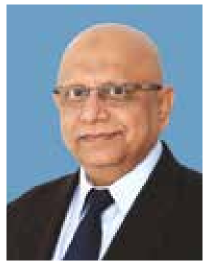
Munnawar Hamid – OBE
Chairman

Karachi
25 February 2016

Linde's business professionals are empowered to drive the organisation's growth.

Highly trained employees provide customised solutions for all customer needs.

Country Leadership Team (CLT).



Muhammad Ashraf Bawany
Managing Director and CEO

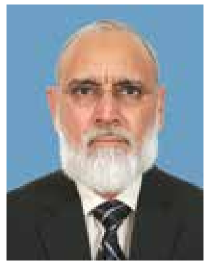
Muhammad Samiullah Siddiqui
Executive Director and CFO

Zubair Ahmad
Head of Sales & Marketing
Bulk

Farried Aman Shaikh
Head of Sales & Marketing
PGP & Hardgoods

Mazhar Ali
Head of Sales
Healthcare

Ali Ahmad
Area Deliver Manager
Bulk & Cylinder



Mashhood Zia
Head of SHEQ

Muhammad Salim Sheikh
Head of HR

Corporate governance.

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

Compliance statement

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

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

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

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

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

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

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

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

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

h) Key operating and financial data of last 10 year in a summarized form is given on page number 50 of this annual report.

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

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

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

Name of Funds	Un-audited	Audited
Staff Provident Fund	–	Rs.199 million as at 31 July 2015
Employees' Gratuity Fund	Rs. 126 million as at 31 December 2015	Rs. 120 million as at 31 December 2014
Management Staff Pension Fund	Rs. 80 million as at 31 December 2015	Rs. 76 million as at 31 December 2014
Management Staff Defined Contribution Pension Fund	Rs. 156 million as at 31 December 2015	Rs. 137 million as at 31 December 2014

The audit of these funds is in progress.

Board of Directors

The Board of Linde Pakistan has a balance of executive, non-executive and independent Directors. The existing Board has 9 Directors. Of these 7 are non-executive Directors, including two independent Directors and a Director representing a financial institution (NITL). The remaining two Directors are executive Directors including the Chief Executive Officer and the Chief Financial Officer of the Company. All members of the Board are highly qualified professionals of proven integrity with requisite skills, competence, knowledge and experience which are considered to be relevant to the Company's operations. The Chairman of the Board, who is non-executive, ensures that the Board plays an effective role in fulfilling all its responsibilities. The present term of the Board of Directors will expire on 29 January 2017.

During the year five (5) meetings of the Board of Directors were held while four (4) and three (3) meetings of the Audit Committee and Human Resource and Remuneration Committee were held respectively. Attendance by each Director in the meetings of the Board and its Committees is as follows:

	Name of Directors	Board of Directors	Audit Committee	Human Resources and Remuneration Committee
		Total number of meetings held during the year/ Attendance (2015)		
	Name of Directors	5	4	3
1.	Mr. Munnawar Hamid – OBE	4/5	–	3/3
2.	Mr. M Ashraf Bawany	5/5	–	3/3
3.	Mr. Atif Riaz Bokhari	2/5	2/4	–
4.	Mr. Humayun Bashir	5/5	4/4	–
5.	Mr. Shahid Hafiz Kardar	3/5	2/4	–
6.	Mr. Khaleeq Kayani	5/5	–	3/3
7.	Mr. Andrew James Cook	4/5	3/4	1/3
8.	Mr. Ganapathy Subramanian NarayanaSwamy	3/5	4/4	2/3
9.	Mr. Muhammad Samiullah Siddiqui	5/5	–	–

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

Role and responsibility of the Chairman and Chief Executive

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

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

Committees of the Board

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

Audit Committee with brief terms of reference

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

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

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

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

Human Resource and Remuneration Committee (HR&RC)

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

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

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

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

Share Transfer Committee

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

This Committee consists of two executive Directors as follows:

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

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

Engagement of Directors in other companies/entities

Mr. Munnawar Hamid – OBE
- Silkbank Limited
- The Aga Khan University
- The Aga Khan University Provident Fund
- The Aga Khan University Gratuity Fund
- Physical Plant and Infrastructure Committee of the Aga Khan University, Board of Trustees
- Audit Committee, HR Committee, Resource Development Committee and the Executive, Finance Committee of the Aga Khan University Board of Trustees

Mr. Muhammad Ashraf Bawany
- Pakistan German Business Forum
- German Pakistan Trade and Investment
- BOC Pakistan (Private) Limited
- Aziz Tabba Foundation Welfare Committee
- Tabba Heart Institute Welfare Committee
- Jetpur Memon Association
- Managing Committee of Bin Qasim Association of Trade & Industry

Mr. Atif Riaz Bokhari
- NIB Bank Limited
- Board Human Resource Committee – NIB Bank Limited
- Board Risk Management Committee – NIB Bank Limited
- PICIC Asset Management Company Limited
- Board of Governors of National Management Foundation of LUMS

Mr. Humayun Bashir
- IBM Pakistan and Afghanistan

Mr. Shahid Hafiz Kardar
- Beaconhouse National University (BNU)
- Board of Governors of Shaukat Khanum Memorial Trust
- Imran Khan Foundation

Mr. Khaleeq Kayani
- Nil

Mr. Andrew James Cook
- Linde LienHwa Industrial Gases Co (Taiwan)
- Asia Union Electronic Chemical Corp (Taiwan)
- Asia Union Electronic Chemical Corp (Shanghai)

Mr. Ganapathy Subramanian NarayanaSwamy
- Nil

Mr. Muhammad Samiullah Siddiqui
- BOC Pakistan (Private) Limited

Internal and external audit

Internal audit

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

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

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

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

External audit

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

Best corporate practices

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

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

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

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

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

Integrity Line (IL)

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

Insider trading

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

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

Competition law

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

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

Disclosure and transparency

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

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

Material interests of Board of Directors

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

Related party transactions

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

Evaluation of the Board's own performance

As required under the amended Code of Corporate Governance 2012, the Board, on the basis of a mechanism, carries out annual evaluation of its own performance. The mechanism is designed to assess and identify strengths and weaknesses in the performance of the Board covering sound corporate governance practices, strategy, roles of the Chairman and Directors, objective settings, effectiveness of meetings of the Board and its committees.

Annual General Meeting

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

Pattern of shareholding

The pattern of shareholding together with additional information thereon is given on pages 97 and 98 to disclose the aggregate number of shares with the break-up of certain classes of shareholders as prescribed under the corporate and financial reporting framework.

Statement of compliance with the Code of Corporate Governance.
Year ended 31 December 2015.

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

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

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

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

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

Non-Executive Directors
- Mr. Munnawar Hamid – OBE
- Mr. Atif Riaz Bokhari
- Mr. Khaleeq Kayani
- Mr. Andrew James Cook
- Mr. Ganapathy Subramanian NarayanaSwamy

2. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.
3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring on the Board on 5 February 2015 was filled up by the Directors on 6 February 2015 well within the prescribed time (90 days) and the same had already been disclosed in our last Compliance Statement appearing in the Annual Report 2014.
5. As required, a Code of Ethics of the ultimate parent company, Linde AG Germany, is in place as a Code of Conduct of the Company. Company ensures that the Directors and employees are familiar with the Code of Ethics which is also available on the Company's website at www.linde.pk
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of annual remuneration and terms and conditions of employment of the CEO and non-executive Directors, have been taken by the Board.
8. The Board met five (5) times this year including once in every quarter for consideration and approval of the financial statements. Of these, 4 meetings were presided over by the Chairman while the one, in his absence, by a Director elected by the Board for this purpose. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Directors are well conversant with the listing regulations, legal requirements and operational imperatives of the Company, and as such fully aware of their duties and responsibilities to effectively manage the affairs of the Company for and on behalf of shareholders. Moreover, newly appointed Directors are provided with the copies of Listing Regulations, Memorandum and Articles of Association and Code of Corporate Governance while orientation session is also arranged for them to acquaint with the market situations, business objectives and affairs of the Company.
10. Additionally, Directors were kept abreast with the changes in the laws as and when notified to ensure compliance thereon. During the year under review, one Director completed certification in the Directors' training program (DTP) in terms of clause 5.19.7 of the CCG as contained in Pakistan Stock Exchange regulations while two foreign Directors have completed part of the DTP in 2015 and shall accomplish their remaining modules shortly. The current Board of the Company has 3 certified Directors while one is exempt on the basis of prescribed education and experience. The Company shall, however, arrange training for rest of the Directors by 30 June 2016 as prescribed in the CCG.
11. During the year, the Board has approved appointment of the new Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment. The Board has also approved an annual remuneration and terms and conditions of employment of CFO, as recommended by the Human Resource and Remuneration Committee of the Board.
12. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
13. The financial statements of the company were duly endorsed by the CEO and CFO before approval of the Board. The half yearly and annual financial statements were also initialed by the external auditors before presentation to the Board.
14. The Directors, CEO and designated executives or their spouses do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
15. The Company has complied with all the corporate and financial reporting requirements of the CCG.
16. The Board Audit Committee has been in existence since May 2002. It comprises 5 members, all of whom are non-executive Directors including the Chairman of the Committee who is also an independent Director. Currently, Mr. Mazhar Iqbal, Company Secretary, is the Secretary to the Audit Committee.
17. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
18. The Company has a Human Resource and Remuneration Committee of the Board. It has 5 members. Of these, 4 are non-executive Directors including the Chairman of the Committee while the CEO, an executive Director, is also a member of the Committee in terms of clause 5.19.16(b) of the CCG.
19. The Board has set up an effective internal audit function. The appointed Head of Internal Audit is responsible for the work plan and reports the results of all Internal Audit activities to the Board Audit Committee. The Internal Audit function remains independent from the Company by having a reporting line to the Parent Company and also direct access to the Chairman of the Board Audit Committee.
20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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

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

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

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

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

Karachi
25 February 2016

Muhammad Ashraf Bawany
Chief Executive

Munnawar Hamid – OBE
Chairman

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

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Internet www.kpmg.com.pk

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of **Linde Pakistan Limited** ("the Company") for the year ended 31 December 2015 to comply with the requirements of Listing Regulation of Pakistan Stock Exchange Limited where the company is listed.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2015.

Date: 25 February 2016

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi

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.

Ten year financial review.

Rupees in '000	15 months ended 31 December (Re-stated) 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating results										
Sales	2,299,531	2,174,515	2,453,341	2,307,741	2,530,022	3,044,800	3,739,405	4,016,101	3,925,036	3,914,176
Gross profit	910,212	934,021	835,647	710,989	686,774	769,209	954,170	764,231	710,372	829,223
Profit from operations	667,598	685,866	550,395	491,609*	413,224*	404,639	564,252*	350,459	295,078	351,619*
Profit before taxation	598,037	682,370	547,693	374,284	375,026	402,723	315,414	245,408	177,402	191,805
Taxation	(130,073)	(223,321)	(145,587)	(122,672)	(131,201)	(139,848)	(39,125)	(63,941)	(50,515)	(50,951)
Profit after taxation	467,964	459,049	402,106	251,612	243,825	262,875	276,289	181,467	126,887	140,854
Dividends	375,581	325,503	325,503	225,349	150,232	175,271	175,271	137,713	112,674	125,194
Capital employed										
Paid-up capital	250,387	250,387	250,387	250,387	250,387	250,387	250,387	250,387	250,387	250,387
Reserves and unappropriated profits	1,094,681	1,175,745	1,257,040	1,202,319	1,240,743	1,331,291	1,428,510	1,452,807	1,440,580	1,469,133
Shareholders' fund	**1,345,068**	**1,426,132**	**1,507,427**	**1,452,706**	**1,491,130**	**1,581,678**	**1,678,897**	**1,703,194**	**1,690,967**	**1,719,520**
Deferred liabilities	278,811	277,175	229,124	202,034	195,281	167,315	204,192	291,789	339,425	391,024
Long-term liabilities and borrowings (net of cash)	(188,117)	(442,534)	(221,477)	(384,745)	(355,569)	204,329	538,037	959,159	827,866	1,371,743
	1,435,762	**1,260,773**	**1,515,074**	**1,269,995**	**1,330,842**	**1,953,322**	**2,421,126**	**2,954,142**	**2,858,258**	**3,482,287**
Represented by										
Non-current assets	1,313,880	1,190,726	1,380,166	1,276,004	1,342,471	2,075,442	2,631,493	3,076,995	3,214,373	3,193,016
Working capital	121,882	70,047	134,908	(6,009)	(11,629)	(122,120)	(210,367)	(122,853)	(356,115)	289,271
	1,435,762	**1,260,773**	**1,515,074**	**1,269,995**	**1,330,842**	**1,953,322**	**2,421,126**	**2,954,142**	**2,858,258**	**3,482,287**
Statistics										
Expenditure on fixed assets	89,435	66,561	417,354	123,421	311,453	991,470	839,481	684,267	400,265	279,445
Annual depreciation and amortisation	144,801	139,319	148,817	171,647	177,492	204,304	268,203	244,873	290,509	328,713
Earnings per share – Rupees	18.69	18.33	16.06	10.05	9.74	10.50	11.03	7.25	5.07	5.63
Dividend per share – Rupees (note 1)	15.00	13.00	13.00	9.00	6.00	7.00	7.00	5.50	4.50	5
Dividend cover – times (note 1)	1.25 x	1.41 x	1.24 x	1.12 x	1.62 x	1.50 x	1.58 x	1.32 x	1.13 x	1.13 x
Net asset backing per share – Rupees	53.72	56.96	60.20	58.02	59.55	63.17	67.05	68.02	67.53	68.67
Return on average shareholders' fund (based on profit after tax)	38.86%	33.13%	27.41%	17.00%	16.57%	17.11%	16.95%	10.73%	7.48%	8.26%
Dividend on average shareholders' fund (note 1)	31.19%	23.49%	22.19%	15.23%	10.21%	11.41%	10.75%	8.14%	6.64%	7.34%
Return on average capital employed (based on profit before financial charges and tax)	45.60%	50.87%	39.66%	27.03%	29.01%	24.64%	16.44%	13.04%	9.59%	10.03%
Price/earning ratio (unadjusted)	7.55	13.78	7.03	12.73	9.36	9.62	13.91	24.67	40.94	20.65
Dividend yield ratio (note 1)	10.63%	5.14%	11.52%	7.03%	6.59%	6.93%	4.56%	3.08%	2.17%	4.30%
Dividend payout ratio (note 1)	80.26%	70.91%	80.95%	89.55%	61.61%	66.67%	63.44%	75.86%	88.75%	88.88%
Fixed assets/turnover ratio	2.46	2.53	2.17	2.17	2.03	1.50	1.44	1.31	1.22	1.23
Debt/equity ratio	1:99	0:100	0:100	0:100	0:100	11:89	31:69	39:61	37:63	43:57
Current ratio	1.88	2.31	2.01	1.91	1.81	1.00	1.17	1.06	0.86	1.08
Interest cover – times	48.23 x	196.19 x	203.70 x	177.13 x	171.62 x	211.19 x	8.13 x	3.34 x	2.51 x	2.52 x
Debtors turnover ratio	15.92	14.57	17.15	14.86	15.72	18.71	20.78	17.79	14.49	10.68
Gross profit ratio (as percentage of turnover)	39.58%	42.95%	34.06%	30.81%	27.14%	25.26%	25.52%	19.03%	18.10%	21.19%
Market value per share at year end	141.15	252.70	112.82	127.95	91.10	101.00	153.49	178.86	207.48	116.25

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

Profit and loss account.
Vertical and horizontal analysis.

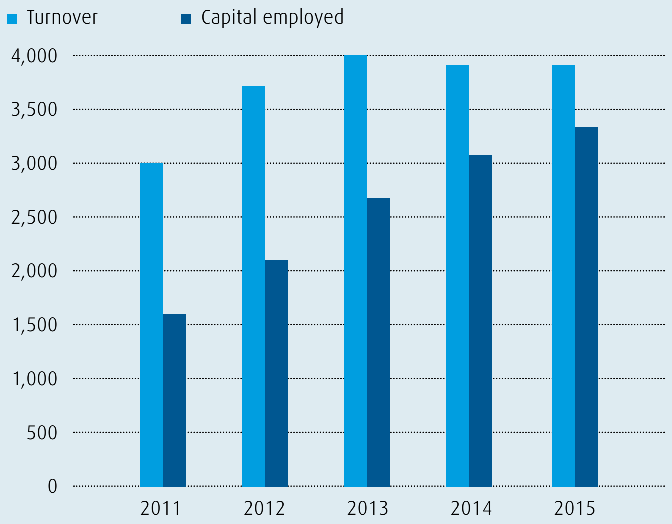
Rupees in '000	2015	2014	2013	2012	2011	2010
Net sales	3,914,176	3,925,036	4,016,101	3,739,405	3,044,800	2,530,022
Cost of sales	(3,084,953)	(3,214,664)	(3,251,870)	(2,785,235)	(2,275,591)	(1,843,248)
Gross profit	**829,223**	**710,372**	**764,231**	**954,170**	**769,209**	**686,774**
Distribution and marketing expenses	(244,393)	(240,854)	(209,527)	(231,066)	(211,490)	(195,134)
Administrative expenses	(227,649)	(233,622)	(214,358)	(193,676)	(171,376)	(149,054)
Other operating expenses	(26,438)	(26,897)	(46,472)	(33,811)	(40,554)	(52,576)
Other income	20,876	86,079	56,585	68,635	58,850	123,214
Operating profit before reorganization / restructuring cost	**351,619**	**295,078**	**350,459**	**564,252**	**404,639**	**413,224**
Reorganization / restructuring cost	(33,500)	-	-	(204,572)	-	(36,000)
Operating profit after reorganization / restructuring cost	**318,119**	**295,078**	**350,459**	**359,680**	**404,639**	**377,224**
Finance costs	(126,314)	(117,676)	(105,051)	(44,266)	(1,916)	(2,198)
Profit before tax	**191,805**	**177,402**	**245,408**	**315,414**	**402,723**	**375,026**
Taxation	(50,951)	(50,515)	(63,941)	(39,125)	(139,848)	(131,201)
Profit for the year	140,854	126,887	181,467	276,289	262,875	243,825
Vertical analysis – percentage (%) of sales						
Net sales	100	100	100	100	100	100
Cost of sales	(79)	(82)	(81)	(74)	(75)	(73)
Gross profit	**21**	**18**	**19**	**26**	**25**	**27**
Distribution and marketing expenses	(6)	(6)	(5)	(6)	(7)	(8)
Administrative expenses	(6)	(6)	(5)	(5)	(6)	(6)
Other operating expenses	(1)	(1)	(1)	(1)	(1)	(2)
Other income	1	2	1	2	2	5
Operating profit before reorganization / restructuring cost	**9**	**7**	**9**	**16**	**13**	**16**
Reorganization / restructuring cost	(1)	0	0	(5)	0	(1)
Operating profit after reorganization / restructuring cost	**8**	**7**	**9**	**11**	**13**	**15**
Finance costs	(3)	(3)	(3)	(1)	(0)	(0)
Profit before tax	**5**	**4**	**6**	**10**	**13**	**15**
Taxation	(1)	(1)	(2)	(1)	(5)	(5)
Profit for the year	4	3	4	9	8	10
Horizontal analysis (year on year) Percentage increase / (decrease) over preceeding year						
Net sales	(0)	(2)	7	23	20	10
Cost of sales	(4)	(1)	17	22	23	15
Gross profit	**17**	**(7)**	**(20)**	**24**	**12**	**(3)**
Distribution and marketing expenses	1	15	(9)	9	8	28
Administrative expenses	(3)	9	11	13	15	12
Other operating expenses	(2)	(42)	37	(17)	(23)	(47)
Other income	(76)	52	(18)	17	(52)	(26)
Operating profit before reorganization / restructuring cost	**19**	**(16)**	**(38)**	**39**	**(2)**	**(16)**
Reorganization / restructuring cost	100	0	(100)	100	(100)	(69)
Operating profit after reorganization / restructuring cost	**8**	**(16)**	**(3)**	**(11)**	**7**	**0**
Finance costs	7	12	137	2210	(13)	3
Profit before tax	**8**	**(28)**	**(22)**	**(22)**	**7**	**0**
Taxation	1	(21)	63	(72)	7	7
Profit for the year	11	(30)	(34)	5	8	(3)

Balance sheet.
Vertical and horizontal analysis.

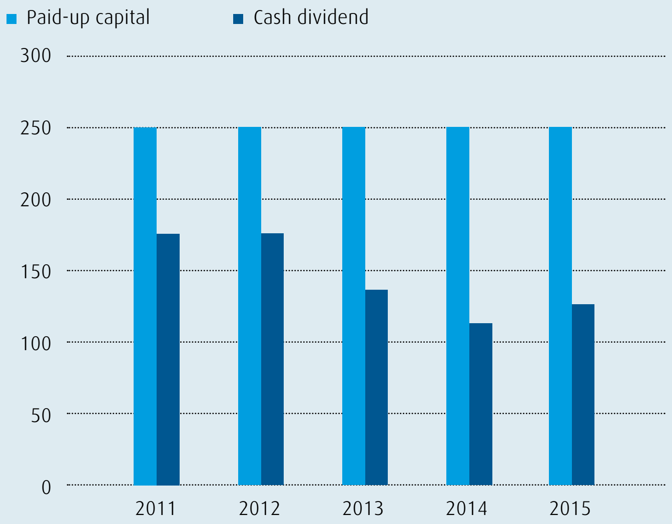
Rupees in '000	2015	2014	2013	2012	2011	2010
Equity and liabilities						
Total equity	1,719,520	1,690,967	1,703,194	1,678,897	1,581,678	1,491,130
Total non-current liabilities	1,586,793	1,289,903	1,441,147	1,095,778	497,195	317,776
Total current liabilities	1,351,172	1,616,945	1,045,058	863,816	692,760	578,329
Total equity and liabilities	**4,657,485**	**4,597,815**	**4,189,399**	**3,638,491**	**2,771,633**	**2,387,235**
Assets						
Total non-current assets	3,193,016	3,214,373	3,076,995	2,631,493	2,075,442	1,342,471
Total current assets	1,464,469	1,383,442	1,112,404	1,006,998	696,191	1,044,764
Total assets	**4,657,485**	**4,597,815**	**4,189,399**	**3,638,491**	**2,771,633**	**2,387,235**
Vertical analysis						
Equity and liabilities						
Total equity	37	37	41	46	57	63
Total non-current liabilities	34	28	34	30	18	13
Total current liabilities	29	35	25	24	25	24
Total equity and liabilities	**100**	**100**	**100**	**100**	**100**	**100**
Assets						
Total non-current assets	69	70	73	72	75	56
Total current assets	31	30	27	28	25	44
Total assets	**100**	**100**	**100**	**100**	**100**	**100**
Horizontal analysis (year on year) Percentage increase / (decrease) over preceeding year						
Equity and liabilities						
Total equity	2	(1)	1	6	6	3
Total non-current liabilities	23	(10)	32	120	56	0
Total current liabilities	(16)	55	21	25	20	6
Total equity and liabilities	**1**	**10**	**15**	**31**	**16**	**3**
Assets						
Total non-current assets	(1)	4	17	27	55	5
Total current assets	6	24	10	45	(33)	0
Total assets	**1**	**10**	**15**	**31**	**16**	**3**

Key financial data.

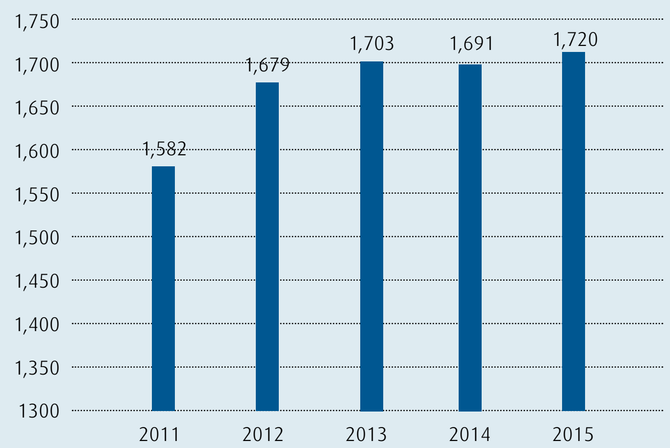
Turnover (net) and average capital employed (Rupees in million)



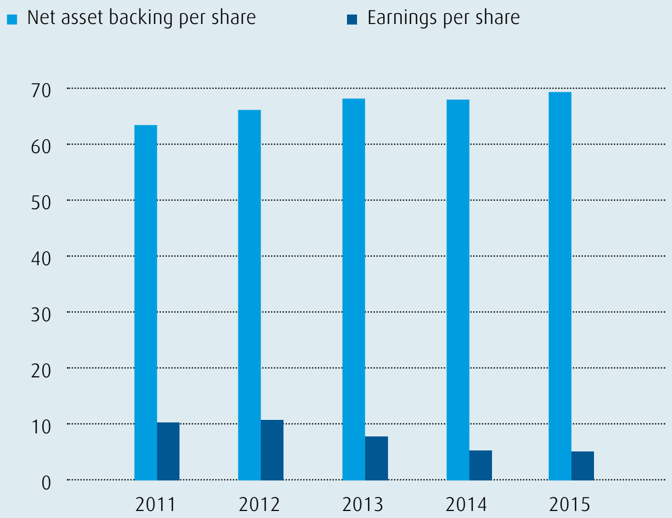
Paid-up capital and cash dividend (Rupees in million)



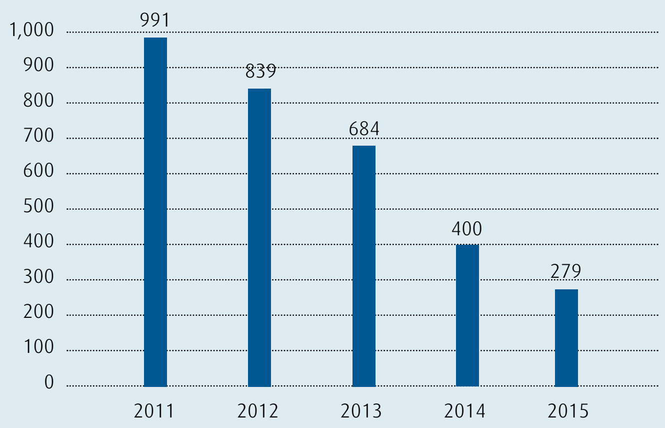
Shareholders' fund (Rupees in million)



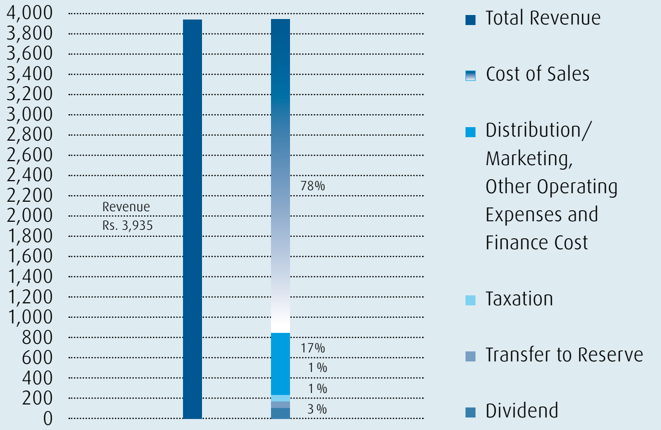
Break up value and EPS (Rupees)



Capital expenditure (Rupees in million)



Application of revenue 2015 (Rupees in million)



Statement of value added during 2015.

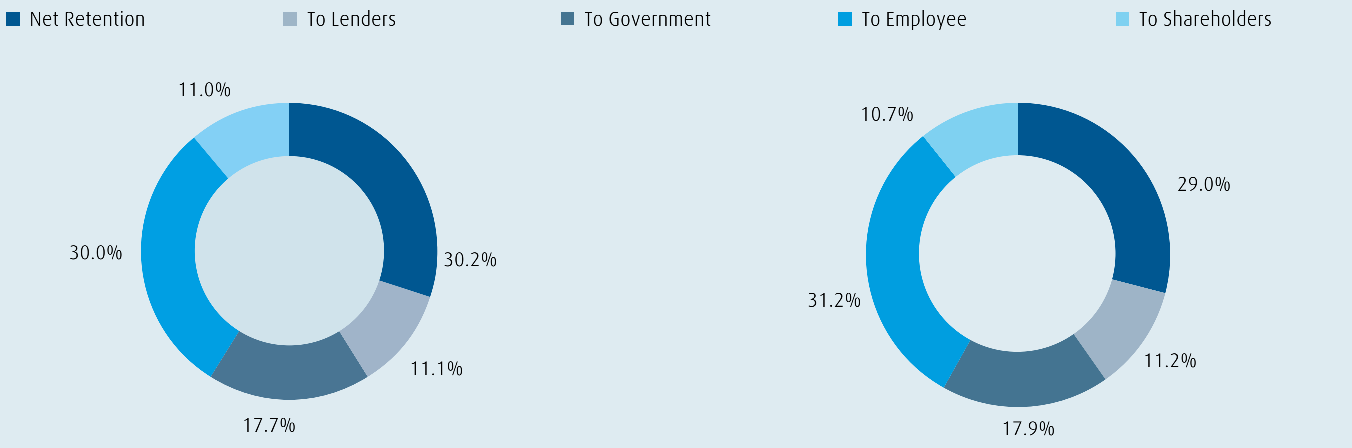
The statement below shows the amount of wealth generated by the Company employees and its assets during the year and the way this wealth has been distributed.

Rupees in '000	2015	2014
Wealth generated		
Total Revenue (net of sales tax)	3,935,052	4,011,115
Bought-in-material and services	(2,794,735)	(2,961,777)
	1,140,317	1,049,339
Wealth distributed		
To employees		
Salaries, wages and benefits	342,308	326,759
To government		
Income tax on profit, Workers' Funds, import duties (exclusive of capital items) and unadjustable sales tax	202,128	187,507
To providers of capital		
Cash dividends to shareholders*	125,194	112,674
To lenders		
Finance cost	126,314	117,676
Retained in the business		
Represented by depreciation and transfer to general reserve for replacement of fixed assets	344,373	304,722
	1,140,317	1,049,339

*Includes proposed final dividend declared subsequent to year end

Wealth generated and distributed 2015

Wealth generated and distributed 2014



Financial statements of the Company.

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

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

Auditors' Report to the Members

We have audited the annexed balance sheet of **Linde Pakistan Limited** ("the Company") as at 31 December 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change as stated in note 3.1 with which we concur;

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

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

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profits and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of the profit, its cash flows and changes in equity for the year then ended; and

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.

KPMG Taseer Hadi & Co.

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

Date: 25 February 2016

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Moneeza Usman Butt

Profit and loss account.

Rupees in '000	Note	For the year ended 31 Dec. 2015	For the year ended 31 Dec. 2014
Gross sales	4	4,434,576	4,451,066
Trade discount and sales tax	4	(520,400)	(526,030)
Net sales		3,914,176	3,925,036
Cost of sales	5	(3,084,953)	(3,214,664)
Gross profit		829,223	710,372
Distribution and marketing expenses	6	(244,393)	(240,854)
Administrative expenses	7	(227,649)	(233,622)
Other operating expenses	8	(26,438)	(26,897)
		(498,480)	(501,373)
Operating profit before other income		330,743	208,999
Other income	9	20,876	86,079
Operating profit before reorganisation / restructuring cost		351,619	295,078
Reorganisation / restructuring cost	10	(33,500)	-
Operating profit after reorganisation / restructuring cost		318,119	295,078
Finance costs	11	(126,314)	(117,676)
Profit before taxation		191,805	177,402
Taxation	12	(50,951)	(50,515)
Profit for the year		140,854	126,887
Earnings per share – basic and diluted in Rupees	13	5.63	5.07

The annexed notes 1 to 43 form an integral part of these financial statements.

Muhammad Ashraf Bawany
Chief Executive

Munnawar Hamid – OBE
Chairman

Statement of comprehensive income.

Rupees in '000	Note	For the year ended 31 Dec. 2015	For the year ended 31 Dec. 2014
Profit for the year		140,854	126,887
Other comprehensive income			
Items that will never be reclassified to profit and loss account			
Net remeasurement on defined benefit plans	33.1	768	(5,328)
Tax thereon		(220)	1,892
		548	**(3,436)**
Items that will be reclassified subsequently to profit and loss account			
Loss on derivative financial instruments	24	(257)	(6,401)
Tax thereon		82	2,176
		(175)	**(4,225)**
Total comprehensive income for the year		141,227	119,226

The annexed notes 1 to 43 form an integral part of these financial statements.

Muhammad Ashraf Bawany
Chief Executive

Munnawar Hamid – OBE
Chairman

Balance sheet.

Rupees in '000	Note	As at 31 Dec. 2015	As at 31 Dec. 2014
Assets			
Non-current assets			
Property, plant and equipment	14	3,120,315	3,162,583
Intangible assets	15	20,781	25,370
Investment in subsidiary		10	10
Long-term deposits		51,910	26,410
		3,193,016	**3,214,373**
Current assets			
Stores and spares	16	109,167	114,790
Stock-in-trade	17	299,169	276,591
Trade debts	18	439,332	293,490
Loans and advances	19	19,950	15,231
Deposits and prepayments	20	75,582	46,882
Other receivables	21	78,401	96,511
Taxation – net		348,842	232,335
Cash and bank balances	22	94,026	307,612
		1,464,469	**1,383,442**
Total assets		4,657,485	4,597,815
Equity and liabilities			
Share capital and reserves			
Share capital	23	250,387	250,387
Reserves		1,359,029	1,348,427
Unappropriated profit		110,104	92,153
		1,719,520	**1,690,967**
Non-current liabilities			
Long-term financing	25	1,040,000	810,000
Long-term deposits	26	155,769	140,478
Deferred liabilities	27	391,024	339,425
		1,586,793	**1,289,903**
Current liabilities			
Trade and other payables	28	1,081,172	1,088,752
Short-term borrowings	29	-	343,193
Current maturity of long-term financing		270,000	185,000
		1,351,172	**1,616,945**
Total equity and liabilities		4,657,485	4,597,815
Contingencies and commitments	30		

The annexed notes 1 to 43 form an integral part of these financial statements.

Muhammad Ashraf Bawany
Chief Executive

Munnawar Hamid – OBE
Chairman

Cash flow statement.

Rupees in '000	Note	For the year ended 31 Dec. 2015	For the year ended 31 Dec. 2014
Cash flow from operating activities			
Cash generated from operations	31	483,215	554,844
Finance costs paid		(132,347)	(161,806)
Income tax paid		(116,506)	(115,773)
Post-retirement medical benefits paid		(212)	(177)
Reorganizaton / restructuring cost paid		(24,867)	-
Long-term loans and deposits		(25,500)	253
Long-term deposits		15,292	24,896
Net cash from operating activities		**199,075**	**302,237**
Cash flow from investing activities			
Acquisition of property, plant and equipment		(279,445)	(399,521)
Acquisition of intangible assets		-	(744)
Proceeds from disposal of operating assets		5,013	765
Interest received on balances with banks		1,424	3,513
Net cash used in investing activities		**(273,008)**	**(395,987)**
Cash flow from financing activities			
Proceeds from / (repayment of) long-term financing		315,000	(100,000)
Dividends paid		(111,460)	(132,030)
Net cash from / (used in) financing activities		**203,540**	**(232,030)**
Net increase / (decrease) in cash and cash equivalents		**129,607**	**(325,780)**
Cash and cash equivalents at beginning of the year		(35,581)	290,199
Cash and cash equivalents at end of the year	32	94,026	(35,581)

The annexed notes 1 to 43 form an integral part of these financial statements.

Muhammad Ashraf Bawany
Chief Executive

Munnawar Hamid – OBE
Chairman

Statement of changes in equity.

For the year ended 31 Dec. 2015

Rupees in '000	Issued, subscribed and paid-up capital	Reserves: Hedging reserve	Reserves: General reserve	Unappropriated profit	Total
Balance as at 1 January 2014	250,387	4,225	1,303,316	145,266	1,703,194
Total comprehensive income for the year					
Profit for the year	-	-	-	126,887	126,887
Other comprehensive income for the year	-	(4,225)	-	(3,436)	(7,661)
	-	**(4,225)**	**-**	**123,451**	**119,226**
Transactions with owners of the Company, recognised directly in equity					
Final dividend for the year ended 31 December 2013 – Rs. 4.00 per share	-	-	-	(100,155)	(100,155)
Interim dividend for the year ending 31 December 2014 – Rs. 1.25 per share	-	-	-	(31,298)	(31,298)
	-	**-**	**-**	**(131,453)**	**(131,453)**
Transfer to general reserve	-	-	45,111	(45,111)	-
Balance as at 31 December 2014	250,387	-	1,348,427	92,153	1,690,967
Total comprehensive income for the year					
Profit for the year	-	-	-	140,854	140,854
Other comprehensive income for the year	-	(175)	-	548	373
	-	**(175)**	**-**	**141,402**	**141,227**
Transactions with owners of the Company, recognised directly in equity					
Final dividend for the year ended 31 December 2014 – Rs. 3.25 per share	-	-	-	(81,376)	(81,376)
Interim dividend for the year ending 31 December 2015 – Rs. 1.25 per share	-	-	-	(31,298)	(31,298)
	-	**-**	**-**	**(112,674)**	**(112,674)**
Transfer to general reserve	-	-	10,777	(10,777)	-
Balance as at 31 December 2015	250,387	(175)	1,359,204	110,104	1,719,520

The annexed notes 1 to 43 form an integral part of these financial statements.

Muhammad Ashraf Bawany
Chief Executive

Munnawar Hamid – OBE
Chairman

Notes to the financial statements.
For the year ended 31 December 2015.

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 current year. Financial highlights of BOCPL and nature of auditors' opinion thereon are attached to the annual accounts of the Company.

2. Basis of preparation

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

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

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

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about judgements made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements, and estimates that have a significant risk of resulting in a material adjustment in the subsequent years are disclosed in note 40 to these financial statements.

3. Significant accounting policies

3.1 Standards, interpretations and amendments effective in current year
The standards that became applicable from 1 January 2015 as per adoption status of IFRS in Pakistan are:
- IFRS 10 Consolidated Financial Statement
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurements

Those standards were not relevant to the Company's operations except IFRS 13 Fair Value Measurement which consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of the exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have an impact on the fair value measurement carried out by the Company except for the amended disclosure provided in note 35.4 to these financial statements.

3.2 Accounting standards not yet effective
The following standards, amendments and interpretations of approved accounting standards will be effective for the accounting periods beginning on or after 1 January 2016:
- Amendments to IAS 38 Intangible Assets
- Amendments to IAS 16 Property, Plant and Equipment
- Investment Entities: Applying the Consolidation Exception Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 Joint Arrangements
- Amendment to IAS 27 Separate Financial Statement
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41]
- Amendment to IAS 12 Deferred Taxes relating to Deferred tax assets on unrealized losses on debt instruments
- Amendment to IAS 7 Statement of Cash Flows

Improvements to:
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 7 Financial Instruments- Disclosures
- IAS 19 Employee Benefits
- IAS 34 Interim Financial Reporting

These standards are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than increase in disclosures in certain cases, if any.

3.3 The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as mentioned in note 3.1. The principal accounting policies are summarised below:

3.3.1 Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably.
- Revenue from sale of goods is measured net of sales tax, returns, trade discounts and volume rebates, and is recognised when significant risks and rewards of ownership are transferred to the buyer, that is, when deliveries are made and recovery of the consideration is probable.
- Rental income is recognised over the period of relevant agreement based on agreed rate and other service income is recognised in profit and loss account on rendering of relevant services.
- Return on bank deposits is recognised on time proportion using the effective rate of return.

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

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

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

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

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

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

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

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

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

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

3.3.7 Property, plant and equipment

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

that is directly attributable to the acquisition of the asset.

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

Subsequent costs

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

Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in profit and loss on a straight-line basis over the estimated useful life of an item of property, plant and equipment. Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Gains and losses on disposal

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

Capital work in progress

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

3.3.8 Intangible assets

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

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

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

3.3.9 Investment in subsidiary

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

3.3.10 Embedded finance lease

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

3.3.11 Impairment

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

3.3.12 Stores and spares

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

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

3.3.13 Stock-in-trade

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

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

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

3.3.14 Trade debts and other receivables

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

3.3.15 Cash and cash equivalents

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

3.3.16 Financial assets and liabilities

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

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

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to offset the recognised amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

3.3.17 Staff retirement benefits

Defined benefit plans

The Company operates:

- an approved defined benefit gratuity scheme for all permanent employees. Minimum qualifying period for entitlement to gratuity is five years continuous service with the Company.
- an approved defined benefit pension scheme for certain management staff. The scheme provides for pension to employees and their wives for life and to specified number of children upto a given age. This pension scheme had been curtailed with effect from 1 October 2006. No new members have been inducted in this scheme since then. The members in this scheme are 23.

  Both the above schemes are funded and contributions to them are made monthly on the basis of an actuarial valuation and in line with the provisions of the Income Tax Ordinance, 2001. Actuarial valuations of these schemes are carried out at each year end.
- a scheme to provide post-retirement medical benefits to members of Management Staff Pension Funds, retiring on or after 1 July 2000. Provision is made annually to cover obligations under the scheme, by way of a charge to profit and loss account, calculated in accordance with the actuarial valuation. However, with effect from 1 January 2009, the scheme has been discontinued and a one-time lump sum payment was made to the beneficiaries on the basis of their entitlement ascertained by a qualified actuary as at 31 December 2008. In the case of retirees, it was elective to opt for the one-time lump sum payment.

The latest valuations of the above schemes were carried out as of 31 December 2015, using the Projected Unit Credit Method.

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

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

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

Defined contribution plans

The Company operates:

- a recognised defined contribution pension fund for the benefit of its officer cadre employees. Monthly contributions are made by the Company to the Fund at the rate of 8.9% of basic salary plus house rent and utility allowances, in respect of each member.
- a recognised contributory provident fund for all permanent employees who have completed six months service. For officer cadre employees, equal monthly contributions are made, both by the Company and the employees at the rate of 5.42% and 6.5% of basic salary plus house rent and utility allowances, depending on the length of employees' service. In case of other employees, equal monthly contributions are made, both by the Company and the employees at the rate of 8.33% and 10% of basic salary plus applicable cost of living allowance, depending on the length of employees' service.

3.3.18 Compensated absences

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

3.3.19 Trade and other payables

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

3.3.20 Provisions

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

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

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

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

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

4. Segment information

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

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

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

4.1 Segment results are as follows:

			2015			2014
Rupees in '000	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total
Gross sales	3,583,160	851,416	4,434,576	3,695,228	755,838	4,451,066
Less						
Trade discount	4,955	-	4,955	7,418	-	7,418
Sales tax	392,384	123,061	515,445	410,067	108,545	518,612
	397,339	123,061	520,400	417,485	108,545	526,030
Net sales	3,185,821	728,355	3,914,176	3,277,743	647,293	3,925,036
Less						
Cost of sales	2,508,805	576,148	3,084,953	2,699,418	515,246	3,214,664
Distribution and marketing expenses	199,535	44,858	244,393	196,083	44,771	240,854
Administrative expenses	185,863	41,786	227,649	190,195	43,427	233,622
	2,894,203	662,792	3,556,995	3,085,696	603,444	3,689,140
Segment result	291,618	65,563	357,181	192,047	43,849	235,896
Unallocated corporate expenses						
Other operating expenses			(26,438)			(26,897)
Other income			20,876			86,079
			(5,562)			59,182
Operating profit before reorganisation / restructuring cost			351,619			295,078
Reorganisation / restructuring cost			(33,500)			
Operating profit after reorganisation / restructuring cost			318,119			
Finance costs			(126,314)			(117,676)
Taxation			(50,951)			(50,515)
Profit for the year			140,854			126,887

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

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

4.4 The segment assets and liabilities as at 31 December 2015 and capital expenditures for the year then ended are as follows:

	2015			2014		
Rupees in '000	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total
Segment assets	3,765,975	222,789	3,988,764	3,700,058	172,766	3,872,824
Unallocated assets			668,721			724,991
Total assets			**4,657,485**			**4,597,815**
Segment liabilities	510,342	3,699	514,041	377,822	19,907	397,729
Unallocated liabilities			2,423,924			2,509,119
Total liabilities			**2,937,965**			**2,906,848**
Capital expenditure	**283,712**	-	**283,712**	**428,195**	-	**428,195**

4.5 All non-current assets of the Company as at 31 December 2015 were located within Pakistan. Depreciation expense mainly relates to industrial, medical and other gases segment.

5. Cost of sales

Rupees in '000	Note	2015	2014
Fuel and power		1,131,894	1,385,381
Raw materials consumed		514,786	553,692
Third party manufacturing charges		31,442	26,606
Depreciation	14.5	302,421	263,234
Salaries, allowances and other benefits	5.1	162,058	148,932
Transportation expenses		217,563	252,404
Repairs and maintenance		68,512	60,199
Consumable spares		67,894	60,754
Insurance		33,658	45,311
Travelling and conveyance		25,880	32,558
Safety and security expenses		20,193	16,978
Rent, rates and taxes		5,709	5,385
Staff training, development and other expenses		1,566	591
Miscellaneous expenses		9,706	8,507
Cost of goods manufactured		**2,593,282**	**2,860,532**
Opening stock of finished goods		220,371	145,302
Purchase of finished goods		479,879	425,191
Write down of inventory to net realisable value		3,874	4,010
Closing stock of finished goods		(212,453)	(220,371)
		3,084,953	3,214,664

5.1 Salaries, allowances and other benefits include in respect of

Rupees in '000	2015	2014
Defined benefit schemes	2,588	2,844
Defined contribution plans	4,492	5,676
	7,080	8,520

6. Distribution and marketing expenses

Rupees in '000	Note	2015	2014
Salaries, allowances and other benefits	6.1	126,113	119,389
Technical assistance fee		43,029	42,524
Travelling and conveyance		12,957	19,606
Systems support and shared services		13,611	14,908
Depreciation	14.5	8,231	8,038
Provision for doubtful debts		19,694	13,459
Communications and stationery		4,350	6,694
Repairs and maintenance		1,573	2,533
Safety and security expenses		1,261	1,216
Electricity expense		4,020	4,596
Rent, rates and taxes		4,333	3,418
Sales promotion and symposium		808	1,137
Staff training, development and other expenses		3,738	2,264
Miscellaneous expenses		675	1,072
		244,393	240,854

6.1 Salaries, allowances and other benefits include in respect of

Rupees in '000	2015	2014
Defined benefit schemes	4,123	3,970
Defined contribution plans	10,537	8,945
	14,660	12,915

7. Administrative expenses

Rupees in '000	Note	2015	2014
Salaries, allowances and other benefits	7.1	102,067	99,186
Travelling and conveyance		13,911	20,610
Systems support and shared services		50,963	49,241
Communications and stationery		14,344	16,417
Depreciation	14.5	13,472	14,837
Repairs and maintenance		6,029	7,429
Electricity expense		6,242	6,476
Directors' fee and remuneration		5,421	5,672
Amortization		4,589	4,400
Safety and security expenses		2,733	2,302
Staff training, development and other expenses		3,117	2,196
Insurance		571	814
Rent, rates and taxes		708	642
Miscellaneous expenses		3,482	3,400
		227,649	233,622

7.1 Salaries, allowances and other benefits include in respect of

Rupees in '000	2015	2014
Defined benefit schemes	2,485	1,830
Defined contribution plans	8,657	9,072
	11,142	10,902

8. Other operating expenses

Rupees in '000	Note	2015	2014
Workers' Profits Participation Fund		10,301	9,528
Workers' Welfare Fund		3,914	3,621
Legal and professional charges		7,903	11,709
Auditors' remuneration	8.1	1,645	1,614
Donations		400	425
Exchange loss – net		2,275	-
		26,438	26,897

8.1 Auditors' remuneration

Rupees in '000	2015	2014
Audit fee	850	850
Audit of provident, gratuity, pension and workers' profits participation fund and fee for special certifications	430	430
Fee for review of half-yearly financial statements	240	240
Out-of-pocket expenses	125	94
	1,645	1,614

9. Other income

Rupees in '000	2015	2014
Mark-up income on saving and deposit accounts	1,424	3,479
Liquidated damages	-	25,794
Gain on disposal of property, plant and equipment	3,157	765
Liabilities no more payable written back	12,386	47,516
Exchange gain – net	-	5,936
Others	3,909	2,589
	20,876	86,079

10. Reorganisation / restructuring cost

In order to contain operational costs and improve productivity, during the year, the Board has approved scheme for the voluntary separation of selected employees. The cost has been recognised in accordance with duly approved plan and represents severance package to the employees.

11. Finance costs

Rupees in '000	2015	2014
Mark-up on long-term financing	89,040	100,077
Mark-up on short-term running finances	34,891	16,463
Bank charges	2,349	1,089
Interest on Workers' Profits Participation Fund	34	47
	126,314	117,676

12. Taxation

Rupees in '000	Note	2015	2014
Deferred Tax	12.1	50,951	50,515

12.1 Relationship between tax expense and accounting profit

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

Rupees in '000	2015	2014
Profit before taxation	**191,805**	**177,402**
Tax at the applicable tax rate of 32% (2014: 33%)	61,378	58,543
Effect of change in tax rate	(15,881)	3,567
Tax effect of non-deductible expenses	(12,338)	(8,038)
Effect of tax under final tax regime	25,105	18,599
Effect of tax credit	(7,157)	(23,900)
Others	(156)	1,744
	50,951	50,515

12.2 During the year, the minimum tax under section 113 of the Income Tax Ordinance, 2001 has been applied as no tax is payable in respect of the current period owing to tax losses brought forward from previous year. The applicable minimum tax charge has been adjusted against the tax credits available to the Company under section 65B of the Income Tax Ordinance, 2001.

12.3 The returns of total income for and upto the tax year 2015 have been filed by the Company and the said returns, as per the provisions of Section 120 of the Income Tax Ordinance, 2001 (the Ordinance), have been taken to be the deemed assessment orders passed by the concerned Commissioner on the day the said returns were furnished. However, the Commissioner may, at any time during a period of five years from the date of filing of return, select the deemed assessment order for audit.

12.4 The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 applicable to every public company other than a scheduled bank or modaraba, that derives profits for tax year and does not distribute cash dividend 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. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40% of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

The Board of Directors in their meeting held on 25 February 2016 has recommended sufficient cash dividend for the year ended 31 December 2015 (refer note 43) which complies with the above stated requirements. Accordingly, no provision for tax on undistributed reserves was required to be provided in these financial statements.

13. Earnings per share – basic and diluted

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

	2015	2014
Profit for the year – Rupees in '000	140,854	126,887
Number of ordinary shares in '000	25,039	25,039
Earnings per share – basic and diluted in Rupees	5.63	5.07

14. Property, plant and equipment

Rupees in '000	Note	2015	2014
Operating assets	14.1	2,966,954	3,060,895
Capital work in progress	14.6	153,361	101,688
		3,120,315	3,162,583

14.1 Operating assets

				Buildings on							
Rupees in '000	Note	Freehold land	Leasehold land	Freehold land	Leasehold land	Customers' land	Plant and machinery	Vehicles	Furniture, fittings and office equipments	Computer equipments	Total
As at 1 January 2014											
Cost		43,071	10,526	283,161	85,001	20,149	4,192,679	84,190	61,291	37,165	4,817,233
Accumulated depreciation		-	(8,170)	(21,754)	(41,434)	(12,330)	(1,913,657)	(34,351)	(31,611)	(33,808)	(2,097,115)
Net book value		**43,071**	**2,356**	**261,407**	**43,567**	**7,819**	**2,279,022**	**49,839**	**29,680**	**3,357**	**2,720,118**
Additions		-	15,000	-	6,948	1,692	589,778	6,479	-	6,989	626,886
Disposals											
Cost		-	-	-	-	-	(140)	(855)	-	(17,136)	(18,131)
Accumulated depreciation		-	-	-	-	-	140	855	-	17,136	18,131
		-	-	-	-	-	-	-	-	-	-
Depreciation		-	(856)	(13,742)	(4,039)	(941)	(239,537)	(15,699)	(6,675)	(4,620)	(286,109)
Net book value as at 31 December 2014		43,071	16,500	247,665	46,476	8,570	2,629,263	40,619	23,005	5,726	3,060,895
Additions	14.6	-	-	-	4,790	-	212,360	-	9,230	5,659	232,039
Disposals	14.4										
Cost		-	-	-	-	-	(1,900)	(7,189)	-	(95)	(9,184)
Accumulated depreciation		-	-	-	-	-	1,884	5,349	-	95	7,328
		-	-	-	-	-	**(16)**	**(1,840)**	-	-	**(1,856)**
Depreciation	14.5	-	(856)	(13,742)	(4,872)	(967)	(278,490)	(14,330)	(5,825)	(5,042)	(324,124)
Net book value as at 31 December 2015		43,071	15,644	233,923	46,394	7,603	2,563,117	24,449	26,410	6,343	2,966,954
As at 31 December 2014											
Cost		43,071	25,526	283,161	91,949	21,841	4,782,317	89,814	61,291	27,018	5,425,988
Accumulated depreciation		-	(9,026)	(35,496)	(45,473)	(13,271)	(2,153,054)	(49,195)	(38,286)	(21,292)	(2,365,093)
Net book value		43,071	16,500	247,665	46,476	8,570	2,629,263	40,619	23,005	5,726	3,060,895
Annual rate of depreciation (%)		-	5	2.5 to 5	2.5 to 5	2.5 to 5	5 to 10	20	10 to 20	25 to 33.33	
As at 31 December 2015											
Cost		43,071	25,526	283,161	96,739	21,841	4,992,777	82,625	70,521	32,582	5,648,843
Accumulated depreciation		-	(9,882)	(49,238)	(50,345)	(14,238)	(2,429,660)	(58,176)	(44,111)	(26,239)	(2,681,889)
Net book value		43,071	15,644	233,923	46,394	7,603	2,563,117	24,449	26,410	6,343	2,966,954
Annual rate of depreciation (%)		-	5	2.5 to 5	2.5 to 5	2.5 to 5	5 to 10	20	10 to 20	25 to 33.33	

14.2 Borrowing costs capitalized during the year amounted to Rs. 4,266 thousand (2014: Rs. 27,930 thousand).

14.3 As at 31 December 2015, plant and machinery includes cylinders held by customers and Vacuum Insulated Evaporator (VIEs) installed at certain customer sites for supply of gas products. Cost and net book values of such cylinders and VIEs are as follows:

	Cost		Net book value	
Rupees in '000	2015	2014	2015	2014
Cylinders	157,275	157,512	96,947	104,672
Vaccum Insulated Equipments	614,437	604,345	340,669	366,551
	771,712	761,857	437,616	471,223

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

Rupees in '000	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchasers
Motor vehicle	1,282	(427)	855	962	Company policy	Mr. Rustam Hussain Shah (employee)
Motor vehicle	1,058	(970)	88	317	Company policy	Mr. Junaid Soleja (employee)
Motor vehicle	1,282	(385)	897	962	Company policy	Mr. Shabbir Shahid (employee)

14.5 Depreciation has been allocated as follows

Rupees in '000	2015	2014
Cost of sales	302,421	263,234
Distribution and marketing expenses	8,231	8,038
Administrative expenses	13,472	14,837
	324,124	286,109

14.6 Capital work in progress

Rupees in '000	Land and Buildings	Plant and machinery	Advances to suppliers against vehicles	Furniture, fittings and office equipments	Total
As at 1 January 2014	-	294,644	6,479	-	301,123
Additions during the year	23,640	370,432	14,799	18,580	427,451
Transfers during the year	(23,640)	(589,778)	(6,479)	(6,989)	(626,886)
As at 31 December 2014	-	75,298	14,799	11,591	101,688
Additions during the year	4,790	259,309	11,304	8,309	283,712
Transfers during the year	(4,790)	(197,561)	(14,799)	(14,889)	(232,039)
As at 31 December 2015	-	137,046	11,304	5,011	153,361

15. Intangible assets

Rupees in '000	Note	2015	2014
Computer software	15.1	20,781	25,370

15.1 Computer software

Rupees in '000	2015	2014
Cost		
Additions during the year	-	3,693
Accumulated Amortization		
Amortization for the year	4,589	4,400
Carrying amounts		
Cost	32,368	32,368
Accumulated amortization	(11,587)	(6,998)
	20,781	25,370

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

16. Stores and spares

Rupees in '000	2015	2014
Stores	2,769	2,696
Spares	212,845	208,982
In-transit	-	1,787
	215,614	213,465
Provision against slow moving stores and spares	(106,447)	(98,675)
	109,167	114,790

17. Stock-in-trade

Rupees in '000	2015	2014
Raw and packing materials		
In-hand	86,716	56,220
Finished goods		
In-hand	209,419	220,270
In-transit	3,034	101
	212,453	220,371
	299,169	276,591

17.1 The cost of raw and packing materials and finished goods has been adjusted net of provision for slow moving and obsolete stock by Rs. 24,128 thousand (2014: Rs. 19,870 thousand).

17.2 Raw and packing materials and finished goods include inventories with a value of Rs. 13,276 thousand (2014: Rs. 11,282 thousand) which are held by third parties for manufacturing purposes.

18. Trade debts – unsecured

Rupees in '000	Note	2015	2014
Considered good	18.1	439,332	293,490
Considered doubtful		46,559	31,329
		485,891	324,819
Provision for doubtful debts		(46,559)	(31,329)
		439,332	293,490

18.1 These include balances due from related parties as follows

Rupees in '000	2015	2014
Tabba Heart Institute	1,945	752
Aga Khan University Hospital	7,114	3,161
Shaukat Khanum Memorial Cancer Hospital	2,017	1,174
	11,076	5,087

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

Rupees in '000	2015	2014
Not past due	5,870	4,255
Past due from 1 – 90 days	5,206	832
	11,076	5,087

19. Loans and advances – considered good

Rupees in '000	2015	2014
Loans to employees – secured	214	55
Advances		
Employees	546	1,412
Suppliers	19,190	13,764
	19,736	15,176
	19,950	15,231

20. Deposits and prepayments

Rupees in '000	2015	2014
Security deposits	10,832	7,966
Other deposits	62,711	37,919
Prepayments	2,039	997
	75,582	46,882

21. Other receivables

Rupees in '000	Note	2015	2014
Receivable from staff retirement benefit funds	21.1	19,642	16,385
Sales tax recoverable		58,759	80,091
Others		-	35
		78,401	96,511

21.1 This includes Rs. 7,957 thousand (2014: Rs. 2,507 thousand) in respect of prepaid contribution to staff retirement benefit fund.

22. Cash and bank balances

Rupees in '000	2015	2014
Cash in hand	651	593
Cash at bank – current and saving accounts	93,375	307,019
	94,026	307,612

23. Share capital

23.1 Authorised share capital

	Number of shares		Rupees in '000	
	2015	2014	2015	2014
Ordinary shares of Rs. 10 each	40,000,000	40,000,000	400,000	400,000

23.2 Issued, subscribed and paid-up capital

	Number of shares		Rupees in '000	
	2015	2014	2015	2014
Ordinary shares of Rs. 10 each fully paid in cash	452,955	452,955	4,530	4,530
Ordinary shares of Rs. 10 each issued for consideration other than cash	672,045	672,045	6,720	6,720
Ordinary shares of Rs. 10 each issued as fully paid bonus shares	23,913,720	23,913,720	239,137	239,137
	25,038,720	25,038,720	250,387	250,387

At 31 December 2015 and 2014, The BOC Group Limited – U.K., held 15,023,232 ordinary shares of Rs. 10 each of the Company, whose parent company is Linde AG, Germany.

24. Hedging reserve

The Company has entered into forward exchange contract for GBP 45,901 (2014: Nil) to hedge its foreign currency exposure arising on firm commitment for future payment against the import of spares. The arrangement has been designated as cash flow hedge and instrument has been remeasured at its fair value.

At 31 December 2015, the fair value of the derivative liability amounts to Rs. 257 thousand and the effective change has been recognised in other comprehensive income.

25. Long-term financing – secured

Rupees in '000	Note	2015	2014
Diminishing Musharika financing – I	25.1	540,000	810,000
Diminishing Musharika financing – II	25.2	500,000	-
		1,040,000	810,000

25.1 This represents long-term Islamic financing arrangement entered into by the Company for an amount of Rs. 1.3 billion to meet specific capital project funding requirements. The loan is repayable in ten half yearly installments over a period of five years beginning June 2014. One-third portion of the borrowing is fixed at 9.5% per annum (2014: 7 years Pakistan Revaluation (PKRV) + 2.85% per annum) whereas, the remaining two-third of the financing amount is based on 6 month Karachi Interbank Offer Rate (KIBOR) + 0.5% per annum (2014: 6 month KIBOR + 0.5% per annum). The facility is secured against the plant.

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

26. Long-term deposits

Rupees in '000	2015	2014
Against cylinders	132,464	123,623
Others	23,305	16,855
	155,769	140,478

27. Deferred liabilities

Rupees in '000	Note	2015	2014
Deferred taxation	27.1	384,398	333,308
Post-retirement medical benefits	33.1	6,626	6,117
		391,024	339,425

27.1 Deferred taxation

Rupees in '000	2015	2014
Taxable temporary differences		
Accelerated tax depreciation	464,656	501,081
Net remeasurement on defined benefit plans	966	828
Deductible temporary differences		
Slow moving stores and spares and stock-in-trade	(41,785)	(39,120)
Net remeasurement on defined benefit plan	(9,771)	(3,080)
Tax losses carried forward	(2,903)	(65,213)
Tax credit on certain capital investments	(12,886)	(46,447)
Doubtful receivables and other provisions	(13,879)	(14,741)
	384,398	333,308

28. Trade and other payables

Rupees in '000	Note	2015	2014
Creditors	28.1	514,042	397,729
Accrued liabilities		352,556	413,716
Advances from customers		28,622	57,490
Technical assistance fee		43,029	45,969
Payable to staff retirement benefit funds		514	15,575
Workers' Profits Participation Fund		1,305	1,883
Workers' Welfare Fund		18,502	14,588
Unclaimed dividends		15,217	14,003
Vendor claims		30,052	28,437
Mark-up payable		14,557	16,324
Other payables		62,776	83,038
		1,081,172	1,088,752

28.1 This includes trade and other liabilities payable to associated / Group companies amounting to Rs. 165,455 thousand (2014: Rs. 130,623 thousand).

29. Short-term borrowings – secured

Running finance under mark-up arrangements

The Company has arrangement for short-term running finance facility from certain banks. The overall facility for the running finance under mark-up arrangement and short-term revolving credit amounts to Rs. 825,000 thousand (2014: Rs. 425,000 thousand).

The rate of mark-up on the running finance facilities ranges from 1 month KIBOR + 0.75% to 3 months KIBOR + 1% (2014: 3 months KIBOR + 1%) per annum. The arrangements are secured by way of first pari passu charge against hypothecation of stock in trade, trade debts and inter group guarantee and stand-by letter of credit from the banks.

The facilities for opening letters of credit and issuing guarantees as at 31 December 2015 amount to Rs. 446,000 thousand (2014: Rs. 275,000 thousand) out of which, the unutilized amount as at year end is Rs. 299,000 thousand (2014: Rs. 94,422 thousand).

30. Contingencies and commitments

Contingencies

30.1 The Company has disputed the unilateral increase in rentals of one of its leased premises being exorbitant, unreasonable and unjustified. Therefore, a civil suit has been filed against the Lessor. The Court has directed parties to maintain status quo. The amount not acknowledged as debt in this regard as at 31 December 2015 amounted to Rs. 40,724 thousand (2014: Rs. 38,501 thousand).

Commitments

30.2 Capital commitments outstanding as at 31 December 2015 amounted to Rs. 30,316 thousand (2014: Rs. 100,209 thousand).

30.3 Commitments under letters of credit for inventory items as at 31 December 2015 amounted to Rs. 60,575 thousand (2014: Rs. 57,150 thousand).

30.4 Banks have provided guarantees to various parties on behalf of the Company. Guarantees outstanding as at 31 December, 2015 amounted to Rs 56,084 thousand (2014: Rs 82,611 thousand).

31. Cash generated from operations

Rupees in '000	Note	2015	2014
Profit before taxation		191,805	177,402
Adjustments for			
Depreciation		324,124	286,109
Gain on disposal of property, plant and equipment		(3,157)	(765)
Mark-up income from saving and deposit accounts		(1,424)	(3,479)
Finance costs		126,314	117,676
Amortization		4,589	4,400
Reorganizaton / restructuring cost		33,500	-
Liabilities written back		(12,386)	(47,516)
Liquidated damages		-	(25,794)
Post-retirement medical benefits		649	605
Working capital changes	31.1	(180,799)	46,206
		483,215	554,844

31.1 Working capital changes

Rupees in '000	2015	2014
(Increase) / decrease in current assets		
Stores and spares	5,623	(1,643)
Stock-in-trade	(22,578)	(50,366)
Trade debts	(145,842)	(45,170)
Loans and advances	(4,719)	(3,940)
Deposits and prepayments	(28,700)	(13,778)
Other receivables	14,391	(35,707)
	(181,825)	(150,604)
(Decrease) / increase in current liabilities		
Trade and other payables	1,026	196,810
	(180,799)	46,206

32. Cash and cash equivalents

Rupees in '000	Note	2015	2014
Cash and bank balances	22	94,026	307,612
Short-term borrowings – running finance under mark-up arrangement	29	-	(343,193)
		94,026	(35,581)

33. Staff retirement benefits

33.1 Defined benefit schemes

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

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

The amounts recognised in balance sheet are as follows:

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

Amounts recognised in total comprehensive income

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

				2015
Rupees in '000	Pension Fund	Gratuity Fund	Medical Scheme	Total
Component of defined benefit costs recognised in profit and loss account				
Current service cost	-	8,651	-	8,651
Net interest cost				
Interest cost on defined benefit obligation	6,580	14,804	649	22,033
Interest income on plan assets	(8,106)	(13,382)	-	(21,488)
	(1,526)	10,073	649	9,196
Component of defined benefit costs (remeasurement) recognised in other comprehensive income				
Remeasurements – Actuarial (gain) / loss on obligation				
(Gain) / loss due to change in financial assumptions	(186)	2,728	962	3,504
(Gain) / loss due to change in demographic assumptions	-	-	-	-
(Gain) / loss due to change in experience adjustments	4,041	(9,028)	(890)	(5,877)
	3,855	(6,300)	72	(2,373)
Remeasurements – Net return on plan assets over interest income				
Actual return on plan assets	(8,242)	(11,641)	-	(19,883)
Interest income on plan assets	8,106	13,382	-	21,488
	(136)	1,741	-	1,605
Net remeasurement recognised in other comprehensive income	3,719	(4,559)	72	(768)
Total defined benefit cost recognised in profit and loss account and other comprehensive income	2,193	5,514	721	8,428
Actual return on plan assets	(8,242)	(11,641)	-	(19,883)
Expected contributions to funds in the following year	(1,081)	7,911	592	7,422
Expected benefit payments to retirees in the following year	5,183	10,643	464	16,290
Remeasurements – Accumulated actuarial (gains) / losses recognised in equity	(19,627)	19,495	(3,145)	(3,277)
Weighted average duration of the defined benefit obligation (years)	8.51	7.16	9.17	-
Analysis of present value of defined benefit obligation				
Type of members				
Pensioners	68,195	-	-	68,195
Beneficiaries	-	-	6,626	6,626
Officers	-	110,341	-	110,341
Supervisors	-	24,454	-	24,454
	68,195	134,795	6,626	209,616
Vested / Non-Vested				
Vested benefits	68,195	130,129	6,626	204,950
Non-vested benefits	-	4,666	-	4,666
	68,195	134,795	6,626	209,616
Type of benefits				
Accumulated obligations	68,195	64,952	6,626	139,773
Amounts attributed to future salary increase	-	69,843	-	69,843
	68,195	134,795	6,626	209,616

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

Sensitivity analysis

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

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

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

The actuarial valuation of pension, gratuity and medical benefit schemes was carried out at 31 December 2014. The projected unit credit method using the following significant assumptions, has been used for the actuarial valuation:

			2014
(Percent % per annum)	Pension Fund	Gratuity Fund	Medical Scheme
Financial assumptions			
Rate of discount	11.00%	11.00%	11.00%
Expected rate of pension increase	9.00%	-	-
Expected rate of salary increase			
for first four years following valuation	-	13% to 14%	-
long-term (fifth year following valuation)	-	11.00%	-
Medical cost escalation rate	-	-	11.00%
Demographic assumptions			
Mortality rate	SLIC (2001-05)	SLIC(2001-05)	SLIC(2001-05)
Rates of employee turnover	-	moderate	-

The amounts recognized in balance sheet are as follows:

				2014
Rupees in '000	Pension Fund	Gratuity Fund	Medical Scheme	Total
Present value of defined benefit obligation	62,193	134,744	6,117	203,054
Fair value of plan assets	(76,071)	(121,121)	-	(197,192)
(Asset) / liability in balance sheet	**(13,878)**	**13,623**	**6,117**	**5,862**
Movements in the present value of defined benefit obligation				
Present value of defined benefit obligation – beginning of the year	53,942	117,682	4,926	176,550
Current service cost	-	8,431	-	8,431
Interest cost	6,611	14,813	605	22,029
Remeasurements – Actuarial (gains)/losses on obligation	6,370	(2,067)	763	5,066
Benefits paid	(4,730)	(4,115)	(177)	(9,022)
Present value of defined benefit obligation – Closing date	**62,193**	**134,744**	**6,117**	**203,054**
Movements in the fair value of plan assets				
Fair value of plan assets – beginning of the year	(72,411)	(101,342)	-	(173,753)
Interest income on plan assets	(8,965)	(12,851)	-	(21,816)
Remeasurements – Return on plan assets excluding interest income	575	(313)	-	262
Benefits paid	4,730	4,115	-	8,845
Contribution to fund	-	(10,730)	-	(10,730)
Fair value of plan assets – closing date	**(76,071)**	**(121,121)**	**-**	**(197,192)**
Movement in the net defined benefit liability/(asset)				
Opening balance	(18,469)	16,340	4,926	2,797
Net periodic benefit cost / (income) for the year	(2,354)	10,393	605	8,644
Contribution paid during the year	-	(10,730)	-	(10,730)
Benefits paid during the year	-	-	(177)	(177)
Remeasurements recognized in other comprehensive				-
income during the year	6,945	(2,380)	763	5,328
Closing balance	**(13,878)**	**13,623**	**6,117**	**5,862**

Amounts recognized in total comprehensive income

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

				2014
Rupees in '000	Pension Fund	Gratuity Fund	Medical Scheme	Total
Component of defined benefit costs recognized in profit and loss account				
Current service cost	-	8,431	-	8,431
Net interest cost				
Interest cost on defined benefit obligation	6,611	14,813	605	22,029
Interest income on plan assets	(8,965)	(12,851)	-	(21,816)
	(2,354)	**10,393**	**605**	**8,644**
Component of defined benefit costs (re-measurement)				
recognized in other comprehensive income				
Re-measurements: Actuarial (gain)/loss on obligation				
(Gain)/loss due to change in financial assumptions	(166)	6,774	1,249	7,857
(Gain)/loss due to change in demographic assumptions	3,351	20	342	3,713
(Gain)/loss due to change in experience adjustments	3,185	(8,861)	(828)	(6,504)
	6,370	**(2,067)**	**763**	**5,066**
Remeasurements – Net return on plan assets over interest income				
Actual return on plan assets	(8,390)	(13,164)	-	(21,554)
Interest income on plan assets	8,965	12,851	-	21,816
	575	**(313)**	**-**	**262**
Net re-measurement recognized in other comprehensive income	**6,945**	**(2,380)**	**763**	**5,328**
Total defined benefit cost recognized in profit and loss account and other comprehensive income	4,591	8,013	1,368	13,972
Actual return on plan assets	(8,390)	(13,164)	-	(21,554)
Expected contributions to funds in the following year	(1,527)	10,073	649	9,195
Expected benefit payments to retirees in the following year	4,870	8,957	443	14,270
Remeasurements – Accumulated actuarial (gains) / losses recognized in equity	(23,346)	24,054	(3,217)	(2,509)
Weighted average duration of the defined benefit obligation (years)	8.49	7.38	8.49	-
Analysis of present value of defined benefit obligation				
Type of members				
Pensioners	62,193	-	-	62,193
Beneficiaries	-	-	6,117	6,117
Officers	-	107,788	-	107,788
Supervisors	-	26,956	-	26,956
	62,193	134,744	6,117	203,054
Vested / Non-Vested				
Vested benefits	62,193	132,312	6,117	200,622
Non – vested benefits	-	2,432	-	2,432
	62,193	134,744	6,117	203,054
Type of benefits				
Accumulated obligations	62,193	62,793	6,117	131,103
Amounts attributed to future salary increase	-	71,951	-	71,951
	62,193	134,744	6,117	203,054

Rupees in '000	Pension Fund	Gratuity Fund	Medical Scheme	2014 Total
Disaggregation of fair value of plan assets				
The fair value of the plan assets at balance sheet date for each category are as follows:				
Cash and cash equivalents (comprising bank balances and adjusted for current liabilities) – quoted	367	6,461	-	6,828
Debt instruments				
AAA	48,075	90,215	-	138,290
AA	12,290	4,842	-	17,132
A	2,012	3,049	-	5,061
	62,377	98,106	-	160,483
Equity instruments				
Oil and gas sector	1,712	1,097	-	2,809
Mutual funds				
Money Market Fund	1,130	-	-	1,130
Stock Market Fund	-	5,447	-	5,447
Income Fund	-	1,006	-	1,006
Assets Allocation Fund	1,511	1,580	-	3,091
Islamic Income Fund	7,201	6,736	-	13,937
Islamic Asset Allocation Fund	1,367	-	-	1,367
Islamic Stock Fund	406	688	-	1,094
	11,615	15,457	-	27,072
	76,071	121,121	-	197,192

Sensitivity analysis

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

Rupees in '000	Pension Fund	Gratuity Fund	2014 Medical Scheme
Discount rate +0.5%	59,646	129,935	5,853
Discount rate -0.5%	64,935	139,882	6,402
Long-term pension / salary increase +0.5%	64,974	139,961	-
Long-term pension / salary decrease -0.5%	59,590	129,818	-
Withdrawal rates : Light	-	136,132	-
Withdrawal rates: Heavy	-	133,145	-
Medical cost +1% – effect on service cost and interest cost	-	-	23
Medical cost +1% – effect on defined benefit obligation	-	-	230
Medical cost -1% – effect on service cost and interest cost	-	-	(21)
Medical cost -1% – effect on defined benefit obligation	-	-	(215)

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

33.2 Defined contribution plan

Staff Provident Fund

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

Rupees in '000	31 July 2015	31 July 2014
Size of the Fund (net of liabilities)	202,689	192,912
Cost of investment made	123,360	123,059
Fair value / amortized cost of the investments	201,611	189,397
Percentage of investment made (%) – based on fair value / amortized cost	99%	98%

Break up of the investments is as follows:

	Rupees in '000		% of total investment	
	31 July 2015	31 July 2014	31 July 2015	31 July 2014
National savings schemes	132,531	114,267	65.74	60.33
Government securities	42,959	52,516	21.31	27.73
Term finance certificates	997	987	0.49	0.52
Certificate of deposits	2,805	2,471	1.39	1.30
Listed securities	22,032	14,486	10.93	7.65
Cash and bank balances	287	4,670	0.14	2.47
	201,611	189,397	100.00	100.00

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

34. Remuneration of Chief Executive, Directors and Executives

		2015			2014		
Rupees in '000	Note	Chief Executive	Executive Director	Executives	Chief Executive	Executive Director	Executives
Managerial remuneration		14,433	8,680	77,140	13,035	-	90,707
Bonus, house rent, utilities, etc.	34.2	3,226	1,606	74,724	2,899	-	76,643
Company's contribution to staff retirement benefits		3,161	1,964	25,021	2,855	-	29,129
Medical and others		766	185	3,894	485	-	3,473
		21,586	12,435	180,779	19,274	-	199,952
Reorganisation / restructuring cost		-	-	12,990	-	-	-
		21,586	12,435	193,769	19,274	-	199,952
Number of persons (including those who worked part of the year)		1	1	63	1	-	70

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

34.2 In addition to the above, Rs.1,449 thousand (2014: Nil) and Rs. 551 thousand (2014: Rs. 251 thousand) have been charged in respect of Chief Executive and the Executive Director respectively, on account of provision for the long-term incentive plan payable upon completion of qualifying period of service and subject to satisfactory fulfilment of certain performance conditions over such qualifying period, and is based on share value of the ultimate parent company. The number of options available to above executives under the scheme are 800 (2014: 493), and the accrued liability in respect of this benefit amounted to Rs. 5,153 thousand (2014: Rs. 3,153 thousand).

34.3 Aggregate amount charged in the financial statements for fee to five non-executive Directors was Rs. 801 thousand (2014: five Directors – Rs. 893 thousand).

34.4 During the year, remuneration of Rs. 4,620 thousand (2014: Rs. 4,620 thousand) and Rs. Nil (2014: Rs. 66 thousand) was paid to Chairman of the Board of Directors and Chairman of Board Audit Committee respectively.

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

35. Financial risk management

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

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

35.1 Credit risk

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

Rupees in '000	Note	2015	2014
Loans to employees	35.1.1	214	55
Deposits		125,453	72,295
Trade debts	35.1.2	439,332	293,490
Other receivables		-	35
Bank balances		93,375	307,019
		658,374	672,894

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

35.1.2 The Company mostly deals with reputable organizations and believes it is not exposed to any major concentration of credit risk. The Company has policies that limit the amount of credit exposure to any customer. Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debtors past due up to 90 days do not require any impairment.

According to the age analysis, trade debts include balances which are due by not later than 90 days valuing Rs. 420,731 thousand (2014: Rs. 279,866 thousand). Trade debts due by more than 90 days as at 31 December amounted to Rs. 18,601 thousand (2014: Rs. 13,624 thousand), net of impairment.

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

Rupees in '000	2015	2014
Opening balance	31,329	19,010
Provision for the year	19,694	13,459
Written off during the year	(4,465)	(1,140)
Closing balance	46,558	31,329

35.2 Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Following are the contractual maturities of the Company's financial liabilities:

	2015				2014			
Rupees in '000	Carrying amount	Contractual cashflows	Maturity upto one year	Maturity after one year	Carrying amount	Contractual cashflows	Maturity upto one year	Maturity after one year
Long-term financing	1,040,000	(1,110,771)	-	(1,110,771)	810,000	(981,734)	-	(981,734)
Current portion of long-term financing	270,000	(373,945)	(373,945)	-	185,000	(302,372)	(302,372)	-
Long-term deposits	155,769	(155,769)	(155,769)	-	140,478	(140,478)	(140,478)	-
Trade and other payables	992,162	(992,162)	(992,162)	-	982,110	(982,110)	(982,110)	-
Short-term borrowings	-	-	-	-	343,193	(349,559)	(349,559)	-
	2,457,931	(2,632,647)	(1,521,876)	(1,110,771)	2,460,781	(2,756,253)	(1,774,519)	(981,734)

35.3 Market risk

Foreign exchange risk

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

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

The significant currency exposure at year end was as follows:

							2015
Equivalent Rupees in '000	THB	Euro	USD	SGD	GBP	Others	Total
Financial assets							
Other receivables	-	-	379	-	-	-	379
Financial liabilities							
Trade and other payables	(117)	(101,699)	(84,145)	(5,310)	(3,361)	(711)	(195,343)
Net exposure	(117)	(101,699)	(83,766)	(5,310)	(3,361)	(711)	(194,963)

							2014
Equivalent Rupees in '000	THB	Euro	USD	SGD	GBP	Others	Total
Financial assets							
Other receivables	-	17,632	-	11,917	-	-	29,549
Financial liabilities							
Trade and other payables	(1)	(78,616)	(77,498)	(4,910)	(1,570)	(758)	(163,353)
Net exposure	(1)	(60,984)	(77,498)	7,007	(1,570)	(758)	(133,804)

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

	Average rate for the year		Reporting date spot rate	
	2015	2014	2015	2014
Thai Baht (THB)	3.00	3.30	2.91	3.06
Euro (EUR)	114.09	135.70	113.87	121.95
US Dollar (USD)	102.78	101.92	104.85	100.80
Singapore Dollar (SGD)	74.77	81.34	73.96	76.04
Pound Sterling (GBP)	157.12	147.45	154.54	157.00
Others				
Korean Won (KRW)	0.09	0.09	0.09	0.09
Bangladesh Takka (BDT)	1.32	1.32	1.34	1.29
Philippines Pesso (PHP)	2.26	2.28	2.23	2.25

Sensitivity Analysis

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

	Effect on profit and loss (net of tax)	
Rupees in '000	2015	2014
Thai Baht (THB)	(8)	(1)
Euro (EUR)	(6,916)	(4,528)
US Dollar (USD)	(5,696)	(5,256)
Singapore Dollar (SGD)	(361)	498
Pound Sterling (GBP)	(229)	(112)
Others		
Korean Won (KRW)	-	(5)
Bangladesh Takka (BDT)	(48)	(47)

A 10 percent appreciation of Pakistan Rupees against the above currencies at 31 December would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

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

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

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

For the remainder two-third of the financing which carries floating rate, a hypothetical change of 100 basis points in interest rates at the balance sheet date would have decreased / (increased) profit for the year by approximately Rs. 5,666 thousand (2014: Rs. 9,813 thousand) in respect of the variable portion of the long-term financing. The analysis assumes that all other variables remain constant.

The medium-term financing which carries floating rate, a hypothetical change of 100 basis points in interest rates at the balance sheet date would have decreased / (increased) profit for the year by approximately Rs. 134 thousand (2014: Rs. nil) in respect of the variable portion of the financing. The analysis assumes that all other variables remain constant.

Price risk

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

35.4 Fair values of financial assets and liabilities

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

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

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

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

It does not include fair value information for financial assets and financial liabilities not measured at fair value, as the carrying amount is a reasonable approximation of their fair values.

The Company has entered in to forward arrangement as disclosed in note 24. At reporting date the relevant rate has been taken from financial institution for valuation of derivative and has been classified in to level 2 fair value measurement hierarchy. There is no transfer among different levels of fair value hierarchy mentioned above, during the year. In accordance with the transitional provision of IFRS 13, the Company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures.

36. Capital management

The Company's objectives when managing capital are:

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

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

The Company is not subject to externally imposed capital requirements.

37. Transactions and balances with related parties

The related parties comprise of group companies, entities with common directors, major shareholders, key management employees (included in note 34) and retirement benefit funds. Transactions and balances with related parties and associated undertakings, other than those which have been disclosed elsewhere in these financial statements, are given below.

37.1 Transactions with related parties are summarised as follows:

Rupees in '000		2015	2014
Nature of relationship	Nature of transactions		
	Technical assistance fee	43,029	42,524
The BOC Group Limited (parent)	Dividends	67,605	78,872
	Information systems support / maintenance and development	40,650	36,774
Linde AG (ultimate parent)	Staff related cost in respect of services claimed by the Company from parent company	5,436	6,620
	Purchase of goods and receipt of services	43,061	58,438
Associated companies	Staff related cost in respect of services claimed by the Company from associated companies	22,254	23,360
Related entities by virtue of common directorship	Sale of goods	60,745	46,748
Staff retirement benefits	Contributions to staff retirement funds	32,233	31,731
Remeasurement – Actuarial gain / (loss) recognised in other comprehensive income on account of Staff Retirement Benefits		840	(4,565)

37.2 Balances with related parties are summarised as follows:

Rupees in '000	2015	2014
Receivable from staff retirement funds	19,128	810

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

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

The related party balances as at 31 December 2015 are included in trade debts, other receivables and trade and other payables, respectively.

38. Production capacity – net of normal losses

	Capacity		Actual production*	
Cubic meters (m^3)	2015	2014	2015	2014
Oxygen/Nitrogen	82,233,900	72,657,900	65,450,026	62,358,236
Hydrogen	3,400,056	3,400,056	1,540,528	2,256,981
Dissolved acetylene	268,152	268,152	148,420	136,021
Nitrous oxide	116,494,767	116,494,767	63,711,454	66,973,673
Carbon dioxide	13,261,548	13,261,548	1,837,244	2,068,562
	215,658,423	206,082,423	132,687,672	133,793,473

* Actual production is mainly based on triple shift.

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

39. Number of employees

	2015	2014
Average number of employees during the year	134	153
Number of employees as at 31 December	119	148

40. Accounting estimates and judgements

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

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

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

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

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

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

41. Date of authorization

These financial statements were authorized for issue on 25th February 2016 by the Board of Directors of the Company.

42. Corresponding figures

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

43. Non-adjusting events after the balance sheet

The Board of Directors in its meeting held on 25th February 2016 approved the transfer of Rs. 16,209 thousand from unappropriated profit to general reserve; and (ii) proposed a final dividend of Rs.3.75 per share for the year ended 31 December 2015, amounting to Rs. 93,895 thousand for approval of the members at the Annual General Meeting to be held on 26th April 2016.

Muhammad Ashraf Bawany
Chief Executive

Munnawar Hamid – OBE
Chairman

BOC Pakistan (Private) Limited.

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

Consolidation

As explained in note 1 of the financial statements of Linde Pakistan Limited for the year ended 31 December 2015, the Securities and Exchange Commission of Pakistan (SECP) has granted exemption to Linde Pakistan Limited from the application of sub-section (1) to (7) of section 237 of the Companies Ordinance, 1984 requiring consolidation of subsidiary in the preparation of financial statements for the year ended 31 December 2015.

Financial Highlights of BOCPL

Rupees	2015	2014
Profit after taxation	84	56
Net assets / shareholders fund	10,406	10,322
Total assets and liabilities	11,245	10,930

Auditors' Opinion
The auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants, have expressed unmodified opinions on the financial statements of BOCPL for the year ended 31 December 2015 and 31 December 2014 respectively.

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

Shareholders’ information.

Stock exchange listing

Linde Pakistan Limited is a public limited company and its shares are traded on Pakistan Stock Exchange Limited.

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

Market capitalization and market price of Linde share

Market capitalization
As at 31 December 2015, the market capitalization of Linde Share stood at Rs 2.91 billion with a market value of Rs 116.25 per share and breakup value of Rs 68.67 per share.

Market Share Price

Highest price per share during the year	Rs 126.72
Lowest price per share during the year	Rs 113.18
Closing price per share at year-end	Rs 116.25

Financial calendar

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

Financial Results for the year 2016 will be announced as per the following tentative schedule:

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

Announcements of the Financial Results for the year ended 31 December 2015 were made as follows:

1st quarter ended 31 March 2015
29 April 2015
2nd quarter ended 30 June 2015
31 August 2015
3rd quarter ended 30 September 2015
27 October 2015
Year ended 31 December 2015
25 February 2016

Annual General Meeting

The sixty-seventh annual general meeting of the shareholders will be held on 26 April 2016 at 9:30 am. at the Company’s Registered Office, West Wharf, Dockyard Road, Karachi.

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

Investor relations contact

Mr. Wakil Ahmed Khan
Manager – Corporate Services
Phone +92.21.32316914, Fax +92.21.32312968
Email wakil.khan@linde.com

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

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

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block ‘B’, S.M.C.H.S.
Main Shahrah-e-Faisal, Karachi – 74400
Phone + 92.21.111111500
Fax + 92.21.34326031
Timings 9:00 a.m. to 1:00 p.m. and from 2:30 p.m. to 4:30 p.m. (Monday to Friday)
Email info@cdcpak.com

Public information

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

Pattern of shareholdings.
Year ended 31 December 2015.

Number of shareholders			Shareholdings	Total number of shares held
	from		to	
592	1	-	100	25,932
587	101	-	500	188,671
356	501	-	1,000	302,817
460	1,001	-	5,000	1,107,542
107	5,001	-	10,000	785,050
31	10,001	-	15,000	370,271
20	15,001	-	20,000	353,299
13	20,001	-	25,000	309,682
9	25,001	-	30,000	248,689
4	30,001	-	35,000	129,853
8	35,001	-	40,000	304,014
5	40,001	-	45,000	209,537
1	45,001	-	50,000	46,102
1	50,001	-	55,000	55,000
1	65,001	-	70,000	69,952
1	75,001	-	80,000	78,787
1	80,001	-	85,000	82,657
1	85,001	-	90,000	88,376
2	90,001	-	95,000	185,700
1	155,001	-	160,000	156,000
1	175,001	-	180,000	178,000
1	280,001	-	285,000	281,585
1	295,001	-	300,000	300,000
1	415,001	-	420,000	420,000
1	425,001	-	430,000	430,000
1	955,001	-	960,000	955,843
1	960,001	-	965,000	961,841
1	1,390,001	-	1,395,000	1,392,791
1	**15,020,001**		**15,025,000**	15,020,729
2,210				**25,038,720**

Categories of shareholders.

Categories of shareholders	Number of shareholders	Shares held	Percentage
Associated Companies, undertakings and related parties			
The BOC Group Limited and its 4 nominees*	5	15,023,232	60.00
Directors and their spouse(s) and minor children**			
Mr. Humayun Bashir	1	50	-
Mr. Shahid Hafiz Kardar	1	50	-
Executives	-	-	-
Public sector companies and corporations	5	1,676,319	6.69
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	9	544,039	2.17
Mutual Funds			
CDC – Trustee MCB Pakistan Stock Market Fund	1	41,900	0.17
CDC – Trustee Pakistan Capital Market Fund	1	3,000	0.01
CDC – Trustee Pak. Int. Element Islamic Asset Allocation Fund	1	55,000	0.22
CDC –Trustee National Investment (UNIT) Trust	1	961,841	3.84
General Public			
Local	2,146	4,724,822	18.87
Foreign	-	-	-
Foreign Companies	3	1,805,843	7.21
Others	36	202,624	0.82
Total	2,210	25,038,720	100
Shareholders holding 5% or more voting interest			
The BOC Group Limited and its 4 nominees*		15,023,232	60.00
State Life Insurance Corporation of Pakistan		1,392,791	5.56

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

Notice of Annual General Meeting.

Notice is hereby given that the sixty-seventh Annual General Meeting of Linde Pakistan Limited will be held on Tuesday, 26th day of April 2016 at 9:30 a.m. at the Company's Registered Office, West Wharf, Dockyard Road, Karachi to transact the following business:

1. To receive and consider the Financial Statements of the Company for the year ended 31 December 2015 and Reports of the Directors and Auditors thereon.
2. To consider and, if thought fit, to authorise the payment of final dividend of Rs 3.75 per ordinary share of Rs 10/– each for the year ended 31 December 2015 as recommended by the Directors of the Company, payable to those members whose names appear on the Register of Members as at the close of business on 12 April 2016.
3. To appoint the Auditors of the Company and to fix their remuneration

By order of the Board

Karachi
25 February 2016

Mazhar Iqbal
Company Secretary

Notes

1. Transport will be provided to members of the Company from the parking area of the Pakistan Stock Exchange Limited at Railway premises, near Tower and departure will be at 8:45 a.m. sharp on 26 April 2016.
2. The Share Transfer Books of the Company will be closed from 13 April to 26 April 2016 (both days inclusive).
3. A member entitled to attend, speak and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf and a proxy so appointed shall have the same rights in respect of speaking and voting at the meeting as are available to a Member. Proxies in order to be effective must be received at the Registered Office of the Company not later than 48 hours before the time of the meeting. The proxy must be a member of the Company, except that a Corporation being a member of the Company may appoint as its proxy one of the officers or some other person though not a member of the Company.
4. Members are requested to immediately notify any change in their address or bank mandate as registered to the Company's Share Registrar, Central Depository Company of Pakistan Limited, Shares Registrar Department, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi –74400.

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

A. For attending the meeting

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

B. For appointing proxies

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

Submission of CNIC (Mandatory)

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

Dividend Mandate (optional)

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

Payment of cash dividend electronically (optional)

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

Consent for circulation of audited financial statements through e-mail

Pursuant to SRO No. 787(I)2014 dated 8th September 2014, the SECP has allowed circulation of Audited Financial Statements (Annual Report) to the shareholders along with the notice of the Annual General Meeting (AGM) through e-mail. Therefore, it is notified once again to all members, who opt to receive Audited Financial Statements (Annual Report) along with notice of AGM, may send their written consent and e-mail address to the Company's Share Registrar. A standard consent form for electronic transmission may be downloaded from the Company's website: www.linde.pk.

Deduction of withholding tax on the amount of dividend u/s 150 of the Income Tax ordinance, 2001 (mandatory)

The Government of Pakistan has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 through Finance Act, 2015 whereby different rates are prescribed for deduction of withholding tax on the amount of divided paid by the companies. These rates are as under:

For filers of income tax returns	12.5%
For non-filers of income tax returns	17.5%

To enable the Company to make a tax deduction on the amount of cash dividend @ 12.5% instead of 17.5%, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised immediately to make sure that their names are entered into ATL by the close of business on 12 April 2016, otherwise tax on their cash dividend will be deducted @ 17.5% instead of 12.5%. For any query/ problem/information, the investors may contact the Company and/or the Share Registrar.

Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/ Non-Filer' status of Principal shareholder as well as Joint-holder(s) based on their shareholding proportions, in case of joint accounts. In this regard, all shareholders who hold shares jointly are requested to furnish shareholding details of Principal shareholder and Joint-holder(s) in respect of shares held by them to the Company's Share Registrar in writing in the following manner by close of business on 12 April 2016.

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

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

The 66th Annual General Meeting in progress at the Linde Head office.

Shareholders and Directors at the 66th Annual General Meeting.

Form of proxy.
Annual General Meeting.

I/We ______________________________ of ______________________________ in the district of ______________________________ being a Member of **Linde Pakistan Limited**, hereby appoint ______________________________ of ______________________________ as my/our proxy, and failing him/her, ______________________________ of ______________________________ another Member of the Company to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on the 26th day of April 2016 and at any adjournment thereof.

As witness my/our hand/seal this ____________ day of ____________ 2016.

Signed by the said ______________________________

In the presence of:

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

Folio/CDC Account No.

Signature on
Revenue Stamp of Rs 10/-

This signature should agree with the specimen registered with the Company

Important

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

For CDC account holders/corporate entities:

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

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

فارم برائے پراکسی

سالانہ جلسۂ عام

میں/ہم ---------------------------- کا (مکمل پتہ) ---------------------------- ضلع ---------------- بحیثیت LINDE PAKISTAN LIMITED
کے ممبر/ممبران بذریعہ ہٰذا ---------------------------- کا (مکمل پتہ) ---------------------------- یا ان کی عدم موجودگی کی صورت
میں ---------------------------- کا (مکمل پتہ) ---------------------------- جو کمپنی کا ایک اور ممبر ہے، کو 26 اپریل 2016 کو منعقد ہونے والے اور/یا ملتوی ہونے والے کمپنی کے
سالانہ جلسۂ عام میں میری/ ہماری جانب سے ووٹ دینے کے لئے میری/ ہماری پراکسی مقرر کرتا ہوں/کرتے ہیں۔

بطور گواہ میں/ہم نے بروز ------ بتاریخ ------ 2016 کو میرے/ ہمارے ہاتھ سے مہر لگائی۔
مذکورہ کی جانب سے دستخط شدہ
مندرجہ ذیل گواہان کی موجودگی میں:

گواہ:

1۔ دستخط: ----------------------------	2۔ دستخط: ----------------------------
نام: ----------------------------	نام: ----------------------------
پتہ: ----------------------------	پتہ: ----------------------------
----------------------------	----------------------------
کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر: ------------	کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر: ------------

فولیو/سی ڈی سی اکاؤنٹ نمبر

دستخط بعوض-/10 روپے ریونیو اسٹیمپ

دستخط کمپنی کے رجسٹر میں نمونے کے
دستخط کے مطابق ہونے چاہئیں۔

نوٹ:

ا۔ یہ پراکسی فارم ہر طرح سے مکمل صورت اور دستخط شدہ لازماً کمپنی کے رجسٹرڈ آفس، ویسٹ وہارف، ڈاکیارڈ روڈ، کراچی پر سالانہ جلسۂ عام کے انعقاد کے وقت سے 48 گھنٹے قبل موصول ہو جائیں۔

۲۔ کسی فرد کو بطور پراکسی شرکت کی اجازت نہیں دی جائیگی تاوقتیکہ وہ کمپنی کا/کی ممبر نہ ہو۔ ماسوائے یہ کہ ایک کارپوریشن کسی ایسے فرد کا تقرر کر سکتی ہے جو ممبر نہ ہو۔

۳۔ اگر کسی ممبر نے ایک سے زائد پراکسی کا تقرر کیا اور کمپنی کے کسی ممبر کی جانب سے پراکسی کی ایک سے زائد دستاویز جمع کرائی گئیں تو پراکسی کی ایسی تمام دستاویزات غیر مؤثر تصور کی جائیں گی۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ ادارے

مذکورہ بالا کے علاوہ مندرجہ ذیل شرائط بھی پوری کرنا ہوں گی:

ا۔ پراکسی فارم دو افراد کی جانب سے گواہی کے ساتھ ہونا چاہئے جن کے نام، پتے اور سی این آئی سی نمبرز فارم پر درج ہوں۔

ب۔ بینی فیشل اونرز کے سی این آئی سی یا پاسپورٹ کی مصدقہ کاپی پراکسی فارم کے ساتھ پیش کرنا ہوگی۔

ج۔ پراکسی کو اجلاس کے وقت اپنا اصل سی این آئی سی یا اصل پاسپورٹ فراہم کرنا ہوگا۔

د۔ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی مع نمونہ دستخط (اگر پہلے فراہم نہیں کئے گئے) پراکسی فارم کے ساتھ کمپنی کے پاس جمع کرانے ہوں گے۔

Business locations.

Registered office/head office

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

North-western region

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

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

Multan — Carbon dioxide plant
Adjacent to PFL Khanewal Road
Phones + 92.61.6562201 &
+92.61.6001360 (2 lines)
061-6001360
Fax + 92.61.6778401

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

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

Wah Cantonment — Acetylene plant
Kabul Road
Phone +92.51.4545359

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

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

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

Southern region

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

Acetylene plant
Electrode factory
Speciality gases

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

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

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

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