THE LINDE GROUP

Linde

Sect/64

8 May 2017

The General Manager
Department of Corporate Services
BSE Limited
New Trading Ring, Rotunda Building 1st Floor
P. J. Towers, Dalal Street, Fort, Mumbai – 400 001

[BSE Listing Centre]

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G- Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

[NSE NEAPS]

Dear Sir/Madam,

Annual Report 2016

We refer to our earlier letter no. Sect/23 dated 23 March 2017 enclosing an electronic copy of the Annual Report of the Company for the year 2016 and the Notice of the Eighty first Annual General Meeting (AGM) of the Company held on Tuesday, 18 April 2017 submitted in NSE NEAPS and BSE Listing Centre.

We are now pleased to enclose herewith a pdf copy of the Annual Report of the Company for the year 2016 including the AGM Notice and Business Responsibility Report 2016 which was approved and adopted in the AGM held on Tuesday, 18 April 2017.

This may please be treated as compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We request you to please disseminate the aforesaid Annual Report 2016 on your website for information of the Members and investors.

Thanking you,

Yours faithfully,

Pawan Marda
Asst. Vice President & Company Secretary

Encl: as above

Registered Office
Linde India Limited
Oxygen House, P43 Taratala Road
Kolkata 700 088, India
CIN L40200WB1935PLC008184

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→ Linde India Limited

THE LINDE GROUP

Linde

Future ready.

Annual Report 2016.

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Chairman's message.

Dear Shareholders,

The year gone by has been another year of global upheavals with the Brexit vote, the US elections and geopolitical tensions in different parts of the world, all contributing to uncertainty in the global economy. The major economies of the world have, therefore, witnessed weak growth, feeble investment, low commodity prices and sluggish demand in industries. Unfortunately, the situation is likely to remain uncertain and volatile in the foreseeable future. Against this backdrop, the Indian economy offered some hope as it emerged as one of the fastest growing economies in the world during 2016. Despite an uncertain global environment, I am hopeful that the Indian economy will continue to offer opportunities for growth in the medium to long term led by domestic demand.

During the year 2016, your Company's strategy of focusing on its customers, generating opportunities for growth and following stringent operational discipline enabled it to achieve a satisfactory operating performance. The Company achieved its highest ever turnover during the year as the gross revenue from operations amounted to Rs.19910.94 million as compared to Rs.17023.47 million in 2015, recording a growth of about 17%. While the revenues of the Gases business recorded growth of around 14% over 2015, the revenues of the Project Engineering businesses grew by around 44% over that of the previous year.

The growth in the gases revenues of your Company was mainly driven by earnings from our newly commissioned 2X1200 tpd air separation (ASU) plants at Kalinganagar and the ramp up of other plants commissioned in recent years. The Onsite business, which accounts for a substantial part of the Gases business, recorded a growth of 12% over 2015. Merchant and Packaged Gases revenues comprising bulk and packaged gases including special products recorded a robust growth of 18% over 2015. While the merchant revenues in bulk was largely driven by opportunity demand from steel sector, growth in shielding gases in automotive industries, welding gas mixtures and special products contributed to higher revenues in Packaged Gases. Healthcare revenues grew 11% over 2015. The Project Engineering Division (PED) achieved higher revenues of Rs.2741.62 million over 1903.65 million in 2015, on the back of execution of several new third party projects. The Division also secured new orders worth Rs. 3413 million from third party projects during 2016.

Although the operating profits of the Company increased from Rs.2614.64 million in 2015 to Rs.3186.15 million in 2016, the increase in EBITDA margins during 2016 has been marginal. Therefore, stringent cost reduction in operations and productivity enhancements are key focus area for your company. With the commissioning of new plants, your company continues to feel the pressure of depreciation and interest costs. The depreciation charge for the year increased to Rs. 1988.73 million as compared to Rs. 1615.25 million in 2015. Similarly, the finance cost during the year under review also increased to Rs. 1146.33 million due to higher burden of borrowings.

The business environment in the future is likely to remain dynamic and challenging. This makes it imperative for your Company to be 'future ready' to meet the challenges in its core focus areas such as distribution, customers, people and safety. Your company is actively leveraging technology and innovation as an enabler for future growth, market leadership and continued success.

Your Company continues to leverage newer applications-led technology to penetrate new markets and increase demand for gases. Your Company is also working on technology to derive benefits of digitisation towards improving customer experience and automate business processes. Some of these initiative include SMS notifications about order and expected delivery status to PGP customers, capturing of customer feedback in Customer Service Centre through automated IVR system, bar-coding of cylinders, etc. At Linde India, people are key to our continued success and our HR strategy is geared to meet the needs and aspirations of a future ready organisation. We have been continuously focusing on our talent management and organisational development systems to attain excellence in this area.

As a good corporate citizen, your Company endeavours to partner communities in which we live and operate. In 2016, our Corporate Social Responsibility programme reached out to a wide section of the community across several parts of our footprint in the country, both directly and in association with the implementing agencies.

Looking ahead, the state of future readiness at Linde India will ensure that we are well prepared to meet the challenges of tomorrow and continue to create wealth for all its stakeholders.

Warm regards,

Sanjiv Lamba
Chairman

Linde India: Future ready.

Operating in an environment characterised by volatility, uncertainty, complexity and ambiguity (VUCA), businesses that thrive in the long term are those that successfully read tomorrow's demands today and equip themselves accordingly. At Linde India, we do so through a sustained focus on plants, technology, systems, distribution and people.

The road to future is characterised by VUCA

Future ready plant: Kalinganagar ASUs.

The operational highlight for Linde India in 2016 was the commissioning of two large state-of-the-art air separation units (ASUs), built by Linde India for Tata Steel Limited and located at the latter's integrated steel complex at Kalinganagar in Jajpur District of Odisha.

This Linde ASU plant supplies gaseous oxygen, nitrogen and argon to Tata Steel. The plant also produces liquefied gases for the local merchant market.

Located at a distance of just over 100 Kms from the state capital of Bhubaneswar, Jajpur is often referred to as the emerging new "steel city" of India and is home to nearly 15 steel production units.

The Kalinganagar ASUs involved an investment of around EUR 80 m. The first of the two ASUs was commissioned on 28 February 2016 with the second unit coming online on 31 March 2016. Linde India has a long-term gas supply contract with Tata Steel Limited, a relationship that stretches back decades to Tata Steel's first ever integrated steel complex in Jamshedpur in neighbouring Jharkhand.

With Tata Steel recently announcing plans to expand capacity at Kalinganagar from its current three metric tonnes per annum (mtpa) to a planned eight and a planned local network of pipelines to supply other steelworks in the area, the Linde Kalinganagar ASUs are prepared for future growth.

Linde India Kalinganagar ASUs

Future ready plant: Kalinganagar ASUs.

Kalinganagar: one plant, many firsts.

- First Linde India plant to supply compressed dry air to customer
- First plant in India with specially designed containers instead of civil buildings to accommodate all electrical switch gears and panels
- First Linde site in India to have SALSA Systems implemented for tanker filling purpose
- First Linde site in India with Gas Insulation Substation (GIS) supplying incoming power to ASUs

How ASUs work.

A Main Air Compressor (MAC) feeds air to downstream warm end equipment comprising of Direct Contact Air Cooler, Evaporation Cooler and Molecular Sieve Adsorber. A Direct Contact Air Cooler cools the hot air from MAC while the Molecular Sieve Adsorber removes water, carbon dioxide and hydrocarbon, from the feed air to make it "Bone Dry" feed air. A part of this air gets into Cold End. Other part gets further compressed by the Booster Air Compressor (BAC) and, thereafter, gets expanded in the Expansion Turbine to produce "Cold". In turn, the generators coupled with respective turbines also produce some power.

The Cold End Equipment comprising cryogenic equipment i.e., High Pressure Column, Low Pressure Column, Argon Column, Main Heat Exchanger, Expansion Turbines and Cryogenic Pumps are housed in a vertical steel structure box, popularly termed as "Cold Box" in the Air Separation Industry. The Cold Box is filled with insulation material to avoid cold loss.

The feed gets Cold in Main Exchanger and enters at lower part of High Pressure Column where it gets liquefied. This liquid air is further distilled in High Pressure / Low Pressure Columns and Argon Column to produce the Industrial Gases in Liquid Form – Liquid Oxygen (LOx), Liquid Nitrogen (LIN) and Liquid Argon (LAr). Part of the liquid product is pumped using Internal Compression (IC) Pumps through the Main Heat Exchanger where it gets converted into respective gaseous products. This, in turn, cools down the incoming feed air. Other parts of liquid products pass to respective Storage Tanks where these are stored in liquid form.

A Back-up System comprising of high capacity High Pressure LOx / LIN Pumps and Steam Bath Vaporizers ensure continuity of product supply, in case of plant outage, using the product kept stored in respective Storage Tanks.

Future ready systems: Remote Operating Centres (ROCs).

In a future-ready world, technology helps overcome physical and national boundaries to ensure control and efficiency in large businesses with production locations spread across countries and regions. At Linde, this is not a concept for the future but a reality already.

Around the world and closer home in Asia Pacific, Linde Remote Operating Centres (ROCs) maintain unyielding control over the company's production units that are spread across countries and continents.

Deep inside the high-technology Linde ROC in Hicom, Malaysia, is an Indian 'corner', of sorts. Of the seven 'stations' that manage more than 70 Linde plants across 10 countries, Stations Four and Five are mostly dedicated to the Linde India plants, including the Kalinganagar ASUs.

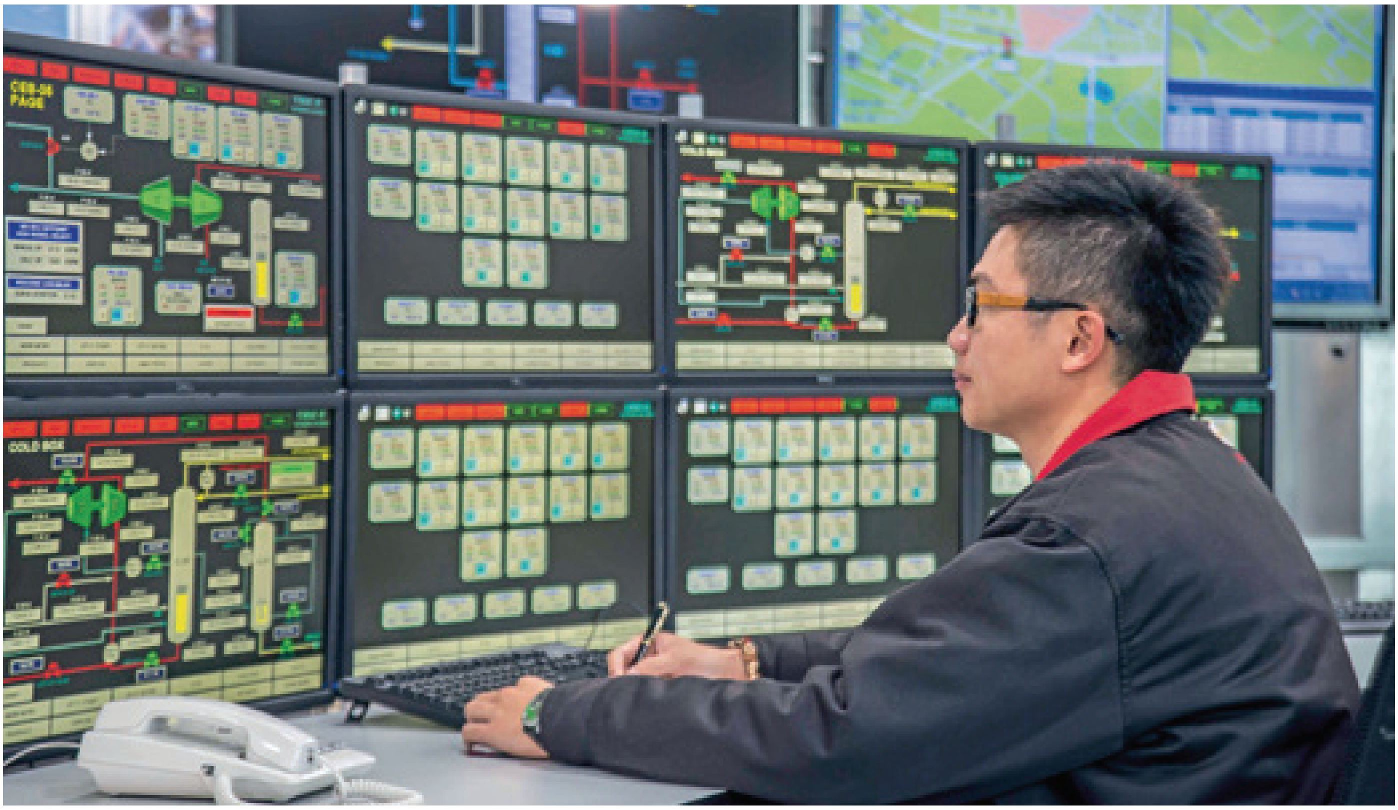
Combining cutting edge technological tools with highly-trained human resources, the ROCs in Asia Pacific and elsewhere in the world operate round the clock to ensure Linde plants function with clockwork precision and efficiency throughout the year.

Accelerated know-how transfer, uniform work processes and rapid alignment with customer needs have enabled Linde ROCs to raise efficiency and safety levels at the plants it manages. Efficiency gains also translate into optimum energy consumption which is a key parameter of success for air separation units.

Centralised control through the ROCs has allowed Linde to bundle exceptional depth and breadth of expertise at a single location.

Each Linde ROC is a centre of process excellence with full board of operations and performance engineers for industrial gases products. It performs the role of a control centre, operated by a team of skilled engineers, that keeps a close eye on plant condition.

This team reviews and analyses plant efficiency and performance to ensure that best operating practices are achieved on all production assets. This, in turn, enables the existing Linde Gas team based at the production facility to focus on safety and reliability with operational backup support.



An engineer at work in a Linde ROC

Future ready products: Linde Integrated Valve (LIV™).

LIV™ is a new package for medical oxygen that comes in a lightweight aluminum cylinder with a state-of-the-art Linde Integrated Valve (LIV™), and is manufactured strictly according to Indian Pharmacopeia standards. Weighing under 6 Kgs, LIV™ is the lightest medical oxygen cylinder available in India, for its capacity.

In May 2016, Linde India launched the Linde Integrated Valve (LIV™), a lightweight, ready-to-use mobile gas solution with an integrated valve that regulates the pressure. It is designed to help medical staff work more effectively. Because there is no change of regulators and no setup or handling of high filling pressure, there is no interruption to patient care. Pressure is precisely released and controlled.

LIV™ is a new package for medical oxygen that comes in a light-weight aluminium cylinder with a state-of-the-art Linde Integrated Valve (LIV™), and is manufactured strictly according to Indian Pharmacopeia standards.

Weighing under 6 kg, LIV™ is the lightest medical oxygen cylinder available in India. It is ergonomically designed with two handles for easy lifting and carrying, and for mounting onto a hospital bed hanger. These features make LIV™ highly mobile and an ideal solution for continuous oxygen therapy both at the hospital and at home. For patients who have been prescribed oxygen therapy, this is critical as the therapy needs to be continued at all times, including during transportation to the hospital or between departments at the hospital.

Another innovative feature is the LIV™ with the built-in gas regulator which enables a caregiver to dispense oxygen to the patient safely and with ease. With the integrated valve, the caregiver no longer needs to attach separate equipment such as a wrench and a regulator (to regulate the flow of the oxygen) that are required to dispense medical oxygen in the case of traditional steel cylinders. The LIV™ has an active gauge which shows the content of gas in the cylinder at all times. This eliminates any ambiguity on how much oxygen remains in the cylinder and enables the care giver to dispense the right amount of oxygen to the patient with confidence.

The unique LIV™ has a gas flow selector with 12 flow positions. The flow rate can be pre-set and is clearly displayed, allowing the care giver to dispense the oxygen with just a twist of the knob.

LIV™ is also MRI (magnetic resonance imaging) conditional and can be placed as close as 30 cm to the opening of a 3.0 Tesla magnet without posing any known hazards to the patient. LIV™ is manufactured according to Indian Pharmacopeia, 2014 standards. The entire supply chain – from production, quality control, packaging, storing and distribution - complies rigorously with the Drugs and Cosmetics Acts, 1940 and Rules, 1945 standards, ensuring gas quality and reliability, and patient safety. To ensure strict product quality control and safety, Linde has dedicated LIV™ filling stations at its production plant, as well as special storage facility. Another safety feature is its anti-rollover mechanism keeping it stable even when accidentally tipped over.

In India, LIV™ is currently available to institutional customers.

Linde Integrated Valve (LIV™): Lightweight and easy to use

Future ready safety.

Safety is the corner stone of all that we do at the Linde Group. Safety is one of the guiding principles of the Linde Spirit, which delineates the very core culture of the organisation.

At Linde, our aim is to avoid causing any harm to people or the environment. We continually strive to improve the quality and safety of our products and services. The occupational health and safety of our employees and environmental protection in general are of primary importance to us. Our global, integrated management system helps us achieve these goals by embedding health and safety into our daily operations.

Major Hazards Review Programme (MHRP)

At Linde, we systematically identify potential risks at our workplace. The Major Hazards Review Programme (MHRP), which is a process for identifying and assessing large-scale site hazards that may pose risks to our employees or the off-site public, continue to be a high focus area with all major operational sites accredited with relevant MHRP certificates.

Process Safety

Globally and at Linde India, a set of cutting edge technology tools and systems have been deployed to maintain world class levels of process safety that are second to none. Global Data Management System. The lists of Safety Critical Instruments for ASUs, CO^2 and Hydrogen plants and scheduling/ tracking/ records are kept in the Maintenance Management System. This allows ease of access to relevant documents of any plant across the world, internally within Linde.

Operations Safety

At Linde India, we are committed to ensuring that our operations are aligned to the high standards of The Linde Group. To identify the different kind of risks and evaluate the existing system in line with Linde standards, comprehensive audits based on the risk ratings are planned and executed on an annual basis. Accordingly process safety audits, engineering audits, electrical audits, transport safety audits and MHRP assessments are carried out to identify non-compliance to standards and procedures. This helps avoid risk factors that may arise out of such cases of non-compliance. The objective is to complete all corrective actions on time and eliminate overdue actions, which is a key SHEQ KPI.

No-permit-no-work is the norm at all Linde India operations sites. All hazardous job are carried out under stringent permit to work control system, only after thorough risk assessment , job safety analysis and ensuring all risks are adequately mitigated. Both the permit issuer and acceptor are duly trained and authorised to carry out such work.

Transport Safety

Our transport safety management system covers driver risk categorisation, installation of tracking systems on all vehicles, 24x7 fleet control room for vehicle and driver monitoring, route and site risk analysis, and modern driver rest rooms at location for drivers.

At Linde India, we have installed state-of-the art digital video recording systems in all our tankers and cylinder trucks. This is a DVR-cum-GPS device with four channels video input and higher storage capacity. Additional features include driver identification with IC cards for driver-wise driving hour identification, live video streaming in 3G environment and separate storage facility on SD cards for exceptional event-based video.

Construction Safety

At Linde India, we carry out large scale complex engineering projects. During the construction phase of such projects, as many as 25 leading indicators are implemented to achieve a ZERO accident posture. The HSE procedures of Linde Engineering are followed at our project sites. Continuous training, motivational activities, audits and reviews are carried out. Special training on different hazardous scenarios such working at height, lifting, and confined space are executed during the construction phase. To establish best practice, a Behavioral Safety Programme named “Be Safe”, has been launched at key sites. Engineers actively participate in tool box talk, site safety walk, observation on unsafe act condition and proactive engagement with workers.

Quality and Environmental Management

Conservation of water is an important element of Linde’s commitment to environment protection. A number of initiatives involving rain water harvesting and water recycling have been initiated across India. With an eye on energy efficiency and reduced consumption, an intensive programme to replace existing CFL light fittings with LED counterparts is under progress across sites in India.

All Linde India ASU sites have received ISO 9001 and ISO14001 certification. In 2016, the Hyderabad and Bellary sites have obtained the certifications to the latest 2015 standards for Integrated Management Systems, ISO 9001: 2015 and Environment Management Systems ISO14001:2015. The key Linde India sites have also been externally benchmarked through OHSAS 18001 certification.

New Product Introduction (NPI)

Linde has a well-entrenched process that enables Special Product and Chemicals Business Units to ensure that before new products reach the market, the organisation is well aware about the products’ usage and applications. It ensures that such new offering meet all applicable product legislation and Linde’s internal standards and new product introduction is carried out as a part of product stewardship.

Future ready people.

At Linde India, we are proud of our people. We attract and retain exceptionally talented people to work in our organisation. Our growth as a company is determined by our ambition to become the leading gases and engineering group, admired for its people.

During the year, Linde India has made significant progress in creating a talent ready business. Based on the findings of an employee engagement survey, the organisation has provided enhanced growth and development opportunities for its employees while boosting engagement levels at the same time. This has been achieved through a robust Performance Management System (PMS), an intensive high potential talent development plan and better succession planning. Consequently, there has been a significantly higher level of internal talent movement across functions and regions with team members stepping up to new roles.

The Linde India Accelerated Competency Enhancement (ACE) programme provides a unique development opportunity to employees with the potential to take on senior leadership roles. The ACE programme is conducted in association with the Indian Institute of Management, Calcutta (IIM-C). ACE is facilitated by the IIM faculty and participants attend the management development sessions at the IIM-C Campus. ACE has adopted a blended learning approach comprising face-to-face sessions, e-learning modules and business critical projects. The participants first go through a development centre (DC) as they embark on the programme. The results of this DC are then shared with the participants using a one-on-one counselling model. The actual learning sessions consist of training interventions and project work.

Linde India has a strong focus on fostering robust diversity and inclusivity policies and practices within the organisation. In 2016, the company was recognised as one of the Top 100 Companies in the Working Mother and AVTAR - Best Companies for Women in India survey. This initiative was launched by leading diversity advocate and workplace inclusion expert, AVTAR, in collaboration with Working Mother Media, a celebrated gender-parity champion in the United States. The objective of this study was to identify, share, showcase and celebrate best practices in career advancement for women.

Linde India Kalinganagar ASU Team

Company information.*

Board of Directors

Sanjiv Lamba, Chairman
Arun Balakrishnan
Jyotin Mehta
Aditya Narayan
Desiree Co Bacher
Moloy Banerjee, Managing Director

Chief Financial Officer

Indranil Bagchi

Asst. Vice President and Company Secretary

Pawan Marda

Auditors

B S R & Co. LLP

Solicitors

Khaitan & Co. LLP

Bankers

Citibank N.A.
HSBC Bank
ICICI Bank Ltd.
Punjab National Bank
Standard Chartered Bank
State Bank of India
United Bank of India

Registrar and Transfer Agents

Link Intime India Pvt. Ltd.

Audit Committee

Jyotin Mehta, Chairman
Arun Balakrishnan
Sanjiv Lamba
Aditya Narayan

Stakeholders Relationship Committee

Aditya Narayan, Chairman
Jyotin Mehta
Moloy Banerjee

Nomination and Remuneration Committee

Arun Balakrishnan, Chairman
Sanjiv Lamba
Jyotin Mehta

Corporate Social Responsibility Committee

Arun Balakrishnan, Chairman
Aditya Narayan
Moloy Banerjee

Registered Office

Oxygen House
P 43 Taratala Road
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*As on 31 December 2016

Profile of the board of directors.*

↳ Left to right: Arun Balakrishnan, Jyotin Mehta, Sanjiv Lamba, Desiree Co Bacher, Moloy Banerjee and Aditya Narayan

Arun Balakrishnan
Born 1950

Non-Executive Independent Director

BE (Chemical) from College of Engineering, Trichur
Post Graduate Diploma in Management from IIM, Bangalore

Former Chairman and Managing Director of Hindustan Petroleum Corporation Ltd. from 1 April 2007 to 31 July 2010 and presently on the Board of HPCL-Mittal Energy Ltd., The Shipping Corporation Of India Ltd. and other companies.

Jyotin Mehta
Born 1958

Non-Executive Independent Director

FCA, FCS and FICWA
Bachelor of Commerce

Presently the Vice President and Chief Internal Auditor of Voltas Ltd. and also an Independent Director of Speciality Restaurants Ltd.

Sanjiv Lamba
Born 1964

Chairman

Chartered Accountant
Bachelor of Commerce

Presently a member of the Executive Board of Linde AG and responsible for the Asia/Pacific segment as well as for the Global Governance Centres, Merchant & Packaged Gases and Electronics and Global Gases Business Helium & Rare Gases.

Desiree Co Bacher
Born 1971

Non-Executive Director

Bachelor of Science in Accountancy, Certified Public Accountant in The Philippines

Presently the Head of Finance and Control for South and East Asia, based at the Group's Regional Office at Singapore. Has rich experience in various senior positions in the finance function within The Linde Group.

Moloy Banerjee
Born 1966

Managing Director

B.Tech. in Mechanical Engineering from IIT, Kanpur

Appointed as Managing Director of Linde India Ltd. with effect from 30 July 2013. Has many years of rich experience in various roles in Project Engineering and the Gases business of the Company, including two years in the South & East Asia and South Pacific regions of The Linde Group.

Aditya Narayan
Born 1952

Non-Executive Independent Director

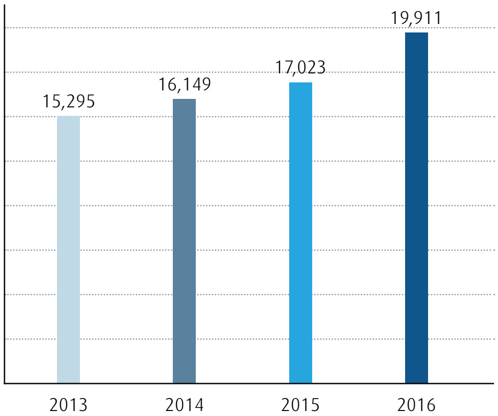
B.Tech. from IIT, Kanpur
LLB from Kanpur University
Masters in Sciences from the University of Rochester, USA

Former Managing Director of ICI India Ltd., now Akzo Nobel India Ltd., between 1996-2003 and then its Non-Executive Chairman between 2003-2010. Presently an Independent Director on the Boards of Hindustan Unilever Ltd., Chambal Fertilisers and Chemicals Ltd. and Sanofi India Ltd.

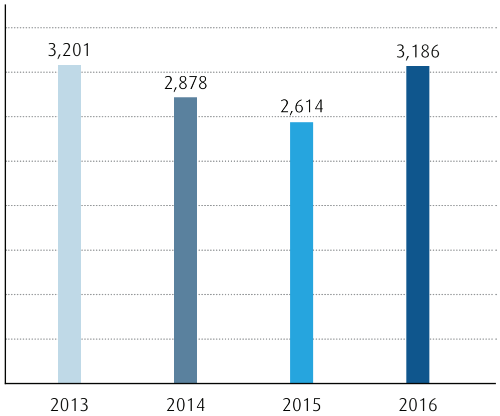
*As on 31 December 2016

Financial performance (Standalone).

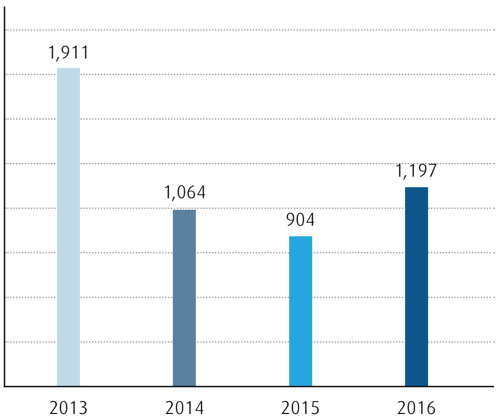
Revenue from operations



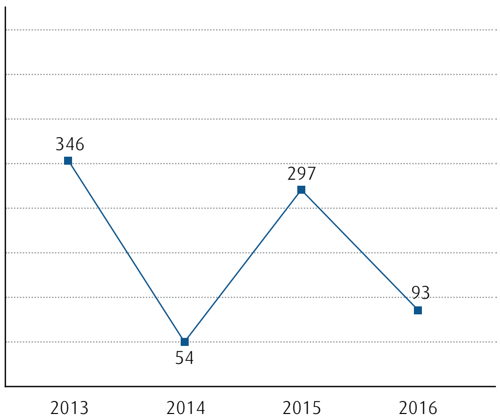
Earnings before interest, tax, depreciation and amortization (EBITDA)



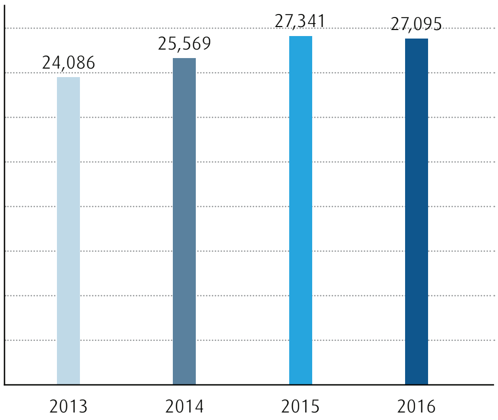
Earnings before interest and taxes (EBIT)



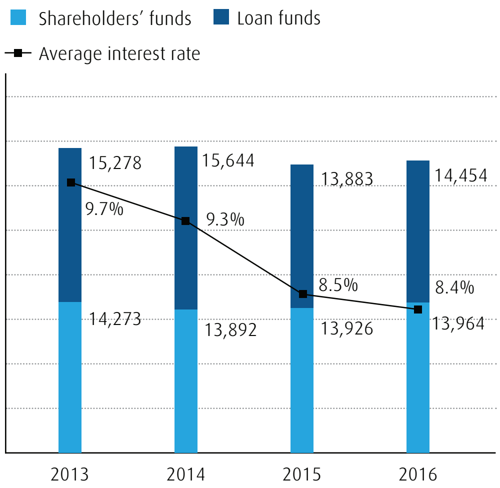
Profit after tax (pre-exceptional)



Fixed assets (net block)



Funds portfolio (in Rupees million and percentage)



*All values in Rupees Million unless otherwise stated.

Directors' report and management discussion and analysis.

The Directors have pleasure in submitting their Report together with the Standalone Audited Financial Statements of your Company for the year ended 31 December 2016:

The results for the year 2016 and for the previous year are summarized below:

		In Rupees million
	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Revenue from Operations (Gross)	19,910.94	17,023.47
Earnings before interest, tax, depreciation and amortisation (EBITDA)	3,186.15	2,614.64
Profit before exceptional items and tax	51.09	100.56
Exceptional item - income/(charge)	-	(95.00)
Profit before tax (PBT)	51.09	5.56
Provision for current and deferred tax release/(charge)	42.31	229.01
Profit after tax (PAT)	93.40	234.57
Adjustment for depreciation on re-assessment of useful life of fixed assets as per Sch. II of the Companies Act, 2013	-	(45.45)
Profit brought forward	5,159.66	5,047.52
Profit available for appropriation	5,253.06	5,236.64
Appropriations:		
Proposed Dividend @ 7.5% (Previous year @ 7.5%) on 85,284,223 Equity Shares of Rs. 10 each	63.96	63.96
Tax on Proposed Dividend	13.02	13.02
Transfer to General Reserve	-	-
Balance carried forward	5,176.08	5,159.66

Financial Performance 2016

Your Company recorded robust growth in its revenues on a standalone basis during the year driven by higher revenues in both its business segments- Gases as well as Project Engineering. Although the macro economic environment and overall business sentiments continued to pose challenges, imposition of Minimum Import Price by the Government of India led to increase in domestic production of steel, which augured well for the Gases business. Gases revenue growth of about 14% was primarily due to incremental revenue from newly commissioned 2X 1200 tpd Air Separation Units at Tata Steel's greenfield site at Kalinganagar and ramp up of other ASUs commissioned in last couple of years. Similarly, despite a challenging business sentiment in the core sectors, the Project Engineering Division (PED) was also able to achieve revenue growth of 44% over the previous year driven by higher billings from execution of projects in India and overseas markets including new projects won during the year under review.

The Onsite business recorded a growth of 12% during the year driven by higher output in domestic iron and steel industry, which is the major consumer of industrial gases in India. Decline in steel imports during the year from China and other countries following the imposition of Minimum Import Price (MIP) by the Government of India brought some relief for major steel players. The merchant demand recorded a strong growth of 18% as compared to the previous year primarily due to spurt in demand of liquid oxygen and liquid nitrogen from new projects in the iron and steel industry and higher demand of liquid argon in manufacturing of stainless/alloy steel. Packaged gases segment recorded a significant growth of 24% specially driven by demand of welding gases such as Argoshield®, Corgon® etc. in fabrication, automotive and auto-ancillary industries. In healthcare business, the medical gases revenues recorded a modest growth of 11%. PED's sales from execution of third party projects included projects executed for The Linde Group in Bangladesh and Malaysia. PED continued to strengthen its order book with fresh intake of third party orders worth Rs. 3,413 million during the year.

In the Gases business, your company proactively managed the sourcing of power for its merchant plants leading to savings in energy costs as compared to previous year. Alternative sourcing of power through open access mechanism resulted in reduction in power cost, thereby making the gases business more competitive. Cost control in operations remains one of the key focus areas of your company.

Total revenue from operations during the year amounted to Rs. 19,910.94 million as compared to Rs. 17,023.47 million in 2015, which reflected a robust growth of 17% over the previous year. While the sales of products in the Gases business amounted to Rs. 17,196.32 million as compared to Rs. 15,119.82 million in the previous year, the revenues of the Project Engineering Division amounted to Rs. 2,741.62 million as compared to Rs. 1,903.65 million in the previous year.

The operating profit of the Company for the year 2016 amounted to Rs. 3,186.15 million as against Rs. 2,614.64 million in the previous year. The operating profit for the year includes a profit of Rs. 155.94 million (net) from disposal of factory land at Tarapur. Your Company however, continued to feel the pressure of depreciation and interest cost of the newly commissioned plants, which are gradually ramping up. The depreciation charge for the year stood at Rs. 1,988.73 million as compared to Rs. 1,615.25 million in the previous year. Net finance cost increased from Rs. 898.83 million in 2015 to Rs. 1,146.33 million during the year following the additional interest burden on borrowings for new projects commissioned during the year. The higher depreciation and finance cost have resulted in a lower profit before tax (before exceptional item) for the year at Rs. 51.09 million as compared to Rs. 100.56 million in the previous year. After accounting for a deferred tax release of Rs. 42.31 million during the year, the net profit after tax amounted to Rs. 93.40 million as compared to Rs. 234.57 million in the previous year, which had included a deferred tax release of Rs. 253.26 million arising from investment allowance in respect of plant & machinery of its ASU at Kalinganagar.

Dividend

Your Directors have recommended a dividend @ 7.5% (Re. 0.75 per equity share of Rs. 10 each) on 85,284,223 equity shares of Rs. 10 each in the Company for the year 2016, same as the dividend paid in the previous year. The dividend together with the dividend tax will result in a cash outlay of Rs. 76.98 million. The Board has not recommended any transfer to general reserves from the profits during the year under review.

The Board of Directors of your Company has approved a dividend distribution policy and the recommendation for the current year dividend made by the Board is aligned to the said Policy. The policy is available on the Company's website at www.linde.in.

Consolidated Financial Statements

Although the Company does not have any subsidiary, as per the requirement of Section 129(3) of the Companies Act, 2013 and the applicable Accounting Standard 21 issued by the Institute of Chartered Accountants of India, your Company has prepared consolidated financial statements for the year ended 31 December 2016 together with its joint venture company, viz. Bellary Oxygen Company Private Limited. The said consolidated financial statements of the Company form part of the annual report. Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of the joint venture company is attached to the financial statements in Form AOC-1. However, since the company does not have a subsidiary, the compliance under Section 136 about the separate financial accounts, etc. do not apply to it. [Annexure 1]

Industry Developments

The Gases business serves onsite customers in diverse industry segments such as steel, chemicals and refinery sectors and a large number of merchant liquid customers primarily in metal, glass, automobile, petrochemicals and pharmaceutical sectors, besides customers for medical gases. New applications continue to provide growth opportunities. This growth is also supported by the increasing outsourcing of gases requirement under a 'Build Own Operate' (BOO) type of supply scheme opportunities mainly in steel and refinery sectors, although a large part of our potential customers still continue to own and operate captive ASUs. The Project Engineering business on the other hand specialises in design and engineering, supply, installation, commissioning and sale of air separation units, cryogenic plants, vessels, etc. to third parties on turnkey basis. The project engineering business therefore, reflects changes in investment climate, more particularly linked to new projects in core sectors like steel, refining and petrochemical industries, etc.

The Gases business in India continues to be impacted by overcapacity in the market, especially in the East and West regions, which led to lower plant loading with adverse impact on specific power. This problem of overcapacity over the past couple of years has been further compounded by the lower growth in Index of Industrial Production (IIP) in the economy. Your company looks forward to higher growth in the IIP that can boost gases demand and enable higher loading of the plants as well as improve margins. However, your Company has also initiated a series of measures to counter the headwinds in the market place. These include series of cost reduction measures, while at the same time actively seeking support from The Linde Group to roll out new applications for increasing demand for its gases in the market. These measures have helped to create new markets and enhance penetration of gas usage while also improving margins in the Gases business.

The Project Engineering Division (PED), which struggled with weak order intake in the previous year due to contraction in new investments, has achieved some success in winning new orders during 2016. The order book in the near term is expected to include new projects in refining and petrochemicals industry.

Business Segments

Your Company's business has two broad segments, viz. Gases and Related Products and Project Engineering in line with the operating model of its parent, Linde AG.

Gases and Related Products

The Gases and Related Products segment comprises of pipeline gas supplies (Onsite) to very large industrial customers - mainly primary steel production and refining industries, supply of liquefied gases through cryogenic tankers (Bulk) to cater to mid-size demands across a wide range of industrial sectors and compressed gas supply in cylinders (Packaged Gas) for meeting smaller demand for gases mainly across fabrication & manufacturing and construction industry. The primary production of gases (oxygen, nitrogen & argon) is mostly achieved through cryogenic distillation of air in Air Separation Units (ASU). Oxygen, Nitrogen and Argon may also be produced in the gaseous state and supplied through pipeline to the Onsite customers, or produced in liquid form and stored in insulated cryogenic tanks for supply to Bulk customers or further processed in the Packaged Gas plants to bottle compressed gas in cylinders. The strategy of the bulk and packaged gas business continues to be building and sustaining market leadership through application led gas sales and enhanced service levels. The Gases business is capital intensive by nature as it requires large investments in setting up of air separation units as well as new packaged gases sites. The supply chain in the Gases business also requires significant investments in the form of distribution assets and storage networks to service bulk volumes as well as in the form of cylinders to service relatively smaller volumes in packaged gases business. The Healthcare business, an important part of the Gases business provides high quality gases for pharmaceutical use such as medical oxygen, synthetic air and nitrous oxide in addition to providing state of the art medical gas distribution systems to major hospitals. Your Company also provides total gas management solutions to private hospital chains and has ambitious plans to expand beyond its current footprint in the metro cities.

'Onsite' business, which accounts for a substantial part of the overall gases business of the Company, achieved a growth of nearly 12% in its revenues on the back of commissioning of 2 nos. 1200 tpd ASUs at Kalinganagar. During the year, the Company maintained its focus on winning new long term contracts in its onsite business and is currently engaged in commissioning of a 107 tpd ASU for ITC Bhadrachalam, a nitrogen generator for Bosch Automotive Electricals Ltd. and is entering into a new O&M contract with JSW Steel for providing services to their new ASUs at Dolvi.

The Industrial Gases business comprising merchant and packaged gases and special products performed well during 2016 and recorded a robust growth of 18% over 2015 despite tepid demand and headwinds in the markets.

The Bulk business was supported by spurt in demand from commissioning of steel expansion projects in the East and increase in reseller volumes in the West. Besides this, application led sales helped to secure number of new orders and many new customer accounts were added during the year.

The Special Products business grew by 10% over 2015. The loss of Helium volumes due to withdrawal of major Optic Fibre account in West was adequately compensated by achieving growth of 29% in rest of the Special Products business. The year also witnessed the winning of a large long term Electronics Gases Contract with Mundra Solar PV Ltd. for supply of electronic gases and management of gas facilities. Besides, your Company also concluded a long term contract with Corning Glass for supply of D2-N2 mixture. Your company's efforts to enter into automotive emission mixture gases business also met with success with the winning of new orders from this market segment.

The REBOX® Oxy-fuel system which was commissioned successfully in previous years in the reheating furnaces at Kalyani Carpenter Special Steel was not utilized for first half of this year leading to steep drop in liquid oxygen (LOX) sales. During the year, your Company has renegotiated the contract with the customer appropriately.

The Application Technology team for Manufacturing Industries (MI) in collaboration with sales carried out shielding gas conversions that enabled us to significantly grow cylinder argon volumes. The MI Applications Team also ventured into new unexplored areas such as Concrete Cooling and successful trials were carried out at Ultratech and ACC Cement. In the Non-MI segment, the Application Sales Team ventured into new markets such as creating opportunities in Glass, Chemicals, Pharma and Oil & Gas.

The Packaged Gas Business (Industrial) registered a strong growth of 24% contributed largely by the significant growth in welding gas mixtures in cylinder gases. This was possible due to continued focus on application led sales in the PGP business.

In order to meet the demand of Customers and to tap the future growth potential, your Company set up three new debulking sites at Chennai, Bangalore and Bhiwadi this year. The Debulking system works on the Hub & Spoke Model which speeds up delivery, reduces costs and ensures better turnaround of transport tankers.

The Healthcare business is a notable part of the Gases business, which has been growing steadily. In line with the momentum built in 2015, the Healthcare business grew by nearly 11% clocking revenues of nearly Rs. 1,444.65 million inclusive of the medical engineering business. Your Company launched LIV™ cylinders for the first time in the markets in India. Your Company has taken strategic actions for sourcing of medical gases in some of the markets with an eye on increasing margins. Some of the major accounts during the year have been prominent hospitals in Mangalore, Vizag, Hyderabad, West Bengal, and Maharashtra.

Linde India had launched the Customer experience (Cx) Programme in the previous year. The Cx program is meant to actively seek customer feedback and address all customer queries and complaints promptly to ensure that your Company provides the best PSO and experience to its customers, which positively differentiates Linde India from its competitors. The Cx program was sustained well during the year, and the Company's average aggregate Cx score showed improvement of about 26% over the previous year reflecting improvement in meeting customer expectations.

Opportunities and Threats

Your company sees several opportunities in the Gases business, which include untapped markets in West and deep South, newer applications led sales such as concrete cooling and applications in food and beverage sector, building capability for manufacture of calibration gas mixtures in Taloja, increase in manufacturing led by Make in India program and other initiatives of the Government of India, implementation of GST and Government focus on infrastructure and affordable housing, etc.

On the other hand, over capacity in gases business and over- supply in the markets in the short to medium term, new merchant capacities set up by competitors, rising cost of power and viability of power under open access and pricing pressures in merchant markets appear to be some of the challenges facing the Gases business.

Project Engineering

The Project Engineering Division comprises the business of designing and engineering, supply, installation and commissioning of Air Separation Units (ASU) of medium to large size, apart from projects relating to setting up of nitrogen plants, compressed air systems and specialty gas distribution systems for electronics industry. The Project Engineering Division (PED) also manufactures cryogenic vessels, small size Liquid Nitrogen Plant (LINIT), steam bath vaporizers, containerized micro plants for cylinder filling for in-house use as well as for sale to third party customers.

The market conditions in the Project Engineering business continued to remain challenging in 2016, though there were some signs of recovery in the business sentiments. The Division however, was successful in leveraging its strengths to win new businesses both in Indian and overseas markets.

The Division achieved revenues of Rs. 2,741.62 million as compared to Rs. 1,903.65 million recorded in 2015. During this year, the Division was engaged in execution of several projects involving air separation plants, nitrogen plants, compressed air stations in steel industry both in public and private sectors. The PED is also executing a speciality gas distribution project for the electronic industry. The Division has won third party orders to the tune of approximately Rs. 3,413 million, which include orders received from INOX Air Products for setting up of two nos. of 200 TPD merchant Air Separation Units from Adani for speciality gas distribution project, besides other orders for nitrogen generators.

During the year, the Division completed major portion of the supplies for a captive 2200 tpd ASU for JSW Steel at Dolvi, which is expected to be commissioned by early 2018. The Division is in final stages of executing the ASU project at Rupganj for Linde Bangladesh Ltd.

In continued support to growth of Gases Business, PED is currently executing an in house project for the Gases Division, viz. 107 tpd Air Separation Unit for ITC Bhadrachalam, which is expected to be commissioned during Q3 of 2017, besides other smaller projects such as a GAN generator for BOSCH at Bangalore and a PGP plant at Jamshedpur.

The Division is continuing its efforts to get orders in the overseas markets and has received an order for a nitrogen plant from JGC Japan for their project in Indonesia and another order for a merchant ASU for one of The Linde Group companies in Malaysia. These projects are expected to be commissioned by early 2018.

With a view to give better support to Gases Division, PED gives more focus to develop new products. These include development of LINOX 1H and IMPACT4 in collaboration with Linde AG, Munich.

As on 31 December 2016, the order book position of PED for third party projects stood at Rs. 5,694 million.

Risk Management

Your Company's business faces various risks - strategic as well as operational in both its segments viz. Gases and Project Engineering, which arise from both internal and external sources. As explained in the report on Corporate Governance, the company has an adequate risk management system which takes care of identification, assessment and review of risks as well as their mitigation plans put in place by the respective risk owners. The risks which were being addressed by the Company during the year under review included risk relating to dependence of business on steel sector, risk of investments not delivering business case assumptions including merchant credits and impairment, competitive risks in the Gases and Project Engineering, etc. Since the Project Engineering Division of your Company is engaged in execution of various in house and third party projects, it has an inherent risk of time and cost overruns due to various reasons. Your Board of Directors provides oversight of the risk management process in the Company and reviews the progress of the action plans for the identified key risks with a distinct focus on top 5 key risks on a quarterly basis.

The Board had in the previous year approved and adopted a Risk Policy with an objective to provide a more structured framework for proactive management of all risks related to the business of the Company and to make it more certain that the growth and earnings targets as well as strategic objectives are met.

Finance

As on 31 December 2016, your Company had three loan facilities by way of External Commercial Borrowings (ECB) aggregating Rs.10,693 million from Linde AG. The facilities were executed mainly for funding of large air separation units (ASU) at Tata Steel Jamshedpur (2,550 tpd ASU), SAIL Rourkela (2X853 tpd ASU) and Tata Steel Kalinganagar (2X1200 tpd scale plants). All the three facilities are fully drawn down and fully hedged both with regard to the principal and interest payments.

Your Company had three USD denominated term loan facilities aggregating to INR equivalent of Rs. 2,500 million from Citibank, consisting of a term loan facility of three-years USD 15.67 million (INR equivalent of Rs. 1,000 million) and two term loan facilities of three-years aggregating to USD 24.95 million (INR equivalent of Rs. 1,500 million). The term loan facilities were executed to fund ongoing small capital expenditure requirement. All the three facilities are fully hedged with regard to the principal and interest payments.

During the year, the Company negotiated at arm's length an Inter corporate loan of Rs. 500 million from Linde Engineering India Pvt. Ltd. for a further period of one year. The facility was executed as an alternative financing mode for short-term funds. This facility is in addition to the existing inter corporate loan of Rs. 500 million from the same party.

During the year, the Company transferred a sum of Rs. 0.6 million of unpaid/unclaimed dividend for the nine - month period ended 31 December 2008 to the Investor Education and Protection Fund, after sending reminders to the shareholders.

There were no material changes and commitments affecting the financial position of the Company, which occurred between the end of the financial year to which this financial statements relate and the date of this report.

Deposits

During the year, the Company has not accepted any deposits from public under Chapter V of the Companies Act, 2013.

Significant and Material Orders passed by the Regulators or Courts

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

Particulars of loans, guarantees or investments

The particulars of loans, guarantees given and investments made during the year under Section 186 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to this Report. [Annexure 2]

Safety, Health, Environment and Quality (SHEQ)

Your Company continuously endeavours to improve the quality of the products and services while at the same time maintaining highest standards of safety in its operations. Safety is one of the foundation principles and as such continues to be the top most priority of the Company where the SHEQ rules and procedures are clearly defined, understood, respected and complied by employees, contractors, supervisors and managers alike.

In order to reinforce on the SHEQ agenda, the Company continues to focus on ensuring compliance to the Linde's 8 Golden Rules of Safety. During the year with a view to improve behavioural safety, Behavioural SHEQ trainers from the Group supported by the Regional teams imparted behavioural safety training to select employees of the Company, which was held at Taloja and Kolkata. The main objective of the workshop was to upskill and increase the Behavioural-SHEQ competency amongst the Operations and SHEQ teams to sustain the site's behavioural safety programmes such as Lead Safe and Site Safe.

With a view to enhance the safety performance and improve the safety culture in the Company, your Company had initiated mandatory SHEQ induction & refresher training programme in 2014 and a large part of the total employees have been covered so far. Also, we continued to reinforce Traccess competency assessments for engineers and contractors on safety and operations critical chapters with a view to cover all high risk jobs.

In order to involve and create awareness among all employees, contractors and drivers, the Company celebrated Linde Safety Day on 28th April 2016 at all its plants and offices.

Transport Safety remains the single biggest challenge and focus area for improvement. To improve transport safety further, a programme for installation of DVR In-Cab cameras in our bulk transport tankers and cylinder trucks was completed during the year. These In-cab camera video clips are helping us to improve our transport safety by analyzing transport safety incidents and driving violations. They also make it easier to initiate effective preventive actions to avoid incidents in future.

With the help of the Major Hazards Review Programme (MHRP) of the Linde Group, all major high risk sites have been certified with relevant MHRP CAT 1 & CAT 2 certificates. The programme helps the organization to assess the offsite risk due to our operations. Based on the risk categorization, risk control measures are established to reduce the offsite risk.

With regard to security of the plant sites and offices, security stand down has been rolled out across India. Security vulnerability risk assessments are carried out at high risk sites and effective CCTV monitoring arrangements have been made at such sites.

Human Resources

As a part of our HR strategy for 2016, we continued our focus on Talent Development through learning and development, on the job experience and coaching as well as movements across roles. Your Company launched the Linde Accelerated Competency Enhancement (ACE) programme for its employees for preparing them for shouldering larger responsibilities. The participants of this programme are being groomed for leadership roles by giving them developmental inputs through business critical projects and e-learning. Your Company has also collaborated with IIM Calcutta – one of the premier business management institutes in India for in-house training at their Management Development Centre, where the participants are actively engaged in business case studies and classroom type discussions. Our learning and development initiatives continue to be aligned to our business requirements. Our e-learning programmes have helped employees build competencies, which are required for their day to day work. As a step towards strengthening performance culture in the organisation, interactive sessions were conducted with Line managers with a view to implement effective Performance Management dialogues.

Linde India participated in the Working Mother and AVTAR - Best Companies for Women in India survey and has been ranked among the top 100 such companies in India. This initiative was launched by India's first diversity advocate and workplace inclusion expert, AVTAR, in collaboration with Working Mother Media, a celebrated gender-parity champion in the United States. The objective was to identify, share, showcase and celebrate best practices from India's best employers to foster women's career advancement. The top 10 companies in this survey were some of the most respected names in corporate India from industries as diverse as engineering, banking and financial services, FMCG and Information technology.

Your Company continued with its tradition of supporting a progressive and harmonious employee relation environment. Towards this goal, the Company signed back to back Long Term Settlement at tripartite level and paved the way for substantial enhancement of productivity across the organisation.

Your Company is aligned to the Group's talent management and performance appraisal systems which provide a robust platform for target setting and performance appraisals for all officers. This is an objective and transparent system with a sharp focus on shaping performance towards attaining the corporate goal of profitable growth safely. The Company regularly reviews the remuneration levels of its employees using internal and external comparisons to ensure that they are appropriate and in line with the market. Pay-for Performance is supported by various reward schemes, which are in place to motivate and retain young, high potential and promising employees to achieve business strategy and organisational goals.

Your Company has harmonious employee relations across all its plants and offices in India. As on 31 December 2016, your Company had manpower strength of 759 on its pay rolls.

Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. The Company has put in place a Policy on Prevention of Sexual Harassment' in line with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. Internal Complaints Committee (ICC) has been set up to redress complaints, if any, received regarding sexual harassment. All employees whether permanent, contractual, temporary, etc have been covered under this Policy. The Policy is gender neutral.

During the year 2016, no complaints alleging sexual harassment were received by the Company.

Prescribed Particulars of remuneration

The disclosures pertaining to ratio of remuneration of each Director to the median remuneration of all the employees of the Company, percentage increase in remuneration of each director and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are annexed to this Report. [Annexure 3]

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement containing the names and other prescribed particulars of top 10 employees in terms of remuneration drawn and that of every employee, who if employed throughout the year ended 31 December 2016 was in receipt of remuneration aggregating to not less than Rs. 10.20 million; and if employed for part of the said year, was in receipt of remuneration not less than Rs. 0.85 million per month is annexed to and forms part of this Report. However, having regard to the provisions to the first proviso of Section 136(1) of the Companies Act, 2013, the Annual Report is being sent to all the Members of the Company excluding this information. The aforesaid statement is available for inspection by shareholders at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy of the said information may write to the Company Secretary at the Registered Office of the Company and the same will be furnished on request and the said information is also available on the website of the Company. None of the employees is covered under Rule 5(3)(viii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended.

Corporate Social Responsibility (CSR)

As a member of The Linde Group, your Company has been a socially responsible corporate and our core values define the way we operate and create value within the larger society. Linde's four basic principles- safety, integrity, sustainability and respect form the basis of its CSR policy. Your Company is therefore, committed to behave responsibly towards people, society and the environment for inclusive growth of the society where we operate to conserve natural resources and to develop sustainable products. In line with its CSR Policy, Linde India's CSR commitment centres around four thematic areas- Education, Health, Environment and Livelihood (skill development).

Some of the CSR projects/ initiatives taken up/ sustained during the year include providing special education to differently abled children at Indian Institute of Cerebral Palsy (IICP), donation to Jamshedpur colony school, public toilets at Gangasagar Mela, sponsoring a specially designed Tata winger bus for use of the children at IICP, supporting homes of underprivileged children and school run by NGOs at Kolkata, Chennai and Bangalore, Safe Drive and Save Life Campaign with Kolkata Police, etc. Against the required CSR spend of Rs. 4.38 million during the year being 2% of the average profit of last 3 years as per the provisions of the Companies Act, 2013, the actual CSR expenditure during the year on various projects/ activities amounted to Rs. 4.52 million. The details of the CSR projects/ activities for the year 2016 are covered in the Annual Report on CSR activities, which is annexed to this Report. [Annexure 4]

As in the earlier year, it is the endeavour of the Company to engage its employees into its CSR initiatives. Although the Company fully met its CSR obligations during the year under review under the Companies Act, 2013, several CSR initiatives and projects planned during the year did not take off due to several reasons.

Business Responsibility Report

Regulation 34(2) of the Listing Regulations, 2015 as amended, inter alia, provides that with effect from 1 April 2016, the annual report of top 500 listed entities based on market capitalisation calculated as on 31 March of every financial year shall include a Business Responsibility Report. Since your Company follows calendar year as its financial year, the requirement relating to Business Responsibility Report for its financial year Jan.- Dec. 2016 became applicable to it for part of this year with effect from 1 April 2016, as your Company is one of the top 500 listed entities by market capitalisation as on 31 March 2016. Your Company has therefore included a Business Responsibility Report as a part of the Annual Report for the year 2016 briefly describing initiatives taken by it from an environment, social and governance perspective. However, as a green initiative, the said report is hosted on the Company's website, which can be accessed at http://www.linde.in/en/investor_relations/business_responsibility/index.html.

Corporate Governance

As a member of The Linde Group, your Company attaches great importance to sound responsible management and good corporate governance. Your Company subscribes to the Linde Spirit and the Code of Ethics of The Linde Group. The Linde Spirit describes the corporate culture manifested in the Linde vision and the values that underpin day to day activities and the Linde's Code of Ethics sets out the commitment of all employees to comply with legal regulations and uphold the ethical and moral values of the Group. Your Company is therefore, committed to business integrity, high ethical standards and professionalism in all its activities. As an essential part of this commitment, the Board of Directors supports high standards in corporate governance.

It is the endeavour of the Board and the executive management of your Company to ensure that their actions are always based on principles of responsible corporate management. In The Linde Group, corporate governance is seen as an on-going process. Your Company's Board therefore closely follows contemporary developments in the governance norms and will take lead in ensuring compliance with the same.
A separate report on Corporate Governance along with the certificate of the Auditors, B S R & Co. LLP, confirming compliance of the conditions of corporate governance, as stipulated under SEBI (Listing Obligations Disclosure Requirement) Regulations, 2015 is annexed.

Board Meetings

A calendar of Board and Committee meetings is agreed and circulated in advance to the Directors. The Board met six times during the year under review, details where of are given in the Corporate Governance Report, which forms part of this Report.

Board Membership Criteria

The Nomination and Remuneration Committee of the Company identifies and ascertains the integrity, qualification, expertise, positive attributes and experience of persons for appointment as Directors and thereafter recommends the candidature for election as a Director on the Board of the Company. The Committee follows defined criteria in the process of obtaining optimal Board diversity which, inter alia, includes optimum combination of executive and non-executive directors, appointment based on specific needs and business of the Company, qualification, knowledge, experience and skill of the proposed appointee etc. The Policy on appointment and removal of Directors, Board Diversity Criterion and Remuneration to Directors/Key Managerial Personnel/Senior Management forms part of the Nomination and Remuneration Policy of the Company, which is available on the Company's website at www.linde.in.

Familiarisation Programme for Directors

In terms of Reg. 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company is required to conduct the Familiarisation Programme for Independent Directors (IDs) to familiarise them about their roles, rights, responsibilities in your Company, nature of the industry in which your Company operates, business model of your Company, etc., through various initiatives. The details of training and familiarization programmes for Directors has been provided under the Corporate Governance Report. Apart from the initial familiarisation program as above, presentations are made to the Board Members at almost all board meetings to enable them to familiarise and update themselves with the changes in the applicable legal framework, competition, industry specific developments, etc.

Performance Evaluation

The Nomination and Remuneration Committee of the Board formulated and laid down criteria for Performance Evaluation of the Board including its Committees and every Director (including Independent Directors) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year, with a view to improve the process of performance evaluation, the pre-defined criteria for performance evaluation were reviewed by the Nomination and Remuneration Committee and the Board. Besides, the Company provided an online platform to the Directors for participating in this process. The manner of performance evaluation process followed by the Board is provided in the Corporate Governance Report.

Independent Director's Declaration

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Internal Control Systems and their adequacy

Your Company has an adequate system of internal control commensurate with the size and the nature of its business, which ensures that transactions are recorded, authorised and reported correctly apart from safeguarding its assets against loss from wastage, unauthorised use and removal.

The internal control system is supplemented by documented policies, guidelines and procedures. The Company's Internal Audit Department continuously monitors the effectiveness of the internal controls with a view to provide to the Audit Committee and the Board of Directors an independent, objective and reasonable assurance of the adequacy of the organization's internal controls and risk management procedures. The Internal Audit function submits detailed reports periodically to the management and the Audit Committee. The Audit Committee reviews these reports with the executive management with a view to provide oversight of the internal control systems.

Your Board has in compliance with the Companies Act, 2013 and the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, approved several policies on important matters such as related party transactions, risk management, nomination and remuneration of directors and senior managers, whistle blower mechanism, CSR, insider trading, practices and procedures for fair disclosure of unpublished price sensitive information, materiality of events/ information, preservation of documents, etc, which would provide robust guidance to the management in dealing with such matters to support internal control. The Company reviews its policies, guidelines and procedures of internal control on an on-going basis in view of the ever changing business environment. During the year, Price Waterhouse, Chartered Accountants, who were engaged by the Company last year for reviewing and strengthening the framework of its existing internal financial controls across the Company, tested the identified key internal controls. They have submitted a positive feedback and report to the Board on their findings based on the testing of the key controls. The Statutory Auditors of the Company have also independently reviewed internal financial controls over financial reporting and have confirmed that these controls were operating effectively as at 31 December 2016. As stated in the Responsibility Statement, your Directors have confirmed that based on the reviews performed by the internal auditors, statutory auditors, cost auditors, secretarial auditors and the reviews undertaken by the management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls have been adequate and effective during the financial year 2016.

Directors

During the year, Mr Moloy Banerjee, who was appointed as the Managing Director of the Company in the year 2013, completed his three-year term on 29 July 2016. At the Board meeting of the Company held on 19 July 2016, the Board of Directors on the recommendation of its Nomination and Remuneration Committee, re-appointed Mr Banerjee as the Managing Director of the Company on the terms and conditions including remuneration as recommended by the said Committee with effect from 30 July 2016, subject to the approval of the Members of the Company by a special resolution at the next general meeting and such other approval as may be required. The said terms have been set out in the Agreement dated 16 September 2016 entered into between the Company and Mr Banerjee. These terms have been further modified by the Board with effect from 1 January 2017 on the recommendation of the Nomination and Remuneration Committee at their respective meetings held on 11 February 2017, subject to the approval of the Members of the Company. Necessary resolution for reappointment of Mr Banerjee as Managing Director of the Company with effect from 30 July 2016 together with the terms and conditions of the appointment and remuneration payable to him as above is included in the Notice calling the Annual General Meeting.

Mr Sanjiv Lamba retires by way of rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Necessary resolutions for approval of re-appointment of Mr Banerjee as the Managing Director of the Company with effect from 30 July 2016 together with the terms and conditions of the re-appointment and remuneration payable to him and for re-appointment of Mr Lamba as a Director of the Company are included in the Notice of the ensuing Annual General Meeting. The Board recommends the aforesaid resolutions for your approval.

Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr Moloy Banerjee, Managing Director, Mr Indranil Bagchi, Chief Financial Officer (CFO) and Mr Pawan Marda, Asst. Vice President and Company Secretary. During the year, Mr Indranil Bagchi was appointed as the CFO with effect from 19 July 2016 in place of Mr Milan Sadhukhan, who stepped down from the office of CFO with effect from close of business hours on 18 July 2016. During the year, there has been no other change in the Key Managerial Personnel.

Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, audit and reviews performed by the internal auditors, statutory auditors, cost auditors, secretarial auditors and the reviews undertaken by the management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls have been adequate and effective during the financial year 2016.

As required by Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Directors to the best of their knowledge state and confirm:

a. That in preparation of the financial statements for the year ended 31 December 2016, applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
b. That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the aforesaid financial year and of the

profit or loss of the Company for that period;

c. That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
d. That they have prepared the aforesaid financial statements on a going concern basis;
e. That they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
f. That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder.

Related Party Transactions

All related party transactions entered during the year where in ordinary course of business and on arm's length basis and the same have been disclosed under Note 46 of the Notes to the Standalone Financial Statements. No material related party transactions arising from contracts/arrangements with related parties referred to the Section 188(1) of the Companies Act, 2013 were entered during the year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Details of conservation of energy, technology absorption and foreign exchange earnings and outgo in accordance with Section 134(3)(m) read with Companies (Accounts) Rules, 2014 are annexed to this Report. [Annexure 5]

Extract of Annual Return

An extract of Annual Return as on the financial year ended on 31 December 2016 in Form No. MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, as amended, is set out as an annexure to the Directors' Report and forms part of this Annual Report. [Annexure 6]

Outlook

Indian economy achieved a GDP growth of 7.6% for the fiscal year 2015-16 reflecting signs of pick up in industrial growth. However, the momentum gained by the economy was somewhat impacted due to various global events, such as Brexit, the outcome of which reflects a rising tide of nationalism and a retreat of globalisation. The other major development has been the reduction of import of steel in India from China and other countries and closer home, passing of the GST bill in India, which is a positive step for the industry. The demonetization of high value currency notes in India that was announced by the Government on 8 November 2016 with a view to curb black money, corruption, menace of fake currency and pushing India towards digitisation, appears to have been reasonably well accepted, although it has impacted factory output and consumption across most industry segments due to contraction of demand. This is also reflected in fall of nearly 0.4% in the Index of Industrial Production in Dec. 2016 from a year ago period. The economic survey 2017 released by the Government expects the growth in FY 2017-18 to be in the range of 6.75% to 7.5%. While the excessive liquidity has led to lower interest rates, the RBI has decided not to cut rates citing upside risk to inflation. With process of remonetisation almost over, some industries including steel, automobiles are showing signs of revival in output and demand.

The Minimum Import Price restrictions introduced by the Government of India last year, which continued during the year provided relief to the domestic steel producers in India. Steel Production capacity in the country is estimated to increase to 130 million MT in 2020. Majority of the expansion in steel making capacity is driven by country's major steel players like Tata Steel, SAIL, Jindal Steel, etc. However, the depressed prices of steel coupled with contraction in global demand during the large part of 2016, put pressure on prices and margins. The situation seems to be correcting now with perking up of steel prices, leading to some buoyancy lately seen in the steel sector.

Goods & Service Tax (GST) implementation by 2017 along with the other macroeconomic fundamentals points to a growing trend for industrial gases and engineering business. The Government's budget announcements with focus on infrastructure, rural economy, affordable housing, etc seem to hold lot of promise that can deliver future growth.

Besides the above, the new and upcoming opportunities in the onsite business, may provide significant growth opportunities in the gases business in the form of hydrogen for refineries and de-captivation of air separation units from steel producers. Your Company will continue to selectively pursue such opportunities after due diligence of the business and customer risks. There are also some preliminary gases opportunities in the chemicals sector, which are likely to materialize in the near future.

In summary, the presence of a large domestic population, along with the increase in per capita income of the middle class and the Make in India program of the Government is expected to push domestic demand and spend in core and infrastructure sector in the next 2-3 years. This together with good macro-economic fundamentals of the economy is expected to have positive impact on industrial gases and engineering business of your Company.

Linde India has been able to develop capabilities by leveraging the strengths of its parents both in the gases and engineering segments. With robust integrated business model, the medium term outlook of your Company looks cautiously optimistic.

Auditors

Statutory Audit

Messrs B S R & Co. LLP, Chartered Accountants, were appointed Statutory Auditors of the Company at the 79th Annual General Meeting held on 15 May 2015 from the conclusion of that Annual General Meeting till the conclusion of the 81st Annual General Meeting to be held in the year 2017. BSR & Co., LLP would vacate office as the Auditors of the Company at the conclusion of the ensuing Annual General Meeting pursuant to the provisions of Section 139(2)(b) of the Companies Act, 2013 dealing with compulsory rotation of auditors. Pursuant to the applicable provisions of the Companies Act, 2013, on the recommendation of the Audit Committee of the Board, it is proposed to appoint Messrs Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm's Registration No. 117366W/W-100018) as the Statutory Auditors of the Company to hold office from the conclusion of the 81st Annual General Meeting of the Company until the conclusion of the 86th Annual General Meeting. Necessary resolution for the appointment of Deloitte Haskins & Sells as the Statutory Auditors is included in the Notice of the Annual General Meeting.

The reports given by the outgoing Auditors, Messrs B S R & Co. LLP, Chartered Accountants on the standalone and consolidated financial statements of the Company for the year 2016 form part of this Annual Report and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Secretarial Audit

The Board of Directors of the Company had appointed M/s. Vinod Kothari & Co., a firm of Company Secretaries pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for undertaking the secretarial audit of the Company for the year 2016. In terms of the provisions of Section 204(1) of the Companies Act, 2013, a Secretarial Audit Report dated 08 February 2017 in Form MR-3 given by the Secretarial Auditor is annexed with this Report. The Report confirms that the Company had complied with the statutory provisions listed under Form MR-3 and the Company also has proper board processes and compliance mechanism. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. [Annexure 7]

Cost Audit

The Central Government's directions vide their Order dated 10 August 2000 pursuant to Section 148 of the Companies Act, 2013, requires audit of the cost accounting records of the Company relating to Industrial Gases, for every financial year. Messrs Bandyopadhyaya Bhaumik & Co., a firm of Cost Accountants conducted this audit for the Company's financial year ended 31 December 2015 and submitted their report to the Central Government. The Board of Directors of the Company have on the recommendation of the Audit Committee appointed M/s. Bandyopadhyaya Bhaumik & Co., Cost Accountants having registration no. 000041as the Cost Auditor for the year ended 31 December 2016 to conduct cost audit under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time. The said cost auditors would be conducting the audit of cost records for the year 2016 and submit their report in due course.

Acknowledgements

Your Directors would like to express their sincere appreciation of the assistance and cooperation received from the bankers, government authorities, customers, dealers, suppliers, and all other business associates and the shareholders of the Company during the year under review.

Your Directors take this opportunity to thank the Linde Group for their strategic inputs and support in various operational and functional areas.

Your Directors also record their appreciation for the committed and dedicated services by the employees of the Company at all levels.

Disclaimer

Certain statements in this report relating to Company's objectives, projections, outlook, expectations, estimates, etc may be forward looking statements within the meaning of applicable laws and regulations. Although the Company believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, actual results or performance could differ materially from such expectations, projections, etc whether express or implied as a result of among other factors, changes in economic conditions affecting demand and supply, success of business and operating initiatives and restructuring objectives, change in regulatory environment, other government actions including taxation, natural phenomena such as floods and earthquakes, customer strategies, etc over which the Company does not have any direct control.

On behalf of the Board

S Lamba
Chairman
DIN: 00320753

Mumbai
11 February 2017

Annexure to directors' report.

[Annexure - 1]

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures [FORM AOC-1]

Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014

Part "A": Subsidiaries: Not Applicable

Part "B": Associates and Joint Ventures

	Name of Joint Venture	Bellary Oxygen Company Pvt. Ltd.
1.	Latest Audited Balance Sheet Date	31 March 2016
2.	Date on which the Joint Venture was acquired	22 March 2006
3.	Shares of Joint Venture held by the Company as on 31 December 2016	
	No. of shares	15,000,000 Equity Shares of Rs. 10 each
	Amount of investment in Joint Venture	Rs. 150,000,000
	Extend of Holding (in percentage)	50%
4.	Description of how there is significant influence	There is significant influence due to shareholding and joint control over the economic activities.
5.	Reason why the Joint Venture is not consolidated	Not Applicable
6.	Net worth attributable to Shareholding as per latest Audited Balance Sheet	Rs. 1,054,693,571
7.	Profit/Loss for the year	
	i. Considered in consolidation	Rs. 92,128,220
	ii. Not considered in consolidation	Rs. 92,128,220

On behalf of the Board

Sd/-
S Lamba
Chairman
DIN: 00320753

Mumbai
11 February 2017

Annexure to directors' report.

[Annexure - 2]

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS PURSUANT TO SECTION 134(g) OF THE COMPANIES ACT, 2013

A. Amount outstanding as on 31 December 2016:

Particulars	Amount (Rs. in million)	Purpose
Loans given	Nil	-
Guarantees given	Nil	-
Investments made:		
Bellary Oxygen Co. Pvt. Ltd.	150.00	Equity Investment

B. Loans, Guarantees and Investments made during the Financial Year 2016:

Name of the entity	Relation	Amount (Rs. in million)	Particulars of loans, guarantees given or investments made	Purpose for which the loans, guarantees and investments are proposed to be utilised
Nil	-	-	-	-

On behalf of the Board

Sd/-
S Lamba
Chairman
DIN: 00320753

Mumbai
11 February 2017

Annexure to directors' report.

[Annexure - 3]

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company, percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary for the financial year 2016:

Median remuneration of the employees of the Company for the financial year 2016	Rs. 806,859
The percentage increase in the median remuneration of employees in the financial year	7%
The number of permanent employees on the rolls of the Company as on 31 December 2016	759

Name of Director/KMP	Remuneration (Rs. in million)	Ratio of remuneration of each Director to median remuneration of the employees of the Company	% increase in remuneration in the financial year 2016
• Non-Executive Directors			
Mr Sanjiv Lamba	Nil	N. A.	N. A.
Ms Desiree Co Bacher	Nil	N. A.	N. A.
• Independent Directors*			
Mr Arun Balakrishnan	0.42	0.53	47.06%
Mr Jyotin Mehta	0.46	0.57	63.70%
Mr Aditya Narayan	0.44	0.55	67.92%
• Executive Director			
Mr Moloy Banerjee, MD	20.79	25.78	5%
• Key Managerial Personnel (other than MD)			
Mr Milan Sadhukhan, CFO (upto 18 July 2016)	5.54	N.A.	5%
Mr Indranil Bagchi, CFO (w.e.f.19 July 2016)	2.94	N.A.	N.A.
Mr Pawan Marda, CS	6.11	N.A.	6.67%

* Independent Directors were only paid sitting fees during 2016.

2) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and exceptional circumstances for increase in the managerial remuneration, if any:

The average percentage increase made in the salaries of permanent employees other than the managerial personnel during the year 2016 was 8.5 %, whereas the increase in the managerial remuneration was 5%. The average increases every year is an outcome of the Company's market competitiveness, salary benchmarking survey, inflation and talent retention.

3) It is hereby affirmed that the remuneration paid during the year is as per the remuneration policy of the Company.

On behalf of the Board

Sd/-
S Lamba
Chairman
DIN: 00320753

Mumbai
11 February 2017

Annexure to directors' report.

[Annexure - 4]

Annual Report on Corporate Social Responsibility

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1.	A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes.	Your Company is committed to behave responsibly towards people, society and the environment for inclusive growth of the society where we operate, to conserve natural resources and to develop sustainable products. The CSR Commitment of your Company is centred around four thematic areas viz. Education, Health, Environment and Livelihood (Skill Development). The CSR Policy of the Company is available on the Company's website at http://www.linde.in/en/corporate_responsibility/publications/index.html. Brief overview of CSR projects/programmes Some of the key CSR projects/programmes of Linde India during 2016 are as follows: **Education:** The Company's CSR projects/programmes on Education are intended to support promoting and providing access to basic education for underprivileged/differently abled children. The Company's CSR projects/programmes included sponsoring a classroom for differently abled children at Indian Institute of Cerebral Palsy and providing them with a specially adapted minibus for use of their children, partial expenditure for education of underprivileged children through NGOs such as AIM for Seva, Disha Foundation, Reaching Hand, etc. **Health:** The Company's CSR project/programmes on Health are intended to improve the quality of care giving, preventive health care, etc. In this regard, the Company had provided for 100 public toilets at the Gangasagar Mela of 2016. **Environment:** The Company's CSR project/programmes on Environment are intended towards its commitment to environmental protection and supporting plantation of trees, access to clean water, etc. **Livelihood (Skill Development):** The Company's CSR projects/programmes on Livelihood are aimed at promoting alternate livelihood and supporting development of vocational skills amongst underprivileged people. The CSR projects/programmes in this area include collaborating with Kolkata Police and its affiliated NGO partner, Karmyog for the "Safe Drive Save Life" project.
2.	The Composition of the CSR Committee	Please refer to the Corporate Governance Report for the composition of the CSR Committee.
		Rs. in million
3.	Average net profit of the company for last three financial years	218.88
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	4.38
5.	Details of CSR Spend during the financial year 2016	
	a) Total amount to be spent for the financial year	4.38
	b) Total amount spent during the year	4.52
	c) Amount unspent, if any	N.A.

d) Manner in which the amount was spent during the financial year 2016 is detailed below:

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects/ Programmes coverage [State and District]	Amount outlay [budget] (Rs.)	Amount spent on the Project/Programs		Cumulative expenditure upto 31 Dec. 2016 (Rs.)	Amount spent Direct/through implementing agency
					Direct expenditure (Rs.)	Overheads (Rs.)		
01	Education of underprivileged children	Education	Jharkhand, Jamshedpur	500,000	-	-	-	Through Prem Jyoti Prangan
02	Partial expenditure for a home for underprivileged children	Education	Tamil Nadu, Chennai	500,000	499,800	-	499,800	Through AIM for Seva
03	Adoption of one classroom for one year	Education	West Bengal, Kolkata	500,000	500,000	-	500,000	Through Disha Foundation
04	Public toilets at Gangasagar Mela	Health	West Bengal, South 24 Parganas	500,000	450,000	-	450,000	Direct (Government of West Bengal)
05	Partial annual expenditure for underprivileged children	Education	Karnataka, Bangalore	500,000	500,000		500,000	Through Reaching Hand
06	Sponsoring of one classroom for differently abled children	Education	West Bengal, Kolkata	270,000	275,000	-	275,000	Direct (Indian Institute of Cerebral Palsy)
07	One specially designed Tata Winger minibus	Education	West Bengal, Kolkata	1,230,000	1,229,861	-	1,229,861	Direct (Indian Institute of Cerebral Palsy)
08	Health camps in interior villages	Health	1. Jharkhand, Jamshedpur, 2. Odisha, Rourkela 3. W. Bengal, Siliguri	200,000	-	-	-	-
09	Drive Safe Campaign	Livelihood (Skill Development)	West Bengal, Kolkata	356,000	-	-	-	-
10	"Safe Drive Save Life" Project	Livelihood (Skill Development)	West Bengal, Kolkata	2,144,000	1,072,000	-	1,072,000	Through Kolkata Police and Karmyog Foundation
11	Mid-day meal for students	Health	Karnataka, Bellary	94,450	-	-	-	-

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects/ Programmes coverage [State and District]	Amount outlay [budget] (Rs.)	Amount spent on the Project/Programs: Direct expenditure (Rs.)	Amount spent on the Project/Programs: Overheads (Rs.)	Cumulative expenditure upto 31 Dec. 2016 (Rs.)	Amount spent Direct/through implementing agency
12	Nursing training for tribal girls	Livelihood	Jharkhand, Jamshedpur	72,000	-	-	-	-
Total				6,866,450	4,526,661	-	4,526,661	

6.	Reason for failure to spend two per cent of the average net profits of the last three financial years or any part thereof	NA
7.	CSR Committee Responsibility Statement	The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

On behalf of the Board

Sd/-
M Banerjee
Managing Director
DIN: 00273101

Sd/-
A Balakrishnan
Chairman, CSR Committee
DIN: 00130241

Mumbai
11 February 2017

Annexure to directors' report.

[Annexure - 5]

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy:

a) Based on the savings achieved from Corro-coating of cooling water pumps done by Bellary (1 Pump), other pumps are being sent one by one for coating. Once completed, we expect to have a yearly energy saving of approx. 30 KW at Bellary site. Corro-coating of cooling water pump was also done at Selaqui ASU site and the savings are under evaluation.

b) Improvement in specific power at the various plants is an ongoing process by optimizing plant operation based on demand.

c) Agreements have been executed for procurement of energy under open access through India Energy Exchange for Selaqui Plant.

d) New Tube Bundle Assembly for Main Air compressors 1st Stage Inter-cooler has been ordered for 1800 TPD ASU at Bellary. This initiative is expected to give a savings of approx. 28,800 KWh/ Day for both compressors put together.

ii) Steps taken by the company for utilizing alternate sources of energy:

The Company continues to explore viability of installation of roof top solar unit at selected ASUs and PGP sites.

iii) Capital investment on energy conservation equipments:

a) Investment planned for corro-coating of cooling water pumps at Taloja and other ASUs.

b) Purchase of Renewable Energy Certificates to support capital investment in Solar Energy.

c) Proposal for replacing Cooling Tower fan blades by energy efficient blades at 1800 TPD plant at Bellary has been approved for implementation in the year 2017.

The above measures are expected to result in savings in consumption of power, improvement in plant performance by reduction in power usage per unit of output.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption:

Nil

ii) Benefits derived (like product improvement, cost reduction, product development or import substitution):

Not Applicable

iii) Information regarding imported technology (last three years):

Not Applicable

iv) Expenditure on Research and Development:

a) Capital	Nil
b) Recurring	Rs. 0.29 million
c) Total	Rs. 0.29 million

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign exchange used and earned:

Total Foreign exchange used during the year was Rs. 1,812.72 million and total foreign exchange earned during the year was Rs. 604.84 million, which included Rs. 535.21 million from exports.

On behalf of the Board

Sd/-
S Lamba
Chairman
DIN: 00320753

Mumbai
11 February 2017

Annexure to directors' report.

[Annexure - 6]

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on financial year ended on 31 December 2016

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014

I. Registration & other details

i	CIN	L40200WB1935PLC008184
ii	Registration Date	24/01/1935
iii	Name of the Company	LINDE INDIA LIMITED
iv	Category/Sub-category of the Company	Public Listed Company having Share Capital
v	Address of the Registered office & Contact details	Oxygen House, P43, Taratala Road, Kolkata - 700 088, West Bengal, India Phone No. +91 33 6602 1600, Fax No. +91 33 2401 4206 Website : www.linde.in
vi	Whether listed company - Yes/No	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any	Link Intime India Private Limited Regd. Office: C 13 Pannalal Silkmills Compound, L B S Marg, Bhandup (W), Mumbai - 400 078, Maharashtra, India Kolkata Office: 59C, Chowringhee Road, 3rd Floor, Kolkata - 700 020, West Bengal, India Phone No. +91 33 2289 0540, Fax No. +91 33 2289 0539

II. Principal business activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company are given below:-

Sl. No.	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacture of liquefied or compressed inorganic industrial or medical gases	20111	85.04%
2	Construction of utility projects	42209	14.96%

III. Particulars of holding, subsidiary & associate companies

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	The BOC Group Limited (a wholly owned subsidiary of Linde AG) The Priestley Centre, 10 Priestly Road, Surrey Research Park, Guildford, Surrey GU2 7XY, England	N.A.	Holding	75%	2(46)
2	Bellary Oxygen Company Private Limited 855 tpd Plant, JSW Steel Ltd. Premises, Torangallu, Bellary, Karnataka - 583 123, India	U40200KA2005 PTC036482	Joint Venture	50%	2(6)

IV. Shareholding pattern (equity share capital breakup as percentage to total equity)

(i) Category-wise Shareholding

Category of Shareholders		No. of Shares held at the beginning of the year on 1 January 2016				No. of Shares held at the end of the year on 31 December 2016				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
(a)	Individual/HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(e)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(f)	Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)		-	-	-	-	-	-	-	-	-
(2)	Foreign									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	
(b)	Other Individuals	-	-	-	-	-	-	-	-	
(c)	Bodies Corporate	63,963,167	-	63,963,167	75.0000	63,963,167	-	63,963,167	75.0000	0.0000
(d)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)		63,963,167	-	63,963,167	75.0000	63,963,167	-	63,963,167	75.0000	0.0000
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)		63,963,167	-	63,963,167	75.0000	63,963,167	-	63,963,167	75.0000	0.0000
B.	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	6,661,298	508	6,661,806	7.8113	7,653,703	408	7,654,111	8.9748	1.1635
(b)	Banks/Financial Institutions	10,213	6,973	17,186	0.0202	9,477	6,973	16,450	0.0193	-0.0009
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	0	29	29	0.0000	0	29	29	0.0000	0.00
(e)	Venture Capital Fund	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	765,592	100	765,692	0.8978	710,149	100	710,249	0.8328	-0.0650
(g)	Foreign Institutional Investors	6,937,105	533	6,937,638	8.1347	4,417,407	533	4,417,940	5.1803	-2.9544
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)									
(i - 1)	Foreign Portfolio Investor	534,634	-	534,634	0.6269	930,491	-	930,491	1.0910	0.4641
Sub-total (B)(1)		14,908,842	8,143	14,916,985	17.4909	13,721,227	8,043	13,729,270	16.0983	-1.3926

Category of Shareholders		No. of Shares held at the beginning of the year on 1 January 2016				No. of Shares held at the end of the year on 31 December 2016				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	Non Institutions									
(a)	Bodies corporate									
(i)	Indian	285,528	20,692	306,220	0.3591	714,631	20,615	735,246	0.8621	0.5030
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs.1 lakh	3,069,387	1,012,284	4,081,671	4.7860	3,200,984	982,913	4,183,897	4.9058	0.1198
(ii)	Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	1,654,795	12,000	1,666,795	1.9544	2,177,680	12,000	2,189,680	2.5675	0.6131
(c)	Any Other (specify)									
(c - 1)	Directors	400	200	600	0.0007	400	200	600	0.0007	0.0000
(c - 2)	Clearing Member	17,628	0	17,628	0.0207	101,606	0	101,606	0.1191	0.0984
(c - 3)	Trust	7,954	0	7,954	0.0093	4,331	0	4,331	0.0051	-0.0042
(c - 4)	NRIs	-	-	-	-	-	-	-	-	-
(c - 5)	Foreign Nationals	286	0	286	0.0003	286	0	286	0.0003	0.0000
(c - 6)	Hindu Undivided Family	175,944	0	175,944	0.2063	211,413	0	211,413	0.2479	0.0416
(c - 7)	Non Resident Indians (Repatriable)	71,689	8,935	80,624	0.0945	74,771	7,776	82,547	0.0968	0.0023
(c - 8)	Non Resident Indians (Non Repatriable)	58,789	0	58,789	0.0689	76,338	0	76,338	0.0895	0.0206
(c - 9)	Market Maker	7,560	0	7,560	0.0089	5,842	0	5,842	0.0069	-0.0020
Sub-total (B)(2)		5,349,960	1,054,111	6,404,071	7.5091	6,568,282	1,023,504	7,591,786	8.9017	1.3926
Total Public Shareholding (B)= (B)(1)+(B)(2)		20,258,802	1,062,254	21,321,056	25.0000	20,289,509	1,031,547	21,321,056	25.0000	0.0000
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		84,221,969	1,062,254	85,284,223	100.0000	84,252,676	1,031,547	85,284,223	100.0000	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year on 1 January 2016			Shareholding at the end of the year on 31 December 2016			% change in share-holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	The BOC Group Ltd, U.K., a part of The Linde Group	63,963,167	75.0000	-	63,963,167	75.0000	-	0.0000
Total		63,963,167	75.0000	-	63,963,167	75.0000	-	0.0000

(iii) Change in Promoters' Shareholding (Specify if there is no change)

Sl. No.	Name of the shareholder	Shareholding at the beginning (1 January 2016)/end (31 December 2016) of the year		Cumulative Shareholding during the year (1 January 2016 to 31 December 2016)	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	The BOC Group Ltd, U.K., a part of the Linde Group				
	At the beginning of the year	63,963,167	75.0000		
	Date wise Increase/decrease in Promoters shareholding during the year alongwith reason for increase/decrease	-	-	-	-
	At the end of the year	63,963,167	75.0000	63,963,167	75.0000

Note: There is no change in the shareholding of promoters during the year 2016.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Name of shareholders	Shareholding at the beginning (1 January 2016)/end (31 December 2016) of the year			Reason for Increase/ Decrease	Cumulative Shareholding during the year (1 January 2016 to 31 December 2016)	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1	Reliance Capital Trustee Co. Ltd. A/c Reliance Equity Opportunity Fund						
	At the beginning of the year	01/01/2016	2,150,858	2.5220			
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	04/03/2016	3,900	0.0046	Market Purchase	2,154,758	2.5266
		27/05/2016	5,746	0.0067	Market Purchase	2,160,504	2.5333
		22/07/2016	20,000	0.0235	Market Purchase	2,180,504	2.5567
		29/07/2016	13,379	0.0157	Market Purchase	2,193,883	2.5724
		05/08/2016	3,800	0.0045	Market Purchase	2,197,683	2.5769
		12/08/2016	18,916	0.0222	Market Purchase	2,216,599	2.5991
		19/08/2016	16,132	0.0189	Market Purchase	2,232,731	2.6180
		26/08/2016	4,107	0.0048	Market Purchase	2,236,838	2.6228
		02/09/2016	31,081	0.0364	Market Purchase	2,267,919	2.6592
		09/09/2016	26,354	0.0309	Market Purchase	2,294,273	2.6901
		16/09/2016	14,632	0.0172	Market Purchase	2,308,905	2.7073
		23/09/2016	9,978	0.0117	Market Purchase	2,318,883	2.7190
		30/09/2016	16,016	0.0188	Market Purchase	2,334,899	2.7378
		07/10/2016	55,476	0.0650	Market Purchase	2,390,375	2.8028
		14/10/2016	25,000	0.0293	Market Purchase	2,415,375	2.8321
		21/10/2016	10,000	0.0117	Market Purchase	2,425,375	2.8439
		28/10/2016	1,676	0.0020	Market Purchase	2,427,051	2.8458
		04/11/2016	25,000	0.0293	Market Purchase	2,452,051	2.8752
		18/11/2016	16,963	0.0199	Market Purchase	2,469,014	2.8950
		25/11/2016	11,856	0.0139	Market Purchase	2,480,870	2.9089
		02/12/2016	15,016	0.0176	Market Purchase	2,495,886	2.9266
		16/12/2016	1,321	0.0015	Market Purchase	2,497,207	2.9281
	At the end of the year	31/12/2016	2,497,207	2.9281			
2	Reliance Capital Trustee Company Limited - A/C Reliance Tax Saver (ELSS) Fund						
	At the beginning of the year	01/01/2016	1,481,400	1.7370			
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	21/10/2016	9,000	0.0106	Market Purchase	1,490,400	1.7476
		18/11/2016	23,220	0.0272	Market Purchase	1,513,620	1.7748
		25/11/2016	28,366	0.0333	Market Purchase	1,541,986	1.8081
	At the end of the year	31/12/2016	1,541,986	1.8081			
3	National Westminister Bank PLC As Depositary of First State Indian Subcontinent Fund, A Sub Fund of First State Investment ICVC						
	At the beginning of the year	01/01/2016	1,511,708	1.7726			
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	-	-	-	-	-	-
	At the end of the year	31/12/2016	1,511,708	1.7726		1,511,708	1.7726

Sl. No.	Name of shareholders	Shareholding at the beginning (1 January 2016)/end (31 December 2016) of the year			Reason for Increase/ Decrease	Cumulative Shareholding during the year (1 January 2016 to 31 December 2016)	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
4	Reliance Capital Trustee Company Limited A/C Reliance Vision Fund						
	At the beginning of the year	01/01/2016	1,350,000	1.5829			
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	05/02/2016	(703)	(0.0008)	Market Sale	1,349,297	1.5821
		12/02/2016	(2,045)	(0.0024)	Market Sale	1,347,252	1.5797
		08/07/2016	(11,400)	(0.0134)	Market Sale	1,335,852	1.5664
		15/07/2016	(1,069)	(0.0013)	Market Sale	1,334,783	1.5651
	At the end of the year	31/12/2016	1,334,783	1.5651			
5	First State Investments (Hongkong) Limited A/C First State Indian Subcontinent Fund						
	At the beginning of the year	01/01/2016	509,825	0.5978			
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	08/04/2016	145,674	0.0170	Market Purchase	655,499	0.7686
		22/04/2016	166,587	0.1953	Market Purchase	822,086	0.9639
		06/05/2016	166,553	0.1953	Market Purchase	988,639	1.1592
		27/05/2016	64,295	0.0754	Market Purchase	1,052,934	1.2346
		30/06/2016	52,160	0.0612	Market Purchase	1,105,094	1.2958
		22/07/2016	(20,230)	(0.0237)	Market Sale	1,084,864	1.2721
		29/07/2016	(36,944)	(0.0433)	Market Sale	1,047,920	1.2287
	At the end of the year	31/12/2016	1,047,920	1.2287			
6	Reliance Capital Trustee Co Ltd A/C - Reliance Regular Savings Fund - Equity Option						
	At the beginning of the year	01/01/2016	1,000,000	1.1725			
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	-	-	-	-	-	-
	At the end of the year	31/12/2016	1,000,000	1.1725		1,000,000	1.1725
7	The Scottish Oriental Smaller Companies Trust plc						
	At the beginning of the year	01/01/2016	1,180,554	1.3843			
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	07/10/2016	(6,036)	(0.0071)	Market Sale	1,174,518	1.3772
		28/10/2016	(210,041)	(0.2463)	Market Sale	964,477	1.1309
	At the end of the year	31/12/2016	964,477	1.1309			
8	Pacific Assets Trust PLC (erstwhile First State Investment International Limited A/C Pacific Assets Trust PLC)						
	At the beginning of the year	01/01/2016	893,074	1.0472			
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	-	-	-	-	-	-
	At the end of the year	31/12/2016	893,074	1.0472		893,074	1.0472

Sl. No.	Name of shareholders	Shareholding at the beginning (1 January 2016)/end (31 December 2016) of the year			Reason for Increase/ Decrease	Cumulative Shareholding during the year (1 January 2016 to 31 December 2016)	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
9	The New India Assurance Company Limited						
	At the beginning of the year	01/01/2016	765,592	0.8977			
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	26/08/2016	(26,942)	(0.0316)	Market Sale	738,650	0.8661
		02/09/2016	(23,058)	(0.0270)	Market Sale	715,592	0.8391
		16/09/2016	(5,443)	(0.0064)	Market Sale	710,149	0.8327
	At the end of the year	31/12/2016	710,149	0.8327			
10	Hitesh Satishchandra Doshi						
	At the beginning of the year	01/01/2016	480,288	0.5632			
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	-	-	-	-	-	-
	At the end of the year	31/12/2016	480,288	0.5632		480,288	0.5632
11	Aberdeen Asian Smaller Companies Investment Trust Plc*						
	At the beginning of the year	01/01/2016	1,674,000	1.9628			
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	08/01/2016	(1,100)	(0.0013)	Market Sale	1,672,900	1.9616
		15/01/2016	(3,095)	(0.0036)	Market Sale	1,669,805	1.9579
		29/01/2016	(1,200)	(0.0014)	Market Sale	1,668,605	1.9565
		05/02/2016	(1,717)	(0.0020)	Market Sale	1,666,888	1.9545
		18/03/2016	(3,561)	(0.0042)	Market Sale	1,663,327	1.9503
		25/03/2016	(5,727)	(0.0061)	Market Sale	1,657,600	1.9436
		31/03/2016	(389,830)	(0.4571)	Market Sale	1,267,770	1.4865
		08/04/2016	(4,549)	(0.0053)	Market Sale	1,263,221	1.4812
		15/04/2016	(10,082)	(0.0118)	Market Sale	1,253,139	1.4694
		22/04/2016	(261,873)	(0.3011)	Market Sale	991,266	1.1623
		29/04/2016	(17,159)	(0.0201)	Market Sale	974,107	1.1422
		06/05/2016	(146,015)	(0.1712)	Market Sale	828,092	0.9710
		13/05/2016	(5,485)	(0.0064)	Market Sale	822,607	0.9645
		20/05/2016	(10,933)	(0.0182)	Market Sale	811,674	0.9517
		27/05/2016	(325,844)	(0.3821)	Market Sale	485,830	0.5697
		03/06/2016	(204,266)	(0.2345)	Market Sale	281,564	0.3301
		10/06/2016	(67,252)	(0.0189)	Market Sale	214,312	0.2513
		17/06/2016	(46,195)	(0.0544)	Market Sale	168,117	0.1971
		24/06/2016	(168,117)	(0.1971)	Market Sale	0	0.0000
	At the end of the year	31/12/2016	0	0.0000			
12	New India Investment Company (Mauritius) Limited*						
	At the beginning of the year	01/01/2016	750,000	0.8794			
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	15/01/2016	(1,388)	(0.0016)	Market Sale	748,612	0.8778
		11/03/2016	(1,305)	(0.0015)	Market Sale	747,307	0.8763
		18/03/2016	(747,307)	(0.8763)	Market Sale	0	0.0000
	At the end of the year	31/12/2016	0	0.0000			

Sl. No.	Name of shareholders	Shareholding at the beginning (1 January 2016)/end (31 December 2016) of the year			Reason for Increase/ Decrease	Cumulative Shareholding during the year (1 January 2016 to 31 December 2016)	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
13	New India Investment Trust Plc**						
	At the beginning of the year	01/01/2016	0	0.0000			
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	18/03/2016	747,307	0.8763	Market Purchase	747,307	0.8763
		08/04/2016	(1,694)	(0.0020)	Market Sale	745,613	0.8743
		15/04/2016	(5,212)	(0.0061)	Market Sale	740,401	0.8682
		22/04/2016	(154,726)	(0.1814)	Market Sale	585,675	0.6867
		29/04/2016	(9,297)	(0.0109)	Market Sale	576,378	0.6758
		06/05/2016	(83,848)	(0.0983)	Market Sale	492,530	0.5775
		13/05/2016	(1,690)	(0.0020)	Market Sale	490,840	0.5755
		20/05/2016	(2,367)	(0.0028)	Market Sale	488,473	0.5728
		27/05/2016	(195,589)	(0.2293)	Market Sale	292,884	0.3434
		03/06/2016	(123,143)	(0.1444)	Market Sale	169,741	0.1990
		10/06/2016	(40,543)	(0.0475)	Market Sale	129,198	0.1515
		17/06/2016	(26,269)	(0.0308)	Market Sale	102,929	0.1207
		24/06/2016	(102,929)	(0.1207)	Market Sale	0	0.0000
	At the end of the year	31/12/2016	0	0.0000			

Note:

The above information in point (iv) is based on the weekly beneficiary position received from Depositories.

* Ceased to be in the list of Top 10 shareholders on 31/12/2016. The same is reflected above since the shareholder was one of the Top 10 shareholders on 01/01/2016.

** Not in the list of Top 10 shareholders either on 31/12/2016 or 01/01/2016. However, the same is reflected above since the shareholder was one of the Top 10 shareholders during the financial year 2016.

(v) Shareholding of Directors & Key Managerial Personnel

Sl. No.	Name of the shareholder	Shareholding at the beginning (1 January 2016)/end (31 December 2016) of the year		Cumulative Shareholding during the year (1 January 2016 to 31 December 2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Directors[1]				
1	Mr Sanjiv Lamba				
	At the beginning of the year	400	0.0005		
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	-	-	-	-
	At the end of the year	400	0.0005	400	0.0005
2	Mr Moloy Banerjee				
	At the beginning of the year	200	0.0002		
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	-	-	-	-
	At the end of the year	200	0.0002	200	0.0002
	Key Managerial Personnel[2]				
3	Mr Pawan Marda, Company Secretary				
	At the beginning of the year	250	0.0003		
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	-	-	-	-
	At the end of the year	250	0.0003	250	0.0003

Note:

1. Mr Aditya Narayan, Mr Jyotin Kantilal Mehta, Mr Arun Balakrishnan and Ms Desiree Co. Bacher did not hold any shares of the Company during the year 2016.
2. Mr Milan Sadhukhan, Chief Financial Officer (upto 18/07/2016) and Mr Indranil Bagchi, Chief Financial Officer (w.e.f. 19/07/2016), did not hold any shares of the Company during the year 2016.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. in million	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year (1 January 2016)				
i) Principal Amount	-	13,882.60	352.81	14,235.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	208.23	-	208.23
Total (i+ii+iii)	-	14,090.83	352.81	14,443.64
Change in Indebtedness during the financial year (1 January 2016 - 31 December 2016)				
Additions	-	500.00	14.27	514.27
Reduction	-	-	-	-
Forex impact & CCS unwinding	-	70.94	-	70.94
Net Change	-	570.94	14.27	585.21
Indebtedness at the end of the financial year (31 December 2016)				
i) Principal Amount	-	14,453.54	367.08	14,820.62
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	208.58	-	208.58
Total (i+ii+iii)	-	14,662.12	367.08	15,029.20

VI. Remuneration of directors and key managerial personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Rs. in million

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	Gross salary	Mr Moloy Banerjee, MD	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	15.33	15.33
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	3.72	3.72
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission -		
	as % of profit	-	-
	others (specify)	-	-
5	Others (Contribution to Funds)	1.74	1.74
Total (A)		20.79	20.79
Ceiling as per the Companies Act, 2013			NA*

Note:
*Pursuant to para B of Section II of Part II of Schedule V of the Companies Act, 2013, no ceiling limit is applicable to Mr Moloy Banerjee, Managing Director since he is functioning in a professional capacity and his appointment and remuneration is proposed to be approved by the Members of the Company by a Special Resolution at the ensuing Annual General Meeting.

B. Remuneration to other Directors

Rs. in million

Sl. No.	Particulars of Remuneration	Commission	Sitting Fees	Total Compensation
I	Independent Directors			
1	Mr Jyotin Kantilal Mehta	-	0.46	0.46
2	Mr Arun Balakrishnan	-	0.42	0.42
3	Mr Aditya Narayan	-	0.44	0.44
Total (I)		-	1.32	1.32
II	Other Non Executive Directors#			
1	Mr Sanjiv Lamba	-	-	-
2	Ms Desiree Co Bacher	-	-	-
Total (II)		-	-	-
Total (B)=(I) + (II)		-	1.32	1.32
Total Managerial Remuneration [(A)+(B)]		-	-	22.11
Overall Ceiling as per the Companies Act, 2013				NA*

#Comprises of Directors representing The Linde Group. They have not accepted any remuneration from the Company.

C. Remuneration to KMP other than MD/Manager/WTD

Rs. in million

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CFO Mr Milan Sadhukhan upto 18/07/2016	CFO Mr Indranil Bagchi from 19/07/2016	Company Secretary Mr Pawan Marda	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	4.90	2.48	5.06	12.44
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.34	0.28	0.52	1.14
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission -				
	as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others (Contribution to Funds)	0.30	0.18	0.53	1.01
Total		5.54	2.94	6.11	14.59

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for breach of any section of the Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during the year 2016.

On behalf of the Board

Sd/-
S Lamba
Chairman
[DIN: 00320753]

Mumbai
11 February 2017

Annexure to directors' report.
[Annexure - 7]

Form No. MR-3
SECRETARIAL AUDIT REPORT
for the financial year ended 31 December 2016
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of
Linde India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Linde India Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 December 2016, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 December 2016, according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
    g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
    h. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Company during the period under review;

6. Laws specifically applicable for Chemical Industries are:

    a. Explosives Act, 1884, Explosives Rules, 2008
    b. Gas Cylinder Rules, 2004
    c. Static & Mobile Pressure Vessels (Unfired) Rules, 1981
    d. Petroleum Act, 1934 & Petroleum Rules, 2002
    e. Drugs & Cosmetics Act & Rules
    f. Ammonium Nitrate Rules, 2012
    g. Environment Protection Act & Rules
    h. Drug (Prices Control) Order under Essential Commodities Act.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India;

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Management Responsibility
1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial

records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events, etc.;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We further report that:
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

Based on such checks as considered appropriate and documents provided by the Company,we observed that the specific laws, as applicable to the Company are being duly complied with by various cross functional departments and plant managers.

We further report that during the audit period, the Company has not incurred any specific event that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Vinod Kothari & Company
Practising Company Secretaries

Sd/-
Vinod Kothari
Managing Partner
Membership No: A4718
C P No: 1391

Date: 8 February 2017
Place: Kolkata

Report on corporate governance.

In accordance with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as 'SEBI Listing Regulations'] read with the disclosure requirements relating to the Corporate Governance Report contained in Schedule V of the SEBI Listing Regulations, the details of compliance by the Company with the norms on Corporate Governance are as under:

Company's philosophy on Code of Governance

Linde India Limited believes in good corporate governance and continuously endeavours to improve focus on it by increasing transparency and accountability to its shareholders in particular and other stakeholders in general. The Company undertakes to behave responsibly towards its shareholders, business partners, employees, society and the environment. As a member of The Linde Group, the Company is committed to business integrity, high ethical values and professionalism in all its activities.

Board of Directors (Board)

Composition of the Board as on 31 December 2016

Linde India's Board has an appropriate mix of Executive and Non-Executive Directors. The Non-Executive Directors including Independent Directors impart balance to the Board and bring independent judgment in its deliberations and decisions. As on 31 December 2016, the Board of the Company comprised of six Directors, detail whereof is given below:

- A Non-Executive Chairman representing The Linde Group;
- Three Independent Directors;
- One Non-Executive Director representing The Linde Group; and
- One Executive Director.

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Reg. 17 of SEBI Listing Regulations.

Board Meetings

A calendar of Board and Committee meetings is agreed and circulated in advance to the Directors. Additional meetings are held, when necessary. During the year ended 31 December 2016, six Board meetings were held on 16 February 2016, 29 April 2016, 19 July 2016, 10 November 2016, 03 December 2016 and 19 December 2016. The gap between any two consecutive meetings did not exceed one hundred and twenty days.

Board Agenda

The meetings of the Board are governed by a structured agenda. The agenda papers are circulated in advance before each meeting to all the Directors. All Board members have access to accurate, relevant and timely information to fulfill their responsibilities. The Board members in consultation with the Chairman may bring up other matters for consideration at the Board meetings.

Information placed before the Board

Necessary information as required under the Companies Act, 2013 and SEBI Listing Regulations have been placed before and reviewed by the Board from time to time. The Board also periodically reviews compliance by the Company with the applicable laws/statutory requirements concerning the business and affairs of the Company.

Attendance of Directors at the Board Meetings of the Company held during the year ended 31 December 2016 and the last Annual General Meeting (AGM), Number of Other Directorship(s) and other Board Committee Membership(s) held as on 31 December 2016

Name of the Director	Category of Directorship	No. of Board meetings attended	Attendance at the last AGM held on 19 May 2016	No. of other directorship(s) (i)	Other Board Committee membership(s)/ chairmanship(s) (ii)
Mr S Lamba (iii)	(Chairman) Non-Executive Director	6	Yes	-	-
Mr A Balakrishnan	Independent Director	5	Yes	8	6 [including 4 as Chairman]
Mr J Mehta	Independent Director	6	Yes	1	1 [as Chairman]
Mr A Narayan	Independent Director	6	Yes	3	2 [including 1 as Chairman]
Ms D Bacher (iii)	Non-Executive Director	6	Yes	-	-
Mr M Banerjee (iv)	(Managing Director) Executive Director	6	Yes	-	-

(i) Excludes directorships in Indian private limited companies, foreign companies, companies under Section 8 of the Companies Act, 2013.
(ii) Represents memberships/chairmanships of Audit Committee and Stakeholders Relationship Committee. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees across all Companies in which they are directors.
(iii) Director representing The Linde Group.
(iv) Mr. M Banerjee was re-appointed by the Board as the Managing Director of the Company w.e.f. 30 July 2016.
(v) There are no inter-se relationships between the Board Members of the Company.

Separate Meeting of Independent Directors

During the year 2016, as per the requirement of Schedule IV of the Companies Act, 2013 and SEBI Listing Regulations, a separate meeting of Independent Directors was held on 10 November 2016 without the presence of the non-independent directors and the members of the management. The meeting was conducted in an informal manner to enable the Independent Directors to discuss and review the performance of non-independent directors and the Board as a whole, performance of the Chairman of the Company and for assessing the quality, quantity and timeliness of flow of information between the company management and the Board. The Independent Directors also met the non-executive Chairman for providing their inputs in this regard.

Codes and Policies

The Board has adopted all applicable codes and policies as per the requirement of the Companies Act, 2013, SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI Listing Regulations. The requisite codes and policies are posted on the Company's website at www.linde.in and references to these codes and policies have been given elsewhere in this report.

Codes of Conduct

As a member of The Linde Group, the Company had adopted Linde's Code of Ethics as the Code of Conduct for all its employees including its Whole time Directors. Linde's Code of Ethics anchors ethical and legal behaviour within the organisation. The Board of Directors laid down a separate Code for the Non-Executive Directors of the Company. The aforesaid Codes are available on the Company's website at http://www.linde.in/en/investor_relations/codes_and_policies/index.html. All Directors and senior management personnel of the Company as on 31 December 2016 have individually affirmed their compliance with the applicable Code of Conduct. A declaration signed by the Managing Director (CEO) to this effect is enclosed at the end of this report. The Code of Conduct for the Non-Executive Directors is in line with the provisions of Section 149(8) read with Schedule IV of the Companies Act, 2013 and SEBI Listing Regulations and contains brief guidance for professional conduct by the Non-Executive Independent Directors.

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has a Code of Conduct to regulate, monitor and report Insider Trading by the Company's employees and other connected persons and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. This ensures timely and adequate disclosure of price sensitive information to the Stock Exchange(s) by the Company to enable the investor community to take informed investment decisions with regard to the Company's securities. The Company has taken measures to create awareness about the Code among its employees and has implemented a system of reporting details of trading in the securities of the Company by the Designated Persons to the Audit Committee at periodic intervals.

Risk Management

The Company had originally developed a risk management framework in the year 2006 for identification and prioritisation of various risks based on pre-defined criteria. Since then the Company has been holding risk workshops periodically to refresh its risks in line with the dynamic and ever changing business environment. The workshop is attended by the senior management team of the Company. The senior management team deliberates on the carried forward risks and new risks identified at the workshop and prioritizes them on the basis of their EBIT impact and probability scores. These risks are thereafter assigned to various risk owners within the Company and appropriate mitigation plans are put in place in respect of them. The Company has implemented a system for identification, assessment, mitigation and review of new risks on an ongoing basis. The Board provides oversight of the risk management process followed by the Company and reviews the progress of the action plan for each risk on quarterly basis with special focus on the top 5 identified key risks.

Formal Letter of Appointment to the Independent Directors

As per the provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 and rules made thereunder and the erstwhile Clause 49 of the Listing Agreement, which has been replaced by the SEBI Listing Regulations, the Members had appointed Mr A Balakrishnan, Mr J Mehta and Mr A Narayan as Independent Directors of the Company with effect from 1 October 2014 for a term of five consecutive years. Individual letters of appointment were issued to the Independent Directors on their appointment containing the terms and conditions of their appointment, role, duties and liabilities, evaluation process, code of conduct, etc. The specimen letter of appointment issued to the Independent Directors has been posted on the website of the Company at www.linde.in.

Familiarisation programmes for Independent Directors

As a member of The Linde Group, the Company believes that an appropriate induction programme for new Directors and ongoing training for existing Directors makes a significant contribution to the maintenance of high corporate governance standards. The Managing Director and the Company Secretary are jointly responsible for ensuring that such induction and training programmes are provided to Directors, who in consultation with the Chairman ensure that the programmes to familiarise the Non-Executive Directors with the business is maintained over time and kept relevant to the needs of the individual directors and the Board as a whole. The familiarisation programme is designed to build an understanding of Linde India, its business model, markets and regulatory environment, roles, rights and responsibilities of Independent Directors, etc. Details of familiarisation programmes for Directors is disclosed on the Company's website at http://www.linde.in/en/about_linde_india_limited/management/index.html.

CEO/CFO Certification

The Managing Director (CEO) and the Chief Financial Officer (CFO) of the Company have certified to the Board pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations read with Part B of Schedule II thereof, that all the requirements of the SEBI Listing Regulations, inter alia, dealing with the review of financial statements and cash flow statement for the year ended 31 December 2016, transactions entered into by the Company during the said year, their responsibility for establishing and maintaining internal control systems for financial reporting and evaluation of the effectiveness of the internal control system and making of necessary disclosures to the Auditors and the Audit Committee have been duly complied with.

Committees of the Board

As on 31 December 2016, the Company had four committees of the Board of Directors – Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

The minutes of all Board and Committee meetings are placed before the Board and noted by the Directors at the Board meetings. The role, composition and terms of reference of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee including the number of meetings held during the year ended 31 December 2016 and the related attendance are as follows:

Audit Committee

The Audit Committee of the Company was constituted in the year 1988. The present terms of reference of the Audit Committee are aligned as per the provisions of Section 177 of the Companies Act, 2013 and include the roles as laid out in the SEBI Listing Regulations.

Terms of Reference

The brief description of the terms of reference of the Audit Committee in line with the Companies Act, 2013 and the SEBI Listing Regulations is as follows:

a. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
b. Recommend to the Board the appointment/removal of statutory auditors, nature and scope of audit, fixation of audit fee and payment for any other services rendered by the statutory/external auditors.
c. Review with the management, quarterly and annual financial statements and all related matters as stated in the SEBI Listing Regulations, before submission to the Board.
d. Review with the management the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.).
e. Review with the management, performance of statutory and internal auditors.
f. Review of the adequacy and effectiveness of Internal Audit function, the internal control system of the Company, structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
g. Discussion with internal auditors on any significant findings and follow up thereon including reviewing the findings of internal investigations, if any.
h. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
i. Review of the functioning of Whistle Blower mechanism.
j. Approval of appointment of Chief Financial Officer.
k. Review and monitor the auditor's independence and effectiveness of audit process.
l. Scrutiny of inter-corporate loans and investments.
m. Approval of related party transactions and any subsequent modification/ratification of transactions with related parties.
n. And, generally all items listed in Section 177 of the Companies Act, 2013 and Schedule II of the SEBI Listing Regulations.

As stipulated in Part C of Schedule II of SEBI Listing Regulations, the Audit Committee also reviews management discussion and analysis of financial performance, significant related party transactions, Internal Audit reports relating to internal control and appointment/removal and terms of remuneration of Chief Internal Auditor.

The Audit Committee may also review such matters as considered appropriate by it or referred to it by the Board.

Composition

The composition of the Audit Committee has been in accordance with the requirement of Reg. 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013. As on 31 December 2016, the Committee comprised of four Non-Executive Directors, three of whom, including the Chairman of the Committee were Independent Directors. Mr J Mehta, Independent Director (Chairman of the Committee), Mr S Lamba, a Non-Executive Director representing The Linde Group, Mr A Balakrishnan, Independent Director and Mr A Narayan, Independent Director were the Members of the Committee. As per the requirement of Reg. 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013, all members of the Audit Committee are financially literate with at least one member having expertise in accounting or related financial management. The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 19 May 2016.

The Managing Director, Chief Financial Officer and Head-Internal Audit are permanent invitees in all meetings of the Committee. The Statutory Auditors of the Company are invited to attend the Audit Committee meetings. The Cost Auditors are also invited to the meeting(s) for discussion on Cost Audit Report and for other related matters, if any. The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance during the year

Five meetings of the Audit Committee were held during the year ended 31 December 2016. The meetings were held on 16 February 2016, 29 April 2016, 19 July 2016, 16 September 2016 and 10 November 2016. The gap between any two consecutive meetings did not exceed one hundred and twenty days. The attendance of the Members at these meetings was as follows:

Name of the Director	No. of meetings held during tenure	No. of meetings attended
Mr J Mehta	5	5
Mr A Balakrishnan	5	5
Mr S Lamba	5	5
Mr A Narayan	5	5

Nomination and Remuneration Committee (NRC)

Terms of Reference

The brief terms of reference of the Nomination and Remuneration Committee, inter alia, include the following:

a. Identifying and selection of persons for appointment as directors and senior management in accordance with the criteria laid down and to recommend to the Board their appointment.
b. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
c. Recommend/review remuneration of the Managing Director and Wholetime Director(s) based on performance and defined assessment criteria.
d. Recommend to the Board a policy for selection and appointment of Directors, Key Managerial Personnel and other senior management positions.
e. Formulate and review criteria for evaluation of performance of the Board of Directors.
f. Devise a policy on Board diversity.
g. Succession planning for the Board level and key management positions.
h. Carry out any other function as mandated by the Board from time to time and/or enforced by any statutory notification/amendment.

Composition

As on 31 December 2016, the Committee comprised of three Non-Executive Directors, two of whom including the Chairman of the Committee were Independent Directors. Mr A Balakrishnan, Independent Director (Chairman of the Committee), Mr J Mehta, Independent Director and Mr S Lamba, a Non-Executive Director representing The Linde Group were the Members of the Committee as on 31 December 2016.

Meetings and Attendance during the year

During the year ended 31 December 2016, three meetings of the Committee were held on 29 April 2016, 19 July 2016 and 10 November 2016. The attendance of the Members at these meetings was as follows:

Name of the Director	No. of meetings held during tenure	No. of meetings attended
Mr A Balakrishnan	3	3
Mr S Lamba	3	3
Mr J Mehta	3	3

Performance Evaluation Criteria

During the year, the performance evaluation was done at three levels- by the Nomination and Remuneration Committee, the Board and at a separate meeting of the Independent Directors. First, the Independent Directors at their separate meetings reviewed the performance of the Board, Chairman of the Board and the Non-Independent Directors and also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board. Subsequently, at a meeting of the Nomination and Remuneration Committee of the Board, the previous year's process of self-assessment and peer review by the Individual Directors on pre-defined criteria was reviewed for further improvement. With a view to improve the process of performance evaluation, the Company provided an online platform to the Directors for participating in the performance evaluation of individual directors including Independent Directors, the Board as a whole and its various Committees. The online platform contained a structured questionnaire for seeking feedback from the directors on certain pre-defined attributes applicable to them, including some specific ones for the Independent Directors, and similar attributes for the Board as a whole and its Committees. In respect of Independent Directors, the criteria or the attributes included attendance at Board and Committee meetings, understanding of the operating and business environment, adherence to various Codes of Conduct, Policies, ability to challenge views of others in a constructive manner, safeguarding the interest of various stakeholders, application of independent judgement while taking decisions at Board and Committee meetings, etc.

Nomination and Remuneration Policy

The Board of Directors of the Company has on the recommendation of the Nomination and Remuneration Committee of the Board approved a Nomination and Remuneration Policy of the Company which, inter alia, covers Policy on appointment, remuneration and removal of Directors, Key Managerial Personnel and Senior Management, Policy on succession planning and Policy on Board diversity. This policy is available in the Investor Relations section of the Company's website at www.linde.in.

Payment of remuneration to the Executive/Wholetime Directors of the Company is governed by the terms and conditions of their appointment as recommended by the Nomination and Remuneration Committee and approved by the Board subject to the approval of the Shareholders and the Central Government, where applicable. The remuneration structure comprises basic salary, perquisites and allowances, variable compensation pay under the Company's Short Term, Mid Term and Long Term Incentive Plan and contribution to provident, superannuation and gratuity funds.

Non-Executive/Independent Directors of the Company receive remuneration by way of fees for attending meetings of the Board or Committee thereof as approved by the Board from time to time within the prescribed limits. Non-Executive Independent Directors may also be paid commission as approved by the shareholders subject to a limit of 1% of the net profits of the Company computed under the applicable provisions of the Companies Act, 2013. The Commission payable to the Independent Directors is determined by the Board within the aforesaid limit of 1% of the net profits after taking into account their attendance and roles and responsibilities in various Committees of the Board.

The Non-Executive Directors, other than the Directors representing The Linde Group were paid a sum of Rs. 35,000 as sitting fees for attending each meeting of the Board of Directors and Audit Committee and a sitting fees of Rs. 15,000 for attending each meeting of the Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Board.

Details of Remuneration to Executive/Wholetime Directors

Details of remuneration to Executive/Wholetime Director during the year ended 31 December 2016 is given below:

in Rupees

Name of the Director	Salary and Allowances	Variable Compensation Pay	Contribution to Provident and other Funds	Perquisites/ Other Benefits	Total
Mr M Banerjee, Managing Director	12,052,728	3,282,049	1,737,582	3,726,549	20,798,908

During the year, Mr. Moloy Banerjee was re-appointed as the Managing Director of the Company for a further term of three years with effect from 30 July 2016 by the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee subject to the approval of the Members of the Company at the next general meeting and such other approvals, as may be required. The terms and conditions of the appointment including remuneration payable to Mr. Moloy Banerjee with effect from the date of reappointment were set out in the Agreement dated 16 September 2016 entered into between the Company and Mr. Banerjee. The said terms as set out in the Agreement have been subsequently modified by the Board on the recommendation of the Nomination and Remuneration Committee with effect from 1 January 2017 at their respective meetings held on 11 February 2017. The Agreement can be terminated by either party by giving not less than six months' notice in writing. The Agreement does not provide for payment of any severance fees. Presently, the Company does not have a scheme for grant of stock options to its employees.

Details of Remuneration to Non-Executive Directors

Details of remuneration paid to the Non-Executive Directors during the year ended 31 December 2016 is given below:

in Rupees

Name of the Director	Sitting Fees*	Commission
Mr A Balakrishnan, Independent Director	425,000	-
Mr J Mehta, Independent Director	460,000	-
Mr A Narayan, Independent Director	445,000	-
Total	1,330,000	-

*Exclusive of Service Tax.

As the Company did not have any net profit for the financial year ended 31 December 2016 as per the computation laid down in Section 198 of the Companies Act, 2013, commission to the Independent Directors for the year 2016 could not be considered by the Board.

In addition to the sitting fees and commission, the Company pays/ reimburses expenses incurred by the Non-Executive/Independent Directors for attending the Board and Committee meetings and general meetings of the Members of the Company.

Other than the above, the Non-Executive Directors do not have any pecuniary relationship or transactions with the Company.

The details of shares/convertible instruments held by the Executive and Non-Executive Directors of the Company as on 31 December 2016 are as follows:

Name of the Director	Number of Equity Shares	No. of Convertible Instruments
Mr S Lamba	400	N.A.
Mr M Banerjee	200	N.A.

Stakeholders Relationship Committee (SRC)

Terms of Reference

The brief terms of reference of Stakeholders Relationship Committee, inter alia, include the following:

a. Overseeing and review of all matters connected with transfer, transmission, subdivision, consolidation, etc. of the Company's securities;
b. Approval for issue of the Company's duplicate share/debenture certificates;
c. Monitoring redressal of grievances of investors/shareholders and other security holders;

d. Recommending methods to upgrade the standard of services to investors, shareholders and other security holders;
e. Carrying out any other function as referred by the Board from time to time or enforced by any statutory notification/amendment.

Composition

As on 31 December 2016, the Stakeholders Relationship Committee comprised of three Directors, which consists of two Independent Directors, viz. Mr A Narayan (Chairman of the Committee) and Mr J Mehta and Mr M Banerjee, Managing Director of the Company.

The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance during the year:

During the year ended 31 December 2016, the Committee met twice on 16 February 2016 and 16 September 2016. The attendance of the Members at the meeting was as follows:

Name of the Director	No. of meetings held during tenure	No. of meetings attended
Mr A Narayan	2	2
Mr J Mehta	2	2
Mr M Banerjee	2	2

The Board of Directors has delegated the power of approving the share transfers, transmission, etc. to the Managing Director and Company Secretary of the Company for expediting these processes. During the year, the Committee of Delegates met at regular intervals to dispose of all stipulated matters relating to share transfers, transmission, issue of duplicate share certificates, etc. with a view to meet the timeline for registering the transfer/transmission etc. of equity shares.

Compliance Officer

The Board of Directors has designated Mr Pawan Marda, Asst. Vice President and Company Secretary of the Company as the Compliance Officer.

Shareholders' Complaints

During the year ended 31 December 2016, the Company received 12 complaints from the shareholders/investors. As on 31 December 2016, no shareholder/investor complaint was pending. It is the endeavour of the Company to attend to all such complaints and other correspondence within a period of 15 days except where constrained by disputes or legal impediments.

Pending Share Transfers & Dematerialisation Requests

The Company's shares are required to be compulsorily traded in electronic form and as such the Company receives few transfers in physical form. During the year ended 31 December 2016, the Company processed 3,385 shares for transfer. As on 31 December 2016, no request for transfer of shares was pending. As on 31 December 2016, two requests for dematerialisation for a total number of 831 shares were pending, which were subsequently confirmed on 10 January 2017 and 14 January 2017.

Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee of the Company was constituted by the Board at its meeting held on 7 February 2014 in compliance with the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder.

Terms of Reference

The brief terms of reference of CSR Committee are as follows:

a. Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the CSR activities to be undertaken by the Company as specified in the Companies Act, 2013;
b. Recommend the amount of expenditure to be incurred on CSR activities; and
c. Monitor the CSR Policy of the Company from time to time.

Composition

As on 31 December 2016, the CSR Committee comprised of three Directors, two of whom including the Chairman of the Committee were Independent Directors, viz. Mr A Balakrishnan (Chairman of the Committee) and Mr A Narayan and one Executive Director, viz. Mr M Banerjee, Managing Director of the Company.

Attendance

During the year ended 31 December 2016, two meetings of the Committee were held on 29 April 2016 and 10 November 2016. The attendance of the Members at the meetings was as follows:

Name of the Director	No. of meetings held during tenure	No. of meetings attended
Mr A Balakrishnan	2	2
Mr A Narayan	2	2
Mr M Banerjee	2	2

General Body Meetings

A) Location and time for last three Annual General Meetings (AGM) and details of special resolutions passed:

Financial Year	Date of AGM	Venue	Time	No. of Special Resolution(s) passed
Year ended 31 December 2015	19 May 2016	Kala Mandir, Kolkata	3.00 p.m.	None
Year ended 31 December 2014	15 May 2015	Kala Mandir, Kolkata	10.00 a.m.	1. Approval of minimum remuneration to Managing Director; and 2. Adoption of new set of Articles of Association.
Year ended 31 December 2013	23 May 2014	Kala Mandir, Kolkata	3.00 p.m.	None

B) Postal Ballot:
During the year ended 31 December 2016, no resolutions were passed through Postal Ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution through Postal Ballot. No special resolution is proposed to be conducted through Postal Ballot at the ensuing Annual General Meeting. The Company will seek shareholders' approval through Postal Ballot in respect of resolutions relating to such businesses as are prescribed in the Companies Act, 2013.

C) Appointment/Re-appointment of Directors:
Information about Directors proposed to be appointed/re-appointed as required under Reg. 36(3) of SEBI Listing Regulations is furnished under Note 21 of the Notice of the ensuing Annual General Meeting.

Means of Communication

- The unaudited quarterly financial results in respect of the first three quarters of the financial year 2016 were approved, taken on record and submitted to the Stock Exchanges as per the SEBI Listing Regulations along with "limited review report" within forty five days of the close of the relevant quarter. Audited financial results in respect of the last quarter of 2016 were submitted to the Stock Exchanges as per the SEBI Listing Regulations along with the results of the entire financial year with a note stating that the figures for the quarter ended 31 December were published as balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the respective financial year. Also the figures up to the end of the third quarter were only reviewed and not subjected to audit.

- Unaudited quarterly financial results have been published during the year in prominent financial newspapers, viz. The Economic Times and/or Business Line (in English) and Ei Samay (in vernacular language -Bengali). The audited financial results for the year 2016 are being also published in The Economic Times and Business Line and Ei Samay (in vernacular language -Bengali).

- The Company also issues official press releases to the print media. The News and Media section in the Company's website includes all major press releases made by the Company.

- The Company has its own functional website www.linde.in as required by the SEBI Listing Regulations, where information about the Company, quarterly and annual audited financial results, annual reports, distribution of shareholding at the end of each quarter, official press releases, information required to be disclosed under Reg. 30(8) and 46 of the SEBI Listing Regulations, etc. are regularly updated.

- Management Discussion and Analysis is a part of the Directors' Report.

- All material events/information relating to the Company that could influence the market price of its securities or investment decisions are timely disclosed to the Stock Exchanges as per the Company's Policy on determination of materiality of events framed under the SEBI Listing Regulations. All disclosures under this policy are also displayed on the Company's website and hosted for a minimum period of five years and thereafter as per the Archival Policy of the Company. The Policy on determination of materiality of events and Archival Policy of the Company is available on the Company's website at www.linde.in.

- The Company has made presentation(s) to investors/analysts in conference call(s) during the year and the said presentation(s) is/are posted on the Company's website.

- The Company has an exclusive section on "Investor Relations" in its website "www.linde.in" for the purpose of giving necessary information to the Shareholders on various matters such as transfer, transmission, dematerialisation and rematerialisation of shares, issue of duplicate share certificates, nomination facility, use of electronic clearing service for payment of dividend, green initiative, etc. These information, procedures, formats, etc. are available on the aforesaid website in downloadable formats as a measure of added convenience to the investors.

Other Disclosures

- **Materially significant related party transactions (i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc.) that may have potential conflict with the interests of the Company at large:**
  None of the transactions with any of the related parties were in conflict with the interests of the Company. However, the related party disclosures about list of related parties and transactions given under Note 46 of Notes to the Standalone Financial Statements for the year ended 31 December 2016 may be referred. All related party transactions are in the ordinary course of business and are at arm's length.

  Pursuant to the provisions of Section 188 of the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement (now Regulation 23(4) of the SEBI Listing Regulations), all contracts/ agreements/ arrangements whether existing or to be entered into by the Company in future with Linde AG, Germany (ultimate holding company) for purchase/ sale of plant, equipment, critical spares, gases in bulk or in cylinders, etc. and for rendering or availing of services, borrowings and interest thereon and/or other related transactions on an ongoing basis in every financial year subject to an aggregate limit of Rs.10,000 million for the total value of all such transactions in each financial year of the Company were approved by the shareholders of the Company through Postal Ballot on 1 October 2014.

  The Policy on dealing with Related Party Transactions is available on the Company's website at http://www.linde.in/en/investor_relations/codes_and_policies/index.html.

- **Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to the capital markets, during the last three years:**
  No penalties or strictures have been imposed by Stock Exchange(s), SEBI or any statutory authority on any matter related to capital markets during the last three years.

- **Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee:**
  The Linde Group's Code of Ethics encourages all employees who have concerns about their work or the business of the Company, to discuss these issues with their line managers. The employees also have free access to Human Resource, Internal Audit and Legal Services Department for resolving their concerns. No employee has been denied access to the Audit Committee.

  As per the requirement of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has framed its Whistle Blower Policy to enable all employees and the directors to report in good faith any violation of the Code of Ethics as enumerated in the Policy. The whistle blowers may also lodge their complaints/concern with the Chairman of the Audit Committee, whose contact details are provided in the Whistle Blower Policy of the Company. The Policy also offers appropriate protection to the whistle blowers from victimization, harassment or disciplinary proceedings.

- **Web link where policy on determining 'material' subsidiaries is disclosed:**
  The Company does not have any subsidiary.

- **Details of Compliance with mandatory requirements:**
  The Company has complied with all the applicable mandatory requirements of the Code of Corporate Governance as prescribed under the SEBI Listing Regulations.

- **Details of compliance with non-mandatory (discretionary) requirements:**
  The Company complies with the following non mandatory (discretionary) requirements as specified in Part E of Schedule II of the SEBI Listing Regulations:

  The Board
  The Chairman of the Company is a Non-Executive Director representing The Linde Group. However, the Company is not maintaining an exclusive Chairman's office at its expense.

  Shareholders' Rights
  The quarterly, half yearly and annual financial results of the Company are published in leading newspapers and are also posted on the Company's website. Significant press releases are also posted on the website in the News and Media section.

  The Company had sent Annual Reports for the year 2015 together with Notice of the Annual General Meeting in electronic mode to those shareholders whose e-mail address were registered with the Company's RTA or the Depositories for this purpose. For other shareholders, who had not registered their email ids, the complete Annual Report for 2015 in physical form was sent at their registered addresses.

  Modified opinion(s) in audit report
  The Auditors of the Company have issued an unmodified opinion in their report to the Members of the Company on the financial statements for the year ended 31 December 2016.

  Separate posts of Chairperson and Chief Executive Officer (Managing Director)
  The Company has appointed separate persons to the post of Chairman and Managing Director.

  Reporting of Internal Auditor
  The Internal Auditor of the Company directly submits its reports to the Audit Committee of the Board. The Internal Auditor is a permanent invitee at the Audit Committee Meetings and regularly attends these Meetings, inter alia, in connection with Audit Plan and Internal Audit Reports.

General Shareholder Information

Date, time & venue of the Annual General Meeting		**18 April 2017 at 10.00 a.m.** **Kala Mandir Auditorium** **48, Shakespeare Sarani, Kolkata 700 017**
Financial Calendar 2017 (tentative and subject to change)	i. Financial Year	January 2017 to December 2017
	ii. First Quarter Results	12 May 2017
	iii. Second Quarter and Half Yearly Results	17 July 2017
	iv. Third Quarter Results	26 October 2017
	v. Audited Annual Results	February 2018
Book Closure Period	11 April 2017 to 18 April 2017 (both days inclusive)	
Dividend Payment Date	On or after 24 April 2017 (if approved by the Members at the AGM)	
Listing on Stock Exchanges	a) BSE Ltd., P. J. Towers, Dalal Street, Mumbai 400 001	
	b) National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	
	Annual Listing Fees have been paid to all these stock exchanges for the year 2016-17.	
Stock Code	a) BSE Ltd., Physical: 23457; Demat: 523457	
	b) National Stock Exchange of India Ltd., Symbol: LINDEINDIA	

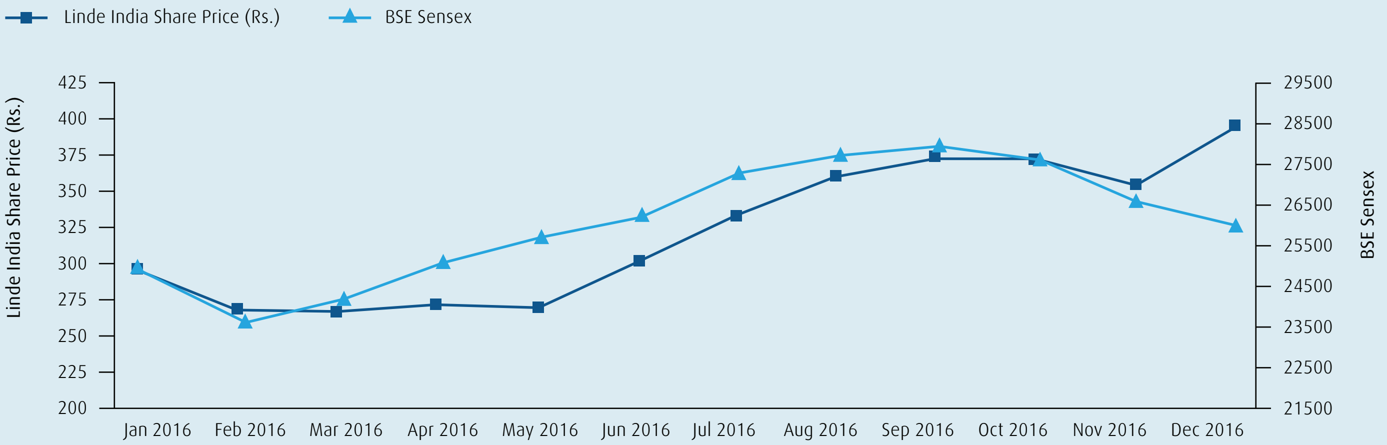
Stock Market Price Data

Monthly high and low quotations and volume of shares traded on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during the year ended 31 December 2016:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume of shares traded	High (Rs.)	Low (Rs.)	Volume of shares traded
January 2016	322.00	258.00	25,780	324.65	268.00	46,154
February 2016	294.70	240.50	19,270	297.70	238.20	33,780
March 2016	290.00	245.00	1,251,029	284.80	244.20	83,087
April 2016	285.00	261.00	376,618	280.00	262.15	485,845
May 2016	282.95	257.60	429,849	281.00	253.20	1,006,025
June 2016	332.00	272.50	262,016	332.00	271.65	1,223,768
July 2016	352.20	321.10	100,030	353.50	323.00	528,687
August 2016	406.70	322.00	151,980	407.90	323.00	585,084
September 2016	406.00	343.00	63,609	407.00	344.10	205,316
October 2016	398.15	353.00	39,206	398.80	354.10	1,189,993
November 2016	389.30	322.20	158,976	389.70	321.00	226,031
December 2016	413.90	343.65	162,157	413.10	341.30	758,295

Performance of the Company's shares to broad based indices such as BSE Sensex

Linde India Share Price vs. BSE Sensex (Average Monthly Closing)



Registrar and Transfer Agents	Link Intime India Pvt. Ltd. 59C, Chowringhee Road, 3rd Floor, Kolkata 700 020 Contact person : Mr K Mustafi, Head-Operations Phone : 91-33-2289 0540; Telefax : 91-33-2289 0539 Email : kolkata@linkintime.co.in
Share Transfer System	The work relating to Share Registry both in physical and electronic form is handled by Link Intime India Pvt. Ltd., Registrar and Transfer Agents of the Company. In compliance with the requirement of the Reg. 40 of SEBI Listing Regulations, all transfers, sub division, consolidation, renewal, exchange, etc. of shares in the Company are processed after they are approved by the Committee of Managing Director and Company Secretary, who have been delegated this power by the Board of Directors for expediting these processes. The Committee of Delegates has now been meeting at regular intervals to dispose of all matters relating to transfer, transmission, etc. Dematerialisation of shares is processed normally within a period of 10 days from the date of receipt of the Demat Request Form.
Dematerialisation of shares and Liquidity	The Company's shares are compulsorily required to be traded in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE473A01011. As on 31 December 2016, a total of 84,252,676 equity shares of the Company constituting 98.79% of the total Subscribed and Paid up Share Capital stands dematerialized.

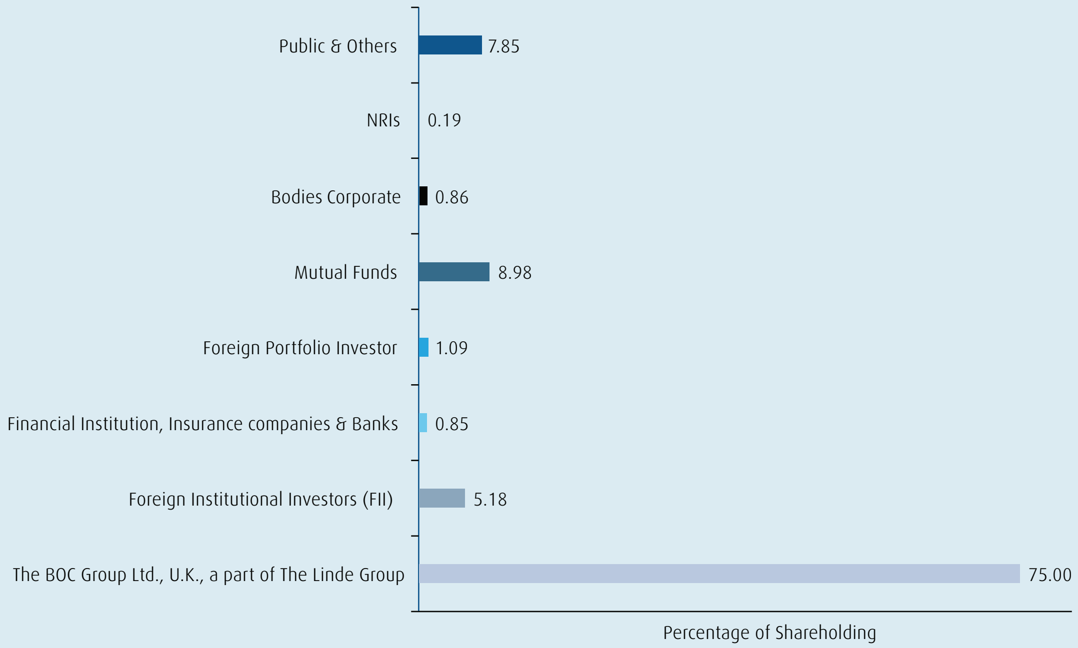
Distribution of shareholding as on 31 December 2016

Number of Shares Slab	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
1-50	7,953	40.71	158,046	0.19
51-100	3,486	17.84	310,106	0.36
101-250	3,571	18.28	629,292	0.74
251-500	2,377	12.17	894,152	1.05
501-1000	1,269	6.49	950,201	1.11
1001-5000	749	3.83	1,525,499	1.79
5001-10000	54	0.28	376,266	0.44
10001-100000	55	0.28	1,648,787	1.93
Above 100000	23	0.12	78,791,874	92.39
Total	19,537	100.00	85,284,223	100.00

Shareholding pattern as on 31 December 2016

Category	Number of Shares held	% of Issued & Paid up Share Capital
(A) Foreign Promoters		
The BOC Group Ltd., U.K., a part of The Linde Group	63,963,167	75.00
(B) Public Shareholding		
(I) Institutional Shareholding		
Foreign Institutional Investors	4,417,940	5.18
Financial Institutions, Insurance Companies & Banks	726,699	0.85
Foreign Portfolio Investor	930,491	1.09
Mutual Funds	7,654,111	8.98
Sub-Total (I)	**13,729,241**	**16.10**
(II) Government Shareholding	29	0.00
Sub-Total (II)	**29**	**0.00**
(III) Non-Institutional Shareholding		
Bodies Corporate	735,246	0.86
NRIs	158,885	0.19
Public & Others	6,697,655	7.85
Sub-Total (III)	**7,591,786**	**8.90**
Total	85,284,223	100.00

Shareholding pattern as on 31 December 2016



Outstanding GDRs/ADRs, Warrants or any Convertible instruments, conversion date and likely impact on equity:

Not Applicable

Commodity price risk or foreign exchange risk and hedging activities:

The Company's Policy is to take forward cover in respect of its major foreign exchange exposures such as for imports, repayment of borrowings & interest thereon denominated in foreign currency and export receivables. The details of foreign exchange exposures are disclosed in Note 42 of Notes to the Standalone Financial Statements for the year ended 31 December 2016.

Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account

Not Applicable as the Company did not have any unclaimed shares in physical form pursuant to a public or any other issue.

Plant Locations:

Bangalore
Plot No 1 & 2 (Part),
Survey No. 59/1 & 60,
Sompura Industrial Area,
Dobaspet, 1st Stage,
Bangalore 562 111

Bellary
1800 tpd ASU,
JSW Steel premises,
Toarangallu, Dist-Bellary,
Karnataka 583 123

Bhiwadi
Plot No. B-821, RIICO Industrial Area,
Phase II, Dist. Alwar,
Bhiwadi 301 019,
Rajasthan

Chennai
Plot No. G-21, SIPCOT Industrial Park,
Irungattukottai, Sriperumbudur,
Dist. Kancheepuram 602 105

Dahej
70 tpd ASU,
Packaged Gases and Products Plant,
Plot No. D2/19,
Dahej Industrial Estate,
Taluka - Vagra,
Dist. Bharuch,
Gujarat 392 130

Faridabad
Plot No. 41, Sector-6,
Faridabad, Haryana 121 006

Hyderabad
65 tpd ASU &
Packaged Gases and Products Plant,
Plot No. 178 & 179,
IDA Pashamylaram, Phase III,
Dist. Medak 502 307

Jajpur
421 tpd ASU,
Jindal Stainless Ltd.,
Kalinganagar Industrial Complex,
Duburi, Dist. Jajpur 755 026,
Odisha

Kalinganagar
2X1200 tpd ASU,
C/o. Tata Steel Ltd.,
Kalinganagar Industrial Complex,
Duburi, Dist. Jajpur 755 026,
Odisha

Jamshedpur
2550 tpd ASU,
1290 tpd ASU,
Industrial Gases Plants,
(500 tpd, 275 tpd x 2),
Long Tom Area, (Behind NML),
Burma Mines,
Jamshedpur 831 007

225 tpd ASU,
Near "L" Town Gate,
Opposite Bari Maidan,
Sakchi, Jamshedpur 831 001

Mona Road, Burma Mines,
Jamshedpur 831 007

Kolkata
Plant Manufacturing Works,
P-41 Taratala Road,
Kolkata 700 088

48/1 Diamond Harbour Road,
Kolkata 700 027

Pune
B 16/2, MIDC Industrial Area,
Chakan, Village – Nighoje,
Tal-Khed,
Dist. Pune 410 501

Rourkela
2x853 tpd ASU,
Near Rourkela Steel Plant Fertilizer Gate,
Rourkela Town Unit No. 46,
P.O. Tangrapalli, Dist. Sundargarh,
Rourkela, Odisha 769 007

Selaqui
221 tpd ASU,
Khasara No. 122,
MI Central Hope Town,
Twin Industrial Estate, Phase-II,
Selaqui, Dehradun 248 197

Taloja
330 tpd ASU,
T-8, MIDC Industrial Area,
Taloja, Dist. Raigad,
Navi Mumbai 410 208

T-25, MIDC Industrial Area,
Taloja, Dist. Raigad,
Navi Mumbai 410 208

Trichy
Plot No. 30, 31 & 32,
SIDCO Industrial Estate, Mathur,
Dist. Pudukkottai 622 515

Uluberia
P.O.: Birshibpur, Uluberia,
Dist. Howrah 711 316

Address for correspondence:

Asst. Vice President and Company Secretary

Linde India Limited
Oxygen House, P 43 Taratala Road
Kolkata 700 088 India
Phone : 91-33-6602 1600
Fax : 91-33-2401 4206
E mail: investor.relations.in@linde.com

Declaration by the Managing Director (CEO) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Linde India Limited

I, Moloy Banerjee, Managing Director of Linde India Limited declare that to the best of my knowledge and belief, all the Members of the Board and senior management personnel of the Company have affirmed their respective compliance with the applicable Code of Conduct for the year ended 31 December 2016.

Moloy Banerjee
Managing Director

Mumbai
11 February 2017

Auditor's Certificate on compliance with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Linde India Limited

We have examined the compliance of conditions of Corporate Governance by Linde India Limited ('the Company') for the year ended on 31 December 2016 as per regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations].

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on Use

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022
Jayanta Mukhopadhyay
Partner
Membership No: 055757

Place: Mumbai
Date: 11 February 2017

Balance sheet

as at 31 December 2016

in Rupees million	Note	As at 31 Dec. 2016	As at 31 Dec. 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	852.84	852.84
Reserves and surplus	3	13,111.31	13,072.99
		13,964.15	**13,925.83**
Non-current liabilities			
Long-term borrowings	4	9,897.32	13,382.60
Deferred tax liabilities (net)	5	1,512.15	1,542.87
Other long-term liabilities	6	436.75	432.23
Long-term provisions	7	2,788.58	2,599.12
		14,634.80	**17,956.82**
Current liabilities			
Short-term borrowings	8	1,000.00	500.00
Trade payables	9		
- total outstanding dues of micro and small enterprises		0.78	1.18
- total outstanding dues of creditors other than micro and small enterprises		2,844.89	2,161.08
Other current liabilities	10	5,320.14	1,599.47
Short-term provisions	7	462.59	497.65
		9,628.40	**4,759.38**
TOTAL		38,227.35	36,642.03
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	11	26,249.12	21,497.65
Intangible fixed assets	12	43.03	78.28
Capital work-in-progress	11	802.87	5,765.52
Non-current investments	13	150.07	150.07
Long-term loans and advances	14	2,937.32	2,711.90
Other non-current assets	15	745.78	700.46
		30,928.19	**30,903.88**
Current assets			
Inventories	16	686.82	652.99
Trade receivables	17	3,683.44	3,362.79
Cash and bank balances	18	1,061.39	210.30
Short-term loans and advances	19	664.39	675.09
Other current assets	20	1,203.12	836.98
		7,299.16	**5,738.15**
TOTAL		38,227.35	36,642.03
Significant accounting policies	1		

The notes referred form an integral part of the financial statements (1 to 52)

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022
JAYANTA MUKHOPADHYAY, Partner
Membership No. : 055757

I BAGCHI, Chief Financial Officer
Membership No. : 057564

P MARDA, Asst. Vice President & Company Secretary
Membership No. : A8625

For and on behalf of Board of Directors of
Linde India Limited
CIN: L40200WB1935PLC008184
S LAMBA, Chairman DIN : 00320753
J MEHTA, Director DIN : 00033518
M BANERJEE, Managing Director DIN : 00273101

Mumbai
11 February 2017

Statement of profit and loss

for the year ended 31 December 2016

in Rupees million	Note	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Revenue from operations	21		
Sale of products (gross)		16,873.54	14,987.72
Less: Excise duty		1,540.48	1,357.18
Sale of products (net)		**15,333.06**	**13,630.54**
Revenue from construction contracts		2,808.86	1,910.36
Other operating revenues		228.54	125.39
Total		**18,370.46**	**15,666.29**
Other Income	22	**219.49**	**318.09**
Total Revenue		18,589.95	15,984.38
Expenses			
Cost of materials consumed	23	1,837.86	1,119.10
Purchase of stock-in-trade	24	694.17	558.95
Changes in inventories of finished goods, contract work-in-progress and stock in trade	25	(66.57)	16.42
Employee benefit expense	26	1,019.77	924.26
Finance costs	27	1,146.33	898.83
Depreciation and amortisation (including impairment)	28	1,988.73	1,615.25
Other expenses	29	11,918.57	10,751.01
Total expenses		18,538.86	15,883.82
Profit before exceptional items and tax		**51.09**	**100.56**
Exceptional item	43	-	(95.00)
Profit before tax		**51.09**	**5.56**
Income tax expense :			
Current tax - MAT		(30.07)	(5.47)
MAT credit entitlement		30.07	5.47
Deferred tax release [Refer Note 41 (iv)]		42.31	220.61
Provision for Tax for earlier years adjusted		-	8.40
Profit for the year		**93.40**	**234.57**
Earnings per equity share [nominal value of share Rs. 10 (previous year Rs.10)]	38		
On profit after taxation and before exceptional items			
Basic (Rs.)		1.10	3.48
Diluted (Rs.)		1.10	3.48
On profit after taxation			
Basic (Rs.)		1.10	2.75
Diluted (Rs.)		1.10	2.75
Significant accounting policies	1		

The notes referred form an integral part of the financial statements (1 to 52)

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022
JAYANTA MUKHOPADHYAY, Partner
Membership No. : 055757

I BAGCHI, Chief Financial Officer
Membership No. : 057564

P MARDA, Asst. Vice President & Company Secretary
Membership No. : A8625

For and on behalf of Board of Directors of
Linde India Limited
CIN: L40200WB1935PLC008184
S LAMBA, Chairman DIN : 00320753
J MEHTA, Director DIN : 00033518
M BANERJEE, Managing Director DIN : 00273101

Mumbai
11 February 2017

Cash flow statement

for the year ended 31 December 2016

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
A. Cash flow from operating activities :		
Profit before tax	**51.09**	**5.56**
Adjustments for :		
Depreciation and amortisation including impairment	1,988.73	1,615.25
Bad Debts written off	79.18	19.32
Provision for doubtful receivables	39.09	61.82
Provision for contingencies	66.26	-
Provision for warranties	28.57	19.14
Unrealised foreign exchange loss / (gain)	1.86	5.75
Gain on ECB restructuring	-	(86.95)
Dividends on non-current investments - trade	(30.00)	(30.00)
Profit on disposal of fixed assets (net)	(156.88)	(151.39)
Provision for warranties written back	(44.46)	-
Provisions/liabilities no longer required written back	(31.36)	(47.56)
Finance cost(net)	1,133.13	874.71
Operating cash flow before working capital changes	**3,125.21**	**2,285.65**
Adjustments for increase / decrease in :		
Trade receivables	(438.92)	(369.28)
Loans and advances	(12.12)	653.89
Other assets	(209.11)	(547.91)
Inventories	(33.83)	55.64
Liabilities and provisions	579.06	247.12
Cash generated from operations	**3,010.29**	**2,325.11**
Income taxes paid (net of refund)	(71.66)	98.71
Net cash generated from operating activities	**2,938.63**	**2,423.82**
B. Cash flow from investing activities :		
Purchase or construction of fixed assets (including intangible assets, capital advances and capital work in progress)	(1,378.32)	(810.23)
Proceeds from sale of fixed assets	57.20	197.92
Dividend received	30.00	30.00
Interest received	11.80	12.37
Bank deposits (having original maturity of more than 3 months)	(1.28)	(6.12)
Net cash used in investing activities	**(1,280.60)**	**(576.06)**
C. Cash flow from financing activities :		
Proceeds from borrowings	500.00	1,812.26
Repayment of borrowings	-	(3,078.57)
Mark to market gain on cancelation of derivative contracts	-	489.97
Mark to market loss on roll forward of derivative contracts	-	(11.24)
Finance cost paid	(1,230.91)	(1,274.20)
Dividend paid	(64.28)	(127.92)
Tax paid on dividend	(13.02)	(25.58)
Net cash used in financing activities	**(808.21)**	**(2,215.28)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	849.82	(367.52)
Cash and cash equivalents at the beginning of the period	204.18	571.70
Cash and cash equivalents at the end of the period	1,054.00	204.18

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Notes to cash flow statement		
Cash and cash equivalents comprises of (refer Note 18) :		
Cash on hand	2.85	1.20
With scheduled banks:		
- on current accounts	120.88	85.26
- on deposit account (with original maturity of 3 months or less)	925.87	113.00
- on unclaimed dividend accounts *	4.40	4.72
	1,054.00	**204.18**

* accounts are not available for use by the Company

The notes referred form an integral part of the financial statements (1 to 52)

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022
JAYANTA MUKHOPADHYAY, Partner
Membership No. : 055757

I BAGCHI, Chief Financial Officer
Membership No. : 057564

P MARDA, Asst. Vice President & Company Secretary
Membership No. : A8625

For and on behalf of Board of Directors of
Linde India Limited
CIN: L40200WB1935PLC008184
S LAMBA, Chairman DIN : 00320753
J MEHTA, Director DIN : 00033518
M BANERJEE, Managing Director DIN : 00273101

Mumbai
11 February 2017

Notes to financial statements

for the year ended 31 December 2016

Company Overview

Linde India Limited is a public company having Corporate Identity Number L40200WB1935PLC008184. It is incorporated under the Companies Act, 1956 and its shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Company is primarily engaged in manufacture of industrial and medical gases and construction of cryogenic and non cryogenic air separation plants.

1. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

a) Basis of preparation of financial statements

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with rule 7 of the Companies (Accounts) Rules, 2014 other relevant provisions of the Act, to the extent notified and applicable, and other accounting principles generally accepted in India. The financial statements are presented in Indian rupees rounded off to the nearest million.

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

c) Current – non current classification

All assets and liabilities are classified into current and non-current assets.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within 12 months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within 12 months after the reporting date; or
d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Based on the nature of manufacturing activity and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle for the purpose of current – non-current classification of assets and liabilities:

- as 12 months for the gases and related products of the Company
- as 24 months for the Project Engineering Division of the Company which are engaged in the manufacture and construction of cryogenic and non-cryogenic air separation plants.

d) Revenue recognition

Revenue from sale of gas and related products in the course of ordinary activities is recognised when property in the goods and related products or all significant risk and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of gas and its related products and regarding its collection. Facility charge is recognised on accrual basis as per the terms of the contract with the customers. The amount recognized as revenue is exclusive of sales tax and value added tax.

Contract revenue and contract costs associated with the long term construction contracts are recognised as revenue and expenses respectively by reference to the stage of completion of the project at the Balance Sheet date. The stage of completion of project is determined by the proportion that contract costs incurred for work performed upto the balance sheet date bear to the estimated total contract costs. If total cost is estimated to exceed total contract revenue, the company provides for foreseeable loss.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Income from dividend is recognised when right to receive payment is established.

e) Tangible fixed Assets

Tangible fixed assets are stated at cost of acquisition or construction or revalued amounts less accumulated depreciation or accumulated impairment loss, if any. Cost of item of tangible fixed asset includes purchase price, taxes, non- refundable duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use. Subsequent expenditures related to an item of tangible assets are added to its book value only if they increase the future benefit from the existing asset beyond its previously assessed standard of performance.

Assets retired from active use and held for disposal are stated at lower of their net book value and net realizable value and shown under “Other current assets”.

Spares that can be used only with particular items of plant and machinery and such usage is expected to be irregular are capitalised.

Fixed assets under construction are disclosed as capital work in progress.

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost is recognised in the statement of Profit and Loss.

f) Intangible fixed Assets

Goodwill arising on acquisition of a business is measured at cost less any accumulated impairment loss.

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

g) Depreciation

Tangible fixed assets

- Depreciation is computed as per the straight line method based on the management’s estimate of useful life of a fixed asset which is in accordance with the useful lives of fixed assets indicated in Schedule II of the Act. For certain assets categorised under “Plant and equipment”, based on internal assessment, the management believes that these assets have useful lives of 10 years, 15 years and 18 years, which is different from the useful lives as prescribed under Part C of Schedule II of the Act.
- In case of revalued fixed assets, depreciation is provided as aforesaid, on the total value of fixed assets as appearing in the books of account after revaluation. Additional depreciation attributable to revalued amount is charged to the Statement of Profit and Loss. On disposal of a previously revalued item of fixed asset, the difference between the net disposal proceeds and the net book value is charged or credited to the Statement of Profit and Loss except that, to the extent such loss is related to an increase which was previously recorded as a credit to revaluation reserve and which has not been subsequently reversed or utilised, is charged directly to that account. The amount standing in revaluation reserve following the retirement or disposal of an asset, which relates to that asset is transferred to general reserve.
- Assets individually costing Rs. 10,000 or less are fully depreciated in the year of acquisition.
- Spares capitalised are being depreciated over the useful life / remaining useful life of the plant and machinery with which such spares can be used.

h) Amortisation

Intangible fixed assets are amortised in Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis. In accordance with the applicable Accounting Standard, the Company follows a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. However, if there is persuasive evidence that the useful life of an intangible asset is longer than ten years, it is amortised over the best estimate of its useful life. Such intangible assets and intangible assets that are not yet available for use are tested annually for impairment.

The amortization rates are as follows:

Goodwill	20%
Software	20%
Non- compete fee	20%
Leasehold rights	33.33%

i) Impairment

The carrying amounts of fixed assets and capital work in progress are reviewed at each Balance Sheet date in accordance with Accounting Standard 28 on ‘Impairment of Assets’, to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or the cash generating unit of which it is a part exceeds the corresponding recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised. Impairment loss recognized for goodwill is not reversed in a subsequent period unless the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur, and subsequent external events have occurred that reverse the effect of that event. Goodwill, intangible assets which are amortised over a period exceeding ten years and intangible assets which are not yet available for use are tested for impairment annually.

j) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to other than temporary interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

k) Investments

Non-current investments are stated at cost. Provision is made for diminution, other than temporary, in the value of investments, wherever applicable. Current investments are stated at lower of cost and fair value.

l) Inventories

Inventories which comprise raw materials, components, stores and spare parts are valued at lower of cost and net realisable value. Cost includes purchase price, duties and taxes (other than those subsequently recoverable by the Company from taxing authorities), freight inward and other expenditure in bringing inventories to present locations and conditions. In determining the cost, weighted average cost method is used. The carrying costs of raw materials, components and stores and spare parts are appropriately written down when there is a decline in replacement cost of such materials and the finished products in which they will be incorporated are expected to be sold below cost.

Finished goods are valued at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item by item basis. Cost comprises of direct material and labour expenses and an appropriate portion of production overheads incurred in bringing the inventory to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of the production facilities.

Excise duty liability is included in the valuation of year - end inventory of finished goods.

Costs incurred on long term construction contracts representing general purpose item of inventories are disclosed as contract work in progress net of provision for loss.

m) Leases

Finance leases

Assets made available to customers under arrangements which are in the nature of finance lease are recognised as a receivable at the inception of the lease at an amount equal to the net investment in the lease or the fair value of the leased assets, whichever is lower. The excess of net investment in the lease/ fair value of the leased asset, as the case may be, over the book value of the leased asset are recognised as gain in the Statement of Profit and Loss at the inception of the lease. Lease rentals are apportioned between principal and interest based on a pattern reflecting a constant periodic return on the net investment of the lessor outstanding in respect of the finance lease. The lease rental amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs are recognised immediately in the Statement of Profit and Loss.

Operating leases

Lease payments under operating leases are recognised as expense in the Statement of Profit and Loss on a straight line basis over the lease term.

n) Research and development

Revenue expenditure on research and development is expensed in the year in which it is incurred and related capital expenditure is considered as addition to fixed assets.

o) Employee benefits

The Company’s obligations towards various employee benefits have been recognised as follows:

Short term benefits

Employee benefits payable wholly within twelve months of receiving employees services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

Cost of accumulating compensated absences that are expected to be availed within a period of 12 months from the period end are recognised when the employees render the service that increases their entitlement to future compensated absences. Cost is computed based on past trends and is not discounted. Cost of non- accumulating compensated absences is recognised when absences occur.

Post employment benefits

i) Monthly contributions to Provident Funds which are in the nature of defined contribution schemes are charged to Statement of Profit and Loss and deposited with the provident fund authorities on a monthly basis.

Provident fund administered through Company's trust for certain employees (in accordance with Provident Fund Regulation) are in the nature of defined benefit obligations with respect to the yearly interest guarantee. Annual charge is recognised based on actuarial valuation of the Company's related obligation on the reporting date. Actuarial gains or losses for the year are recognised in the Statement of Profit and Loss as income or expenses.

ii) Gratuity and superannuation schemes which are in the nature of defined benefit plans, excepting Plan B of Executive Staff Pension Fund, are administered by the Trustees. Annual contributions are recognised on the basis of actuarial valuation of related obligations and plan assets conducted by an external actuary appointed by the Company and are paid to the respective funds. Plan B of Executive Staff Pension Fund which is a defined contribution scheme for which the Trustees of the scheme have entrusted the administration of the related fund to the Life Insurance Corporation of India (LICI). The contributions are charged to Statement of Profit and Loss and deposited with LICI on a monthly basis.

Compensated absences

Cost of long term benefit by way of accumulating compensated absences that are expected to be availed after a period of 12 months from the period-end are recognised when the employees render the service that increases their entitlement to future compensated absences. Such costs are recognised based on actuarial valuation of related obligation on the reporting date. Actuarial gains and losses for the year are recognised in the Statement of Profit and Loss as income or expense.

Termination Benefits

Costs of termination benefits have been recognised only when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle such obligation and the amount of the obligation can be reliably estimated.

p) Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rate prevailing on the dates of the transactions. Year-end monetary assets and liabilities denominated in foreign currencies are translated at the year-end foreign exchange rates.

Exchange differences arising on settlements/ translations are recognised in the Statement of Profit and Loss. In case of forward exchange contracts which are entered into to hedge the foreign currency risk of a receivable/ payable recognised in these financial statements, premium or discount on such contracts are amortised over the life of the contract and exchange differences arising thereon in the reporting period are recognised in the Statement of Profit and Loss.

q) Derivative instruments and hedge accounting

The Company has entered into forward contracts and principal and interest swap contracts with a bank to hedge its risks associated with foreign currency and variable interest rate fluctuations related to certain firm commitments and forecasted transactions. These derivative contracts are being considered as cash flow hedges applying the recognition and measurement principles set out in the Guidance Note on Accounting for Derivative Contracts issued by the Institute of Chartered Accountants of India. The use of hedging instruments is governed by the Company's policies approved by the Board of Directors. The Company does not use these contracts for trading or speculative purposes.

To designate a forward contract/ swap contract as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in offsetting cash flows attributable to the hedged risk.

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates at fair value. Gain/ loss arising from year end translation of borrowings drawn down and gain/ loss arising from changes in fair values of these derivatives that are effective hedges are recognized directly in the shareholders' funds and retained there till these hedging instruments either expire or are sold, terminated, exercised or no longer qualify for hedge accounting. When a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the Statement of Profit and Loss for the year.

In the absence of designation as effective hedge, gain or loss arising from changes in fair values of these swap contracts are recognized in the Statement of Profit and Loss.

The fair value of the forward contracts and the swap contracts are based on the appropriation valuation technique, considering the terms of the contract.

r) Provisions and contingent liabilities

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

s) Tax

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

t) Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti- dilutive.

u) CSR Expenditure

All amounts spent on Corporate Social Responsibility (CSR) activities, which is specified in Schedule VII to the Companies Act, 2013 read with MCA Circular No. 21/ 2014 dated 24.10.2014, is recognised as CSR Expenditure in the Statement of Profit and Loss.

No provision for the amount which is not spent, i.e., any shortfall in the amount that was expected to be spent as per the provisions of the Act on CSR activities and the amount actually spent at the end of financial year is made in the financial statements. However, if the company has already undertaken certain CSR activity for which a liability has been incurred by entering into a contractual obligation, then in accordance with the generally accepted principles of accounting, a provision for the amount representing the extent to which the CSR activity was completed during the year, is recognised in the financial statements.

2. Share capital

in Rupees million	As at 31 Dec. 2016		As at 31 Dec. 2015	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 10 each	86,000,000	860.00	86,000,000	860.00
Issued				
Equity Shares of Rs. 10 each	85,286,209	852.86	85,286,209	852.86
Subscribed and paid up				
Equity Shares of Rs. 10 each fully paid up	85,284,223	852.84	85,284,223	852.84

Reconciliation of shares outstanding

i. At the beginning and at the end of the reporting period

in Rupees million	As at 31 Dec. 2016		As at 31 Dec. 2015	
	Number	Amount	Number	Amount
Equity Shares of Rs. 10 each fully paid up At the commencement and at the end of the year	85,286,209	852.86	85,286,209	852.86

ii. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

in Rupees million	As at 31 Dec. 2016		As at 31 Dec. 2015	
	Number	Amount	Number	Amount
The BOC Group Ltd,U.K., holding company	63,963,167	639.63	63,963,167	639.63

iii. Particulars of shareholders holding more than 5% shares of a class of shares

	As at 31 Dec. 2016		As at 31 Dec. 2015	
	Number	% of total shares in class	Number	% of total shares in class
The BOC Group Ltd,U.K., holding company	63,963,167	75.00	63,963,167	75.00

iv. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

3. Reserve and surplus

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
Securities premium account		
At the commencement and at the end of the year	6,972.52	6,972.52
Revaluation reserve		
At the commencement of the year	11.33	11.34
Less: Amount transferred to the general reserve	1.00	0.01
	10.33	11.33
Capital incentive		
At the commencement and at the end of the year	2.00	2.00
General reserve		
At the commencement of the year	984.34	984.33
Add :Transfer from revaluation reserve	1.00	0.01
	985.34	984.34
Translation and hedging reserve (Refer Note 42)		
At the commencement of the year	(56.86)	21.67
Add : Movement during the year	21.90	(78.53)
	(34.96)	(56.86)
Surplus (profit and loss balance)		
At the commencement of the year	5,159.66	5,047.52
Profit for the year	93.40	234.57
Adjustments for depreciation (Refer Note 11)		45.45
Appropriations		
Proposed equity dividend [amount Re. 0.75 per share (previous year: Re. 0.75 per share)]	63.96	63.96
Tax on proposed equity dividend	13.02	13.02
	5,176.08	5,159.66
Total reserves and surplus	13,111.31	13,072.99

4. Long-term borrowings

in Rupees million	Non-current portion		Current portion*	
	As at 31 Dec. 2016	As at 31 Dec. 2015	As at 31 Dec. 2016	As at 31 Dec. 2015
Unsecured				
Rupee loan from Linde AG, ultimate holding company	8,832.54	10,693.28	1,860.74	-
Foreign currency term loan from bank	1,064.78	2,689.32	1,695.48	-
	9,897.32	13,382.60	3,556.22	-

* Amount disclosed under "other current liabilities" under note 10

in Rupees million	Loan outstanding		Repayment schedule	Interest rate	Interest rate as per interest rate swap
	As at 31 Dec. 2016	As at 31 Dec. 2015			
Borrowings					
(a) External commercial borrowings in INR	5,553.83	5,553.83	Half Yearly installments from January 2017 to January 2020	7.76%	NA
(b) External commercial borrowings in INR	2,230.59	2,230.59	Quarterly installments from January 2017 to October 2020	8.95%	NA
(c) External commercial borrowings in INR	2,908.86	2,908.86	Quarterly installments from January 2017 to October 2020	8.91%	NA
(d) Foreign Currency term loan from bank of USD 4.95 million# (previous year USD 4.95 million)	336.39	327.73	July 2017	USD-LIBOR-BBA+158 basis points	9.5%
(e) Foreign Currency term loan from bank of USD 20.00 million# (previous year USD 20.00 million)	1,359.09	1,324.16	July 2017	USD-LIBOR-BBA+105 basis points	9.5%
(f) Foreign Currency term loan from bank of USD 15.67 million# (previous year USD 15.67 million)	1,064.78	1,037.43	May 2018	USD-LIBOR-BBA+115 basis points	9.5%
	13,453.54	13,382.60			

\# Against the above loan the company has designated principal and interest swap contracts with a bank as hedges of foreign currency borrowing facilities aggregating USD 40.62 million (previous year USD 40.62 million) equivalent to Rs. 2,500.00 (previous year Rs. 2,500.00). Also refer note 42

5. Deferred tax liabilities (net)

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
Deferred tax liabilities		
Difference between net book value of depreciable assets as per books and written down value as per Income Tax Act, 1961	3,680.78	2,937.05
Future Income from finance lease arrangement	84.84	137.10
Others	13.46	-
(A)	3,779.08	3,074.15
Deferred tax asset		
Mark to market on derivative contracts	18.57	30.16
Provision for doubtful receivables, contingencies, warranties and employee benefits	162.82	120.90
Separation payment to employees	26.42	35.75
Unabsorbed depreciation	2,057.53	1,342.88
Others	1.59	1.59
(B)	2,266.93	1,531.28
Deferred tax liabilities (net) (A) - (B)	1,512.15	1,542.87

6. Other long-term liabilities

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
Sundry deposits	367.08	352.81
Creditors for capital goods	-	16.03
Advance from customers	69.67	63.39
	436.75	432.23

7. Provisions

in Rupees million	Long term		Short term	
	As at 31 Dec. 2016	As at 31 Dec. 2015	As at 31 Dec. 2016	As at 31 Dec. 2015
Provision for employee benefits				
Gratuity*	57.02	40.31	-	-
Pension*	34.90	31.93	-	-
Compensated absences	27.19	23.48	0.48	1.05
Other employee benefits*	24.83	24.83	163.15	127.86
	143.94	120.55	163.63	128.91
Other provisions				
Provision for warranties	-	-	127.68	189.32
Provision for liquidated damages	-	-	5.83	80.23
Provision for contingencies	-	-	88.47	22.21
Provision for dismantling cost	668.00	532.00	-	-
Provision for proposed equity dividend	-	-	63.96	63.96
Tax on proposed equity dividend	-	-	13.02	13.02
Provision for tax (Including fringe benefit tax) [Refer note -14(a)]	1,976.64	1,946.57	-	-
	2,644.64	2,478.57	298.96	368.74
Total provisions	2,788.58	2,599.12	462.59	497.65

*Refer note 34

Movement of provisions

in Rupees million	Liquidated damages	Warranties	Contingencies	Dismantling Costs
Balance as at 1 January 2016	80.23	189.32	22.21	532.00
	(118.46)	(242.09)	(43.66)	(532.00)
Add: Provision during the year	-	28.57	66.26	136.00
	(-)	(42.82)	(2.56)	(-)
Less: Utilised during the year	74.40	45.75	-	-
	(38.23)	(71.91)	(23.13)	(-)
Less: Reversed during the year	-	44.46	-	-
	-	(23.68)	(0.88)	(-)
Balance as at 31 December 2016	5.83	127.68	88.47	668.00
	(80.23)	(189.32)	(22.21)	(532.00)

(previous year figures are in bracket)

(a) Provision for liquidated damages
Liquidated damages are provided based on contractual terms when the delivery / commissioning dates of an individual project have exceeded or are likely to exceed the delivery / commissioning dates and / or on the deviation in contractual performance as per the respective contracts. This expenditure is expected to be incurred over the respective contractual terms up to closure of the contract (including warranty period).

(b) Provision for warranties
Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacement, material cost, servicing and past experience in respect of warranty costs. It is expected that this expenditure will be incurred over the contractual warranty period.

(c) Provision for contingencies
Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

(d) Provision for dismantling costs
Provision is towards estimated cost to be incurred on dismantling of plants at the customers' site upon expiry of the tenure of the contractual agreement with the customer. Such cost has been capitalised under plant and machinery.

8. Short-term borrowings

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
Unsecured		
Short term loan from fellow-subsidiary *	1,000.00	500.00
	1,000.00	**500.00**

* It represents two installments of loan of Rs. 500 million each carrying interest rate of 7.90% and 6.95% respectively and repayable in February 2017 and December 2017 respectively

9. Trade payables

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
total outstanding dues of micro and small enterprises	0.78	1.18
total outstanding dues of creditors other than micro and small enterprises	2,844.89	2,161.08
	2,845.67	**2,162.26**
Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") based on the information available with the Company are given below:		
Particulars		
The amounts remaining unpaid to suppliers as at the end of the year		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006	-	0.18
The amounts of the payments made to suppliers beyond the appointed day during each accounting year	4.53	8.17
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	0.07	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	0.70	0.63

10. Other current liabilities

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
Current maturities of long-term borrowings (refer note 4)	3,556.22	-
Advance from customers	717.80	603.33
Billing in excess over cost and profit	335.20	543.88
Interest accrued but not due on borrowings	208.58	208.23
Amount liable to be deposited in Investor Education and Protection Fund but not yet due for deposit		
Unpaid dividend	4.40	4.72
Creditors for capital goods	467.22	210.46
Employee liabilities	11.09	17.98
TDS payable	18.87	9.78
Works Contract Tax payable	0.76	1.09
	5,320.14	**1,599.47**

11. Tangible fixed assets

in Rupees million	Freehold Land	Leasehold Land	Buildings*	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross Block								
Balance as at 1 January 2015	262.28	115.78	1,076.14	28,412.53	106.40	45.62	288.69	30,307.44
Additions#	-	-	64.19	1,138.06	5.50	-	44.55	1,252.30
Disposals/adjustments	-	-	(0.98)	(86.08)	(30.92)	(18.53)	(70.34)	(206.85)
Balance as at 31 December 2015	**262.28**	**115.78**	**1,139.35**	**29,464.51**	**80.98**	**27.09**	**262.90**	**31,352.89**
Balance as at 1 January 2016	262.28	115.78	1,139.35	29,464.51	80.98	27.09	262.90	31,352.89
Additions	-	-	110.68	5,539.80	2.31	-	71.22	5,724.01
Disposals/adjustments	-	-	(4.14)	(64.95)	(0.53)	(3.64)	(0.81)	(74.07)
Other Adjustments								
Borrowing Costs	-	-	31.67	957.10	-	-	-	988.77
Balance as at 31 December 2016	**262.28**	**115.78**	**1,277.56**	**35,896.46**	**82.76**	**23.45**	**333.31**	**37,991.60**
Depreciation and Impairment Losses								
Balance as at 1 January 2015	-	12.47	247.63	7,917.09	41.77	24.09	185.17	8,428.22
Depreciation for the Year	-	1.20	36.94	1,445.52	19.00	1.73	40.26	1,544.65
Depreciation transfer to reserve	-	-	1.81	45.60	-	0.12	21.98	69.51
Impairment loss during the Year	-	-	-	3.76	-	-	-	3.76
Impairment released during the year	-	-	-	(0.02)	(0.04)	-	-	(0.06)
Accumulated depreciation on Disposals	-	-	(0.98)	(85.36)	(29.53)	(7.12)	(67.85)	(190.84)
Balance as at 31 December 2015	**-**	**13.67**	**285.40**	**9,326.59**	**31.20**	**18.82**	**179.56**	**9,855.24**
Balance as at 1 January 2016	-	13.67	285.40	9,326.59	31.20	18.82	179.56	9,855.24
Depreciation for the Year	-	1.20	80.50	1,801.01	9.03	1.55	45.51	1,938.80
Impairment loss during the Year	-	-	14.43	-	-	-	-	14.43
Accumulated depreciation on Disposals	-	-	(4.10)	(57.40)	(0.44)	(3.24)	(0.81)	(65.99)
Balance as at 31 December 2016	**-**	**14.87**	**376.23**	**11,070.20**	**39.79**	**17.13**	**224.26**	**11,742.48**
Net block								
As at 31 December 2015	262.28	102.11	853.95	20,137.92	49.78	8.27	83.34	21,497.65
As at 31 December 2016	**262.28**	**100.91**	**901.33**	**24,826.26**	**42.97**	**6.32**	**109.05**	**26,249.12**

11. Tangible fixed assets (contd..)

in Rupees million	Total
Capital work-in-progress**	
Balance as at 1 January 2015	3,560.92
Additions	3,469.53
Asset capitalised during the year	(1,264.93)
Balance as at 31 December 2015	**5,765.52**
Balance as at 1 January 2016	**5,765.52**
Additions	1,707.23
Asset capitalised during the year	(6,669.88)
Balance as at 31 December 2016	**802.87**

* Includes revaluation on building **Rs. 10.33** (previous year Rs. 11.33) done by an external valuer on 30 September 1966 and 1 October 1980

** Includes borrowing costs aggregating **Rs. Nil** (previous year Rs. 903.84)

Capital work in progress Includes impairment balance of **Rs. 151.96** (previous year Rs. 151.96)

\# On re-assessment of useful lifes of Tangible Fixed Assets in previous year in accordance with Schedule II of the Companies Act, 2013, an amount of Rs 45.45 million (net of deferred tax of Rs 24.06 million) had been adjusted against the opening balance of Retained Earnings, in respect of the residual value of assets whose remaining useful life as on 1st January 2015 has become 'nil'.

12. Intangible fixed assets

in Rupees million	Goodwill	Software	Non compete fees	Leasehold rights	Total
Gross block					
Balance as at 1 January 2015	**124.16**	**80.16**	**17.00**	**13.30**	**234.62**
Additions	-	17.34	-	-	17.34
Disposals/Adjustments	-	(63.81)	-	-	(63.81)
Balance as at 31 December 2015	**124.16**	**33.69**	**17.00**	**13.30**	**188.15**
Balance as at 1 January 2016	**124.16**	**33.69**	**17.00**	**13.30**	**188.15**
Additions	-	0.25	-	-	0.25
Disposals/adjustments	-	(0.09)	-	-	(0.09)
Balance as at 31 December 2016	**124.16**	**33.85**	**17.00**	**13.30**	**188.31**
Amortisation					
Balance as at 1 January 2015	**52.51**	**40.93**	**6.09**	**6.54**	**106.07**
Amortisation for the Year	24.83	34.18	3.40	4.43	66.84
Accumulated amortisation on Disposals/Adjustments	-	(63.04)	-	-	(63.04)
Balance as at 31 December 2015	**77.34**	**12.07**	**9.49**	**10.97**	**109.87**
Balance as at 1 January 2016	**77.34**	**12.07**	**9.49**	**10.97**	**109.87**
Amortisation for the Year	23.19	6.58	3.40	2.33	35.50
Accumulated amortisation on Disposals/Adjustments	-	(0.09)	-	-	(0.09)
Balance as at 31 December 2016	**100.53**	**18.56**	**12.89**	**13.30**	**145.28**
Net block					
As at 31 December 2015	46.82	21.62	7.51	2.33	78.28
As at 31 December 2016	**23.63**	**15.29**	**4.11**	**-**	**43.03**

13. Non current investments (valued at cost unless stated otherwise)

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
Trade investments		
Unquoted		
I. Investment in equity instruments of joint venture		
Bellary Oxygen Company Private Limited	150.00	150.00
15,000,000 (Previous year 15,000,000) equity shares of Rs. 10 each		
Other non current investments		
Unquoted		
I. At Nominal value of Re 1 each		
Woodlands Multispeciality Hospital Limited		
2,980 (Previous Year 2,980) Equity shares of Rs. 10 each	0.00	0.00
Quoted		
II. Investment in equity shares		
JSW Steel Limited	0.07	0.07
1,000 (Previous Year 100) equity shares of Re. 1 each (Previous Year Rs 10 each)		
	150.07	**150.07**
The aggregate book value and market value of quoted non current investments and book value of unquoted non current investments are as follows		
Quoted non-current investment		
Aggregate book value	0.07	0.07
Aggregate market value	0.16	0.10
Aggregate book value of un-quoted non-current investment	150.00	150.00

14. Long term loans and advances

in Rupees million	Non-current Portion		Current Portion*	
	As at 31 Dec. 2016	As at 31 Dec. 2015	As at 31 Dec. 2016	As at 31 Dec. 2015
To parties other than related parties (Unsecured and considered good)				
Capital advances	86.87	12.53	-	-
Security deposits	201.46	187.36	38.24	50.51
Other loans and advances				
Prepaid expenses	11.80	3.07	27.38	36.74
Balance with custom, excise etc.	-	-	203.58	390.04
Advance tax recoverable [Refer note (a) below] [includes MAT credit entitlement Rs. 502.58 (previous year Rs. 472.51)]	2,610.67	2,508.94	-	-
	2,910.80	2,711.90	269.20	477.29
To related parties (Unsecured and considered good)				
Capital advances	26.52	-	-	-
	26.52	-	-	-
	2,937.32	2,711.90	269.20	477.29

* Amount disclosed under "short term loans and advances" under note 19

(a) Advance tax (net of provision) aggregates to Rs. 634.03 (previous year Rs. 562.37).

15. Other non current asset (Unsecured and considered good)

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
Receivable from finance lease arrangement	210.09	362.18
Receivable from mark to market on derivative contracts	34.63	113.62
Unbilled revenue	501.06	224.66
	745.78	700.46

16. Inventories (Valued at lower of cost and net realisable value)

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
Stores and spare parts [including goods in transit Rs. 0.34 (previous year Rs. 0.19)]	299.47	333.84
Raw materials and components	11.56	9.93
Finished goods [including goods in transit Rs. 2.32 (previous year Rs. 2.73)]	307.91	271.73
Contract work-in-progress	67.88	37.49
	686.82	**652.99**
Closing stock of finished goods		
Class of goods		
Air separation unit gases	176.47	184.97
Other cylinder gases	64.11	44.13
Others	67.33	42.63
	307.91	**271.73**

17. Trade receivables

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
Receivables outstanding for a period exceeding six months from the date they became due for payment		
(a) Unsecured, considered good	1,785.26	1,959.10
(b) Doubtful	187.93	165.81
Less : Provision for doubtful receivables	(187.93)	(165.81)
	1,785.26	**1,959.10**
Other receivables		
(a) Unsecured, considered good	1,898.18	1,403.69
(b) Doubtful	50.20	33.23
Less : Provision for doubtful receivables	(50.20)	(33.23)
	1,898.18	**1,403.69**
	3,683.44	**3,362.79**

18. Cash and bank balances

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
Cash and cash equivalents		
- Cash on hand	2.85	1.20
- Balances with banks		
on current accounts	120.88	85.26
on deposit account (with original maturity of 3 months or less)	925.87	113.00
on unclaimed dividend accounts *	4.40	4.72
Other Bank Balances	7.39	6.12
	1,061.39	**210.30**
* accounts are not available for use by the Company		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	1,046.75	198.26
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	7.39	6.12
Bank deposits due to mature after 12 months of the reporting date included under 'Other noncurrent assets'	-	-
	1,054.14	**204.38**

19. Short term loans and advances (Unsecured and considered good)

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
Current portion of long term loans and advances (refer note 14)		
To parties other than related parties	269.20	477.29
Other short-term loans and advances		
To parties other than related parties		
Advances for supply of goods and services	252.67	163.98
Advances to employees	1.08	2.12
To related parties		
Advances for supply of goods and services	141.44	31.70
	664.39	**675.09**

20. Other current assets (Unsecured and considered good)

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
Claims including escalation	287.57	219.90
Receivables from finance lease arrangement	34.98	35.16
Receivable from mark to market on derivative contracts	172.17	-
Unbilled revenue	318.12	186.13
Fixed assets reclassified as held for sale	-	4.23
Interest receivable	1.40	-
Receivable from related parties - for recovery of expenses	84.57	154.50
Receivable from sale of tangible fixed assets	112.00	-
Other receivable	192.31	237.06
	1,203.12	**836.98**

21. Revenue from operations

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Sale of products (gross)	16,873.54	14,987.72
Less: Excise duty	1,540.48	1,357.18
Sale of products (net)	**15,333.06**	**13,630.54**
Revenue from construction contracts (Refer note 39)	2,808.86	1,910.36
Other operating revenues (refer note 21a below)	228.54	125.39
	18,370.46	**15,666.29**
21.a Other operating revenues		
Interest income on finance lease arrangement	35.62	48.95
Provisions/liabilities no longer required written back	31.36	47.56
Provision for warranty written back	44.46	-
Gain on Foreign Exchange (net)	-	8.56
Miscellaneous Income	117.10	20.32
	228.54	**125.39**
Breakup of revenue		
Air separation unit gases	16,219.04	14,262.87
Other cylinder gases	156.79	159.13
Vessels, plants and other engineering project goods	2,808.86	1,910.36
Others	497.71	565.72
	19,682.40	**16,898.08**

22. Other income

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Rent	19.41	19.32
Dividends on long term investments - trade	30.00	30.00
Profit on disposal of fixed assets (net)	156.88	151.39
Gain on ECB restructuring [Also refer note 42 (iii)]	-	86.95
Insurance claims received	-	6.31
Interest income		
on deposits and others [tax deducted at source Rs. 1.32 (previous Year Rs. 1.23)]	13.20	12.37
on income tax refund	-	11.75
	219.49	**318.09**

23. Cost of materials consumed

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Inventory of materials at the begining of the year	9.93	14.23
Purchases	1,839.49	1,114.80
Less: Inventory of materials at the end of the year	11.56	9.93
	1,837.86	**1,119.10**
Breakup of cost of material consumed		
Ferrous, non-ferrous metals and components	1,778.58	1,063.71
Chemicals	59.28	55.39
	1,837.86	**1,119.10**
Breakup of inventory - materials		
Ferrous, non-ferrous metals and components	6.18	5.51
Chemicals	5.38	4.42
	11.56	**9.93**

24. Breakup of purchase of stock in trade

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Air separation unit gases	443.21	344.45
Other cylinder gases	54.86	29.21
Others	196.10	185.29
	694.17	**558.95**

25. Changes in inventories of finished goods, contract work in progress and stock in trade

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Opening inventory		
Finished goods	271.73	267.14
Contract work-in-progress	37.49	58.50
	309.22	**325.64**
Less : Closing inventory		
Finished goods	307.91	271.73
Contract work-in-progress	67.88	37.49
	(66.57)	**16.42**

26. Employee benefit expense

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Salaries, wages and bonus	838.20	768.24
Contribution to provident and other funds	124.57	89.84
Workmen and staff welfare expenses	56.72	65.44
Separation payments to employees	0.28	0.74
	1,019.77	924.26

27. Finance costs

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
on long and short term borrowings from banks	253.13	389.59
on external commercial borrowings (net of capitalisation) and others	893.20	509.24
	1,146.33	898.83

28. Depreciation and amortisation (including impairment)

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Depreciation of tangible fixed assets	1,938.80	1,544.65
Impairment losses	14.43	3.76
Amortisation of intangible fixed assets	35.50	66.84
	1,988.73	1,615.25

29. Other expenses

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Consumption of stores and spare parts	281.05	299.16
Travelling expenses	172.43	161.78
Power and fuel	8,181.06	7,468.74
Repairs		
- Plant and machinery	237.52	191.51
- Buildings	20.03	22.80
- Others	61.45	63.10
Insurance	48.15	48.31
Freight and transport	1,315.69	1,234.33
Rent (refer note 37)	41.98	55.57
Rates and taxes	3.87	33.92
Communication costs	51.33	44.18
Loss on foreign exchange (net)	1.71	-
Contract Job expenses	412.65	284.51
Provision for warranties	28.57	19.14
Bad debts written off [Net of provision for Liquidated damages adjusted **Rs. 74.40** (Previous year Rs 38.23)]	79.18	19.32
Provision for doubtful receivables	39.09	61.82
Technical support fees	19.30	16.42
CSR expenditure (refer note 44)	4.52	8.77
Miscellaneous expenses (refer note 33)	918.99	717.63
	11,918.57	**10,751.01**

30. Interest in joint venture

a) Interest in Joint-venture has been accounted for as a long term investment in these financial statements. The details as per Accounting Standard 27 – "Financial Reporting of Interest in Joint Ventures" are disclosed regarding the assets, liabilities, income and expenses of the joint venture company as additional information to the users of the financial statements.

b) The Company's interest, as a venturer, in a jointly controlled entity (Incorporated Joint Venture) is:

Name of the Joint Venture	Country of Incorporation	Percentage of ownership interest as at 31 Dec. 2016	Percentage of ownership interest as at 31 Dec. 2015
Bellary Oxygen Company Private Limited (Belloxy)	India	50	50

The Company's share in the aggregate amount of assets, liabilities, income and expenses of the above jointly controlled entity (as per the respective unaudited financial statement available with the company) is as under:

in Rupees million	As at/for year ended 31 Dec. 2016 (Unaudited)	As at/for year ended 31 Dec. 2015 (Unaudited)
Non-current assets	616.22	641.53
Current assets	174.77	149.97
Non-current liabilities	174.49	175.12
Current liabilities	61.06	82.01
Revenue	470.93	484.47
Expenses (including income tax expense)	331.20	396.52
Contingent liabilities	2.96	2.96
Capital commitments	9.86	0.52
Other Commitments	Nil	Nil

c) Company's transactions with Belloxy, being a related party, during the year ended 31 December 2016 are disclosed under note 46.

31. Commitments:

Estimated Capital commitments (net of advance) not provided for Rs. 245.59 (Previous Year Rs. 766.22)

32. Contingent liabilities not provided for

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
a) Excise duty and service tax matters *	31.73	38.03
b) Other excise matters **	-	-
c) Sales tax matters *	277.43	166.84
d) Sales tax liability transferred to a beneficiary ***	3.68	9.20
e) Bills discounted	40.91	74.19
f) Other claims	21.32	12.56

* Excludes disputed matters in view of favourable appellate decisions on similar issues.

** Cryogenic vessels for gases were cleared from one factory for captive installation to the other factory of the Company. The Company is contesting the Department's allegation that the assessable value of such inter unit transfer was not calculated as per the principles of Cost Accounting Standards-4 (CAS-4). As per the view of the management based on the facts of the case and document available, the liability would not devolve on the Company.

*** Pursuant to an approved scheme of Government of Maharashtra, certain Sales Tax Liabilities of the Company had been transferred to an eligible beneficiary, at a discount, for which a bank guarantee had been provided by the beneficiary to ensure timely payment to the concerned authorities.

33. Miscellaneous expenses under note 29 includes Auditors' remuneration :

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
As Auditors		
Audit fee	1.94	1.64
Limited reviews	0.60	0.60
Group reporting package review	0.96	0.88
Tax audit fee	0.78	0.78
Other certificates etc.	0.29	0.24
Reimbursement of expenses	0.55	0.66
	5.12	**4.80**

34. The details of employee benefits for the year ended 31 December 2016 on account of gratuity and pension which are funded defined employee benefit plans and provident fund which is an unfunded benefit plan are as under:

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund, which is a defined contribution plan. The company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident fund for the year aggregated to **Rs. 31.38** (Previous year Rs. 29.06). Further Provident fund administered through Company's trust for certain employees (in accordance with Provident Fund Regulation) are in the nature of defined benefit obligations with respect to the yearly interest guarantee.

Defined benefit plan

The Company operates two post-employment defined benefit plans for gratuity and pension.

34. The details of employee benefits for the year ended 31 December 2016 on account of gratuity and pension which are funded defined employee benefit plans and provident fund which is an unfunded benefit plan are as under: (contd..)

in Rupees million	Pension		Gratuity		Provident Fund	
	2016	2015	2016	2015	2016	2015
(i) Components of Employer Expense						
a) Current service cost	1.55	1.48	6.42	6.86	3.57	4.00
b) Interest cost	3.42	2.94	5.70	5.62	2.11	2.29
c) Expected return of plan assets	(1.50)	(1.50)	(2.90)	(2.85)	-	-
d) Actuarial losses / (gains)	15.60	10.25	17.99	4.24	(5.85)	(4.08)
e) Total expenses recognised in Statement of Profit and Loss	19.07	13.27	27.21	13.87	(0.17)	2.21
(ii) Actual returns for the year ended	0.83	1.18	2.71	3.02	-	-
(iii) Net liability recognised in Balance Sheet as at the year end						
a) Present value of defined benefit obligation	54.80	50.48	93.92	78.57	26.92	27.09
b) Fair value of plan assets	19.90	18.55	36.90	38.26	-	-
c) Deficit	34.90	31.93	57.02	40.31	26.92	27.09
d) Net liability recognised in Balance Sheet	34.90	31.93	57.02	40.31	26.92	27.09
(iv) Change in Defined Benefit Obligation (DBO) during the year						
a) Present value of DBO at the beginning of Year	50.48	36.71	78.57	77.34	27.09	24.88
b) Current service cost	1.55	1.48	6.42	6.86	3.57	4.00
c) Interest cost	3.42	2.94	5.70	5.62	2.11	2.29
d) Actuarial (gains) / losses	14.93	10.03	17.80	4.41	(5.85)	(4.08)
e) Benefits paid	(15.58)	(0.68)	(14.57)	(15.66)	-	-
f) Present value of DBO	54.80	50.48	93.92	78.57	26.92	27.09
(v) Change in Fair Value of Plan Assets during the year ended						
a) Fair value of plan assets at the beginning of year	18.55	17.55	38.26	36.01	-	-
b) Expected return on plan assets	1.50	1.40	2.90	2.85	-	-
c) Actuarial gains /(losses)	(0.67)	(0.22)	0.19	0.17	-	-
d) Actual company contribution	16.10	0.50	10.50	14.89	-	-
e) Benefits paid	(15.58)	(0.68)	(14.57)	(15.66)	-	-
f) Acquisition adjustment	-	-	-	-	-	
h) Fair value of plan assets at the end of the year	19.90	18.55	36.90	38.26	-	-
(vi) Actuarial assumptions						
a) Discount rate (%)	7.00	8.00	7.00	8.00	8.00	7.80
b) Expected return on plan assets (%)	7.00	8.00	7.00	8.00	-	-
c) Salary escalation rate (%)	5.00	5.00	5.00	5.00	-	-
(vii) Major category of planned assets						
Insurance managed funds (%)	100.00	100.00	100.00	100.00		

34. The details of employee benefits for the year ended 31 December 2016 on account of gratuity and pension which are funded defined employee benefit plans and provident fund which is an unfunded benefit plan are as under: (contd..)

(viii) Net Assets/ (Liability) recognised in Balance Sheet (including experience adjustment impact)

in Rupees million	2016	2015	2014	2013	2012
Pension					
a) Present value of defined benefit obligation	54.80	50.48	36.71	29.92	27.79
b) Fair value of plan assets	19.90	18.55	17.55	17.67	18.18
c) Deficit	34.90	31.93	19.16	12.25	9.61
d) Experience adjustment of plan assets [(gain)/ loss]	0.66	0.22	(0.35)	0.17	(0.23)
e) Experience adjustment of obligation [(gain)/ loss]	11.12	9.76	14.11	5.02	2.50
f) Actuarial (gain)/ loss due to change on assumptions	3.82	0.27	2.41	(1.03)	0.13

in Rupees million	2016	2015	2014	2013	2012
Gratuity					
a) Present Value of defined benefit obligation	93.92	78.57	77.34	59.73	63.86
b) Fair value of plan assets	36.90	38.26	36.01	33.12	33.63
c) Deficit	57.02	40.31	41.33	26.61	30.23
d) Experience adjustment of plan assets [(gain)/ loss]	0.17	(0.18)	(1.41)	0.70	0.58
e) Experience adjustment of obligation[(gain)/ loss]	8.04	3.60	9.82	(0.05)	7.53
f) Actuarial (gain)/ loss due to change on assumptions	9.78	0.82	7.86	(4.95)	0.57

in Rupees million	2016	2015	2014	2013	2012
Provident Fund					
a) Present Value of defined benefit obligation	26.92	27.09	24.88	19.41	17.51
b) Fair value of plan assets	-	-	-	-	-
c) Deficit	26.92	27.09	24.88	19.41	17.51
D) Experience adjustment of plan assets [(gain)/ loss]	-	-	-	-	-
E) Experience adjustment of obligation[(gain)/ loss]	(5.34)	(7.39)	4.03	(2.13)	2.17
f) Actuarial (gain)/ loss due to change on assumptions	(0.51)	3.31	(2.39)	2.09	1.50

Notes

1. The Pension Expenses and Gratuity Expenses have been recognised in 'Contribution to Provident and other funds' under Note 26 to the Statement of Profit and Loss Account.
2. The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.
3. The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect capital and optimised returns within acceptable risk parameters, the plan assets are well diversified.
4. The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated terms of obligation.

35. Expenditure on Research and Development

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Revenue expenditure	0.29	0.46

36. a) Certain plant and machineries have been made available by the Company to the customers under a finance lease arrangement. Such assets given under a finance lease arrangement have been recognised, at the inception of the lease, as a receivable at an amount equal to the net investment in the lease. The finance income arising from the lease is being allocated based on a pattern reflecting constant periodic return on the net investment in the lease.

b) Details with respect to the above leased asset under finance lease arrangements in accordance with Accounting Standard 19 –'Leases'.

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
Total gross investment in the lease	373.72	728.24
Less: Present value of minimum lease payments	113.78	211.42
Less: Present value of unguaranteed residual value	17.85	17.85
Unearned finance income	**242.09**	**498.97**
Gross investment in the lease :		
i) Not later than one year [Present value of minimum lease payments receivable **Rs. 30.06** (Previous year Rs. 45.55)]	64.68	86.04
ii) Later than one year but not later than five years [Present value of minimum lease payments **Rs. 70.70** (Previous year Rs. 127.93)]	221.92	343.36
iii) Later than five years [Present value of minimum lease payments **Rs. 30.87** (Previous year Rs. 55.79)]	87.12	298.84
iv) Contingent rent recognised in the Statement of Profit and Loss	10.34	8.79
v) Uncollectable minimum lease payments receivable at the Balance Sheet date	-	-

37. Company has taken various residential and office premises under operating lease or leave and license agreements. These agreements are for a period of 11 months to 3 years, cancellable during the life of the contract at the option of both the parties and do not contain stipulation for increase in lease rentals. Minimum lease payment charged during the year to the statement of profit and loss aggregated to **Rs. 41.98** (Previous year Rs. 55.57).

38. Earnings per share :

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
a) Numerator used:		
Profit before tax and exceptional item	51.09	100.56
Less: Taxes thereon	(42.31)	(196.13)
Profit after tax and before exceptional item	93.40	296.69
Less: Exceptional item	-	95.00
Add: Taxes thereon	-	32.88
Profit after tax	**93.40**	**234.57**
b) Denominator used:		
Number of equity shares of Rs. 10 each used during the year	85,286,209	85,286,209
c) Earning per share - on profit after tax and before exceptional item (basic and diluted earnings per equity share of Rs. 10 each)	1.10	3.48
d) Earning per share - on profit after tax (basic and diluted earnings per equity share of Rs. 10 each)	1.10	2.75

39. Information in accordance with the requirements of the Revised Accounting Standard 7 on Construction Contracts.

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
a) Contract revenue recognised	2,808.86	1,910.36
b) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all the contracts in progress	13,054.24	15,404.04
c) Amount of customer advances outstanding for contracts in progress	594.26	495.95
d) Amount of retention due from customers for contracts in progress	1,068.24	1,570.95
e) Gross amount due from customers for contracts in progress	350.27	223.62
f) Gross amount due to customers for contracts in progress	335.09	543.88

40. Details of foreign currency exposures on account of receivables/payables not hedged by a derivative instrument are as follows:

		As at 31 Dec. 2016 (in currency million)	As at 31 Dec. 2015 (in currency million)	As at 31 Dec. 2016 (in Rupees million)	As at 31 Dec. 2015 (in Rupees million)
Trade Payables	GBP	0.13	0.20	11.99	18.53
	EUR	3.00	2.60	224.31	197.24
	USD	1.74	2.30	112.44	140.25
	AUD	0.00	0.00	0.00	0.00
	SGD	0.36	0.07	17.11	2.95
	JPY	0.01	4.51	0.55	2.82
	BDT	0.09	0.09	0.08	0.08
	IDR	0.00	0.00	0.00	0.00
	THB	0.08	0.00	0.16	0.00
Trade Receivable / Other Receivable	EUR	0.12	0.72	9.02	55.17
	USD	0.37	1.22	27.09	66.13

41. (i) Provision for taxation has been recognised with reference to the taxable profit for the year ended 31 December 2016 in accordance with the provision of the Income tax Act, 1961. The ultimate tax liability for the assessment year 2017-2018 will be determined on the basis of total income for the year ending on 31 March 2017.

(ii) The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Section 92-92F of the Income - Tax Act, 1961. Since the law requires the existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of the domestic and international transactions entered into with the associated enterprises during the assessment year and expects such records to be in existence latest by due date as required under law. The management is of the opinion that its domestic and international transaction are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

(iii) During the year the company has recognised **Rs. 30.07** (previous year 5.47) as MAT credit entitlement and the same has been carried forward having regard to the trend of profitability and future projections. Management is of the opinion that the company will pay normal income tax during the period for which the MAT credit can be carried forward for setoff against the normal tax liability.

(iv) Deferred tax release of Rs. 220.61 during the previous year includes Rs. 253.26 arising from tax benefit on investment allowance availed as per Section 32AC of the Income Tax Act, 1961.

42. The Company is exposed to foreign currency fluctuations on payables as well as receivables. The payables are for purchases of fixed assets and spares and services provided by foreign vendors, while receivables are for cash flow from foreign projects and reimbursements of expenses. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments, where the counterparty is primarily a bank.

The Company hedges against foreign exchange risks for future transactions which are highly probable.

The Company uses interest rate swaps to hedge the exposure to changes in interest outflows as a result of interest rate changes. If the hedge is deemed to be effective, the carrying amount of the hedged item is adjusted for changes in the fair value attributable to the hedged risk.

As explained in note 1(q) above, the Company has designated the following derivative contracts with banks:

(a) Principal and interest swap as hedges of foreign currency borrowing facilities aggregating **USD 40.62 million** (previous year USD 40.62 million) equivalent to **Rs. 2,500.00** (previous year Rs. 2,500.00) available to the Company at variable interest rates based on LIBOR. The principal and interest rate swap pertaining to borrowings aggregating to **Rs 1,695.48** (previous year Rs 1,651.89) and **Rs 1,064.78** (previous year Rs 1,037.43) will mature in the year 2017 and 2018 respectively, based on the remaining period as of the balance sheet date.

(b) Further the Company has entered into certain firm commitments for purchase of **Euro Nil** (previous year Euro 0.90 million) and sale of **USD 8.98 million** (previous year USD 6.39 million) & **Euro 0.04 million** (previous year Euro Nil million).

The foreign exchange forward contracts mature between 1 – 24 months. The following table analysis of the derivative financial instruments into relevant maturity groupings based on the remaining period of the Balance Sheet date:

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
Not later than one month	23.56	66.45
Later than one month not later than three months	283.96	-
Later than three months and not later than one year	313.43	435.36
Later than one year	9.92	11.91

Rs. 170.19 (net of deferred tax Rs. 90.10) [Previous year Rs. 123.80 (net of deferred tax Rs. 65.55)] being the translation loss on foreign currency borrowings drawn down till the year-end and **Rs. 129.86 (net of deferred tax Rs. 68.69)** [Previous year Rs. 74.17 (net of deferred tax Rs. 39.22)] being the portion of gain arising from changes in fair values of the swap contracts referred to in point (a) above that are determined to be effective hedge of the aforesaid foreign currency borrowing facilities at variable interest and the related hedged transaction expected to occur in future have been recognized in translation and hedging reserve in shareholders' funds.

Further, the translation gain on the forward covers for firm commitments which are determined to be effective hedge of foreign currency payables and receivables referred in point (b) above aggregating to **Rs. 5.37 (net of deferred tax Rs. 2.84)** [Previous year Rs. 7.23 (net of deferred tax Rs. 3.83)] has been recognised in translation & hedging reserve in shareholders' funds. Further, amounts aggregating to **Rs. 11.24** representing loss on roll over of derivative instrument has been recycled from Translation & Hedging Reserve and added to carrying amount of tangible fixed assets during the year.

(iii) The company had restructured two of its existing ECB's availed from Linde AG during the previous year. The company had transferred net gain of Rs. 86.95 million from "Translation and hedging reserves" to the Statement of Profit and Loss on account of cancellation of cross-currency cum interest-rate swaps during the previous year. The aforesaid gain had been included under "Other income".

43. Exceptional item during the previous year represents separation cost of employees on account of a Voluntary Retirement Scheme launched by the Company.

44. Corporate social responsibility

As per Section 135 of the Companies Act, 2013 a CSR committee has been formed by the Company. The funds are utilised throughout the year on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of direct contribution towards aforesaid activities.

in Rupees million	As at 31 Dec. 2016	As at 31 Dec. 2015
a) Gross amount required to be spent by the Company during the year	4.38	9.33
b) The areas of CSR activities and contributions made thereto in cash are as follows:		
Amount spent during the year on:		
1) Construction / Acquisition of any assets	-	-
2) For purpose other than (1) above:		
- Promoting and preventive healthcare	0.95	3.71
- Promoting education including special education and employment enhancing vocational fees	0.50	3.43
- Livelihood (skill devlopment)	3.07	1.13
- Others	-	0.50
Total	4.52	8.77

45. Segment information in accordance with Accounting Standard 17.

a) Determination of segment information is based on the organisational and management structure of the Company and its internal financial reporting system. The Company business segments namely 'Gases and Related Products' and 'Project Engineering' have been considered as primary segments for reporting format. Segment revenue, results, assets and liabilities include the respective amounts that are directly attributable to or can be allocated on a reasonable basis to each of the segments. Revenue, expenses, assets and liabilities which relate to the enterprise as a whole and are neither attributable to nor can be allocated on a reasonable basis to each of the segments, have been disclosed as unallocable.

b) The Company operates predominantly within the geographical limits of India, accordingly secondary segments have not been considered.

c) Inter-segment revenue has been recognised at cost.

Information about business segment

in Rupees million			31 Dec. 2016			31 Dec. 2015
	Gases and Related Products	Project Engineering	Total	Gases and Related Products	Project Engineering	Total
1 Segment revenue						
External revenue (net of excise duty) (A)	15,587.93	2,741.62	18,329.55	13,709.58	1,903.65	15,613.23
Interest income (B)	35.62	-	35.62	48.95	-	48.95
Interest income - unallocable			13.20			24.12
Other income - unallocable			211.58			298.08
Total external revenue			18,589.95			15,984.38
Inter segment revenue (C)	-	374.36	374.36	-	353.88	353.88
Total segment revenue (A) + (B) + (C)	15,623.55	3,115.98	18,739.53	13,758.53	2,257.53	16,016.06
2 Segment results	1,026.52	442.69	1,469.21	663.34	445.21	1,108.55
Interest income	35.62	-	35.62	48.95	-	48.95
Total segment result	1,062.14	442.69	1,504.83	712.29	445.21	1,157.50
Interest expense (net) - unallocable			(1,133.13)			(874.71)
Other unallocable expenses (net of unallocable income)			(320.61)			(182.23)
Profit before tax and exceptional item			51.09			100.56
Exceptional item			-	-	-	(95.00)
Profit before tax			51.09			5.56
Less: Tax expense			(42.31)			(229.01)
Profit after tax			93.40			234.57
3 Segment assets	31,110.15	2,680.55	33,790.70	31,026.56	2,262.14	33,288.70
Unallocated assets			4,286.58			3,203.26
Unallocated investments			150.07			150.07
Total assets			38,227.35			36,642.03
4 Segment liabilities and provisions	3,400.98	2,341.68	5,742.66	2,704.59	2,187.34	4,891.93
Unallocable liabilities and provisions			2,554.85			2,398.80
Borrowings			14,453.54			13,882.60
Deferred tax liability (net)			1,512.15			1,542.87
Total liabilities			24,263.20			22,716.20
5 Cost incurred to acquire fixed assets	1,714.85	-	1,714.85	3,455.68	1.08	3,456.76
Unallocable			35.53			17.48
			1,750.38			3,474.24
6 Depreciation/amortisation	1,951.60	3.43	1,955.03	1,572.32	9.98	1,582.30
Impairment loss	14.43	-	14.43	3.76	-	3.76
Unallocated depreciation / amotisation			19.27			29.19
			1,988.73			1,615.25
7 Impairment released	-	-	-	0.06	-	0.06
On disposal of fixed assets						
8 Significant non cash expenses other than depreciation/amortisation	46.29	100.55	146.84	61.82	38.46	100.28

46. Information on Related Party Disclosures.

A) List of Related Parties

i) Ultimate Holding Company (entity having control over the Company)
Linde AG, Germany

ii) Holding Company (entity having control over the Company)
The BOC Group Limited, United Kingdom
(Wholly owned subsidiary of Linde AG)

iii) Fellow Subsidiaries and Joint Venture with whom transactions have taken place during the year

a) Located outside India

Fellow Subsidiary	Country
Linde Bangladesh Limited	Bangladesh
Chemogas N.V.	Belgium
BOC (China) Holdings Co. Limited.	China
Linde Electronics & Speciality Gases (Suzhou) Co. Limited.	China
Linde Engineering (Dalian) Co. Ltd.	China
Linde Kryotechnik AG	Switzerland
Cryostar SAS	France
Linde Gáz Magyarország Zrt.	Hungary
PT. Linde Indonesia	Indonesia
Linde Malaysia Sdn. Bhd.	Malaysia
Linde ROC SDN. BHD.	Malaysia
Linde Gas Asia Pte Ltd Philippines - ROHQ	Philippines
Linde Philippines Inc	Philippines
Linde Engineering Russia	Russia
Linde Gas Singapore Pte Limited	Singapore
Linde Gas Asia Pte Limited	Singapore
Linde Treasury Asia Pacific Pte Limited	Singapore
Linde Engineering South Africa (Pty) Ltd.	South Africa
Ceylon Oxygen Limited	Srilanka
AGA AB Corporate Staffs	Sweden
BOC Limited - ENG (Gases)	United Kingdom
Linde Cryoplants Limited	United Kingdom
Cryostar USA LLC	United States of America
Linde North America, Inc.	United States of America
Linde Gas North America LLC	United States of America
Linde Engineering North America Inc.	United States of America
Linde (Thailand) Public Company Limited	Thiland
Linde HKO Limited	Hongkong
AGA AB GAS	Sweden
Linde EOX SDN. BHD.	Malaysia

b) Located in India

Fellow Subsidiary
Linde Global Support Services Private Limited
Linde Engineering India Private Limited

iv) Joint Venture

Bellary Oxygen Company Private Limited

v) Key Management Personnel of the Company
Mr. M Banerjee, Managing Director
Mr. Indranil Bagchi, Chief Financial Officer (w.e.f. 19 July 2016)
Mr. M Sadhukhan, Chief Financial Officer (till 18 July 2016)
Mr. P Marda, Asst Vice President & Company Secretary

B) Transactions with Related Parties during the year

Nature of Transaction (in Rupees million)	Ultimate Holding Company	Holding Company	Fellow Subsidiaries (Refer 'C' below)	Joint Venture	Key Management Personnel
Purchase of goods	154.39	-	303.13	95.38	-
	(33.69)	(-)	(259.14)	(88.52)	(-)
Purchase of fixed assets	194.00	-	53.13	-	-
	(2,264.61)	(-)	(19.83)	(3.68)	(-)
Services received	171.42	19.30	199.69	-	-
	(130.79)	(16.42)	(188.18)	(-)	(-)
Facility fees income	-	-	5.68	-	-
	(-)	(-)	(5.16)	(-)	(-)
Sale of goods/fixed assets/spares/ services	-	-	766.46	13.92	-
	(0.58)	(-)	(197.97)	(14.01)	(-)
Recovery of expenses	6.34	-	67.76	8.62	-
	(2.90)	(-)	(64.62)	(11.48)	(-)
Reimbursement of expenses	1.30	-	-	0.61	-
	(0.32)	(-)	-	-	(-)
Rent received	-	-	19.05	-	-
	(-)	(-)	(18.96)	(-)	(-)
Managerial remuneration	-	-	-	-	35.38
	(-)	(-)	(-)	(-)	(32.94)
Dividend paid / payable	-	47.97	-	-	-
	(-)	(47.97)	(-)	(-)	(-)
Dividend received	-	-	-	30.00	-
	(-)	(-)	(-)	(30.00)	(-)
Borrowings during the year	-	-	500.00	-	-
	(312.26)	(-)	(500.00)	(-)	(-)
Borrowings repaid during the year	-	-	-	-	-
	(578.57)	(-)	(-)	(-)	(-)
Finance cost	904.40	-	72.62	-	-
	(794.40)	(-)	(0.97)	(-)	(-)
Outstanding balances:					
- Receivables	6.09	0.80	411.81	27.18	-
	(109.93)	(0.80)	(71.38)	(27.70)	(-)
- Payables	251.14	12.71	401.99	86.67	-
	(147.36)	(9.88)	(257.98)	-	-
- Payables for borrowings	10,693.28	-	1,000.00	-	-
	(10,693.28)	(-)	(500.00)	(-)	(-)
- Interest accrued but not due	128.98	-	72.62	-	-
	(201.01)	(-)	(0.97)	(-)	(-)
- Advance to vendors/ Capital advances	110.80	-	57.16	-	-
	(16.27)	(-)	(4.82)	(10.61)	(-)
- Advance from Customer	-	-	497.44	-	-
	(-)	(-)	(286.05)	(-)	(-)
- Unbilled Revenue	-	-	-	-	-
	(-)	(-)	(44.54)	(-)	(-)

c) Details of transactions with Fellow Subsidiaries and Key Management Personnel (included under column "Fellow Subsidiaries" and Key Management Personnel" respectively in B above) the amount of which is in excess of 10% of the total related party transactions of the similiar nature

Nature of Transaction (in Rupees million)	Name of fellow subsidiaries	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
1. Purchase of goods	Cryostar SAS	54.62	44.07
	Linde Gas North America LLC	222.10	175.39
2. Purchase of fixed assets	Cryostar SAS	51.30	3.51
	Linde Engineering North America Inc	-	13.42
3. Services received	Linde Gas Asia Pte. Ltd. - Philippines ROHQ	51.88	49.28
	Linde Gas North America LLC	34.98	64.15
	AGA AB Corporate Staffs	-	13.77
	Linde ROC SDN. BHD.	58.40	52.68
	Linde Malaysia SDN. BHD.	30.01	-
4. Facility fees received	Linde Global Support Services Private Limited	5.68	5.16
5. Sale of goods/services	Linde Kryotechnik AG	35.83	22.98
	Linde Engineering India Private Limited	62.04	44.98
	Linde Bangladesh Limited	605.99	118.34
6. Recovery of expenses	Linde Gas Asia Pte. Limited	63.02	56.07
7. Reimbursement of expenses	Linde Gas Asia Pte. Limited	-	-
8. Rent received	Linde Global Support Services Private Limited	19.05	18.96
9. Borrowings during the year	Linde Engineering India Private Limited	500.00	500.00
10. Finance cost	Linde Engineering India Private Limited	72.62	0.97
11. Managerial Remuneration	M Banerjee*	20.80	19.24
	M Sadhukhan	5.54	7.84
	P Marda	6.11	5.86
	I Bagchi	2.93	-
12. Outstanding balance:			
- Receivables	Linde Bangladesh Limited	312.49	23.53
	Linde Engineering India Private Limited	10.70	9.86
	Linde Global Support Services Private Limited	15.37	7.69
	Linde Gas Asia Pte Limited	38.74	24.78
- Payables	Linde Gas Asia Pte. Limited	20.85	6.69
	Linde Gas North America LLC	95.84	90.69
	AGA Aktiebolag	70.71	65.25
	Linde ROC SDN. BHD.	48.97	31.89
	Cryostar SAS	39.72	1.56
- Payables for borrowings	Linde Engineering India Private Limited	1,000.00	500.00
- Interest accrued but not due	Linde Engineering India Private Limited	72.62	0.97
- Advance to Vendors/ Capital Advances	Cryostar SAS	57.16	2.73
	Linde Gas Singapore Pte Ltd	-	0.55
	Linde (Thailand) Public Company Limited	-	1.52
- Advance from Customer	Linde Bangladesh Limited	340.69	216.06
	Linde Kryotechnik AG	64.81	64.81
	Linde EOX SDN. BHD.	86.32	-
- Unbilled Revenue	Linde Bangladesh Limited	-	23.96
	Linde Kryotechnik AG	-	20.58

* Remuneration for the period 30 July 2016 to 31 Decmeber 2016 aggregating to Rs. 5.93 is subject to the approval of the shareholders.

47. Value of Imports on CIF basis

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Components and spare parts	233.04	230.23
Capital goods	245.30	2,375.49
	478.34	2,605.72

48. Consumption of raw materials, components and stores and spare parts

in Rupees million	Year ended 31 Dec. 2016		Year ended 31 Dec. 2015	
	Amount	% of total Consumption	Amount	% of total Consumption
Raw material				
Imported	-	-	-	-
Indigenous	59.12	100.00	55.39	100.00
	59.12	100.00	55.39	100.00
Components and Stores and Spare parts				
Imported	216.33	10.50	241.13	17.69
Indigenous	1,843.46	89.50	1,121.74	82.31
	2,059.79	100.00	1,362.87	100.00

49. Expenditure in foreign currency

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Travelling expenses	-	0.23
Technical support fees	19.30	16.42
Services received	361.41	318.97
Interest expense	904.40	794.40
Reimbursement of expenses	1.30	0.32
	1,286.41	1,130.34

50. Earnings in foreign exchange

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Export (F.O.B. basis)	535.21	150.71
Sale of Fixed Assets	-	2.86
Recovery of expenses	69.63	62.64
	604.84	**216.21**

51. Remittance in foreign currency on account of dividend

in Rupees million	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Number of Non-Resident Shareholders	One	One
Dividend for the year	2015	2014
Number of Shares held	63,963,167	63,963,167
Amount Remitted	**47.97**	**95.94**

Dividend warrants of certain non -resident shareholders send to their bankers in India have been excluded.

52. Expenses are net of reimbursement received for salary, travel and other expenses aggregating Rs. 82.72 (previous year Rs. 79.00).

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022
JAYANTA MUKHOPADHYAY, Partner
Membership No. : 055757

I BAGCHI, Chief Financial Officer
Membership No. : 057564

P MARDA, Asst. Vice President & Company Secretary
Membership No. : A8625

For and on behalf of Board of Directors of
Linde India Limited
CIN: L40200WB1935PLC008184
S LAMBA, Chairman DIN : 00320753
J MEHTA, Director DIN : 00033518
M BANERJEE, Managing Director DIN : 00273101

Mumbai
11 February 2017

Independent auditor's report.

To the Members of Linde India Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Linde India Limited("the Company"), which comprise the Balance Sheet as at 31 December 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2016, and itsprofit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of the written representations received from the directorsas on 31 December 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Companyand the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigation on itsfinancial position in its financial statements - Refer Note 32 to the financial statements;

ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022
JAYANTA MUKHOPADHYAY, *Partner*
Membership No. : 055757

Mumbai
11 February 2017

Annexure - A to the independent auditor’s report.

(Referred to in our report of even date)

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of there cords of the Company, the title deeds of immovable properties are held in the name of the Company.

ii) The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such physical verification is reasonable. No material discrepancies were noted on such physical verification.

iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, provisions of paragraph 3(iii) of the Order are not applicable to the Company.

iv) According to the information and explanations given to us and based on our examination of the records of the Company, there are no loans, guarantees and security which requires compliance with provisions of section 185 and 186 of the Act. The provisions of section 186 of the Act in respect of investments have been complied with by the Company.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, provisions of paragraph 3(v) of the Order are not applicable to the Company.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of these records.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 December 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute except the following:

Name of the Statute	Nature of Dues	Amount in (Rs. million) #	Period to which amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty	21.72	1999-2009	Supreme Court
		10.49	1998-2001 2008-2009	High court
		151.34**	1991-2011 2014-2015	Custom, Excise and Service tax Appelate Tribunal
		1.89	1991-2010	Commissioner (Appeals)
		71.95	2007-2010 2012-2014 2015-2016	Commissioner of Central excise
		15.24	1996-2000 2007-2012	Additional Commissioner
		6.76	2006-2010 2014-2015	Deputy Commissioner
		14.92	2005-2012 2014-2015	Assistant Commissioner
Finance Act, 1994	Service tax	558.50	2005-2008 2008-2015	Custom, Excise and Service tax Appelate Tribunal
		5.94	2005-2010	Commissioner (Appeals)
		160.00	2004-2010 2013-2015	Commissioner of Service tax
		4.35	2004-2007 2009-2010	Additional Commissioner
		0.13	2009-2011	Deputy Commissioner
		6.49	2007-2011	Assistant Commissioner
Central State Sales Tax Act and VAT Acts	Sales tax / VAT	55.05*	2005-2006	High court
		150.34	1998-2001 2007-2012	Revisional Board
		141.21*	1995-2004 2005-2010 2011-2015	Tribunal
		394.09*	1989-1991 2002-2003 2005-2007 2008-2009 2010-2013	Joint Commissioner (Appeals) of Commercial taxes
		64.77	2004-2006 2009-2011	Deputy Commissioner (Appeals) of Commercial taxes
		1.70	2012-2014	Additional Commissioner of Commercial taxes

*Including amount aggregating to Rs. 237.255 million in respect of sales tax cases, which have been stayed by respective authorities

**Including amount aggregating to Rs. 81.76 million in respect of Excise cases, which have been stayed by various authorities

#Excluding the demands the proceeding of which have been set aside or remanded for reassessment by the appropriate authorities. Amounts are net of pre deposits aggregating to Rs. 70.97 million.

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings from a financial institution or banks during the year. The Company did not have any outstanding dues to government or debenture holders during the year.

ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans raised during the year were applied for the purposes for which those were raised.

x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi) According to the information and explanations given to us and on the basis of our examination of there cords of the Company, remuneration paid to the Managing Director of the Company for the period 30 July 2016 to 31 December 2016 aggregating to Rs 5.93 million, is subject to the approval of the shareholders in the forthcoming annual general meeting.

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of paragraph 3(xii) of the Order are not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act, wherever applicable, and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

xv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, provisions of paragraph 3(xv) of the Order are not applicable to the Company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022
JAYANTA MUKHOPADHYAY, *Partner*
Membership No. : 055757

Mumbai
11 February 2017

Annexure - B to the independent auditor's report.

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Linde India Limited ("the Company") as of 31 December 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 December 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022
JAYANTA MUKHOPADHYAY, *Partner*
Membership No. : 055757

Mumbai
11 February 2017

Consolidated balance sheet
as at 31 December 2016

in Rupees million	Note	As at 31 Dec. 2016
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	2	852.84
Reserves and surplus	3	13,552.85
		14,405.69
Non-current liabilities		
Long-term borrowings	4	9,897.32
Deferred tax liabilities (net)	5	1,645.39
Other long-term liabilities	6	478.00
Long-term provisions	7	2,788.58
		14,809.29
Current liabilities		
Short-term borrowings	8	1,000.00
Trade payables	9	
- total outstanding dues of micro and small enterprises		0.78
- total outstanding dues of creditors other than micro and small enterprises		2,803.80
Other current liabilities	10	5,329.39
Short-term provisions	7	462.59
		9.596.56
TOTAL		38,811.54
ASSETS		
Non-current assets		
Fixed assets		
Tangible fixed assets	11	26,802.83
Intangible fixed assets	12	43.05
Capital work-in-progress	11	802.87
Non-current investments	13	55.25
Long-term loans and advances	14	2,944.73
Other non-current assets	15	745.78
		31,394.51
Current assets		
Inventories	16	707.13
Trade receivables	17	3,756.61
Cash and bank balances	18	1,079.99
Short-term loans and advances	19	670.00
Other current assets	20	1,203.30
		7,417.03
TOTAL		38,811.54
Significant accounting policies	1	

The notes referred form an integral part of the financial statements (1 to 45)

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022
JAYANTA MUKHOPADHYAY, Partner
Membership No. : 055757

I BAGCHI, Chief Financial Officer
Membership No. : 057564

P MARDA, Asst. Vice President & Company Secretary
Membership No. : A8625

For and on behalf of Board of Directors of
Linde India Limited
CIN: L40200WB1935PLC008184
S LAMBA, Chairman DIN : 00320753
J MEHTA, Director DIN : 00033518
M BANERJEE, Managing Director DIN : 00273101

Mumbai
11 February 2017

Consolidated statement of profit and loss

for the year ended 31 December 2016

in Rupees million	Note	Year ended 31 Dec. 2016
Revenue from operations	21	
Sale of products (gross)		17,348.08
Less: Excise duty		1,601.28
Sale of products (net)		**15,746.80**
Revenue from construction contracts		2,808.86
Other operating revenues		229.28
Total		**18,784.94**
Other Income	22	**191.84**
Total Revenue		18,976.78
Expenses		
Cost of materials consumed	23	1,793.15
Purchase of stock-in-trade	24	694.17
Changes in inventories of finished goods, contract work-in-progress and stock in trade	25	(66.57)
Employee benefit expense	26	1,020.33
Finance costs	27	1,146.35
Depreciation and amortisation (including impairment)	28	2,018.60
Other expenses	29	12,209.92
Total expenses		18,815.95
Profit before tax		**160.83**
Income tax expense :		
Current tax		(75.83)
MAT credit entitlement		30.07
Deferred tax release		40.46
Profit for the year		**155.53**
Earnings per equity share [nominal value of share Rs. 10]	37	
On profit after taxation		
Basic (Rs.)		1.82
Diluted (Rs.)		1.82
Significant accounting policies	1	

The notes referred form an integral part of the financial statements (1 to 45)

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022
JAYANTA MUKHOPADHYAY, Partner
Membership No. : 055757

I BAGCHI, Chief Financial Officer
Membership No. : 057564

P MARDA, Asst. Vice President & Company Secretary
Membership No. : A8625

For and on behalf of Board of Directors of
Linde India Limited
CIN: L40200WB1935PLC008184
S LAMBA, Chairman DIN : 00320753
J MEHTA, Director DIN : 00033518
M BANERJEE, Managing Director DIN : 00273101

Mumbai
11 February 2017

Consolidated cash flow statement

for the year ended 31 December 2016

in Rupees million	Year ended 31 Dec. 2016
A. Cash flow from operating activities :	
Profit before tax	160.83
Adjustments for :	
Depreciation and amortisation (including impairment)	2,018.60
Bad Debts written off	79.18
Provision for doubtful receivables	39.09
Provision for contingencies	66.26
Provision for warranties	28.57
Unrealised foreign exchange loss / (gain)	1.86
Dividends on non-current investments - trade	(1.66)
Profit on disposal of fixed assets (net)	(156.88)
Provision for warranties written back	(44.46)
Provisions/liabilities no longer required written back	(31.36)
Finance cost(net)	1,132.77
Operating cash flow before working capital changes	3,292.80
Adjustments for increase / decrease in :	
Trade receivables	(437.47)
Loans and advances	(12.06)
Other assets	(209.26)
Inventories	(33.28)
Liabilities and provisions	485.88
Cash generated from operations	3,086.61
Income taxes paid (net of refund)	(110.73)
Net cash generated from operating activities	2,975.88
B. Cash flow from investing activities :	
Purchase or construction of fixed assets (including intangible assets, capital advances and capital work in progress)	1,382.28
Proceeds from sale of fixed assets	57.20
Dividend received	1.66
Interest received	12.23
Bank deposits (having original maturity of more than 3 months)	(1.73)
Net cash used in investing activities	(1,313.92)
C. Cash flow from financing activities :	
Proceeds from borrowings	500.00
Finance cost paid	(1,230.93)
Dividend paid	(64.28)
Tax paid on dividend	(19.13)
Net cash used in financing activities	(814.34)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	847.62
Cash and cash equivalents at the beginning of the period	224.53
Cash and cash equivalents at the end of the period	1,072.15

in Rupees million	Year ended 31 Dec. 2016
Notes to cash flow statement	
Cash and cash equivalents comprises of (refer Note 18) :	
Cash on hand	2.87
With scheduled banks:	
- on current accounts	139.01
- on deposit account (with original maturity of 3 months or less)	925.87
- on unclaimed dividend accounts *	4.40
	1,072.15

* accounts are not available for use by the Company

The notes referred form an integral part of the financial statements (1 to 45)

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022
JAYANTA MUKHOPADHYAY, Partner
Membership No. : 055757

I BAGCHI, Chief Financial Officer
Membership No. : 057564

P MARDA, Asst. Vice President & Company Secretary
Membership No. : A8625

For and on behalf of Board of Directors of
Linde India Limited
CIN: L40200WB1935PLC008184
S LAMBA, Chairman DIN : 00320753
J MEHTA, Director DIN : 00033518
M BANERJEE, Managing Director DIN : 00273101

Mumbai
11 February 2017

Notes to consolidated financial statements

for the year ended 31 December 2016

Company Overview

Linde India Limited is a public company having Corporate Identity Number L40200WB1935PLC008184. It is incorporated under the Companies Act, 1956 and its shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Company is primarily engaged in manufacture of industrial and medical gases and construction of cryogenic and non cryogenic air separation plants.

1. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

a) Basis of preparation of financial statements

The consolidated financial statements ("CFS") of Linde India Limited ("the Company" or "the Holding Company") together with its jointly controlled entity (collectively termed as "the consolidated entities") have been prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, and other relevant provisions of the Act, to the extent notified and applicable, and other accounting principles generally accepted in India and in particular Accounting Standard 27 – "Financial Reporting of Interest in Joint Ventures",. The consolidated financial statements are prepared by adopting uniform accounting policies between the consolidated entities for like transactions and other events in similar circumstances and are presented to the extent possible, in the manner as the Company's standalone financial statements. These consolidated financial statements are presented in Indian rupees rounded off to the nearest million.

As it is the first occasion that the consolidated financial statements are presented, comparative figures for the previous year have not been presented.

b) Jointly controlled entity considered for consolidation

Name of the Joint Venture	Country of Incorporation	Proportion of ownership Interest as at 31 December 2016
Bellary Oxygen Company Private Limited	India	50%

c) Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

I. The standalone financial statements of the Company and the proportionate share of the Company's interest in the jointly controlled entity are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group transactions and resulting unrealized profits, to the extent it pertains to the Company.

II. The excess / deficit of cost to the Company of its investment in the jointly controlled entity over its portion of equity at the respective dates on which investment in such entity was made is recognized in the consolidated financial statements as goodwill / capital reserve. The said goodwill is not amortized. However, it is tested for impairment at each balance sheet date and the impairment loss, if any, is provided for.

III. The Company's portion of equity in such entity is determined on the basis of the book values of assets and liabilities as per the financial statements of such entity as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment.

d) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

e) Current – non current classification

All assets and liabilities are classified into current and non-current assets.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within 12 months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.
All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within 12 months after the reporting date; or

d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2003. Based on the nature of manufacturing activity and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle for the purpose of current – non-current classification of assets and liabilities:

- as 12 months for the gases and related products of the Company
- as 24 months for the Project Engineering Division of the Company which are engaged in the manufacture and construction of cryogenic and non-cryogenic air separation plants.

f) Revenue recognition

Revenue from sale of gas and related products in the course of ordinary activities is recognised when property in the goods and related products or all significant risk and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of gas and its related products and regarding its collection. Facility charge is recognised on accrual basis as per the terms of the contract with the customers. The amount recognized as revenue is exclusive of sales tax and value added tax.

Contract revenue and contract costs associated with the long term construction contracts are recognised as revenue and expenses respectively by reference to the stage of completion of the project at the Balance Sheet date. The stage of completion of project is determined by the proportion that contract costs incurred for work performed upto the balance sheet date bear to the estimated total contract costs. If total cost is estimated to exceed total contract revenue, the company provides for foreseeable loss.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Income from dividend is recognised when right to receive payment is established.

g) Tangible fixed assets

Tangible fixed assets are stated at cost of acquisition or construction or revalued amounts less accumulated depreciation or accumulated impairment loss, if any. Cost of item of tangible fixed asset includes purchase price, taxes, non- refundable duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use. Subsequent expenditures related to an item of tangible assets are added to its book value only if they increase the future benefit from the existing asset beyond its previously assessed standard of performance.

Assets retired from active use and held for disposal are stated at lower of their net book value and net realizable value and shown under "Other current assets".

Spares that can be used only with particular items of plant and machinery and such usage is expected to be irregular are capitalised.

Fixed assets under construction are disclosed as capital work in progress.

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost is recognised in the statement of Profit and Loss.

h) Intangible fixed assets

Goodwill arising on acquisition of a business is measured at cost less any accumulated impairment loss.

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

i) Depreciation

Tangible fixed assets

- Depreciation is computed as per the straight line method based on the management's estimate of useful life of a fixed asset which is in accordance with the useful lives of fixed assets indicated in Schedule II of the Act. For certain assets categorised under "Plant and equipment", based on internal assessment, the management believes that these assets have useful lives of 10 years, 15 years, 18 years and further for "Buildings" of 20 years, which is different from the useful lives as prescribed under Part C of Schedule II of the Act.
- In case of revalued fixed assets, depreciation is provided as aforesaid, on the total value of fixed assets as appearing in the books of account after revaluation. Additional depreciation attributable to revalued amount is charged to the Statement of Profit and Loss. On disposal of a previously revalued item of fixed asset, the difference between the net disposal proceeds and the net book value is charged or credited to the Statement of Profit and Loss except that, to the extent such loss is related

to an increase which was previously recorded as a credit to revaluation reserve and which has not been subsequently reversed or utilised, is charged directly to that account. The amount standing in revaluation reserve following the retirement or disposal of an asset, which relates to that asset is transferred to general reserve.

- Assets individually costing Rs. 10,000 or less are fully depreciated in the year of acquisition.
- Spares capitalised are being depreciated over the useful life / remaining useful life of the plant and machinery with which such spares can be used.

j) Amortisation

Intangible fixed assets are amortised in Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis. In accordance with the applicable Accounting Standard, the Company follows a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. However, if there is persuasive evidence that the useful life of an intangible asset is longer than ten years, it is amortised over the best estimate of its useful life. Such intangible assets and intangible assets that are not yet available for use are tested annually for impairment.

The amortization rates are as follows:

Goodwill	20%
Software	20%
Non- compete fee	20%
Leasehold rights	33.33%

k) Impairment

The carrying amounts of fixed assets and capital work in progress are reviewed at each Balance Sheet date in accordance with Accounting Standard 28 on 'Impairment of Assets', to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or the cash generating unit of which it is a part exceeds the corresponding recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised. Impairment loss recognized for goodwill is not reversed in a subsequent period unless the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur, and subsequent external events have occurred that reverse the effect of that event. Goodwill, intangible assets which are amortised over a period exceeding ten years and intangible assets which are not yet available for use are tested for impairment annually.

l) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to other than temporary interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

m) Investments

Non-current investments are stated at cost. Provision is made for diminution, other than temporary, in the value of investments, wherever applicable. Current investments are stated at lower of cost and fair value.

n) Inventories

Inventories which comprise raw materials, components, stores and spare parts are valued at lower of cost and net realisable value. Cost includes purchase price, duties and taxes (other than those subsequently recoverable by the Company from taxing authorities), freight inward and other expenditure in bringing inventories to present locations and conditions. In determining the cost, weighted average cost method is used. The carrying costs of raw materials, components and stores and spare parts are appropriately written down when there is a decline in replacement cost of such materials and the finished products in which they will be incorporated are expected to be sold below cost.

Finished goods are valued at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item by item basis. Cost comprises of direct material and labour expenses and an appropriate portion of production overheads incurred in bringing the inventory to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of the production facilities.

Excise duty liability is included in the valuation of year - end inventory of finished goods.

Costs incurred on long term construction contracts representing general purpose item of inventories are disclosed as contract work in progress net of provision for loss.

o) Leases

Finance leases

Assets made available to customers under arrangements which are in the nature of finance lease are recognised as a receivable at the inception of the lease at an amount equal to the net investment in the lease or the fair value of the leased assets, whichever is lower. The excess of net investment in the lease/ fair value of the leased asset, as the case may be, over the book value of the leased asset are recognised as gain in the Statement of Profit and Loss at the inception of the lease. Lease rentals are apportioned between principal and interest based on a pattern reflecting a constant periodic return on the net investment of the lessor outstanding in respect of the finance lease. The lease rental amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs are recognised immediately in the Statement of Profit and Loss.

Operating leases
Lease payments under operating leases are recognised as expense in the Statement of Profit and Loss on a straight line basis over the lease term.

p) Research and development
Revenue expenditure on research and development is expensed in the year in which it is incurred and related capital expenditure is considered as addition to fixed assets.

q) Employee benefits
The Company's obligations towards various employee benefits have been recognised as follows:

Short term benefits
Employee benefits payable wholly within twelve months of receiving employees services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

Cost of accumulating compensated absences that are expected to be availed within a period of 12 months from the period end are recognised when the employees render the service that increases their entitlement to future compensated absences. Cost is computed based on past trends and is not discounted. Cost of non- accumulating compensated absences is recognised when absences occur.

Post employment benefits
i) Monthly contributions to Provident Funds which are in the nature of defined contribution schemes are charged to Statement of Profit and Loss and deposited with the provident fund authorities on a monthly basis.

Provident fund administered through Company's trust for certain employees (in accordance with Provident Fund Regulation) are in the nature of defined benefit obligations with respect to the yearly interest guarantee. Annual charge is recognised based on actuarial valuation of the Company's related obligation on the reporting date. Actuarial gains or losses for the year are recognised in the Statement of Profit and Loss as income or expenses.

ii) Gratuity and superannuation schemes which are in the nature of defined benefit plans, excepting Plan B of Executive Staff Pension Fund, are administered by the Trustees. Annual contributions are recognised on the basis of actuarial valuation of related obligations and plan assets conducted by an external actuary appointed by the Company and are paid to the respective funds. Plan B of Executive Staff Pension Fund which is a defined contribution scheme for which the Trustees of the scheme have entrusted the administration of the related fund to the Life Insurance Corporation of India (LICI). The contributions are charged to Statement of Profit and Loss and deposited with LICI on a monthly basis.

Compensated absences
Cost of long term benefit by way of accumulating compensated absences that are expected to be availed after a period of 12 months from the period-end are recognised when the employees render the service that increases their entitlement to future compensated absences. Such costs are recognised based on actuarial valuation of related obligation on the reporting date. Actuarial gains and losses for the year are recognised in the Statement of Profit and Loss as income or expense.

Termination Benefits
Costs of termination benefits have been recognised only when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle such obligation and the amount of the obligation can be reliably estimated.

r) Foreign exchange transactions
Foreign exchange transactions are recorded at the exchange rate prevailing on the dates of the transactions. Year-end monetary assets and liabilities denominated in foreign currencies are translated at the year-end foreign exchange rates.

Exchange differences arising on settlements/ translations are recognised in the Statement of Profit and Loss. In case of forward exchange contracts which are entered into to hedge the foreign currency risk of a receivable/ payable recognised in these financial statements, premium or discount on such contracts are amortised over the life of the contract and exchange differences arising thereon in the reporting period are recognised in the Statement of Profit and Loss.

s) Derivative instruments and hedge accounting
The Company has entered into forward contracts and principal and interest swap contracts with a bank to hedge its risks associated with foreign currency and variable interest rate fluctuations related to certain firm commitments and forecasted transactions. These derivative contracts are being considered as cash flow hedges applying the recognition and measurement principles set out in the Guidance Note on Accounting for Derivative Contracts issued by the Institute of Chartered Accountants of India. The use of hedging

instruments is governed by the Company's policies approved by the Board of Directors. The Company does not use these contracts for trading or speculative purposes.

To designate a forward contract/ swap contract as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in offsetting cash flows attributable to the hedged risk.

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates at fair value. Gain/ loss arising from year end translation of borrowings drawn down and gain/ loss arising from changes in fair values of these derivatives that are effective hedges are recognized directly in the shareholders' funds and retained there till these hedging instruments either expire or are sold, terminated, exercised or no longer qualify for hedge accounting. When a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the Statement of Profit and Loss for the year.

In the absence of designation as effective hedge, gain or loss arising from changes in fair values of these swap contracts are recognized in the Statement of Profit and Loss.

The fair value of the forward contracts and the swap contracts are based on the appropriation valuation technique, considering the terms of the contract.

t) Provisions and contingent liabilities

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

u) Tax

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

v) Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti- dilutive.

w) CSR Expenditure

All amounts spent on Corporate Social Responsibility (CSR) activities, which is specified in Schedule VII to the Companies Act, 2013 read with MCA Circular No. 21/ 2014 dated 24.10.2014, is recognised as CSR Expenditure in the Statement of Profit and Loss.

No provision for the amount which is not spent, i.e., any shortfall in the amount that was expected to be spent as per the provisions of the Act on CSR activities and the amount actually spent at the end of financial year is made in the financial statements. However, if the company has already undertaken certain CSR activity for which a liability has been incurred by entering into a contractual obligation, then in accordance with the generally accepted principles of accounting, a provision for the amount representing the extent to which the CSR activity was completed during the year, is recognised in the financial statements.

2. Share capital

in Rupees million	As at 31 Dec. 2016 Number	Amount
Authorised		
Equity shares of Rs. 10 each	86,000,000	860.00
Issued		
Equity shares of Rs. 10 each	85,286,209	852.86
Subscribed and paid up		
Equity shares of Rs. 10 each fully paid up	85,284,223	852.84

i) Reconciliation of number of shares outstanding

in Rupees million	As at 31 Dec. 2016 Number	Amount
Equity Shares of Rs. 10 each fully paid up At the commencement and at the end of the year	85,286,209	852.86

ii) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

in Rupees million	As at 31 Dec. 2016 Number	Amount
Equity shares of Rs. 10 each fully paid up held by: The BOC Group Ltd,U.K., holding company	63,963,167	639.63

iii) Particulars of shareholders holding more than 5% shares of a class of shares

	As at 31 Dec. 2016 Number	% of total shares in class
Equity shares of Rs. 10 each fully paid up held by: The BOC Group Ltd,U.K., holding company	63,963,167	75.00

iv) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

3. Reserve and surplus

in Rupees million	As at 31 Dec. 2016
Securities premium account	
At the commencement and at the end of the year	6,972.52
Revaluation reserve	
At the commencement of the year	11.33
Less: Amount transferred to the general reserve	1.00
	10.33
Capital incentive	
At the commencement and at the end of the year	2.00
General reserve	
At the commencement of the year	984.34
Add :Transfer from revaluation reserve	1.00
	985.34
Translation and hedging reserve (Refer Note 41)	
At the commencement of the year	(56.86)
Add : Movement during the year	21.90
	(34.96)
Surplus (profit and loss balance)	
At the commencement of the year	5,545.18
Profit for the year	155.53
Appropriations	
Proposed equity dividend [amount Re. 0.50 per share]	42.64
Tax on proposed equity dividend	8.68
Tax on proposed equity dividend of Joint Venture	6.11
	5,643.28
Total reserves and surplus	13,578.51

4. Long-term borrowings

in Rupees million	Non-current portion As at 31 Dec. 2016	Current portion* As at 31 Dec. 2016
Unsecured		
Rupee loan from Linde AG, ultimate holding company	8,832.54	1,860.74
Foreign currency term loan from bank	1,064.78	1,695.48
	9,897.32	3,556.22

* Amount disclosed under "other current liabilities" under note 10

in Rupees million	Loan outstanding As at 31 Dec. 2016	Repayment schedule	Interest rate	Interest rate as per interest rate swap
Borrowings				
(a) External commercial borrowings in INR	5,553.83	Half Yearly installments from January 2017 to January 2020	7.76%	NA
(b) External commercial borrowings in INR	2,230.59	Quarterly installments from January 2017 to October 2020	8.95%	NA
(c) External commercial borrowings in INR	2,908.86	Quarterly installments from January 2017 to October 2020	8.91%	NA
(d) Foreign Currency term loan from bank of USD 4.95 million#	336.39	July 2017	USD-LIBOR-BBA+158 basis points	9.5%
(e) Foreign Currency term loan from bank of USD 20.00 million#	1,359.09	July 2017	USD-LIBOR-BBA+105 basis points	9.5%
(f) Foreign Currency term loan from bank of USD 15.67 million#	1,064.78	May 2018	USD-LIBOR-BBA+115 basis points	9.0%
	13,453.54			

Against the above loan the company has designated principal and interest swap contracts with a bank as hedges of foreign currency borrowing facilities aggregating USD 40.62 million equivalent to Rs. 2,500.00. Also refer note 41

5. Deferred tax liabilities (net)

in Rupees million	As at 31 Dec. 2016
Deferred tax liabilities	
Difference between net book value of depreciable assets as per books and written down value as per Income Tax Act, 1961	3,814.02
Future Income from finance lease arrangement	84.84
Others	13.46
(A)	**3,912.32**
Deferred tax asset	
Mark to market on derivative contracts	18.57
Provision for doubtful receivables, contingencies, warranties and employee benefits	162.82
Separation payment to employees	26.42
Unabsorbed depreciation	2,057.53
Others	1.59
(B)	**2,266.93**
Deferred tax liabilities (net) (A) - (B)	**1,645.39**

6. Other long-term liabilities

in Rupees million	As at 31 Dec. 2016
Sundry deposits	408.33
Advance from customers	69.67
	478.00

7. Provisions

in Rupees million	Long term As at 31 Dec. 2016	Short term As at 31 Dec. 2016
Provision for employee benefits		
Gratuity*	57.02	-
Pension*	34.90	-
Compensated absences	27.19	0.48
Other employee benefits*	24.83	163.15
	143.94	163.63
Other provisions		
Provision for warranties	-	127.68
Provision for liquidated damages	-	5.83
Provision for contingencies	-	88.47
Provision for dismantling cost	668.00	-
Provision for proposed equity dividend	-	63.96
Tax on proposed equity dividend	-	13.02
Provision for tax (Including fringe benefit tax) [Refer note -14(a)]	1,976.64	-
	2,644.64	298.96
Total provisions	2,788.58	462.59

*Refer note 33

Movement of provisions

in Rupees million	Liquidated damages	Warranties	Contingencies	Dismantling Costs
Balance as at 1 January 2016	80.23	189.32	22.21	532.00
Add: Provision during the year	-	28.57	66.26	136.00
Less: Utilised during the year	74.40	45.75	-	-
Less: Reversed during the year	-	44.46	-	-
Balance as at 31 December 2016	5.83	127.68	88.47	668.00

(a) Provision for liquidated damages
Liquidated damages are provided based on contractual terms when the delivery / commissioning dates of an individual project have exceeded or are likely to exceed the delivery / commissioning dates and / or on the deviation in contractual performance as per the respective contracts. This expenditure is expected to be incurred over the respective contractual terms up to closure of the contract (including warranty period).

(b) Provision for warranties
Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacement, material cost, servicing and past experience in respect of warranty costs. It is expected that this expenditure will be incurred over the contractual warranty period.

(c) Provision for contingencies
Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

(d) Provision for dismantling costs
Provision is towards estimated cost to be incurred on dismantling of plants at the customers' site upon expiry of the tenure of the contractual agreement with the customer. Such cost has been capitalised under plant and machinery.

8. Short-term borrowings

in Rupees million	As at 31 Dec. 2016
Unsecured	
Short term loan from fellow-subsidiary *	1,000.00
	1,000.00

* It represents two installments of loan of Rs 500 million each carrying interest rate of 7.90% and 6.95% respectively and repayable in February 2017 and December 2017 respectively

9. Trade payables

in Rupees million	As at 31 Dec. 2016
total outstanding dues of micro and small enterprises	0.78
total outstanding dues of creditors other than micro and small enterprises	2,803.80
	2,804.58
Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") based on the information available with the Company are given below:	
Particulars	
The amounts remaining unpaid to suppliers as at the end of the year	
- Principal	-
- Interest	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006	-
The amounts of the payments made to suppliers beyond the appointed day during each accounting year	4.53
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	0.07
The amount of interest accrued and remaining unpaid at the end of each accounting year	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	0.70

10. Other current liabilities

in Rupees million	As at 31 Dec. 2016
Current maturities of long-term borrowings (refer note 4)	3,556.22
Advance from customers	717.80
Billing in excess over cost and profit	335.20
Interest accrued but not due on borrowings	208.58
Amount liable to be deposited in Investor Education and Protection Fund but not yet due for deposit	
Unpaid dividend	4.40
Creditors for capital goods	467.82
Employee liabilities	11.09
TDS payable	19.01
Works Contract Tax payable	0.76
Excise duty payable	6.03
Value added tax payable	2.48
	5,329.39

11. Tangible fixed assets

in Rupees million	Freehold Land	Leasehold Land	Buildings*	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross Block								
Balance as at 1 January 2016	262.28	115.78	1,211.96	30,454.01	84.78	27.09	265.96	32,421.86
Additions	-	-	110.68	5,544.18	2.31	-	71.37	5,728.54
Disposals/adjustments	-	-	(4.14)	(64.95)	(0.53)	(3.64)	(0.81)	(74.07)
Other Adjustments								
Borrowing Costs	-	-	31.67	957.10	-	-	-	988.77
Balance as at 31 December 2016	262.28	115.78	1,350.17	36,890.34	86.56	23.45	336.52	39,065.10
Depreciation and Impairment Losses								
Balance as at 1 January 2016	-	13.67	308.39	9,789.55	32.71	18.82	182.03	10,345.17
Depreciation for the Year	-	1.20	85.53	1,824.78	9.70	1.55	45.90	1,968.66
Impairment loss during the Year	-	-	14.43	-	-	-	-	14.43
Accumulated depreciation on Disposals	-	-	(4.10)	(57.40)	(0.44)	(3.24)	(0.81)	(65.99)
Balance as at 31 December 2016	-	14.87	404.25	11,556.93	41.97	17.13	227.12	12,262.27
Net block								
As at 31 December 2016	262.28	100.91	945.92	25,333.41	44.59	6.32	109.40	26,802.83
Capital work-in-progress**								
Balance as at 1 January 2016	-	-	-	-	-	-	-	5,765.52
Additions	-	-	-	-	-	-	-	1,707.23
Asset capitalised during the year	-	-	-	-	-	-	-	(6,669.88)
Balance as at 31 December 2016	-	-	-	-	-	-	-	802.87

* Includes revaluation on building **Rs. 10.33** done by an external valuer on 30 September 1966 and 1 October 1980

** Capital work in progress Includes impairment balance of **Rs. 151.96**

12. Intangible fixed assets

in Rupees million	Goodwill	Software	Non compete fees	Leasehold rights	Total
Gross block					
Balance as at 1 January 2016	124.16	33.76	17.00	13.30	188.22
Additions	-	0.25	-	-	0.25
Disposals/adjustments	-	(0.09)	-	-	(0.09)
Balance as at 31 December 2016	124.16	33.92	17.00	13.30	188.38
Amortisation					
Balance as at 1 January 2016	77.34	12.11	9.49	10.97	109.91
Amortisation for the Year	23.19	6.59	3.40	2.33	35.51
Accumulated amortisation on Disposals/Adjustments	-	(0.09)	-	-	(0.09)
Balance as at 31 December 2016	100.53	18.61	12.89	13.30	145.33
Net block					
As at 31 December 2016	23.63	15.31	4.11	-	43.05

13. Non current investments (valued at cost unless stated otherwise)

in Rupees million	As at 31 Dec. 2016
Other non current investments	
Unquoted	
I. At Nominal value of Re 1 each	
Woodlands Multispeciality Hospital Limited	
2,980 Equity shares of Rs. 10 each	0.00
Quoted	
II. Investment in equity shares	
JSW Steel Limited	55.25
2,208,000 equity shares of Re. 1 each	
	55.25
The aggregate book value and market value of quoted non current investments and book value of unquoted non current investments are as follows:	
Quoted non-current investment	
Aggregate book value	55.25
Aggregate market value	358.71
Aggregate book value of un-quoted non-current investment	0.00

14. Long term loans and advances

in Rupees million	Non-current Portion As at 31 Dec. 2016	Current Portion* As at 31 Dec. 2016
To parties other than related parties (Unsecured and considered good)		
Capital advances	86.87	-
Security deposits	201.46	38.24
Other loans and advances		
Prepaid expenses	12.46	29.35
Balance with custom, excise etc.	6.52	203.83
Advance tax recoverable [Refer note (a) below] [includes MAT credit entitlement **Rs. 505.85**]	2,610.90	3.27
	2,918.21	**274.69**
To related parties (Unsecured and considered good)		
Capital advances	26.52	-
	26.52	**-**
	2,944.73	**274.69**

* Amount disclosed under "short term loans and advances" under note 19

(a) Advance tax (net of provision) aggregates to **Rs. 637.53.**

15. Other non current asset (Unsecured and considered good)

in Rupees million	As at 31 Dec. 2016
Receivable from finance lease arrangement	210.09
Receivable from mark to market on derivative contracts	34.63
Unbilled revenue	501.06
	745.78

16. Inventories (Valued at lower of cost and net realisable value)

in Rupees million	As at 31 Dec. 2016
Stores and spare parts [including goods in transit Rs. 0.34]	318.77
Raw materials and components	11.56
Finished goods [including goods in transit Rs. 2.32]	308.92
Contract work-in-progress	67.88
	707.13
Closing stock of finished goods	
Class of goods	
Air separation unit gases	177.47
Other cylinder gases	64.11
Others	67.34
	308.92

17. Trade receivables

in Rupees million	As at 31 Dec. 2016
Receivables outstanding for a period exceeding six months from the date they became due for payment	
(a) Unsecured, considered good	1,838.93
(b) Doubtful	187.93
Less : Provision for doubtful receivables	(187.93)
	1,838.93
Other receivables	
(a) Unsecured, considered good	1,917.68
(b) Doubtful	50.20
Less : Provision for doubtful receivables	(50.20)
	1,917.68
	3,756.61

18. Cash and bank balances

in Rupees million	As at 31 Dec. 2016
Cash and cash equivalents	
- Cash on hand	2.87
- Balances with banks	
on current accounts	139.01
on deposit account (with original maturity of 3 months or less)	925.87
on unclaimed dividend accounts *	4.40
Other Bank Balances	7.84
	1,079.99
* accounts are not available for use by the Company	
Details of bank balances/deposits	
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	1,064.88
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	7.84
Bank deposits due to mature after 12 months of the reporting date included under 'Other noncurrent assets'	-
	1,072.72

19. Short term loans and advances (Unsecured and considered good)

in Rupees million	As at 31 Dec. 2016
Current portion of long term loans and advances (refer note 14)	
To parties other than related parties	274.69
Other short-term loans and advances	
To parties other than related parties	
Advances for supply of goods and services	252.79
Advances to employees	1.08
To related parties	
Advances for supply of goods and services	141.44
	670.00

20. Other current assets (Unsecured and considered good)

in Rupees million	As at 31 Dec. 2016
Claims including escalation	287.57
Receivables from finance lease arrangement	34.98
Receivable from mark to market on derivative contracts	172.17
Unbilled revenue	318.12
Interest receivable	1.41
Receivable from related parties - for recovery of expenses	84.57
Receivable from sale of tangible fixed assets	112.00
Other receivable	192.48
	1,203.30

21. Revenue from operations

in Rupees million	Year ended 31 Dec. 2016
Sale of products (gross)	17,348.08
Less: Excise duty	1,601.28
Sale of products (net)	**15,746.80**
Revenue from construction contracts (Refer note 38)	2,808.86
Other operating revenues (refer note 21a below)	229.28
	18,784.94
21.a Other operating revenues	
Interest income on finance lease arrangement	35.62
Provisions/liabilities no longer required written back	31.36
Provision for warranty written back	44.46
Miscellaneous Income	117.84
	229.28
Breakup of revenue	
Air separation unit gases	16,693.58
Other cylinder gases	156.79
Vessels, plants and other engineering project goods	2,808.86
Others	497.71
	20,156.94

22. Other income

in Rupees million	Year ended 31 Dec. 2016
Rent	19.41
Dividends on long term investments	1.66
Profit on disposal of fixed assets (net)	156.88
Insurance claims received	0.31
Interest income	
on deposits and others [tax deducted at source Rs. 1.36]	13.58
	191.84

23. Cost of materials consumed

in Rupees million	Year ended 31 Dec. 2016
Inventory of materials at the begining of the year	9.93
Purchases	1,794.78
Less: Inventory of materials at the end of the year	11.56
	1,793.15
Breakup of cost of material consumed	
Ferrous, non-ferrous metals and components	1,733.87
Chemicals	59.28
	1,793.15
Breakup of inventory - materials	
Ferrous, non-ferrous metals and components	6.18
Chemicals	5.38
	11.56

24. Breakup of purchase of stock in trade

in Rupees million	Year ended 31 Dec. 2016
Air separation unit gases	443.22
Other cylinder gases	54.86
Others	196.09
Total	694.17

25. Changes in inventories of finished goods, contract work in progress and stock in trade

in Rupees million	Year ended 31 Dec. 2016
Opening inventory	
Finished goods	272.74
Contract work-in-progress	37.49
	310.23
Less : Closing inventory	
Finished goods	308.92
Contract work-in-progress	67.88
	(66.57)

26. Employee benefit expense

in Rupees million	Year ended 31 Dec. 2016
Salaries, wages and bonus	838.20
Contribution to provident and other funds	124.57
Workmen and staff welfare expenses	57.28
Separation payments to employees	0.28
	1,020.33

27. Finance costs

in Rupees million	Year ended 31 Dec. 2016
- on long and short term borrowings from banks	253.13
- on external commercial borrowings (net of capitalisation) and others	893.22
	1,146.35

28. Depreciation and amortisation (including impairment)

in Rupees million	Year ended 31 Dec. 2016
Depreciation of tangible fixed assets	1,968.66
Impairment losses	14.43
Amortisation of intangible fixed assets	35.51
	2,018.60

29. Other expenses

in Rupees million	Year ended 31 Dec. 2016
Consumption of stores and spare parts	281.05
Travelling expenses	172.84
Power and fuel	8,447.05
Repairs	
- Plant and machinery	242.25
- Buildings	20.39
- Others	62.34
Insurance	49.58
Freight and transport	1,315.69
Rent (refer note 36)	41.98
Rates and taxes	4.00
Communication costs	51.43
Loss on foreign exchange (net)	1.72
Contract Job expenses	420.25
Provision for warranties	28.57
Bad debts written off [Net of provision for Liquidated damages adjusted Rs 74.40]	79.18
Provision for doubtful receivables	39.09
Technical support fees	19.30
CSR expenditure (refer note 42)	6.48
Miscellaneous expenses	926.73
	12,209.92

30. Interest in joint venture

a) The Company has, in accordance with Accounting Standard 27 – "Financial Reporting of Interest in Joint Ventures", accounted for its interest in jointly controlled entity (JCE) by proportionate consolidation method. Thus the Company's balance sheet, statement of profit and loss and cash flow statement incorporate the Company's share of assets, liabilities, income, expenses and cash flow of JCE on line-by-line basis.

b) The aggregate amount of assets, liabilities, income and expenses of the above jointly controlled entity (as per the respective unaudited financial statement available with the company) not included in these consolidated financial statements is as under:

Particulars	31 Dec. 2016 (Unaudited)
Non-current assets	616.22
Current assets	174.77
Non-current liabilities	174.49
Current liabilities	61.06
Revenue	470.93
Expenses (including income tax expense)	331.20
Contingent liabilities	2.96
Capital commitments	9.86
Other Commitments	Nil

31. Commitments:

Estimated Capital commitments (net of advance) not provided for Rs. 255.45.

32. Contingent liabilities not provided for

in Rupees million	As at 31 Dec. 2016
a) Excise duty and service tax matters *	31.73
b) Other excise matters **	-
c) Sales tax matters *	280.35
d) Sales tax liability transferred to a beneficiary ***	3.68
e) Bills discounted	40.91
f) Other claims	21.36

* Excludes disputed matters in view of favourable appellate decisions on similar issues.

** Cryogenic vessels for gases were cleared from one factory for captive installation to the other factory of the Company. The Company is contesting the Department's allegation that the assessable value of such inter unit transfer was not calculated as per the principles of Cost Accounting Standards-4 (CAS-4). As per the view of the management based on the facts of the case and document available, the liability would not devolve on the Company.

*** Pursuant to an approved scheme of Government of Maharashtra, certain Sales Tax Liabilities of the Company had been transferred to an eligible beneficiary, at a discount, for which a bank guarantee had been provided by the beneficiary to ensure timely payment to the concerned authorities.

33. The details of employee benefits for the year ended 31 December 2016 on account of gratuity and pension which are funded defined employee benefit plans and provident fund which is an unfunded benefit plan are as under:

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund, which is a defined contribution plan. The company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident fund for the year aggregated to Rs. 31.38 . Further Provident fund administered through Company's trust for certain employees (in accordance with Provident Fund Regulation) are in the nature of defined benefit obligations with respect to the yearly interest guarantee.

Defined benefit plan

The Company operates two post-employment defined benefit plans for gratuity and pension.

33. The details of employee benefits for the year ended 31 December 2016 on account of gratuity and pension which are funded defined employee benefit plans and provident fund which is an unfunded benefit plan are as under: (contd..)

in Rupees million	Pension	Gratuity	Provident Fund
	2016	2016	2016
(i) Components of Employer Expense			
a) Current service cost	1.55	6.42	3.57
b) Interest cost	3.42	5.70	2.11
c) Expected return of plan assets	(1.50)	(2.90)	-
d) Actuarial losses / (gains)	15.60	17.99	(5.85)
e) Total expenses recognised in Statement of Profit and Loss	19.07	27.21	(0.17)
(ii) Actual returns for the year ended	0.83	2.71	-
(iii) Net liability recognised in Balance Sheet as at the year end			
a) Present value of defined benefit obligation	54.80	93.92	26.92
b) Fair value of plan assets	19.90	36.90	-
c) Deficit	34.90	57.02	26.92
d) Net liability recognised in Balance Sheet	34.90	57.02	26.92
(iv) Change in Defined Benefit Obligation (DBO) during the year			
a) Present value of DBO at the beginning of Year	50.48	78.57	27.09
b) Current service cost	1.55	6.42	3.57
c) Interest cost	3.42	5.70	2.11
d) Actuarial (gains) / losses	14.93	17.80	(5.85)
e) Benefits paid	(15.58)	(14.57)	-
f) Present value of DBO	54.80	93.92	26.92
(v) Change in Fair Value of Plan Assets during the year ended			
a) Fair value of plan assets at the beginning of year	18.55	38.26	-
b) Expected return on plan assets	1.50	2.90	-
c) Actuarial gains /(losses)	(0.67)	(0.19)	-
d) Actual company contribution	16.10	10.50	-
e) Benefits paid	(15.58)	(14.57)	-
f) Acquisition adjustment	-	-	-
h) Fair value of plan assets at the end of the year	19.90	36.90	-
(vi) Actuarial assumptions			
a) Discount rate (%)	7.00	7.00	8.00
b) Expected return on plan assets (%)	7.00	7.00	-
c) Salary escalation rate (%)	5.00	5.00	-
(vii) Major category of planned assets			
Insurance managed funds (%)	100.00	100.00	

33. The details of employee benefits for the year ended 31 December 2016 on account of gratuity and pension which are funded defined employee benefit plans and provident fund which is an unfunded benefit plan are as under: (contd..)

(viii) Net Assets/ (Liability) recognised in Balance Sheet (including experience adjustment impact)

in Rupees million	2016
Pension	
a) Present value of defined benefit obligation	54.80
b) Fair value of plan assets	19.90
c) Deficit	34.90
d) Experience adjustment of plan assets [(gain)/ loss]	0.66
e) Experience adjustment of obligation [(gain)/ loss]	11.12
f) Actuarial (gain)/ loss due to change on assumptions	3.82

in Rupees million	2016
Gratuity	
a) Present Value of defined benefit obligation	93.92
b) Fair value of plan assets	36.90
c) Deficit	57.02
d) Experience adjustment of plan assets [(gain)/ loss]	0.17
e) Experience adjustment of obligation[(gain)/ loss]	8.04
f) Actuarial (gain)/ loss due to change on assumptions	9.78

in Rupees million	2016
Provident Fund	
a) Present Value of defined benefit obligation	26.92
b) Fair value of plan assets	-
c) Deficit	26.92
D) Experience adjustment of plan assets [(gain)/ loss]	-
E) Experience adjustment of obligation[(gain)/ loss]	(5.34)
f) Actuarial (gain)/ loss due to change on assumptions	(0.51)

Notes

1. The Pension Expenses and Gratuity Expenses have been recognised in ‘Contribution to Provident and other funds’ under Note 26 to the Statement of Profit and Loss Account.
2. The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.
3. The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect capital and optimised returns within acceptable risk parameters, the plan assets are well diversified.
4. The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated terms of obligation.

34. Expenditure on Research and Development

in Rupees million	Year ended 31 Dec. 2016
Revenue expenditure	0.29

35. a) Certain plant and machineries have been made available by the Company to the customers under a finance lease arrangement. Such assets given under a finance lease arrangement have been recognised, at the inception of the lease, as a receivable at an amount equal to the net investment in the lease. The finance income arising from the lease is being allocated based on a pattern reflecting constant periodic return on the net investment in the lease.

b) Details with respect to the above leased asset under finance lease arrangements in accordance with Accounting Standard 19 –'Leases'.

in Rupees million	As at 31 Dec. 2016
Total gross investment in the lease	373.72
Less: Present value of minimum lease payments	113.78
Less: Present value of unguaranteed residual value	17.85
Unearned finance income	**242.09**
Gross investment in the lease:	
i) Not later than one year [Present value of minimum lease payments receivable Rs. 30.06]	64.68
ii) Later than one year but not later than five years [Present value of minimum lease payments Rs. 70.70]	221.92
iii) Later than five years [Present value of minimum lease payments Rs. 30.87]	87.12
iv) Contingent rent recognised in the Statement of Profit and Loss	10.34
v) Uncollectable minimum lease payments receivable at the Balance Sheet date	-

36. Company has taken various residential and office premises under operating lease or leave and license agreements. These agreements are for a period of 11 months to 3 years, cancellable during the life of the contract at the option of both the parties and do not contain stipulation for increase in lease rentals. Minimum lease payment charged during the year to the statement of profit and loss aggregated to Rs. 41.98.

37. Earnings per share :

in Rupees million	Year ended 31 Dec. 2016
a) Numerator used:	
Profit before tax	160.83
Less: Taxes thereon	5.30
Profit after tax	**155.53**
b) Denominator used:	
Number of equity shares of Rs. 10 each used during the year	85,286,209
c) Earning per share - on profit after tax (basic and diluted earnings per equity share of Rs. 10 each)	1.82

38. Information in accordance with the requirements of the Revised Accounting Standard 7 on Construction Contracts.

in Rupees million	Year ended 31 Dec. 2016
a) Contract revenue recognised	2,808.86
b) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all the contracts in progress	13,054.24
c) Amount of customer advances outstanding for contracts in progress	594.26
d) Amount of retention due from customers for contracts in progress	1,068.24
e) Gross amount due from customers for contracts in progress	350.27
f) Gross amount due to customers for contracts in progress	335.09

39. Details of foreign currency exposures on account of receivables/payables not hedged by a derivative instrument are as follows:

		As at 31 Dec. 2016 (in currency million)	As at 31 Dec. 2016 (in Rupees million)
Trade Payables	GBP	0.13	11.99
	EUR	3.00	224.31
	USD	1.74	112.44
	AUD	0.00	0.00
	SGD	0.36	17.11
	JPY	0.01	0.55
	BDT	0.09	0.08
	IDR	0.00	0.00
	THB	0.08	0.16
Trade Receivable / Other Receivable	EUR	0.12	9.02
	USD	0.37	27.09

40. (i) Provision for taxation has been recognised with reference to the taxable profit for the year ended 31 December 2016 in accordance with the provision of the Income tax Act, 1961. The ultimate tax liability for the assessment year 2017-2018 will be determined on the basis of total income for the year ending on 31 March 2017.

(ii) The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Section 92-92F of the Income - Tax Act, 1961. Since the law requires the existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of the domestic and international transactions entered into with the associated enterprises during the assessment year and expects such records to be in existence latest by due date as required under law. The management is of the opinion that its domestic and international transaction are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

(iii) During the year the company has recognised Rs. 30.07 as MAT credit entitlement and the same has been carried forward having regard to the trend of profitability and future projections. Management is of the opinion that the company will pay normal income tax during the period for which the MAT credit can be carried forward for setoff against the normal tax liability.

41. The Company is exposed to foreign currency fluctuations on payables as well as receivables. The payables are for purchases of fixed assets and spares and services provided by foreign vendors, while receivables are for cash flow from foreign projects and reimbursements of expenses The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments, where the counterparty is primarily a bank.

The Company hedges against foreign exchange risks for future transactions which are highly probable.

The Company uses interest rate swaps to hedge the exposure to changes in interest outflows as a result of interest rate changes. If the hedge is deemed to be effective, the carrying amount of the hedged item is adjusted for changes in the fair value attributable to the hedged risk.

As explained in note 1(s) above, the Company has designated the following derivative contracts with banks:

(a) Principal and interest swap as hedges of foreign currency borrowing facilities aggregating USD 40.62 million equivalent to Rs. 2,500.00 available to the Company at variable interest rates based on LIBOR. The principal and interest rate swap pertaining to borrowings aggregating to Rs 1,695.48 and Rs 1,064.78 will mature in the year 2017 and 2018 respectively, based on the remaining period as of the balance sheet date.

(b) Further the Company has entered into certain firm commitments for purchase of Euro Nil and sale of USD 8.98 million & Euro 0.04 million .

The foreign exchange forward contracts mature between 1 – 24 months. The following table analysis of the derivative financial instruments into relevant maturity groupings based on the remaining period of the Balance Sheet date:

in Rupees million	As at 31 Dec. 2016
Not later than one month	23.56
Later than one month not later than three months	283.96
Later than three months and not later than one year	313.43
Later than one year	9.92

Rs. 170.19 (net of deferred tax Rs. 90.10) being the translation loss on foreign currency borrowings drawn down till the year-end and **Rs. 129.86 (net of deferred tax Rs.68.69)** being the portion of gain arising from changes in fair values of the swap contracts referred to in point (a) above that are determined to be effective hedge of the aforesaid foreign currency borrowing facilities at variable interest and the related hedged transaction expected to occur in future have been recognized in translation and hedging reserve in shareholders' funds.

Further, the translation gain on the forward covers for firm commitments which are determined to be effective hedge of foreign currency payables and receivables referred in point (b) above aggregating to **Rs. 5.37 (net of deferred tax Rs. 2.84)** has been recognised in translation & hedging reserve in shareholders' funds. Further, amounts aggregating to **Rs 11.24** representing loss on roll over of derivative instrument has been recycled from Translation & Hedging Reserve and added to carrying amount of tangible fixed assets during the year.

42. Corporate social responsibility

As per Section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised throughout the year on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of direct contribution towards aforesaid activities.

in Rupees million	As at 31 Dec. 2016
a) Gross amount required to be spent by the Company during the year	6.97
b) The areas of CSR activities and contributions made thereto in cash are as follows:	
Amount spent during the year on:	
1) Construction / Acquisition of any assets	-
2) For purpose other than (1) above:	
- Promoting and preventive healthcare	0.95
- Promoting education including special education and employment enhancing vocational fees	0.50
- Livelihood (skill devlopment)	3.07
- Others	1.96
Total	**6.48**

43. Segment information in accordance with Accounting Standard 17.

a) Determination of segment information is based on the organisational and management structure of the Company and its internal financial reporting system. The Company business segments namely 'Gases and Related Products' and 'Project Engineering' have been considered as primary segments for reporting format. Segment revenue, results, assets and liabilities include the respective amounts that are directly attributable to or can be allocated on a reasonable basis to each of the segments. Revenue, expenses, assets and liabilities which relate to the enterprise as a whole and are neither attributable to nor can be allocated on a reasonable basis to each of the segments, have been disclosed as unallocable.

b) The Company operates predominantly within the geographical limits of India, accordingly secondary segments have not been considered.

c) Inter-segment revenue has been recognised at cost.

Information about business segment

in Rupees million			31 Dec. 2016
	Gases and Related Products	Project Engineering	Total
1 Segment revenue			
External revenue (net of excise duty) (A)	16,001.67	2,741.62	18,743.29
Interest income (B)	35.62	-	35.62
Interest income - unallocable			13.58
Other income - unallocable			184.29
Total external revenue			18,976.78
Inter segment revenue (C)	-	374.36	374.36
Total segment revenue (A) + (B) + (C)	16,037.29	3,115.98	19,153.27
2 Segment results	1,168.34	442.69	1,611.03
Interest income	35.62	-	35.62
Total segment result	1,203.96	442.69	1,646.65
Interest expense (net) - unallocable			(1,132.77)
Other unallocable expenses (net of unallocable income)			(353.05)
Profit before tax			160.83
Less: Tax expense			5.30
Profit after tax			155.53
3 Segment assets	31,766.87	2,680.55	34,447.42
Unallocated assets			4,308.87
Unallocated investments			55.25
Total assets			38,811.54
4 Segment liabilities and provisions	3,401.72	2,341.68	5,743.40
Unallocable liabilities and provisions			2,563.52
Borrowings			14,453.54
Deferred tax liability (net)			1,645.39
Total liabilities			24,405.85
5 Cost incurred to acquire fixed assets	1,719.38	-	1,719.38
Unallocable			35.53
			1,754.91
6 Depreciation/amortisation	1,995.90	3.43	1,999.33
Impairment loss	14.43	-	14.43
Unallocated depreciation / amotisation			4.84
			2,018.60
7 Significant non cash expenses other than depreciation/amortisation	46.29	100.55	146.84

44. Information on Related Party Disclosures.

A) List of Related Parties

i) Ultimate Holding Company (entity having control over the Company)
Linde AG, Germany

ii) Holding Company (entity having control over the Company)
The BOC Group Limited, United Kingdom
(Wholly owned subsidiary of Linde AG)

iii) Fellow Subsidiaries and Joint Venture with whom transactions have taken place during the year

a) Located outside India

Fellow Subsidiary	Country
Linde Bangladesh Limited	Bangladesh
Chemogas N.V.	Belgium
BOC (China) Holdings Co. Limited.	China
Linde Electronics & Speciality Gases (Suzhou) Co. Limited.	China
Linde Engineering (Dalian) Co. Ltd.	China
Linde Kryotechnik AG	Switzerland
Cryostar SAS	France
Linde Gáz Magyarország Zrt.	Hungary
PT. Linde Indonesia	Indonesia
Linde Malaysia Sdn. Bhd.	Malaysia
Linde ROC SDN. BHD.	Malaysia
Linde Gas Asia Pte Ltd Philippines - ROHQ	Philippines
Linde Philippines Inc	Philippines
Linde Engineering Russia	Russia
Linde Gas Singapore Pte Limited	Singapore
Linde Gas Asia Pte Limited	Singapore
Linde Treasury Asia Pacific Pte Limited	Singapore
Linde Engineering South Africa (Pty) Ltd.	South Africa
Ceylon Oxygen Limited	Srilanka
AGA AB Corporate Staffs	Sweden
BOC Limited - ENG (Gases)	United Kingdom
Linde Cryoplants Limited	United Kingdom
Cryostar USA LLC	United States of America
Linde North America, Inc.	United States of America
Linde Gas North America LLC	United States of America
Linde Engineering North America Inc.	United States of America
Linde (Thailand) Public Company Limited	Thailand
Linde HKO Limited	Hongkong
AGA AB GAS	Sweden
Linde EOX SDN. BHD.	Malaysia

b) Located in India

Fellow Subsidiary
Linde Global Support Services Private Limited
Linde Engineering India Private Limited

Joint Venture
Bellary Oxygen Company Private Limited

iv) Key Management Personnel of the Company

Mr. M Banerjee, Managing Director

Mr. Indranil Bagchi, Chief Financial Officer (w.e.f. 19 July 2016)

Mr. M Sadhukhan, Chief Financial Officer (till 18 July 2016)

Mr. P Marda, Asst Vice President & Company Secretary

B) Transactions with Related Parties during the year

Nature of Transaction (in Rupees million)	Ultimate Holding Company	Holding Company	Fellow Subsidiaries (Refer 'C' below)	Jointly controlled entity *	Key Management Personnel
Purchase of goods	154.39	-	303.13	47.69	-
Purchase of fixed assets	194.00	-	53.13	-	-
Services received	171.42	19.30	199.69	-	-
Facility fees income	-	-	5.68	-	-
Sale of goods/fixed assets/spares/ services	-	-	766.46	6.96	-
Recovery of expenses	6.34	-	67.76	4.31	-
Reimbursement of expenses	1.30	-	-	0.31	-
Rent received	-	-	19.05	-	-
Managerial remuneration	-	-	-	-	35.38
Dividend paid / payable	-	47.97	-	-	-
Borrowings during the year	-	-	500.00	-	-
Finance cost	904.40	-	72.62	-	-
Outstanding balances:					
- Receivables	6.09	0.80	381.81	13.59	-
- Payables	251.14	12.71	401.99	43.33	-
- Payables for borrowings	10,693.28	-	1,000.00	-	-
- Interest accrued but not due	128.98	-	72.62	-	-
- Advance to vendors/ Capital advances	110.80	-	57.16	-	-
- Advance from Customer	-	-	497.44	-	-
- Unblled Revenue	-	-	-	-	-

* Share from jointly controlled entity to the extent not consolidated

c) Details of transactions with Fellow Subsidiaries and Key Management Personnel (included under column “Fellow Subsidiaries” and Key Management Personnel” respectively in B above) the amount of which is in excess of 10% of the total related party transactions of the similiar nature.

Nature of Transaction (in Rupees million)	Name of fellow subsidiaries	Year ended 31 Dec. 2016
1. Purchase of goods	Cryostar SAS	54.62
	Linde Gas North America LLC	222.10
2. Purchase of fixed assets	Cryostar SAS	51.30
3. Services received	Linde Gas Asia Pte. Ltd. - Philippines ROHQ	51.88
	Linde Gas North America LLC	34.98
	Linde ROC SDN. BHD.	58.40
	Linde Malaysia SDN. BHD.	30.01
4. Facility fees received	Linde Global Support Services Private Limited	5.68
5. Sale of goods/services	Linde Kryotechnik AG	35.83
	Linde Engineering India Private Limited	62.04
	Linde Bangladesh Limited	605.99
6. Recovery of expenses	Linde Gas Asia Pte. Limited	63.02
7. Rent received	Linde Global Support Services Private Limited	19.05
8. Borrowings during the year	Linde Engineering India Private Limited	500.00
9. Finance cost	Linde Engineering India Private Limited	72.62
10. Managerial Remuneration	M Banerjee*	20.80
	M Sadhukhan	5.54
	P Marda	6.11
	I Bagchi	2.93
11. Outstanding balance:		
- Receivables	Linde Bangladesh Limited	312.49
	Linde Engineering India Private Limited	10.70
	Linde Global Support Services Private Limited	15.37
	Linde Gas Asia Pte Limited	38.74
- Payables	Linde Gas Asia Pte. Limited	20.85
	Linde Gas North America LLC	95.84
	AGA Aktiebolag	70.71
	Linde ROC SDN. BHD.	48.97
	Cryostar SAS	39.72
- Payables for borrowings	Linde Engineering India Private Limited	1,000.00
- Interest accrued but not due	Linde Engineering India Private Limited	72.62
- Advance to Vendors/ Capital Advances	Cryostar SAS	57.16
- Advance from Customer	Linde Bangladesh Limited	340.69
	Linde Kryotechnik AG	64.81
	Linde EOX SDN. BHD.	86.32

* Remuneration for the period 30 July 2016 to 31 December 2016 aggregating to Rs.5.93 is subject to the approval of the shareholders

45. Details of net assets and share of profit of individual entity in the consolidated net assets and consolidated share of profit:

in Rupees million	Net assets		Share of profit	
Name of the entity	As % of consolidated net assets	Amount	As % of consolidated net Profit	Amount
A. Parent				
Linde India Limited	97%	13,964.15	60%	93.40
B. Jointly controlled entity				
Bellary Oxygen Company Private Limited	4%	591.54	59%	92.13
Adjustment due to consolidation	-1%	(150.00)	-19%	(30.00)
Consolidated Net Assets/ Profit after tax	100%	14.405.69	100%	155.53

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022
JAYANTA MUKHOPADHYAY, Partner
Membership No. : 055757

I BAGCHI, Chief Financial Officer
Membership No. : 057564

P MARDA, Asst. Vice President & Company Secretary
Membership No. : A8625

For and on behalf of Board of Directors of
Linde India Limited
CIN: L40200WB1935PLC008184
S LAMBA, Chairman DIN : 00320753
J MEHTA, Director DIN : 00033518
M BANERJEE, Managing Director DIN : 00273101

Mumbai
11 February 2017

Independent auditor's report.

To the Members of Linde India Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Linde India Limited(hereinafter referred to as "the Company") and its jointly controlled entity, which comprise the Consolidated Balance Sheet as at 31 December 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "the consolidated financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Company and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective Companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriateaccounting policies; making judgments and estimates that are reasonable and prudent; and the design,implementation and maintenance of adequate internal financial controls, that were operating effectivelyfor ensuring the accuracy and completeness of the accounting records, relevant to the preparation andpresentation of the financial statements that give a true and fair view and are free from materialmisstatement, whether due to fraud or error, which have been used for the purpose of preparation ofthe consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its jointly controlled entity as at 31 December 2016, and its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of the jointly controlled entity whose financial statements reflect total assets of Rs 158.20 million, total revenue of Rs 93.72 million and net cash flows amounting to Rs (3.50) million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of the written representations received from the directors of the Company as on 31 December 2016 and taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31 December 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements has disclosed the impact of pending litigation on the consolidated financial position of the Company and its jointly controlled entity– refer Note 32 to the consolidated financial statements;

      ii. The Company and its jointly controlled entity did not have any long-term contracts, including derivative contracts, for which there were any material for eseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its jointly controlled entity.

for B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022
JAYANTA MUKHOPADHYAY, *Partner*
Membership No. : 055757

Mumbai
11 February 2017

Annexure - A to the independent auditor's report.

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Linde India Limited ("the Company") as of 31 December 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 December 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022
JAYANTA MUKHOPADHYAY, *Partner*
Membership No. : 055757

Mumbai
11 February 2017

Ten-year financial data.

Ten-Year Financial Data

in Rupees million	31 Dec. 2007 (9 months)	31 Dec. 2008 (12 months)	2009	2010	2011	2012	2013	2014	2015	2016
Sales										
Home	3,259.8	5,697.3	8,245.6	10,214.8	11,577.1	12,577.2	14,260.9	15,700.5	16,747.4	19,147.2
Export	12.1	19.3	113.6	146.3	104.5	1,425.8	771.1	242.1	150.7	535.2
Profit/ (Loss) before Tax and Exceptional Item	240.2	832.3	920.0	1,295.7	1,748.5	536.4	663.4	35.8	100.6	51.1
Tax	96.0	212.3	376.1	359.4	531.9	164.6	317.3	-18.2	196.1	42.3
Profit/ (Loss) after Tax, before Exceptional Item	144.2	620.0	543.9	936.3	1,216.6	371.8	346.1	54.0	296.7	93.4
Exceptional Item, (net of Tax)	472.4	180.4	(11.5)	-	-	523.04	427.23	-	(62.12)	-
Profit after Tax	616.6	800.4	532.4	936.3	1,216.6	894.8	773.3	54.0	234.6	93.4
Share Capital	490.8	852.8	852.8	852.8	852.8	852.8	852.8	852.8	852.8	852.8
Reserves and Surplus	3,246.0	9,509.7	9,728.4	10,297.8	11,767.0	12,486.3	13,420.4	13,039.4	13,073.0	13,111.3
Shareholders' Funds	3,736.8	10,362.5	10,581.2	11,150.6	12,619.8	13,339.1	14,273.3	13,892.2	13,925.8	13,964.1
Loan Funds	2,190.0	-	1,176.1	4,691.6	8,380.3	10,989.6	15,278.1	15,644.3	13,882.6	14,453.54
Total Capital Employed	5,926.8	10,362.5	11,757.3	15,842.2	21,000.1	24,328.7	29,551.4	29,536.5	27,808.4	26,722.2
Debt - Equity (%)	58.6	-	11.1	42.1	66.4	82.4	107.0	112.6	99.7	91.4
Gross Block (includes capital Work-in-progress)	9,456.1	12,248.2	14,958.0	20,624.2	19,801.6	28,549.8	31,013.8	34,254.9	37,428.4	38,982.8
Depreciation (includes Impairment)	3,217.3	3,363.1	3,792.2	4,326.2	4,883.3	5,946.9	6,927.8	8,686.2	10,087.0	11,887.8
Net Block (includes Capital Work in Progress)	6,238.8	8,885.1	11,165.8	16,298.0	14,918.3	22,602.9	24,086.0	25,568.7	27,341.5	27,095.0
Investments	150.0	150.0	150.0	150.0	150.0	150.0	150.1	150.1	150.1	150.1
Net Current Assets	21.4	1,822.7	1,188.6	192.0	66.1	1,023.8	2,129.0	1,869.1	1,478.8	2,226.98
Dividend (Incl. Tax thereon)	199.6	149.7	149.7	149.1	148.7	148.7	149.7	153.5	77.0	77.0
Rate of Dividend	20%	15%	15%	15%	15%	15%	15%	15%	7.5%	7.5%
No. of Issued Shares	49,084,223	85,284,223	85,284,223	85,284,223	85,284,223	85,284,223	85,284,223	85,284,223	85,284,223	85,284,223
Earnings per Share (Rs.)	12.56	9.59	6.24	10.98	14.26	10.49	9.07	0.63	3.48	1.10
No of Shareholders	31,663	29,178	26,759	21,824	20,364	20,883	20,590	19,183	19,132	19,537
No of Employees	657	722	666	726	797	797	839	832	737	759

Note: Year 2011 figures are updated as per revised schedule VI requirement and regrouped where ever necessary

Notes.

Linde India Limited
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Email: contact.lg.in@linde.com
Customer Service Centre: 1800 3456789 (toll free)
www.linde.in

Kalolwala & Associates Pvt. Ltd.

THE LINDE GROUP

Linde India Limited.

Business responsibility report 2016.

Business responsibility report 2016

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L40200WB1935PLC008184
2. **Name of the Company:** Linde India Limited
3. **Registered address:** Oxygen House, P43 Taratala Road, Kolkata 700 088, India
4. **Website:** www.linde.in
5. **E-mail id:** contact.lg.in@linde.com
6. **Financial Year reported:** 1 January 2016 – 31 December 2016
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Division	Group	Class	Description
20	201	2011	Manufacturing of basic chemicals
21	210	2100	Manufacturing of pharmaceutical and medicinal chemical
42	422	4220	Construction of utility projects

8. **List three key products/services that the Company manufactures/ provides (as in balance sheet)**
   I. Oxygen
   II. Nitrogen
   III. Argon
   The Company also has a Project Engineering Division which is engaged in manufacture of Air Separation Units and other plants related to industrial gases.
9. **Total number of locations where business activity is undertaken by the Company**
   (a) **Number of International Locations (Provide details of major 5):** Nil
   (b) **Number of National Locations:** 43
10. **Markets served by the Company – Local/State/National/ International: National and International.**

    Linde India has a presence pan- India and also supplies products, plants and equipment in Bangladesh, Malaysia, Indonesia, etc

Section B: Financial Details of the Company

1. **Paid up Capital (INR):** Rs.852.84 million
2. **Total Turnover (INR):** Rs.19,682.40 million
3. **Total profit after taxes (INR):**Rs.93.40 million
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 4.84%
5. **List of activities in which expenditure in 4 above has been incurred:** Please refer to Annexure-4 to the Directors' Report for the year 2016.

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

   No.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

   NA

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

   The Company follows its Group's Code of Conduct for Suppliers which covers basic requirements to meet its standards with respect to health and safety, protecting the environment, labour standards, etc. The Company thus complies with all applicable laws and regulations with respect to upholding human rights and protecting the environment in its own operations as well as in relation to its business partners including suppliers and expects them to meet these standards.

Section D: BR Information

1. **Details of Director/Directors responsible for BR**

   (a) **Details of the Director/Director responsible for implementation of the BR policy/policies**
   1. **DIN Number:** 00273101
   2. **Name:** Mr. Moloy Banerjee
   3. **Designation:** Managing Director (MD)

   (b) **Details of the BR head**

No.	Particulars	Details
1.	DIN Number	00273101
2.	Name	Mr. Moloy Banerjee
3.	Designation	Managing Director (MD)
4.	Telephone No.	+91 33 24014409
5.	Email ID	moloy.banerjee@linde.com

2. Principle-wise (as per NVGs) BR Policy/policies
   (a) Details of compliance (Reply in Y/N)

No.	Questions	P1 Ethics and Transparency	P2 Product Responsibility	P3 Well-being of Employees	P4 Responsiveness to Stakeholders	P5 Human Right	P6 Environmental Responsibility	P7 Public Policy Advocacy	P8 CSR- Support Inclusive Growth	P9 Engagement with Customers
1	Do you have a policy/ policies for....	Y	N Note 2	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	NA	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y Note 1	NA	Y Note 1	Y Note 1	Y Note 1	Y Note 1	Y Note 1	Y Note 1	Y Note 1
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	NA	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	NA	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Code of Ethics: http://www.linde.in/en/corporate_responsibility/ethics_compliance/index.html Health, Safety & Environment Policy : http://www.linde-engineering.com/en/about_linde_engineering/sheq/index.html Quality policy: http://www.linde-gas.sk/en/sheq/politika_kvality/index.html Suppliers Code of conduct: http://www.the-linde-group.com/en/corporate_responsibility/employees_and_society/occupational_health_and_safety/index.html Human Rights : http://www.the-linde-group.com/internet.global.thelindegroup.global/en/images/8485_tlg_csr_human_rights_statement_v4_view14_118566.pdf?v=11.0 CSR Policy: http://www.linde.in/en/corporate_responsibility/publications/index.html All other policies are available on the Company's internal network.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	N	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	N	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics and Transparency	Product Responsibility	Well-being of Employees	Responsiveness to Stakeholders	Human Right	Environmental Responsibility	Public Policy Advocacy	CSR- Support Inclusive Growth	Engagement with Customers
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	N	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes. The Company's policy and procedures are supported by internal controls in our operating systems. These controls are also subject to internal and/or external audits.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	NA	NA Refer Note2	NA	NA	NA	NA	NA	NA	NA
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	N	NA	NA	NA	NA	NA	NA	NA
3	The company does not have financial or manpower resources available for the task	NA	N	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 Months	NA	N	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	N	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	NA	Y Note 2	NA	NA	NA	NA	NA	NA	NA

Note 1: As a standalone company, we comply with applicable standards laid down by Bureau of Indian Standards in the Project Engineering Division, IP for medical oxygen, Statutory provisions on CSR, IFRS for accounting, etc. The Linde Group in its Corporate Responsibility report confirms that it supports and complies with UN Global Compact guidelines, UN Universal Declaration of Human Rights and Guiding Principles of Business and Human Rights, OECD Guidelines for multinational enterprises, ILO Principles on labour standards, OHSAS 18001 on occupational health and safety in 17% operating sites, ISO 14001 standards on environment.

Note 2: The Company's product responsibility is demonstrated through various procedures, guidelines, standards, compliances and policy on Health, Safety and Environment, Quality, Product Safety, etc of the Linde Group in this regard and the Managing Director of the Company provides oversight of the same.

3. Governance related to BR

   (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

   The BR performance of the Company is proposed to be reviewed annually by the Board/ MD.

   (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

   The BR reporting has become applicable to Linde India Limited with effect from April 2016 and this being the first BR report is available on http://www.linde.in/en/investor_relations/business_responsibility/index.html. At the group level, our parent, The Linde Group publishes a Corporate Responsibility Report covering the ten principles of the United Nations Global Compact and their impact on issues such as human rights, climate change, etc. in the manner required for GRI reporting.

Section E: Principle-Wise Performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   Linde India Limited has adopted the Linde Group's Code of Ethics, which inter alia, covers issues such as Ethics, Bribery, Corruption, which also extends to dealing with customers, suppliers, shareholders, employees, government, communities and public at large.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   The Company has not received any complaints which relate to ethics, bribery, and corruption during the financial year 2016.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   Listed below are products whose manufacturing process incorporates environment and safety risks/ concerns:
   (a) Oxygen
   (b) Nitrogen
   (c) Argon

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

   Efficient use of resources enables us to reduce our environmental impact and cut costs. Air is the most important raw material we use in the production of oxygen, nitrogen and argon. LNG is also a raw material for use in one of its plant in India. Our other principal input involved in the manufacturing process is energy. The main packaging material used is gas cylinders, which have a long lifespan and are filled several times in a year. The Project Engineering Division uses steel and aluminium for manufacture of components in construction of plants. Water is largely used for cooling in plants, which is mostly recycled in the system.

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   A substantial part of gases sold by the Company in 2016 was derived from the natural raw material – air, which does not lead to any scarcity of this resource. As an energy intensive company, we require a reliable and competitively priced energy supply and we constantly optimise the energy used in our manufacturing process. The increase in our energy consumption during the last couple of years is mainly due to the expansion of our business operations. The details of measures taken to conserve energy are covered in Annexure- 5 to the Directors' Report. We use water as efficiently as possible and substantial part of our water consumption is used in cooling processes, which is mostly recycled into the water system. Water is also used for drinking purposes in our offices and plants and for gardening. As a part of our commitment to environment protection, initiatives like rain water harvesting, recycling of waste water, etc. is done at most of the plants.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   Although the Company has taken several initiatives to conserve energy and water, its total usage in its operation during the year 2016 has been higher as compared to the previous year due to commissioning of new plants during the year viz. Tata KPO and Dahej ASU.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   When selecting suppliers, apart from commercial considerations such as quality and price, we also consider aspects such as safety and the environment. Our global Code of Conduct for Suppliers sets out minimum requirements for safety, environmental protection, human rights and corporate integrity.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   At Linde India, efforts are made to use the local service providers for availing certain services at our various plants and offices spread across the country, which has a positive impact on the local communities. Appropriate on the job training including on safety are imparted to people at the plants and offices to increase awareness and capability on these matters.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   We keep our consumption of resources as low as possible to minimise waste. Our common waste products are oil, waste which contains metal including condemned cyliinders. Waste is disposed of which cannot be recycled in environmentally sound manner. We comply with local regulations for classifying waste as hazardous and non-hazardous substances. We send hazardous waste material to Pollution Control Board authorized vendors for recycling without causing harm to the environment.

Principle 3

1. Please indicate the Total number of employees.

   Linde India had 759 employees on its pay rolls as on 31 December 2016.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

   Linde India had 1,288 temporary/contractual employees as on 31 December 2016.

3. Please indicate the Number of permanent women employees.

   Linde India had 41permanent women employees as on 31 December 2016.

4. Please indicate the Number of permanent employees with disabilities.

   Linde India had no permanent employees with disabilities as on 31 December 2016.

5. Do you have an employee association that is recognized by management?

   Yes, Linde India has recognised workers' union. There are two such unions, one in West Bengal and one at Jamshedpur.

6. What percentage of your permanent employees is member of this recognized employee association?

   6.72%. Through continual dialogue with these associations, the Company strives to maintain cordial relationship with employees and work towards their welfare.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

   (a) Permanent Employees
   (b) Permanent Women Employees
   (c) Casual/Temporary/Contractual Employees
   (d) Employees with Disabilities

No.	Category	Safety	Skill Development
1	Permanent employees	18.5%	34.8%
2	Permanent women employees	24.4%	26.8%
3	Casual/ Temporary/ Contractual Employees	65%	NIL
4	Employees with Disabilities	NA	NA

Principle 4

1. Has the company mapped its internal and external stakeholders?

   Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

   Yes. Linde India believes that it has an important role to play in the society and community in which it operates. Our Corporate Social Responsibility programme reaches out to different sections of the disadvantaged, vulnerable and marginalized members of the community to make positive impact on their lives in various ways.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   As a member of the Linde Group, the company is committed to respecting and supporting protection of human rights set out in United Nation Universal Declaration of Human Rights, the ten principles of UN Global Compact etc. The respect for people is enshrined in the Code of Ethics and the Linde values. The Company complies with applicable laws and regulations governing occupational health and safety, applies principles of equal opportunity, fair treatment and zero tolerance for any form of unlawful discrimination or harassment of employees. The Company also encourages its suppliers and other business partners, etc. to share its commitment in this regard.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   Nil.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

   The Linde Group, which is the ultimate holding company of Linde India Limited has a Health, Safety and Environment (HSE) Policy which states that The Linde Group would avoid harm to people, society and the environment. The Company is committed to work with its business partners including suppliers, contractors, etc. to promote and enforce compliance with this policy.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

   The Linde Group, of which the Company is a part, has strategy to address environmental issues such as global warming and carbon footprint. Linde India also addresses environmental issues such as these. The web-link of the policy is given in Section D.

3. Does the company identify and assess potential environmental risks? Y/N

   Yes.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   No, the Company does not presently have any project related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   The Company has taken certain initiatives in conservation of energy and improving energy efficiency at its various plants. The Company is also exploring viability of renewal source of energy at its selected ASUs and PGP sites. The brief details of these initiatives are contained in Annexure-5 to the Directors' Report for the year 2016. The annual report is available on the Company's website at www.linde.in.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   The emissions and waste generated by the Company are within the permissible limits as prescribed by Central and State Pollution Control Boards and yearly report is submitted to the respective authorities.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   Nil.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   Linde India Ltd. is a member of various trade & chamber and industrial associations such as Confederation of Indian Industries (CII), Indo-German Chamber of Commerce (IGGC), The Bengal Chamber of Commerce and Industry (BCCI) and Gas Industries Association (GIA). We are also part of various task forces within these chambers and also work closely with the industry bodies.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   The Company makes efforts to leverage its membership with Trade and Industry Associations to further contribute on specific sustainable business issues, such as ethics, safety, governance, etc. The Company also conducts annual safety seminars through Gas Industries Association (GIA) which are aimed at creating awareness on safety for best practices for its customers, vendors, public at large.

Principle 8

1. Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Linde India Limited is committed to behave responsibly towards people, society and the environment for inclusive growth of the society where it operates and to conserve natural resources. The Company's Corporate Social Responsibility projects and initiatives reach out to different sections of the disadvantaged, underprivileged or differently abled members of the community to make positive impact on their lives in various ways. These projects and initiatives fall in four thematic areas of the Company's CSR Policy, viz., Education, Health, Environment and Livelihood (Skill Development). The details of the specific CSR projects/initiatives are given in Annual Report on Corporate Social Responsibility annexed to the Directors' Report by way of Annexure-4.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   Linde India undertakes CSR projects both directly by mobilizing in-house team of employees and through external implementing agencies, NGOs and Government bodies.

3. Have you done any impact assessment of your initiative?

   Efforts are made to make a general assessment of impact of some of the initiatives. However, no structured impact assessment is put in place at present.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

   During the year, the Company spent INR 4.52 million towards various CSR initiatives and projects. The details of the same are given in the Annual Report on CSR, which is annexed as Annexure-4 to the Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   All CSR projects and initiatives are planned with the objective of sustainable community development. The project is identified and developed as a facilitator within the CSR Policy framework and presented to the CSR Committee for its review, guidance and approval. The Company endeavours to support the CSR projects/ initiatives over a period of time to make them sustainable. The Company works with the NGOs and implementing agencies of the projects to ensure proper and meaningful adoption of these initiatives among the target community.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

   The Company's Customer Service Centre logged 959 complaints during the year 2016. Out of this, 907 complaints (94.58%) were resolved within the target resolution date in 2016. The remaining 52 complaints (5.42%) were resolved by 31 Jan. 2017.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)

   Yes. Linde India Limited follows applicable laws and regulations relating to product information on product label, which also take into account various safety requirements. This includes pictorial representation of warnings as a part of the product label.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

   No cases were filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti- competitive behaviour during the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   The Company runs two surveys about customer satisfaction. One is known as Customer Satisfaction Survey, which is done annually. The other one is a monthly survey, which touches a customer at an interval of every 30 days. This is presently done for select customers.

Linde India Limited
CIN: L40200WB1935PLC008184
Oxygen House, P43 Taratala Road, Kolkata 700 088, India
Phone: +91 33 6602 1600, Fax +91 33 2401 4206
Email: contact.lg.in@linde.com
www.linde.in

THE LINDE GROUP

Linde

Linde India Limited.

Notice 2016.

Notice.

Notice is hereby given that the Eighty First Annual General Meeting of the Members of Linde India Limited will be held at the Kala Mandir Auditorium, 48 Shakespeare Sarani, Kolkata 700 017 on Tuesday, 18 April 2017 at 10.00 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:
   a. the Audited Standalone Financial Statements of the Company for the financial year ended 31 December 2016 together with the Reports of the Board of Directors and the Auditors thereon; and
   b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31 December 2016 together with the Report of the Auditors thereon.

2. To declare dividend on Equity Shares.

3. To appoint a Director in place of Mr. Sanjiv Lamba (DIN: 00320753), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint Messrs Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the Statutory Auditors of the Company and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED that pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Messrs Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/W-100018) be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 86th Annual General Meeting of the Company at such remuneration as may be mutually agreed upon between Deloitte Haskins & Sells LLP and the Board of Directors of the Company based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company".

Special Business:

To consider and, if thought fit, to pass with or without modification(s), the following resolutions:

5. As a **Special Resolution:**
   RESOLVED that pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act"), and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Act and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company and subject to the approval of the Central Government or such other approval(s) as may be required, the approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr Moloy Banerjee (DIN - 00273101) as the Managing Director of the Company for a term of three years with effect from 30 July 2016 to 29 July 2019 on such terms and conditions including remuneration as set out in the Agreement dated 16 September 2016 entered into between the Company and Mr. Moloy Banerjee, which was subsequently modified by the Board of Directors of the Company (hereinafter referred to as "the Board") on the recommendation of the Nomination and Remuneration Committee at their respective meetings held on 11 February 2017, requisite details whereof are contained in the Explanatory Statement annexed to the Notice, with liberty to the Board to alter and vary the terms and conditions of the said re-appointment and/or remuneration, as it may deem fit and as may be acceptable to Mr. Moloy Banerjee provided that the remuneration after such alteration or variation, as the case may be, is in accordance with the provisions of Section 197 and/or Schedule V of the Act.

   RESOLVED further that in the event of loss or inadequacy of profits in any financial year during the term of office of Mr. Moloy Banerjee, as Managing Director, the Company will pay to Mr. Moloy Banerjee in respect of such financial year the remuneration as set out in the Explanatory Statement by way of consolidated salary, perquisites and allowances, including subsequent revisions approved by the Nomination and Remuneration Committee and the Board from time to time as per the aforesaid Agreement as minimum remuneration, in accordance with the provisions of Section 197 and /or Schedule V of the Act or such higher limit as may be approved by the Central Government or other appropriate authority, if any, in this regard.

6. As an Ordinary Resolution:
"RESOLVED that pursuant to the provision of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Messrs Bandyopadhyaya Bhaumik & Co., Cost Accountants (Firm Regn. No. 000041), appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year ending 31 December 2017 as prescribed under the Companies (Cost Records and Audit) Rules, 2014 be paid a remuneration of Rs. 1,45,000/- (Rupees One Lakh Forty Five Thousand only) plus applicable service tax and out of pocket expenses that may be incurred during the course of audit and the said remuneration be and is hereby ratified and confirmed."

Registered Office
Oxygen House
P 43 Taratala Road
Kolkata 700 088
India

Mumbai
11 February 2017

By order of the Board
Linde India Limited

Pawan Marda
Membership No. ACS 8625
Asst. Vice President & Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   Proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting i.e. by 10.00 a.m. on Sunday, 16 April 2017.

   A person can act as Proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a Proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such person shall not act as a Proxy for any other Member.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 concerning the Special Business in the Notice of this Annual General Meeting is annexed hereto and forms part of this Notice.

3. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 11 April 2017 to Tuesday, 18 April 2017 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.

4. The dividend, as recommended by the Board of Directors, if declared at this Annual General Meeting will be paid to those Members whose names appear on the Company's Register of

Members after giving effect to all valid transfer deeds in physical form lodged with the Company/RTA on or before 10 April 2017 and in respect of shares held in dematerialized form to the beneficial owners whose names appear in the statements to be furnished by the Depositories for this purpose as at the close of business hours on 10 April 2017. The dividend declared at the Annual General Meeting shall be paid on or after 24 April 2017.

5. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations], the Company shall use any of the electronic mode of payment facility approved by the Reserve Bank of India for the payment of dividend. Members holding shares in demat mode are requested to submit their Bank details viz. Bank Account Number, Name of the Bank, Branch details, MICR Code, IFS Code to the Depository Participants with whom they are maintaining their demat account and Members holding shares in physical mode are requested to submit the said bank details to the Company's Registrar & Transfer Agents.

6. The Notice of the Annual General Meeting, Annual Report 2016, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in electronic mode to all the Members whose e-mail IDs are registered with the Company's Registrar & Transfer Agents or the Depository Participant(s) unless any Member has requested for a printed copy of the same. For Members who have not registered their e-mail IDs as above, physical copies of the Notice of the Annual General Meeting, Annual Report 2016, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent at their registered addresses.

7. Corporate Members are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.

8. In case of joint holders attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the meeting.

9. In terms of Sections 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

10. Members who have not encashed their dividend warrant(s) for any one or more of the financial year(s) viz. year ended on 31 December 2009, 31 December 2010, 31 December 2011, 31 December 2012, 31 December 2013, 31 December 2014 and 31 December 2015 are requested to make their claims to the Company or its Registrar & Transfer Agents, Link Intime India Pvt. Ltd., 59C, Chowringhee Road, 3rd Floor, Kolkata 700 020 for the same. The due dates for transfer of the aforesaid unpaid/ unclaimed dividend to IEPF are as follows:

Dividend for the year ended	Due date for transfer to IEPF
Year ended 31 Dec 2009 (55th Dividend)	30 June 2017
Year ended 31 Dec 2010 (56th Dividend)	9 July 2018
Year ended 31 Dec 2011 (57th Dividend)	23 June 2019
Year Ended 31 Dec 2012 (58th Dividend)	23 June 2020
Year Ended 31 Dec 2013 (59th Dividend)	29 June 2021
Year Ended 31 Dec 2014 (60th Dividend)	22 June 2022
Year Ended 31 Dec 2015 (61st Dividend)	25 June 2023

11. Members are requested to note that pursuant to the provisions of the Companies Act, 2013, SEBI Listing Regulations and the IEPF Rules, all such shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are also required to be transferred to IEPF. The Company is taking steps for sending individual notices to the concerned shareholders and for publishing of a public notice to shareholders under the IEPF Rules in this regard.

12. Members are informed that once the unpaid/unclaimed dividend or the shares are transferred to IEPF, the same may be claimed by the Members from the IEPF Authority by making an application in prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents to the Registered Office of the Company for verification of the claim.

13. The IEPF Rules and the application form (Form IEPF – 5), as prescribed by the MCA for claiming back of the shares/ dividend, are available on the website of the Company www.linde.in as well as website of IEPF at www.iepf.gov.in

14. Members holding shares in physical form are requested to notify immediately any change in their address including Pin code, Bank Mandate, etc to the Company's Registrar & Transfer Agents, Link Intime India Pvt. Ltd., 59C, Chowringhee Road, 3rd Floor, Kolkata 700 020. Members holding shares in electronic form are requested to furnish this information to their respective Depository Participants for updation of the changes.

15. Members who hold shares in electronic form and who have not registered their e-mail addresses so far are requested to register their email IDs with their Depository Participants. Members who hold shares in physical form are requested to fill and send the "Email Registration Form" to the Company/Registrar and Transfer Agents. This form is available on the Company's website at www.linde.in under Investor Relations section.

16. Members holding shares in multiple folios in identical names or joint accounts in the same order of names are requested to consolidate their shareholdings into one folio. Members holding shares in physical form are also requested to take action for dematerialization of the shares to avail the benefits of demat.

17. Members holding shares in the physical form and desirous of making/updating Nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrar & Transfer Agents, Link Intime India Pvt. Ltd. The Registrar & Transfer Agents will provide the form on request. These forms are also available on the Company's website at www.linde.in under Investor Relations section. Members holding shares in dematerialised form should make/update their nomination with their Depository Participants.

18. Members are requested to contact the Company's Registrar & Transfer Agents, Link Intime India Pvt. Ltd., 59C, Chowringhee Road, 3rd Floor, Kolkata 700 020 (Phone No. +91 33 2289 0540; Fax No. +91 33 2289 0539) for reply to their queries/redressal of complaints, if any, or contact the Secretarial Department at the Registered Office of the Company (Phone +91 33 6602 1600, Email: investor.relations.in@linde.com).

19. Members, Proxies and Authorized Representatives are requested to bring their Attendance Slips together with their copies of the Annual Reports to the Meeting. Copies of the Annual Report will not be provided at the AGM venue.

20. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rules made thereunder and other relevant documents in respect of the proposed resolutions would be available for inspection by the Members at the venue of the Annual General Meeting.

21. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat mode are, therefore, requested to submit a self-attested copy of their PAN card to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit the self-attested copy of their PAN card to the Company's Registrar & Transfer Agents.

22. A Route map showing directions to reach the venue of the 81st Annual General Meeting is given at end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meetings".

23. E-voting:
In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended from time to time and Reg. 44 of SEBI Listing Regulations, the Company is pleased to provide to the Members facility of voting by electronic means in respect of businesses to be transacted at the 81st Annual General Meeting (AGM) which includes remote e-voting (i.e. voting electronically from a place other than the venue of the general meeting) and voting at the AGM through an electronic voting system. The Company also proposes to provide the option of voting by means of Ballot Form at the AGM in addition to the electronic voting system mentioned above. The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating voting by electronic means.

Mr S. M. Gupta (Membership No. FCS-896) of Messrs S. M. Gupta & Co., Company Secretaries (C. P. No. 2053), whom failing, Mr P Sarawagi (Membership No. FCS-3381) of M/s. P Sarawagi & Associates, Company Secretaries (C. P. No. 4882) who have individually consented to the Company to act as the Scrutinizer, have been appointed by the Board of Directors as the Scrutinizer to scrutinize the voting process (electronically or otherwise) for the 81st Annual General Meeting of the Company in a fair and transparent manner and submit a Scrutinizer's report of the total votes cast to the Chairman or a person authorized by him in writing.

The procedure with respect to e-voting is provided below:

(A) In case of Members receiving notice by e-mail from NSDL:

i. Open e-mail and open the attached PDF file viz; "Lindeindia.e-voting.pdf" with your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password. The said PDF file contains your user ID and password for e-voting. Please note that this password is an initial password.
ii. Launch internet browser by typing the URL https://www.evoting.nsdl.com.
iii. Click on "Shareholder-Login".
iv. Insert your user ID and password as initial password noted in step (i) above. Click Login. If you are already registered with NSDL for e-voting, you can use your existing user ID and password for casting your vote.
v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. Home page of e-voting opens. Click on "e-voting : Active Voting Cycles".
vii. Select "E Voting Event Number (EVEN)" of Linde India Limited for casting your vote.
viii. Now you are ready for e-voting as "Cast Vote" page opens.
ix. Cast your vote by selecting appropriate option and click on: "Submit" and also "Confirm" when prompted. Upon confirmation, the message "vote cast successfully" will be displayed.
x. Once you have voted on the resolution, you will not be allowed to modify your vote.
xi. Institutional Shareholders and bodies corporate (i.e. other than individuals, HUF, NRI, etc) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote to the Scrutinizer through e-mail to scrutinizer@linde.com with a copy marked to evoting@nsdl.co.in.

(B) In case of Members receiving Notice of Annual General Meeting by post/courier:

a. Initial password is provided on the Attendance Slip for the AGM.
b. Please follow all steps from Sl. No. (ii) to Sl. No.(xi) mentioned in (A) above, to cast your vote.

Other Instructions:

I. Persons who have acquired shares and became Members of the Company after the dispatch of the Notice of the AGM but before the cut-off date of 11 April 2017, may obtain their user ID and password for e-voting from Company's Registrar & Transfer Agents, Link Intime India Pvt. Ltd., 59C, Chowringhee Road, 3rd Floor, Kolkata 700 020 (Phone No. +91 33 2289 0540; Fax No. +91 33 2289 0539) or NSDL (Phone No. +91 22 2499 4600).
II. The remote e-voting period starts on Saturday, 15 April 2017 at 9.00 a.m. and ends on Monday, 17 April 2017 at 5.00 p.m. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 11 April 2017, may cast their votes electronically. The remote e-voting module will be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. A person who is not a Member as on the cutoff date should treat this Notice for information purposes only.
III. In case of any queries, you may refer to the "Frequently Asked Questions (FAQs)" for Shareholders and e-voting user manual for Shareholders available at the "downloads" section of NSDL website at www.evoting.nsdl.com.
IV. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date. In case of joint holders, only one of the joint holders may cast his vote.
V. Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting through electronic voting system/ballot form. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
VI. The results of the e-voting and ballot shall be aggregated and declared not later than 48 hours of conclusion of the AGM i.e. Thursday, 20 April, 2017. The declared Results along with the Scrutinizer's Report will be available on the Company's website at www.linde.in and also be displayed on the website of NSDL at www.evoting.nsdl.com and will also be forwarded to the Stock Exchanges where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the AGM.

24. Re-appointment of Directors:
In terms of Section 152 of the Companies Act, 2013, Mr. Sanjiv Lamba (DIN: 00320753), shall retire by rotation at the ensuing 81st Annual General Meeting and being eligible, offers himself for re-appointment. Mr Moloy Banerjee (DIN: 00273101) was re-appointed by the Board as the Managing Director of the Company subject to approval of the Members for a further term of three years with effect from 30 July 2016. Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2, following information is being furnished about the aforesaid directors proposed to be re-appointed:

Name of Director	Mr. Sanjiv Lamba	Mr Moloy Banerjee
DIN	00320753	00273101
Age	52 years	50 years
Qualification	B. Com. (Hons.) and Chartered Accountant	B. Tech. in Mechanical Engineering from IIT Kanpur
Experience/Expertise in specific functional areas	Mr Sanjiv Lamba has rich experience of the Company's business and was the Managing Director of the Company up to 31 March 2005. He thereafter moved to various senior management positions within the erstwhile BOC Group until its merger with Linde AG in the year 2006. Mr Lamba is a Member of the Executive Board of Linde AG since 2011, responsible for the Asia/Pacific segment as well as for the Global Governance Centers, Merchant and Packaged Gases and Electronics and Global Gases Business Helium & Rare Gases.	As provided in the item no. 5 of the Explanatory Statement annexed to the Notice.
Terms and conditions of appointment/re-appointment	Appointed as Non-executive director, representing The Linde Group.	As provided in the item no. 5 of the Explanatory Statement annexed to this Notice.
Remuneration sought to be paid	Nil	As provided in the item no. 5 of the Explanatory Statement annexed to this Notice.
Last remuneration drawn (FY 2016)	Nil	Rs. 20.79 million
Date of first Appointment on the Board of the Company	28 January 2000	30 July 2013
Number of Equity Shares held in the Company.	400	200
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company.	Nil	Nil
Number of Board Meetings attended during Financial year 2016	6	6
List of outside directorship held*	Nil	Nil
Chairman/member of the committee of the Board of Directors of other companies in which he is a director	Nil	Nil

* Directorships in Indian private limited companies, foreign companies, companies under Section 8 of the Companies Act, 2013 have not been considered.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 to the accompanying Notice:

As the business specified in Item Nos. 5 and 6 of the Notice of even date, to which this statement is annexed, are items of special business to be transacted at the 81st Annual General Meeting of the Company, the following facts are set out in compliance with the provisions of Section 102 of the Companies Act, 2013:

Item No. 5:
The Board of Directors of the Company had on the recommendation of the Nomination and Remuneration Committee at their respective meetings held on 19 July 2016, subject to the approval of the Members, re-appointed Mr Moloy Banerjee (DIN No. 00273101) as the Managing Director of the Company for a further term of three years with effect from 30 July 2016 to 29 July 2019. The terms and conditions and remuneration of Mr Moloy Banerjee were set out in the Agreement dated 16 September 2016 entered into between him and the Company. The said terms and conditions and the remuneration of the Managing Director were further modified by the Board on the recommendation of the Nomination and Remuneration Committee at their respective meetings held on 11 February 2017, with effect from 1 January 2017 subject to the approval of the Members at the ensuing Annual General Meeting.

The brief terms and conditions including remuneration payable to Mr Moloy Banerjee as provided in the Agreement dated 16 September 2016 are given below:

1. Basic Salary: Rs. 5,528,190 per annum with authority to the Nomination and Remuneration Committee and the Board to give increments, which will be merit based and take into account the Company's performance.

2. Remuneration/ payment as per Short, Mid and Long Term Incentive Plan of the Company/the Linde Group to which the Company belongs, as may be decided by the Nomination and Remuneration Committee and the Board from time to time.

3. Perquisites and Allowances:
    a. Special Allowance: Rs. 4,833,240 per annum or such amount as may be decided by the Nomination and Remuneration Committee and the Board from time to time.
    b. Rent free residential accommodation to Mr Banerjee whether owned/ leased/ rented by the Company as per rules of the Company. In case the Company does not provide any such residential accommodation or Mr Banerjee does not avail such accommodation, he shall be entitled to be paid a House Rent Allowance as decided by the Nomination and Remuneration Committee and the Board.
    c. Reimbursement of medical expenses for self and family including dependent parent(s) up to a ceiling of Rs. 75,000 per annum or Rs. 225,000 in block of three years.
    d. Premium for maintenance of a Group Health policy or policies for Mr Banerjee and his family for medical benefits, Personal Accident Insurance as per Company's scheme and maintenance of a Keyman Insurance Policy under the Company's Keyman Insurance Scheme for its executives.
    e. Leave Travel Concession of Rs.175,000 per annum for self and family.
    f. Provision of one company maintained car for both official and personal purposes and reimbursement of wages of driver up to a maximum limit of Rs. 120,000 per annum apart from the driver's overtime wages on Company's business.
    g. Telephone facility at residence and a cellular phone for official use.
    h. Monthly subscription for two clubs but not including admission fee or life membership fees.

4. Entertainment expenses incurred in the course of and for the purpose of the business of the Company.

5. Contribution to Provident, Superannuation and Gratuity Funds as per the rules of the Company.

6. Leave according to rules applicable to the whole time Directors of the Company but not more than one month's leave for every eleven months of service.

7. Minimum Remuneration: The Agreement also provided for payment of minimum remuneration in case the Company has no profits or its profits are inadequate in any financial year covered by the Agreement.

As stated in para 1 above, the revision made by the Board in the remuneration of Mr Moloy Banerjee with effect from 1 January 2017 covers increase in basic salary from Rs.5,528,190 to Rs.5,749,318 per annum, payment of HRA of Rs.19,20,000 per annum in lieu of Company leased accommodation with effect from 1 Oct. 2016, decrease of Special Allowance from Rs.4,390,156 to Rs.4,171,660 per annum and providing of a second Company leased car to Mr Moloy Banerjee for his official/ personal use.

The Agreement executed between the Company and the Managing Director is available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and a copy thereof will also be available at the meeting venue.

Pursuant to the provisions of Schedule V of the Companies Act, 2013, the following information is provided to the Members:

General Information:

i. Nature of industry:
    Linde India Limited is a gases company primarily engaged in the manufacture of atmospheric gases, viz. oxygen, nitrogen and argon by use of air separation technology and is part of the Chemicals industry segment. The Company has two broad segments, viz. Gases and Related Products and Project Engineering in line with the operating model of its parent, Linde AG. The Gases and Related Products segment comprises of pipeline gas supplies (Onsite) to very large industrial customers, supply of liquefied gases through cryogenic tankers (bulk) to cater to mid- size demand across wide range of industrial sectors and compressed gas supply in cylinders (packaged gas) for meeting smaller demand of gases. The Project Engineering Division comprises the business of design and engineering, supply, installation and commissioning of Air Separation Units (ASU), nitrogen generators, hydrogen Pressure Swing Adsorption (PSA) plants, compressed air systems and speciality gas distribution and storage systems. The Project Division also manufactures cryogenic vessels.

ii. Date of commencement of commercial production:
    The Company was incorporated on 24 January 1935 and commenced its operations in India immediately thereafter. The Company's operations in India therefore date back to more than eight decades.

iii. Financial performance based on given indicators:

Rs. in million

Particulars	Financial year ended 31.12.2016	Financial year ended 31.12.2015	Financial year ended 31.12.2014	Financial year ended 31.12.2013
Revenue from operations (gross)	19,910.94	17,023.47	16,148.67	15,294.96
Profit Before Tax	51.09	5.56	35.78	1,166.08
Profit for the Year	93.40	234.57	54.00	773.28

iv. Foreign investments or collaborations, if any:
Linde India Limited is a member of The Linde Group and Linde AG as the ultimate holding company controls 75% of the paid up share capital of the Company. The promoter group has supported significant investments towards capital expenditure in the Company since 2008 including technological support for setting up of several large Air Separation Units, packaged gases and other plants, execution of engineering projects, providing application technology in the gases business, etc. The Company therefore, has access to Linde AG's technology in both its business segments – Gases and Project Engineering.

II. Information about Mr. Moloy Banerjee:

i. Background details:
Mr. Moloy Banerjee (born 1966), is a B. Tech. in Mechanical Engineering from IIT Kanpur. Mr. Banerjee has around 30 years of experience spread across Gases and Project Engineering business of the Company during which he held various senior positions in the Company including as Vice President –Gases responsible for bulk and onsite business, as Marketing Manager responsible for strategic marketing and investments, as Project Development Manager responsible for business development activities relating to merchant and onsite business and as Manager in Project Engineering Division responsible for project execution in various capacities. Besides this, Mr Banerjee has an overseas experience of two years in the Onsite business in South and East Asia and South Pacific regions in the Gases business of The Linde Group after which he was appointed as the Dy. Country Head of the Company w.e.f. 1 January 2013 and later as Managing Director of the Company from 30 July 2013.

ii. Past remuneration:
Remuneration paid during the FY 2015 and FY 2016 is given below:

Amount in Rs. million

Particulars of Remuneration	For the year ended 31 Dec.2016	For the year ended 31 Dec. 2015
Salary and Allowances	12.05	11.05
Variable Compensation Pay	3.28	2.74
Perquisites/ Other benefits	3.72	3.79
Contribution to Provident and Other Funds	1.74	1.65
Stock Option	-	-
Total	20.79	19.23

iii. Recognition or awards:
Mr Moloy Banerjee was the Chairman of the Safety Task Force of the Eastern Region of the Confederation of Indian Industry in 2015-16 and has been the Chairman of the Governance Task Force of CII during the year 2016-17, Member of Governing Council of Gas Industries Association and also represents the Company at the All India Industrial Gases Manufacturers Association.

iv. Job profile and his suitability:
Mr Moloy Banerjee is the Managing Director of the Company since 30 July 2013 and is entrusted with substantial powers of management subject to the superintendence, control and direction of the Board of Directors of the Company. Mr Banerjee is B. Tech. in Mechanical Engineering from IIT Kanpur and has around 30 years of experience including at various senior management positions in the Company and overseas, as covered herein above under (i) Background details. The rich experience in technical and management roles of Mr Banerjee is well suited for the position of the Managing Director.

v. Remuneration proposed:
The remuneration of Mr Moloy Banerjee in respect of his further term of three years beginning from 30 July 2016 has been set out in this Explanatory Statement under item no. 5 above, which is subject to the approval of the Members of the Company by way of a special resolution at the ensuing 81st Annual General Meeting. As per the aforesaid terms of appointment approved by the Board on the recommendation of the Nomination and Remuneration Committee, the remuneration paid to Mr Banerjee during the year ended on 31 December 2016 is in accordance with the applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act. The proposed special resolution also provides for payment of minimum remuneration in case the Company has no profits or its profits are inadequate in any financial year covered by the Agreement entered into between the Company and Mr Moloy Banerjee.

vi. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:
The terms and conditions (including remuneration) of re-appointment of Mr Moloy Banerjee as Managing Director have been considered by the Nomination and Remuneration Committee and later approved by the Board of Directors at their meeting held on 19 July 2016. The perquisites and allowances of Mr Banerjee were subsequently revised w.e.f 1 January 2017 by Nomination and Remuneration Committee and later approved by the Board of Directors at their respective meetings held on 11 February 2017. The Company participates in the remuneration benchmarking studies conducted by leading consultants namely, Mercer and HRBS Asia and the remuneration of the Managing Director has been based on benchmarking standards for the CEOs provided by Mercer with respect to size of the operations and the profile of the position.

vii. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel:
Mr Moloy Banerjee holds 200 shares in the Company as on 31 December 2016. Apart from receiving remuneration as stated above and dividend as a Member of the Company in respect of his shareholding, Mr Banerjee does not have any other pecuniary relationship with the Company or with the managerial personnel of the Company.

III. Other information:

i. Reasons for loss or inadequate profits:
The Company has been facing challenges arising from the overall macro-economic environment which is reflected in weak business sentiments in diverse industry segments both in the Gases and Project Engineering business segments over the last couple of years. The Company has recorded robust growth in its gases revenues during the year primarily on the back of incremental revenues from its newly commissioned 2X1200 tpd Air Separation Units at Tata Steel's greenfield site at Kalinganagar and ramp up of other ASUs commissioned in last couple of years, besides higher revenues billed by the Project Engineering division during the year. The operating profit of the Company amounted to Rs.3,186.15 million during the year 2016, including a profit of Rs.155.94 million (net) from disposal of factory land at Tarapur. However, the company has been continuing to feel the pressure of depreciation and interest costs in respect of the newly commissioned plants, which are gradually ramping up. After accounting for depreciation of Rs.1,988.73 million and interest cost of Rs. 1,146.33 million during the year, the profit before tax for the year amounted to Rs.51.09 million. The financial performance section of the Directors' Report explains the reason for inadequacy of profits in more detail.

ii. Steps taken or proposed to be taken for improvement:
The steps taken or proposed to be taken for improvement in financial performance, inter alia, include various actions for improving loading of the major Air Separation Units, driving gases revenues with application technology based sales in new markets and industries, focus on Healthcare to increase penetration in tier 2 cities, private hospital chains and creating differentiated product and service offerings to improve margins, alternative power sourcing arrangements to bring down the energy cost, optimizing distribution efficiency, making organisation more effective and reducing overhead cost, making continuous efforts to reduce interest cost and improving order book of the Project Engineering Division with focus on increasing margins in the business.

iii. Expected increase in productivity and profits in measurable terms:
The steps taken/proposed to be taken for improvement are expected to make a positive impact on growing revenues, containing interest and other overhead costs with a view to enhance margins both in the Gases and Project Engineering business segments. This is therefore expected to improve the operating performance and the profitability of the Company in the coming years.

IV. Disclosures:
Disclosures pursuant to Schedule V of the Companies Act, 2013, is contained in the explanatory statement herein above and in the Corporate Governance Report which is annexed to the Directors' Report for the year 2016.

The Board, therefore, recommends the Special Resolution set out at Item no. 5 of the Notice for approval by the Members.

Mr. Moloy Banerjee is concerned or interested in the resolution as it relates to his appointment and/or remuneration payable to him. None of the other Directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the Resolution.

Item No. 6:
The Board of Directors of the Company had on the recommendation of the Audit Committee, approved the appointment of Messrs Bandyopadhyaya Bhaumik & Co., Cost Accountants (Firm Regn. No. 000041) as the Cost Auditors to conduct the audit of cost records of the Company for the financial year ending 31 December 2017.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

The Board, therefore, recommends the Ordinary Resolution set out at Item no. 6 of the Notice for approval by the Members.

None of the Directors/Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the Resolution.

Registered Office:	By order of the Board
Oxygen House	**Linde India Limited**
P 43 Taratala Road	
Kolkata 700 088	
India	
	Pawan Marda
Mumbai	Membership No. ACS 8625
11 February 2017	Asst. Vice President & Company Secretary

Route map of 81st AGM Venue of Linde India Limited.

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