

**CONDENSED INTERIM FINANCIAL INFORMATION  
(UNAUDITED)**

**FOR THE THIRD QUARTER ENDED**

**30 September 2013**

**Linde Pakistan Limited**





## Our Vision

Linde Pakistan Limited (LPL) will be the leading industrial gases and hospital care Company, admired for our 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: Passion to Excel, Innovation for Customers, Empowering People and Thriving through Diversity.

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

## Company Information

### Board of Directors

Munnawar Hamid – OBE	Non-Executive Chairman
Muhammad Ashraf Bawany	Chief Executive & Managing Director
Sanaullah Qureshi	Non-Executive Director
Towfiq Habib Chinoy	Non-Executive Director
Manzoor Ahmed	Non-Executive Director
Bernd Hugo Eulitz	Non-Executive Director
Siew Yap Wong	Non-Executive Director
Atif Riaz Bokhari	Non-Executive Director
Desiree Co Bacher	Non-Executive Director

### Chief Financial Officer\*

Ms Desiree Co Bacher

### Company Secretary & Legal Counsel

Jamal A Qureshi

### Board Audit Committee

Sanaullah Qureshi	Chairman	Non-Executive Director
Bernd Hugo Eulitz	Member	Non-Executive Director
Siew Yap Wong	Member	Non-Executive Director
Atif Riaz Bokhari	Member	Non-Executive Director
Jamal A Qureshi	Secretary	Company Secretary & Legal Counsel

### Board Human Resource & Remuneration Committee

Towfiq Habib Chinoy	Chairman	Non-Executive Director
Muhammad Ashraf Bawany	Member	Chief Executive & Managing Director
Bernd Hugo Eulitz	Member	Non-Executive Director
Siew Yap Wong	Member	Non-Executive Director
Manzoor Ahmed	Member	Non-Executive Director
Muhammad Salim Sheikh	Secretary	Head of HR

### Share Transfer Committee

Sanaullah Qureshi	Chairman	Non-Executive Director
Muhammad Ashraf Bawany	Member	Chief Executive & Managing Director
Wakil Ahmed Khan	Secretary	Manager - Corporate Services

### Bankers

Standard Chartered Bank (Pakistan) Limited  
Deutsche Bank AG  
Citibank N.A.  
HSBC Bank Middle East Limited  
Barclays Bank Plc  
MCB Bank Limited  
National Bank of Pakistan Limited  
Meezan Bank Limited

### Auditors

KPMG Taseer Hadi & Co.

### Legal Advisor

Ayesha Hamid  
of Hamid Law Associates

### Registered Office

West Wharf, Dockyard Road  
Karachi-74000

### Share Registrar

Central Depository Company of Pakistan Limited

### Website

[www.linde.pk](http://www.linde.pk) &  
[www.linde.com](http://www.linde.com)

### Note:

\*Ms Desiree Co Bacher was appointed as Chief Financial Officer effective 12 October 2013

## Directors' Review

I am pleased to present the Directors' Review together with the Condensed Interim Financial Information (un-audited) of your Company for the quarter and nine months ended 30 September 2013.

The country's economic growth continues to remain effected by various challenges namely, severe gas & energy shortages, lack of reliable electricity supply, escalating petroleum prices, rising public debt, depleting foreign exchange reserves and uncertain security situation in numerous cities compounded by natural calamities. While the new government strives to address these issues, and has initiated various structural reforms, it would be a considerable period of time before they succeed in their aim to put the country on the path to growth and prosperity and the various reforms take effect.

Under these economic and political conditions, your Company's management continues to demonstrate their determination to ensure consistent growth during the period under review. A turnover of Rs 3,019 million was recorded during the nine months period ended 30 September 2013, showing a growth of Rs 230 million (8.2%) over the same period last year. A higher demand from oil & gas, chemical, healthcare, food & beverage sectors as well as strong demand from steel and allied down stream industries mainly enabled this growth.

Severe power and gas shortages continued unabated resulting not only in increased frequency of plant shutdowns causing product shortages but also impacting operational efficiencies. To overcome this intensifying energy crisis, the Company continued to remain heavily dependant on the rented diesel-gensets at the new ASU plant in Lahore throughout the period under review. Although this strategy significantly improved operational efficiencies and resulted in improved production it, however, continues to adversely impact profitability. In addition, profitability for the quarter ended 30 September 2013 was also impacted by the recent very significant hike in power tariffs, of approximately 60% for industrial customers in one go, and as a result, overall cost of production increased by 15.4% over the corresponding period last year. Further, supplies of raw CO<sub>2</sub> remained short due to natural gas unavailability at the fertilizer plant supplying it rendering the Company's CO<sub>2</sub> plant at Multan idle for a period of time. As a result operating profit (before restructuring costs) was reduced by Rs 122 million compared to last year, and was further reduced by higher finance (capitalized last year) and taxation charges, resulting in a PAT and EPS of Rs 118 million and Rs 4.71 respectively, compared to PAT of Rs 180 million and EPS of Rs 7.19 for the same period last year. The magnitude of the adverse impact of the stated external business factors can be gauged by the fact that results remained lower despite a higher turnover, a better control on overheads and a nil restructuring cost this year, compared to a very large restructuring charge and a lower turnover last year.

Your Directors are pleased to announce that the ASPEN 1000 (ASU) Plant, which was previously installed at the Taxila site, has been successfully transferred to the Port Qasim site, and commercial production, is expected to commence by end of October 2013. The Plant will support increased demand and serve customers more reliably in the southern region. Your Company's management is also very diligently engaged in establishing additional mitigating strategies all around to face the challenging business conditions successfully, and your Directors are confident that your Company shall continue to demonstrate sustainable and improved growth going forward.

On behalf of the Board



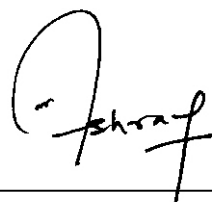
Munnawar Hamid – OBE  
Chairman

Karachi:  
24 October 2013

Linde Pakistan Limited  
Condensed Interim Profit and Loss Account (Unaudited)  
For the nine months ended 30 September 2013

	Note	For the nine months ended		For the third quarter ended	
		30 September 2013	30 September 2012	30 September 2013	30 September 2012
----- (Rupees in '000) -----					
Gross sales		3,420,055	3,174,588	1,151,999	1,132,539
Trade discount and sales tax		(401,237)	(385,493)	(140,382)	(134,640)
<b>Net sales</b>	5	<b>3,018,818</b>	2,789,095	<b>1,011,617</b>	997,899
Cost of sales	5	(2,452,475)	(2,124,491)	(878,999)	(771,960)
<b>Gross profit</b>		<b>566,343</b>	664,604	<b>132,618</b>	225,939
Distribution and marketing expenses	5	(154,290)	(176,738)	(50,281)	(58,256)
Administrative expenses	5	(169,585)	(146,201)	(55,109)	(52,494)
Other operating expenses	6	(37,200)	(16,591)	(4,962)	5,366
Other income	7	17,915	20,549	11,055	5,319
		(343,160)	(318,981)	(99,297)	(100,065)
<b>Operating profit before reorganization / restructuring cost</b>		<b>223,183</b>	345,623	<b>33,321</b>	125,874
Reorganization / restructuring cost		-	(204,572)	-	(204,572)
<b>Operating profit after reorganization / restructuring cost</b>		<b>223,183</b>	141,051	<b>33,321</b>	(78,698)
Finance costs		(75,021)	(18,879)	(30,722)	(17,521)
<b>Profit before taxation</b>		<b>148,162</b>	122,172	<b>2,599</b>	(96,219)
Taxation	8	(30,312)	57,804	22,983	129,695
<b>Profit for the period</b>		<b>117,850</b>	179,976	<b>25,582</b>	33,476
----- (Rupees) -----					
<b>Earnings per share - basic and diluted</b>		<b>4.71</b>	7.19	<b>1.02</b>	1.34

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



**Muhammad Ashraf Bawany**  
Chief Executive



**Munnawar Hamid OBE**  
Chairman

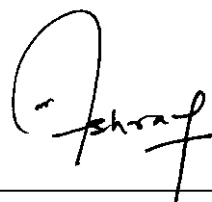
Linde Pakistan Limited

Condensed Interim Statement of Comprehensive Income (*Unaudited*)

For the nine months ended 30 September 2013

	For the nine months ended		For the third quarter ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	----- (Rupees in '000) -----			
Profit for the period	117,850	179,976	25,582	33,476
<b>Other comprehensive income</b>				
<i>Items that will never be reclassified to profit and loss account:</i>				
Actuarial gains / (losses)	1,379	(17,382)	(4,544)	(19,369)
Tax thereon	(469)	6,084	1,545	6,779
	910	(11,298)	(2,999)	(12,590)
<i>Items that will be reclassified subsequently to profit and loss account:</i>				
Gain on derivative financial instruments	9,964	2,348	11,077	-
Tax thereon	(3,388)	(822)	(3,766)	-
	6,576	1,526	7,311	-
<b>Total comprehensive income for the period</b>	<b>125,336</b>	<b>170,204</b>	<b>29,894</b>	<b>20,886</b>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



**Muhammad Ashraf Bawany**  
Chief Executive

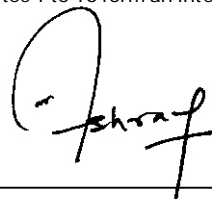


**Munnawar Hamid OBE**  
Chairman

Linde Pakistan Limited  
Condensed Interim Balance Sheet  
As at 30 September 2013

	Note	30 September 2013 (Unaudited) (Rupees in '000)	31 December 2012
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	2,989,332	2,604,743
Intangible assets		20,778	-
Investment in subsidiary		10	10
Long term loans		388	49
Long term deposits		26,663	26,691
		<u>3,037,171</u>	<u>2,631,493</u>
<b>Current assets</b>			
Stores and spares		112,108	116,732
Stock-in-trade	10	287,259	208,695
Current maturity of net investment in finance lease		-	14,260
Trade debts		336,013	203,269
Loans and advances		27,455	19,135
Deposits and prepayments		36,666	27,029
Other receivables		57,322	40,175
Taxation - net		112,424	24,154
Cash and bank balances		191,137	353,549
		<u>1,160,384</u>	<u>1,006,998</u>
<b>Total assets</b>		<u><u>4,197,555</u></u>	<u><u>3,638,491</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<i>Authorised:</i>			
40,000,000 (2012: 40,000,000) Ordinary shares of Rs. 10 each		<u>400,000</u>	<u>400,000</u>
<i>Issued, subscribed and paid-up:</i>			
25,038,720 (2012: 25,038,720) Ordinary shares of Rs. 10 each		250,387	250,387
Reserves		1,309,892	1,207,623
Unappropriated profit		81,202	220,887
		<u>1,391,094</u>	<u>1,428,510</u>
		1,641,481	1,678,897
<b>Non-current liabilities</b>			
Long term financing		1,025,000	750,000
Long term deposits		151,253	141,586
Deferred liabilities	11	258,902	204,192
		1,435,155	1,095,778
<b>Current liabilities</b>			
Trade and other payables		1,050,919	863,816
Current maturity of long term financing		70,000	-
		<u>1,120,919</u>	<u>863,816</u>
<b>Total equity and liabilities</b>		<u><u>4,197,555</u></u>	<u><u>3,638,491</u></u>
Contingencies and Commitments	12		

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



**Muhammad Ashraf Bawany**  
Chief Executive



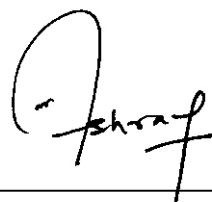
**Munnawar Hamid OBE**  
Chairman



Linde Pakistan Limited  
 Condensed Interim Cash Flow Statement (Unaudited)  
 For the nine months ended 30 September 2013

	Note	30 September 2013	30 September 2012
(Rupees in '000)			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	13	316,335	379,337
Finance costs paid		(48,344)	(2,067)
Income tax paid		(67,545)	(97,152)
Post retirement medical benefits paid		(488)	(149)
Long term loans and deposits		(310)	849
Long term deposits (cylinders and others)		9,666	10,409
Net investment in finance lease		-	12,495
<i>Net cash generated from operating activities</i>		<b>209,314</b>	<b>303,722</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(588,387)	(668,945)
Intangible assets		(10,375)	-
Proceeds from disposal of operating assets		2,778	8,868
Interest received on balances with banks		5,508	6,252
Interest received on investment in finance lease		-	1,543
Investment in subsidiary		-	(10)
<i>Net cash used in investing activities</i>		<b>(590,476)</b>	<b>(652,292)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long term financing		345,000	550,000
Dividends paid		(126,250)	(171,580)
<i>Net cash generated from financing activities</i>		<b>218,750</b>	<b>378,420</b>
Net (decrease)/ increase in cash and cash equivalents		<b>(162,412)</b>	<b>29,850</b>
Cash and cash equivalents at beginning of the period		<b>353,549</b>	<b>125,551</b>
Cash and cash equivalents at end of the period		<b>191,137</b>	<b>155,401</b>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



**Muhammad Ashraf Bawany**  
 Chief Executive

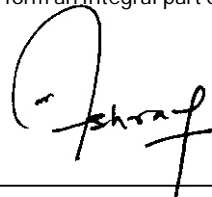


**Munnawar Hamid OBE**  
 Chairman

Linde Pakistan Limited  
Condensed Interim Statement of Changes in Equity (Unaudited)  
For the nine months ended 30 September 2013

	Share capital	Reserves		Unappropriated profit	Total
	Issued, subscribed and paid-up capital	Hedging reserve	General reserve		
	----- (Rupees in '000) -----				
<b>Balance as at 1 January 2012</b>	250,387	(1,526)	1,128,069	204,748	1,581,678
Profit for the period	-	-	-	179,976	179,976
Other comprehensive income for the period	-	1,526	-	(11,298)	(9,772)
	-	1,526	-	168,678	170,204
<i>Transaction with owners of the Company</i>					
Final dividend for the year ended 31 December 2011 - Rs 5 per share	-	-	-	(125,194)	(125,194)
Interim dividend for the year ended 31 December 2012 - Rs 2.00 per share	-	-	-	(50,077)	(50,077)
Transfer to general reserve	-	-	79,554	(79,554)	-
<b>Balance as at 30 September 2012</b>	250,387	-	1,207,623	118,601	1,576,611
<b>Balance as at 1 January 2013</b>	250,387	-	1,207,623	220,887	1,678,897
Profit for the period	-	-	-	117,850	117,850
Other comprehensive income for the period	-	6,576	-	910	7,486
	-	6,576	-	118,760	125,336
<i>Transaction with owners of the Company</i>					
Final dividend for the year ended 31 December 2012 - Rs 5 per share	-	-	-	(125,194)	(125,194)
Interim dividend for the year ended 31 December 2013 - Rs 1.50 per share	-	-	-	(37,558)	(37,558)
Transfer to general reserve	-	-	95,693	(95,693)	-
<b>Balance as at 30 September 2013</b>	250,387	6,576	1,303,316	81,202	1,641,481

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



**Muhammad Ashraf Bawany**  
Chief Executive



**Munnawar Hamid OBE**  
Chairman

## Linde Pakistan Limited

### Notes to the Condensed Interim Financial information (Unaudited)

*For the nine months ended 30 September 2013*

#### 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 all the Stock Exchanges of Pakistan. The address of its registered office is West Wharf, Dockyard Road, Karachi, Pakistan.

The Company is principally engaged in the manufacture 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 has a wholly owned subsidiary, BOC Pakistan (Private) Limited ("BOCPL"), which has not carried out any business activities during the period. Accordingly, exemption has been granted by the Securities and Exchange Commission of Pakistan ("SECP") from the application of sub-section (1) to (7) of section 237 of the Companies Ordinance, 1984 requiring consolidation of subsidiary in the preparation of financial statements for the current year.

#### 2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the half year ended 30 June 2013 has been prepared in accordance with the requirements of the International Accounting Standards 34 Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information of the Company does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended 31 December 2012.

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

#### 3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited annual financial statements of the Company for the year ended 31 December 2012.

3.2 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company except where changes affected presentation and disclosures in this condensed interim financial information.

#### 4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

Estimates and judgements made by management in the preparation of this condensed interim financial information are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended 31 December 2012.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the Company as at and for the year ended 31 December 2012.

#### 5. SEGMENT RESULTS

	For the nine months ended						For the third quarter ended					
	30 September 2013			30 September 2012			30 September 2013			30 September 2012		
	Industrial and medical gases	Welding and others	Total	Industrial and medical gases	Welding and others	Total	Industrial and medical gases	Welding and others	Total	Industrial and medical gases	Welding and others	Total
	----- (Rupees in '000) -----						----- (Rupees in '000) -----					
Gross sales	2,580,878	839,177	3,420,055	2,302,803	871,785	3,174,588	911,478	240,521	1,151,999	862,091	270,448	1,132,539
Less:												
Trade discount	8,464	-	8,464	59,436	-	59,436	2,035	-	2,035	17,622	-	17,622
Sales tax	268,007	124,766	392,773	204,682	121,375	326,057	95,598	42,749	138,347	78,996	38,022	117,018
	276,471	124,766	401,237	264,118	121,375	385,493	97,633	42,749	140,382	96,618	38,022	134,640
<b>Net sales</b>	<b>2,304,407</b>	<b>714,411</b>	<b>3,018,818</b>	<b>2,038,685</b>	<b>750,410</b>	<b>2,789,095</b>	<b>813,845</b>	<b>197,772</b>	<b>1,011,617</b>	<b>765,473</b>	<b>232,426</b>	<b>997,899</b>
Less:												
Cost of sales	1,818,245	634,230	2,452,475	1,441,641	682,850	2,124,491	697,270	181,729	878,999	561,182	210,778	771,960
Distribution and marketing expenses	132,446	21,844	154,290	158,770	17,968	176,738	44,343	5,938	50,281	52,689	5,567	58,256
Administrative expenses	145,576	24,009	169,585	131,338	14,863	146,201	48,606	6,503	55,109	47,439	5,055	52,494
	2,096,267	680,083	2,776,350	1,731,749	715,681	2,447,430	790,219	194,170	984,389	661,310	221,400	882,710
<b>Segment result</b>	<b>208,140</b>	<b>34,328</b>	<b>242,468</b>	<b>306,936</b>	<b>34,729</b>	<b>341,665</b>	<b>23,626</b>	<b>3,602</b>	<b>27,228</b>	<b>104,163</b>	<b>11,026</b>	<b>115,189</b>
<i>Unallocated corporate expenses:</i>												
Other operating expenses <sup>6</sup>			(37,200)			(16,591)			(4,962)			5,366
Other operating income <sup>7</sup>			17,915			20,549			11,055			5,319
<b>Operating profit before reorganization / restructuring cost</b>			<b>223,184</b>			<b>345,623</b>			<b>33,321</b>			<b>125,874</b>
Reorganization / restructuring cost			-			(204,572)			-			(204,572)
<b>Operating profit after reorganization / restructuring cost</b>			<b>223,184</b>			<b>141,051</b>			<b>33,321</b>			<b>(78,698)</b>
Finance costs			(75,021)			(18,879)			(30,722)			(17,521)
Taxation <sup>8</sup>			(30,312)			57,804			22,983			129,695
<b>Profit for the period</b>			<b>117,850</b>			<b>179,976</b>			<b>25,582</b>			<b>33,476</b>

#### 6. OTHER OPERATING EXPENSES

	For the nine months ended		For the third quarter ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	----- (Rupees in '000) -----			
Workers' Profit Participation Fund	7,957	6,561	139	(5,168)
Workers' Welfare Fund	3,024	2,493	53	(1,964)
Legal and professional charges	7,062	7,201	2,329	1,566
Net investment in finance lease written off	14,260	-	-	-
Exchange loss - net	3,501	-	1,833	-
Others	1,396	336	608	200
	<b>37,200</b>	<b>16,591</b>	<b>4,962</b>	<b>(5,366)</b>

#### 7. OTHER OPERATING INCOME

Income on saving and deposits accounts	5,083	6,402	374	2,960
Income on investment in finance lease	-	1,543	-	364
Exchange gain - net	-	5,182	-	1,306
Gain on disposal of operating assets	2,107	6,763	180	682
Liabilities no more payable written back	9,260	-	9,260	-
Others	1,466	659	1,242	7
	<b>17,915</b>	<b>20,549</b>	<b>11,055</b>	<b>5,319</b>

#### 8. TAXATION

Current				
- reversal for the period	-	-	-	(95,607)
- prior year reversal	(20,725)	-	(20,725)	-
	(20,725)	-	(20,725)	(95,607)
Deferred	51,037	(57,804)	(2,258)	(34,088)
	<b>30,312</b>	<b>(57,804)</b>	<b>(22,983)</b>	<b>(129,695)</b>

During the period, 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. Prior year reversal mainly includes reversal of provision on account of a refund order received during the period.

9. PROPERTY, PLANT AND EQUIPMENT	30 September 2013	31 December 2012
	(Rupees in '000)	
Operating assets	9.1 2,582,968	2,369,734
Capital work-in-progress		
- tangible assets	9.2 404,313	220,666
- intangible assets	2,051	14,343
	<u>406,364</u>	<u>235,009</u>
	<u>2,989,332</u>	<u>2,604,743</u>
<b>9.1 Operating assets</b>		
Net book value as at 1 January 2013 / 2012	2,369,734	1,092,612
Additions during the period / year:		
- Building	149,945	124,347
- Plant and machinery	251,466	1,385,393
- Vehicles	4,664	18,390
- Furniture and fittings	-	8,427
- Office equipments	5,604	10,878
	<u>411,679</u>	<u>1,547,435</u>
Less:		
- Disposals during period / year - net book value	(671)	(2,107)
- Depreciation charge during the period / year	(197,774)	(268,203)
- Write off during the period / year	-	(3)
	<u>(198,445)</u>	<u>(270,313)</u>
	<u>2,582,968</u>	<u>2,369,734</u>
<b>9.2</b> Addition to capital work in progress during the period mainly relates to industrial, medical and other gases segment.		
<b>10. STOCK-IN-TRADE</b>	<b>30 September 2013</b>	<b>31 December 2012</b>
	(Rupees in '000)	
Raw and packing materials		
- in hand	61,373	63,557
- In transit	22,332	14,876
	<u>83,705</u>	<u>78,433</u>
Finished goods		
- in hand	177,895	117,248
- in transit	25,659	13,014
	<u>203,554</u>	<u>130,262</u>
	<u>287,259</u>	<u>208,695</u>
<b>10.1</b> Raw and packing materials and finished goods include inventories with a value of Rs. 28,787 thousand (31 December 2012: Rs.20,503 thousand) which were held by third parties.		
<b>11. DEFERRED LIABILITIES</b>	<b>30 September 2013</b>	<b>31 December 2012</b>
	(Rupees in '000)	
Deferred taxation	254,217	199,322
Post retirement medical benefits	4,685	4,870
	<u>258,902</u>	<u>204,192</u>

## 12. CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

The Company has disputed the unilateral increase in rentals of one of its leased premises being exorbitant, unreasonable and unjustified. Therefore, a civil suit has been filed against the Lessor. The Court has directed parties to maintain status quo. The amount not acknowledged as debt in this regard as at 30 September 2013 amounted to Rs. 35,839 thousand (31 December 2012: Rs. 34,307 thousand).

### 12.2 Commitments

Capital commitments outstanding as at 30 September 2013 amounted to Rs. 158,570 thousand (31 December 2012: Rs. 753,743 thousand).

## 13. CASH GENERATED FROM OPERATIONS

	<b>For the nine months ended</b>	
	<b>30 September 2013</b>	<b>30 September 2012</b>
	<i>(Rupees in '000)</i>	
Profit before taxation	<b>148,162</b>	122,172
<i>Adjustments for :</i>		
Depreciation / amortization	<b>199,663</b>	186,519
Gain on disposal of operating assets	<b>(2,107)</b>	(6,763)
Income from savings and deposit accounts	<b>(5,083)</b>	(6,402)
Income on investment in finance lease	<b>14,260</b>	(1,543)
Finance costs	<b>75,021</b>	18,879
Post retirement medical benefits	<b>425</b>	480
Working capital changes	<b>(114,006)</b>	65,995
	<b>316,335</b>	<b>379,337</b>

### 13.1 Working capital changes

*(Increase) / decrease in current assets:*

Stores and spares	<b>4,624</b>	(17,446)
Stock-in-trade	<b>(78,564)</b>	(123,130)
Net investment in finance lease	-	37,746
Trade debts	<b>(132,744)</b>	(92,555)
Loans and advances	<b>(8,320)</b>	(10,873)
Deposit and prepayments	<b>(9,637)</b>	(2,620)
Other receivables	<b>(17,573)</b>	(17,467)
	<b>(242,214)</b>	(226,345)

*Increase in current liabilities:*

Trade and other payables	<b>128,208</b>	292,340
	<b>(114,006)</b>	65,995

#### 14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

Nature of relationship	Nature of transactions	30 September	30 September
		2013	2012
		<i>(Rupees in '000)</i>	
The BOC Group Limited (Parent)	Technical assistance fee	<u>32,328</u>	<u>28,621</u>
	Final dividend	<u>75,116</u>	<u>75,116</u>
	Interim dividend	<u>22,535</u>	<u>30,046</u>
Linde AG (Ultimate parent)	Information systems support / maintenance	<u>32,622</u>	<u>15,120</u>
Associated Companies	Purchase of plant and machinery (and related services), plant spares, welding equipments and electrodes, gases and gas cylinders, and information systems related purchases	<u>173,108</u>	<u>21,320</u>
	Remote operating charges	<u>7,890</u>	<u>7,314</u>
	Shared service centre charges	<u>7,415</u>	<u>6,191</u>
	Reimbursement of staff related cost incurred by the Company on behalf of associated companies	<u>3,586</u>	<u>8,013</u>
	Sale of goods	<u>20,642</u>	<u>17,058</u>
Related entities by virtue of common directorship			
Key management personnel	Remuneration for the period	<u>164,655</u>	<u>148,338</u>
Staff Retirement Benefits	Contributions to Staff Provident Fund	<u>7,654</u>	<u>8,744</u>
	Contributions to Management Staff Defined Contribution Pension Fund	<u>9,443</u>	<u>8,938</u>
	Contributions to Management Staff Pension Fund	<u>(1,260)</u>	<u>(1,458)</u>
	Contributions to Employees' Gratuity Fund	<u>8,258</u>	<u>7,657</u>
Meeting fee to Directors and remuneration to Non-Executive Directors		<u>3,421</u>	<u>3,685</u>

	<b>30 September 2013</b>	30 September 2012
	<i>(Rupees in '000)</i>	
Actuarial gain / (loss) recognised during the period in the Statement of Comprehensive Income on account of:		
- Management Staff Pension Fund	<u>1,535</u>	<u>(10,154)</u>
- Pakistan Employees' Gratuity Fund	<u>(278)</u>	<u>(6,605)</u>

**14.2 Balances with related parties are summarised as follows:**

	<b>30 September 2013</b>	31 December 2012
	<i>(Rupees in '000)</i>	
Receivable from associates in respect of trade debts	<u>1,620</u>	<u>530</u>
Payable to holding company / associate in respect of trade and other payables	<u>(161,146)</u>	<u>(86,564)</u>
Dividend payable to holding company	<u>(22,535)</u>	<u>-</u>
Payable to Staff Provident Fund	<u>(1,666)</u>	<u>(1,654)</u>
Receivable from Management Staff Defined Contribution Pension Fund	<u>2,786</u>	<u>2,595</u>
Receivable from Management Staff Pension Fund	<u>16,793</u>	<u>13,998</u>
Payable to Pakistan Employees' Gratuity Fund	<u>(15,702)</u>	<u>(15,431)</u>

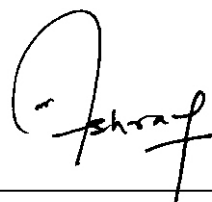
**14.3** Sales, purchases and other transactions with related parties are carried out on commercial terms and conditions. The cost of technical assistance fee has been determined on the basis of agreement, duly acknowledged by the State Bank of Pakistan, between the Company and The BOC Group Limited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

**15. CORRESPONDING FIGURES**

The condensed interim balance sheet has been compared with the preceding balance sheet as at 31 December 2012, whereas the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the corresponding period of the previous year. Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison and has no material effect.

**16. DATE OF AUTHORISATION**

This condensed interim financial information was authorised for issue on 24 October 2013 by the Board of Directors of the Company.



**Muhammad Ashraf Bawany**  
Chief Executive



**Munnawar Hamid OBE**  
Chairman



## Business Divisions, Products and Services

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. The Linde Group is a world-leading gases and engineering company with around 62,000 employees in more than 100 countries worldwide. In the 2012 financial year, it generated revenue of EUR 15.280 billion. 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 Group 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 <http://www.linde.com>

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. Through our people, we play a full and active role in communities around us and are committed to the highest standards of safety and environmental practice. At the same time, we believe that the best way to assist any community is to build a successful business.

### Industrial Gases

#### Bulk Gases:

Liquid Oxygen  
Liquid Nitrogen  
Liquid Argon  
Pipeline Hydrogen  
Liquid Carbon Dioxide  
Industrial Pipelines

#### PGP – Gases:

Compressed Oxygen  
Aviation Oxygen  
Compressed Nitrogen  
Compressed Argon  
Compressed Air  
Compressed Hydrogen  
Dissolved Acetylene

#### Speciality Gases:

High Purity Gases  
Research Grade Gases  
Gaseous Chemicals  
Calibration Mixtures  
Argon Mixtures  
Welding Gas Mixtures  
Sterilization Gases  
Propane  
Helium  
Refrigerants  
Dry Ice

### Healthcare

#### Medical Gases:

Liquid Medical Oxygen  
Compressed Medical Oxygen  
Nitrous Oxide & Entonox  
Specialty Medical Gases & Mixtures e.g. Helium, Carbon-di-Oxide, Heliox etc.

#### Medical Equipment:

Ventilators & Anesthesia Machines  
High Precision Flowmeters, Suction Injector Units and Oxygen Therapy Products  
Entonox Delivery systems, complete with Apparatus, regulators, cylinders and

#### Medical Engineering Services:

Complete Range of Medical Gas Pipeline Systems through Strategic alliance with Atlas Copco Beacon Medaes  
Consultation Design, Installation and Servicing of Medical Gas Pipeline Systems  
Safety, Quality, Risk Analysis & Training on Medical Gas Pipeline Systems

### Welding & Others

#### Welding Consumables:

Welding Electrodes  
MIG Welding Wires

#### Welding Machines:

Automatic  
Semi-automatic  
Manual

#### Welding Accessories:

Regulators  
Cutting Torches  
Welding Torches  
Cutting Machines  
Gas Control Equipment  
Safety Equipment

#### PGP – Others:

Calcium Carbide

## Business Locations

<b>Registered Office Head Office</b>	Karachi	P.O.Box 4845, West Wharf Tel: 021-32313361 (9 Lines) Fax: 021-32312968	
<b>North Western Region</b>	Lahore	P.O.Box 205 Shalamar Link Road, Mughalpura Tel: 042-36824091 (4 Lines) Fax: 042-36817573	ASU Plant and Nitrous Oxide Plant Gases Compression Facility
		Plot No. 705, Sundar Industrial Estate Tel: 042 - 35297244-47	ASU Plant
	Multan	Adjacent to PFL Khanewal Road Tel: 061-6562201 (2 Lines) 061-6001360 Fax: 061-6778401	Carbon Dioxide Plant
	Mehmood Kot	Adjacent to PARCO Mid Country Refinery, Mehmood Kot Qasba Gujrat, Muzaffargarh Tel: 066-2290751 & 2290484-85 Fax: 066-2290752	Nitrogen Plant
	Faisalabad	Altaf Ganj Chowk Near Usman Flour Mills Jhang Road Tel: 041-2653463 & 2650564	Sales Depot Gas Compression Facility
	Wah Cantonment	Kabul Road Tel: 051-4545359	Acetylene Plant
	Taxila	Adjacent to HMC No.2 Tel: 051-4560600 051-4560701-05 Fax: 051-4560700	Gases Compression Facility
	Rawalpindi	2 <sup>nd</sup> Floor, Jahangir Multiplex Golra Mor, Peshawar Road Tel: 051-2315501-03 Fax: 051-2315050	Sales Office
	Hasanabdal	Adjacent to Air Weapon Complex Abbotabad Road Tel: 0572-520017 Ext. 104 0572-522428 Ext. 104	Hydrogen Plant
	<b>Southern Region</b>	Karachi	P.O.Box 4845, West Wharf Tel: 021-32313361 (9 Lines) Fax: 021-32312968
Port Qasim		Plot EZ/1/P-5(SP-1), Eastern Zone Tel: 021-34740058 & 34740060 Fax: 021-34740059	ASU Plant Hydrogen Plant Carbon Dioxide Plant
Sukkur		A-15, Airport Road Near Bhatti Hospital Tel: 071-5630871	Sales Depot