

Sect/71

20 April 2018

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 2017

We refer to our earlier letter no. Sect/22 dated 21 March 2018 enclosing an electronic copy of the Annual Report of the Company for the year 2017 and the Notice of the Eighty second Annual General Meeting (AGM) of the Company held on Monday, 16 April 2018 submitted in NSE NEAPS and BSE Listing Centre.

We are now again enclosing herewith a pdf copy of the Annual Report of the Company for the year 2017 including the AGM Notice and Business Responsibility Report 2017, which was approved and adopted in the AGM held on Monday, 16 April 2018.

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 2017 on your website for information of the Members and investors of the Company.

Thanking you,

Yours faithfully,



Pawan Marda

Asst. Vice President & Company Secretary

Encl: as above

Innovating for Customers.

Annual Report 2017.



Contents.

Corporate overview

- 01 Chairman's message
- 02 Cryogenic food chilling: harnessing ultra-low temperatures for better food preservation
- 03 Cryogenic spice grinding: low temperatures for high taste
- 04 Medical pain relief gases: making normal childbirth procedures easier
- 05 Shielding gases: delivering superior welding quality for Indian automobiles industry
- 06 Profile of the board of directors
- 08 Company information
- 09 Financial performance (Standalone)

Statutory reports

- 10 Directors' report and management discussion and analysis
- 21 Annexures to directors' report
- 41 Report on corporate governance

Financial statements

- 56 Balance sheet
- 57 Statement of profit and loss
- 58 Statement of changes in equity
- 59 Cash flow statement
- 60 Notes to financial statements
- 112 Independent auditor's report
- 118 Consolidated balance sheet
- 119 Consolidated statement of profit and loss
- 120 Consolidated statement of changes in equity
- 121 Consolidated cash flow statement
- 122 Notes to consolidated financial statements
- 175 Independent auditor's report on consolidated statements
- 178 Ten-year financial data

Chairman's message.



Dear Shareholders,

The year 2017 has been a successful year for all of us at Linde India. I am delighted to share with you that your Company has achieved robust profitable growth in the Gases Division, led by our on-site, bulk, packaged gases and special products businesses. This has been made possible by higher loading of the major on-site plants at Jamshedpur, Bellary and Rourkela driven by an all-time high steel production in India and robust growth in merchant and packaged gases led by higher volumes of argon, specialty and electronic gases. The Project Engineering Division also achieved a robust growth in revenues as compared to 2016. It is this strong all-round commercial performance that has propelled your Company to achieve Rs. 21,150 million in revenues from operations on a standalone basis. We ended the year with profit after tax of Rs. 244 million before exceptional items.

A key driver behind our positive performance in India has been our sharp focus on innovating for our customers. Innovation has long been part of our organisation's DNA and an important competitive differentiator. In the highly competitive, cost sensitive and fragmented Indian marketplace, your Company stands out with its cutting-edge innovation through research and development. Our technology-based solutions focus on solving

the real-world problems of our customers and help deliver improvements in terms of efficiency, productivity and cost.

A few years ago, your Company embarked on a journey of developing focused, industry-specific applications, when we invested in setting up the Linde India Technology Centre at Pune. Our solutions draw from the suite of gases applications technologies available within The Linde Group portfolio, which range from shielding gases that deliver faster and better welds at automobile factories to REBOX®, an oxygen enrichment and oxyfuel system that delivers efficiencies and cost savings in steel plant furnaces. On the healthcare side, it includes ENTONOX®, a mixture of nitrous oxide and oxygen that helps ease childbirth pain during normal deliveries. We harness the versatility of liquid nitrogen (LIN) to deliver a wide range of solutions for our customers, from cryogenic grinding for spice mills to concrete cooling in cement plants and LIN-dosing of packaged water bottles.

Our LIN-based applications portfolio received a significant boost in 2017 when we completed construction of Linde's first Food Lab and Training Centre in South Asia, near Vijayawada in Andhra Pradesh. Equipped with Linde's patented cryogenic freezers and modified

atmosphere packaging equipment, the Food Lab will showcase the advantages of cryogenic freezing to Indian producers of shrimp, marine products, meat, fruits and vegetables.

Moving forward, our focus on application and the increasing deployment of advanced digital solutions in our operations and for customers will play a crucial role in differentiating us from the competition in India.

The year 2018 promises to be an interesting one as the planned merger of equals between Linde AG and Praxair, Inc. progresses. I look to the future with a positive outlook as we remain committed to using our innovation and technology to create value for our customers and offering them the best experience. This, I believe, will create value for all stakeholders.

Warm regards,

Sanjiv Lamba
Chairman

12 February 2018

Cryogenic food chilling: harnessing ultra-low temperatures for better food preservation.

In 2017, Linde India Limited completed the construction of its first Linde Food Lab and Training Centre. Located in Mangalagiri, near Vijayawada in Guntur District of Andhra Pradesh, this is also the first Linde Food Lab in South Asia.

Globally, The Linde Group is a leader in cryogenic food freezing and food chilling technology. Its portfolio of cryogenic freezers and related equipment offer a wide range of cutting edge solutions that help local growers and producers earn more returns from their produce.

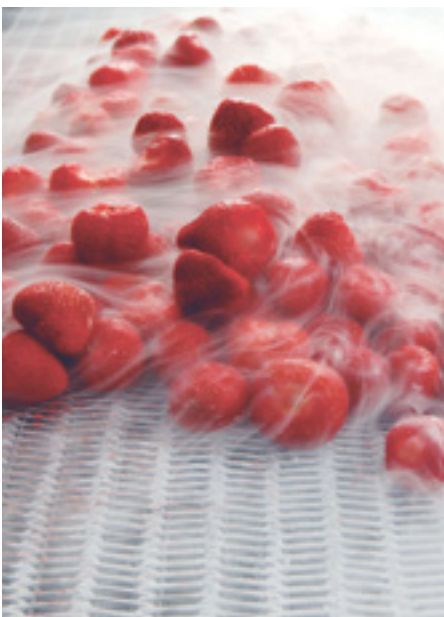
The pride of the Linde India Food Lab and Training Centre is a gleaming new Linde CRYOLINE® CW (CRYOWAVE™) freezer. This is the world's first hygienic individual quick freezing (IQF) freezer with a proprietary rolling-wave action that is ideal for a wide range of food products, from fruits and vegetables to fish and poultry. It can even be used to freeze pizza toppings and pasta. The CRYOLINE® CW uses the extreme low temperatures of liquid nitrogen (LIN) for processing fruits, vegetables, meat, poultry,

seafood, prepared foods, bakery, dairy and frozen dessert items, and individually quick frozen (IQF) products. The underlying technology is the combination of gas flow patterns that allow extremely high gas velocities and maximises heat transfer coefficient on the product surface with cryogenic spraying systems. This also maximises heat transfer on the product surface. The combination of these two elements allows smaller freezer size, which in turn enables enhanced efficiency by reducing the amount of material needed and lower cryogen consumption.

Also available for demonstration at the Food Lab is Linde's modified atmosphere solutions. These solutions provide an easy remedy for food manufacturers seeking to extend the shelf life of their products in a natural way.

Located in the heart of Guntur District in Andhra Pradesh, the Food Lab and Training Centre will be used as a hub to demonstrate the powerful potential of Linde's cryogenic food freezing and chilling solutions. Training facilities based at the Food Lab will be used to impart the skills and know-how required to operate Linde's CRYOLINE® freezers and modified atmosphere packaging solutions.

The Food Lab heralds a new direction for the business strategy of Linde India, as it continues to diversify its business mix and product portfolio. It is also a gift to the people of Andhra Pradesh and a mark of gratitude to the state government.



Cryogenic freezing solution for strawberries.



Linde India Food Lab and Training Centre.

Cryogenic spice grinding: low temperatures for high taste.

If there is one element that distinguishes Indian cuisine from that of the rest of the world, it is the extensive use of spices, or masala, to achieve an unmatched taste and flavour profile.

The Linde Group's global expertise in cryogenic solutions for the food industry acquires a distinctly Indian taste at leading spice factories. The grinding of spices at low temperature using LIN based grinding solutions results in spices that are distinctly higher in colour and aroma. It also helps in boosting grinding productivity, increases the concentration of volatile compounds, reduces mill power consumption and enables easy product changeover in the mill.

The Linde solution of cryogenic grinding for food products employs a high technology combination of cryogenic grinding screw, storage tanks, cryogenic piping, LIN flow and temperature instruments and process automation.

Currently, spice producers use Linde's proprietary cryogenic grinding solutions for turmeric and garam masala, two spices indispensable to the Indian palate. The adoption of Linde's solutions has not only boosted productivity and reduced power bills, but also helped achieve enhanced quality of products.

In 2017, Linde India has achieved equipment and gas supply orders worth Rs. 20 million. Next time you tuck into your favourite dal or *salan*, there might just be a pinch of Linde technology in your spoonful.



Cryogrinding for preserving aroma of spices- turmeric and garam masala, an aromatic mixture of ground spices.

Medical pain relief gases: making normal childbirth procedures easier.

Linde India is committed to easing the childbirth experience for Indian women. The World Health Organization (WHO) reports that only about 10 percent of caesarean sections (C-Sections) are 'life-saving' in nature and are required.

Most caesarean childbirth procedures have no benefit on maternal mortality or morbidity outcomes. The recent steep increase in the rates of caesarean section (C-section) delivery is a burden on the healthcare system.

Unnecessary caesarean delivery also puts strain on families and may complicate maternal and child health. Given these facts, the decision to perform a C-section delivery must be chosen carefully and judiciously. Statistics show that private sector hospitals carried out 40.9 percent C-sections as compared to 11.9 percent performed in government hospitals.

In this scenario, and with increasing levels of government interest, 'pain-managed' normal childbirth delivery is the way forward in improving women's health and easing the birthing experience for women in India. The use of self-administered analgesic gases that provide instant pain relief during childbirth can be particularly useful.

Linde India manufactures ENTONOX®, a homogeneous mixture of nitrous oxide and oxygen to be used as a self-administered analgesic for labour pain management. Entonox is safe with no adverse effects on mother or on the baby. It is a sure, safe and cost-effective method of supporting women at a time they need it the most.

Linde India caught up with Dr. Indie Kaur, Consultant Midwife Public Health at Newham University Hospital NHS Trust who is currently training professional midwives in Hyderabad, India.

Q: Dr. Kaur, why is there such a high level of incidence for C-section deliveries in India?

A: The huge population in India and the disproportionate doctor-to-patient ratio are the two primary reasons. Having a pool of trained midwives across the country will solve this challenge. However, it takes time and effort to train an adequate number of professional nurses into midwives.

Q: From your vast experience, what is the solution for such high rates of unnecessary C-section deliveries?

A: It is no secret that pain managed normal delivery can revolutionise the birthing experience for women by avoiding unnecessary C-sections and removing the pain psychosis in women with normal birth. Across the world, healthcare systems are stressing on the benefits and significance of normal delivery. It's high time India did so too.



ENTONOX® supporting normal childbirth.

Shielding gases: delivering superior welding quality for Indian automobiles industry.

Linde Shielding Gases utilise the right mix of gases to deliver faster welds with higher quality. That's why leading Indian automotive manufacturers of passenger and commercial vehicles rely on Linde Shielding Gases like VARIGON®, CORGON® and CRONIGON® for higher productivity and efficiency.

Not only do shielding gases protect the finished weld from the effects of oxygen and nitrogen in the atmosphere, they can also have a positive effect on weld metal properties such as strength, corrosion resistance and toughness. In addition, they can optimise the weld bead shape and size as well as the weld porosity and fusion. And that's not all – shielding gases can increase your productivity by accelerating the welding process and minimising the amount of spatter.

As one of the leading suppliers of industrial gases, Linde has a long-standing commitment to the welding industry. Linde's global team of application engineers have vast expertise in all shielding gas processes and advise clients on the right mixture best suited to individual application challenges. Linde India also provides extensive safety, training and maintenance support to keep operations running smoothly at customer plants.



Linde's Shielding Gases deliver superior weld quality.

Mr. K. Manikandan, Head – Supplier Quality, Ashok Leyland Motors, on why Linde India shielding gases are critical for the production line at Ashok Leyland.

"Every year, we buy almost 10,000 metric tons of sheet metal and fabricated parts from our suppliers. Naturally, our production process involves lots of welding. Earlier, we used to face many defects related to welding, resulting in high levels of incoming defects. Consequently, our production process suffered. We tried various methods to reduce welding defects at our suppliers' end.

It was Linde India that helped us understand that many of the welding

defects are related to improper shielding during welding. Linde India's advisory helped us realise that ignorance and improper knowledge about welding among our supplier base was a major cause of the defects that we faced at Ashok Leyland.

Based on Linde India's guidance, we started a major Initiative, named, "WELDONE", with the objective of eliminating welding defects to zero. This initiative covered all our sheet metal vendors. Linde India played the pivotal dual role of knowledge partner and solution provider. With Ashok Leyland acting as the overall coordinator, Linde India trained all our suppliers on the correct welding process and offered Linde Argon-CO₂ shielding gas solutions to all our vendors.

This initiative was a win-win-win for all the three parties: Ashok Leyland, our suppliers and Linde India. The initiative eliminated all the wastes in the system, significantly improved welding quality and reduced costs. We could see drastic improvement in all three aspects of the supply chain: Quality, Cost and Delivery, within a short span of time.

More importantly, at Ashok Leyland, we can see sustained realisation of the benefits long after the initiative itself has completed. The story of win-win-win continues.

Profile of the board of directors.*

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 on the Board of Suryoday Small Finance Bank 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.



Standing from left to right: Jyotin Mehta, Sanjiv Lamba, Moloy Banerjee, Arun Balakrishnan and Aditya Narayan. Seated: Desiree Co Bacher.

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

Deloitte, Haskins & Sells
Firm Registration No. 117366W/W-100018

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

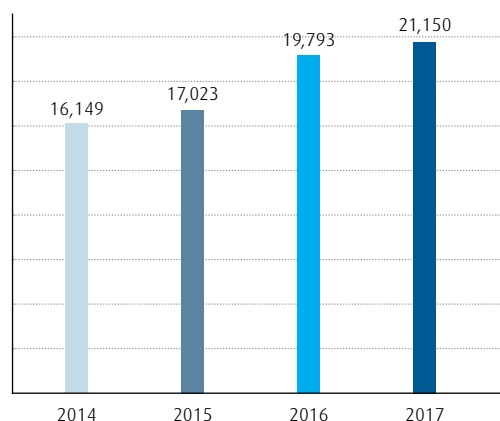
Arun Balakrishnan, Chairman
Aditya Narayan
Moloy Banerjee

Registered Office

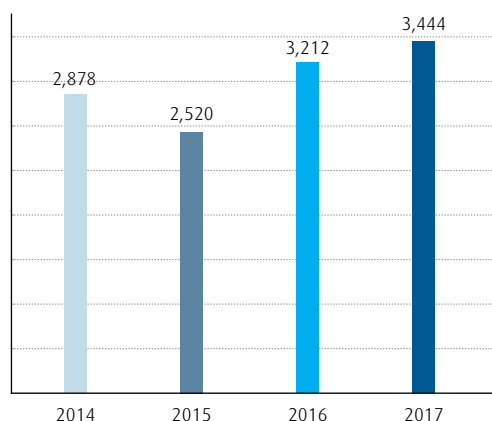
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Financial performance (Standalone).

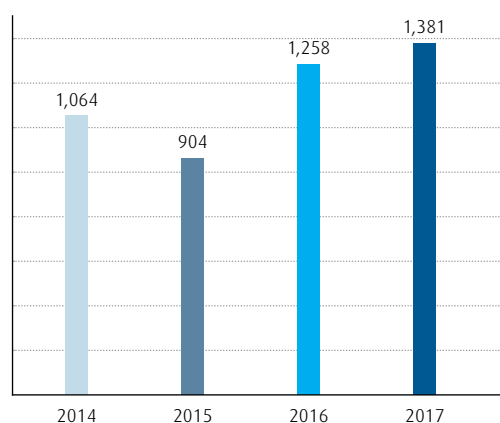
Revenue from operations



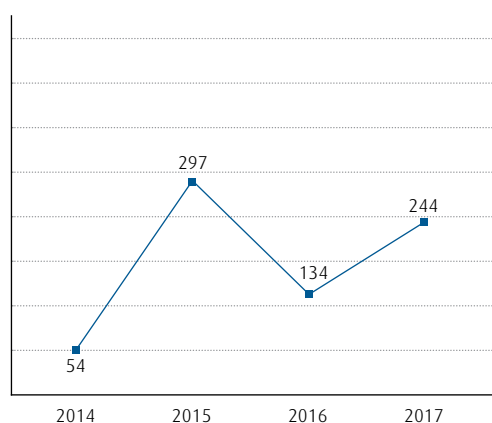
Earnings before interest, tax, depreciation and amortisation (EBITDA)



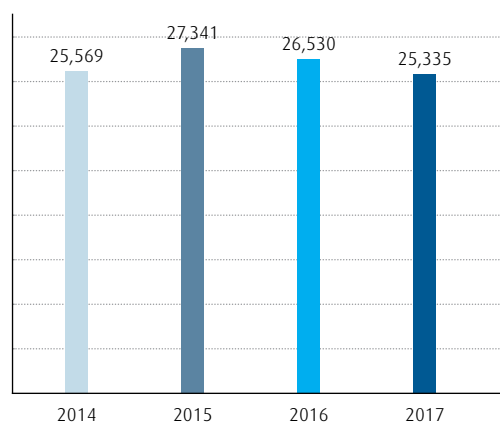
Earnings before interest and taxes (EBIT)



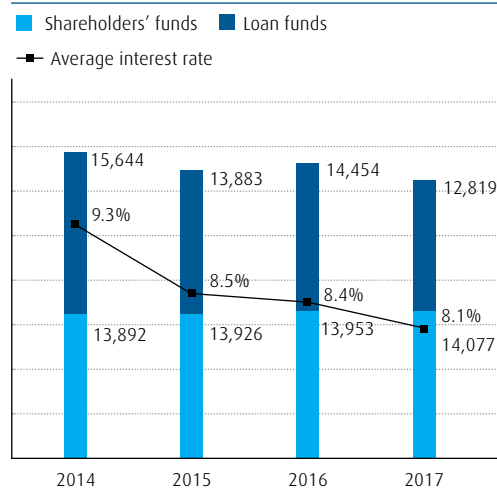
Profit after tax (pre-exceptional)



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 Audited Accounts of your Company for the year ended 31 December 2017:

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

In Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Revenue from Operations	21,149.87	19,793.58
Earnings before interest, tax, depreciation, amortisation (EBITDA)	3,443.80	3,211.85
Less: Depreciation and amortisation expense	2,062.55	1,953.99
Earnings before interest and tax (EBIT)	1,381.25	1,257.86
Less: Finance cost	1,164.69	1,155.74
Earnings before tax before exceptional item	216.56	102.12
Less: Exceptional item	55.00	-
Profit before taxes	161.56	102.12
Tax Expense/ (Release)	(27.82)	(31.98)
Net Profit for the year	189.38	134.10
Total Other Comprehensive Income	11.36	(3.56)
Total Comprehensive Income for the year	200.74	130.54
Retained Earnings: Balance brought forward from the previous year	5,167.28	5,135.68
Add: Net Profit for the year	189.38	134.10
Less: Other Comprehensive Income recognised in Retained Earnings	7.69	25.52
Profit available for appropriation	5,348.97	5,244.26
Appropriations:		
Dividend on Equity Shares including dividend distribution tax paid	(76.98)	(76.98)
Retained Earnings: Balance carried forward	5,271.99	5,167.28

Your Company has adopted Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 January 2017. Accordingly, these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

The effect of the transition from IGAAP to Ind AS has been explained by way of reconciliation in the accompanying Standalone and Consolidated Financial Statements.

The detailed information in this regard is furnished in Note 2 on Significant Accounting Policies in the Notes to the financial statements for the year ended 31 December 2017.

Financial Performance 2017

Your Company recorded a satisfactory growth in the overall revenues both in the Gases and related products and Project Engineering business segments despite the disruptions caused during the year under review by the after effects of two major decisions of the Government of India - demonetisation of high value currency notes in November 2016 and implementation of Goods and Services Tax from 1 July 2017. However, these disruptions have started showing signs of abating in the later part of 2017. The improvement in the underlying gases business was seen across the entire spectrum of the Gases business viz. Onsite, Bulk, Packaged Gases and Special products, Healthcare, etc., which became possible on the back of a positive momentum in the key end user industry segments such as steel, automobiles, manufacturing, healthcare, etc. Similarly, the Project Engineering business also witnessed satisfactory progress both in terms of revenues and profits on the back of higher execution of third party orders across the refineries, steel and fertiliser sectors. The detailed analysis of performance of the Gases and Project Engineering businesses is covered later in the discussion on Business Segments.

Total revenues from operations during the year amounted to Rs. 21,149.87 million as compared to Rs. 19,793.58 million which represents a growth of nearly 7% over 2016. The Gases and related business segment revenues clocked Rs. 18,021.35 million recording an increase of over 5% over that of the previous year. Similarly, the Project Engineering Division also attained a higher revenue of Rs. 3,128.52 million, which was up by nearly 18% as compared to the previous year.

Operating profit for the year 2017 amounted to Rs. 3,443.80 million, which compares very well with Rs.3,211.85 million achieved in the year 2016, which had included a profit of Rs.155.94 million from disposal of factory land at Tarapur. The charge on account of depreciation and amortisation during the year at Rs. 2,062.55 million was higher as compared to the previous year mainly due to capitalisation of a new Air Separation Unit (ASU) at ITC Bhadrachalam and a full year of depreciation charged on the ASU at Tata Steel, Kalinganagar. The charge also includes provision of Rs.9.26 million towards amortisation of intangible assets and Rs.43.30 million towards impairment of goodwill, which was recognised in earlier years at the time of acquisition of business of Uttam Gases. The finance cost during the year marginally increased to Rs.1,164.69 million from Rs. 1,155.74 million in 2016. This increase is due to the full year impact of interest on the ECB loan for funding the ASU at Tata Steel, Kalinganagar and new inter corporate loan of Rs.500 million availed during the year, partially offset by repayment of ECBs to the tune of Rs.1,860.74 million during the year.

The Profit before exceptional items and taxes for the year under review amounted to Rs. 216.56 million as against Rs 102.12 million in previous year. After considering an extraordinary charge of Rs.55 million towards severance and settlement payment made to employees, the profit before tax during the year amounted to Rs.161.56 million and the net profit after tax amounted to Rs.189.38 million as compared to Rs.134.10 million for the year 2016.

Dividend

Your Directors have recommended a dividend of 10% (Re. 1/- per equity share of Rs.10 each) on 85,284,223 equity shares of Rs.10 each in the Company for the year 2017 as compared to 7.5% (Re. 0.75 per equity share of Rs.10 each) paid in the year 2016. This decision has been taken in view of the improvement in the underlying business, which looks sustainable and the cash flow position of the Company in line with the Dividend Distribution Policy of the Company. The dividend is subject to the approval of the shareholders at the Annual General Meeting scheduled to be held on 16 April 2018. This dividend together with the dividend tax will result in cash outlay of Rs.102.81 million as compared to Rs. 76.98 million in the previous year. The Board has not recommended any transfer to general reserves from the profits during the year under review.

The dividend distribution 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 Indian Accounting Standard 101 issued by the Institute of Chartered Accountants of India, your Company has prepared consolidated financial statements for the year ended 31 December 2017 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. However, since the company does not have a subsidiary, the compliance under Section 136 about separate financial statements do not apply to it.

Details of Joint Venture Company

The Company has one joint venture in the gases business viz. Bellary Oxygen Company Pvt. Ltd., which operates an 855 tpd Air Separation Unit at Bellary, Karnataka for supply of gases under a long-term gas supply agreement to JSW Steel Ltd.'s works at Bellary. 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 in the prescribed Form AOC-1 is annexed to this report. [Annexure 1]

Industry Developments

The Gases business serves onsite customers in diverse industry segments such as steel, glass and chemicals sectors and many merchant liquid and compressed gas customers primarily in metal, automobile, fabrication, petrochemical and pharmaceutical sectors. Besides this, the healthcare sector also continues to be an important market for gases. New applications continue to provide growth opportunities. Growth is also supported by the outsourcing of gases requirement under a 'Build Own Operate' (BOO) type of supply scheme opportunities mainly in the steel and glass sectors, although a large number of the end use customers 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 due to underutilisation of capacity in select markets, especially merchant capacity in the East. The year 2017 saw a revival in the domestic steel industry and manufacturing sector, which provided some fillip to the gases demand during the year. This is also reflected in the movement of the Index of Industrial Production (IIP), which registered a cumulative growth of 3.7% during the period April 2017 to December 2017 while the index of manufacturing also grew by 3.8% during the same period. This has helped in improved loading of the new ASUs commissioned in the last couple of years to some extent. Going forward, a sustainable growth in the IIP is expected to boost the gases demand, which should result in improved plant loading as well as better margins in the business. The Company continued with measures towards cost reduction as well as improvement of operating efficiencies initiated in the previous year. Besides, your Company has been actively rolling out new applications with support from The Linde Group for increasing demand for its gases in the market. The Food Lab and Training Centre set up near Vijayawada is one of the initiatives launched by the Company to demonstrate new applications of its gases in the food and beverage industry. These efforts are helping to create new markets and enhance gas usage, which augurs well for the Company.

The Project Engineering Division (PED), which showed recovery in order intake in the previous year, has further consolidated its order book and execution during the year 2017. 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 the primary steel, glass and chemical 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 and 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 focus on building density 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 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 the 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.

The Onsite business, which is a substantial part of the overall gases business of our Company achieved a robust growth of about 12% over the previous year. During the year, the loading of all major onsite Air Separation Plants at Jamshedpur, Bellary and Rourkela was higher than previous year on the back of positive momentum seen in the steel sector. Performance of small and mid-size steel customers however, remained subdued, which has impacted the small on-site (ECOVAR®) business. The Company commissioned its 107 tpd ASU, a new onsite plant at ITC Bhadrachalam in August 2017 and the plant is operating satisfactorily. The other highlights of the Onsite business have been several long-term agreements entered into by the Company, which include agreements for restart of nitrogen supplies to a customer in powder metallurgy and supply of oxygen to a customer in glass industry for meeting their increased demand after expansion.

The merchant and packaged gases business, which comprises of liquid (bulk) and compressed (packaged) gases performed satisfactorily during 2017 recording growth of about 10% over 2016. This growth was achieved despite the tapering of a few large opportunity orders in the bulk segment that contributed significantly to revenues in 2016. This was partially offset by growth in distributor channel sales and higher liquid Argon sales in stainless steel and automobile sectors. The bulk gases revenues recorded a tepid growth of about 3%. On the other hand, the packaged gases recorded a robust growth of 28% driven by higher volumes of argon, specialty and electronic gases and helium.

The growth in the gases business in 2017 has been supported by the automotive and auto ancillary sectors in particular, which registered a robust increase in gas demand through the year. This sector is a major Argon consumer and significantly contributes to higher sales of argon. Besides this, large integrated steel companies and the stainless steel customers have been the other major drivers for growth in the gases volumes.

The Company continued its focus on application based selling of gases, by successfully leveraging on the suite of application technologies available from the Linde Group. The Company made successful breakthroughs in the Pharma sector (implementation of CUMULUS™ technology) and in the F&B segment (cryogrinding of spices, LIN dosing of packaged water, etc.). Besides this, the Company continued its focus on welding application of argon in the manufacturing industry. These efforts have helped to achieve further growth of the gases business. With a view to tap into the growing packaged food industry, the Company also set up a Food Lab and Training Centre near Vijayawada, Andhra Pradesh to showcase Linde's technology, primarily around food preservation. This is a first of its kind flagship project in India, which will focus on Frozen Food Technology advancement by cryogenic freezing.

This will simultaneously focus on Individually Quick Freezing (IQF), Modified Atmospheric Packaging (MAP), Modified Atmospheric Storage, Cryogenic Grinding Technology for Spices and Oxygenated Environment Technology for Aquaculture.

The Company is also pursuing growth markets away from its ASU Production sites, by setting up Debulking Sites. This works on the Hub and Spoke Model which speeds up delivery, reduces costs and ensures better turnaround of transport vehicles. Three Debulking sites which were commissioned in late 2016 became fully operational and were streamlined during the year under review, and a fourth such site was commissioned in 2017. The Company will continue with this strategy of setting up more Debulking sites where appropriate to increase the geographic spread of business from its existing Air Separation Units.

Healthcare business, which is one of the important part of the Gases business, is becoming one of the largest and prominent sectors in the country both in terms of revenues and employment and has been growing steadily. Your Company has launched light weight aluminium cylinders for medical oxygen in the markets in India. Your Company has also taken actions in some of the markets with an eye on increasing margins in this business. The healthcare sector is upbeat about the Government's recent budget proposal of covering 10 crore households for medical treatment under the National Healthcare policy. Your Company is looking at extending its foot print in tier 2 and tier 3 cities to further grow its business in healthcare and continues to remain optimistic about this business.

The Company also continued its focus on the Customer Experience (Cx) Programme launched in 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 service level and experience to its customers. This would therefore, positively differentiate Linde India from its competitors. The Cx program was sustained well during the year, and all Cx KPIs showed improvement over the previous year.

Project Engineering

The Project Engineering Division (PED) 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. PED also manufactures cryogenic vessels, small size liquid Nitrogen Plant, steam bath vaporizers, containerized micro plants for cylinder filling for in-house use as well as for sale to third party customers.

The Project Engineering Division recorded a growth of 18% with revenues at Rs. 3,128.52 million during the year 2017 as compared to Rs. 2,645.40 million achieved in the last year. The revenues were achieved from projects related to small air separation plants and specialty gas distribution projects for customers in steel industry. Besides this, PED also executed a few projects outside India which also contributed to the higher revenues.

Projects commissioned during the year include two 120 tpd Air Separation Units – one for a customer manufacturing alloy steel and the other for a customer operating special steel plant and rolling mills. These plants are running successfully and have been handed over to the respective clients. During the year, the Division also executed major part of supplies for 2200 tpd Air Separation Unit for JSW Steel in Dolvi.

Besides third-party projects, PED also executes inhouse projects for the Gases Division. During the year under review, PED successfully commissioned a 107 tpd Air separation unit for the Gases Division's in-house project at ITC Ltd. Paperboard and Specialty Papers plant in Bhadrachalam. In continued support to growth of Gases business and Application Technology Sales, the Division also helped set up the "Food Lab and Training Centre" near Vijayawada, Andhra Pradesh.

In order to give better support to the Gases Division, PED has, in collaboration with Linde AG, Munich, successfully adopted plant designs which are better suited to the requirement of South Asian markets. The Division has also upgraded its manufacturing set up, so that it is also able to supply ASU cold boxes for these plants to Linde AG. It has already secured its first such order for a Linde Engineering project in Cairo, Egypt. In pursuit of quality standards in its plant manufacturing operations, the Plant Manufacturing Works of PED has also secured ISO 3834-2 accreditation for welding management systems for supply of equipment to European markets.

While the market scenario in Project Engineering business remained challenging through most part of 2017 reflecting the continued subdued investment climate, there were signs of recovery towards end of 2017. The order intake, which has been largely dominated by many small sized projects during the year, is expected to improve during 2018 as the larger integrated steel plants launch expansion plans and refinery upgrade projects to comply with Bharat Stage VI emission standards are taken up.

As on 31 December 2017, the order book position of PED was healthy, and provided an execution pipeline of more than 18 months.

Update on Linde AG's merger of equals with Praxair Inc.

On 1 June 2017, Linde AG signed a legally binding Business Combination Agreement (BCA) with Praxair Inc. governing the terms and conditions of a merger of equals between the two companies. The BCA provides for a combination of the businesses of the Linde Group and the Praxair Group under a publicly listed new holding company called Linde plc, which has been incorporated in Ireland. Fulfilling one of the closing conditions of the proposed transaction, 92% of the ordinary shares of Linde AG entitled to voting rights were tendered in Linde plc's exchange offer. Also, approval of the business combination by 83% of the total issued and outstanding shares of Praxair common stock also fulfilled a closing condition. The business combination remains subject to receipt of certain antitrust and other regulatory approvals and is expected to be completed in the second half of 2018.

Opportunities and Risks

Your company sees several opportunities in the Gases business in India. Growing output of steel in India as a result of Government's procurement policy of providing preference to domestic manufacturing of steel which is also aligned to 'make in India' initiative of the Government continues to remain a major opportunity as steel is the main driver of the gases business. Besides, pursuit of gas application technologies provided by Linde AG, also allows the Company to create newer opportunities. Application technology based sales in manufacturing, food and beverage and oil and gas also open new vistas in the gases business. The food lab near Vijayawada, for food processing and cryofreezing applications will also give a fillip to this effort. Besides this, the rising fabrication activity in automotive and railways, other infrastructure and affordable housing will also spur the demand for gases. The Government's budget proposal of covering 10 crores households in the country for medical treatment under the National Healthcare policy is a major opportunity for the medical gases business. The planned merger of equals between Linde AG, the ultimate holding company of your Company and the US Company, Praxair Inc. is also viewed as an opportunity as it will help to unlock value through synergy between the two businesses.

On the other hand, aggressive new merchant capacities being added by competition in an already competitive market place, high interest cost on borrowings, over dependence of the business on steel sector, rising cost of power are some of the challenges facing the Gases business.

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. During the year under review, a risk workshop was held on 19 June 2017, which was attended by the senior management team with a view to refresh the various risks facing the Company. The risks which were being addressed by the Company during the year under review included risk relating to stressed cash flows, risk of failure to make timely repayments of borrowings, 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 carries an inherent risk of time and cost overrun. 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

The Company had three loan facilities by way of External Commercial Borrowings (ECB) aggregating to Rs. 10,693.28 million from Linde AG at the beginning of the year. 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 were already fully drawn down and fully hedged both with regard to the principal and interest payments.

The repayment of the ECBs started in 2017 and will continue till 2020. During the year Rs. 1,860.74 million was repaid towards ECBs as per pre-agreed schedule and a balance of Rs. 8,832.54 million was outstanding at the year end.

Your Company also had three USD denominated term loan facilities aggregating to INR equivalent of Rs. 2,500 million from Citi bank consisting of a term loan facility of three years. The term loan facilities were executed in earlier years to fund ongoing small capital expenditure requirement. All the three facilities were fully hedged with regard to the principal and interest payments. During the year, the term loan of Rs. 1,500 million (USD 24.95 million) was repaid and fresh loan of Rs. 1,500 million has been taken (USD 23.28 million).

During the year, the Company negotiated at arm's length an inter corporate loan of Rs. 500 million from Linde Engineering India Pvt. Ltd., a group company for a further period of one year. The inter corporate 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. 1,000 million from the same party, which was availed in 2016.

During the year, the Company also availed short term loans from its banks for meeting cash flow mismatches, which were repaid during 2017.

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 these 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]

Investor Education and Protection Fund

During the year under review, your Company transferred the 55th unpaid/ unclaimed dividend amount of Rs.0.78 million for the financial year ended 31 December 2009 to the Investor Education and Protection Fund in compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013. In compliance with these provisions read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, your Company also transferred 2,15,537 shares to the Demat Account of the IEPF Authority, in respect of which dividend had remained unpaid/unclaimed for a consecutive period of 7 years. Further detail in this regard is provided in the Corporate Governance Report.

Safety, Health, Environment and Quality (SHEQ)

Your Company continues to remain fully committed to Safety, which is one of the foundation principles upon which Linde Spirit has evolved and as such Safety remains one of our topmost priority. Compliance with SHEQ rules, standards procedures are pre-requisite for all employees and contractors. The management is committed to ensuring that all personnel are trained and made competent before undertaking any safety critical job for the Company.

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. Everyone who works for, or with The Linde Group is responsible for their own personal safety and must take care for the safety of those around them. Every employee, contractor, or any other person involved with The Linde Group, e.g. our customers, the community around our sites, and other third parties must be able to go about their work or business without being harmed. Our commitment to Safety and Quality is evident in our Health, Safety, Environment and Quality Policy and Golden Rules of Safety.

The mandatory SHEQ Induction and Training program which started in the year 2014 continues to be enforced with a view to enhance the safety performance and improve the safety culture in the Company. More than 200 employees and associates were trained in such program in 2017. The Company celebrated Linde Safety Day on 28 April 2017 at all plants and offices with a view to involve and create awareness about safety among all employees, contractors and customers. The theme of the year was "Together let's embrace Safety" which saw active participation from employees, customers and contractors.

The Company continues to mandate complete transparency in reporting of all accidents and incidents; even the minor incidents are reported.

Thereafter, depending on severity of the incident, the same is duly investigated; corrective actions are identified and actioned upon. The "Lessons from Incidents" (LFIs) of all major Incidents are circulated to prevent repetition of similar incidents.

Transport Safety remains the single biggest challenge and focus area for improvement for your Company. With a view to improve the transport safety further, we have started the process of digitalization for Transport safety operations through introduction of online check list (i-check) for carrying out Pre-Delivery and Post-Delivery inspections to ensure that all defects are captured, timely communicated and necessary actions are taken. The digitisation of the vehicle inspection system has made the process more efficient with complete traceability. Besides, the Company is also putting focus on driver fatigue management systems which uses technology to monitor the alertness of drivers while they are driving. In cab cameras have been fitted in all Linde product delivery vehicles to help review driver behaviour and investigate the cause of any incidents.

With the help of the Major Hazards Review Programme (MHRP), all major high risk sites have been certified with relevant MHRP CAT 1, CAT 2 and CAT 3 certificates. This MHRP programme helps the organization to assess the offsite risk due to our operations. Subsequently on the basis of categorization of risks assessed, risk control measures are established to reduce the offsite risk.

As a part of commitment to environment protection, initiatives like rain water harvesting, water recycling, recycling of waste generated, continue to be reinforced. All ASU sites are certified and sustained with ISO 14001 certification. The actions for certification to the latest ISO 9001:2015 and ISO 14001:2015 standards have also been taken up.

Security vulnerability risk assessments are carried out at high risk sites and effective CCTV monitoring arrangements have been made at some of the high- risk locations.

Human Resources

At Linde we continue to drive the HR strategy, keeping an eye on the future and focusing on the present. We have always aspired to be a Company "Admired for our People" and this is at the core of our Vision statement. This was reinforced in a recently concluded employee opinion survey, where the employee engagement scores showed improvement over the previous survey results. The HR team has the required processes, systems in place and takes all necessary initiatives to keep the employees of Linde ahead in today's competitive business environment.

Diversity is another core value which is deeply embedded in our culture at Linde India and in fact is a way of life. We believe that there is a compelling business case for diversity as it directly impacts the performance of the company and that there are many ways in which business can benefit from collaboration with a diverse range of stakeholders. As a part of our continuing focus on diversity, we are

making slow and steady progress in improving our gender diversity ratio. Through our Young Graduate Development programme, we have hired an equal ratio of male and female candidates.

For the first time in Linde India, we celebrated the International Women's Day on 8th March 2017 across locations. In order to encourage our women employees to actively engage and network with each other, we launched the Women's Network titled – WOW (World of Women). The WOW network is a forum for skill building, networking and engaging at workplace. The Linde South Asia Leadership team participated in the Diversity Immersion Workshop in March 2017 which was organized to help the leadership team understand the business case for pursuing the Diversity and Inclusion (D&I) agenda, discuss on the Industry-wide best practices to assimilate learning from other organizations and to identify potential challenges and roadblocks that may be encountered in the D&I journey.

While we strengthen our efforts to hire more gender diverse talent, we haven't let go off our focus on providing a safe and secure working environment by continuous emphasis on Prevention of sexual harassment at Workplace, through awareness sessions. In order to sensitize our employees to gender related issues at workplace, we have initiated workshops on Gender Sensitivity for Line Managers.

In Talent Acquisition, to ensure better fitment of candidates, we have introduced online psychometric assessment tool as part of our hiring process. The tool assesses the candidates against the Linde competencies as required for the role. Combined with this, we are also in the process of training our Line Managers on Behavioural Event Interview (BEI) technique to enhance the quality of interviews. We also have had a continuous effort towards improving the performance culture in the organization by giving special attention and leveraging the Performance Management System (PMS) to identify development plans and capture the aspirations of our talent, besides monitoring performance. Subsequently there has been an additional impetus to grow capable internal talent whenever suitable opportunities evolve. This has become possible because we are hiring talent at the entry level and these steps are helping strengthen the employee engagement and build a solid customer oriented team.

The Company had harmonious employee relations across all its plants and offices in India. As on 31 December 2017, the manpower strength was 735 on its payroll.

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

The Company remains committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. The Company's Policy on Prevention of 'Sexual Harassment' is 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 2017, one complaint alleging sexual harassment was received by the Company, which was investigated and redressed by the Internal Complaints Committee and closed.

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 2017 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) and other areas specified in Schedule VII to the Companies Act, 2013.

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, 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. Although the Company was not required to spend any amount as CSR during the year 2017 as per the provisions of the Companies Act, 2013, the actual CSR expenditure during the year on various projects/ activities amounted to Rs. 3.77 million. The details of the CSR projects/ activities for the year 2017 are covered in the Annual Report on CSR activities, which is annexed to this Report. [Annexure 4]

Your Company encourages volunteering of services by its employees into its CSR initiatives, which are measured as employee days spent on CSR projects.

Business Responsibility Report

The requirement relating to Business Responsibility Report as per Regulation 34(2) of the Listing Regulations, 2015 became applicable to your Company in the previous year with effect from 1 April 2016 and a Business Responsibility Report for the same was included as a part of the Annual Report for the year 2016, which was hosted on the Company's website. Your Company's ultimate holding company, Linde AG, publishes a detailed 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. As a member of The Linde Group, your Company has adopted the various policies of its parent, Linde AG that relate to the 9 principles laid down by SEBI for business responsibility reporting by the top 500 listed entities in India based on market capitalisation. Your Company has included a Business Responsibility Report as a part of the Annual Report for the year 2017 briefly describing initiatives taken by it from an environment, social and governance perspective during the year under review. 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, Deloitte Haskins & Sells, LLP, confirming compliance of the conditions of corporate governance, as stipulated under SEBI (Listing Obligations Disclosure Requirements) 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 four 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. The details of the familiarisation programs held during and up to the year 2017 are available on the Company's website www.linde.in.

Performance Evaluation

During the year, 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, the Nomination and Remuneration Committee of the Board reviewed the process and criteria for Performance Evaluation in line with comprehensive Guidance Note on Board Evaluation issued by SEBI vide its circular dated 5 January 2017. Arising from this review, several additional attributes were incorporated

in the Performance Evaluation criteria for evaluation of each Director including Independent Directors, Board as a whole, Chairman of the Board, Committees of the Board, etc. The Company provided an online platform to the Directors for participating in the aforesaid performance evaluation process, which 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 as agreed with the Nomination and Remuneration Committee. More details about the performance evaluation process followed by the Board is provided in the Corporate Governance Report. The Chairman of the Board subsequently shared the analysis of the results of the performance evaluation with the Members of the Board.

Declaration of Independent Directors

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 were engaged for implementing design level changes in the controls relating to supply chain arising out of

implementation of GST and have also tested the identified key internal controls. They have submitted a report to the Audit Committee and 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 2017. 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 2017.

Directors

There has been no change in the Board of Directors of your Company since the last Annual General Meeting held on 18 April 2017.

Ms Des Bacher, a non Executive Director of the Company retires by way of rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Necessary resolution for approval of re-appointment of Ms Bacher as a Director of the Company is included in the Notice of the ensuing Annual General Meeting. The Board recommends the aforesaid resolution 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, 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 2017.

As required by Sections 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 2017, 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 2017 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

Globally economic activity has been continuing to firm up with both the American and European economies registering broad based growth. Although the outlook of the advanced economies indicates recovery, the uncertainty with respect to sustainable growth remains. Against this backdrop, India continues to be one of the fastest growing major economies in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) despite the disruptions caused by demonetisation and implementation of GST during the year under review. The country's GDP growth for fiscal year 2017-18 is estimated to be around 6.7%. The Government has taken several measures to simplify the GST regime addressing some of the major concerns from industry and business, which is a positive step for the trade and industry. The economic survey presented by the Government also suggests that the worst is behind for the economy, although rising crude oil prices continue to pose a threat.

The fiscal deficit of the Government of India slipped marginally to 3.5% of the GDP against the target of 3.2% and therefore the fiscal deficit target at 3.3% of the GDP for the next fiscal looks more realistic.

Although the gases industry caters to demand from a wide spectrum of industry segments, steel continues to remain the major driver for its growth in India. The country's steel demand in 2017 was about 87 million tonnes which is forecast to register a growth of 5.7% to about 92 million tonnes in the year 2018. India's crude steel capacity of about 125 million tonnes makes it the third largest steel producer globally. India's steel output is expected to grow at a CAGR of 8.9 % during 2017-21. Although the minimum import price restrictions on the steel were finally withdrawn by the Government of India during 2017, a mix of anti-dumping and other safeguard measures are in place on a range of steel items to control the import of cheap steel from overseas, which continues to augur well for the domestic steel industry.

The automobile industry has been one of the drivers of growth of the argon volumes in the gases business. The automobile industry mainly comprises of four wheelers – both passenger and commercial vehicles, and two wheelers. The Company is a supplier of argon to some of the major clients in the automobile sector in India which has been sustaining a robust growth. Besides, the implementation of BS VI by 2020, would necessitate manufacturing of new vehicles to meet these norms. The continuing growth in the sector augurs well for gases industry.

The healthcare market is expected to witness a robust growth in the years ahead. The Government's budget proposal of covering the country's large population for medical treatment under the National Healthcare policy is a major opportunity for the medical gases business in the years to come.

While keeping a strong focus on our steel as the core segment for increasing supplies of gaseous oxygen, nitrogen and argon products,

your Company has been exploring to expand business in Oil and Gas segment with key focus on natural gas and gaseous oxygen for Petrochemicals and Gasification and hydrogen and syngas for Refinery, Fertilizer and Petrochemicals sectors. Leveraging the strength of the promoters as the most innovative gases company worldwide, your Company will continue to pursue energy and oil and gas segment for profitable growth in the years ahead.

Linde India Ltd has been able to develop capabilities on application technology gas sales and project engineering by leveraging the strengths of its parent, Linde AG in both the gases and engineering segment. With the Company continuing to pursue strategy of profitable growth in both its business segment, the medium to long term outlook for the Company looks positive.

Auditors

Statutory Audit

Messrs Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm's Registration No. 117366W/W-100018) was appointed as the Statutory Auditors of the Company at its 81st Annual General Meeting from the conclusion of the said meeting until the conclusion of the 86th Annual General Meeting. Necessary resolution for ratification of the appointment of Deloitte Haskins & Sells LLP as the Statutory Auditors is included in the Notice of the Annual General Meeting.

The reports of the Statutory Auditors, Deloitte Haskins & Sells LLP, Chartered Accountants on the standalone and consolidated financial statements of the Company for the year 2017 form part of this Annual Report. The statutory auditors have submitted a unmodified opinion on the audit of financial statements for the year 2017 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 2017. In terms of the provisions of Section 204(1) of the Companies Act, 2013, a Secretarial Audit Report dated 10 February 2018 in Form MR-3 given by the Secretarial Auditor is annexed with this Report. The observations made by the Secretarial Auditors in their Report are self-explanatory. 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 2016 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. 000041 as the Cost Auditor for the year ended 31 December 2017 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 2017 and submit their report in due course.

Acknowledgements

Your Directors wish to convey their deep appreciation of the assistance and cooperation received from bankers, customers, dealers, suppliers and all other business associates and the shareholders of the Company during the year under review.

Your Directors also convey their sincere appreciation of the support and cooperation received from the various Government departments and agencies and look forward to their continued support in the future. Your Directors take this opportunity to thank the Linde Group for their strategic inputs, guidance and support in various operational and functional areas.

Your Directors also place on record their appreciation of the contribution made 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

Mumbai
12 February 2018

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 the 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 December 2017
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 2017	
	No. of shares	15,000,000 Equity Shares of Rs. 10 each
	Amount of investment in Joint Venture	Rs. 150,000,000
	Extent 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. 578,638,870
7.	Profit/Loss for the year	
	i. Considered in consolidation	Rs. 62,511,985
	ii. Not considered in consolidation	Rs. 62,511,985

On behalf of the Board

Sd/-
Sanjiv Lamba
Chairman
DIN: 00320753

Sd/-
Moloy Banerjee
Managing Director
DIN: 00273101

Sd/-
Jyotin Mehta
Director
DIN: 00033518

Sd/-
Indranil Bagchi
Chief Financial Officer
Membership No: 057564

Sd/-
Pawan Marda
Asst. V. P. & Company Secretary
Membership No: A8625

Mumbai
12 February 2018

Annexure to directors' report.

[Annexure - 2]

Particulars of Loans, Guarantees or Investments pursuant to Section 134 (3)(g) of the Companies Act, 2013

A. Amount outstanding as on 31 December 2017:

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 2017:

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
12 February 2018

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 2017:

Median remuneration of the employees of the Company for the financial year 2017	Rs. 888,314
The percentage increase in the median remuneration of employees in the financial year 2017	5.10%
The number of permanent employees on the rolls of the Company as on 31 December 2017	735

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 2017
• 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	1.03	1.15	141.18%
Mr Jyotin Mehta	1.23	1.39	168.48%
Mr Aditya Narayan	1.01	1.14	126.97%
• Executive Director			
Mr Moloy Banerjee, MD	27.26	30.69	8.69%
• Key Managerial Personnel (other than MD)			
Mr Indranil Bagchi, CFO	10.63	N.A.	3.65%
Mr Pawan Marda, CS	6.94	N.A.	2.50%

*Independent Directors remuneration includes sitting fees and commission for the financial year 2017.

- 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 2017 was 7.36%, whereas the increase in the managerial remuneration was 8.69%. The average increase 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
12 February 2018

Annexure to directors' report.

[Annexure - 4]

Annual Report on Corporate Social Responsibility

[Pursuant to the 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.	<p>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, Livelihood (Skill Development) and other areas or subjects specified in Schedule VII of the Companies Act, 2013.</p> <p>The CSR Policy of the Company is available on the Company's website at http://www.linde.in/en/corporate_responsibility/publications/index.html.</p>
	<p>Brief overview of CSR projects/programmes</p> <p>Some of the key CSR projects/programmes of Linde India during 2017 are as follows:</p> <p>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 expenditure for education of underprivileged children through NGOs such as AIM for Seva in Chennai, Shishu Niketan in Jharkhand, Reaching Hand in Bengaluru, etc. and differently abled children through Indian Institute of Cerebral Palsy.</p> <p>Health: The Company's CSR project/programmes on Health are intended to improve the quality of care giving, preventive health care, etc.</p> <p>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.</p> <p>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.</p>
2. The Composition of the CSR Committee	Please refer to the Corporate Governance Report for the composition of the CSR Committee.
3. Average net profit of the Company for last three financial years	Rs. in million (17.65)
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Nil
5. Details of CSR Spend during the financial year 2017	
a) Total amount to be spent for the financial year	Nil
b) Total amount spent during the year	3.77
c) Amount unspent, if any	Not Applicable

d) Manner in which the amount was spent during the financial year 2017 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. 2017 (Rs.)	Amount spent Direct/through implementing agency
					Direct expenditure (Rs.)	Overheads (Rs.)		
1.	Annual education cost for blind children	Education	Odisha, Sundergarh	5,00,000	5,00,000	-	5,00,000	Direct (Radhakrishna Drustihina Vidyalaya)
2.	Partial expenditure for a home for underprivileged children	Education	Tamil Nadu, Chennai	5,00,000	5,00,000	-	5,00,000	Through AIM for Seva
3.	Adoption of one classroom for one year	Education	West Bengal, Kolkata	500,000	500,000	-	500,000	Through Disha Foundation
4.	Education of underprivileged children	Education	Jharkhand, East Singhbhum	200,000	200,000	-	200,000	Through Shishu Niketan
5.	Partial annual expenditure for underprivileged children	Education	Karnataka, Bengaluru Urban and Rural	500,000	500,000	-	500,000	Through Reaching Hand
6.	Sponsoring of one classroom for differently abled children	Education	West Bengal, Kolkata	500,000	500,000	-	500,000	Direct (Indian Institute of Cerebral Palsy)
7.	"Safe Drive Save Life" Campaign	Livelihood (Skill Development)	West Bengal, Kolkata	1,372,000	1,072,000	-	1,072,000	Through Kolkata Traffic Police and Karmayog Foundation
Total				4,072,000	3,772,000	-	3,772,000	
6.	Reason for failure to spend two per cent of the average net profits of the last three financial years or any part thereof			Not Applicable				
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
12 February 2018

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:

- Improvement of Specific Power in various plants is an ongoing process by optimisation of plant operations.
- Inter-cooler tube bundle of 1st Stage Cooler of both Main Air Compressors were replaced in May 2017 at 1800 TPD Plant in Bellary. This resulted in power saving of around 26 MWh / day.
- Cooling tower fan blades were replaced with energy efficient blades, at 1800 TPD plant at Bellary, giving approx. savings of 2 MWh/day.

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

The Company has signed an MOU with Cleanmax Solar to install rooftop Solar Plant as a pilot project at Linde India Head office at Kolkata.

iii) Capital investment on energy conservation equipment:

- Investment planned for replacement of 1st Stage Inter-cooler of Main Air Compressor at 330 TPD Plant at Talaja.
- Ongoing process of purchasing Renewable Energy Certificates to comply with renewable energy obligation.
- Change of Plant Lighting from conventional lights to LED Lights planned for Talaja and Dahej plants as a pilot project.

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	Nil
c) Total	Nil

C. Foreign Exchange Earnings and Outgo

Total Foreign exchange used and earned:

Total Foreign exchange used during the year was Rs. 929.19 million and total foreign exchange earned during the year was Rs. 951.63 million, which included Rs. 939.09 million from exports.

On behalf of the Board

Sd/-
S Lamba
Chairman
DIN: 00320753

Mumbai
12 February 2018

Annexure to directors' report.

[Annexure - 6]

Form No. MGT 9

Extract of Annual Return

as on financial year ended on 31 December 2017

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

I. Registration and 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 and 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 and contact details of the Registrar and Transfer Agent, if any	Link Intime India Private Limited Regd. Office: C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400 083, 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 and 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	85.16%
2	Construction of utility projects	42209	14.79%

III. Particulars of holding, subsidiary and associate companies

Sl. No.	Name and 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 2017				No. of Shares held at the end of the year on 31 December 2017				% 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	7,653,703	408	7,654,111	8.9748	8,953,146	0	8,953,146	10.4980	1.5232
(b) Alternate Investment Fund	0	0	0	0	350,449	0	350,449	0.4109	0.4109
(c) Banks/Financial Institutions	9,477	6,973	16,450	0.0193	13,228	6,898	20,126	0.0236	0.0043
(d) Central Government	-	-	-	-	376	0	376	0.0004	0.0004
(e) State Government(s)	0	29	29	0.0000	0	29	29	0.0000	0.0000
(f) Venture Capital Fund	-	-	-	-	-	-	-	-	-
(g) Insurance Companies	710,149	100	710,249	0.8328	521,703	100	521,803	0.6118	-0.2210
(h) Foreign Institutional Investors	4,417,407	533	4,417,940	5.1803	1,721,652	133	1,721,785	2.0189	-3.1614
(i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(j) Any other (specify)	-	-	-	-	-	-	-	-	-
(j - 1) Foreign Portfolio Investor	930,491	-	930,491	1.0910	935,913	0	935,913	1.0974	0.0064
Sub-total (B)(1)	13,721,227	8,043	13,729,270	16.0983	12,496,467	7,160	12,503,627	14.6611	-1.4371

Category of Shareholders	No. of Shares held at the beginning of the year on 1 January 2017				No. of Shares held at the end of the year on 31 December 2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
(a) Bodies corporate									
(i) Indian	714,631	20,615	735,246	0.8621	1,345,741	19,309	1,365,050	1.6006	0.7385
(ii) Overseas	-	-	-	-			-	-	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	3,200,984	982,913	4,183,897	4.9058	4,005,318	741,350	4,746,668	5.5657	0.6599
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2,177,680	12,000	2,189,680	2.5675	1,954,905	12,000	1,966,905	2.3063	-0.2612
(c) Any other (specify)									
(c - 1) Directors	400	200	600	0.0007	400	200	600	0.0007	0.0000
(c - 2) Clearing Member	101,606	0	101,606	0.1191	101,039	0	101,039	0.1185	-0.0007
(c - 3) Trust	4,331	0	4,331	0.0051	9,962	0	9,962	0.0117	0.0066
(c - 4) NRIs	-	-	-	-	-	-	-	-	-
(c - 5) Foreign Nationals	286	0	286	0.0003	286	0	286	0.0003	0.0000
(c - 6) Hindu Undivided Family	211,413	0	211,413	0.2479	234,177	0	234,177	0.2746	0.0267
(c - 7) Non Resident Indians (Repatriable)	74,771	7,776	82,547	0.0968	75,789	5,193	80,982	0.0950	-0.0018
(c - 8) Non Resident Indians (Non Repatriable)	76,338	0	76,338	0.0895	90,542	0	90,542	0.1062	0.0167
(c - 9) Market Maker	5,842	0	5,842	0.0069	5,681	0	5,681	0.0067	-0.0002
(c - 10) Investor Education and Protection Fund (IEPF) Authority, Ministry of Corporate Affairs	0	0	0	0	215,537	0	215,537	0.2527	0.2527
Sub-total (B)(2)	6,568,282	1,023,504	7,591,786	8.9017	8,039,377	778,052	8,817,429	10.3389	1.4371
Total Public Shareholding	20,289,509	1,031,547	21,321,056	25.0000	20,535,844	785,212	21,321,056	25.0000	0.0000
(B)= (B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	84,252,676	1,031,547	85,284,223	100.0000	84,499,011	785,212	85,284,223	100.0000	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year on 1 January 2017			Shareholding at the end of the year on 31 December 2017			% change in shareholding 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 2017)/end (31 December 2017) of the year		Cumulative Shareholding during the year (1 January 2017 to 31 December 2017)	
		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 2017.

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

Sl. No.	Name of shareholders	Shareholding at the beginning (1 January 2017)/end (31 December 2017) of the year			Reason for Increase/Decrease	Cumulative Shareholding during the year (1 January 2017 to 31 December 2017)	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1	Reliance Capital Trustee Company Ltd. A/c Reliance Equity Opportunities Fund						
	At the beginning of the year	01/01/2017	2,497,207	2.9281		2,497,207	2.9281
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	20/01/2017	3,702	0.0043	Increase/Transfer	2,500,909	2.9324
		27/01/2017	58,581	0.0687	Increase/Transfer	2,559,490	3.0011
		10/02/2017	86,405	0.1013	Increase/Transfer	2,645,895	3.1024
		17/02/2017	10,882	0.0128	Increase/Transfer	2,656,777	3.1152
		14/04/2017	148,367	0.1740	Increase/Transfer	2,805,144	3.2892
		12/05/2017	26,900	0.0315	Increase/Transfer	2,832,044	3.3207
		19/05/2017	25,000	0.0293	Increase/Transfer	2,857,044	3.3500
		02/06/2017	25,000	0.0293	Increase/Transfer	2,882,044	3.3793
		30/06/2017	25,000	0.0293	Increase/Transfer	2,907,044	3.4087
		14/07/2017	35,000	0.0410	Increase/Transfer	2,942,044	3.4497
		28/07/2017	10,000	0.0117	Increase/Transfer	2,952,044	3.4614
		04/08/2017	45,000	0.0528	Increase/Transfer	2,997,044	3.5142
		11/08/2017	10,000	0.0117	Increase/Transfer	3,007,044	3.5259
		18/08/2017	14,700	0.0172	Increase/Transfer	3,021,744	3.5431
		01/12/2017	24,998	0.0293	Increase/Transfer	3,046,742	3.5725
		08/12/2017	2	0.0000	Increase/Transfer	3,046,744	3.5725
	At the end of the year	31/12/2017	3,046,744	3.5725			
2	Reliance Capital Trustee Company Ltd. A/c Reliance Tax Saver (ELSS) Fund						
	At the beginning of the year	01/01/2017	1,541,986	1.8081		1,541,986	1.8081
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	06/01/2017	12,600	0.0148	Increase/Transfer	1,554,586	1.8228
		07/04/2017	106,376	0.1247	Increase/Transfer	1,660,962	1.9476
		26/05/2017	94,038	0.1103	Increase/Transfer	1,755,000	2.0578
		02/06/2017	27,000	0.0317	Increase/Transfer	1,782,000	2.0895
		23/06/2017	90,000	0.1055	Increase/Transfer	1,872,000	2.1950
		21/07/2017	90,000	0.1055	Increase/Transfer	1,962,000	2.3005
		11/08/2017	27,000	0.0317	Increase/Transfer	1,989,000	2.3322
		18/08/2017	29,000	0.0340	Increase/Transfer	2,018,000	2.3662
		25/08/2017	284,200	0.3332	Increase/Transfer	2,302,200	2.6994
		22/09/2017	10,000	0.0117	Increase/Transfer	2,312,200	2.7112
		29/09/2017	10,000	0.0117	Increase/Transfer	2,322,200	2.7229
		03/11/2017	(200)	(0.0002)	Decrease/Transfer	2,322,000	2.7227
		24/11/2017	(29,015)	(0.0340)	Decrease/Transfer	2,292,985	2.6886
		01/12/2017	(13,100)	(0.0154)	Decrease/Transfer	2,279,885	2.6733
	At the end of the year	31/12/2017	2,279,885	2.6733			
3	Reliance Capital Trustee Company Ltd. A/c Reliance Vision Fund						
	At the beginning of the year	01/01/2017	1,334,783	1.5651		1,334,783	1.5651
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	02/06/2017	15,217	0.0178	Increase/Transfer	1,350,000	1.5829
	At the end of the year	31/12/2017	1,350,000	1.5829			

Sl. No.	Name of shareholders	Shareholding at the beginning (1 January 2017)/end (31 December 2017) of the year			Reason for Increase/Decrease	Cumulative Shareholding during the year (1 January 2017 to 31 December 2017)	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
4	Reliance Capital Trustee Company Ltd. A/c Reliance Regular Savings Fund - Equity Option						
	At the beginning of the year	01/01/2017	1,000,000	1.1725		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	31/12/2017	1,000,000	1.1725			
5	First State Indian Subcontinent Fund (erstwhile First State Investments (Hongkong) Ltd. A/c First State Indian Subcontinent Fund)						
	At the beginning of the year	01/01/2017	1,047,920	1.2287		1,047,920	1.2287
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	10/02/2017	(77,681)	(0.0911)	Decrease/Transfer	970,239	1.1377
		14/04/2017	(82,266)	(0.0965)	Decrease/Transfer	887,973	1.0412
		21/04/2017	(1,842)	(0.0022)	Decrease/Transfer	886,131	1.0390
		28/04/2017	(4,729)	(0.0055)	Decrease/Transfer	881,402	1.0335
		19/05/2017	(4,279)	(0.0050)	Decrease/Transfer	877,123	1.0285
		23/06/2017	(5,315)	(0.0062)	Decrease/Transfer	871,808	1.0222
		07/07/2017	(2,378)	(0.0028)	Decrease/Transfer	869,430	1.0194
		14/07/2017	(4,135)	(0.0048)	Decrease/Transfer	865,295	1.0146
		21/07/2017	(9,694)	(0.0114)	Decrease/Transfer	855,601	1.0032
		06/10/2017	87,417	0.1025	Increase/Transfer	943,018	1.1057
	At the end of the year	31/12/2017	943,018	1.1057			
6	The Scottish Oriental Smaller Companies Trust PLC						
	At the beginning of the year	01/01/2017	964,477	1.1309		964,477	1.1309
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	10/02/2017	(53,744)	(0.0630)	Decrease/Transfer	910,733	1.0679
		14/04/2017	(84,796)	(0.0994)	Decrease/Transfer	825,937	0.9685
		21/04/2017	(2,691)	(0.0032)	Decrease/Transfer	823,246	0.9653
		28/04/2017	(6,911)	(0.0081)	Decrease/Transfer	816,335	0.9572
		19/05/2017	(6,252)	(0.0073)	Decrease/Transfer	810,083	0.9499
		23/06/2017	(7,767)	(0.0091)	Decrease/Transfer	802,316	0.9408
		07/07/2017	(3,476)	(0.0041)	Decrease/Transfer	798,840	0.9367
		14/07/2017	(6,042)	(0.0071)	Decrease/Transfer	792,798	0.9296
		21/07/2017	(14,165)	(0.0166)	Decrease/Transfer	778,633	0.9130
	At the end of the year	31/12/2017	778,633	0.9130			
7	Reliance Nippon Life Insurance Co. Ltd.						
	At the beginning of the year	01/01/2017	0	0.0000		0	0.0000
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	11/08/2017	481,340	0.5644	Increase/Transfer	481,340	0.5644
		18/08/2017	1,398	0.0016	Increase/Transfer	482,738	0.5660
		25/08/2017	344	0.0004	Increase/Transfer	483,082	0.5664
		01/09/2017	3,490	0.0041	Increase/Transfer	486,572	0.5705
		08/09/2017	6,403	0.0075	Increase/Transfer	492,975	0.5780
		15/09/2017	26,715	0.0313	Increase/Transfer	519,690	0.6094
		22/09/2017	21,446	0.0251	Increase/Transfer	541,136	0.6345
		29/09/2017	(59)	(0.0001)	Decrease/Transfer	541,077	0.6344
		06/10/2017	11,840	0.0139	Increase/Transfer	552,917	0.6483

Sl. No.	Name of shareholders	Shareholding at the beginning (1 January 2017)/end (31 December 2017) of the year			Reason for Increase/Decrease	Cumulative Shareholding during the year (1 January 2017 to 31 December 2017)	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
		13/10/2017	(666)	(0.0008)	Decrease/Transfer	552,251	0.6475
		20/10/2017	(17)	(0.0000)	Decrease/Transfer	552,234	0.6475
		27/10/2017	46	0.0001	Increase/Transfer	552,280	0.6476
		03/11/2017	(635)	(0.0007)	Decrease/Transfer	551,645	0.6468
		10/11/2017	(1,155)	(0.0014)	Decrease/Transfer	550,490	0.6455
		17/11/2017	(52)	(0.0001)	Decrease/Transfer	550,438	0.6454
		01/12/2017	(18,500)	(0.0217)	Decrease/Transfer	531,938	0.6237
		08/12/2017	406	0.0005	Increase/Transfer	532,344	0.6242
		15/12/2017	33	0.0000	Increase/Transfer	532,377	0.6242
		22/12/2017	(35)	(0.0000)	Decrease/Transfer	532,342	0.6242
		29/12/2017	(32)	(0.0000)	Decrease/Transfer	532,310	0.6242
	At the end of the year	31/12/2017	532,310	0.6242			
8	The New India Assurance Company Limited						
	At the beginning of the year	01/01/2017	710,149	0.8327		710,149	0.8327
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	02/06/2017	(587)	(0.0007)	Decrease/Transfer	709,562	0.8320
		09/06/2017	(9,244)	(0.0108)	Decrease/Transfer	700,318	0.8212
		16/06/2017	(602)	(0.0007)	Decrease/Transfer	699,716	0.8205
		23/06/2017	(50,929)	(0.0597)	Decrease/Transfer	648,787	0.7607
		30/06/2017	(7,100)	(0.0083)	Decrease/Transfer	641,687	0.7524
		07/07/2017	(19,155)	(0.0225)	Decrease/Transfer	622,532	0.7299
		14/07/2017	(36,582)	(0.0429)	Decrease/Transfer	585,950	0.6871
		21/07/2017	(44,740)	(0.0525)	Decrease/Transfer	541,210	0.6346
		04/08/2017	(7,018)	(0.0082)	Decrease/Transfer	534,192	0.6264
		25/08/2017	(7,489)	(0.0088)	Decrease/Transfer	526,703	0.6176
		01/09/2017	(10,000)	(0.0117)	Decrease/Transfer	516,703	0.6059
	At the end of the year	31/12/2017	516,703	0.6059			
9	Kotak Opportunities						
	At the beginning of the year	01/01/2017	275,000	0.3225		275,000	0.3225
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	13/01/2017	5,000	0.0059	Increase/Transfer	325,000	0.3811
		24/03/2017	3,390	0.0040	Increase/Transfer	328,390	0.3851
		05/05/2017	6,610	0.0078	Increase/Transfer	335,000	0.3928
		12/05/2017	11,466	0.0134	Increase/Transfer	346,466	0.4062
		19/05/2017	3,534	0.0041	Increase/Transfer	350,000	0.4104
		02/06/2017	1,218	0.0014	Increase/Transfer	351,218	0.4118
		16/06/2017	12	0.0000	Increase/Transfer	351,230	0.4118
		30/06/2017	23,770	0.0279	Increase/Transfer	375,000	0.4397
		07/07/2017	60,000	0.0704	Increase/Transfer	435,000	0.5101
	At the end of the year	31/12/2017	435,000	0.5101			

Sl. No.	Name of shareholders	Shareholding at the beginning (1 January 2017)/end (31 December 2017) of the year			Reason for Increase/Decrease	Cumulative Shareholding during the year (1 January 2017 to 31 December 2017)	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
10	Caisse DE Depot ET Placement DU Quebec-First State Investments International Limited						
	At the beginning of the year	01/01/2017	443,660	0.5202		443,660	0.5202
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	10/02/2017	(14,983)	(0.0176)	Decrease/Transfer	428,677	0.5026
		14/04/2017	(38,524)	(0.0452)	Decrease/Transfer	390,153	0.4575
		21/04/2017	(894)	(0.0010)	Decrease/Transfer	389,259	0.4564
		28/04/2017	(2,295)	(0.0027)	Decrease/Transfer	386,964	0.4537
		19/05/2017	(2,076)	(0.0024)	Decrease/Transfer	384,888	0.4513
		23/06/2017	(2,579)	(0.0030)	Decrease/Transfer	382,309	0.4483
		07/07/2017	(1,154)	(0.0014)	Decrease/Transfer	381,155	0.4469
		14/07/2017	(2,007)	(0.0024)	Decrease/Transfer	379,148	0.4446
		21/07/2017	(4,705)	(0.0055)	Decrease/Transfer	374,443	0.4391
	At the end of the year	31/12/2017	374,443	0.4391			
11	Hitesh Satishchandra Doshi*						
	At the beginning of the year	01/01/2017	480,288	0.5632		480,288	0.5632
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	08/12/2017	(3,000)	(0.0035)	Decrease/Transfer	477,288	0.5596
		15/12/2017	(145,708)	(0.1708)	Decrease/Transfer	331,580	0.3888
		22/12/2017	(30,000)	(0.0352)	Decrease/Transfer	301,580	0.3536
	At the end of the year	31/12/2017	301,580	0.3536			
12	First State Investments ICVC- Stewart Investors Indian Subcontinent Fund **						
	At the beginning of the year	01/01/2017	0	0		0	0
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	17/02/2017	1,511,708	1.7726	Increase/Transfer	1,511,708	1.7726
		10/03/2017	(22,717)	(0.0266)	Decrease/Transfer	1,488,991	1.7459
		17/03/2017	(16,828)	(0.0197)	Decrease/Transfer	1,472,163	1.7262
		24/03/2017	(28,526)	(0.0334)	Decrease/Transfer	1,443,637	1.6927
		31/03/2017	(116,739)	(0.1369)	Decrease/Transfer	1,326,898	1.5559
		07/04/2017	(61,175)	(0.0717)	Decrease/Transfer	1,265,723	1.4841
		21/04/2017	(22,603)	(0.0265)	Decrease/Transfer	1,243,120	1.4576
		28/04/2017	(47,406)	(0.0556)	Decrease/Transfer	1,195,714	1.4020
		05/05/2017	(42,503)	(0.0498)	Decrease/Transfer	1,153,211	1.3522
		12/05/2017	(46,517)	(0.0545)	Decrease/Transfer	1,106,694	1.2977
		19/05/2017	(63,161)	(0.0741)	Decrease/Transfer	1,043,533	1.2236
		26/05/2017	(43,576)	(0.0511)	Decrease/Transfer	999,957	1.1725
		02/06/2017	(25,427)	(0.0298)	Decrease/Transfer	974,530	1.1427
		09/06/2017	(18,128)	(0.0213)	Decrease/Transfer	956,402	1.1214
		23/06/2017	(39,862)	(0.0467)	Decrease/Transfer	916,540	1.0747
		30/06/2017	(26,945)	(0.0316)	Decrease/Transfer	889,595	1.0431
		07/07/2017	(50,722)	(0.0595)	Decrease/Transfer	838,873	0.9836
		14/07/2017	(19,400)	(0.0227)	Decrease/Transfer	819,473	0.9609
		21/07/2017	(393,133)	(0.4610)	Decrease/Transfer	426,340	0.4999
		04/08/2017	(10,562)	(0.0124)	Decrease/Transfer	415,778	0.4875
		11/08/2017	(35,795)	(0.0420)	Decrease/Transfer	379,983	0.4455
		18/08/2017	(4,278)	(0.0050)	Decrease/Transfer	375,705	0.4405
		25/08/2017	(2,988)	(0.0035)	Decrease/Transfer	372,717	0.4370

Sl. No.	Name of shareholders	Shareholding at the beginning (1 January 2017)/end (31 December 2017) of the year			Reason for Increase/Decrease	Cumulative Shareholding during the year (1 January 2017 to 31 December 2017)	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
		01/09/2017	(1,744)	(0.0020)	Decrease/Transfer	370,973	0.4350
		08/09/2017	(14,280)	(0.0167)	Decrease/Transfer	356,693	0.4182
		15/09/2017	(23,908)	(0.0280)	Decrease/Transfer	332,785	0.3902
		22/09/2017	(33,978)	(0.0398)	Decrease/Transfer	298,807	0.3504
		29/09/2017	(68,756)	(0.0806)	Decrease/Transfer	230,051	0.2697
		06/10/2017	(45,805)	(0.0537)	Decrease/Transfer	184,246	0.2160
		13/10/2017	(30,745)	(0.0361)	Decrease/Transfer	153,501	0.1800
		20/10/2017	(36,764)	(0.0431)	Decrease/Transfer	116,737	0.1369
		27/10/2017	(116,737)	(0.1369)	Decrease/Transfer	0	0.0000
	At the end of the year	31/12/2017	0	0			
13	Pacific Assets Trust PLC *						
	At the beginning of the year	01/01/2017	893,074	1.0472		893,074	1.0472
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	21/04/2017	(19,354)	(0.0227)	Decrease/Transfer	873,720	1.0245
		28/04/2017	(40,594)	(0.0476)	Decrease/Transfer	833,126	0.9769
		05/05/2017	(36,396)	(0.0427)	Decrease/Transfer	796,730	0.9342
		12/05/2017	(39,833)	(0.0467)	Decrease/Transfer	756,897	0.8875
		19/05/2017	(49,863)	(0.0585)	Decrease/Transfer	707,034	0.8290
		26/05/2017	(29,526)	(0.0346)	Decrease/Transfer	677,508	0.7944
		02/06/2017	(17,229)	(0.0202)	Decrease/Transfer	660,279	0.7742
		16/06/2017	(12,283)	(0.0144)	Decrease/Transfer	647,996	0.7598
		23/06/2017	(27,009)	(0.0317)	Decrease/Transfer	620,987	0.7281
		30/06/2017	(18,255)	(0.0214)	Decrease/Transfer	602,732	0.7067
		07/07/2017	(34,366)	(0.0403)	Decrease/Transfer	568,366	0.6664
		14/07/2017	(13,145)	(0.0154)	Decrease/Transfer	555,221	0.6510
		28/07/2017	(266,360)	(0.3123)	Decrease/Transfer	288,861	0.3387
		04/08/2017	(7,156)	(0.0084)	Decrease/Transfer	281,705	0.3303
		11/08/2017	(24,253)	(0.0284)	Decrease/Transfer	257,452	0.3019
		18/08/2017	(2,899)	(0.0034)	Decrease/Transfer	254,553	0.2985
		25/08/2017	(2,024)	(0.0024)	Decrease/Transfer	252,529	0.2961
		01/09/2017	(1,182)	(0.0014)	Decrease/Transfer	251,347	0.2947
		08/09/2017	(9,676)	(0.0113)	Decrease/Transfer	241,671	0.2834
		15/09/2017	(16,198)	(0.0190)	Decrease/Transfer	225,473	0.2644
		22/09/2017	(23,021)	(0.0270)	Decrease/Transfer	202,452	0.2374
		30/09/2017	(46,585)	(0.0546)	Decrease/Transfer	155,867	0.1828
		06/10/2017	(31,035)	(0.0364)	Decrease/Transfer	124,832	0.1464
		13/10/2017	(20,830)	(0.0244)	Decrease/Transfer	104,002	0.1219
		20/10/2017	(24,909)	(0.0292)	Decrease/Transfer	79,093	0.0927
		27/10/2017	(79,093)	(0.0927)	Decrease/Transfer	0	0.0000
	At the end of the year	31/12/2017	0	0.0000			

Sl. No.	Name of shareholders	Shareholding at the beginning (1 January 2017)/end (31 December 2017) of the year			Reason for Increase/Decrease	Cumulative Shareholding during the year (1 January 2017 to 31 December 2017)	
		Date	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
14	National Westminster Bank PLC as Depositary of First State Indian Subcontinent Fund, a Sub Fund of First State Investments ICVC*						
	At the beginning of the year	01/01/2017	1,511,708	1.7726		1,511,708	1.7726
	Date wise increase/decrease in shareholding during the year alongwith reason for increase/decrease	17/02/2017	(1,511,708)	(1.7726)	Decrease/Transfer	0	-
	At the end of the year	31/12/2017	0	0			

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 31/12/2017. The same is reflected above since the shareholder was one of the Top 10 shareholders on 01/01/2017.

** Not in the list of Top 10 shareholders either on 01/01/2017 or 31/12/2017. However, the same is reflected above since the shareholder was one of the Top 10 shareholders during the financial year 2017.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the shareholder	Shareholding at the beginning (1 January 2017)/end (31 December 2017) of the year		Cumulative Shareholding during the year (1 January 2017 to 31 December 2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Directors¹				
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 Personnel²				
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 Mehta, Mr Arun Balakrishnan and Ms Desiree Co. Bacher did not hold any shares of the Company during the year 2017.

2. Mr Indranil Bagchi, Chief Financial Officer did not hold any shares of the Company during the year 2017.

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
Indebtedness at the beginning of the financial year (1 January 2017)				
i) Principal Amount	-	14,453.54	-	14,453.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	208.58	-	208.58
Total (i+ii+iii)	-	14,662.12	-	14,662.12
Change in Indebtedness during the financial year (1 January 2017 - 31 December 2017)				
Additions	-	500.00	-	500.00
Reduction	-	-1,860.75	-	-1,860.75
Forex impact and CCS unwinding	-	-274.15	-	-274.15
Net Change	-	-1,634.90	-	-1,634.90
Indebtedness at the end of the financial year (31 December 2017)				
i) Principal Amount	-	12,818.64	-	12,818.64
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	178.05	-	178.05
Total (i+ii+iii)	-	12,996.69	-	12,996.69

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	23.02	23.02
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	2.36	2.36
	(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)	1.88	1.88
Total (A)			27.26
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.

B. Remuneration to other Directors

				Rs. in million
Sl. No.	Particulars of Remuneration	Commission	Sitting Fees	Total Compensation
I	Independent Directors			
1	Mr Jyotin Mehta	0.70	0.53	1.23
2	Mr Arun Balakrishnan	0.50	0.53	1.03
3	Mr Aditya Narayan	0.50	0.51	1.01
	Total (I)	1.70	1.57	3.27
II	Other Non Executive Directors[#]			
1	Mr Sanjiv Lamba	-	-	-
2	Ms Desiree Co Bacher	-	-	-
	Total (II)	-	-	-
	Total (B)=(I) + (II)	1.70	1.57	3.27
	Total Managerial Remuneration [(A)+(B)]	-	-	30.53
	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	Total Amount		
		CFO Mr Indranil Bagchi	Company Secretary Mr Pawan Marda	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	9.61	5.85	15.46
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.62	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)	0.40	0.57	0.96
	Total	10.63	6.94	17.56

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 2017.

On behalf of the Board

Sd/-
S Lamba
Chairman
DIN: 00320753

Mumbai
12 February 2018

Annexure to directors' report.

[Annexure - 7]

Form No. MR-3

Secretarial Audit Report

for the financial year ended 31 December 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of 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 adherence to good corporate practices by Linde India Limited ("the Company") for the financial year ended 31 December 2017 ("Audit Period"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with statutory provisions listed hereunder and also that the Company has proper broad processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

We have examined the Books and Papers maintained by the Company for the Audit Period 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; and
- 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 (hereinafter referred to as "Listing Regulations, 2015"); to the extent applicable to the Company during the Audit Period;

6. Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India;

We report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check-basis, the Company has complied with the following laws specifically applicable to the Company subject to the ensuing observation:

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

We further report that the Company had paid a Fine of Rs. 5,00,000/- imposed by Additional Sessions Judge, Faridabad on 3 August 2017, in respect of the Company undertaking manufacturing activities at its Faridabad Unit in violation of Section 18(c), punishable under Section 27(b)(ii) of the Drugs and Cosmetics Act.

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. Whenever required we have obtained Management Representation about the compliance of laws, rules and regulations and happening of events etc;
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the 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.

Based on information provided by the Company and its officers during the conduct of audit and also on the review of quarterly compliance reports taken on record by the Board of Directors of the Company, in our opinion adequate systems and processes and control mechanism exists in the Company to monitor and ensure compliance with applicable other general laws.

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.

For Vinod Kothari & Company
Practising Company Secretaries

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

Date: 10 February 2018
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 embraces its core values set out in the Linde Spirit and the Code of Ethics, both of which apply across the 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 2017

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 2017, 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 Regulation 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 2017, four Board meetings were held on 11 February 2017, 12 May 2017, 17 July 2017 and 27 October 2017. 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 2017 and the last Annual General Meeting (AGM), Number of other Directorship(s) and other Board Committee Membership(s) held as on 31 December 2017

Name of the Director	Category of directorship	No. of Board meetings attended	Attendance at the last AGM held on 18 April 2017	No. of other directorship(s) ⁽ⁱ⁾	Other Board Committee membership(s)/ chairmanship(s) ⁽ⁱⁱ⁾
Mr S Lamba ⁽ⁱⁱⁱ⁾	(Chairman) Non-Executive Director	4	Yes	-	-
Mr A Balakrishnan	Independent Director	4	Yes	6	6 [including 4 as Chairman]
Mr J Mehta	Independent Director	4	Yes	1	1 [as Chairman]
Mr A Narayan	Independent Director	4	Yes	3	2 [including 1 as Chairman]
Ms D Bacher ⁽ⁱⁱⁱ⁾	Non-Executive Director	3	Yes	-	-
Mr M Banerjee	(Managing Director) Executive Director	4	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.

Note: There are no inter-se relationships between the Board Members of the Company.

Board Membership Criteria

The Nomination and Remuneration Committee of the Company works with the Board to determine the integrity, qualifications, expertise, positive attributes and experience of persons for appointment as Directors with the objective of having a Board with diverse background and experience. The Policy on appointment and removal of Directors and Board Diversity forms part of the Nomination and Remuneration Policy, which is available on the Company's website at www.linde.in.

Separate Meeting of Independent Directors

During the year 2017, 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 26 October 2017 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.

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 especially the Independent 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 familiarization 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. As a part of the familiarisation programme, presentations were given at the Board and Audit Committee Meetings on the business and performance update of the Company including global business environment, business strategy, risks involved, internal control over financial reporting, regulatory updates on matters relating to SEBI and Ministry of Corporate Affairs, etc. Site visits to plant locations are organized for the Independent Directors to enable them to understand the operations of the Company. Pursuant to Regulation 46(2) of the SEBI Listing Regulations, the required details with regard to the familiarisation programme for Directors conducted by the Company during the year are available on the website of your Company at http://www.linde.in/en/about_linde_india_limited/management/index.html.

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 Wholtime 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 2017 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 prioritization 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. During the year under review, a fresh workshop was conducted on 19 June 2017, which was attended by senior management team of the Company. The senior management team deliberated on the carried forward risks and new risks identified at the workshop and prioritized them on the basis of their EBIT impact and probability scores. These risks were thereafter assigned to various risk owners within the Company and appropriate mitigation plans have been 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 top 10 risks on quarterly basis with special focus on the top 5 identified key risks.

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 2017, 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 2017, 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 2017 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:

- 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;
- 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;
- 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;
- Review with the management the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.);
- Review with the management, performance of statutory and internal auditors;
- 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;
- Discussion with internal auditors on any significant findings and follow up thereon including reviewing the findings of internal investigations, if any;
- 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;
- Review of the functioning of Whistle Blower mechanism;
- Approval of appointment of Chief Financial Officer;
- Review and monitor the auditor's independence and effectiveness of audit process;
- Scrutiny of inter-corporate loans and investments;
- Approval of related party transactions and any subsequent modification/ratification of transactions with related parties;
- 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 Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013. As on 31 December 2017, 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 Regulation 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 18 April 2017.

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, who also meet the Audit Committee without the presence of the management. 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 2017. The meetings were held on 11 February 2017, 12 May 2017, 17 July 2017, 26 October 2017 and 27 October 2017. 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:

- 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 Wholtime 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; and
- 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 2017, 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 2017.

Meetings and Attendance during the year

During the year ended 31 December 2017, three meetings of the Committee were held on 11 February 2017, 12 May 2017 and 26 October 2017. 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

Board Performance Evaluation

During the year, the performance evaluation of the Board, its Committees and individual directors including the process and criteria thereof was done through a combination of the Nomination and Remuneration Committee, the Board and 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 Committee reviewed the process and criteria for Performance Evaluation in line with comprehensive Guidance Note on Board Evaluation issued by SEBI vide its circular dated 5 January 2017. Arising from this review, several additional

attributes were incorporated in the Performance Evaluation Form for evaluation of each Director including Independent Directors, Board as a whole, Chairman of the Board, Committees of the Board, etc. The Company provided an online platform to the Directors for participating in the aforesaid performance evaluation process. 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 ensuring independence and avoiding conflict of interest, safeguarding the interest of minority shareholders, application of independent judgement while taking decisions at the Board Meeting and ensuring adequate deliberations while approving material decisions including Related Party Transactions.

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/Wholtime 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.

During the year 2017, the sitting fees payable to the Independent Directors for attending each meeting of the Board of Directors and Audit Committee has been revised from Rs. 35,000 to Rs. 50,000 and sitting fees for attending each meeting of the Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee had been revised from Rs. 15,000 to Rs. 25,000 w.e.f. 1 March 2017. Remuneration of Non-Executive Directors, other than the Directors representing The Linde Group, by way of commission is determined by the Board in terms of approval accorded by the Shareholders.

Details of Remuneration to Executive/Wholetime Director(s)

Details of remuneration to Executive/Wholetime Director during the year ended 31 December 2017 is given below:

Name of the Director	Salary and Allowances	Variable Compensation Pay	Contribution to Provident and other Funds	Perquisites/ Other Benefits	in Rupees
					Total
Mr M Banerjee, Managing Director	12,546,644	10,478,826	1,876,592	2,363,366	27,265,428

The tenure of office of the Managing Director of the Company is for three years with effect from 30 July 2016. The terms and conditions of the appointment including remuneration payable to Managing Director were set out in the Agreement dated 16 September 2016 entered into by him with the Company which were subsequently modified by the Board on the recommendation of the Nomination and Remuneration Committee with effect from 1 January 2017. The said appointment along with the terms and conditions as set out in the Agreement dated 16 September 2016 which were subsequently modified as aforesaid were approved by way of a special resolution of the shareholders passed at the 81st Annual General Meeting of the Company held on 18 April 2017. The Agreement with the Managing Director 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. During the year, a sum of Rs. 1,137,000 was recovered from the remuneration paid to the Managing Director pursuant to the direction of Ministry of Corporate Affairs vide its letter dated 11 August 2017 in response to an application made by the Company for waiver of excess remuneration paid to him in the year 2015 due to inadequacy of profit in that year.

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 2017 is given below:

Name of the Director	Sitting Fees Paid	in Rupees
		Commission payable for the year 2017
Mr A Balakrishnan, Independent Director	525,000	500,000
Mr J Mehta, Independent Director	535,000	700,000
Mr A Narayan, Independent Director	510,000	500,000
Total	1,570,000	1,700,000

In accordance with the approval of the Shareholders in the Annual General Meeting held on 15 May 2015, the payment of commission to Non-Executive Directors, other than the Directors representing The Linde Group has been determined by the Board, which is well within the ceiling of 1% of net profits of the Company for the year ended 31 December 2017 as computed under applicable provisions of the Companies Act, 2013. The allocation of the commission amongst the eligible Non-Executive Independent Directors has been decided by the Board with each interested director present not participating in the deliberations in respect of his own commission.

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 2017 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:

- Overseeing and review of all matters connected with transfer, transmission, subdivision, consolidation, etc. of the Company's securities;
- 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; and
- 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 2017, 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 2017, the Committee met twice on 12 May 2017 and 27 October 2017. 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.

Initiatives for improving investor Services

During the year, with a view to render better investor services to all shareholders of the Company, your Company took initiative to update data such as signature, bank details, email id, nomination details, etc. in respect of shareholders holding shares in physical form, where one or more of such data was not available with its Registrar. In respect of shareholders in demat segment, the concerned shareholders were requested to update their bank details and e-mail id with their Depository Participant where such information was not available/ incomplete. This initiative is enabling your Company to sanitize the data of its shareholders. This will also cover more shareholders under electronic remittance of dividend and email communication and will thus promote green initiative in Corporate Governance.

Shareholders' Complaints

During the year ended 31 December 2017, the Company received 15 complaints from the shareholders/investors. As on 31 December 2017, 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 and 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 2017, the Company processed 1,369 shares for transfer. As on 31 December 2017, no request for transfer and/or dematerialization of shares was pending.

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 2017, 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.

Meetings and Attendance during the year:

During the year ended 31 December 2017, two meetings of the Committee were held on 11 February 2017 and 26 October 2017. 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 2016	18 April 2017	Kala Mandir, Kolkata	10.00 a.m	1. Re-appointment of Managing Director for a term of three years.
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.

B) Postal Ballot:

During the year ended 31 December 2017, 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 re-appointed as required under Regulation 36(3) of SEBI Listing Regulations is furnished under Note 21 of the Notice of the ensuing Annual General Meeting.

- 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 Regulation 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.

Means of Communication

- The unaudited quarterly financial results in respect of the first three quarters of the financial year 2017 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 2017 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. Business Standard (in English) and Aaj Kal (in vernacular language -Bengali). The audited financial results for the year 2017 are being also published in Business Standard (in English) and Aaj Kal (in vernacular language -Bengali).

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 45 of Notes to the Standalone Financial Statements for the year ended 31 December 2017 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 2016 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 2016 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 2017.

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 and venue of the Annual General Meeting	Monday, 16 April 2018 at 10.00 a.m. Kala Mandir Auditorium 48, Shakespeare Sarani, Kolkata 700 017	
Financial Calendar 2018 (tentative and subject to change)	i. Financial Year	January 2018 to December 2018
	ii. First Quarter Results	08 May 2018
	iii. Second Quarter and Half Yearly Results	23 July 2018
	iv. Third Quarter Results	14 November 2018
	v. Audited Annual Results	February 2019
Book Closure Period	10 April 2018 to 16 April 2018 (both days inclusive)	
Dividend Payment Date	On or about 23 April 2018 (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 2017-18.	
Stock Code	a) BSE Ltd., Physical: 23457; Demat: 523457 b) National Stock Exchange of India Ltd., Symbol: LINDEINDIA	

Transfer of Unclaimed Dividend and Shares to Investor Education and Protection Fund

During the year, pursuant to the provisions 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), the 55th unpaid/ unclaimed dividend amount of Rs.778,896/- for the financial year 2009 was transferred to the Investor Education and Protection Fund (IEPF). The details of the said transfer can be viewed at http://www.linde.in/en/investor_relations/dividends/index.html.

Pursuant to the aforesaid provisions, during the year under review, the Company also transferred 215,537 shares to the Demat Account of the

IEPF Authority maintained with NSDL, in respect of which dividend had remained unpaid/unclaimed for a consecutive period of seven years, details whereof are provided in Note 12 of the Notice of the 82nd Annual General Meeting.

The details of unpaid/unclaimed dividends in respect of the last seven financial years commencing from the financial year 2010 and ending with financial year 2016 and their respective due dates for transferring the same to the IEPF are furnished in Note 10 of the Notice of the 82nd Annual General Meeting. The process for claiming refund of the unpaid/unclaimed dividend and/or the shares transferred by the Company to the IEPF as aforesaid is provided in Notes 13 and 14 of the Notice of the 82nd Annual General Meeting and is also available on http://www.linde.in/en/investor_relations/dividends/process-iepf-rules/index.html

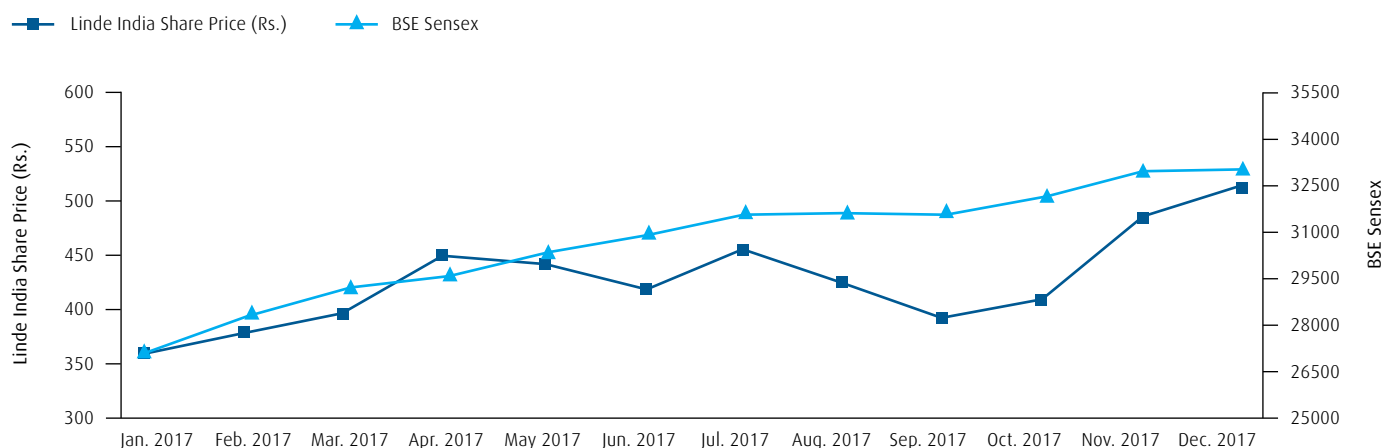
Stock Market Price Data

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 2017:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume of shares traded	High (Rs.)	Low (Rs.)	Volume of shares traded
January 2017	371.10	344.35	52,930	372.50	345.25	4,88,374
February 2017	399.00	355.70	44,083	399.00	356.60	4,52,598
March 2017	425.95	364.15	1,06,203	424.00	365.00	6,69,694
April 2017	499.00	396.20	3,24,381	494.40	396.00	17,85,144
May 2017	461.00	424.00	1,04,017	462.95	425.00	10,76,190
June 2017	455.00	376.00	73,879	456.00	422.05	6,34,405
July 2017	480.00	427.80	4,83,411	478.70	425.00	15,03,131
August 2017	449.00	400.00	3,30,705	451.00	400.00	4,13,068
September 2017	420.40	365.05	1,85,765	430.00	368.00	4,90,470
October 2017	442.45	373.10	1,29,311	443.00	372.10	11,47,087
November 2017	554.90	415.00	3,06,572	555.00	422.70	17,16,619
December 2017	556.90	466.20	1,46,558	558.80	465.00	10,09,631

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

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



Registrar and Transfer Agents	<p>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</p>
Share Transfer System	<p>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 Regulation 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.</p>
Dematerialisation of shares and Liquidity	<p>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 INE 473A01011. As on 31 December 2017, a total of 84,499,011 equity shares of the Company constituting 99.08% of the total Subscribed and Paid up Share Capital stands dematerialized.</p>

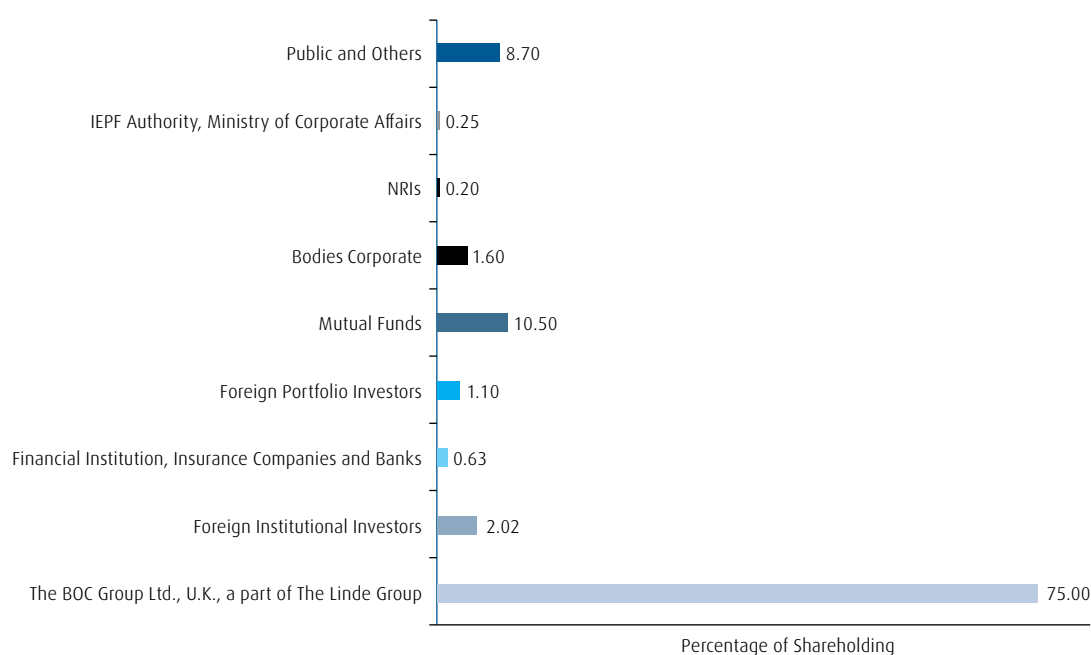
Distribution of shareholding as on 31 December 2017

Number of Shares Slab	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
1-50	8,843	40.97	186,929	0.22
51-100	3,885	18.00	345,468	0.41
101-250	3,821	17.70	679,564	0.80
251-500	2,411	11.17	905,291	1.06
501-1000	1,563	7.24	1,158,370	1.36
1001-5000	899	4.16	1,829,173	2.14
5001-10000	80	0.37	545,754	0.64
10001-100000	61	0.28	1,616,025	1.89
Above 100000	23	0.11	78,017,649	91.48
Total	21,586	100.00	85,284,223	100.00

Shareholding pattern as on 31 December 2017

Category	Number of Shares held	% of Issued and 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	1,721,785	2.02
Financial Institutions, Insurance Companies and Banks	541,929	0.63
Foreign Portfolio Investors	935,913	1.10
Mutual Funds	8,953,146	10.50
Sub-Total (I)	12,152,773	14.25
(II) Non-Institutional Shareholding		
Bodies Corporate	1,365,050	1.60
NRIs	171,524	0.20
IEPF Authority, Ministry of Corporate Affairs	215,537	0.25
Public and Others	7,416,172	8.70
Sub-Total (II)	9,168,283	10.75
Total	85,284,223	100.00

Shareholding pattern as on 31 December 2017



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 and 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 2017.

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

Bellary

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

Bhadrachalam

107 tpd ASU
C/o. ITC Ltd. Paper Division,
Sarapaka Village,
Bhadradi Kothagudem,
Bhadrachalam, Telangana 507 128

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

Kalinganagar

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

Jamshedpur

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

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

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

On behalf of the Board

Sd/-
S Lamba
Chairman
DIN: 00320753

Mumbai
12 February 2018

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 2017.

Sd/-
Moloy Banerjee
Managing Director
DIN: 00273101

Mumbai
12 February 2018

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

1. This certificate is issued in accordance with the terms of our engagement letter dated 5 May, 2017.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Linde India Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 December, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered

Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 December, 2017.
9. 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.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Regn. No. 117366W/W-100018)
Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Mumbai
12th February, 2018

Balance sheet.

as at 31 December 2017

in Rupees million	Note	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016
ASSETS				
Non-current assets				
Property, plant and equipment	5	24,965.39	25,664.75	21,002.36
Capital work-in-progress	5	359.13	802.87	5,765.52
Goodwill	6	-	43.30	46.82
Other Intangible assets	6	10.14	19.40	31.46
Investments in joint venture	7	150.00	150.00	150.00
Financial assets				
Other Investments	7	0.27	0.16	0.10
Other financial assets	8	878.96	673.65	618.68
Non current tax assets (net)	9	169.50	148.61	107.02
Other non current assets	10	408.70	428.58	313.04
Total non- current assets (A)		26,942.09	27,931.32	28,035.00
Current assets				
Inventories	11	683.26	686.82	652.99
Financial assets				
Trade receivables	12	3,527.19	3,568.53	3,394.40
Cash and cash equivalents	13	382.40	1,056.99	205.58
Bank balances other than cash and cash equivalents	13	4.00	4.40	4.72
Other financial assets	8	1,653.42	1,780.56	841.30
Other current assets	10	465.33	597.41	621.57
		6,715.60	7,694.71	5,720.56
Assets classified as held for sale	14	-	-	4.23
Total current assets (B)		6,715.60	7,694.71	5,724.79
TOTAL ASSETS (A+B)		33,657.69	35,626.03	33,759.79
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	15	852.84	852.84	852.84
Other equity	16	13,224.33	13,100.57	13,047.01
Total equity (C)		14,077.17	13,953.41	13,899.85
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	7,763.57	9,897.32	13,382.60
Other financial liabilities	18	54.83	54.55	65.62
Provisions	19	448.29	362.61	281.88
Deferred tax liabilities (Net)	20	921.80	958.55	1,015.93
Other non-current liabilities	21	229.16	265.25	251.51
Total non- current liabilities		9,417.65	11,538.28	14,997.54
Current liabilities				
Financial liabilities				
Borrowings	17	1,500.00	1,000.00	500.00
Trade payables	23	2,573.70	3,016.27	2,284.67
Other financial liabilities	18	4,389.73	4,353.64	552.08
Provisions	19	292.31	232.83	313.26
Other current liabilities	21	1,407.13	1,514.44	1,195.23
Current tax liabilities (net)	22	-	17.16	17.16
Total current liabilities		10,162.87	10,134.34	4,862.40
Total liabilities (D)		19,580.52	21,672.62	19,859.94
TOTAL EQUITY AND LIABILITIES (C+D)		33,657.69	35,626.03	33,759.79

The notes referred form an integral part of the financial statements (1 to 49)

In terms of our report attached
for Deloitte Haskins and Sells LLP
Chartered Accountants

ABHIJIT BANDYOPADHYAY, Partner

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

12 February 2018

Statement of profit and loss.

for the year ended 31 December 2017

in Rupees million	Note	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
INCOME			
Revenue from operations	24	21,149.87	19,793.58
Other income	25	167.55	344.67
TOTAL INCOME (A)		21,317.42	20,138.25
EXPENSES			
Power and fuel		9,224.91	8,181.06
Cost of materials consumed	26	1,911.16	1,837.86
Purchase of stock-in-trade	27	773.79	694.17
Changes in inventories of finished goods, contract work-in-progress and stock-in-trade	28	46.86	(66.57)
Employee benefits expenses	29	1,164.53	987.33
Finance costs	30	1,164.69	1,155.74
Excise duty		819.30	1,540.48
Depreciation and amortisation expense (including impairment)	31	2,062.55	1,953.99
Other expenses	32	3,933.07	3,752.07
TOTAL EXPENSE (B)		21,100.86	20,036.13
Profit before exceptional items and tax C = (A-B)		216.56	102.12
Exceptional Items (D)	35	55.00	-
Profit before tax E = (C- D)		161.56	102.12
Tax Expense			
Current tax	20	18.97	36.99
Deferred tax	20	(46.79)	(68.97)
TOTAL TAX EXPENSE (F)		(27.82)	(31.98)
Profit for the year (G)= (E- F)		189.38	134.10
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit and loss		(9.66)	(32.38)
Remeasurement losses on post employment defined benefit plans during the year		(9.77)	(32.44)
Fair value changes of investments in equity shares		0.11	0.06
Income tax relating to items that will not be reclassified subsequently to statement of profit and loss		2.08	6.92
Items that will be reclassified subsequently to statement of profit and loss			
Fair value changes due to cash flow hedges		28.96	33.49
Income tax on items that will be reclassified subsequently to statement of profit and loss		(10.02)	(11.59)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR (H)		11.36	(3.56)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (I) = (G+H)		200.74	130.54
Earnings per share :	36		
Basic and Diluted (Rs.)		2.22	1.57

The notes referred form an integral part of the financial statements (1 to 49)

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P MARDIA, 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

12 February 2018

Statement of changes in equity.

for the year ended 31 December 2017

A. Equity share capital

in Rupees million

Equity
share capital

Balance as at 1 January 2016	852.84
Changes in equity share capital during the year	-
Balance at 31 December 2016	852.84
Changes in equity share capital during the year	-
Balance at 31 December 2017	852.84

B. Other equity

in Rupees million

	Retained Earnings			Other Comprehensive Income Reserves	Total
	Securities Premium Account	General Reserves	Surplus (profit and loss balance)		
Balance as at 1 January 2016	6,972.52	995.67	5,135.68	(56.86)	13,047.01
Profit attributable to the owners of the company	-	-	134.10	-	134.10
Dividend Payable	-	-	(63.96)	-	(63.96)
Tax on Dividend	-	-	(13.02)	-	(13.02)
Other Comprehensive Income (net of taxes)	-	-	(25.52)	21.96	(3.56)
Balance as at 31 December 2016	6,972.52	995.67	5,167.28	(34.90)	13,100.57
Profit attributable to the owners of the company	-	-	189.38	-	189.38
Dividend Payable	-	-	(63.96)	-	(63.96)
Tax on Dividend	-	-	(13.02)	-	(13.02)
Other Comprehensive Income (net of taxes)	-	-	(7.69)	19.05	11.36
Balance as at 31 December 2017	6,972.52	995.67	5,271.99	(15.85)	13,224.33

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Linde India Limited
CIN: L40200WB1935PLC008184
S LAMBA, Chairman DIN : 00320753
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Mumbai

12 February 2018

Cash flow statement.

for the year ended 31 December 2017

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Cash flows from operating activities		
Profit before tax for the year	161.56	102.12
Adjustments for:		
Depreciation and amortisation including impairment	2,062.55	1,953.99
(Gain)/ loss on sale of non-current assets	0.63	(156.87)
Finance costs recognised in profit or loss	1,161.58	1,142.54
Interest income on unwinding of security deposits and others	(1.49)	(1.27)
Dividend income from joint venture	(90.00)	(30.00)
Exceptional items	55.00	-
Operating cash flow before working capital changes	3,349.83	3,010.51
Movements in working capital:		
(Increase)/ decrease in trade receivables	41.34	(174.13)
(Increase)/ decrease in financial assets	(402.41)	(794.00)
(Increase)/ decrease in other current and non-current assets	65.31	9.80
(Increase)/decrease in inventories	3.56	(33.83)
Increase/ (decrease) in liabilities and provisions	(483.98)	975.89
Cash generated from operations	2,573.65	2,994.24
Income taxes paid	(52.79)	(68.11)
Net cash generated by operating activities	2,520.86	2,926.13

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Cash flows from investing activities		
Purchase for property, plant and equipment	(798.32)	(1,482.45)
Proceeds from disposal of property, plant and equipment	120.22	161.32
Dividends received from joint venture	90.00	30.00
Interest received	3.11	13.20
Net cash (used in) investing activities	(584.99)	(1,277.93)
Cash flows from financing activities		
Proceeds from borrowings	500.00	500.00
Repayment of borrowings	(1,860.74)	-
Finance cost paid	(1,172.73)	(1,219.81)
Dividends paid to owners of the Company	(63.96)	(63.96)
Tax paid on dividend	(13.02)	(13.02)
Net cash (used in) financing activities	(2,610.45)	(796.79)
Net increase/(decrease) in cash and cash equivalents	(674.59)	851.41
Cash and cash equivalents at the beginning of the year	1,056.99	205.58
Cash and cash equivalents at the end of the year	382.40	1,056.99

In terms of our report attached
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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

12 February 2018

Notes to financial statements.

for the year ended 31 December 2017

1. 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.

The functional and presentation currency of the Company is Indian Rupee ("Rs.").

As on 31 December 2017, Linde AG owns 75% of the ordinary shares of the company and has the ability to control the company's operations.

The financial statement for the year ended 31 December 2017 were approved by the Board of directors and authorized for issue on 12 February 2018.

2. Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at January 1, 2016 for the purpose of transition to Ind AS, unless otherwise indicated.

a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 January 2017.

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with 1 January 2016 being the transition date.

In accordance with Ind AS 101 "First time adoption of Indian Accounting Standard", the Company has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of total equity as at 1 January 2016 and 31 December 2016, total comprehensive income and cash flow for the year ended 31 December 2016.

b) Basis of preparation of financial statements

These financial statements have been prepared and presented under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets, provision for employee benefits and other claims, provision and contingent liabilities, recoverability of deferred tax assets.

d) Current – Non-current classification

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

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.

e) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably be measured, regardless of when the payment is being made. Revenue is being measured at fair value of the consideration received or receivable net of discounts, taking into account the contractually defined terms and excluding taxes or duties collected on behalf of the government.

A. Sale of Products

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, the amount of revenue can be measured reliably, 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 or on a straight-line basis over the specified period of the contract. The amount recognized as revenue is exclusive of Goods and Service Tax (GST).

B. Revenue from Construction

Contract revenue and contract costs associated with the long-term construction contracts are recognized 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 up to 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.

C. Interest and Dividend Income

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.

D. Other Income

Other Incomes are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

f) Property, Plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation or accumulated impairment loss, if any. Cost of item of property, plant and equipment 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. Expenses capitalised include applicable borrowing costs for qualifying assets, if any.

This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

The residual values, useful lives and method of depreciation of Property, Plant and Equipment is reviewed at each financial year and adjusted prospectively, if any.

Spares that can be used only with particular items of plant and machinery and such usage is expected to be for more than once accounting period are capitalized.

Property, Plant and Equipment under construction are recognized as capital work in progress.

Upon first-time adoption of Ind AS, the Company has elected to measure its Property, Plant and Equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1 January 2016.

g) Provision for Decommissioning, Restoration and Similar Liabilities

The Company has liabilities related to dismantling (restoration of soil) and other related works, which are due upon the closure of certain production sites. Such liabilities are estimated case-by-case based on available information, taking into account applicable local legal requirements. The estimation is made using existing technology, at current prices, and discounted using a discount rate where the effect of time value of money is material.

Future dismantling costs discounted to net present value, are capitalised and the corresponding dismantling liability is raised as soon as the obligation to incur such costs arises. Future dismantling costs are capitalised in property, plant and equipment as appropriate and are depreciated over the life of the related asset. The effect of the time value of money on the restoration and environmental costs liability is recognised in the statement of profit and loss.

h) Intangible assets

Software and Non- compete fees costs are included in the balance sheet as intangible assets where they are clearly linked to long term economic benefits for the Company. They are measured initially at purchase cost and then amortised on a straight line basis over their estimated useful lives. All other costs on software and non-compete fees are expensed in the statement of profit and loss as and when incurred.

Goodwill arising on acquisition of business is measured at cost less any accumulated impairment loss. Goodwill is assessed at every balance sheet date for any impairment.

Subsequent to initial recognition, intangible assets with definite useful lives are reported at cost less accumulated amortisation and accumulated impairment losses.

Upon first-time adoption of Ind AS, the Company has elected to measure its intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1 January 2016.

i) Depreciation of Property, Plant and Equipment

Depreciation computed as per the straight line method based on the management's estimate of useful life of a property, plant and equipment which is in accordance with the useful lives of property, plant and equipment indicated in Schedule II of the Act. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised.

For certain assets categorized 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.

The following useful lives apply to the different types of tangible assets:

Buildings	10 – 40 years
Plant and Equipment	10 – 18 years
Furniture and fixtures	5 – 10 years
Vehicles	5 – 10 years
Office Equipments	3 – 10 years
Freehold land is not depreciated.	

Assets individually costing Rs. 10,000 or less are fully depreciated in the year of acquisition.

Spares capitalized are being depreciated over the useful life / remaining useful life of the plant and machinery with which such spares can be used.

The useful lives are reviewed atleast at each year end. Changes in expected useful lives are treated as changes in accounting estimates.

j) Amortisation of Intangible assets

Intangible assets except Goodwill 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.

The estimated useful lives of Intangible Assets are as follows:

Software	5 Years
Non-compete fee	5 Years
Leasehold rights	3 Years

The useful lives are reviewed atleast at each year end. Changes in expected useful lives are treated as changes in accounting estimates.

k) Impairment

The carrying amounts of property, plant and equipment, capital work in progress and intangible assets are reviewed at each Balance Sheet date, to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated at each reporting date. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-discount rate that reflects the current market assessments of the time value of money. 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.

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) 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.

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.

n) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

- (i) Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss as per the terms of the relevant lease contract unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

- (ii) Finance lease – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.

The Company as lessor

- (i) Operating lease – Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.
- (ii) Finance lease – When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

o) Employee benefits

The Company's obligation towards various employee benefits have been recognized 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 exgratia. 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.

Post-employment Benefits**Defined contribution plans**

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 exgratia. 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.

Defined benefit plans

Recognition and measurement of defined benefit plans: For defined benefit retirement schemes i.e gratuity and superannuation schemes, the cost of providing benefits is

determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. Such re-measurements are not re-classified to the Statement of Profit and Loss in the subsequent period. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value of plan assets.

Provident fund administered through Company's trust for certain employees (in accordance with the Provident Fund Regulation) are defined benefit obligations with respect to the yearly interest guarantee. Annual charge is recognized based on actuarial valuation of the Company's related obligation on the reporting date. Actuarial gain or losses for the year are recognized in the Statement of other Comprehensive Income.

Other long term employee benefits

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 period-end are recognized when the employees render the services that increases their entitlement to future compensated absences. Such costs are recognized in the Statement of Profit and Loss on actuarial valuation of related obligation on the reporting date.

Termination Benefits

Termination Benefits, in the nature of voluntary retirement benefits or Termination Benefits arising from restructuring, are recognized in the Statement of Profit and Loss. The Company recognizes Termination Benefits at the earlier of the following dates:

- (a) when the Company can no longer withdraw the offer of these benefits, or
- (b) when the Company recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value

p) Foreign exchange transactions

Measurement of Foreign Currency items at reporting dates:

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

the year-end foreign exchange rates. Non- Monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

Exchange differences arising on settlements/ translations are recognised in the Statement of Profit and Loss.

q) Provisions, contingent liabilities and contingent assets

A provision is created when there is a present obligation (legal or constructive) 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. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Constructive obligation is an obligation that derives from an entity's actions where:

- (a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and;
- (b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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 generally not recognized but are disclosed when inflow of economic benefit is probable.

Provisions, Contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

r) Income taxes

Tax expense for the year comprises current tax and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in

the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction and there is an intention to settle the asset and liability on a net basis.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case tax is also recognized in other comprehensive income or directly in equity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

s) 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.

t) Financial Instruments

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction

costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at Transaction price.

(a) Financial assets

i. Financial assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

ii. Financial assets measured at fair value

Fair Value through other comprehensive income (FVTOCI)
Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Fair value through the statement of profit and loss (FVTPL)
Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss. Fair value changes are recognized in the Statement of Profit and Loss at each reporting period.

iii. Cash and bank balances

Cash and bank balances consist of:

- (i) Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in

value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

- (ii) Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

Impairment of financial assets:

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income. The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. The Impairment losses and reversals are recognized in the Statement of Profit and Loss.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a collateralised borrowing for the proceeds received. On de-recognition of a Financial Asset (except for Financial Assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair

value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The differences between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

Derivative financial instruments and hedge accounting

The Company enters into forward contracts and principal and interest swap contracts to hedge its risks associated with foreign currency and variable interest rate fluctuations related to existing financial assets and liabilities, certain firm commitments and forecasted transactions. These derivative contracts are being considered as cash flow hedge.

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.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The Company adopts hedge accounting for forward and interest rate contracts wherever possible. At the inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item or transaction and the nature of the risk being hedged. At inception each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss. The effective portion is recognized in Other Comprehensive Income.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the

statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.

- for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in equity and the ineffective portion is taken to the statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognized in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

u) Investment in Joint Ventures

A joint venture is a joint arrangement whereby the parties have the joint control of the arrangement and have rights to the net assets to joint arrangement. Joint control is contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activity require unanimous consent of the parties sharing control.

Investment in joint ventures are carried at cost less accumulated impairment, if any.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1 January 2016.

v) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

w) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are not depreciated or amortized.

x) First time adoption

The Company had prepared its financial statements in accordance with the Accounting Standards (AS) notified under section 133 of the Companies Act 2013 (Previous GAAP) for and including the year ended 31 December 2016. The Company has prepared its first Ind AS (Indian Accounting Standards) compliant Financial Statements for the year ended 31 December 2017 with restated comparative figures for the year ended 31 December 2016 in compliance with Ind AS. Accordingly, the Opening Balance Sheet, in line with Ind AS transitional provisions, has been prepared as at 1 January 2016, the date of Company's transition to Ind AS. The principal adjustments made by the Company in restating its Previous GAAP financial statements as at and for the Financial year ended 31 December 2016 and the balance sheet as at 1 January 2016 are as mentioned below:

A. Exceptions applied

Ind AS 101 specifies mandatory exceptions from retrospective application of some aspects of other Ind ASs for first-time adopters. Following exception is applicable to the Company:

i. Estimates

The estimates at 1 January 2016 and 31 December 2016 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) and there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of error in those estimates.

ii. Classification and measurement of Financial Assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of facts and circumstances that existed on the date of transition to Ind AS.

iii. Impairment of Financial Assets

The Company has applied the impairment requirements of Ind AS 109 prospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

B. Exemptions applied

Ind AS 101 on First Time Adoption of Ind AS allows first-time adopters certain voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemption:

i. Past Business Combination

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of January 1, 2016. Consequently, the Company has kept the same classification for the past business combinations as in its previous GAAP financial statements.

ii. Deemed Cost

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of January 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

iii. Leases

The Company has applied Appendix C of Ind AS 17 "Determining whether an Arrangement contains a Lease" to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

iv. Investments in joint venture

On transition, Ind AS 101 allows an entity to treat fair value as deemed cost for investments held in subsidiaries, associates and joint ventures. Accordingly, the Company has elected to treat fair value as deemed cost for its investments held in a joint venture.

v. Designation of previously recognised financial instruments

Under Ind AS 109 "Financial Instrument", at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in fair value of an investment in equity instrument in Other Comprehensive Income.

Ind AS 101 "First time adoption of Indian Accounting Standards" allows such designation of previously recognised financial assets as "fair value through other comprehensive income" on the basis of facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its investments in equity instruments at fair value through Other Comprehensive Income on the basis of facts and circumstances that existed at the date of transition to Ind AS.

vi. Fair value measurement of financial assets or financial liabilities at initial recognition

As per Ind AS 109 "Financial Instrument", the Company is required to measure the financial assets and financial liabilities at fair value at initial recognition. However, Ind AS 101 "First time adoption of Indian Accounting Standards" allows the entity to recognise financial assets or financial liabilities prospectively from the transition date.

Accordingly, the Company has opted for this exemption and have measured the financial assets or financial liabilities at fair value on the transition date.

vii. Decommissioning liabilities included in the cost of property, plant and equipment

Adoption of Appendix A to Ind AS 16 'Changes in Existing Decommissioning, Restoration and Similar Liabilities' requires specified changes in such liabilities to be added to or deducted from the cost of the asset to which it relates and adjust depreciable amount of the asset to be depreciated prospectively over its remaining useful life.

An option exists under Ind AS 101, to measure such liability as at the date of transition to Ind AS in accordance with Ind AS 37 and to the extent such liability is within the scope of appendix A of Ind AS 16, estimate the amount that would have been included in the cost of the related asset when the liability first arose, by discounting the liability to that date using best estimate of the historical risk adjusted discount rate(s) and adjust the accumulated depreciation on that amount at the date of transition to Ind AS on the basis of the current estimate of the useful life of the asset.

The Company under its previous GAAP have recorded these decommissioning liability and have recorded a corresponding asset. These were recorded at the value which the Company would incur at the end of the lease term. However, under Ind AS the Company has opted for this exemption and have computed the present value of such liability on the transition date and the changes in such liabilities have been added or deducted from the cost of the asset. The adjusted value of these assets will be depreciated prospectively over its remaining useful life.

viii. Non-current assets held for sale and discontinued operations

On adoption of Ind AS 105 'Non-Current Assets Held for Sale and Discontinued Operations', an entity is required to apply the requirements relating to classification and measurement on the initial date of identification.

However, a first time adopter can measure such assets or operations at the lower of carrying value and fair value less cost to sell at the date of transition to Ind ASs in accordance with Ind AS 105 and recognise directly in retained earnings any difference between that amount and the carrying amount of those assets at the date of transition to Ind ASs determined under the entity's previous GAAP.

Accordingly, the Company has opted the exemption and have measured such assets at the lower of carrying value and fair value less cost to sell at the date of transition to Ind ASs.

3. New amendment that is not yet effective and have not been early adopted

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind-AS 7, 'Statement of cash flows' and Ind-AS 102, 'Share-based payment'. The amendments are applicable to the Company from 1 January 2018. However, the Company does not have Share Based Payments hence amendments in Ind AS 102 will not be applicable.

Amendment to Ind-AS 7 - Statement of cash flows:

The amendment to Ind-AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and its impact on the cash flows, which are not expected to be material.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in

which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies:

The following are the critical judgments, apart from those involving estimations [see point below], that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

i) Useful life of Property, Plant and Equipment and Intangible assets

The Company has made in the process of applying its accounting policies that have a significant effect on the amounts recognised in these financial statements pertain to useful life of Property, Plant and Equipment and Intangible assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. Currently, the Intangible assets have been determined to have a finite useful life and are amortised over this useful life.

In terms of Part B of Schedule II of the Companies Act, 2013, the Company has followed the depreciation rates and depreciation method which is reviewed at each year end.

Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

i) Deferred tax assets

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

ii) Claims, Provisions and Contingent Liabilities

Contingent liabilities arising from past events the existence of which would be confirmed only on occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Company. Or

Contingent liabilities where there is a present obligations but it is not probable that economic benefits would be required to settle the obligations are disclosed in the financial statements unless the possibility of any outflow in settlement is remote.

Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

iii) Impairment of Property, Plant and Equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets

have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

iv) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

5. Property, Plant and Equipment and Capital Work-in-Progress

in Rupees million	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total Tangible Assets	Capital work in progress	Total tangible assets including capital work in progress
I. Gross Block									
Cost/Deemed cost as at 1 January 2017	197.91	992.16	26,136.91	51.56	7.87	153.75	27,540.16	802.87	28,343.03
Additions	-	32.70	1,271.87	1.02	4.82	9.07	1,319.48	829.43	2,148.91
Disposals	-	(7.78)	(16.88)	(1.21)	(0.49)	(0.35)	(26.71)	-	(26.71)
Assets capitalised during the year	-	-	-	-	-	-	-	(1,273.17)	(1,273.17)
Cost /Deemed cost as at 31 December 2017	197.91	1,017.08	27,391.90	51.37	12.20	162.47	28,832.93	359.13	29,192.06
II. Accumulated depreciation and impairment									
Balances as at 1 January 2017	-	90.83	1,729.74	8.59	1.55	44.70	1,875.41	-	1,875.41
Depreciation expense for the year	-	73.04	1,873.76	7.50	4.57	51.12	2,009.99	-	2,009.99
Disposals	-	(7.72)	(9.49)	(0.23)	(0.14)	(0.28)	(17.86)	-	(17.86)
Balances as at 31 December 2017	-	156.15	3,594.01	15.86	5.98	95.54	3,867.54	-	3,867.54
Net block (I-II)									
Net carrying value as at 31 December 2017	197.91	860.93	23,797.89	35.51	6.22	66.93	24,965.39	359.13	25,324.52
Net carrying value as at 1 January 2017	197.91	901.33	24,407.17	42.97	6.32	109.05	25,664.75	802.87	26,467.62

5. Property, Plant and Equipment and Capital Work-in-Progress

in Rupees million	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total Tangible Assets	Capital work in progress	Total tangible assets including capital work in progress
I. Gross Block									
Cost/Deemed cost as at 1 January 2016	197.91	853.95	19,809.11	49.78	8.27	83.34	21,002.36	5,765.52	26,767.88
Additions	-	142.35	6,496.88	2.31	-	71.22	6,712.76	1,707.23	8,419.99
Disposals	-	(4.14)	(169.08)	(0.53)	(0.40)	(0.81)	(174.96)	-	(174.96)
Assets capitalised during the year	-	-	-	-	-	-	-	(6,669.88)	(6,669.88)
Cost/Deemed cost as at 31 December 2016	197.91	992.16	26,136.91	51.56	7.87	153.75	27,540.16	802.87	28,343.03
II. Accumulated depreciation and impairment									
Balances as at 1 January 2016	-	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	80.50	1,787.14	9.03	1.55	45.51	1,923.73	-	1,923.73
Impairment losses for the year	-	14.43	-	-	-	-	14.43	-	14.43
Disposals	-	(4.10)	(57.40)	(0.44)	-	(0.81)	(62.75)	-	(62.75)
Balances as at 31 December 2016	-	90.83	1,729.74	8.59	1.55	44.70	1,875.41	-	1,875.41
Net block (I-II)									
Net carrying value as at 31 December 2016	197.91	901.33	24,407.17	42.97	6.32	109.05	25,664.75	802.87	26,467.62
Net carrying value as at 1 January 2016	197.91	853.95	19,809.11	49.78	8.27	83.34	21,002.36	5,765.52	26,767.88

6. Goodwill and other intangible assets

in Rupees million	Goodwill (A)	Software (B)	Non- Compete Fees (C)	Leasehold Rights (D)	Other Intangible Assets (E)= (B) + (C) + (D)	Total intangible assets (F) = (A) + (E)
I. Gross Block						
Cost/Deemed cost as at 1 January 2017	46.82	21.78	7.51	2.33	31.62	78.44
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Cost/Deemed cost as at 31 December 2017	46.82	21.78	7.51	2.33	31.62	78.44
II. Accumulated amortisation and impairment						
Balances as at 1 January 2017	3.52	6.49	3.40	2.33	12.22	15.74
Amortisation expense for the year	-	5.73	3.53	-	9.26	9.26
Impairment losses for the year	43.30	-	-	-	-	43.30
Disposals	-	-	-	-	-	-
Balances as at 31 December 2017	46.82	12.22	6.93	2.33	21.48	68.30
Net block (I-II)						
Net carrying value as at 31 December 2017	-	9.56	0.58	-	10.14	10.14
Net carrying value as at 1 January 2017	43.30	15.29	4.11	-	19.40	62.70

in Rupees million	Goodwill (A)	Software (B)	Non- Compete Fees (C)	Leasehold Rights (D)	Other Intangible Assets (E)= (B) + (C) + (D)	Total intangible assets (F) = (A) + (E)
I. Gross Block						
Cost / deemed cost as at 1 January 2016	46.82	21.62	7.51	2.33	31.46	78.28
Additions	-	0.25	-	-	0.25	0.25
Disposals	-	(0.09)	-	-	(0.09)	(0.09)
Cost / deemed cost as at 31 December 2016	46.82	21.78	7.51	2.33	31.62	78.44
II. Accumulated amortisation and impairment						
Balances as at 1 January 2016	-	-	-	-	-	-
Amortisation expense for the year	-	6.58	3.40	2.33	12.31	12.31
Impairment losses for the year	3.52	-	-	-	-	3.52
Disposals	-	(0.09)	-	-	(0.09)	(0.09)
Balances as at 31 December 2016	3.52	6.49	3.40	2.33	12.22	15.74
Net block (I-II)						
Net carrying value as at 31 December 2016	43.30	15.29	4.11	-	19.40	62.70
Net carrying value as at 1 January 2016	46.82	21.62	7.51	2.33	31.46	78.28

7. Investments

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016		As at 1 Jan. 2016	
	Quoted	Unquoted	Quoted	Unquoted	Quoted	Unquoted
Non-Current						
Investments in Equity Instruments						
Joint Venture (classified at cost)						
Bellary Oxygen Company Private Limited	-	150.00	-	150.00	-	150.00
15,000,000 (31 December 2016: 15,000,000; 1 January 2016: 15,000,000) equity shares of Rs. 10 each						
Others (classified at fair value through OCI)						
Woodlands Multispeciality Hospital Limited*	-	0.00	-	0.00	-	0.00
2,980 (31 December 2016: 2,980; 1 January 2016: 2,980) equity shares of Rs. 10 each						
JSW Steel Limited	0.27	-	0.16	-	0.10	-
1,000 shares of Rs. 1 each (31 December 2016: 1,000, of Rs. 1 each; 1 January 2016: 100 of Rs.10 each)						
	0.27	150.00	0.16	150.00	0.10	150.00
Additional Information						
Aggregate amount of quoted investments and market value thereof	0.27	-	0.16	0.00	0.10	0.00
Aggregate amount of unquoted investments	-	150.00		150.00		150.00
Aggregate amount of impairment in value of investments*	-	0.00	-	0.00	-	0.00

* Investment written down to nominal value of Re. 1.00 in the year ending 31 March 2004

8. Other financial assets

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016		As at 1 Jan. 2016	
	Non current	Current	Non current	Current	Non current	Current
Unsecured, considered good						
Loans to employees	-	1.67	-	0.95	-	1.75
Receivables from related parties for recovery of expenses	-	144.11	-	84.57	-	154.50
Security deposits	101.22	36.62	104.74	28.24	97.46	40.51
Finance lease receivable	11.47	25.86	33.22	34.98	182.94	35.16
Receivable from mark to market on derivative contracts	-	-	34.63	172.17	113.62	-
Unbilled Revenue	766.27	830.60	501.06	874.83	224.66	186.13
Claims including escalation	-	363.72	-	287.57	-	219.90
Receivable from sale of tangible fixed assets	-	-	-	112.00	-	-
Others	-	250.84	-	185.25	-	203.35
	878.96	1,653.42	673.65	1,780.56	618.68	841.30

9. Tax assets (net)

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016		As at 1 Jan. 2016	
	Non current	Current	Non current	Current	Non current	Current
Advance tax (net of provisions)	169.50	-	148.61	-	107.02	-
	169.50	-	148.61	-	107.02	-

10. Other assets

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016		As at 1 Jan. 2016	
	Non current	Current	Non current	Current	Non current	Current
Unsecured, considered good						
To related parties						
Capital advances	1.99	-	26.52	-	-	-
Advances for supplies/ services	-	168.08	-	169.65	-	31.70
To parties other than related parties						
Capital advances	24.35	-	86.87	-	12.53	-
Advance with public bodies and tax authorities						
Customs, excise, sales tax, etc.	206.36	-	131.70	-	122.91	-
VAT and CENVAT recoverable	-	-	-	166.00	-	353.15
Prepaid lease payments	158.38	1.92	160.19	1.92	161.50	1.92
Advances for supplies/ services	-	240.16	-	224.46	-	163.98
Prepaid expenses	14.42	41.79	20.10	27.38	12.90	36.74
Advance to employees	-	4.26	-	0.13	-	0.37
Others	3.20	9.12	3.20	7.87	3.20	33.71
	408.70	465.33	428.58	597.41	313.04	621.57

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

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016
Raw materials	7.66	11.56	9.93
Work in progress	17.90	67.88	37.49
Finished goods	311.03	307.91	271.73
Stores and spares	346.67	299.47	333.84
	683.26	686.82	652.99

Included above, goods in transit

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016
Raw materials	-	-	-
Work in progress	-	-	-
Finished goods	3.79	2.32	2.73
Stores and spares	0.68	0.34	0.19
	4.47	2.66	2.92

The value of stores and spares above is after providing for slow moving and obsolete spares of Rs.164.23 million (31 December 2016: Rs.158.41 million; 1 January 2016: Rs.109.76 million).

12. Trade receivables

in Rupees million	As at 31 Dec. 2017 current	As at 31 Dec. 2016 current	As at 1 Jan. 2016 current
Trade receivables			
Unsecured, considered good	3,527.19	3,568.53	3,394.40
Unsecured, considered doubtful	255.11	238.13	199.04
Less: Allowance for credit losses	255.11	238.13	199.04
	3,527.19	3,568.53	3,394.40

In determining the allowances for credit losses of trade receivables, the company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. In addition to this Company provides for credit loss based on increase in credit risk on case to case basis.

i) Movements in allowance for credit losses of receivables is as below:

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
Balance at the beginning of the year	238.13	199.04
Allowances made during the year	23.87	46.29
Release to statement of profit and loss	(6.89)	(7.20)
Balance at the end of the year	255.11	238.13

Trade Receivables

Out of the Trade receivables, Rs.1,333.63 million as at 31 December 2017 (as at 31 December 2016: Rs.1,959.68 million, as at 1 January 2016: Rs.1,505.42 million) is due from the Company's major customers i.e. having more than 5% of total outstanding trade receivables. There are no other customers who represent more than 5% of the total balance of trade receivables.

ii) There is no outstanding debts due from directors or other officers of the Company.

iii) Ageing of trade receivables and credit risk arising there from as below:

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016
Amounts not yet due	2,480.05	2,449.77	2,597.08
Three months overdue	558.17	751.46	480.87
Between three to six months overdue	186.94	140.35	48.69
Greater than six months overdue	557.15	465.08	466.80
	3,782.31	3,806.66	3,593.44

13. Cash and cash equivalents

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016
Cash in hand *	2.10	2.85	1.20
Balances with banks			
Balance with scheduled banks			
In Current Account	8.39	120.88	85.26
In Deposit Account	371.91	933.26	119.12
Total cash and cash equivalents	382.40	1,056.99	205.58
Earmarked Balances with banks			
Unclaimed Dividend accounts	4.00	4.40	4.72
Total other bank balances	4.00	4.40	4.72
	386.40	1,061.39	210.30

* Cash in hand represents prepaid cards issued by designated banks to the employees on behalf of the company for business purpose.

13.1 Disclosure on Specified Bank Notes (SBN)*

In accordance with MCA notification G.S.R 308 (E) dated March 30, 2017 the details of transaction of Specified Bank Note (SBN) and Other Denomination Note (ODN) during the period November 8, 2016 to December 30, 2016 is as below :

in Rupees million	SBNs	ODNs	Total
Closing cash in hand as on 8 November 2016	-	-	-
Add: Unpermitted receipts	-	-	-
Add: Permitted receipts	-	-	-
Less: Unpermitted payments	-	-	-
Less: Permitted payments	-	-	-
Less: Amounts deposited in Banks	-	-	-
Closing cash in hand as on 30 December 2016	-	-	-

*The company does not deal with cash, therefore, there is nothing to be reported on the said notification.

14. Assets held for sale

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016
Land held for sale	-	-	4.23
	-	-	4.23

Note:

Assets held for sale on the transition date has been recorded at lower of cost or net realisable value less cost to sell. The fair value of these assets on the transition date was estimated to be Rs. 160 million.

15. Equity Share Capital

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016
Authorised:			
86,000,000 Equity Shares of Rs. 10 each	860.00	860.00	860.00
(31 December 2016: 86,000,000 Equity Shares of Rs. 10 each)			
(01 January 2016: 86,000,000 Equity Shares of Rs. 10 each)			
	860.00	860.00	860.00
Issued:			
85,286,209 Equity Shares of Rs. 10 each	852.86	852.86	852.86
(31 December 2016: 85,286,209 Equity Shares of Rs. 10 each)			
(01 January 2016: 85,286,209 Equity Shares of Rs. 10 each)			
	852.86	852.86	852.86
Subscribed and paid up :			
85,284,223 Equity Shares of Rs. 10 each	852.84	852.84	852.84
(31 December 2016: 85,284,223 Equity Shares of Rs. 10 each)			
(01 January 2016: 85,284,223 Equity Shares of Rs. 10 each)			
	852.84	852.84	852.84

i) The movement in subscribed and paid up share capital is as below:

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016	
	Share capital		Share capital	
	No of Shares	Amount	No of Shares	Amount
Balance at the beginning of the year	85,284,223	852.84	85,284,223	852.84
Shares Issued during the year	-	-	-	-
Balance at the end of the year	85,284,223	852.84	85,284,223	852.84

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

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016	
	No of Shares	Amount	No of Shares	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 in the company is as below

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016		As at 1 Jan. 2016	
	No of Shares	% of total shares in class	No of Shares	% of total shares in class	No of Shares	% of total shares in class
The BOC Group Ltd,U.K., holding company	63,963,167	75%	63,963,167	75%	63,963,167	75%

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 shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholders 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.

16. Other equity

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016
Securities Premium Account	6,972.52	6,972.52	6,972.52
General Reserve	995.67	995.67	995.67
Surplus (profit and loss balance)	5,271.99	5,167.28	5,135.68
Other Comprehensive Income	(15.85)	(34.90)	(56.86)
	13,224.33	13,100.57	13,047.01

16 A. Movement in other equity

in Rupees million	Attributable to owners of the Company				Total
	Retained Earnings			Other	
	Securities Premium Account	General Reserves	Surplus (profit and loss balance)	Comprehensive Income Reserves	
Balance as at January 01, 2016	6,972.52	995.67	5,135.68	(56.86)	13,047.01
Profit attributable to the owners of the company	-	-	134.10	-	134.10
Dividend Payable	-	-	(63.96)	-	(63.96)
Tax on Dividend	-	-	(13.02)	-	(13.02)
Other Comprehensive Income (net of taxes)	-	-	(25.52)	21.96	(3.56)
Balance as at December 31, 2016	6,972.52	995.67	5,167.28	(34.90)	13,100.57
Profit attributable to the owners of the company	-	-	189.38	-	189.38
Dividend Payable *	-	-	(63.96)	-	(63.96)
Tax on Dividend	-	-	(13.02)	-	(13.02)
Other Comprehensive Income (net of taxes)	-	-	(7.69)	19.05	11.36
Balance as at December 31, 2017	6,972.52	995.67	5,271.99	(15.85)	13,224.33

* Dividend of Re.0.75 per share

Nature and purpose of reserves

(a) Securities Premium Account :

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").

(b) General Reserve:

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

(c) Surplus (profit and loss balance):

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders

(d) Other comprehensive income

The details of the movement in Other comprehensive income are as given below:

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
Balance at the beginning of the year	(34.90)	(56.86)
Fair value changes due to cash flow hedges	28.96	33.49
Fair value changes of investments in equity shares	0.11	0.06
Tax impact on above	(10.02)	(11.59)
Balance at the end of the year	(15.85)	(34.90)

17. Borrowings

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016		As at 1 Jan. 2016	
	Non current	Current Portion of Long term Borrowings*	Non current	Current Portion of Long term Borrowings*	Non current	Current Portion of Long term Borrowings*
Long term borrowings						
Unsecured Borrowings						
Term Loans						
From banks	1,485.80	1,000.31	1,064.78	1,695.48	2,689.32	-
Loans from group companies						
Rupee loan from Linde AG, ultimate holding company	6,277.77	2,554.76	8,832.54	1,860.74	10,693.28	-
Total Borrowings	7,763.57	3,555.07	9,897.32	3,556.22	13,382.60	-

* Current maturities of long-term borrowings will be reported as a part of other financial liabilities under note 18

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016
Short term borrowings			
Unsecured Borrowings			
Loans from group companies			
Loan from fellow subsidiary	1,500.00	1,000.00	500.00
	1,500.00	1,000.00	500.00

i) Borrowing details :

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016	Repayment schedule for 2017
(a) Rupee loan from Linde AG, ultimate holding company	4,720.86	5,553.83	5,553.83	Half Yearly installments from January 2017 to January 2020
(b) Rupee loan from Linde AG, ultimate holding company	1,784.47	2,230.59	2,230.59	Quarterly installments from January 2017 to October 2020
(c) Rupee loan from Linde AG, ultimate holding company	2,327.20	2,908.86	2,908.86	Quarterly installments from January 2017 to October 2020
(d) Foreign Currency term loan from bank of USD 5.82 million (previous year USD 4.95 million, at 1 Jan 2016 USD 4.95 millions)	371.65	336.39	327.73	July 2019
(e) Foreign Currency term loan from bank of USD 17.46 million (previous year USD 20.00 million; as at 1 Jan 2016 USD 20 millions)	1,114.15	1,359.09	1,324.16	July 2019
(f) Foreign Currency term loan from bank of USD 15.67 million (previous year USD 15.67 million; as at 1 Jan 2016: 15.67 millions)	1,000.31	1,064.78	1,037.43	May 2018
(g) Intercompany Loan from Linde Engineering India Private Limited	100.00	-	-	January 2018
(h) Intercompany Loan from Linde Engineering India Private Limited	500.00	500.00	500.00	February 2018
(i) Intercompany Loan from Linde Engineering India Private Limited	400.00	-	-	May 2018
(j) Intercompany Loan from Linde Engineering India Private Limited	500.00	500.00	-	December 2018
	12,818.64	14,453.54	13,882.60	

17. Borrowing (contd)

ii) The maturity profile of Company's Borrowing is as below:

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016
Not Later than one year	5,055.07	4,556.22	500.00
Later than one year but not two years	4,595.80	3,619.85	4,550.06
Later than two year but not three years	3,167.77	6,277.47	8,832.54
	12,818.64	14,453.54	13,882.60

18. Other financial liabilities

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016		As at 1 Jan. 2016	
	Non current	Current	Non current	Current	Non current	Current
Current maturities of long-term borrowings	-	3,555.07	-	3,556.22	-	-
Interest accrued but not due on borrowings	-	178.05	-	208.58	-	208.23
Unclaimed dividends	-	4.00	-	4.40	-	4.72
Payable on mark to market on derivative contracts	35.45	2.92	-	-	-	-
Creditors for capital supplies and services	-	446.14	-	467.23	16.03	210.46
Security deposits from customers	19.38	177.58	54.55	115.68	49.59	113.04
Other employee liabilities	-	25.97	-	1.53	-	15.63
	54.83	4,389.73	54.55	4,353.64	65.62	552.08

19. Provisions

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016		As at 1 Jan. 2016	
	Non current	Current	Non current	Current	Non current	Current
Provision for employee benefits						
Retirement benefits obligations						
Gratuity	52.02	3.43	53.76	3.26	34.71	5.60
Pension	40.48	3.17	27.79	7.11	17.09	14.85
Other long-term employee benefits						
Compensated absences	26.50	0.84	27.19	0.48	23.48	1.05
Others	73.83	-	26.92	-	27.08	-
Other provisions						
Asset restoration obligations [refer note (a)]	255.46	-	226.95	-	179.52	-
Provision for warranty [refer note (b)]	-	144.12	-	127.68	-	189.32
Provision for liquidated damages [refer note (c)]	-	45.15	-	5.83	-	80.23
Provision for contingencies [refer note (d)]	-	95.60	-	88.47	-	22.21
	448.29	292.31	362.61	232.83	281.88	313.26

19.1 Movement in other provisions

in Rupees million	Asset Restoration Obligations	Provision for Warranty	Provision for Liquidated damages	Provision for Contingencies
Balance as at 1 January 2017	226.95	127.68	5.83	88.47
Add: Provision during the year*	28.51	58.21	39.32	10.43
Less: Utilised during the year	-	-	-	3.30
Less: Reversed during the year	-	41.77	-	-
Balance as at 31 December 2017	255.46	144.12	45.15	95.60
Balance as at 1 January 2016	179.52	189.32	80.23	22.21
Add: Provision during the year*	47.43	28.57	-	66.26
Less: Utilised during the year	-	45.75	74.40	-
Less: Reversed during the year	-	44.46	-	-
Balance as at 31 December 2016	226.95	127.68	5.83	88.47

* Includes Rs.17.06 millions (previous year Rs.15.56 millions) on account of unwinding of interest for asset restoration obligation

(a) Provision for asset restoration obligation

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.

(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 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)

(d) 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.

20. Deferred tax liabilities (net)

a) Movement of deferred tax

in Rupees million	As at 1 Jan 2017	Recognised in statement of profit and Loss	Recognised in Other Comprehensive Income	As at 31 Dec 2017
Deferred tax liabilities				
Depreciation and amortisation	3,629.71	201.57		3,831.28
Finance income from finance lease arrangement	84.84	(83.80)		1.04
Others	13.90	(13.46)		0.44
	3,728.45	104.31	-	3,832.76
Deferred tax assets				
Employee benefits	26.42	(8.94)		17.48
Provisions for doubtful receivables, contingencies, warranties	162.82	27.34		190.16
Unabsorbed depreciation	2,057.53	115.81		2,173.34
Mark to Market on derivative contracts	18.57		(10.04)	8.53
Others	1.98			1.98
	2,267.32	134.21	(10.04)	2,391.49
Minimum Alternate Tax Credit Entitlement	502.58	16.89		519.47
Deferred tax liabilities (Net)	958.55	(46.79)	10.04	921.80

in Rupees million	As at 1 Jan 2016	Recognised in statement of profit and Loss	Recognised in Other Comprehensive Income	As at 31 Dec 2016
Deferred tax liabilities				
Depreciation and amortisation	2,882.21	747.50		3,629.71
Finance income from Finance Lease arrangement	137.10	(52.26)		84.84
Others	0.71	13.19		13.90
	3,020.02	708.43	-	3,728.45
Deferred tax assets				
Employee Benefits	35.75	(9.33)		26.42
Provisions for doubtful receivables, contingencies, warranties	120.90	41.92		162.82
Unabsorbed depreciation	1,342.88	714.65	-	2,057.53
Mark to Market on derivative contracts	30.16	-	(11.59)	18.57
Others	1.89	0.09	-	1.98
	1,531.58	747.33	(11.59)	2,267.32
Minimum Alternate Tax Credit Entitlement	472.51	30.07		502.58
Deferred tax liabilities (Net)	1,015.93	(68.97)	11.59	958.55

b) Income tax expense

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Current Tax:		
Current Income Tax Charge	18.97	36.99
Deferred Tax		
In respect of current year origination and reversal of temporary differences	(46.79)	(68.97)
Total tax expense recognised in statement of profit and loss account	(27.82)	(31.98)

c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Profit Before tax	161.56	102.12
Statutory Income Tax Rate	34.61%	34.61%
Income Tax using the Company's domestic Tax rate	55.91	35.34
Tax Effect of :		
- Income Exempt from Tax/Items not deductible	(8.59)	(1.63)
- Tax Incentives and concessions	(73.13)	(63.68)
- Income from House Property	(2.01)	(2.01)
Income Tax recognised in statement of profit and loss	(27.82)	(31.98)

21. Other liabilities

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016		As at 1 Jan. 2016	
	Non current	Current	Non current	Current	Non current	Current
Advances received from customers	224.46	1,371.47	260.55	1,494.80	246.79	1,178.81
Deposits received from customers	4.70	-	4.70	-	4.72	-
Statutory Dues						
Tax deducted and collected at source	-	21.03	-	18.88	-	15.33
GST Payable	-	14.06	-	-	-	-
Others	-	0.57	-	0.76	-	1.09
	229.16	1,407.13	265.25	1,514.44	251.51	1,195.23

22. Tax liabilities (net)

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016		As at 1 Jan. 2016	
	Non current	Current	Non current	Current	Non current	Current
Provision for tax	-	-	-	17.16	-	17.16
(Net of advance payment)	-	-	-	17.16	-	17.16

23. Trade payables

in Rupees million	As at 31 Dec. 2017 current	As at 31 Dec. 2016 current	As at 1 Jan. 2016 current
Creditors for supplies and services			
Dues to micro and small enterprises	0.44	0.78	1.18
Others	2,390.76	2,844.89	2,155.53
Creditors for accrued wages and salaries	182.50	170.60	127.96
	2,573.70	3,016.27	2,284.67

The amount due to Micro and Small Enterprises as defined in "The Micro, Small and Medium Enterprise Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the company. The disclosure relating to Micro and Small Enterprises are as follows:

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016
(i) The principal amount remaining unpaid to supplier as at the end of the year	0.44	0.78	1.18
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	0.07	0.07	0.01
(iii) 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 this act	0.07	0.07	0.19
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	0.77	0.70	0.63

24. Revenue from operations

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Sale of products (gases) Refer note: (i)	18,032.74	16,967.13
Air separation unit gases	17,129.15	16,312.62
Other cylinder gases	193.84	156.79
Others	709.75	497.72
Revenue from construction contracts	3,105.99	2,808.86
Vessels, Plant and other engineering project goods	3,105.99	2,808.86
Other operating income	11.14	17.59
Interest income on finance lease arrangement	6.97	13.42
Amortisation of advance received from suppliers	4.17	4.17
	21,149.87	19,793.58

Note (i):

The government of India introduced the Goods and Services tax (GST) with effect from July 01, 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity and does not result in an increase in equity. Sales of earlier periods include excise duty which now is subsumed in GST. The revenue for the year ended 31 December, 2017 includes excise duty upto June 30, 2017.

25. Other Income

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Rent	19.32	19.41
Dividend income from joint venture	90.00	30.00
Profit on disposal of property, plant and equipment (net)	-	156.87
Provisions/liabilities no longer required written back	-	31.36
Provision for warranty written back	-	44.46
Miscellaneous income	53.63	48.10
Interest Income on unwinding of security deposits	1.49	1.27
Interest Income on deposits	3.11	13.20
	167.55	344.67

26. Cost of materials consumed

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Inventory of materials at the beginning of the year	11.56	9.93
Purchases	1,907.26	1,839.49
Less : Inventory of materials at the end of the year	7.66	11.56
	1,911.16	1,837.86

27. Purchase of stock in trade

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Air separation unit gases	487.76	443.21
Other cylinder gases	90.37	54.86
Others	195.66	196.10
	773.79	694.17

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

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Inventories at the beginning of the year		
Finished goods	307.91	271.73
Contract work in progress	67.88	37.49
	375.79	309.22
Less: Inventories at the closing of the year		
Finished goods	311.03	307.91
Contract work in progress	17.90	67.88
	328.93	375.79
	46.86	(66.57)

29. Employee benefit expenses

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Salaries and wages, including bonus	972.03	838.49
Contribution to provident and other funds	96.36	92.12
Workmen and staff welfare expenses	96.14	56.72
	1,164.53	987.33

During the year, the Company recognised an amount of Rs. 44.83 million (previous year Rs. 35.38 million) as remuneration to Key Managerial Personnel.

The details of such remuneration is as below:

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
a) Short term employee benefits	41.99	32.95
b) Post employment benefit	2.84	2.43
	44.83	35.38

30. Finance costs

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Interest expense	1,142.19	1,220.52
On long and short term borrowings from banks	248.36	253.13
On external commercial borrowings and others	893.83	967.39
Interest expense on unwinding	22.50	20.52
Of dismantling cost	17.05	15.56
Of sundry deposits	5.45	4.96
	1,164.69	1,241.04
Less: Interest capitalised	-	85.30
	1,164.69	1,155.74

31. Depreciation and amortisation (including impairment)

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Depreciation on tangible assets	2,009.99	1,923.73
Amortisation of intangible assets	9.26	12.31
Impairment loss	43.30	17.95
	2,062.55	1,953.99

32. Other Expenses

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Consumption of stores and spares	208.68	281.06
Repairs to buildings	12.52	20.03
Repairs to plant and machinery	302.34	237.52
Repairs to others	60.22	61.45
Freight and handling charges	1,638.48	1,315.69
Rent [refer note 46 (C)]	64.56	45.43
Loss on foreign exchange (net)	20.59	1.71
Rates and taxes	7.70	3.87
Insurance charges	40.03	48.15
Allowances for doubtful debts	16.99	39.09
Contract job expenses	532.14	412.65
Loss on disposal of property, plant and equipment (net)	0.63	-
Provision for warranties	16.44	28.57
Bad debts written off	8.09	79.18
Technical support fees	19.02	19.30
Travelling expenses	158.92	172.43
Telephone and communication expenses	33.01	51.33
Corporate social responsibility expenditure (refer note 33)	3.77	4.52
Miscellaneous expenses (refer note 34)	788.94	930.09
	3,933.07	3,752.07

33. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 a CSR committee has been formed by the Company. The funds were 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	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
(a) Gross amount required to be spent by the Company during the year	-	4.38
(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	0.50	0.95
Promoting education including special education and employment enhancing vocational fees	2.20	0.50
Livelihood (skill development)	1.07	3.07
	3.77	4.52

34. Miscellaneous expenses under note 32 includes auditors' remuneration

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Miscellaneous expenses under Note 32 includes auditors' remuneration Auditors remuneration and out-of-pocket expenses		
Audit Fee	1.64	1.94
Limited reviews	0.60	0.60
Tax audit fee	0.78	0.78
Other certificates etc.	0.35	0.29
Reimbursement of expenses	0.11	0.55
Group reporting	-	0.96
	3.48	5.12

35. Exceptional Items

Exceptional items represent severance and settlement payment for employees' separation of Rs. 55.00 million (Previous year Rs.Nil)

36. Earnings per share

The following table reflects profit and shares data used in the computation of basic and diluted earnings per share.

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
a) Profit after tax	189.38	134.10
Profit attributable to ordinary shareholders-for basic and diluted EPS	189.38	134.10
	Nos	Nos
b) Weighted average number of Ordinary Shares for Basic and Diluted EPS	85,284,223	85,284,223
Nominal value of ordinary shares (Rs.)	10.00	10.00
Basic and diluted earnings per ordinary share (Rs.)	2.22	1.57

37. Contingent liabilities

Contingencies:

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable.

Litigations:

The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of material nature, other than those described below.

a) Excise Duty and Service Tax

As at 31 December 2017, there were pending litigations for various matters relating to excise duty and service taxes involving demands of Rs. 31.73 millions (31 December 2016: Rs. 31.73 millions; 1 January 2016: Rs. 38.03 millions).

b) Sales Tax /VAT

The total sales tax demands that are being contested by the Company amounted to Rs. 394.97 millions; (31 December 2016: Rs. 277.43 millions; 1 January 2016: Rs. 166.84 millions). The details of demand for more than Rs. 100 million are as follows:

As on 31 December 2017, Sales tax Authority have raised demand of Rs. 301.54 million for the period 2008-09 to 2013-14 (31 December 2016: Rs. 182 millions; 1 January 2016: Rs. 86 millions) on account of non levy of sales tax for facility charges recovered from a customer for providing pipeline infrastructure at their premises. Company has contested the demand and currently the matter is at appellate stage.

c) Sales Tax liability transferred to a beneficiary

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. The contingent liability for the same is amounted to Rs. 3.68 millions (31 December 2016: Rs. 3.68 millions; 1 January 2016: Rs. 9.20 millions).

d) Other claims

Other amounts for which the Company may contingently be liable aggregate to Rs. 4 millions (31 December 2016: Rs. 21.32 millions; 1 January 2016: Rs. 12.56 millions).

38. Commitments

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016
Estimated capital commitments (net of advance) remaining to be executed and not provided for	192.90	245.59	766.22

39. Employee Benefits

i) Defined Contribution Plan

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. 35.50 million (previous year Rs. 31.38 million). 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.

ii) Defined Benefit Plan

Description of Plans

Retirement Benefit Plans of the Company include Gratuity, Pension and Provident Fund.

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Gratuity is funded through direct investment under BOC India Gratuity Fund.. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

Investments of Pension (Graded Staff Pension) for some employees are managed through Company managed trust. Provident Fund for most of the employees are managed through trust investments and for some employees through government administered fund.

Post retirement medical benefits

Under this unfunded scheme, employees of the Company receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. The Company accounts for the liability for post-retirement medical scheme based on an actuarial valuation.

Governance

The trustees of the trust fund are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Investment Strategy

The Company's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plans expose the Company to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Inflation risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The Company has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long term returns in order to limit the cost to the Company of the benefits provided.

A. Balance Sheet

The assets, liabilities and surplus/(deficit) position of the defined benefit plans at the Balance Sheet date were:

in Rupees million	Pension			Gratuity			Provident Fund		
	2017	2016	1st Jan 2016	2017	2016	1st Jan 2016	2017	2016	1st Jan 2016
Present value of obligation	61.47	54.80	50.48	93.10	93.92	78.55	29.13	26.92	27.08
Fair value of plan assets	(17.82)	(19.90)	(18.54)	(37.65)	(36.90)	(38.24)	-	-	-
(Asset)/Liability recognised in the Balance Sheet	43.65	34.90	31.94	55.45	57.02	40.31	29.13	26.92	27.08

The excess of assets over liabilities in respect of Executive Staff Pension have not been recognised as they are lying in an Income Tax approved irrevocable trust fund.

B. Movements in Present Value of Obligation and Fair Value of Plan Assets

in Rupees million	Pension			Gratuity			Provident Fund		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
As at 1 January, 2016	18.54	50.48	31.94	38.24	78.55	40.31	-	27.08	27.08
Current service cost	-	1.55	1.55	-	6.42	6.42	-	3.57	3.57
Past service cost	-	-	-	-	-	-	-	-	-
Interest cost	-	3.44	3.44	-	6.05	6.05	-	2.11	2.11
Interest income	1.48	-	(1.48)	3.07	-	(3.07)	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(0.64)	3.82	4.46	-	9.78	9.78	-	(5.84)	(5.84)
Actuarial (gain)/loss arising from experience adjustments	-	11.09	11.09	(0.34)	7.69	8.03	-	-	-
Employer contributions	16.10	-	(16.10)	10.50	-	(10.50)	-	-	-
Employee contributions	-	-	-	-	-	-	-	-	-
Assets acquired/ (settled)	-	-	-	-	-	-	-	-	-
Benefit payments	(15.58)	(15.58)	-	(14.57)	(14.57)	-	-	-	-
As at 31 December, 2016	19.90	54.80	34.90	36.90	93.92	57.02	-	26.92	26.92
As at 1 January, 2017	19.90	54.80	34.90	36.90	93.92	57.02	-	26.92	26.92
Current service cost	-	2.12	2.12	-	7.79	7.79	-	3.45	3.45
Past service cost	-	-	-	-	-	-	-	-	-
Interest cost	-	3.51	3.51	-	6.05	6.05	-	1.88	1.88
Interest income	1.27	-	(1.27)	2.49	-	(2.49)	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	0.03	(2.40)	(2.37)	(1.02)	(5.23)	(6.25)	-	(0.28)	(0.28)
Actuarial (gain)/loss arising from experience adjustments	-	12.76	12.76	-	5.63	5.63	-	(2.84)	(2.84)
Employer contributions	6.00	-	(6.00)	12.30	-	(12.30)	-	-	-
Employee contributions	-	-	-	-	-	-	-	-	-
Assets acquired/ (settled)	-	-	-	-	-	-	-	-	-
Benefit payments	(9.32)	(9.32)	-	(15.06)	(15.06)	-	-	-	-
As at 31st December, 2017	17.82	61.47	43.65	37.65	93.10	55.45	-	29.13	29.13

C. Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

in Rupees million	Pension		Gratuity	
	2017	2016	2017	2016
Employee Benefit Expenses *:				
Current service cost	2.12	1.55	7.79	6.42
Past service cost	-	-	-	-
Finance costs *:				
Interest cost	3.51	3.44	6.05	6.05
Interest income	(1.27)	(1.48)	(2.49)	(3.07)
Net impact on profit (before tax)	4.36	3.51	11.35	9.40
Remeasurement of the net defined benefit plans:				
Actuarial (gains)/losses arising from changes in demographic assumptions				
Actuarial (gains)/losses arising from changes in financial assumptions	(2.37)	3.18	(6.24)	9.78
Actuarial (gains)/losses arising from experience adjustments	12.76	11.09	5.63	8.03
Net impact on other comprehensive income (before tax)	10.39	14.27	(0.61)	17.81

The pension expense and gratuity expense have been recognised in Contribution to Provident and Other Funds in Note no 29.

* Service cost and Finance cost has not been recognised in Profit and loss for Executive Staff Pension and Provident Fund

D. Assets

The fair value of plan assets at the Balance Sheet date for the defined benefit plans for each category are as follows:

in Rupees million	Pension			Gratuity		
	2017	2016	1st Jan 2016	2017	2016	1st Jan 2016
Quoted						
Government debt instruments	-			-		
Other debt instruments	6.09	6.32	6.35	9.92	11.52	11.65
Total (A)	6.09	6.32	6.35	9.92	11.52	11.65
Unquoted						
Cash including special deposits	11.73	13.58	12.19	22.42	20.99	22.20
Others (Including assets under Scheme of Insurance)	-	-	-	5.31	4.39	4.39
Total (B)	11.73	13.58	12.19	27.73	25.38	26.59
Total (A+B)	17.82	19.90	18.54	37.65	36.90	38.24

None of the plans invest directly in any property occupied by the Company or any financial securities issued by the Company.

E. Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

in Rupees million	Pension			Gratuity			Provident Fund		
	2017	2016	1st Jan 2016	2017	2016	1st Jan 2016	2017	2016	1st Jan 2016
Financial Assumptions									
Discount rate (per annum)	7.5%	7%	8%	7.5%	7%	8%	7.1%	8%	7.80%
Salary escalation rate (per annum)	5%	5%	5%	5%	5%	5%	-	-	-

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic Assumptions

Mortality in Service: Indian Assured Lives Mortality (2006-08) Ultimate table.

F. Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

in Rupees million	Pension		Gratuity		Provident Fund	
	Change in assumption (%)	Change in Plan Obligation (%)	Change in assumption (%)	Change in Plan Obligation (%)	Change in assumption (%)	Change in Plan Obligation (%)
Discount rate (per annum)						
Increase	0.5	(2.25)	0.5	(4.81)	1%	(2.56)
Decrease	0.5	2.40	0.5	5.23	1%	2.99
Salary escalation rate (per annum)						
Increase	0.5	2.45	0.5	3.77		
Decrease	0.5	(2.31)	0.5	(3.65)		

The sensitivity analysis above have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

G. Weighted average duration and expected employers contribution for 2017 for each of the defined benefit plan

in Rupees million	Weighted average duration (yrs.)				Expected Employers Contribution for the next year
	2017	2016	1st Jan 2016		
Gratuity	14	15	15		NA
Officer's Pension	9	15	15		NA
Provident Fund	10	NA	NA		NA

iii) Company has got the actuarial valuation done for the medical entitlement of retired employees for the first time in the current year, as a result a charge of Rs. 44.70 million has been provided for the year ended 31 December 2017.

40. Information in accordance with the requirements of the Ind AS 11 on Construction Contracts

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Contract revenue recognised	3,105.99	2,808.86
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all the contracts in progress	16,115.67	13,054.23

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016
Amount of customer advances outstanding for contracts in progress	1,040.32	1,036.06	245.19
Amount of retention due from customers for contracts in progress	1,298.69	1,068.24	1,570.95
Gross amount due from customers for contracts in progress	820.07	619.29	189.77
Gross amount due to customers for contracts in progress	201.35	335.09	540.14

41. Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company. The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and long term and short bank borrowings. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents.

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016
Debt	12,818.64	14,453.54	13,882.60
Long-term borrowings	7,763.57	9,897.32	13,382.60
Short-term borrowings	1,500.00	1,000.00	500.00
Current maturity of long-term debts	3,555.07	3,556.22	-
Cash and bank balances	382.40	1,056.99	205.58
Net debt (a)	12,436.24	13,396.55	13,677.02
Total equity (b)	14,077.17	13,953.41	13,899.85
Equity share capital	852.84	852.84	852.84
Other equity	13,224.33	13,100.57	13,047.01
Net debt to equity ratio (a) / (b)	0.88	0.96	0.98

42. Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 (s).

a) Category-wise classification of Financial instruments

The carrying value and fair values of financial instruments by class are as follows:

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	As at 1 Jan. 2016
FINANCIAL ASSETS			
Financial assets measured at fair value through other comprehensive income			
Investments in equity instruments	0.27	0.16	0.10
Mark to market on derivative contracts*	-	206.80	113.62
Financial assets measured at fair value through profit or loss	-	-	-
Financial assets measured at amortised cost-Carrying value			
Cash and bank balances	386.40	1,061.39	210.30
Trade receivables	3,527.19	3,568.53	3,394.40
Other financial assets	2,532.38	2,247.41	1,346.36
	6,446.24	7,084.29	5,064.78
FINANCIAL LIABILITIES			
Financial liabilities measured at fair value through other comprehensive income			
Mark to market on derivative contracts*	38.37	-	-
Financial liabilities measured at fair value through profit or loss			
Financial liabilities measured at amortised cost-Carrying value			
Borrowings	12,818.64	14,453.54	13,882.60
Trade payables	2,573.70	3,016.27	2,284.67
Other financial liabilities	851.12	851.97	617.70
	16,281.83	18,321.78	16,784.97

* Mark to Market on derivative contracts are for hedging relationship only.

b) Fair value measurements

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

a) Level 1: Quoted prices for identical instruments in an active market-

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

b) Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs-

This level of hierarchy includes financial assets and liabilities, measured using inputs other than the quoted prices included within level 1 that are observables for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's derivative contracts.

c) Level 3: Inputs which are not based on observable market data -

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor they are based on available market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarized below:

As at 31st December 2017

in Rupees million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Investment in equity shares	0.27	-	-	0.27
Financial liabilities at fair value				
Derivative contracts	-	38.37	-	38.37

As at 31st December 2016

in Rupees million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Investment in equity shares	0.16	-	-	0.16
Derivative contracts	-	206.80	-	206.80
Financial liabilities at fair value				

As at 1st January 2016

in Rupees million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Investment in equity shares	0.10	-	-	0.10
Derivative contracts	-	113.62	-	113.62
Financial liabilities at fair value				

i) The fair values of investment in quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.

ii) The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

iii) The Company assessed that cash and bank balances, trade receivables, trade payables, short term borrowings and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

iv) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised as level 1. Fair value of borrowings which do not have an active market or are

unquoted is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as level 2 in the fair value hierarchy.

v) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

vi) There have been no transfers between Level 1, level 2 and Level 3 for the years ended 31 December 2017, 31 December 2016 and 1 January 2016.

c) Derivative financial instruments

Derivative instruments used by the Company include forward exchange contracts and currency swaps. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" to the extent possible. The Company does not hold or issue derivative financial instruments for trading purpose. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

The following table sets out the fair value of derivatives held by the Company as at the end of each reporting period.

in Rupees million	As at 31 Dec 2017		As at 31 Dec 2016		As at 1 Jan 2016	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Foreign currency forwards and swaps	-	38.37	206.80	-	113.62	-
Classified as:						
Non- Current	-	35.45	34.63	-	113.62	-
Current	-	2.92	172.17	-	-	-

At the end of the reporting period the total notional amount of outstanding foreign currency contracts and interest rate swaps and collars that the Company has committed to are as below:

USD million	As at 31 Dec 2017	As at 31 Dec 2016	As at 1 Jan 2016
Foreign currency forwards			
Purchase	-	-	-
Sale	1.71	8.98	6.39
Foreign currency swaps	38.94	40.62	40.62

Euro million	As at 31 Dec 2017	As at 31 Dec 2016	As at 1 Jan 2016
Foreign currency forwards			
Purchase	-	-	0.90
Sale	1.17	0.04	-
Foreign currency swaps	-	-	-

43. Financial Risk Management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(i) Market risk:

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

a) Market risk - Foreign currency exchange rate risk:

The Company enter into sale and purchase transactions and borrowings denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Company manages the risk from currency exposures for all major items through hedging mechanism primarily by use of forward exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

in Rupees million	Monetary assets			Monetary liabilities		
	As at 31 Dec 2017	As at 31 Dec 2016	As at 1 Jan 2016	As at 31 Dec 2017	As at 31 Dec 2016	As at 1 Jan 2016
US Dollar in India	214.11	655.24	579.85	91.83	112.44	140.25
Euro in India	108.66	11.74	55.17	438.83	224.31	197.24
GBP in India	-	-	-	13.54	11.99	18.53
SGD in India	-	-	-	20.63	17.11	2.95
JPY in India	-	-	-	2.67	0.55	2.82
BDT in India	0.08	-	-	0.08	0.08	0.08
THB in India	-	-	-	0.50	0.16	-

Of the above foreign currency exposures, the following exposure are not hedged

in Rupees million	Monetary assets			Monetary liabilities		
	As at 31 Dec 2017	As at 31 Dec 2016	As at 1 Jan 2016	As at 31 Dec 2017	As at 31 Dec 2016	As at 1 Jan 2016
US Dollar in India	101.80	27.09	66.13	91.83	112.44	140.25
Euro in India	16.12	9.02	55.17	438.83	224.31	197.24
GBP in India	-	-	-	13.54	11.99	18.53
SGD in India	-	-	-	20.63	17.11	2.95
JPY in India	-	-	-	2.67	0.55	2.82
BDT in India	0.08	-	-	0.08	0.08	0.08
THB in India	-	-	-	0.50	0.16	-

A 10% appreciation/depreciation of the foreign currencies with respect to functional currency of the Company would result in an decrease/increase in the Company's net profit before tax by approximately Rs.45.01 million for the year ended 31 December 2017 (31 December 2016: Rs.33.05 million) and would result in an decrease/increase in the Company's total equity by approximately Rs. 45.01 million for the year ended 31 December 2017 (31 December 2016: Rs.33.05 million and 1 January 2016: Rs.24.06 million)

b) Market risk - Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Interest rate risk for the company is primarily mitigated by hedging through interest rate swaps which ensures fixed interest rate for the borrowed amount.

Interest rate sensitivity analysis

The company manages its interest rate risk by entering into interest rate swap contracts to swap floating interest rates for fixed interest rates over the duration of its borrowings for all its foreign currency long term loans. As at 31 December 2017, for all the long term foreign currency loans, the company has an interest rate swap, wherein the floating interest rates are converted into fixed interest rates

The sensitivity analysis given below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Profit for the year ended 31 December 2017 would increase/decrease by Rs. 12.50 Million (as at 31 December 2016 Rs. 13.80 Million).

Interest rate SWAP contracts

The company enters interest rate swaps to hedge interest rate risks. Under the interest rate swap contracts, the company exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the company to mitigate the risk of changing interest rates on the fair value of fixed rate debt.

The following tables details the movement in fair value and remaining terms of interest rate swap contracts at the end of the reporting period:

Cash flow hedges Outstanding receive Floating pay fixed contracts in Rupees million	Average contracted fixed interest rate			Nominal Value			Fair Value Asset/(Liabilities)		
	As at 31 Dec 2017	As at 31 Dec 2016	As at 1 Jan 2016	As at 31 Dec 2017	As at 31 Dec 2016	As at 1 Jan 2016	As at 31 Dec 2017	As at 31 Dec 2016	As at 1 Jan 2016
Outstanding receive floating pay fixed contracts									
Foreign Currency term loan from bank of USD 5.82 million (previous year USD 4.95 million, as at 1 January 2016: 4.95 millions)	7.99%	9.50%	9.50%	375.00	297.60	297.60	(7.95)	34.63	25.54
Foreign Currency term loan from bank of USD 17.46 million (previous year USD 20.00 million, as at 1 Jan 2016: USD 20 millions)	7.99%	9.50%	9.50%	1,125.00	1,202.40	1,202.40	(27.50)	132.38	85.11
Foreign Currency term loan from bank of USD 15.67 million (previous year USD 15.67 million, as at 1 Jan 2016: USD 15.67 millions)	8.99%	8.99%	8.99%	1,000.00	1,000.00	1,000.00	(6.02)	31.58	2.77

The interest rate swap contracts are settled on cash basis. The company settles the difference between the fixed and floating interest rate on a net basis. The fair value on this interest rate swap contracts are included in schedule "Other financial assets/liabilities – Mark to market on derivative contracts". The net change in fair value of the Derivative Instruments (forward exchange contracts) during the current year ended 31 December 2017 is Rs. 3.10 Million, (as at 31 December 2016 – Rs. 8.21 Million; as at 1 January 2016 – Rs.0.20 Million).

ii) Counter-party credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables, finance receivables, loans and advances and derivative financial instruments. Company regularly reviews the credit

limits of the customers and takes action to reduce the risk. Further diverse and large customer bases also reduces the risk. All trade receivables are reviewed and assessed for default on quarterly basis. The credit risk on bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings.

iii) Liquidity risk:

Liquidity risk is the risk that the company will face in meeting its obligations associated with its financial liabilities. The Company follows a prudent and conservative policy for safeguarding liquidity. It regularly monitors the rolling cash flow forecasts to ensure its cash flows are arranged on an on-going basis to meet operational requirement. In line with this the Company has established adequate credit facilities with banks to cater to manage the liquidity requirement. Short-term and medium term liquidity are supported through the bank and inter-company borrowing at a competitive rates.

The following table shows the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

in Rupees million	Carrying Amount	Undiscounted Amount Payable within 1 year	Between 1 to 5 years	More than 5 years	Total
As at 31st December 2017					
Non-derivative liabilities					
Borrowings	12,818.64	5,931.56	8,420.96	-	14,352.52
Trade payables (including acceptances)	2,573.70	2,573.70	-	-	2,573.70
Security deposits	196.96	177.58	19.38	-	196.96
Unpaid dividend	4.00	4.00	-	-	4.00
Other Payables	650.16	650.16	-	-	650.16
Derivative liabilities					
Forward exchange contracts	38.37	-	-	-	-
As at 31st December 2016					
Non-derivative liabilities					
Borrowings	14,453.54	5,605.26	11,190.11	-	16,795.37
Trade payables (including acceptances)	3,016.27	3,016.27	-	-	3,016.27
Security deposits	170.23	115.68	60.00	-	175.68
Unpaid dividend	4.40	4.40	-	-	4.40
Other Payables	677.34	677.34	-	-	677.34
Derivative liabilities					
Forward exchange contracts	-	-	-	-	-
As at 1st January 2016					
Non-derivative liabilities					
Borrowings	13,882.60	1,660.50	15,680.21	-	17,340.71
Trade payables (including acceptances)	2,284.67	2,284.67	-	-	2,284.67
Security deposits	162.63	113.04	60.00	-	173.04
Unpaid dividend	4.72	4.72	-	-	4.72
Other Payables	450.35	434.32	16.03	-	450.35
Derivative liabilities					
Forward exchange contracts	-	-	-	-	-

44. Segment information

a) Products and services from which reportable segments derive their revenues:

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on product and services. Accordingly, management of the company has chosen to organise the segment based on its products and services as follows:

- Gases and Related Products
- Project Engineering

The company's chief operating decision maker is the Managing Director.

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.

The company's financing and income taxes are managed on a company level and are not allocated to operating segments.

Inter-segment revenue has been recognised at cost.

b) Information about business segment

in Rupees million	31 December 2017			31 December 2016		
	Gases and Related Products	Project Engineering	Total	Gases and Related Products	Project Engineering	Total
1 Segment revenue						
External revenue	18,010.21	3,128.52	21,138.73	17,130.59	2,645.40	19,775.99
- India		2,326.03			2,155.00	
- Outside India		802.49			490.40	-
Interest income	11.14	-	11.14	17.59	-	17.59
Total external revenue (A)	18,021.35	3,128.52	21,149.87	17,148.18	2,645.40	19,793.58
Inter segment revenue (B)	-	251.56	251.56	-	374.36	374.36
Total segment revenue (A) + (B)	18,021.35	3,380.08	21,401.43	17,148.18	3,019.76	20,167.94
Less: Inter segment elimination	-		(251.56)	-		(374.36)
Total revenue			21,149.87			19,793.58
2 Segment results	1,321.62	503.48	1,825.10	1,127.87	442.69	1,570.56
Finance cost - unallocable			(1,164.69)			(1,155.74)
Other unallocable expenses			(443.85)			(312.70)
Profit before tax and exceptional item			216.56			102.12
Exceptional item			(55.00)	-	-	-
Profit before tax			161.56			102.12
Less: Tax expense			(27.82)			(31.98)
Profit after tax			189.38			134.10
3 Segment assets	29,627.72	2,946.67	32,574.39	30,484.50	3,130.43	33,614.93
Unallocated assets			1,083.30			2,011.10
Total assets			33,657.69			35,626.03
4 Segment liabilities	3,077.43	2,167.93	5,245.36	2,803.02	2,767.76	5,570.78
Unallocable liabilities			14,335.16			16,101.84
Total liabilities			19,580.52			21,672.62

c) Other segment information

in Rupees million	31 December 2017			31 December 2016		
	Gases and Related Products	Project Engineering	Unallocable	Gases and Related Products	Project Engineering	Unallocable
1 Depreciation and amortisation	2,032.27	4.68	25.60	1,931.29	3.43	19.27
2 Addition to fixed assets (net of disposal)	1,285.43	2.80	4.54	6,503.05	(0.77)	35.52

d) Revenue from major products

in Rupees million	Year ended 31 Dec 2017	Year ended 31 Dec 2016
(i) Gases and Related Products		
Air separation unit gases	17,106.62	16,312.62
Other cylinder gases	193.84	156.79
Others	709.75	661.18
(i) Project Engineering		
Construction contracts	3,128.52	2,645.40
	21,138.73	19,775.99

The Company operates predominantly within the geographical limits of India. In the company's operations within India, there is no significant difference in the economic condition prevailing in the various states of India. Revenue from sales to customers outside India is less than 10% in the current and previous year. Hence, disclosures on geographical segments are not applicable.

e) Information about major customers

Included in the revenue arising from direct sales of products and services of Rs. 21,138.73 million, (year ended 31 December 2016: Rs. 19,775.99 million) are revenues of approximately Rs. 7,838.86 million (year ended 31 December 2016: Rs. 7,401.05 million) which arose from the sale to company's top two customers. No other single customer contributed 10% or more of the company's revenue for both 2017 and 2016.

Notes:

- Segment performance is reviewed by the CODM on the basis of profit or loss from continuing operations before other income and finance cost and tax expenses. Segment results reviewed by CODM also excludes income or expenses which are non recurring in nature or classified as exceptional.
- The accounting policies of the reportable segments are same as of the companies accounting policies (Refer Note 2)

45. Information on Related Party Disclosure

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. (upto 07/07/2016)	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 Gas North America LLC E&S Gas	United States of America
Linde Engineering North America Inc.	United States of America
Linde (Thailand) Public Company Limited	Thiland
Linde HKO Limited	Hongkong
BOCLH Industrial Gases (Songjiang) Co., Ltd.	China
Shanghai BOC Gases Co., Ltd.	China
Division Linde Global Helium	United States of America
PU Linde LLC	United States of America
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

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	Joint Venture	Key Management Personnel
Purchase of Goods - Gases, Equipment/ Spares	249.71 (154.39)	- -	472.79 (303.13)	105.19 (95.38)	- -
Purchase of Fixed Assets / Capital Spares	42.44 (194.00)	- -	38.95 (53.13)	- -	- -
Support Services - Engineering Assistance, IS Charges and Technical Assistance Fees	265.83 (171.42)	19.02 (19.30)	221.85 (199.69)	- -	- -
Service Charges Received -Facility Fees Income	- -	- -	6.24 (5.68)	- -	- -
Sale of Goods/Spares/Services and Revenue from Construction Contract	15.68 -	- -	781.74 (766.46)	14.30 (13.92)	- -
Recovery of Personnel Cost	9.46 (6.34)	- -	79.74 (67.76)	7.61 (8.62)	- -
Reimbursement of Expenses	0.07 (1.30)	- -	0.14 -	- (0.61)	- -
Rental Income	- -	- -	18.96 (19.05)	- -	- -
Managerial Remuneration	- -	- -	- -	- -	44.83 (35.38)
Dividend Paid	- -	47.97 (47.97)	- -	- -	- -
Dividend Received	- -	- -	- -	90.00 (30.00)	- -
Borrowings during the year	- -	- -	500.00 (500.00)	- -	- -
Repayment of Borrowings	1,860.75 -	- -	- -	- -	- -
Interest on Borrowings	804.35 (904.40)	- -	89.40 (72.62)	- -	- -
Outstanding balances:					
- Receivables	16.38 (6.09) (109.93)	0.80 (0.80) (0.80)	213.92 (411.81) (71.38)	30.62 (27.18) (27.70)	- - -
- Payables	267.49 (251.14) (147.36)	30.39 (12.71) (9.88)	392.92 (401.99) (257.98)	121.11 (86.67) -	- - -
- Payables for Borrowings	8,832.53 (10,693.28) (10,693.28)	- - -	1,500.00 (1,000.00) (500.00)	- - -	- - -
- Interest accrued but not due	162.96 (128.98) (201.01)	- - -	7.48 (72.62) (0.97)	- - -	- - -
- Advance to Vendors/ Capital Advances	101.99 (110.80) (16.27)	- - -	68.08 (57.16) (4.82)	- - (10.61)	- - -
- Advance from Customer	22.06 - -	- - -	341.59 (497.44) (286.05)	- - -	- - -

46. Leases

The following is the summary of future minimum lease rental payments under non-cancellable operating leases and finance leases entered into by the Company.

A. Operating leases as a lessor:

Significant leasing arrangements include lease of plant and machinery dedicated for use under long term arrangements for periods ranging between 12 to 15 years with renewal option. Receivable under long term arrangements involving use of dedicated assets are allocated between those relating to the right to use of assets on contractual terms and conditions. Any change in the allocation assumptions may have an impact on the lease assessment and/or lease classification.

Future minimum lease payments under non-cancellable operating leases are as below:

in Rupees million	As at 31 Dec 2017	As at 31 Dec 2016	As at 1 Jan 2016
Future minimum lease payments			
not later than one year	50.29	50.29	50.29
later than one year and not later than five years	158.55	177.50	196.44
later than five years	140.06	171.41	202.76
	348.90	399.20	449.49

B. Finance leases as a lessor:

Certain plant and machinery has been made available by the Company to the customers under a finance lease arrangement. The arrangements covers a substantial part of the economic life of the underlying asset and contain a renewal option on expiry. Receivables under long term arrangements involving use of dedicated assets are based on the underlying contractual terms and conditions. Any change in the assumptions may have an impact on lease assessment and/or lease classification.

Such assets given under the 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.

The minimum lease receivable and the present value of minimum lease receivables in respect of arrangements classified as finance leases are as below:

in Rupees million	As at 31 Dec 2017		As at 31 Dec 2016		As at 1 Jan 2016	
	Minimum Lease payments	Present value of minimum lease payments	Minimum Lease payments	Present value of minimum lease payments	Minimum Lease payments	Present value of minimum lease payments
Not later than one year	20.99	8.37	40.10	20.02	61.46	34.62
Later than one year and not later than five years	30.72	7.32	44.03	14.40	148.45	59.65
Later than five years	13.44	1.69	21.12	2.97	178.80	29.23
Total future minimum lease commitments	65.15	17.38	105.25	37.39	388.71	123.50
Less: Unearned finance income	27.82		37.05		170.61	-
Present value of minimum lease payments receivable	37.33		68.20		218.10	
Disclosed as:						
Other financial asset - finance lease receivable (refer note 8)						
Non-Current	11.47		33.22		182.94	
Current	25.86		34.98		35.16	
	37.33		68.20		218.10	

C. Operating lease as a lessee:

Company has taken various residential and office premises under operating lease or leave and license agreements. These agreements are for 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 rental. Minimum lease payment charged during the year to the statement of profit and loss aggregated to Rs. 64.56 million (previous year Rs. 45.43 million)

47. Interest in Joint Venture

a) Details of the Company's material joint venture at the end of the reporting period are as follows:

Name of the Joint Venture	Principal Activity	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and Voting power held by the Group			Quoted (Y/N)
			As at 31 Dec 2017	As at 31 Dec 2016	As at 1 Jan 2016	
Bellary Oxygen Company Private Limited (Belloxy)	Production and sale of air gases	Karnataka, Bellary	50%	50%	50%	N

b) Summary of financial information

in Rupees million

	Belloxy Oxygen India Private Limited		
	As at 31 Dec 2017	As at 31 Dec 2016	As at 1 Jan 2016
Current Assets	379.42	344.96	166.34
Non Current Assets	1,189.44	1,234.58	1,308.89
Current Liabilities	87.67	59.15	56.54
Non Current Liabilities	323.91	308.14	318.47
Equity	1,157.28	1,212.25	1,100.22
Revenue	1,082.02	1,080.87	-
Expenses	828.83	809.58	-
Profit before tax for the year	253.19	271.29	-
Tax Expense	91.52	87.05	-
Profit after tax for the year	161.67	184.24	-
Profit attributable to the owners of the Company	80.83	92.12	-
Profit attributable to the non controlling interest	80.84	92.12	-
Profit for the year	161.67	184.24	-
Other Comprehensive Income attributable to the owners of the Company	-	-	-
Other Comprehensive Income Profit/(Loss) attributable to the non controlling interest	-	-	-
Other Comprehensive Income	-	-	-
Total Other Comprehensive Income attributable to the owners of the Company	-	-	-
Total Other Comprehensive Income Profit/(Loss) attributable to the non controlling interest	-	-	-
Total Other Comprehensive Income	161.67	184.24	-
Dividends paid to non controlling interest	-	-	-
Net Cash Flow from operating activities	227.73	69.44	-
Net Cash Flow from investing activities	(8.24)	(0.83)	-
Net Cash Flow from financing activities	(214.17)	(72.26)	-
Net Cash inflow/(outflow)	5.32	(3.65)	-

c) Company's transaction with Bellary Oxygen Company Private Limited, being a related party during the year ended 31 December 2017 are disclosed under note 45

48. Ind AS 101 - "First Time Adoption of Indian Accounting Standards"

Transition to Ind AS - Reconciliation

The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards".

(i) Reconciliation of total equity as at 1 January 2016 and 31 December 2016.

(ii) Reconciliation of total comprehensive income for the year ended 31 December 2016.

(iii) Reconciliation of statement of cash flows for the year ended 31 December 2016.

Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with the financial statements prepared under Ind AS.

i) Reconciliation of total Equity

in Rupees million	Note	As at 31 Dec 2016	As at 1 Jan 2016
Equity as per Previous GAAP		13,964.15	13,925.83
Re-measurements on transition to Ind AS			
Impact of computing the asset restoration obligation at present value	A	11.65	2.89
Impact of measuring investments at fair value through other comprehensive income	B	0.09	0.03
Amortisation of leasehold land	C	(3.78)	(3.06)
Reversal of proposed dividend and tax thereon	D	76.98	76.98
Impact on reclassification of arrangement containing leases (net of tax)	E	(108.64)	(103.61)
Impact on fair valuation of security deposits - asset/liability (net of tax)	F	0.10	0.79
Impact of reversal of goodwill amortisation (net of tax)	G	12.86	-
Equity as per Ind AS		13,953.41	13,899.85

ii) Reconciliation of total comprehensive income

in Rupees million	Note	Year Ended 31 Dec 2016
Net Profit as per Previous GAAP		93.40
Re-measurements on transition to Ind AS		
Impact of computing the Asset Restoration Obligation at present value	A	8.76
Amortisation of leasehold land	C	(0.72)
Impact on reclassification of arrangement containing leases	E	(8.08)
Impact on fair valuation of security deposits - asset/liability	F	(1.05)
Impact of reversal of goodwill amortisation	G	19.67
Re-classification of actuarial gains/(losses), arising in respect of employee benefit schemes to Other Comprehensive Income	H	25.52
Tax Adjustments		(3.40)
Profit after tax reported under Ind AS		134.10
Other Comprehensive Income (net of taxes)	B, H, I	(3.56)
Total comprehensive income as per Ind AS		130.54

iii) Reconciliation of cash flow statements

in Rupees million

			As at 31 Dec 2016
	Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Net cash generated from/(used in) operating activities	2,938.63	(12.50)	2,926.13
Net cash generated from/(used in) investing activities	(1,280.60)	2.67	(1,277.93)
Net cash generated from/(used in) financing activities	(808.21)	11.42	(796.79)
Net increase/(decrease) in cash and cash equivalents	849.82	1.59	851.41
Cash and cash equivalents as at 1 January 2016	204.18		205.58
Cash and cash equivalents as at 31 December 2016	1,054.00	1.59	1,056.99

Notes to reconciliations between IGAAP and Ind-AS

(A) Impact of computing the asset restoration obligation at present value

The Company under previous GAAP has recorded the provision for decommissioning liability and also recorded a corresponding asset. These were recorded at the value which the Company would incur at the end of the contract term. These costs have been recorded as per the provisions of Appendix A of IND AS 16 'Changes in Existing Decommissioning, Restoration and Similar Liabilities'. Under Ind AS, provisions are measured at discounted amount, if the effect of time value of money is material. The Company has discounted the provision for asset restoration liability to present value at the transition date resulting in the increase and decrease in the provision and asset values through equity as on 1 January 2016 and 31 December 2016. Consequently, the unwinding of discount has been recognised as a finance cost for the year ended 31 December 2016.

(B) Impact of measuring investments at fair value through other comprehensive income

Under previous GAAP, non-current investments were stated at cost less diminution in value which is other than temporary. However, under Ind AS, the investment in equity instruments [other than investment in subsidiaries, joint venture and associates] have been classified at Fair value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition and all gains and losses on these investments needs to be recorded through OCI. On the date of transition to Ind AS, this investment was measured at its fair value which is higher than the cost as per the previous GAAP, resulting in an increase in the carrying amount of investment and corresponding increase in equity as on 1 January 2016 and 31 December 2016.

(C) Amortisation of leasehold land

Under previous GAAP, leasehold properties were presented as fixed assets and amortised over the period of lease. Under Ind AS, such properties have been classified as prepayments within non-current assets (current portion is presented as other current assets) and have been amortised over the period of lease.

(D) Reversal of proposed dividend and tax thereon

Under previous GAAP, dividends on equity shares (including tax thereon) recommended by board of directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statement as liability. Under Ind AS, such dividends (including tax thereon) are recognised when declared by the members in the a general meeting. The effect of this change is an increase in total equity as at 1 January 2016 and 31 December 2016.

(E) Impact on reclassification of arrangement containing leases (net of tax)

As per Ind AS 17, "Leases", the Company has assessed certain long term arrangements, fulfilment of which is dependant on use of specified assets and where the Company has the right to control the use of such assets for being in the nature of a lease.

This resulted in certain arrangements being treated as a lease and classified as an operating/finance lease. The impact on total equity and profit and loss is on account of the difference in recognition under the lease accounting model as compared to those recognised under the previous GAAP.

(F) Impact on fair valuation of security deposits - asset/liability (net of tax)

In accordance with Ind AS 109, "Financial Instruments", all the financial instruments have to be classified and measured as either at Amortised Cost, Fair Value through Other Comprehensive Income (FVTOCI) or Fair value through Profit and Loss (FVTPL) depending upon the Business model and the Cash flow characteristics. Under previous GAAP the security deposits given to vendors/taken from customers were recorded at the transaction value, however, under Ind AS, interest free deposits being a financial asset/liability is required to be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The impact on total equity and statement of profit and loss is on account of change in measurement of the interest free deposits under Ind AS as compared to those recognised under previous GAAP.

(G) Impact of reversal of goodwill amortisation (net of tax)

Under previous GAAP, Goodwill were necessarily amortised. Under Ind AS, these Goodwill have been determined to have an indefinite useful life and have been recorded in the financials on the transition date. Accordingly, the amortisation thereof considered in the year ending 31 December 2016 has been reversed and corresponding impact has been given in total equity and statement of profit and loss.

(H) Re-classification of actuarial gains/(losses), arising in respect of employee benefit schemes to Other Comprehensive Income

Under previous GAAP, actuarial gains and losses were recognised in statement of profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in Other Comprehensive Income. Consequently, the tax effect of the same has also been recognised in Other Comprehensive Income instead of statement of profit or loss.

(I) Other Comprehensive Income (net of taxes)

The Company uses derivative financial instruments, such as forward contracts and swaps to hedge its foreign currency risks. Under previous GAAP, the net mark to market gains and losses on the outstanding

portfolios of such instruments were recognised directly in reserves.

Under Ind AS, these hedges are designated as cash flow hedge and the movement in the fair value of these derivatives are recognised in Other Comprehensive Income.

49. Dividends

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. On 12 February, 2018 the Board of Directors of the Company have proposed a dividend of Re. 1 per share in respect of the year ended 31 December, 2017, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of Rs. 102.81 million inclusive of a dividend distribution tax of Rs. 17.53 million.

In terms of our report attached
for Deloitte Haskins and Sells LLP
Chartered Accountants

ABHIJIT BANDYOPADHYAY, Partner

I BAGCHI, Chief Financial Officer
Membership No. : 057564

P MARDIA, 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

12 February 2018

Independent auditor's report.

To the Members of Linde India Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Linde India Limited ("the Company"), which comprise the Balance Sheet as at 31 December, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 standalone Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31 December, 2016 and the transition date opening balance sheet as at 1 January, 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 December, 2016 and 31 December, 2015 dated 11 February, 2017 and 16 February, 2016 respectively expressed an unmodified opinion on those standalone financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, to the extent applicable 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 December, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 December, 2017 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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, as amended, 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 litigations on its financial position in its standalone Ind AS financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Annexure A to the independent auditor's report.

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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, 2017 in conjunction with our audit of the standalone Ind AS 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. 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 Companies Act, 2013.

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") issued by The Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 December, 2017, based on the internal control over financial reporting criteria established by the respective 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.

Annexure B to the independent auditor's report.

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of 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 program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) 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 Companies Act, 2013
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, providing guarantees and securities, as applicable. The provisions of section 186 of the Act in respect of Investments have been complied with by the company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues in arrears as at December 31, 2017 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on December 31, 2017 on account of disputes are given below.

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period for which the Amount Relates	Amount Net of Payment (Rs. In million)	Amount Paid under protest (Rs. In million)
Central State Sales Tax Act and VAT Acts	Sales tax / VAT	Adjudicating Authority	1999-2000 2011-2015	91.29	7.42
		First Appellate Authority	1989-1991 2002-2003 2005-2008 2009-2015	645.73	91.80
		Tribunal	1995-1997 1998-1999 2003-2006 2007-2014	101.15	6.47
		Revisional Board	1998-2001 2007-2013	149.79	10.61
		High Court	2005-2006	55.06	-
		Supreme Court	1992-1993	2.00	-
		Adjudicating Authority	1996-2017	110.61	1.11
		First Appellate Authority	1991-2010	3.61	0.02
Central Excise Act, 1944	Excise Duty	Tribunal	1991-2011 2014-2016	374.22	24.22
		High Court	1998-2001 2008-2009	10.48	-
		Supreme Court	1999-2009	21.26	-
		Adjudicating Authority	2004-2015	49.94	-
Finance Act, 1944	Service Tax	First Appellate Authority	2005-2010	5.17	0.37
		Tribunal	2005-2008 2008-2015	856.31	32.64

- (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 to banks. The Company has not borrowed any money from financial institutions and government. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanation given to us, the Company did not raised moneys 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 purpose for which those were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors, or directors of its holding, joint venture company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Consolidated balance sheet.

as at 31 December 2017

in Rupees million	Note	As at 31 Dec. 2017	As at 31 Dec. 2016
ASSETS			
Non-current assets			
Property, plant and equipment	5	24,965.39	25,664.75
Capital work-in-progress	5	359.13	802.87
Goodwill	6	-	43.30
Other Intangible assets	6	10.14	19.40
Investments in joint ventures	7	578.64	606.13
Financial assets			
Other Investments	7	0.27	0.16
Other financial assets	8	878.96	673.65
Non Current tax assets (net)	9	169.50	148.61
Other non current assets	10	408.70	428.58
Total non- current assets (A)		27,370.73	28,387.45
Current assets			
Inventories	11	683.26	686.82
Financial assets			
Trade receivables	12	3,527.19	3,568.53
Cash and cash equivalents	13	382.40	1,056.99
Bank balances other than cash and cash equivalents	13	4.00	4.40
Other financial assets	8	1,653.42	1,780.56
Other current assets	10	465.33	597.41
Total current assets (B)		6,715.60	7,694.71
TOTAL ASSETS (A+B)		34,086.33	36,082.16
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	852.84	852.84
Other equity	15	13,652.97	13,556.70
Total equity (C)		14,505.81	14,409.54
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	7,763.57	9,897.32
Other financial liabilities	17	54.83	54.55
Provisions	18	448.29	362.61
Deferred tax liabilities (Net)	19	921.80	958.55
Other non-current liabilities	20	229.16	265.25
Total non- current liabilities		9,417.65	11,538.28
Current liabilities			
Financial liabilities			
Borrowings	16	1,500.00	1,000.00
Trade payables	22	2,573.70	3,016.27
Other financial liabilities	17	4,389.73	4,353.64
Provisions	18	292.31	232.83
Other current liabilities	20	1,407.13	1,514.44
Current tax liabilities	21	-	17.16
Total current liabilities		10,162.87	10,134.34
Total liabilities (D)		19,580.52	21,672.62
TOTAL EQUITY AND LIABILITIES (C+D)		34,086.33	36,082.16

The notes referred form an integral part of the consolidated financial statements (1 to 48)

In terms of our report attached
for Deloitte Haskins and Sells LLP
Chartered Accountants

ABHIJIT BANDYOPADHYAY, Partner

I BAGCHI, Chief Financial Officer
Membership No. : 057564

P MARDIA, 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

12 February 2018

Consolidated statement of profit and loss.

for the year ended 31 December 2017

in Rupees million	Note	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
INCOME			
Revenue from operations	23	21,149.87	19,793.58
Other income	24	77.55	314.67
TOTAL INCOME (A)		21,227.42	20,108.25
EXPENSES			
Power and Fuel		9,224.91	8,181.06
Cost of materials consumed	25	1,911.16	1,837.86
Purchase of stock-in-trade	26	773.79	694.17
Changes in inventories of finished goods, contract work-in-progress and stock-in-trade	27	46.86	(66.57)
Employee benefits expenses	28	1,164.53	987.33
Finance costs	29	1,164.69	1,155.74
Excise duty		819.30	1,540.48
Depreciation and amortisation expense (including impairment)	30	2,062.55	1,953.99
Other expenses	31	3,933.07	3,752.07
TOTAL EXPENSE (B)		21,100.86	20,036.13
Share of profit of joint venture (C)		62.51	86.02
Profit before exceptional items and tax D = (A-B+C)		189.07	158.14
Exceptional Items (E)	33	55.00	-
Profit before tax F = (D- E)		134.07	158.14
Tax Expense			
Current tax	19	18.97	36.99
Deferred tax	19	(46.79)	(68.97)
TOTAL TAX EXPENSE (G)		(27.82)	(31.98)
Profit for the year (H)= (F-G)		161.89	190.12
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit and loss		(9.66)	(32.38)
Remeasurement losses on post employment defined benefit plans during the year		(9.77)	(32.44)
Fair value changes of investments in equity shares		0.11	0.06
Income tax relating to items that will not be reclassified subsequently to statement of profit and loss		2.08	6.92
Items that will be reclassified subsequently to statement of profit and loss			
Fair value changes due to cash flow hedges		28.96	33.49
Income tax on items that will be reclassified subsequently to statement of profit and loss		(10.02)	(11.59)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR (I)		11.36	(3.56)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (J) = (H+I)		173.25	186.56
Earnings per share :	34		
Basic and Diluted (Rs.)		1.90	2.23

The notes referred form an integral part of the consolidated financial statements (1 to 48)

In terms of our report attached
for Deloitte Haskins and Sells LLP
Chartered Accountants

ABHIJIT BANDYOPADHYAY, Partner

I BAGCHI, Chief Financial Officer
Membership No. : 057564

P MARDIA, 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

12 February 2018

Consolidated statement of changes in equity.

for the year ended 31 December 2017

A. Equity share capital

in Rupees million

Equity
share capital

Balance as at 1 January 2016	852.84
Changes in equity share capital during the year	-
Balance at 31 December 2016	852.84
Changes in equity share capital during the year	-
Balance at 31 December 2017	852.84

B. Other equity

in Rupees million

	Retained Earnings			Other Comprehensive Income Reserves	Total
	Securities Premium Account	General Reserves	Surplus (profit and loss balance)		
Balance as at 1 January 2016	6,972.52	995.67	5,535.79	(56.86)	13,447.12
Profit attributable to the owners of the company	-	-	190.12	-	190.12
Dividend Payable	-	-	(63.96)	-	(63.96)
Tax on Dividend	-	-	(13.02)	-	(13.02)
Other comprehensive income (net of tax)	-	-	(25.52)	21.96	(3.56)
Balance as at 31 December 2016	6,972.52	995.67	5,623.41	(34.90)	13,556.70
Profit attributable to the owners of the company	-	-	161.89	-	161.89
Dividend Payable	-	-	(63.96)	-	(63.96)
Tax on Dividend	-	-	(13.02)	-	(13.02)
Other comprehensive income (net of tax)	-	-	(7.69)	19.05	11.36
Balance as at 31 December 2017	6,972.52	995.67	5,700.63	(15.85)	13,652.97

In terms of our report attached
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Mumbai

12 February 2018

Consolidated cash flow statement.

for the year ended 31 December 2017

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Cash flows from operating activities		
Profit before tax for the year	134.07	158.14
Adjustments for:		
Depreciation and amortisation including impairment	2,062.55	1,953.99
(Gain)/ loss on sale of non-current assets	0.63	(156.87)
Finance costs recognised in profit or loss	1,161.58	1,142.54
Interest income on unwinding of security deposits and others	(1.49)	(1.27)
Share of profit from Joint venture	(62.51)	(86.02)
Exceptional items	55.00	-
Operating cash flow before working capital changes	3,349.83	3,010.51
Movements in working capital:		
(Increase)/ decrease in trade receivables	41.34	(174.13)
(Increase)/ decrease in financial assets	(402.41)	(794.00)
(Increase)/ decrease in other current and non-current assets	65.31	9.80
(Increase)/decrease in inventories	3.56	(33.83)
Increase/ (decrease) in liabilities and provisions	(483.98)	975.89
Cash generated from operations	2,573.65	2,994.24
Income taxes paid	(52.79)	(68.11)
Net cash generated by operating activities	2,520.86	2,926.13

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Cash flows from investing activities		
Payments for property, plant and equipment	(798.32)	(1,482.45)
Proceeds from disposal of property, plant and equipment	120.22	161.32
Dividends received from Joint Venture	90.00	30.00
Interest received	3.11	13.20
Net cash (used in) investing activities	(584.99)	(1,277.93)
Cash flows from financing activities		
Proceeds from borrowings	500.00	500.00
Repayment of borrowings	(1,860.74)	-
Interest paid	(1,172.73)	(1,219.81)
Dividends paid to owners of the Company	(63.96)	(63.96)
Tax paid on dividend	(13.02)	(13.02)
Net cash (used in) financing activities	(2,610.45)	(796.79)
Net increase/(decrease) in cash and cash equivalents	(674.59)	851.41
Cash and cash equivalents at the beginning of the year	1,056.99	205.58
Cash and cash equivalents at the end of the year	382.40	1,056.99

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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

12 February 2018

Notes to consolidated financial statements.

for the year ended 31 December 2017

1. Company Overview

Linde India Limited is a public 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.

The functional and presentation currency of the Company is Indian Rupee ("Rs.").

As on 31 December 2017, Linde AG owns 75% of the ordinary shares of the company and has the ability to control the company's operations.

The consolidated financial statements for the year ended 31 December 2017 were approved by the Board of directors and authorized for issue on 12 February 2018.

2. Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements and in preparing the opening Ind AS Balance Sheet as at January 1, 2016 for the purpose of transition to Ind AS, unless otherwise indicated.

a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 January 2017.

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with 1 January 2016 being the transition date.

In accordance with Ind AS 101 "First time adoption of Indian Accounting Standard", the Company has presented a reconciliation from the presentation of consolidated financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of total equity as at 1 January 2016 and 31 December 2016, total comprehensive income and cash flow for the year ended 31 December 2016.

b) Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared and presented under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Basis of consolidation

The consolidated financial statements of the company and its joint venture have been prepared through incorporating the results and assets and liabilities of joint venture in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the joint venture.

Distributions received from a joint venture have been reduced from the carrying amount of the investment.

After application of the equity method of accounting, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company's investment in joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale.

Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Company reduces its ownership interest in a joint venture but the Company continues to use the equity method, the Company reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Company entity transacts with a joint venture of the Company, profits and losses resulting from the transactions with the

joint venture are recognised in the Company's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Company.

d) Use of estimates and critical accounting judgements

In preparation of the consolidated financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets, provision for employee benefits and other claims, provision and contingent liabilities, recoverability of deferred tax assets.

e) Current – Non-current classification

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

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.

f) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the Revenue can be reliably be measured, regardless of when the payment is being made. Revenue is being measured at fair value of the consideration received or receivable net of discounts, taking into account the contractually defined terms and excluding taxes or duties collected on behalf of the government.

A. Sale of Products

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, the amount of revenue can be measured reliably, 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 or on a straight-line basis over the specified period of the contract. The amount recognized as revenue is exclusive of Goods and Service Tax (GST).

B. Revenue from Construction

Contract revenue and contract costs associated with the long-term construction contracts are recognized 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 up to 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.

C. Interest and Dividend Income

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.

D. Other Income

Other Incomes are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

g) Property, Plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation or accumulated impairment loss, if any. Cost of item of property, plant and equipment 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. Expenses capitalised include applicable borrowing costs for qualifying assets, if any.

This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

The residual values, useful lives and method of depreciation of Property, Plant and Equipment is reviewed at each financial year and adjusted prospectively, if any.

Spares that can be used only with particular items of plant and machinery and such usage is expected to be for more than once accounting period are capitalized.

Property, Plant and Equipment under construction are recognized as capital work in progress.

Upon first-time adoption of Ind AS, the Company has elected to measure its Property, Plant and Equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1 January 2016.

h) Provision for Decommissioning, Restoration and Similar Liabilities

The Company has liabilities related to dismantling (restoration of soil) and other related works, which are due upon the closure of certain of its production sites. Such liabilities are estimated case-by-case based on available information, taking into account applicable local legal requirements. The estimation is made using existing technology, at current prices, and discounted using a discount rate where the effect of time value of money is material.

Future dismantling costs discounted to net present value, are capitalised and the corresponding dismantling liability is raised as soon as the obligation to incur such costs arises. Future dismantling costs are capitalised in property, plant and equipment as appropriate and are depreciated over the life of the related asset. The effect of the time value of money on the restoration and environmental costs liability is recognised in the statement of profit and loss.

i) Intangible assets

Software and Non-compete fees costs are included in the balance sheet as intangible assets where they are clearly linked to long term economic benefits for the Company. They are measured initially at purchase cost and then amortized on a straight line basis over their estimated useful lives. All other costs on software and non-compete fees are expensed in the statement of profit and loss as and when incurred.

Goodwill arising on acquisition of business is measured at cost less any accumulated impairment loss. Goodwill is assessed at every balance sheet date for any impairment.

Subsequent to initial recognition, intangible assets with definite useful lives are reported at cost less accumulated amortization and accumulated impairment losses.

Upon first-time adoption of Ind AS, the Company has elected to measure its intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1 January 2016.

j) Depreciation of Property, Plant and Equipment

Depreciation computed as per the straight line method based on the management's estimate of useful life of a property, plant and equipment which is in accordance with the useful lives of property, plant and equipment indicated in Schedule II of the Act. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised.

For certain assets categorized 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.

The following useful lives apply to the different types of tangible assets:

Buildings	10 – 40 years
Plant and Equipment	10 – 18 years
Furniture and fixtures	5 – 10 years
Vehicles	5 – 10 years
Office Equipments	3 – 10 years
Freehold land is not depreciated.	

Assets individually costing Rs. 10,000 or less are fully depreciated in the year of acquisition.

Spares capitalized are being depreciated over the useful life / remaining useful life of the plant and machinery with which such spares can be used.

The useful lives are reviewed atleast at each year end. Changes in expected useful lives are treated as changes in accounting estimates.

k) Amortisation of Intangible assets

Intangible assets except Goodwill 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.

The estimated useful lives of Intangible Assets are as follows:

Software	5 Years
Non-compete fee	5 Years
Leasehold rights	3 Years

The useful lives are reviewed atleast at each year end. Changes in expected useful lives are treated as changes in accounting estimates.

l) Impairment

The carrying amounts of property, plant and equipment, capital work in progress and intangible assets are reviewed at each Balance Sheet date, to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated at each reporting date. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-discount rate that reflects the current market assessments of the time value of money. 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.

m) 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.

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.

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

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

- (i) Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss as per the terms of the relevant lease contract unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.
- (ii) Finance lease – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.

The Company as lessor

- (i) Operating lease – Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.
- (ii) Finance lease – When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

p) Employee benefits

The Company's obligation towards various employee benefits have been recognized 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 exgratia. 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.

Post-employment Benefits

Defined contribution plans

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 exgratia. 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.

Defined benefit plans

Recognition and measurement of defined benefit plans:

For defined benefit retirement schemes i.e gratuity and superannuation schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. Such re-measurements are not re-classified to the Statement of Profit and Loss in the subsequent period. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value of plan assets.

Provident fund administered through Company's trust for certain employees (in accordance with the Provident Fund Regulation) are defined benefit obligations with respect to the yearly interest guarantee. Annual charge is recognized based on actuarial valuation of the Company's related obligation on the reporting date. Actuarial gain or losses for the year are recognized in the Statement of other Comprehensive Income.

Other long term employee benefits

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 period-end are recognized when the employees render the services that increases their entitlement to future compensated absences. Such costs are recognized in the Statement of Profit and Loss on actuarial valuation of related obligation on the reporting date.

Termination Benefits

Termination Benefits, in the nature of voluntary retirement benefits or Termination Benefits arising from restructuring, are recognized in the Statement of Profit and Loss. The Company recognizes Termination Benefits at the earlier of the following dates:

- (a) when the Company can no longer withdraw the offer of these benefits, or
- (b) when the Company recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value

q) Foreign exchange transactions

Measurement of Foreign Currency items at reporting dates:

Foreign exchange transactions are recorded at the exchange rate prevailing on the date of the transactions. Year-end monetary assets and liabilities denominated in foreign currencies are translated at the year-end foreign exchange rates. Non- Monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

Exchange differences arising on settlements/ translations are recognised in the Statement of Profit and Loss.

r) Provisions, contingent liabilities and contingent assets

A provision is created when there is a present obligation (legal or constructive) 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. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Constructive obligation is an obligation that derives from an entity's actions where:

- (a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and;
- (b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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 generally not recognized but are disclosed when inflow of economic benefit is probable.

Provisions, Contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

s) Income taxes

Tax expense for the year comprises current tax and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes

items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction and there is an intention to settle the asset and liability on a net basis.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case tax is also recognized in other comprehensive income or directly in equity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

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) Financial Instruments

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at Transaction price.

(a) Financial assets

i. Financial assets at amortized cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

ii. Financial assets measured at fair value

Fair Value through other comprehensive income (FVTOCI)
Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in joint venture) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Fair value through the statement of profit and loss (FVTPL)
Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss. Fair value changes are recognized in the Statement of Profit and Loss at each reporting period.

iii. Cash and bank balances

Cash and bank balances consist of:

- (i) Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.
- (ii) Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

Impairment of financial assets:

Loss allowance for expected credit losses is recognised for financial assets measured at amortized cost and fair value through other comprehensive income. The Company recognizes life time expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. The Impairment losses and reversals are recognized in the Statement of Profit and Loss.

De-recognition of financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a collateralized borrowing for the proceeds received. On de recognition of a Financial Asset (except for Financial Assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

De-recognition of financial liabilities

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The differences between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

Derivative financial instruments and hedge accounting

The Company enters into forward contracts and principal and interest swap contracts to hedge its risks associated with foreign currency and variable interest rate fluctuations related to existing financial assets and liabilities, certain firm commitments and forecasted transactions. These derivative contracts are being considered as cash flow hedge.

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.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The Company adopts hedge accounting for forward and interest rate contracts wherever possible. At the inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item or transaction and the nature of the risk being hedged. At inception each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss. The effective portion is recognized in Other Comprehensive Income.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives
- for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in equity and the ineffective portion is taken to the statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognized in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

v) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

w) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale

at a price that is reasonable in relation to its current fair value. The Company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are not depreciated or amortized.

x) First time adoption

The Company had prepared its consolidated financial statements in accordance with the Accounting Standards (AS) notified under section 133 of the Companies Act 2013 (Previous GAAP) for and including the year ended 31 December 2017. The Company has prepared its first Ind AS (Indian Accounting Standards) compliant consolidated financial statements for the year ended 31 December 2017 with restated comparative figures for the year ended 31 December 2016 in compliance with Ind AS. As the Company has prepared its first consolidated financial statements under previous GAAP for the reporting period 31 December 2016, the Opening Balance Sheet, in line with Ind AS transitional provisions, has not been presented as at 1 January 2016, the date of Company's transition to Ind AS. The principal adjustments made by the Company in restating its Previous GAAP consolidated financial statements as at and for the financial year ended 31 December 2016 and the balance sheet as at 1 January 2016 are as mentioned below:

A. Exceptions applied

Ind AS 101 specifies mandatory exceptions from retrospective application of some aspects of other Ind ASs for first-time adopters. Following exception is applicable to the Company:

i. Estimates

The estimates at 1 January 2016 and 31 December 2016 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) and there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of error in those estimates.

ii. Classification and measurement of Financial Assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of facts and circumstances that existed on the date of transition to Ind AS.

iii. Impairment of Financial Assets

The Company has applied the impairment requirements of Ind AS 109 prospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

B. Exemptions applied

Ind AS 101 on First Time Adoption of Ind AS allows first-time adopters certain voluntary exemptions from the retrospective

application of certain requirements under Ind AS. The Company has applied the following exemption:

i. Past Business Combination

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 January 2016. Consequently, the Company has kept the same classification for the past business combinations as in its previous GAAP financial statements.

ii. Deemed Cost

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 1 January 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

iii. Leases

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

iv. Investments in joint venture

On transition, Ind AS 101 allows an entity to treat fair value as deemed cost for investments held in joint venture. Accordingly, the Company has elected to treat fair value as deemed cost for its investments held in a joint venture.

v. Designation of previously recognised financial instruments

Under Ind AS 109 "Financial Instrument", at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in fair value of an investment in equity instrument in Other Comprehensive Income.

Ind AS 101 "First time adoption of Indian Accounting Standards" allows such designation of previously recognised financial assets as "fair value through other comprehensive income" on the basis of facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its investments in equity instruments at fair value through Other Comprehensive Income on the basis of facts and circumstances that existed at the date of transition to Ind AS.

vi. Fair value measurement of financial assets or financial liabilities at initial recognition

As per Ind AS 109 "Financial Instrument", the Company is required to measure the financial assets and financial liabilities at fair value at initial recognition. However, Ind AS 101 "First time adoption of Indian Accounting Standards" allows the entity to recognise financial assets or financial liabilities prospectively from the transition date.

Accordingly, the Company has opted for this exemption and have measured the financial assets or financial liabilities at fair value on the transition date.

- vii. Decommissioning liabilities included in the cost of property, plant and equipment
Adoption of Appendix A to Ind AS 16 'Changes in Existing Decommissioning, Restoration and Similar Liabilities' requires specified changes in such liabilities to be added to or deducted from the cost of the asset to which it relates and adjust depreciable amount of the asset to be depreciated prospectively over its remaining useful life.

An option exists under Ind AS 101, to measure such liability as at the date of transition to Ind AS in accordance with Ind AS 37 and to the extent such liability is within the scope of appendix A of Ind AS 16, estimate the amount that would have been included in the cost of the related asset when the liability first arose, by discounting the liability to that date using best estimate of the historical risk adjusted discount rate(s) and adjust the accumulated depreciation on that amount at the date of transition to Ind AS on the basis of the current estimate of the useful life of the asset.

The Company under its previous GAAP have recorded these decommissioning liability and have recorded a corresponding asset. These were recorded at the value which the Company would incur at the end of the lease term. However, under Ind AS the Company has opted for this exemption and have computed the present value of such liability on the transition date and the changes in such liabilities have been added or deducted from the cost of the asset. The adjusted value of these assets will be depreciated prospectively over its remaining useful life.

- viii. Non-current assets held for sale and discontinued operations
On adoption of Ind AS 105 'Non-Current Assets Held for Sale and Discontinued Operations', an entity is required to apply the requirements relating to classification and measurement on the initial date of identification.

However, a first time adopter can measure such assets or operations at the lower of carrying value and fair value less cost to sell at the date of transition to Ind ASs in accordance with Ind AS 105 and recognise directly in retained earnings any difference between that amount and the carrying amount of those assets at the date of transition to Ind ASs determined under the entity's previous GAAP.

Accordingly, the Company has opted the exemption and have measured such assets at the lower of carrying value and fair value less cost to sell at the date of transition to Ind ASs.

3. New amendment that is not yet effective and have not been early adopted

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules,

2017, notifying amendments to Ind-AS 7, 'Statement of cash flows' and Ind-AS 102, 'Share-based payment'. The amendments are applicable to the Company from 1 January 2018. However, the Company does not have Share Based Payments hence amendments in Ind AS 102 will not be applicable.

Amendment to Ind-AS 7 - Statement of cash flows

The amendment to Ind-AS 7 requires the entities to provide disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and its impact on its cash flows, which are not expected to be material.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with generally accepted accounting principles which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies:

The following are the critical judgments, apart from those involving estimations [see point below], that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

i) Useful life of Property, Plant and Equipment and Intangible assets

The Company has made in the process of applying its accounting policies that have a significant effect on the amounts recognised in these consolidated financial statements pertain to useful life of Property, Plant and Equipment and Intangible assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. Currently, the Intangible assets have been determined to have a finite useful life and are amortized over this useful life.

In terms of Part B of Schedule II of the Companies Act, 2013, the Company has followed the depreciation rates and depreciation method which is reviewed at each year end.

ii) Joint Control

The group holds 50% of the equity share capital of Bellary Oxygen Company Private Limited (Belloxy), a company involved in operation of manufacturing of industrial gases. The group do not consider that it is able to exercise control over the company as the decisions about relevant activities of the company are made jointly between the group and the co-venturer (who holds 50% of the equity share capital) and both the parties have rights to the net assets of such arrangement.

Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

i) Deferred tax assets

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

ii) Claims, Provisions and Contingent Liabilities

Contingent liabilities arising from past events the existence of which would be confirmed only on occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Company or contingent liabilities where there is a present obligations but it is not probable that economic benefits would be required to settle the obligations

are disclosed in the consolidated financial statements unless the possibility of any outflow in settlement is remote.

Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the consolidated financial statements.

iii) Impairment of Property, Plant and Equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

iv) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

5. Property, Plant and Equipment and Capital Work-in-Progress

in Rupees million	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total Tangible Assets	Capital work in progress	Total tangible assets including capital work in progress
I. Gross Block									
Cost/Deemed cost as at 1 January 2017	197.91	992.16	26,136.91	51.56	7.87	153.75	27,540.16	802.87	28,343.03
Additions	-	32.70	1,271.87	1.02	4.82	9.07	1,319.48	829.43	2,148.91
Disposals	-	(7.78)	(16.88)	(1.21)	(0.49)	(0.35)	(26.71)	-	(26.71)
Asset capitalised during the year	-	-	-	-	-	-	-	(1,273.17)	(1,273.17)
Cost /Deemed cost as at 31 December 2017	197.91	1,017.08	27,391.90	51.37	12.20	162.47	28,832.93	359.13	29,192.06
II. Accumulated depreciation and impairment									
Balances as at 1 January 2017	-	90.83	1,729.74	8.59	1.55	44.70	1,875.41	-	1,875.41
Depreciation expense for the year	-	73.04	1,873.76	7.50	4.57	51.12	2,009.99	-	2,009.99
Disposals	-	(7.72)	(9.49)	(0.23)	(0.14)	(0.28)	(17.86)	-	(17.86)
Balance as at 31 December 2017	-	156.15	3,594.01	15.86	5.98	95.54	3,867.54	-	3,867.54
Net block (I-II)									
Net carrying value as at 31 December 2017	197.91	860.93	23,797.89	35.51	6.22	66.93	24,965.39	359.13	25,324.52
Net carrying value as at 1 January 2017	197.91	901.33	24,407.17	42.97	6.32	109.05	25,664.75	802.87	26,467.62

5. Property, Plant and Equipment and Capital Work-in-Progress

in Rupees million	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total Tangible Assets	Capital work in progress	Total tangible assets including capital work in progress
I. Gross Block									
Cost/Deemed cost as at 1 January 2016	197.91	853.95	19,809.11	49.78	8.27	83.34	21,002.36	5,765.52	26,767.88
Additions	-	142.35	6,496.88	2.31	-	71.22	6,712.76	1,707.23	8,419.99
Disposals	-	(4.14)	(169.08)	(0.53)	(0.40)	(0.81)	(174.96)	-	(174.96)
Asset capitalised during the year	-	-	-	-	-	-	-	(6,669.88)	(6,669.88)
Cost/Deemed cost as at 31 December 2016	197.91	992.16	26,136.91	51.56	7.87	153.75	27,540.16	802.87	28,343.03
II. Accumulated depreciation and impairment									
Balance as at 1 January 2016	-	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	80.50	1,787.14	9.03	1.55	45.51	1,923.73	-	1,923.73
Impairment losses for the year	-	14.43	-	-	-	-	14.43	-	14.43
Disposals	-	(4.10)	(57.40)	(0.44)	-	(0.81)	(62.75)	-	(62.75)
Balance as at 31 December 2016	-	90.83	1,729.74	8.59	1.55	44.70	1,875.41	-	1,875.41
Net block (I-II)									
Net carrying value as at 31 December 2016	197.91	901.33	24,407.17	42.97	6.32	109.05	25,664.75	802.87	26,467.62
Net carrying value as at 1 January 2016	197.91	853.95	19,809.11	49.78	8.27	83.34	21,002.36	5,765.52	26,767.88

6. Goodwill and other intangible assets

in Rupees million	Goodwill (A)	Software (B)	Non- Compete Fees (C)	Leasehold Rights (D)	Other Intangible Assets (E)= (B) + (C) + (D)	Total intangible assets (F) = (A) + (E)
I. Gross Block						
Cost / deemed cost as at 1 January 2017	46.82	21.78	7.51	2.33	31.62	78.44
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Cost / deemed cost as at 31 December 2017	46.82	21.78	7.51	2.33	31.62	78.44
II. Accumulated amortisation and impairment						
Balance as at 1 January 2017	3.52	6.49	3.40	2.33	12.22	15.74
Amortisation expense for the year	-	5.73	3.53	-	9.26	9.26
Impairment losses for the year	43.30	-	-	-	-	43.30
Disposals	-	-	-	-	-	-
Balance as at 31 December 2017	46.82	12.22	6.93	2.33	21.48	68.30
Net block (I-II)						
Net carrying value as at 31 December 2017	-	9.56	0.58	-	10.14	10.14
Net carrying value as at 1 January 2017	43.30	15.29	4.11	-	19.40	62.70

in Rupees million	Goodwill (A)	Software (B)	Non- Compete Fees (C)	Leasehold Rights (D)	Other Intangible Assets (E)= (B) + (C) + (D)	Total intangible assets (F) = (A) + (E)
I. Gross Block						
Cost / deemed cost as at 1 January 2016	46.82	21.62	7.51	2.33	31.46	78.28
Additions	-	0.25	-	-	0.25	0.25
Disposals	-	(0.09)	-	-	(0.09)	(0.09)
Cost / deemed cost as at 31 December 2016	46.82	21.78	7.51	2.33	31.62	78.44
II. Accumulated amortisation and impairment						
Balance as at 1 January 2016	-	-	-	-	-	-
Amortisation expense for the year	-	6.58	3.40	2.33	12.31	12.31
Impairment losses for the year	3.52	-	-	-	-	3.52
Disposals	-	(0.09)	-	-	(0.09)	(0.09)
Balance as at 31 December 2016	3.52	6.49	3.40	2.33	12.22	15.74
Net block (I-II)						
Net carrying value as at 31 December 2016	43.30	15.29	4.11	-	19.40	62.70
Net carrying value as at 1 January 2016	46.82	21.62	7.51	2.33	31.46	78.28

7. Investments

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016	
	Quoted	Unquoted	Quoted	Unquoted
A. Investments in Equity Instruments				
Joint Venture				
Bellary Oxygen Company Private Limited (Refer Note 45)	-	578.64	-	606.13
15,000,000 (31 December 2016: 15,000,000) equity shares of Rs. 10 each				
Others (classified at fair value through OCI)				
Woodlands Multispeciality Hospital Limited*	-	0.00	-	0.00
2,980 (31 December 2016: 2,980) equity shares of Rs. 10 each				
JSW Steel Limited	0.27	-	0.16	-
1,000 shares of Rs. 1 each (31 December 2016: 1,000, of Rs. 1 each)				
	0.27	578.64	0.16	606.13
Additional Information				
Aggregate amount of quoted investments and market value thereof	0.27	-	0.16	-
Aggregate amount of unquoted investments	-	578.64	-	606.13
Aggregate amount of impairment in value of investments*	-	0.00	-	0.00

* Investment written down to nominal value of Re. 1.00 in the year ending 31 March 2004

8. Other financial assets

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016	
	Non current	Current	Non current	Current
Unsecured, considered good				
Loans to employees	-	1.67	-	0.95
Receivables from related parties for recovery of expenses	-	144.11	-	84.57
Security deposits	101.22	36.62	104.74	28.24
Finance lease receivable	11.47	25.86	33.22	34.98
Receivable from mark to market on derivative contracts	-	-	34.63	172.17
Unbilled Revenue	766.27	830.60	501.06	874.83
Claims including escalation	-	363.72	-	287.57
Receivable from sale of tangible fixed assets	-	-	-	112.00
Others	-	250.84	-	185.25
	878.96	1,653.42	673.65	1,780.56

9. Tax assets (net)

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
	Non current	Non current
Advance tax (net of provisions)	169.50	148.61
	169.50	148.61

10. Other assets

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016	
	Non current	Current	Non current	Current
Unsecured, considered good				
To related parties				
Capital advances	1.99	-	26.52	-
Advances to vendors	-	168.08	-	169.65
To parties other than related parties				
Capital advances	24.35	-	86.87	-
Advance with public bodies and tax authorities				
Customs, excise, sales tax, etc.	206.36	-	131.70	-
VAT and CENVAT recoverable	-	-	-	166.00
Prepaid lease payments	158.38	1.92	160.19	1.92
Advances to vendors	-	240.16	-	224.46
Prepaid expenses	14.42	41.79	20.10	27.38
Advance to employees	-	4.26	-	0.13
Others	3.20	9.12	3.20	7.87
	408.70	465.33	428.58	597.41

11. Inventories

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
Raw materials	7.66	11.56
Work in progress	17.90	67.88
Finished goods	311.03	307.91
Stores and spares	346.67	299.47
	683.26	686.82

Included above, goods in transit

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
Raw materials	-	-
Work in progress	-	-
Finished goods	3.79	2.32
Stores and spares	0.68	0.34
	4.47	2.66

The value of stores and spares above is after providing for slow moving and obsolete spares of Rs. 164.23 million (31 December 2016: Rs. 158.41 million).

12. Trade receivables

in Rupees million	As at 31 Dec. 2017 current	As at 31 Dec. 2016 current
Trade receivables		
Unsecured, considered good	3,527.19	3,568.53
Unsecured, considered doubtful	255.11	238.13
Less: Allowance for credit losses	255.11	238.13
	3,527.19	3,568.53

In determining the allowances for credit losses of trade receivables, the company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. In addition to this Company provides for credit loss based on increase in credit risk on case to case basis.

i) Movements in allowance for credit losses of receivables is as below:

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
Balance at the beginning of the year	238.13	199.04
Allowances made during the year	23.87	46.29
Release to statement of profit and loss	(6.89)	(7.20)
Balance at the end of the year	255.11	238.13

Trade Receivables

Out of the Trade receivables Rs. 1,333.63 million as at 31 December 2017 (As at 31 Decmber 2016: Rs.1,959.68 million) is due from the Company's major customers i.e. having more than 5% of total outstanding trade receivables. There are no other customers who represent more than 5% of the total balance of trade receivables.

ii) There is no outstanding debts due from directors or other officers of the Company.

iii) Ageing of trade receivables and credit risk arising there form as below:

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
Amounts not yet due	2,480.05	2,449.77
Three months overdue	558.17	751.46
Between three to six months overdue	186.94	140.35
Greater than six months overdues	557.15	465.08
	3,782.31	3,806.66

13. Cash and cash equivalents

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
Cash in hand *	2.10	2.85
Balances with banks		
Balance with scheduled banks		
In Current Account	8.39	120.88
In Deposit Account	371.91	933.26
Total cash and cash equivalents	382.40	1,056.99
Earmarked Balances with banks		
Unclaimed Dividend accounts	4.00	4.40
Total other bank balances	4.00	4.40
	386.40	1,061.39

* Cash in hand represents prepaid cards issued by designated banks to the employees on behalf of the Company for business purpose.

13.1 Disclosure on Specified Bank Notes (SBN)#

In accordance with MCA notification G.S.R 308 (E) dated March 30, 2017 the details of transaction of Specified Bank Note (SBN) and Other Denomination Note (ODN) during the period 8 November 2016 to 30 December 2016 is as below:

in Rupees million	SBNs	ODNs	Total
Closing cash in hand as on 8 November 2016	-	-	-
Add: Unpermitted receipts	-	-	-
Add: Permitted receipts	-	-	-
Less: Unpermitted payments	-	-	-
Less: Permitted payments	-	-	-
Less: Amounts deposited in Banks	-	-	-
Closing cash in hand as on 30 December 2016	-	-	-

The company does not deal with cash, therefore there is nothing to be reported on the said notification.

14. Equity Share Capital

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
Authorised:		
86,000,000 Equity Shares of Rs. 10 each	860.00	860.00
(31 December 2016: 86,000,000 Equity Shares of Rs. 10 each)		
	860.00	860.00
Issued:		
85,286,209 Equity Shares of Rs. 10 each	852.86	852.86
(31 December 2016: 85,286,209 Equity Shares of Rs. 10 each)		
	852.86	852.86
Subscribed and paid up :		
85,284,223 Equity Shares of Rs. 10 each	852.84	852.84
(31 December 2016: 85,284,223 Equity Shares of Rs. 10 each)		
	852.84	852.84

i) The movement in subscribed and paid up share capital is as below:

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016	
	Share capital		Share capital	
	No of Shares	Amount	No of Shares	Amount
Balance at the beginning of the year	85,284,223	852.84	85,284,223	852.84
Shares Issued during the year	-	-	-	-
Balance at the end of the year	85,284,223	852.84	85,284,223	852.84

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

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016	
	No of Shares	Amount	No of Shares	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 in the company is as below

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016	
	No of Shares	% of total shares in class	No of Shares	% of total shares in class
The BOC Group Ltd,U.K., holding company	63,963,167	75%	63,963,167	75%

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 shareholders 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.

15. Other equity

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
Securities Premium Account	6,972.52	6,972.52
General Reserve	995.67	995.67
Surplus (profit and loss balance)	5,700.63	5,623.41
Other Comprehensive Income	(15.85)	(34.90)
	13,652.97	13,556.70

15 A. Movement in other equity

in Rupees million	Retained Earnings			Other Comprehensive Income Reserves	Total
	Securities Premium Account	General Reserves	Surplus (profit and loss balance)		
Balance as at January 01, 2016	6,972.52	995.67	5,535.79	(56.86)	13,447.12
Profit attributable to the owners of the company	-	-	190.12	-	190.12
Dividend Payable	-	-	(63.96)	-	(63.96)
Tax on Dividend	-	-	(13.02)	-	(13.02)
Other Comprehensive Income (Net of taxes)	-	-	(25.52)	21.96	(3.56)
Balance as at December 31, 2016	6,972.52	995.67	5,623.41	(34.90)	13,556.70
Profit attributable to the owners of the company	-	-	161.89	-	161.89
Dividend Payable*	-	-	(63.96)	-	(63.96)
Tax on Dividend	-	-	(13.02)	-	(13.02)
Other Comprehensive Income (Net of taxes)	-	-	(7.69)	19.05	11.36
Balance as at December 31, 2017	6,972.52	995.67	5,700.63	(15.85)	13,652.97

* Dividend of Re.0.75 per share

Nature and purpose of reserves

(a) Securities Premium Account :

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").

(b) General Reserve:

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

(c) Surplus (profit and loss balance):

Retained earnings are the profits that the group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders

(d) Other comprehensive income

The details of the movement in Other comprehensive income are as given below:

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
Balance at the beginning of the year	(34.90)	(56.86)
Fair value changes due to cash flow hedges	28.96	33.49
Fair value changes of investments in equity shares	0.11	0.06
Tax impact on above	(10.02)	(11.59)
Balance at the end of the year	(15.85)	(34.90)

16. Borrowings

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016	
	Non current	Current Portion of Long term Borrowings*	Non current	Current Portion of Long term Borrowings*
Long term borrowings				
Unsecured Borrowings				
Term Loans				
From banks	1,485.80	1,000.31	1,064.78	1,695.48
Loans from group companies				
Rupee loan from parent company	6,277.77	2,554.76	8,832.54	1,860.74
Total Borrowings	7,763.57	3,555.07	9,897.32	3,556.22

* Current maturities of long-term borrowings will be reported as a part of other financial liabilities under note 17

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
Short term borrowings		
Unsecured Borrowings		
Loans from group companies		
Loan from fellow subsidiary	1,500.00	1,000.00
	1,500.00	1,000.00

i) Borrowing details :

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016	Repayment schedule for 2017
a) Rupee loan from Linde AG, ultimate holding company	4,720.86	5,553.83	Half Yearly installments from January 2017 to January 2020
b) Rupee loan from Linde AG, ultimate holding company	1,784.47	2,230.59	Quarterly installments from January 2017 to October 2020
c) Rupee loan from Linde AG, ultimate holding company	2,327.20	2,908.86	Quarterly installments from January 2017 to October 2020
d) Foreign Currency term loan from bank of USD 5.82 million (previous year USD 4.95 million)	371.65	336.39	July 2019
e) Foreign Currency term loan from bank of USD 17.46 million (previous year USD 20.00 million)	1,114.15	1,359.09	July 2019
f) Foreign Currency term loan from bank of USD 15.67 million (previous year USD 15.67 million)	1,000.31	1,064.78	May 2018
g) Intercompany Loan from Linde Engineering India Private Limited	100.00	-	January 2018
h) Intercompany Loan from Linde Engineering India Private Limited	500.00	500.00	February 2018
i) Intercompany Loan from Linde Engineering India Private Limited	400.00	-	May 2018
j) Intercompany Loan from Linde Engineering India Private Limited	500.00	500.00	December 2018
	12,818.64	14,453.54	

16. Borrowing (contd)

ii) The maturity profile of Company's Borrowing is as below:

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
Not Later than one year	5,055.07	4,556.22
Later than one year but not two years	4,595.80	3,619.85
Later than two year but not three years	3,167.77	6,277.47
	12,818.64	14,453.54

17. Other financial liabilities

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016	
	Non current	Current	Non current	Current
Current maturities of long-term borrowings	-	3,555.07	-	3,556.22
Interest accrued but not due on borrowings	-	178.05	-	208.58
Unclaimed dividends	-	4.00	-	4.40
Payable on mark to market on derivative contracts	35.45	2.92	-	-
Creditors for capital supplies and services	-	446.14	-	467.23
Security deposits from customers	19.38	177.58	54.55	115.68
Other employee liabilities	-	25.97	-	1.53
	54.83	4,389.73	54.55	4,353.64

18. Provisions

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016	
	Non current	Current	Non current	Current
Provision for employee benefits				
Retirement benefits obligations				
Gratuity	52.02	3.43	53.76	3.26
Pension	40.48	3.17	27.79	7.11
Other long-term employee benefits				
Compensated absences	26.50	0.84	27.19	0.48
Others	73.83	-	26.92	-
Other Provisions				
Asset Restoration Obligations [refer note (a)]	255.46	-	226.95	-
Provision for Warranty [refer note (b)]	-	144.12	-	127.68
Provision for Liquidated damages [refer note (c)]	-	45.15	-	5.83
Provision for Contingencies [refer note (d)]	-	95.60	-	88.47
	448.29	292.31	362.61	232.83

18.1 Movement in other provisions

in Rupees million

	Asset Restoration Obligations	Provision for Warranty	Provision for Liquidated damages	Provision for Contingencies
Balance as at 1 January 2017	226.95	127.68	5.83	88.47
Add: Provision during the year *	28.51	58.21	39.32	10.43
Less: Utilised during the year	-	-	-	3.30
Less: Reversed during the year	-	41.77	-	-
Balance as at 31 December 2017	255.46	144.12	45.15	95.6
Balance as at 1 January 2016	179.52	189.32	80.23	22.21
Add: Provision during the year *	47.43	28.57	-	66.26
Less: Utilised during the year	-	45.75	74.40	-
Less: Reversed during the year	-	44.46	-	-
Balance as at 31 December 2016	226.95	127.68	5.83	88.47

* Includes Rs. 17.06 million (Previous year Rs.15.56 million) on account of unwinding of interest for asset restoration obligation.

(a) Provision for asset restoration obligation

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.

(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 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).

(d) 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.

19. Deferred tax liabilities (net)

a) Movement of deferred tax

in Rupees million	As at 1 Jan 2017	Recognised in statement of profit and Loss	Recognised in Other Comprehensive Income	As at 31 Dec 2017
Deferred tax liabilities				
Depreciation and amortisation	3,629.71	201.57		3,831.28
Finance income from finance lease arrangement	84.84	(83.80)		1.04
Others	13.90	(13.46)		0.44
	3,728.45	104.31	-	3,832.76
Deferred tax assets				
Employee benefits	26.42	(8.94)		17.48
Provisions for doubtful receivables, contingencies, warranties	162.82	27.34		190.16
Unabsorbed depreciation	2,057.53	115.81		2,173.34
Mark to Market on derivative contracts	18.57		(10.04)	8.53
Others	1.98			1.98
	2,267.32	134.21	(10.04)	2,391.49
Minimum Alternate Tax Credit Entitlement	502.58	16.89		519.47
Deferred tax liabilities (Net)	958.55	(46.79)	10.04	921.80

in Rupees million	As at 1 Jan 2016	Recognised in statement of profit and Loss	Recognised in Other Comprehensive Income	As at 31 Dec 2016
Deferred tax liabilities				
Depreciation and amortisation	2,882.21	747.50		3,629.71
Finance income from Finance Lease arrangement	137.10	(52.26)		84.84
Others	0.71	13.19		13.90
	3,020.02	708.43	-	3,728.45
Deferred tax assets				
Employee Benefits	35.75	(9.33)		26.42
Provisions for doubtful receivables, contingencies, warranties	120.90	41.92		162.82
Unabsorbed depreciation	1,342.88	714.65	-	2,057.53
Mark to Market on derivative contracts	30.16	-	(11.59)	18.57
Others	1.89	0.09	-	1.98
	1,531.58	747.33	(11.59)	2,267.32
Minimum Alternate Tax Credit Entitlement	472.51	30.07		502.58
Deferred tax liabilities (Net)	1,015.93	(68.97)	11.59	958.55

b) Income tax expense

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Current Tax:		
Current Income Tax Charge	18.97	36.99
Deferred Tax		
In respect of current year origination and reversal of temporary differences	(46.79)	(68.97)
Total tax expense recognised in statement of profit and loss account	(27.82)	(31.98)

c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Profit Before tax	134.07	158.14
Less Share of Profit from Joint Venture	62.51	86.02
Profit Before tax and share of profit of Joint Venture	71.56	72.12
Statutory Income Tax Rate	34.61%	34.61%
Income Tax using the Company's domestic Tax rate	24.77	24.96
Tax Effect of :		
- Income Exempt from Tax/Items not deductible	22.55	8.75
- Tax Incentives and concessions	(73.13)	(63.68)
- Income from House Property	(2.01)	(2.01)
Income Tax recognised in statement of profit and loss	(27.82)	(31.98)

20. Other liabilities

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016	
	Non current	Current	Non current	Current
Advances received from customers	224.46	1,371.47	260.55	1,494.80
Deposits received from customers	4.70	-	4.70	-
Statutory Dues				
Tax deducted and collected at source	-	21.03	-	18.88
GST Payable	-	14.06	-	-
Others	-	0.57	-	0.76
	229.16	1,407.13	265.25	1,514.44

21. Tax liabilities (net)

in Rupees million	As at 31 Dec. 2017		As at 31 Dec. 2016	
	Non current	Current	Non current	Current
Provision for tax	-	-	-	17.16
(Net of advance payment)	-	-	-	17.16

22. Trade payables

in Rupees million	As at 31 Dec. 2017 current	As at 31 Dec. 2016 current
Creditors for supplies and services		
Dues to micro and small enterprises	0.44	0.78
Others	2,390.76	2,844.89
Creditors for accrued wages and salaries	182.50	170.60
	2,573.70	3,016.27

The amount due to Micro and Small Enterprises as defined in "The Micro, Small and Medium Enterprise Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the company. The disclosure relating to Micro and Small Enterprises are as follows:

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
(i) The principal amount remaining unpaid to supplier as at the end of the year	0.44	0.78
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	0.07	0.07
(iii) 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 this act	0.07	0.07
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	0.77	0.70

23. Revenue from operations

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Sale of products (gases) Refer note: (i)	18,032.74	16,967.13
Air separation unit gases	17,129.15	16,312.62
Other cylinder gases	193.84	156.79
Others	709.75	497.72
Revenue from construction contracts	3,105.99	2,808.86
Other operating income	11.14	17.59
Interest income on finance lease arrangement	6.97	13.42
Amortisation of advance received from suppliers	4.17	4.17
	21,149.87	19,793.58

Note (i):

The government of India introduced the Goods and Services tax (GST) with effect from 1 July 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity and does not result in an increase in equity. Sales of earlier periods include excise duty which now is subsumed in GST. The revenue for the year ended 31 December 2017 includes excise duty upto 30 June 2017.

24. Other Income

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Rent	19.32	19.41
Profit on disposal of property, plant and equipment (net)	-	156.87
Provisions/liabilities no longer required written back	-	31.36
Provision for warranty written back	-	44.46
Miscellaneous income	53.63	48.10
Interest Income on unwinding of security deposits	1.49	1.27
Interest Income on deposits	3.11	13.20
	77.55	314.67

25. Cost of materials consumed

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Inventory of materials at the beginning of the year	11.56	9.93
Purchases	1,907.26	1,839.49
Less : Inventory of materials at the end of the year	7.66	11.56
	1,911.16	1,837.86

26. Purchase of stock in trade

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Air separation unit gases	665.68	443.21
Other cylinder gases	67.38	54.86
Others	40.73	196.10
	773.79	694.17

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

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Inventories at the beginning of the year		
Finished goods	307.91	271.73
Contract work in progress	67.88	37.49
	375.79	309.22
Less: Inventories at the closing of the year		
Finished goods	311.03	307.91
Contract work in progress	17.90	67.88
	328.93	375.79
	46.86	(66.57)

28. Employee benefit expenses

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Salaries and wages, including bonus	972.03	838.49
Contribution to provident and other funds	96.36	92.12
Workmen and staff welfare expenses	96.14	56.72
	1,164.53	987.33

During the year, the Company recognised an amount Rs. 44.83 million (previous year Rs. 35.38 million) as remuneration to Key Managerial Personnel.

The details of such remuneration is as below:

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
a) Short term employee benefits	41.99	32.95
b) Post employment benefits	2.84	2.43
	44.83	35.38

29. Finance costs

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Interest expense	1,142.19	1,220.52
On long and short term borrowings from banks	248.36	253.13
On external commercial borrowings and others	893.83	967.39
Interest expense on unwinding	22.50	20.52
Of dismantling cost	17.05	15.56
Of sundry deposits	5.45	4.96
	1,164.69	1,241.04
Less: Interest Capitalised	-	85.30
	1,164.69	1,155.74

30. Depreciation and amortisation (including impairment)

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Depreciation on tangible assets	2,009.99	1,923.73
Amortisation of intangible assets	9.26	12.31
Impairment loss	43.30	17.95
	2,062.55	1,953.99

31. Other Expenses

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Consumption of stores and spares	208.68	281.06
Repairs to buildings	12.52	20.03
Repairs to plant and machinery	302.34	237.52
Repairs to others	60.22	61.45
Freight and handling charges	1,638.48	1,315.69
Rent [refer note 44 (C)]	64.56	45.43
Loss on foreign exchange (net)	20.59	1.71
Rates and taxes	7.70	3.87
Insurance charges	40.03	48.15
Allowances for doubtful debts	16.99	39.09
Contract job expenses	532.14	412.65
Loss on disposal of property, plant and equipment (net)	0.63	-
Provision for warranties	16.44	28.57
Bad debts written off	8.09	79.18
Technical support fees	19.02	19.30
Travelling expenses	158.92	172.43
Telephone and communication expenses	33.01	51.33
Corporate social responsibility expenditure	3.77	4.52
Miscellaneous expenses (refer note 32)	788.94	930.09
	3,933.07	3,752.07

32. Miscellaneous expenses under note 31 includes auditors' remuneration

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Miscellaneous expenses under Note 32 includes auditors' remuneration		
Auditors remuneration and out-of-pocket expenses		
Audit Fee	1.64	1.94
Limited reviews	0.60	0.60
Tax audit fee	0.78	0.78
Other certificates etc.	0.35	0.29
Reimbursement of expenses	0.11	0.55
Group reporting	-	0.96
	3.48	5.12

33. Exceptional Items

Exceptional items represent severance and settlement payment for employees' separation of Rs. 55.00 million (previous year Rs.Nil)

34. Earnings per share

The following table reflects profit and shares data used in the computation of basic and diluted earnings per share.

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
a) Profit after tax	161.89	190.12
Profit attributable to ordinary shareholders-for basic and diluted EPS	161.89	190.12
	Nos	Nos
b) Weighted average number of Ordinary Shares for Basic and Diluted EPS	85,284,223	85,284,223
Nominal value of ordinary shares (Rs.)	10.00	10.00
Basic and diluted earnings per ordinary share (Rs.)	1.90	2.23

35. Contingent liabilities

Contingencies:

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable.

Litigations:

The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of material nature, other than those described below.

a) Excise Duty and Service Tax

As at 31 December 2017, there were pending litigations for various matters relating to excise duty and service taxes involving demands of Rs. 31.73 millions (31 December 2016: Rs. 31.73 millions).

b) Sales Tax /VAT

The total sales tax demands that are being contested by the Company amounted to Rs. 394.97 millions; (31 December 2016: Rs. 277.43 millions). The details of demand for more than Rs. 100 million are as follows:

As on 31 December 2017, Sales tax Authority have raised demand of Rs. 301.54 million for the period 2008-09 to 2013-14 (31 December 2016: Rs. 182 millions) on account of non levy of sales tax for facility charges recovered from a customer for providing pipeline infrastructure at their premises. Company has contested the demand and currently the matter is at appellate stage.

c) Sales Tax liability transferred to a beneficiary

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. The contingent liability for the same is amounted to Rs. 3.68 millions (31 December 2016: Rs. 3.68 millions).

d) Other claims

Other amounts for which the Company may contingently be liable aggregate to Rs. 4 millions (31 December 2016: Rs. 21.32 millions).

36. Commitments

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
Estimated capital commitments (net of advance) remaining to be executed and not provided for	192.90	245.59

37. Employee Benefits

i) Defined Contribution Plan

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. 35.50 million (previous year Rs. 31.38 million). 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.

ii) Defined Benefit Plan

Description of Plans

Retirement Benefit Plans of the Company include Gratuity, Pension and Provident Fund.

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Gratuity is funded through direct investment under BOC India Gratuity Fund.. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

Investments of Pension (Graded Staff Pension) for some employees are managed through Company managed trust. Provident Fund for most of the employees are managed through trust investments and for some employees through government administered fund.

Post retirement medical benefits

Under this unfunded scheme, employees of the Company receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. The Company accounts for the liability for post-retirement medical scheme based on an actuarial valuation.

Governance

The trustees of the trust fund are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Investment Strategy

The Company's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plans expose the Company to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Inflation risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The Company has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long term returns in order to limit the cost to the Company of the benefits provided.

A. Balance Sheet

The assets, liabilities and surplus/(deficit) position of the defined benefit plans at the Balance Sheet date were:

in Rupees million	Pension		Gratuity		Provident Fund	
	2017	2016	2017	2016	2017	2016
Present value of obligation	61.47	54.80	93.10	93.92	29.13	26.92
Fair value of plan assets	(17.82)	(19.90)	(37.65)	(36.90)	-	-
(Asset)/Liability recognised in the Balance Sheet	43.65	34.90	55.45	57.02	29.13	26.92

The excess of assets over liabilities in respect of Executive Pension have not been recognised as they are lying in an Income Tax approved irrevocable trust fund.

B. Movements in Present Value of Obligation and Fair Value of Plan Assets

in Rupees million	Pension			Gratuity			Provident Fund		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
As at 1st January, 2016	18.54	50.48	31.94	38.24	78.55	40.31	-	27.08	27.08
Current service cost	-	1.55	1.55	-	6.42	6.42	-	3.57	3.57
Past service cost	-	-	-	-	-	-	-	-	-
Interest cost	-	3.44	3.44	-	6.05	6.05	-	2.11	2.11
Interest income	1.48	-	(1.48)	3.07	-	(3.07)	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(0.64)	3.82	4.46	-	9.78	9.78	-	(5.84)	(5.84)
Actuarial (gain)/loss arising from experience adjustments	-	11.09	11.09	(0.34)	7.69	8.03	-	-	-
Employer contributions	16.10	-	(16.10)	10.50	-	(10.50)	-	-	-
Employee contributions	-	-	-	-	-	-	-	-	-
Assets acquired/ (settled)	-	-	-	-	-	-	-	-	-
Benefit payments	(15.58)	(15.58)	-	(14.57)	(14.57)	-	-	-	-
As at 31st December, 2016	19.90	54.80	34.90	36.90	93.92	57.02	-	26.92	26.92
As at 1st January, 2017	19.90	54.80	34.90	36.90	93.92	57.02	-	26.92	26.92
Current service cost	-	2.12	2.12	-	7.79	7.79	-	3.45	3.45
Past service cost	-	-	-	-	-	-	-	-	-
Interest cost	-	3.51	3.51	-	6.05	6.05	-	1.88	1.88
Interest income	1.27	-	(1.27)	2.49	-	(2.49)	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	0.03	(2.40)	(2.37)	(1.02)	(5.23)	(6.25)	-	(0.28)	(0.28)
Actuarial (gain)/loss arising from experience adjustments	-	12.76	12.76	-	5.63	5.63	-	(2.84)	(2.84)
Employer contributions	6.00	-	(6.00)	12.30	-	(12.30)	-	-	-
Employee contributions	-	-	-	-	-	-	-	-	-
Assets acquired/ (settled)	-	-	-	-	-	-	-	-	-
Benefit payments	(9.32)	(9.32)	-	(15.06)	(15.06)	-	-	-	-
As at 31st December, 2017	17.82	61.47	43.65	37.65	93.10	55.45	-	29.13	29.13

C. Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

in Rupees million	Pension		Gratuity	
	2017	2016	2017	2016
Employee Benefit Expenses *:				
Current service cost	2.12	1.55	7.79	6.42
Past service cost	-	-	-	-
Finance costs *:				
Interest cost	3.51	3.44	6.05	6.05
Interest income	(1.27)	(1.48)	(2.49)	(3.07)
Net impact on profit (before tax)	4.36	3.51	11.35	9.40
Remeasurement of the net defined benefit plans:				
Actuarial (gains)/losses arising from changes in demographic assumptions				
Actuarial (gains)/losses arising from changes in financial assumptions	(2.37)	3.18	(6.24)	9.78
Actuarial (gains)/losses arising from experience adjustments	12.76	11.09	5.63	8.03
Net impact on other comprehensive income (before tax)	10.39	14.27	(0.61)	17.81

The pension expense and gratuity expense have been recognised in Contribution to Provident and Other Funds in Note no 28.

* Service cost and Finance cost has not been recognised in Profit and loss for Executive Staff Pension and Provident Fund

D. Assets

The fair value of plan assets at the Balance Sheet date for the defined benefit plans for each category are as follows:

in Rupees million	Pension		Gratuity	
	2017	2016	2017	2016
Quoted				
Government debt instruments	-		-	
Other debt instruments	6.09	6.32	9.92	11.52
Total (A)	6.09	6.32	9.92	11.52
Unquoted				
Cash including special deposits	11.73	13.58	22.42	20.99
Others (Including assets under Scheme of Insurance)	-	-	5.31	4.39
Total (B)	11.73	13.58	27.73	25.38
Total (A+B)	17.82	19.90	37.65	36.90

None of the plans invest directly in any property occupied by the Company or any financial securities issued by the Company.

E. Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

in Rupees million	Pension		Gratuity		Provident Fund	
	2017	2016	2017	2016	2017	2016
Financial Assumptions						
Discount rate (per annum)	7.5%	7%	7%	7.5%	7.1%	8%
Salary escalation rate (per annum)	5%	5%	5%	5%		

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic Assumptions

Mortality in Service: Indian Assured Lives Mortality (2006-08) Ultimate table.

F. Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

in Rupees million	Pension		Gratuity		Provident Fund	
	Change in assumption (%)	Change in Plan Obligation (%)	Change in assumption (%)	Change in Plan Obligation (%)	Change in assumption (%)	Change in Plan Obligation (%)
Discount rate (per annum)						
Increase	0.5	(2.25)	0.5	(4.81)	1%	(2.56)
Decrease	0.5	2.40	0.5	5.23	1%	2.99
Salary escalation rate (per annum)						
Increase	0.5	2.45	0.5	3.77	-	-
Decrease	0.5	(2.31)	0.5	(3.65)	-	-

The sensitivity analysis above have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

G. Weighted average duration and expected employers contribution for 2017 for each of the defined benefit plan

in Rupees million	Weighted average duration (yrs.)		Expected Employers Contribution for the next year
	2017	2016	
Gratuity	14	15	NA
Pension	9	15	NA
Provident Fund	10	NA	NA

iii) Company has got the actuarial valuation done for the medical entitlement of retired employees for the first time in the current year, as a result of which a charge of Rs. 44.70 million has been provided for the year ended 31 December 2017.

38. Information in accordance with the requirements of the Ind AS 11 on Construction Contracts

in Rupees million	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016
Contract revenue recognised	3,105.99	2,808.86
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all the contracts in progress	16,115.67	13,054.23

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
Amount of customer advances outstanding for contracts in progress	1,040.32	1,036.06
Amount of retention due from customers for contracts in progress	1,298.69	1,068.24
Gross amount due from customers for contracts in progress	820.07	619.29
Gross amount due to customers for contracts in progress	201.35	335.09

39. Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company. The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and long term and short term borrowings. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents.

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
Debt	12,818.64	14,453.54
Long-term borrowings	7,763.57	9,897.32
Short-term borrowings	1,500.00	1,000.00
Current maturity of long-term debts	3,555.07	3,556.22
Cash and bank balances	382.40	1,056.99
Net debt (a)	12,436.24	13,396.55
Total equity (b)	14,505.81	14,409.54
Equity share capital	852.84	852.84
Other equity	13,652.97	13,556.70
Net debt to equity ratio (a) / (b)	0.86	0.93

40. Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 (s).

a) Category-wise classification of Financial instruments

The carrying value and fair values of financial instruments by class are as follows:

in Rupees million	As at 31 Dec. 2017	As at 31 Dec. 2016
FINANCIAL ASSETS		
Financial assets measured at fair value through other comprehensive income		
Investments in equity instruments	0.27	0.16
Mark to market on derivative contracts*	-	206.80
Financial assets measured at fair value through profit or loss	-	-
Financial assets measured at amortised cost-Carrying value		
Cash and bank balances	386.40	1,061.39
Trade receivables	3,527.19	3,568.53
Other financial assets	2,532.38	2,247.41
	6,446.24	7,084.29
FINANCIAL LIABILITIES		
Financial liabilities measured at fair value through other comprehensive income		
Mark to market on derivative contracts*	38.37	-
Financial liabilities measured at fair value through profit or loss		
Financial liabilities measured at amortised cost-Carrying value		
Borrowings	12,818.64	14,453.54
Trade payables	2,573.70	3,016.27
Other financial liabilities	851.12	851.97
	16,281.83	18,321.78

* Mark to Market on derivative contracts are for hedging relationship only.

b) Fair value measurements

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

a) Level 1: Quoted prices for identical instruments in an active market-

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

b) Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs-

This level of hierarchy includes financial assets and liabilities, measured using inputs other than the quoted prices included within level 1 that are observables for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's derivative contracts.

c) Level 3: Inputs which are not based on observable market data -

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor they are based on available market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarized below:

As at 31st December 2017

in Rupees million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Investment in equity shares	0.27	-	-	0.27
Financial liabilities at fair value				
Derivative contracts	-	38.37	-	38.37

As at 31st December 2016

in Rupees million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Investment in equity shares	0.16	-	-	0.16
Derivative contracts	-	206.80	-	206.80
Financial liabilities at fair value				

i) The fair values of investment in quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.

ii) The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

iii) The Company assessed that cash and bank balances, trade receivables, trade payables, short term borrowings and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

iv) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised as level 1. Fair value of borrowings which do not have an active market or are

unquoted is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as level 2 in the fair value hierarchy.

v) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

vi) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 December 2017 and 31 December 2016.

c) Derivative financial instruments

Derivative instruments used by the Company include forward exchange contracts and currency swaps. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" to the extent possible. The Company does not hold or issue derivative financial instruments for trading purpose. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

The following table sets out the fair value of derivatives held by the Company as at the end of each reporting period.

in Rupees million	As at 31 Dec 2017		As at 31 Dec 2016	
	Assets	Liabilities	Assets	Liabilities
Foreign currency forwards and swaps	-	38.37	206.80	-
Classified as:				
Non- Current	-	35.45	34.63	-
Current	-	2.92	172.17	-

At the end of the reporting period the total notional amount of outstanding foreign currency contracts and interest rate swaps and collars that the Company has committed to are as below:

USD million	As at 31 Dec 2017	As at 31 Dec 2016
Foreign currency forwards		
Purchase	-	-
Sale	1.71	8.98
Foreign currency swaps	38.94	40.62

Euro million	As at 31 Dec 2017	As at 31 Dec 2016
Foreign currency forwards		
Purchase	-	-
Sale	1.17	0.04
Foreign currency swaps	-	-

41. Financial Risk Management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(i) Market risk:

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

a) Market risk - Foreign currency exchange rate risk:

The Company enter into sale and purchase transactions and borrowings denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Company manages the risk from currency exposures for all major items through hedging mechanism primarily by use of forward exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

in Rupees million	Monetary assets		Monetary liabilities	
	As at 31 Dec 2017	As at 31 Dec 2016	As at 31 Dec 2017	As at 31 Dec 2016
US Dollar in India	214.11	655.24	91.83	112.44
Euro in India	108.66	11.74	438.83	224.31
GBP in India	-	-	13.54	11.99
SGD in India	-	-	20.63	17.11
JPY in India	-	-	2.67	0.55
BDT in India	0.08	-	0.08	0.08
THB in India	-	-	0.50	0.16

Of the above foreign currency exposures, the following exposure are not hedged

in Rupees million	Monetary assets		Monetary liabilities	
	As at 31 Dec 2017	As at 31 Dec 2016	As at 31 Dec 2017	As at 31 Dec 2016
US Dollar in India	101.80	27.09	91.83	112.44
Euro in India	16.12	9.02	438.83	224.31
GBP in India	-	-	13.54	11.99
SGD in India	-	-	20.63	17.11
JPY in India	-	-	2.67	0.55
BDT in India	0.08	-	0.08	0.08
THB in India	-	-	0.50	0.16

A 10% appreciation/depreciation of the foreign currencies with respect to functional currency of the Company would result in an decrease/increase in the Company's net profit before tax by approximately Rs. 45.01 million for the year ended 31 December 2017 (31 December 2016: Rs.33.05 million,) and would result in an decrease/increase in the Company's total equity by approximately Rs.45.01 million for the year ended 31 December 2017 (31 December 2016: Rs.33.05 million and 1 January 2016: Rs.24.06 million)

b) Market risk - Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Interest rate risk for the company is primarily mitigated through hedging by interest rate swaps which ensures fixed interest rate for the borrowed amount.

Interest rate sensitivity analysis

The company manages its interest rate risk by entering into interest rate swap contracts to swap floating interest rates for fixed interest rates over the duration of its borrowings for all its foreign currency long term loans. As at 31 December 2017, for all the long term foreign currency loans, the company has an interest rate swap, wherein the floating interest rates are converted into fixed interest rates.

The sensitivity analysis given below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Profit for the year ended 31 December 2017 would increase/decrease by Rs. 12.50 Million (as at 31 December 2016 Rs. 13.80 Million).

Interest rate SWAP contracts

The company enters interest rate swaps to hedge interest rate risks. Under the interest rate swap contracts, the company exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the company to mitigate the risk of changing interest rates on the fair value of fixed rate debt.

The following tables details the movement in fair value and remaining terms of interest rate swap contracts at the end of the reporting period:

Cash flow hedges Outstanding receive Floating pay fixed contracts in Rupees million	Average contracted fixed interest rate		Nominal Value		Fair Value Asset/(Liabilities)	
	As at 31 Dec 2017	As at 31 Dec 2016	As at 31 Dec 2017	As at 31 Dec 2016	As at 31 Dec 2017	As at 31 Dec 2016
Outstanding receive floating pay fixed contracts						
Foreign Currency term loan from bank of USD 5.82 million (previous year USD 4.95 million)	7.99%	9.50%	375.00	297.60	(7.95)	34.63
Foreign Currency term loan from bank of USD 17.46 million (previous year USD 20.00 million)	7.99%	9.50%	1,125.00	1,202.40	(27.50)	132.38
Foreign Currency term loan from bank of USD 15.67 million (previous year USD 15.67 million)	8.99%	8.99%	1,000.00	1,000.00	(6.02)	31.58

The interest rate swap contracts are settled on cash basis. The company settles the difference between the fixed and floating interest rate on a net basis. The fair value on this interest rate swap contracts are included in schedule "Other financial assets/liabilities – Mark to market on derivative contracts". The net change in fair value of the Derivative Instruments (forward exchange contracts) during the current year ended 31 December 2017 is Rs. 3.10 Million, (as at 31 December 2016 – Rs. 8.21 Million).

ii) Counter-party credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables, finance receivables, loans and advances and derivative financial instruments. Company regularly reviews the credit

limits of the customers and takes action to reduce the risk. Further diverse and large customer bases also reduces the risk. All trade receivables are reviewed and assessed for default on quarterly basis. The credit risk on bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings.

iii) Liquidity risk:

Liquidity risk is the risk that the company will face in meeting its obligations associated with its financial liabilities. The Company follows a prudent and conservative policy for safeguarding liquidity. It regularly monitors the rolling cash flow forecasts to ensure its cash flows are arranged on an on-going basis to meet operational requirement. In line with this the Company has established adequate credit facilities with banks to cater to manage the liquidity requirement. Short-term and medium term liquidity are supported through the bank and inter-company borrowing at a competitive rates.

The following table shows the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

in Rupees million	Undiscounted Amount				Total
	Carrying Amount	Payable within 1 year	Between 1 to 5 years	More than 5 years	
As at 31st December 2017					
Non-derivative liabilities					
Borrowings	12,818.64	5,931.56	8,420.96	-	14,352.52
Trade payables (including acceptances)	2,573.70	2,573.70	-	-	2,573.70
Security deposits	196.96	177.58	19.38	-	196.96
Unpaid dividend	4.00	4.00	-	-	4.00
Other Payables	650.16	650.16	-	-	650.16
Derivative liabilities					
Forward exchange contracts	38.37	-	-	-	-
As at 31st December 2016					
Non-derivative liabilities					
Borrowings	14,453.54	5,605.26	11,190.11	-	16,795.37
Trade payables (including acceptances)	3,016.27	3,016.27	-	-	3,016.27
Security deposits	170.23	115.68	60.00	-	175.68
Unpaid dividend	4.40	4.40	-	-	4.40
Other Payables	677.34	677.34	-	-	677.34
Derivative liabilities					
Forward exchange contracts	-	-	-	-	-

42. Segment information

a) Products and services from which reportable segments derive their revenues:

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on product and services. Accordingly, management of the company has chosen to organise the segment based on its products and services as follows:

- Gases and Related Products
- Project Engineering

The company's chief operating decision maker is the Managing Director.

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.

The company's financing and income taxes are managed on a company level and are not allocated to operating segments.

Inter-segment revenue has been recognised at cost.

b) Information about business segment

in Rupees million	31 December 2017			31 December 2016		
	Gases and Related Products	Project Engineering	Total	Gases and Related Products	Project Engineering	Total
1 Segment revenue						
External revenue	18,010.21	3,128.52	21,138.73	17,130.59	2,645.40	19,775.99
- India		2,326.03			2,155.00	
- Outside India		802.49			490.40	-
Interest income	11.14	-	11.14	17.59	-	17.59
Total external revenue (A)	18,021.35	3,128.52	21,149.87	17,148.18	2,645.40	19,793.58
Inter segment revenue (B)	-	251.56	251.56	-	374.36	374.36
Total segment revenue (A) + (B)	18,021.35	3,380.08	21,401.43	17,148.18	3,019.76	20,167.94
Less: Inter segment elimination			(251.56)			(374.36)
Total Revenue			21,149.87			19,793.58
2 Segment results	1,321.62	503.48	1,825.10	1,127.87	442.69	1,570.56
Finance cost - unallocable			(1,164.69)			(1,155.74)
Other unallocable expenses			(533.85)			(342.70)
Share of profit of joint venture			62.51			86.02
Profit before tax and exceptional item			189.07			158.14
Exceptional item			(55.00)			-
Profit before tax			134.07			158.14
Less: Tax expense			(27.82)			(31.98)
Profit after tax			161.89			190.12
3 Segment assets	29,627.72	2,946.67	32,574.39	30,484.50	3,130.43	33,614.93
Unallocated assets			1,511.94			2,467.23
Total assets			34,086.33			36,082.16
4 Segment liabilities	3,077.43	2,167.93	5,245.36	2,803.02	2,767.76	5,570.78
Unallocable liabilities			14,335.16			16,101.84
Total liabilities			19,580.52			21,672.62

c) Other segment information

in Rupees million	31 December 2017			31 December 2016		
	Gases and Related Products	Project Engineering	Unallocable	Gases and Related Products	Project Engineering	Unallocable
1 Depreciation and amortisation	2,032.27	4.68	25.60	1,931.29	3.43	19.27
2 Addition to fixed assets (net of disposal)	1,285.43	2.80	4.54	6,503.05	(0.77)	35.52

d) Revenue from major products

in Rupees million	Year ended 31 Dec 2017	Year ended 31 Dec 2016
(i) Gases and Related Products		
Air separation unit gases	17,106.62	16,312.62
Other cylinder gases	193.84	156.79
Others	709.75	661.18
(i) Project Engineering		
Construction contracts	3,128.52	2,645.40
	21,138.73	19,775.99

The Company operates predominantly within the geographical limits of India. In the company's operations within India, there is no significant difference in the economic condition prevailing in the various states of India. Revenue from sales to customers outside India is less than 10% in the current and previous year. Hence, disclosures on geographical segments are not applicable.

e) Information about major customers

Included in the revenue arising from direct sales of products and services of Rs. 21,138.73 million, (year ended 31 December 2016: Rs. 19,775.99 million) are revenues of approximately Rs. 7,838.86 million (year ended 31 December 2016: Rs. 7,401.05 million) which arose of the sale to company's top two customers. No other single customer contributed 10% or more of the company's revenue for both 2017 and 2016.

Notes:

- Segment performance is reviewed by the CODM on the basis of profit or loss from continuing operations before other income and finance cost and tax expenses. Segment results reviewed by CODM also excludes income or expenses which are non recurring in nature or classified as exceptional.
- The accounting policies of the reportable segments are same as of the companies accounting policies (Refer Note 2)

43. Information on Related Party Disclosure

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. (upto 07/07/2016)	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 Gas North America LLC E&S Gas	United States of America
Linde Engineering North America Inc.	United States of America
Linde (Thailand) Public Company Limited	Thiland
Linde HKO Limited	Hongkong
BOCLH Industrial Gases (Songjiang) Co., Ltd.	China
Shanghai BOC Gases Co., Ltd.	China
Division Linde Global Helium	United States of America
PU Linde LLC	United States of America
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

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	Joint Venture	Key Management Personnel
Purchase of Goods - Gases, Equipment/Spares	249.71 (154.39)	- -	472.79 (303.13)	105.19 (95.38)	- -
Purchase of Fixed Assets / Capital Spares	42.44 (194.00)	- -	38.95 (53.13)	- -	- -
Support Services - Engineering Assistance, IS Charges and Technical Assistance Fees	265.83 (171.42)	19.02 (19.30)	221.85 (199.69)	- -	- -
Service Charges Received -Facility Fees Income	- -	- -	6.24 (5.68)	- -	- -
Sale of Goods/Spares/Services and Revenue from Construction Contract	15.68 -	- -	781.74 (766.46)	14.30 (13.92)	- -
Recovery of Personnel Cost	9.46 (6.34)	- -	79.74 (67.76)	7.61 (8.62)	- -
Reimbursement of Expenses	0.07 (1.30)	- -	0.14 -	- (0.61)	- -
Rental Income	- -	- -	18.96 (19.05)	- -	- -
Managerial Remuneration	- -	- -	- -	- -	44.83 (35.38)
Dividend Paid	- -	47.97 (47.97)	- -	- -	- -
Dividend Received	- -	- -	- -	90.00 (30.00)	- -
Borrowings during the year	- -	- -	500.00 (500.00)	- -	- -
Repayment of Borrowings	1,860.75 -	- -	- -	- -	- -
Interest on Borrowings	804.35 (904.40)	- -	89.40 (72.62)	- -	- -
Outstanding balances:					
- Receivables	16.38 (6.09)	0.80 (0.80)	213.92 (411.81)	30.62 (27.18)	- -
- Payables	267.49 (251.14)	30.39 (12.71)	392.92 (401.99)	121.11 (86.67)	- -
- Payables for Borrowings	8,832.53 (10,693.28)	- -	1,500.00 (1,000.00)	- -	- -
- Interest accrued but not due	162.96 (128.98)	- -	7.48 (72.62)	- -	- -
- Advance to Vendors/Capital Advances	101.99 (110.80)	- -	68.08 (57.16)	- -	- -
- Advance from Customer	22.06 -	- -	341.59 (497.44)	- -	- -

44. Leases

The following is the summary of future minimum lease rental payments under non-cancellable operating leases and finance leases entered into by the Company.

A. Operating leases as a lessor:

Significant leasing arrangements include lease of plant and machinery dedicated for use under long term arrangements for periods ranging between 12 to 15 years with renewal option. Receivable under long term arrangements involving use of dedicated assets are allocated between those relating to the right to use of assets on contractual terms and conditions. Any change in the allocation assumptions may have an impact on the lease assessment and/or lease classification.

Future minimum lease payments under non-cancellable operating leases are as below:

in Rupees million	As at 31 Dec 2017	As at 31 Dec 2016
Future minimum lease payments		
not later than one year	50.29	50.29
later than one year and not later than five years	158.55	177.50
later than five years	140.06	171.41
	348.90	399.20

B. Finance leases as a lessor:

Certain plant and machinery has been made available by the Company to the customers under a finance lease arrangement. The arrangements covers a substantial part of the economic life of the underlying asset and contain a renewal option on expiry. Receivables under long term arrangements involving use of dedicated assets are based on the underlying contractual terms and conditions. Any change in the assumptions may have an impact on lease assessment and/or lease classification.

Such assets given under the 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.

The minimum lease receivable and the present value of minimum lease receivables in respect of arrangements classified as finance leases are as below:

in Rupees million	As at 31 Dec 2017		As at 31 Dec 2016	
	Minimum Lease payments	Present value of minimum lease payments	Minimum Lease payments	Present value of minimum lease payments
Not later than one year	20.99	8.37	40.10	20.02
Later than one year and not later than five years	30.72	7.32	44.03	14.40
Later than five years	13.44	1.69	21.12	2.97
Total future minimum lease commitments	65.15	17.38	105.25	37.39
Less: Unearned finance income	27.82		37.05	
Present value of minimum lease payments receivable	37.33		68.20	
Disclosed as:				
Other financial asset - finance lease receivable (refer note 8)				
Non-Current	11.47		33.22	
Current	25.86		34.98	
	37.33		68.20	

C. Operating lease as a lessee:

Company has taken various residential and office premises under operating lease or leave and license agreements. These agreements are for 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 rental. Minimum lease payment charged during the year to the statement of profit and loss aggregated to Rs. 64.56 million (previous year Rs. 45.43 million)

45. Interest in Joint Venture

a) Details of the Company's material joint venture at the end of the reporting period are as follows:

Name of the Joint Venture	Principal Activity	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and Voting power held by the Group		Quoted (Y/N)
			As at 31 Dec 2017	As at 31 Dec 2016	
Bellary Oxygen Company Private Limited (Belloxy)	Production and sale of air gases	Karnataka, Bellary	50%	50%	N

b) Summary of financial information

in Rupees million	Belloxy Oxygen India Private Limited	
	As at 31 Dec 2017	As at 31 Dec 2016
Current Assets	379.42	344.96
Non Current Assets	1,189.44	1,234.58
Current Liabilities	87.67	59.15
Non Current Liabilities	323.91	308.14
Equity	1,157.28	1,212.25
Revenue	1,082.02	1,080.87
Expenses	828.83	809.58
Profit / (Loss) before tax for the year	253.19	271.29
Tax Expense	91.52	87.05
Profit / (Loss) after tax for the year	161.67	184.24
Profit / (Loss) attributable to the owners of the Company	80.83	92.12
Profit / (Loss) attributable to the non controlling interest	80.84	92.12
Profit / (Loss) for the year	161.67	184.24
Other Comprehensive Income attributable to the owners of the Company	-	-
Other Comprehensive Income Profit / (Loss) attributable to the non controlling interest	-	-
Other Comprehensive Income	-	-
Total Other Comprehensive Income attributable to the owners of the Company	-	-
Total Other Comprehensive Income Profit / (Loss) attributable to the non controlling interest	-	-
Total Other Comprehensive Income	161.67	184.24
Dividends paid to non controlling interest		
Net Cash Flow from operating activities	227.73	69.44
Net Cash Flow from investing activities	(8.24)	(0.83)
Net Cash Flow from financing activities	(214.17)	(72.26)
Net Cash inflow (outflow)	5.32	(3.65)

c) Company's transaction with Bellary Oxygen Company Private Limited, being a related party during the year ended 31 December 2017 are disclosed under note 43

46. Ind AS 101 - "First Time Adoption of Indian Accounting Standards"

Transition to Ind AS - Reconciliation

The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards".

(i) Reconciliation of total equity as at 31 December 2016.

(ii) Reconciliation of total comprehensive income for the year ended 31 December 2016.

(iii) Reconciliation of statement of cash flows for the year ended 31 December 2016.

Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with the financial statements prepared under Ind AS.

i) Reconciliation of total Equity

in Rupees million	Note	As at 31 Dec 2016
Equity as per Previous GAAP		14,405.69
Re-measurements on transition to Ind AS		
Impact of computing the asset restoration obligation at present value	A	11.65
Impact of measuring investments at fair value through other comprehensive income	B	0.09
Amortisation of leasehold land	C	(3.78)
Reversal of proposed dividend and tax thereon	D	76.98
Impact on reclassification of arrangement containing leases (net of tax)	E	(108.64)
Impact on fair valuation of security deposits - asset/liability (net of tax)	F	8.59
Impact of reversal of goodwill amortisation (net of tax)	G	12.86
Impact of tax on dividend from Joint venture	K	6.11
Equity as per Ind AS		14,409.55

ii) Reconciliation of total comprehensive income

in Rupees million	Note	Year Ended 31 Dec 2016
Net Profit as per Previous GAAP		155.53
Re-measurements on transition to Ind AS		
Impact of computing the Asset Restoration Obligation at present value	A	8.76
Amortisation of leasehold land	C	(0.72)
Impact on reclassification of arrangement containing leases	E	(8.08)
Impact on fair valuation of security deposits - asset/liability	F	(1.05)
Impact of reversal of goodwill amortisation	G	19.67
Re-classification of actuarial gains/(losses), arising in respect of employee benefit schemes to Other Comprehensive Income	H	25.53
Impact of tax on dividend from Joint venture	K	(6.11)
Tax Adjustments		(3.41)
Profit after tax reported under Ind AS		190.12
Other Comprehensive Income (net of taxes)	B, H, I	(3.56)
Total comprehensive income as per Ind AS		186.56

iii) Reconciliation of cash flow statements

in Rupees million

			As at 31 Dec 2016
	Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Net cash generated from/(used in) operating activities	2,975.88	(49.75)	2,926.13
Net cash generated from/(used in) investing activities	(1,313.92)	35.99	(1,277.93)
Net cash generated from/(used in) financing activities	(814.34)	17.55	(796.79)
Net increase/(decrease) in cash and cash equivalents	847.62	3.79	851.41
Cash and cash equivalents as at 1 January 2016	224.53	(18.95)	205.58
Cash and cash equivalents as at 31 December 2016	1,072.15	(15.16)	1,056.99

Notes to reconciliations between IGAAP and Ind-AS

(A) Impact of computing the asset restoration obligation at present value

The Company under previous GAAP has recorded the provision for decommissioning liability and also recorded a corresponding asset. These were recorded at the value which the Company would incur at the end of the contract term. These costs have been recorded as per the provisions of Appendix A of IND AS 16 'Changes in Existing Decommissioning, Restoration and Similar Liabilities'. Under Ind AS, provisions are measured at discounted amount, if the effect of time value of money is material. The Company has discounted the provision for assets restoration liability to present value at the transition date resulting in the provision and asset being decreased and increased in equity as on 31 December 2016. Consequently, the unwinding of discount has been recognised as a finance cost for the year ended 31 December 2016.

(B) Impact of measuring investments at fair value through other comprehensive income

Under previous GAAP, non-current investments were stated at cost less diminution in value which is other than temporary. However, under Ind AS, the investment in equity instruments [other than investment in subsidiaries, joint venture and associates] have been classified at Fair value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition and all gains and losses on these investments needs to be recorded through OCI. On the date of transition to Ind AS, this investment was measured at its fair value which is higher than the cost as per the previous GAAP, resulting in an increase in the carrying amount of investment and corresponding increase in equity as on 1 January 2016 and 31 December 2016.

(C) Amortisation of leasehold land

Under previous GAAP, leasehold properties were presented as fixed assets and amortised over the period of lease. Under Ind AS, such properties have been classified as prepayments within non-current assets (current portion is presented as other current assets) and have been amortised over the period of lease.

(D) Reversal of proposed dividend and tax thereon

Under previous GAAP, dividends on equity shares (including tax thereon) recommended by board of directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statement as liability. Under Ind AS, such dividends (including tax thereon) are recognised when declared by the members in the a general meeting. The effect of this change is an increase in total equity as at 31 December 2016.

(E) Impact on reclassification of arrangement containing leases (net of tax)

As per Ind AS 17, "Leases", the Company has assessed certain long term arrangements, fulfilment of which is dependant on use of specified assets and where the Company has the right to control the use of such assets for being in the nature of a lease.

This resulted in certain arrangements being treated as a lease and classified as an operating/finance lease. The impact on total equity and profit and loss is on account of the difference in recognition under the lease accounting model as compared to those recognised under the previous GAAP.

(F) Impact on fair valuation of security deposits - asset/liability (net of tax)

In accordance with Ind AS 109, "Financial Instruments", all the financial instruments have to be classified and measured as either at Amortised Cost, Fair Value through Other Comprehensive Income (FVTOCI) or Fair value through Profit and Loss (FVTPL) depending upon the Business model and the Cash flow characteristics. Under previous GAAP the security deposits given to vendors/taken from customers were recorded at the transaction value, however, under Ind AS, interest free deposits being a financial asset/liability is required to be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The impact on total equity and statement of profit and loss is on account of change in measurement of the interest free deposits under Ind AS as compared to those recognised under previous GAAP.

(G) Impact of reversal of goodwill amortisation (net of tax)

Under previous GAAP, Goodwill were necessarily amortised. Under Ind AS, these Goodwill have been determined to have an indefinite useful life and have been recorded in the financials on the transition date. Accordingly, the amortisation thereof considered in the year ending 31 December 2016 has been reversed and corresponding impact has been given in total equity and statement of profit and loss.

(H) Re-classification of actuarial gains/(losses), arising in respect of employee benefit schemes to Other Comprehensive Income

Under previous GAAP, actuarial gains and losses were recognised in statement of profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in Other Comprehensive Income. Consequently, the tax effect of the same has also been recognised in Other Comprehensive Income instead of statement of profit or loss.

(I) Other Comprehensive Income (net of taxes)

The Company uses derivative financial instruments, such as forward contracts and swaps to hedge its foreign currency risks. Under previous GAAP, the net mark to market gains and losses on the outstanding portfolios of such instruments were recognised directly in reserves. Under Ind AS, these hedges are designated as cash flow hedge and the movement in the fair value of these derivatives are recognised in Other Comprehensive Income.

(J) Equity method for consolidation of joint venture

Under previous GAAP, Belloxy Oxygen Company Private Limited (hereinafter also known as "the JV Company") was classified as a jointly controlled entity and accounted for using the proportionate consolidation method. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and

obligations for the liabilities of the joint arrangement. Accordingly, based on an assessment under Ind AS 111 Joint Arrangements, the JV Company has been classified as a joint venture and has been accounted for using the equity method.

For the purposes of applying the equity method, the initial investment regarded as deemed cost, as at the date of transition, has been measured as the aggregate of the carrying amounts of the assets and liabilities that the Company had previously proportionately consolidated and it has been concluded that no impairment loss is required.

(K) Tax on dividend declared by joint venture

Under previous GAAP, dividend distribution tax recommended by the Board of Directors of the joint venture after the end of the reporting period but before financial statements were approved for issue were recognised in the financial statement as liability on a proportionate basis. Under Ind AS, such liability is recognised when declared by the members in a general meeting as adjustment to the share of profit/(loss) from joint venture. This has resulted in increase in equity under Ind AS by Rs. 6.11 million as at 31 December 2016 and decrease in profit by Rs. 6.11 million for the year ended 31 December 2016.

47. Dividends

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. On 12 February, 2018 the Board of Directors of the Company have proposed a dividend of Re. 1.00 per share in respect of the year ended 31 December, 2017, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of Rs. 102.81 million inclusive of a dividend distribution tax of Rs. 17.53 million.

48. Details of net asset and share of profit of individual entity in the consolidated net assets and consolidated share of profit

As at 31 Dec 2017

Name of the entity	As % of consolidated net assets	Net assets		Share of profit Amount
		Amount	As % of consolidated net profit	
A. Parent				
Linde India Limited	97%	14,077.17	61%	99.38
B. Jointly controlled entity				
Bellary Oxygen Company Private Limited	4%	578.64	39%	62.51
Adjustment due to consolidation	-1%	(150.00)		
Consolidated Net Assets/ Profit after tax	100%	14,505.81	100%	161.89

As at 31 Dec 2016

Name of the entity	As % of consolidated net assets	Net assets		Share of profit Amount
		Amount	As % of consolidated net profit	
A. Parent				
Linde India Limited	97%	13,953.41	55%	104.10
B. Jointly controlled entity				
Bellary Oxygen Company Private Limited	4%	596.18	45%	86.02
Adjustment due to consolidation	-1%	(150.00)		
Consolidated Net Assets/ Profit after tax	100%	14,399.59	100%	190.12

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
12 February 2018

Independent auditor's report.

To the Members of Linde India Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Linde India Limited (hereinafter referred to as "the Company") and its joint venture, comprising the Consolidated Balance Sheet as at 31 December, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and statement of changes in equity of the Company including its Joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the Company and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 consolidated Ind AS 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 Ind AS financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 joint ventures as at 31 December, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company and its joint venture for the year ended 31 December, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 December, 2016 dated 11 February, 2017 expressed an unmodified opinion on the consolidated financial statements and has been restated to comply with Ind AS. Adjustments made to the said consolidated financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, to the extent applicable, 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 Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Company as on 31st December, 2017 taken on record by the Board of Directors of the Company and its joint venture company, none of the directors of the Company and its joint venture company is disqualified as on 31st December 2017 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and its jointly venture. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company and its joint venture's internal financial controls over financial reporting.
- (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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its joint venture.
 - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - 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 joint venture.

Annexure A to the independent auditor's report.

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended December 31, 2017, we have audited the internal financial controls over financial reporting of Linde India Limited (hereinafter referred to as "the Company") and its joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 the respective 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its joint venture, which are companies incorporated in India, 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") issued by The Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 internal financial controls system over financial reporting of the Company and its joint venture, which are companies incorporated in India.

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 to the best of our information and according to the explanations given to us, the Company and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 December, 2017, based on the internal control over financial reporting criteria established by the respective companies 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.

Ten-year financial data.

Ten-Year Financial Data

in Rupees million	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sales										
Home	5,697.3	8,245.6	10,214.8	11,577.1	12,577.2	14,260.9	15,700.5	16,747.4	19,285.6	20,336.2
Export	19.3	113.6	146.3	104.5	1,425.8	771.1	242.1	150.7	490.4	802.5
Profit/ (Loss) before Tax and Exceptional Item	832.3	920.0	1,295.7	1,748.5	536.4	663.4	35.8	100.6	102.1	216.6
Tax	212.3	376.1	359.4	531.9	164.6	317.3	-18.2	196.1	-32.0	-27.8
Profit/ (Loss) after Tax, before Exceptional Item	620.0	543.9	936.3	1,216.6	371.8	346.1	54.0	296.7	134.1	244.4
Exceptional Item, (net of Tax)	180.4	(11.5)	-	-	523.04	427.23	-	(62.12)	-	55.00
Profit after Tax	800.4	532.4	936.3	1,216.6	894.8	773.3	54.0	234.6	134.1	189.4
Share Capital	852.8	852.8	852.8	852.8	852.8	852.8	852.8	852.8	852.8	852.8
Reserves and Surplus	9,509.7	9,728.4	10,297.8	11,767.0	12,486.3	13,420.4	13,039.4	13,073.0	13,100.6	13,224.3
Shareholders' Funds	10,362.5	10,581.2	11,150.6	12,619.8	13,339.1	14,273.3	13,892.2	13,925.8	13,953.4	14,077.2
Loan Funds	-	1,176.1	4,691.6	8,380.3	10,989.6	15,278.1	15,644.3	13,882.6	14,453.5	12,818.6
Total Capital Employed	10,362.5	11,757.3	15,842.2	21,000.1	24,328.7	29,551.4	29,536.5	27,808.4	28,407.0	26,895.8
Debt - Equity (%)	-	11.1	42.1	66.4	82.4	107.0	112.6	99.7	103.5	91.1
Gross Block (includes capital Work-in-progress)	12,248.2	14,958.0	20,624.2	19,801.6	28,549.8	31,013.8	34,254.9	37,428.4	28,343.0	29,192.1
Depreciation (includes Impairment)	3,363.1	3,792.2	4,326.2	4,883.3	5,946.9	6,927.8	8,686.2	10,087.0	1,875.4	3,867.5
Net Block (includes Capital Work in Progress)	8,885.1	11,165.8	16,298.0	14,918.3	22,602.9	24,086.0	25,568.7	27,341.5	26,467.6	25,324.5
Investments	150.0	150.0	150.0	150.0	150.0	150.1	150.1	150.1	150.2	150.3
Net Current Assets	1,822.7	1,188.6	192.0	66.1	1,023.8	2,129.0	1,869.1	1,478.8	1,116.5	107.8
Dividend										
(Incl. Tax thereon)	149.7	149.7	149.1	148.7	148.7	149.7	153.5	77.0	77.0	77.0
Rate of Dividend	15%	15%	15%	15%	15%	15%	15%	7.5%	7.5%	7.5%
No. of Issued Shares	85,284,223	85,284,223	85,284,223	85,284,223	85,284,223	85,284,223	85,284,223	85,284,223	8,52,84,223	8,52,84,223
Earnings per Share (Rs.)	9.59	6.24	10.98	14.26	10.49	9.07	0.63	3.48	1.57	2.22
No of Shareholders	29,178	26,759	21,824	20,364	20,883	20,590	19,183	19,132	19,537	21,586
No of Employees	722	666	726	797	797	839	832	737	754	735

Note 1: Year 2011 figures are updated as per revised schedule VI requirement where ever necessary

Note 2: Year 2016 figures has been restated due to first time adoption of Ind AS (refer note no 48 of Notes forming part of the financial statements).

Notes.

Notes.

Linde India Limited

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Linde India Limited.

Notice 2017.

Notice.

Notice is hereby given that the Eighty Second 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 Monday, 16 April 2018 at 10.00 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31 December 2017 together with the Reports of the Board of Directors and the Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended 31 December 2017 together with the Report of the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Ms. Desiree Co. Bacher (DIN: 07097389), who retires by rotation and being eligible, offers herself for re-appointment.
4. To ratify the appointment of 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), the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the Statutory Auditors of the Company to hold office from the conclusion of 82nd Annual General Meeting until the conclusion of the 83rd Annual General Meeting of the Company be and is hereby ratified at such remuneration as may be mutually agreed upon between the Auditors 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 resolution:

5. 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 2018 as prescribed under the Companies (Cost Records and Audit) Rules, 2014 be paid a remuneration of Rs. 1,75,000/- (Rupees One Lakh Seventy Five Thousand only) plus applicable 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
12 February 2018

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 Saturday, 14 April 2018.

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, 10 April 2018 to Monday, 16 April 2018 (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 Monday, 09 April 2018 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 Monday, 09 April 2018. The dividend declared at the Annual General Meeting shall be paid on or about Monday, 23 April 2018.

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 2017, 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 2017, 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 Section 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the 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 2010, 31 December 2011, 31 December 2012, 31 December 2013, 31 December 2014, 31 December 2015 and 31 December 2016 are requested to immediately 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 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
Year ended 31 Dec 2016 (62nd Dividend)	25 May 2024

11. Members are requested to note that pursuant to the applicable 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 are required to be transferred to the demat account of the IEPF Authority. In line with the said provisions, during the year 2017, the Company had issued two individual notices dated 1 March 2017 and 3 May 2017 respectively to the concerned shareholders requesting them to claim their unclaimed/unpaid dividend. The Company had also published a notice dated 14 March 2017 in The Financial Express (English)- Kolkata edition and El Samay (Bengali)- Kolkata edition on 16 March 2017 in connection with transfer of such equity shares of the Company to the demat account of the Investor Education and Protection Fund Authority.
12. In compliance with the aforesaid provisions of the IEPF Rules, the Company had submitted the corporate action information form of NSDL to its Registrar and Transfer Agents on 28 November 2017 for transfer/transmission of 2,15,537 shares of the Company to the Demat Account of the IEPF Authority, which were subsequently transferred to the Demat Account of the IEPF Authority on execution of the corporate action by the RTA. The details of shares transferred are as follows:
- | Shares held in | Number of records | Number of shares |
|----------------|-------------------|------------------|
| Physical Form | 1,763 | 2,10,475 |
| NSDL | 35 | 4,548 |
| CDSL | 13 | 514 |
| Total | 1,811 | 2,15,537 |
13. 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.
14. 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.
15. As mentioned in Note 10 above, the unpaid/unclaimed dividend for the year 2010 (56th Dividend) would become due for transfer to IEPF on 9 July 2018. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the IEPF Rules, the transfer of the

56th dividend to IEPF would trigger the action for transfer of the next lot of shares to the Demat Account of the IEPF Authority, in respect of which Dividend remained unpaid/ unclaimed for the last seven consecutive years (i.e. 56th Dividend to 62nd Dividend). In compliance with the IEPF Rules, the Company would accordingly send notices to the concerned shareholders in this regard in due course.

16. With a view to render better investor services to all shareholders, the Company has recently taken initiative for sanitization of shareholders data such as signature, bank details, email id, nomination details, etc. Individual Notices with business reply envelop were sent to shareholders holding shares in physical and demat form, where such information was not available/incomplete with the RTA or the Depositories. The shareholders are requested to proactively avail this facility for updating their important data as this would help them to get electronic remittance of dividend and email communications in future and thus promote green initiative in Corporate Governance.
17. As per the MCA's "Green Initiative in Corporate Governance" your Company endeavors to send copies of Annual Report, Notices, etc. to the registered email id of the shareholder. However, physical copies of the Annual Report and other documents would be additionally provided free of cost on specific request from any shareholder in this regard.
18. 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.
19. 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.
20. 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.
21. Members holding shares in 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., who 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.

22. 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).

23. Members, Proxies and Authorised 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.

24. 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 and also at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10.00 a.m. and 12.00 p.m. upto the date of this Annual General Meeting.

25. 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.

26. A Route map showing directions to reach the venue of the 82nd Annual General Meeting is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meetings".

27. 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 82nd 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 82nd 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:
- 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.
 - Launch internet browser by typing the URL <https://www.evoting.nsdl.com>.
 - Click on "Shareholder-Login".
 - 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.
 - 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.
 - Home page of e-voting opens. Click on "e-voting: Active Voting Cycles".
 - Select "E Voting Event Number (EVEN)" of Linde India Limited for casting your vote.
 - Now you are ready for e-voting as "Cast Vote" page opens.
 - 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.
 - Once you have voted on the resolution, you will not be allowed to modify your vote.
 - 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:
- Initial password is provided on the Attendance Slip for the AGM.
 - 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 09 April 2018, 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 Friday, 13 April 2018 at 9.00 a.m. and ends on Sunday, 15 April 2018 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 Monday, 09 April 2018, 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 cut-off 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. Wednesday, 18 April 2018. The declared results along with the Scrutinizer’s Report will be available on the Company’s website at www.linde.in and on the website of NSDL at www.evoting.nsdl.com and will also be displayed on the Notice Board of the Company at its Registered Office. The results 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.

28. Re-appointment of Directors:

In terms of Section 152 of the Companies Act, 2013, Ms. Desiree Co Bacher, Director of the Company, having DIN: 07097389 retires by rotation at the ensuing 82nd Annual General Meeting and being eligible, offers herself for re-appointment.

Pursuant to Regulation 36 (3) of the SEBI Listing Regulations, following information is being furnished about Ms. Desiree Co Bacher who is proposed to be re-appointed:

Ms Desiree Co Bacher (born 1971) is a Bachelor of Science in Accountancy and is a Certified Public Accountant in the Philippines.

Ms Bacher joined Linde Philippines in August 1999 in the finance function, as the Financial Controller and thereafter moved to various senior management positions in the finance function within the Linde Group and is presently the Head of Finance and Control for South and East Asia and is based at the Group’s Regional Office at Singapore.

Ms Bacher does not hold directorship in any other Company in India. However, her overseas directorships include Linde Gas Asia Pte. Ltd., Linde Bangladesh Ltd., Linde ROC Sdn Bhd, Linde Philippines Inc., Bataan Industrial Gases Inc., Linde Philippines (South) Inc., BOC Gist Inc., CIGC Corporation and Cryo Industrial Gases Inc.

Ms Bacher does not hold any shares in Linde India Ltd.

Ms Bacher is not inter se related with any other director of the Company.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 to the accompanying Notice:

As the business specified in Item No. 5 of the Notice of even date, to which this statement is annexed, is an item of special business to be transacted at the 82nd 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 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 2018.

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.5 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:
Oxygen House
P 43 Taratala Road
Kolkata 700 088
India

Mumbai
12 February 2018

By order of the Board
Linde India Limited



Pawan Marda
Membership No. ACS 8625
Asst. Vice President
& Company Secretary

Route map of 82nd AGM Venue of Linde India Limited.





Linde India Limited.

Business responsibility report 2017.

Business responsibility report 2017

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 2017 – 31 December 2017
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Industrial Activity Code:

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: 47
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. 21,138.73 million

3. Total profit after taxes (INR): Rs.189.38 million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 1.99%
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 2017.

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)
Not Applicable (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 Linde Group has issued several global policies and guidelines applicable to our Company and all business partners. This includes, among others, the Human Rights Statement and the Supplier Code of Conduct 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/Directors 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)

[illegible]

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics and Transparency	Product Responsibility	Well-being of Employees	Responsiveness to Stakeholders	Human Rights	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	Y	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	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	NA	NA	NA	NA	NA	NA	NA	NA
3	The company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 Months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	NA	NA	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 Project Engineering Division, IP for medical oxygen, MCA Guidelines on CSR, Indian Accounting Standards for accounting, etc. The Linde Group in its Corporate Responsibility report for the year 2016 confirms that it supports and complies with The German Corporate Governance Code, 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 and The Responsible Care Global Charter.

Through its product stewardship programme, The Linde Group also supports the Global Product Strategy (GPS) devised by the International Council of Chemical Associations for the safe handling of chemical substances and the United Nations' Globally Harmonised System (GHS) of Classification and Labelling of Chemicals.

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 reviewed annually by the MD/the Board.

- (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 became applicable to Linde India Limited with effect from April 2016 and the BR report for the year 2017 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.

During the year, the Company received two complaints which come within the purview of this principle. One of the complaints was anonymous involving issues relating to ethics and transparency. The same was closed after necessary consequence management action was initiated. The other complaint was also closed after investigation as the allegations were not substantiated resulting in satisfactory closure of 100% of the complaints.

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 Aurangabad 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 2017 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 during the year 2017 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, the total usage of electricity in its operation during the year 2017 has recorded a small increase of 4% as compared to the previous year due to higher plant loading mainly at onsite ASUs at Rourkela and Jamshedpur.

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, price and availability, 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 while selecting vendors.

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?

As an ongoing process, efforts are made by the Company 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.

The Company has set up water recycling and rain water harvesting facilities at a number of its operating plants. Similarly, gas cylinders of the Company are re-used for supply of gases over a life span of many years. The Company endeavours to keep consumption of resources as low as possible to minimise waste. Our common waste products are oil, water chemicals and other waste, which contains metal including condemned cylinders. Oil and water treatment chemicals waste, which cannot be recycled in environmentally sound manner is disposed of through the agencies approved by the Central/ State Pollution Control Board(s). We comply with local regulations for classifying and disposal of waste as hazardous and non-hazardous substances.

Principle 3

1. Please indicate the Total number of employees.

Linde India had 735 employees on its pay rolls as on 31 December 2017.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Linde India had 1,301 temporary/contractual employees as on 31 December 2017.

3. Please indicate the Number of permanent women employees.

Linde India had 36 permanent women employees as on 31 December 2017.

4. Please indicate the Number of permanent employees with disabilities.

Linde India had no permanent employees with disabilities as on 31 December 2017.

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 members of this recognized employee association?

About 6.39%. 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	1	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	14%	80%
2	Permanent women employees	17%	100%
3	Casual/ Temporary/ Contractual Employees	27%	NIL
4	Employees with Disabilities	NA	NA

Principle 4

- Has the company mapped its internal and external stakeholders?

Yes

- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes

- 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. The details of the programmes/ projects undertaken by the Company during the year 2017 are referred to in Annexure 4 to the Directors Report for the year 2017.

Principle 5

- 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 your Company is committed to respect and support the 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 and the Company's Suppliers Code of Conduct sets the minimum requirements on human rights and labour standards to be complied by all suppliers/ Contractors etc.

- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Nil.

Principle 6

- Does the policy related to Principle 6 cover only the company or extend 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 Policy extends to the Joint Ventures and business partners. The Company is committed to work with its business partners including suppliers, contractors, etc. to promote and enforce compliance with this policy.

- 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 and Linde India also addresses issues such as these. The weblink of Linde AG's HSE Policy is given in section D of this report which is adopted by the Company for all the operating sites in India. In line with the strategy of The Linde Group, the Company has taken initiatives to address the relevant environmental issues and as a part of this commitment, all major Air Separation Units operating in India are certified or in the process of certification to ISO 14001 : 2015 or similar standards.

- Does the company identify and assess potential environmental risks? Y/N

Yes. The potential environmental risks are being identified through ASPECT and IMPACT register from each individual site. Evaluation of environmental risk is being done by the ISO certified body in their yearly audit.

- 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 been taking certain initiatives on an ongoing basis towards 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 2017. 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:

- (a) Confederation of Indian Industries (CII)
- (b) Indo-German Chamber of Commerce (IGGC)
- (c) The Bengal Chamber of Commerce and Industry (BCCI)
- (d) Gas Industries Association (GIA).

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 Association 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. During the year 2017, these projects and initiatives fell 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/or 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 Rs.3.77 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. The Company also encourages volunteering of services by employees in the CSR initiatives/ projects taken up by the Company.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

The Company has a Customer Service Centre (CSC) which processes the customer indents, queries and complaints on a toll free number and/or through email. During the year 2017, a total number of 1,266 customer complaints were logged by the CSC, out of which 1,197 complaints were closed within the year 2017. A total number of 69 complaints which worked out to 5.45% of the total complaints were pending at the end of the financial year. Out of these 69 complaints, 67 complaints have been closed in January 2018 within the target resolution date.

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)

Linde India manufactures and supplies various gases such as oxygen, nitrogen, argon and their mixtures in cylinders under the segments of Industrial Products, Special Products and Medical Gases. The product labels comply with the provisions contained in Gas Cylinder Rules, 2016 and The Legal Metrology (Packaged Commodities) Rules, 2011. Additionally, we comply

with Indian Pharmacopia 2014 for medical gases. Besides, pictorial representation of warnings are also included 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?

Linde India believes that a perpetual understanding of voice of customers provides an opportunity for continuous improvement. To ensure that there is a continuous feedback system along with a detailed platform to understand customer's perception, Linde India conducts two kinds of customer feedback survey. The monthly survey allows customers to rate the company on a scale of 1-5 and share their feedback on an IVR system. The annual Customer Satisfaction Survey is conducted in a sample of randomly selected customers. This survey helps the company to understand customer's impression towards product, sales, customer service and safety. The company observes the overall customer satisfaction score trend on month on month and year on year basis. The overall satisfaction score of the annual customer satisfaction survey for 2017 was 8.1 on a scale of 10.

Linde India Limited

CIN: L40200WB1935PLC008184

Oxygen House, P43 Taratala Road, Kolkata 700 088, India

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www.linde.in