

→ Formerly known as BOC India Limited



Linde India Limited.

Notice 2013.

Notice.

Notice is hereby given that the Seventy Eighth Annual General Meeting of the Members of Linde India Limited (Formerly known as BOC India Limited) will be held at the Kala Mandir Auditorium, 48 Shakespeare Sarani, Kolkata 700 017 on Friday, 23 May 2014 at 3.00 p.m. to transact the following business:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31 December 2013, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Binod Patwari, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as an Ordinary Resolution:

“RESOLVED that Messrs B S R & Co. LLP, Chartered Accountants (Firm Regn. No. 101248W), be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by 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.”

As 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 Mr. Moloy Banerjee, who vacates office as Director under Article 92 of the Company’s Articles of Association, and being eligible for appointment, be and is hereby appointed as a Director of the Company.”

6. As an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 269, 309, 198 and other applicable provisions, if any, of the Companies Act, 1956 and/or relevant corresponding provisions of the Companies Act, 2013 as may have come into force, consent of the Company be and is hereby granted to the appointment and the terms and remuneration of Mr. Moloy Banerjee as Managing Director of the Company for a period of three years with effect from 30 July 2013 to 29 July 2016 as set out in the Agreement dated 30 October 2013 entered into between the Company and Mr. Moloy Banerjee, submitted to this Meeting, which Agreement is specifically sanctioned with liberty to the Board of Directors (the Board) to alter and vary the terms and conditions of the said remuneration and/or Agreement in such manner as may be agreed to between the Board and Mr. Moloy Banerjee.”

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF 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.

2. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, 14 May 2014 to Friday, 23 May 2014 (both days inclusive).
3. 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 Register of Members after giving effect to all valid transfer deeds in physical form lodged with the Company on or before 13 May 2014 and in respect of shares held in dematerialised form to the beneficial owners whose names appear in the statements to be furnished by the Depositories for this purpose as at the end of the business hours on 13 May 2014. The dividend declared at the Annual General Meeting shall be paid on or before 30 May 2014.
4. In terms of the amendment to Section 205A and introduction of Section 205C of the Companies Act, 1956 and/or relevant corresponding provisions of the Companies Act, 2013 as may have come into force, 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).

Members who have not encashed their dividend warrants for any one or more of the financial year(s) ended on 31 March 2007, 9 months period ended 31 December 2007, year ended on 31 December 2008, 31 December 2009, 31 December 2010, 31 December 2011 and 31 December 2012 are requested to immediately contact the Company or its Registrar & Transfer Agents, Messrs Link Intime India Pvt. Ltd., 59 C, 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
31 March 2007 (52nd Dividend)	5 September 2014
9 months ended 31 Dec 2007 (53rd Dividend)	4 July 2015
Year ended 31 Dec 2008 (54th Dividend)	3 July 2016
Year ended 31 Dec 2009 (55th Dividend)	30 June 2017
Year ended 31 Dec 2010 (56th Dividend)	9 July 2018
Year ended 31 Dec 2011 (57th Dividend)	23 June 2019
Year Ended 31 Dec 2012 (58th Dividend)	23 June 2020

Members are advised that once the unpaid/unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

5. 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, Messrs Link Intime India Pvt. Ltd., 59 C, 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.
6. 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 dematerialisation of the shares to avail the benefits of demat.
7. Members holding shares in the physical form and desirous of making/changing Nomination in respect of their shareholdings in the Company, as permitted under Section 109A of the Companies Act, 1956 and/or relevant corresponding provisions of the Companies Act, 2013 as may have come into force, are requested to submit the prescribed Form 2B for this purpose to the Company's Registrar & Transfer Agents, Messrs Link Intime India Pvt. Ltd., who will provide the form on request.
8. Members are requested to contact Messrs Link Intime India Pvt. Ltd., 59 C, Chowringhee Road, 3rd Floor, Kolkata – 700 020 (Phone +91 33 2289 0540; Fax +91 33 2289 0539) for reply to their queries/redressal of complaints, if any, or contact Mr. Soubhagya Parida at the Registered Office of the Company.

9. Members are requested to bring their Attendance Slips together with their copies of the Annual Reports to the Meeting.

10.Appointment/Re-appointment of Directors:

Mr. Binod Patwari, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Moloy Banerjee was appointed as an Additional Director and Managing Director of the Company by the Board of Directors in its meeting held on 29 July 2013 and holds office as such till the ensuing Annual General Meeting. It is proposed to appoint him as a Director and Managing Director of the Company at the 78th Annual General Meeting.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, following information is being furnished about the Directors proposed to be appointed/re-appointed:

Mr. Binod Patwari, 42 years old, is a B.Com (Hons.), CFA, MBA (Finance) and a Company Secretary from India. Mr. Patwari joined the Company in the year 1997 in finance function and later moved overseas to various senior positions within the erstwhile BOC group until its merger with Linde AG in the year 2006. Mr. Patwari has approximately 17 years of experience in diverse areas of finance including accounting, treasury, planning and control and is presently Head of Finance and Control – Asia Pacific of The Linde Group.

Mr. Patwari holds nil shares in Linde India Limited. as on 31 December 2013.

Mr. Moloy Banerjee, 47 years old, is a B.Tech in Mechanical Engineering from IIT Kanpur. Mr. Banerjee has over 25 years of experience spread across Project Engineering and Gases business of the Company during which he held various senior positions in the Company. This also includes overseas experience spanning about two years in the Tonnage business in South and East Asia and South Pacific regions of The Linde Group, after which he was appointed as the Deputy Country Head of the Company with effect from 1 January 2013. The Board of Directors' of the Company at its meeting held on 29 July 2013 had appointed Mr. Banerjee as an Additional Director and the Managing Director of the Company with effect from 30 July 2013.

Mr. Moloy Banerjee holds 200 shares in Linde India Limited as on 31 December 2013.

Annexure to the Notice convening the 78th Annual General Meeting to be held on Friday, 23 May 2014.

As the business specified in Item No. 5 & 6 of the Notice of even date, to which this statement is annexed, are items of special business to be transacted at the 78th 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 appointed Mr. Moloy Banerjee as an Additional Director of the Company under Article 92 of the Articles of Association. The Additional Director holds office only until the ensuing Annual General Meeting of the Company and is eligible for re-appointment. In terms of Section 257 of the Companies Act, 1956, the Company has received notice from a shareholder along with requisite deposit signifying his intention to propose Mr. Banerjee as a Director of the Company.

The Board considers that the expertise of Mr. Banerjee should continue to remain available to the Company and therefore, recommends the resolution at item no. 5 for your approval.

Mr. Moloy Banerjee is concerned or interested in the resolution as it relates to his appointment. None of the other Directors and Key Managerial Personnel (KMP) of the Company or their relatives are in any way, concerned or interested in the resolution.

Item No. 6

At the respective meetings of the Remuneration Committee of the Board and the Board of Directors of the Company (the Board) held on 29 July

2013, the Board on the recommendation of the Remuneration Committee, subject to the approval of the Members of the Company, appointed Mr. Moloy Banerjee (Mr. Banerjee) as its Managing Director with effect from 30 July 2013 for a period of three years commencing from 30 July 2013 and ending on 29 July 2016. The terms and conditions of Mr. Banerjee's appointment including his remuneration for the said appointment as approved by the Board have been set out in the Agreement dated 30 October 2013 entered into between the Company and Mr. Banerjee, which are as follows:

1. Mr. Moloy Banerjee (Mr. Banerjee) shall hold office as Managing Director of the Company with effect from 30 July 2013 to 29 July 2016.
2. Basic Salary: Rs. 4,393,300 per annum with authority to the Remuneration Committee and the Board to give increments, which will be merit based and take into account the Company's performance.
3. Mr. Banerjee shall also be entitled to receive during the term of his employment, remuneration/payment as per Short Term Incentive Plan (STIP), Mid Term Incentive Plan (MTIP) and the corporate Long Term Incentive Plan (LTIP) of The Linde Group, to which the Company belongs, as applicable, as may be decided by the Remuneration Committee and the Board from time to time.
4. Perquisites and Allowances: In addition to the Basic Salary and the STIP, MTIP and LTIP as aforesaid, Mr. Banerjee shall also be entitled to the following perquisites and allowances, which shall be evaluated

as per Income Tax Rules, wherever applicable and in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost :

- i) Special Allowance of Rs. 3,770,723 per annum or such amount as may be decided by the Remuneration Committee and the Board from time to time;
 - ii) The Company shall provide rent free residential accommodation to Mr. Banerjee, whether owned/leased/rented by the Company as per rules of the Company and the said accommodation shall be used by him as his residence and also as an office. In case, the Company does not provide any such residential accommodation or Mr. Banerjee does not avail such accommodation, he shall be entitled to be paid a House Rent Allowance as per rules of the Company and as may be decided by the Remuneration Committee and the Board from time to time;
 - iii) Reimbursement of medical expenses incurred by him for self and his family including dependant parent(s) up to a ceiling of Rs. 75,000 per annum or Rs. 225,000 in a block of three years;
 - iv) The Company shall pay necessary premium for maintenance of a Group Health policy or policies for Mr. Banerjee and his family for medical benefits. The Company shall bear the cost of premium of Mr. Banerjee's Personal Accident Insurance as per the Company's scheme and shall also pay premium for maintenance of a Keyman Insurance Policy for Mr. Banerjee under the Keyman Insurance Scheme for Company's executives;
 - v) Leave Travel Concession of Rs. 175,000 per annum for self and family;
 - vi) Provision of one car, which shall be used by Mr. Banerjee for both official and personal purposes and reimbursement of wages of driver up to a maximum limit of Rs.120,000 per annum apart from the driver's overtime wages on Company's business;
 - vii) Telephone facility at the residence of Mr. Banerjee and a cellular phone for his official use. Cost of personal long distance calls made by Mr. Banerjee shall be borne by Mr. Banerjee. Use of telephone at residence (including payment of local calls and long distance official calls) shall not be considered as perquisite;
 - viii) Monthly subscriptions for two clubs but not including admission fee or life membership fee.
5. The Company shall reimburse Mr. Banerjee entertainment expenses actually and properly incurred by him in the course of and for the purpose of the business of the Company.
6. Company's Contribution to Provident, Superannuation and Gratuity Funds as per the rules of the respective Funds to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
7. Gratuity at a rate not exceeding one half month's salary for each completed year of service, subject to the ceiling as prescribed under the Income Tax Act.
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8. Leave according to the rules applicable to the Whole-time Directors of the Company but not more than one month's leave for every eleven months of service.

9. Where in any financial year during the currency of the tenure of the appointment of Mr. Banerjee, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of salary, STIP, MTIP, LTIP, perquisites and allowances, etc. above mentioned to Mr. Banerjee as Minimum Remuneration.

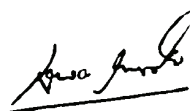
10. The Agreement also sets out the mutual rights and obligations of the Company and Mr. Banerjee and details his powers and duties.

The Company had earlier sent to the Members an Abstract of the terms of the appointment of Mr. Banerjee and Memorandum of Interest under

Section 302 of the Companies Act, 1956. A copy of the Agreement between the Company and Mr. Banerjee is available for inspection by the Members of the Company at its Registered Office from 10.00 a.m. to 12.00 noon on any working day, except Saturdays up to the date of the Annual General Meeting and will also be available at the said meeting.

The Board recommends the resolution at item no. 6 for your approval.

Mr. Moloy Banerjee is concerned or interested in the resolution as it relates to his appointment and remuneration payable to him. None of the other Directors and Key Managerial Personnel (KMP) of the Company or their relatives are in any way, concerned or interested in the resolution.



Pawan Marda
Asst. Vice President
and Company Secretary

Linde India Limited

(Formerly known as BOC India Limited)

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www.linde.in

→ Linde India Limited
(Formerly known as BOC India Limited)

THE LINDE GROUP

Linde

Innovation.

Annual Report 2013.





"The only thing I find comparable to the great satisfaction of a scientific endeavor pursued together with ambitious and productive men is production carried out on one's own and in one's own area of expertise."

Carl von Linde in a letter to Göttingen mathematician Felix Klein, 1895

Innovation.

We live in a constantly evolving world, where each new day brings challenges to overcome and opportunities to excel. At Linde India, we are inspired by the human ingenuity for innovation, ranging from the very big to the very small; and this spirit remains an integral part of our business philosophy since inception.

A touch of innovation is present in all our endeavours from formulating business strategies to improving the subtle nuances of execution to catering to the aspirations of a diverse fraternity of customers or being environmentally responsible.

The culture of innovation binds our tradition and present day, paving the path for sustainable value creation for all stakeholders.

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Story of sustainable growth.

Linde India owes its growth and success to several factors, which have helped it to transform into a leading player for gases and engineering solutions.

Ethics and principles

One of the most valuable strengths is our ethics and principles. We are recognized for our uncompromising ethics, which directly yields results in our conduct – both on and offsite.

Rich legacy

Linde India is a member of the Linde Group; the world's leading gases and engineering company. We have leveraged the Group's industry specific expertise in engineering excellence and gas applications to create a positive impact for our business.

Advanced execution capabilities

Today, we are best-in-class for our operations, which are delivered through over 20 production facilities and filling stations, including one of the largest air separation units in India. Our distribution network is one of the largest with 40 warehouses and depots, 100 dealers and more than 400 dedicated tankers in fleet.

Integrated business model

At Linde India, we provide holistic solutions to businesses for gas supply and related project equipment and services. This integrated approach across the value-chain has enabled us to deliver high quality products and services.

Engineering excellence

We stand for excellence in engineering capabilities supported by our cutting-edge technology. There are several patented products ranging from shielding to precision mixture gases – making us a distinct product and solution provider.

Customer satisfaction

At Linde India, we deliver value to our customers, going beyond mere delivery of product or service. Our National Scheduling Center (NSC) looks after the planning for all bulk customer supplies, while the Centralised Fleet Room (CFR) monitors the driver behaviour. Our multilingual customer service team addresses the queries and complaints of our customers in more than seven languages.

Focused multi-disciplines

Each of the two business divisions at Linde is independent with a focused approach. There are separate multi-disciplinary project engineering and execution team for the engineering division, and dedicated application development team for the gases division.

Benchmarked safety standards

All operations and processes are governed by the Linde Group's Golden Rules of Safety. Most of our sites are accredited with ISO 9001: 2008 and 14001:2004 quality certificates.

Looking back with pride.



2011 Brings on stream its 421 tpd ASU in Kalinganagar, Odisha for Jindal Stainless

Acquisition of assets and CO₂ business of Cryogenic Food Gases in West India

2012 Commissions its 2550 tpd ASU for Tata Steel at Jamshedpur, the largest ASU of Linde India

Commissions its first helium debulking station at Taloja, Maharashtra

West India ASU at Taloja, Maharashtra – largest liquid producing plant of Linde India

Oxygen generator for Owens Corning, Taloja, Maharashtra

2013 BOC India rebrands as Linde India

Acquisition of assets and gases business of Uttam Gases, North India

Commission of 1st LNG feed H₂ SMR in India at Sterlite, Aurangabad

Commissions one of its 2 x 853 tpd ASU for SAIL at Rourkela, Odisha



130+

Years of existence since
starting in late 1870

Linde Group

What started as a refrigeration company, is today the world's largest supplier of industrial and medical gases. Today Linde Group is leading in the gases and engineering sector with presence in more than 100 countries across the globe. The journey of transformation into an international technology group, Linde today is a name synonym with innovation, technology and inventive spirit.

78+

Years of existence since
inception in 1935

Linde India

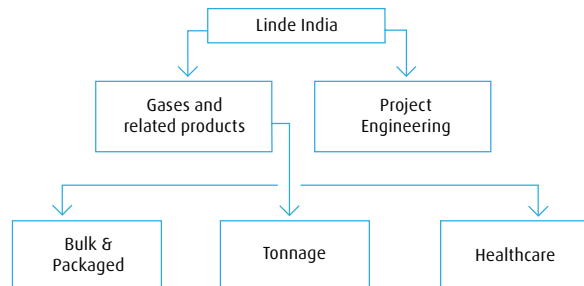
Formerly known as BOC India, Linde India is a part of the Linde Group. We have been successful in partnering to the country's economic and industrial growth, through innovative, reliable and quality service and solutions.

Today Linde India operates across 20 production facilities and offices across India. We have the largest sales and distribution in the industry, supported by dealers and depots, enabling us to reach out to our discerning customers.

Linde India – an overview.

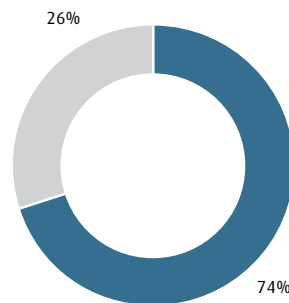
Established in 1935 as Indian Oxygen & Acetylene Company Pvt. Ltd., Linde India is always focused on creating value for customers and strengthening their businesses. Our business portfolio comprises of two divisions, which are integrated to deliver services and products within the scheduled time and as per customer expectations.

Leveraging Linde Group's operational and technological knowledge, coupled with our robust local know-how in gases and engineering and in-depth insight of our customers' businesses, we come up with customized services. This enhances the efficiency and productivity of customers' businesses, while protecting the environment. The best equipment have been deployed at the critical locations and constant supervision is undertaken to maintain the highest safety standards.



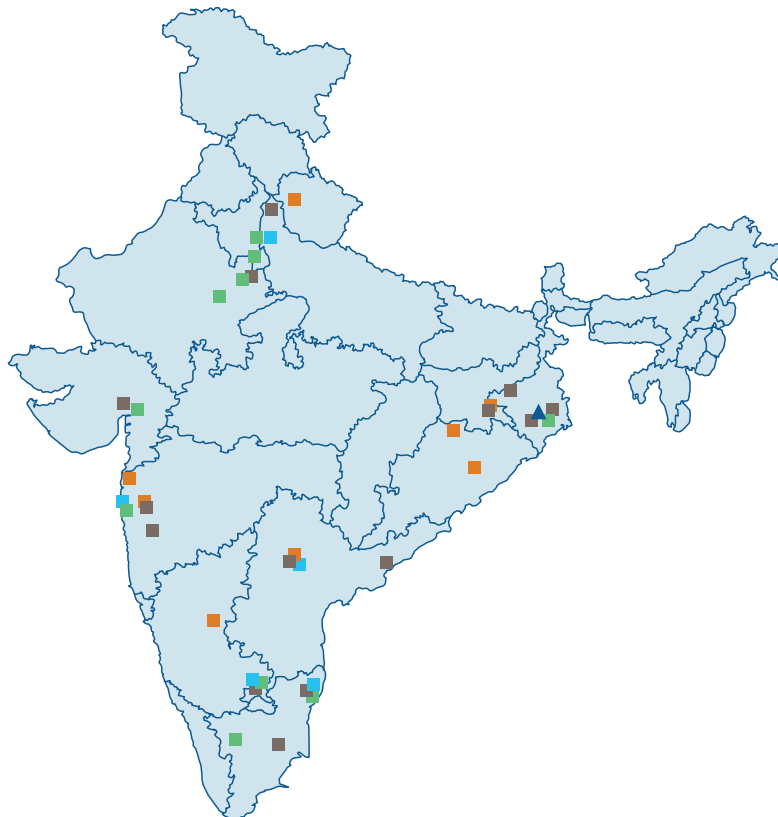
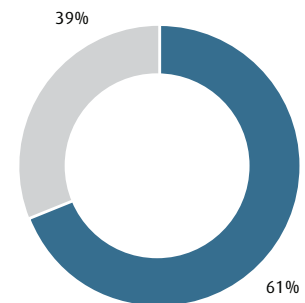
Segment revenue (2013)

■ 1. Gases ■ 2. Engineering



Total segment result (2013)

■ 1. Gases ■ 2. Engineering



Our 20 production facilities, in addition to the largest sales and distribution team, supported through a country-wide warehouse, dealers and depot network, all these enable Linde to reach out to its customers across India efficiently

ASU sites

Jamshedpur, Bellary, Jaipur, Talaja, Selaqui, Hyderabad, Rourkela

PGP sites

Kolkata, Asansol, Jamshedpur, Vizag, Uluberia, Howrah, Hyderabad, Chennai, Trichy, Bangalore, Pune, Talaja, Bhiwadi, Faridabad

Sales offices

Hyderabad, Chennai, Mumbai, Delhi, Bangalore, Bhubaneswar

Warehouses

Kolkata, Chennai, Coimbatore, Bangalore, Bhiwadi, Goregaon, Baroda, Jaipur, Faridabad

Head office

Kolkata



Industry overview

Industrial gases in our country are gaining increasing importance across several sectors. The gases are primarily classified into three main forms of packaging – Onsite (Tonnage), Liquid (Bulk) and Packaged Gases (PGP). Major gas players are now clearly defining their set of products, services and capabilities and classifying them as base and extending offering.

Target markets and outlook

Metal & Glass

The Steel industry is struggling with over-capacity, muted demand, raw material and environmental issues. It is currently growing at 3%; medium term growth is expected to be 6–8%, mainly driven by infrastructure spend. The Indian glass industry is expected to grow at 15% on the backdrop of real estate, auto and infrastructure.

Manufacturing

The manufacturing industry is expected to contribute 25% to the GDP by 2025 (up from current 16%). Growth is expected to come from the Infrastructure sector which is slated for an investment of about USD 1 trillion in the 12th 5-Year Plan (2012–17).

Automotive

The automobile production has almost doubled to 20 million units in the last five years. All international players have set up shops in India through plants or R&D Centres. A major capacity addition for electric vehicles is expected by 2020. Market size is expected to grow to USD 145 billion by 2020 (15% CAGR).

Chemical

Pharma sector is currently a USD 21 billion market size is expected to touch USD 55 billion by 2020. Blockbuster drugs worth ~USD 100 billion are set to go off patent in the next five years in the US driving growth of generics. The

global chemical industry is shifting eastwards with Asia having 45% share and India is positioned to gain increasing share.

Outlook for gases industry

The industrial gases market in the country is expected to grow at a CAGR of 14% by 2018. The start of outsourcing by the refinery sector will expand the market beyond air gases to hydrogen, syngas, liquefied natural gas and carbon dioxide capture.



Gases and related products

We offer a wide range of piped, compressed and liquefied gases as well as chemicals. Our gases cater to the diverse needs of several industries like energy, steel, chemical processing, environment protection and food processing, among others. We have a wide presence in the healthcare sector (with medical gases), and Engineering services are among the leading players in developing environment-friendly hydrogen technologies today.

Our gases are used across following industries: Chemicals, Construction and Infrastructure, Electronics, Food and Beverages, Glass, Laboratories, Leisure and Hospitality, Medical, Metal Fabrication, Pharmaceutical and Biotechnology, Plastics and Rubber, Pulp and Paper, Metals & Steel, Transport.

Products and supplies catering to core industries

Supply			Products*
Industrial gases	Gaseous chemicals	Electronic gases	
<ul style="list-style-type: none"> • Nitrogen • Oxygen • Argon • Hydrogen • Carbon dioxide • Acetylene • Shielding gases 	<ul style="list-style-type: none"> • Sulfur hexafluoride • Hydrogen chloride 	<ul style="list-style-type: none"> • Deposition • Etchant gases • Doping and lithography • Silane • Nitrogen • Hydrogen fluoride • Fluoride • Aqueous and organic materials 	<ul style="list-style-type: none"> • Gas welding and cutting equipment • Manual arc welding equipment and accessories • Tungsten inert gas welding equipment and accessories • Metal inert gas welding equipment, consumables and accessories • Safety products
Specialty gases	Medical gases		
<ul style="list-style-type: none"> • High purity gases • Helium • Gas mixtures • Refrigerant • Rare gases • Vapormate TM • XLTM gases • Calibration gases 	<ul style="list-style-type: none"> • Medical oxygen • Nitrous oxide • ENTONOX • Specialty medical gases • PFT (Pulmonary Function Test) gas mixtures 		

* As the leading supplier of industrial gases and gas mixtures, we combine our own brands with top OEM brands to cater to specific customer requirements.



Bulk & Packaged Gases Product

Today, almost all production processes involve the usage of industrial gases. With the introduction of new environmental norms and information technology, the use of gas-based technology has increased.

In 2013, our industrial gases business revenue increased moderately. The marginal growth was factored on account of no significant greenfield expansions (especially in the automobile segment), inflationary pressures, rising input cost and low demand. The segment's primary target sectors, namely steel, glass, automobile, pharmaceuticals, construction and infrastructure reported less appetite on investments for growth, which resulted in lower demand for gases. Besides, the slowdown in the US and Eurozone slowed down the export sales.

2013 Highlights

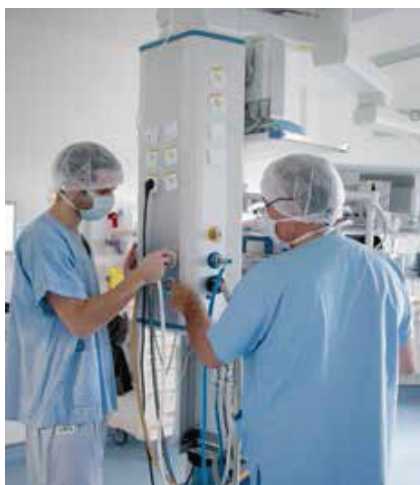
- Sustained market leadership for Argon gas across India
- Continue to pursue opportunities in sectors like steel reheating furnaces, heat treatment, profile cutting and blanket applications for various metals/non-metals
- Awarded the contract for additional reheating furnace at Kalyani Steel and Mahindra Sanyo
- Launched successfully first-of-its kind technology for the cement industry (for Ultratech Cement), using oxy-fuel application for kiln operations

Tonnage and ECOVAR

Tonnage and ECOVAR business segments are the keystone for the integrated business model of Linde Gas as well as for the synergies between Linde Engineering and Linde Gas. These business segments are the growth engine of Linde. They provide the solution of choice for on-site gas supply directly at the customer's site for a broad range of industries that requires continuous supply of high-quality gases such as Nitrogen, Oxygen, Argon and Hydrogen. We continuously develop our plant portfolio to provide competitive products to our customers, maintain trustful long-term relationships with them, apply innovative technology and continuously improve the performance of our assets.

2013 Highlights

- Successful operation of our largest air separation unit in its first year, 2550 tpd Air Separation Unit for Tata Steel Works at Jamshedpur
- Commissioned a Vacuum Pressure Swing Adsorption plant for JK Paper at Rayagada, Odisha
- Completed the performance guarantee test of our 2 x 853 tpd ASUs at SAIL Rourkela Steel Plant



Healthcare (Medical gases)

We, at Linde India, are helping our customers achieve and maintain the highest standards in healthcare. Rising prevalence of chronic diseases has surged the demand for new services for safer patient care. Linde India assists healthcare professionals and academic institutions to optimize patient care and enhance patients' quality of life.

In a challenging healthcare environment, we offer :

Medical gases

(oxygen, nitrous oxide, air, nitrous oxide/oxygen mixtures, medical helium/oxygen mixtures, medical pulmonary testing gases)

Medical Engineering Services

Medical Engineering Services is engaged in designing, supply, installation and commissioning of centralized medical gas pipeline system in hospitals for ensuring safe and uninterrupted supply of medical gases to patients.

2013 Highlights

- Retained large incumbent businesses and tender businesses, while expanding geographies
- Emerged as the largest healthcare business player in North India, post the acquisition of Uttam Air Products and special gases
- Supply to PGIMER (Post Graduate Institute of Medical Education and Research), Chandigarh, largest liquid medical oxygen consumer in India
- Installed a state-of-art medical gas pipeline at Nizam's Institute of Medical Science, Hyderabad and H.N Hospital and Research Centre (Reliance Foundation), Mumbai



Project Engineering

This division is engaged in the business of design, supply, installing and commissioning of plants. Air Separation Plants, Nitrogen Plants, Compressed Air Systems and Gas Distribution systems associated with Industrial Gases. Leverage engineering excellence and Project Management in execution of turnkey projects is the greatest strength of the division.

Linde plants support sectors like:

Steel, Refineries, Petrochemicals, Fertiliser, Pharmaceutical

Linde plant portfolio comprises:

Large Air Separation plants

- Scale plants
- Custom-built air separation units (ASUs)

Packaged plants (ECOVAR)

- Packaged ASUs
- Cryogenic Nitrogen generators
- Custom-built ASUs

Adsorption plants

- VPSA (Vacuum Pressure Swing Adsorption) oxygen plants
- PSA (Pressure Swing Adsorption nitrogen plants)
- PSA hydrogen plants
- Others

Cryogenic equipment

- Flat bottom tanks
- Vacuum insulated tanks
- Ambient Air heated vaporizers
- Steam bath vaporizers

Special projects

- Compressed dry air systems
- Cryogenic storage and distribution systems
- Pressure regulating stations
- Gas storage and distribution systems
- Revamp and upgrade of existing ASUs

Rs. **4,560** million

The division's order book position as on 31 December, 2013

2013 Highlights

- Achieved a revenue of Rs. 3,677 million (through third party projects)
- Installed several Air Separation plants, Nitrogen plants, Pressure Reducing Stations (PRS) and Compressor Air Stations,
- Commissioned following Air Separation plants
 - 2 x 853 tpd Plant at Rourkela
- 64 tpd Plant for Ceylon Oxygen Limited, Colombo
- Engineering & Supply of equipment for a 2000 tpd Plant at Cilegon, Indonesia
- Commissioned Compressed Air System Project for Steel Authority of India Limited (SAIL), Bokaro
- Commissioned Nitrogen Plant Augmentation

- Projects for Hindustan Petroleum Corporation Limited (HPCL), Visakhapatnam and Mumbai
- Completed execution of Nitrogen Plant at Mangalore Refinery and Petrochemicals Limited (MRPL), Mangalore and Bharat Petroleum Corporation Limited (BPCL), Dibrugarh

Message from the Managing Director.



Dear stakeholders,

The global economy once again encountered several challenges during the previous year. The general adverse operating environment was mainly on grounds of high levels of debt (across developed economies), volatility in currency valuations and political unrest. India too continued to struggle amidst the global uncertainties. The country's economy is mired in its sharpest downslide in the last decade on account of several factors.

We at Linde India, acknowledge these short-term uncertainties in the economy, but are equally optimistic about the long-term growth potential of India. Our 'innovation' mantra has accelerated the performance transformation in our business - both through improvement of our processes and by providing novel solutions that create value for our customers.

When 'innovation' is at the heart of the company, amazing things can happen. Today, Linde India is the leading industrial gases company in India. Post the acquisition of The BOC Group by Linde AG (in September 2006), Linde India has been growing strongly, at 25% y-o-y over the last 3-4 years. The Linde Group has committed investments worth Rs. 2,500 crore since 2008 onwards, of which Rs. 2,000 crore is already on the ground.

In the current business environment, process innovation is the need of the hour, and there are numerous examples of how we are pursuing process innovation. For example, consolidation of the back-end processes of Procurement, Customer Service, and HR processes across Linde's businesses in South & East Asia, into the Shared Service Centre in Manila is helping to enhance efficiency, while also ensuring implementation of best operating practices in these functions. Similarly operation of our tonnage air separation plants across India is being progressively managed from the Remote Operating Centre, which allows a central Team of Experts to continuously monitor and improve plant efficiency and reliability.

Innovation is also driving our business model of integrated tonnage and merchant investments. The tonnage business segment is the growth engine for our Gases business and provides the solution of choice for on-site gas supply directly at the customer's site for a range of industries in the metals/oil & gas sectors, that require continuous supply of high-quality gases such as Nitrogen, Oxygen, Argon and Hydrogen.

At Linde, we focus on technology to continuously develop our plant portfolio to provide competitive products to our customers, maintain long-term relationships with customers, and continuously improve the performance of our assets. The Project Engineering Division of Linde India has successfully implemented large Air Separation Unit (ASU) projects in India as well as abroad. PED continues its leadership position in India in EPC business for ASU and gas distribution/storage systems. PED partners with Linde Engineering to provide highly competitive ASUs and Nitrogen Generators for customers in the steel, refinery and chemicals sectors.

We are also investing proactively in new technology in the other segments of our business. We have successfully commissioned 230 bar Compressed Oxygen filling facility at a number of our sites, and will shortly commence supply of 230 bar oxygen cylinders. This will significantly improve our logistic efficiency and reduce handling cost for our customers. We are also

introducing telemetry to monitor gas stock levels at our Customer sites, which enables us to manage inventory levels for our customers and auto schedule the delivery of gases to customer sites. We have also been very successful in introducing innovative applications from the Linde Group's suite of gas application technologies. From a range of shielding gas solutions that help improve the welding process in the auto and general fabrication industry, to Linde's patented REBOX™ technology that helps improve productivity of reheating furnaces, Linde India has received widespread appreciation from our Customers for the value that we have brought into their businesses.

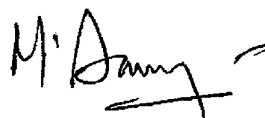
Today, Linde is also the leader in medical gases and therapeutic concepts for innovative patient care through the home care model. In India we are launching the concept of total gas management at hospitals that includes inventory management, maintenance of the gas manifolds & pipelines and associated equipment. We are also working towards introduction of MED-30 standards into our cylinder filling sites.

One of the biggest challenges for Safety is sustaining the improvements achieved in safety standards in our operations and to be able to improve further. Besides the ongoing driver safety and plant operations safety programs, we launch regular initiatives to drive behavioral safety with our employees and contractors. Linde India's safety programs have been appreciated by other companies, industry forums as well as our Customers. However we can never be complacent about safety and this remains a key focus area for all of us.

At Linde, 'innovation' is endless. We pursue innovation not only through technology, but also to provide higher service levels to our Customers. Our relentless pursuit for value added offerings for our Customers is successful only when measured by customer experience. To achieve this, we have set-up dedicated customer engineering service group (to provide technical support around gas handling at customer sites). We also have a 24x7 free customer service centre to respond to customer queries and book orders. Our entire distribution fleet is fitted with on board GPS tracking system that enables us to accurately monitor truck locations across India, from the central fleet control room in Kolkata, and also schedule supplies efficiently.

Our Customers have become even more demanding as they themselves grapple with the tough economic environment, and demand customized solution to suit their specific needs. Gas suppliers have to move from commodity offerings to specific value based offering. We, at Linde India are 'innovatively' positioned to capitalize on this transition.

Warm Regards



Moloy Banerjee
Managing Director

Board of Directors.



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, the Asian joint ventures and the Business Area Electronics (electronic gases).



Jyotin Mehta

Born 1960

Non Executive Independent Director

FCA, FCS and FICWA
Bachelor of Commerce

Presently, the Vice President and Chief Internal Auditor of Voltas Ltd. and also an independent director of Speciality Restaurants Ltd.



Binod Patwari

Born 1971

Non Executive Director

CFA, MBA (Finance) and CS
Bachelor of Commerce

Rich experience in all areas of finance. Worked in various roles in Finance in India, UK, South Pacific and South-East Asia. Presently head of Finance of Asia-Pacific of the Linde Group.



Moloy Banerjee

Born 1966

Managing Director

B. Tech in Mech. Engg. From IIT, Kanpur

Appointed as Managing Director of Linde India Ltd. with effect from 30 July 2013. Has 27 years of rich experience in various roles in Project Engineering and the Gases business of the Company, including two years in Asia Pacific regions of The Linde Group.



Arun Balakrishnan

Born 1950

Non Executive Independent Director

B.E. (Chemical) from College of Engineering, Trichur, Kerala
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. and other companies.



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. during 1996-2003 and then its Non Executive Chairman during 2003-2010. Presently on the Board of Hindustan Unilever Ltd.

(As on 31 December 2013)

Corporate social responsibility.



Linde India is a socially responsible organisation not only in business operations, but in contributing significantly to support varied social causes. The Company is involved with several projects, providing assistance locally through donations and sponsorships, and volunteering in activities involving social causes. At Linde India, our strategy is to focus on sustainable initiatives related to business activities. It takes active participation in supporting education and science projects. In addition, the Company is committed to the best industry standards in Health, Safety and Environment.

Linde India contributed to several social organisations and educational institutions. Some of them are Indian Institute of Cerebral Palsy, a specialist resource centre for cerebral palsy, established in 1974, for the rights of people with disability, particularly cerebral palsy; The Institution of Engineers (India), a

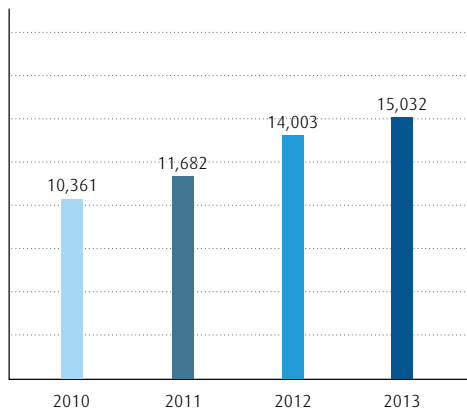
national organisation for engineers in India; and Pan IIT Alumni India (PIAI), an organisation having representatives in India and worldwide from IITs' alumni associations. Linde supported in development of schools for underprivileged children in Jharkhand.

Linde India contributed to the Chief Minister's relief fund for Uttarakhand floods. The state experienced devastating floods and landslides in June 2013 due to a cloudburst, affecting over 100,000 pilgrims and causing widespread property damages. After the 2004 tsunami, this was the worst natural disaster in India.

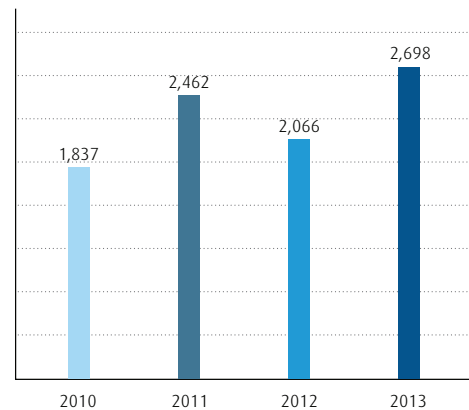
Linde India supported a blood donation camp at its Corporate Office at Taratala, Kolkata. Around 200 employees and associates donated blood voluntarily. The camp was organised by Head Office Unit of Indoxco Club.

Innovation drives long-term performance.

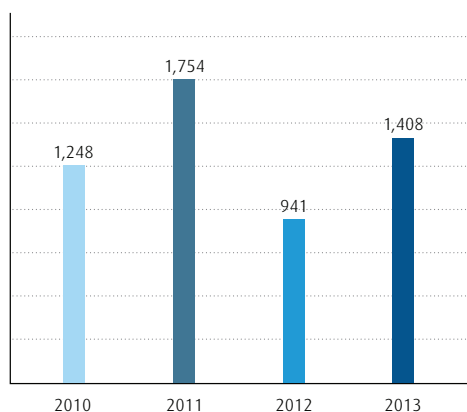
Gross turnover (in Rupees million)



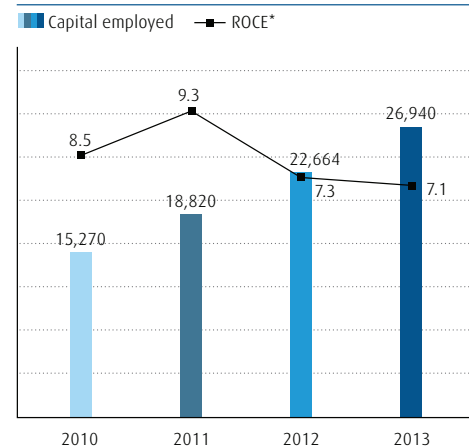
EBITDA before exceptional items (in Rupees million)



EBIT before exceptional items (in Rupees million)



Capital employed vs ROCE (in Rupees million & %)



*Profit for ROCE is post exceptional

Company information.*

Board of Directors

Sanjiv Lamba, Chairman
 Arun Balakrishnan
 Jyotin Mehta
 Aditya Narayan
 Binod Patwari
 Srikumar Menon, Managing Director (*upto 29 July 2013*)
 Moloy Banerjee, Managing Director (*w.e.f 30 July 2013*)

Chief Financial Officer

Milan Sadhukhan

Asst. Vice President & Company Secretary

Pawan Marda

Auditors

B S R & Co. LLP

Solicitors

Khaitan & Co. LLP

Bankers

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

Audit Committee

Jyotin Mehta, Chairman
 Arun Balakrishnan
 Sanjiv Lamba
 Aditya Narayan

Shareholders'/Investors' Grievance Committee

Aditya Narayan, Chairman
 Jyotin Mehta
 Moloy Banerjee

Remuneration Committee

Arun Balakrishnan, Chairman
 Sanjiv Lamba
 Jyotin Mehta

Registered office

Oxygen House
 P43 Taratala Road
 Kolkata – 700 088
 India
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 Fax +91 33 2401 4206
 www.linde.in

*(As on 31 December 2013)

Directors' report and management discussion and analysis.

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 2013:

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

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Revenue from operations	15,294.96	14,113.45
Operating profit after depreciation, impairment and interest, but before exceptional items	663.38	536.38
Exceptional items	502.70	718.62
Profit before tax	1,166.08	1,255.00
Provision for current and deferred tax	(392.80)	(360.20)
Profit after tax	773.28	894.80
Profit brought forward	4,564.78	3,863.40
Profit available for appropriation	5,338.06	4,758.20
Appropriations:		
Proposed dividend @ 15% (Previous year @ 15%) on 85,284,223 equity shares of Rs. 10 each, absorbing	127.93	127.93
Tax on proposed dividend	21.74	20.75
Transfer to general reserve	38.66	44.74
Balance carried forward	5,149.73	4,564.78

Change of name to Linde India Limited

The Members are aware that pursuant to the special resolution passed by them through postal ballot and e-voting on 6 February 2013 and consequent upon the approval of the Central Government, the name of your Company was changed from 'BOC India Limited' to 'Linde India Limited' as per the fresh Certificate of Incorporation issued by the Registrar of Companies, West Bengal with effect from 18 February 2013. Following the aforesaid approval, your Company took necessary actions during the

year for implementing its new name and using the Linde brand across all its businesses, plants and offices as also for communicating with its customers, vendors, various government departments, etc.

Financial performance

Your Company recorded another year of modest performance during 2013 amidst continuing weak economic conditions, inflationary trends, contraction in manufacturing output and resulting sluggish demand faced by most of the end user industry segments throughout the year. Some of the headwinds faced by your Company in the previous year in the form of delay in major projects, rising cost of power and other inputs, etc were felt during 2013 as well. Revenue from operations for the year 2013 at Rs. 15,294.96 showed an increase of about 8% over the previous year. Gases business grew by about 13% driven by growth in large pipeline supply and healthcare business. Full year revenue from 2550 tpd Air Separation Unit (ASU) for Tata Steel at Jamshedpur has been the major contributor to the growth. Healthcare business also recorded good growth due to increase in medical engineering business. Merchant and packaged gases business remained flat on account of subdued customer demand. However, your company's performance showed improvement in specialty gases business on the back of higher sales of special gases including helium. The Project Engineering Division, which had recorded its highest ever turnover of Rs. 3,888.55 million in 2012, achieved total revenues of Rs. 3,676.66 million during the year under review amidst difficult market conditions impacting capex cycle across industry segments. The Division's revenues were impacted on account of lower third party billings as a result of industrial slowdown and delay in large projects in public sector. Against this backdrop, the Division managed to retain and improve on the overall profit margin through project management and efficiency improvement.

The operating profit amounted to Rs. 2,698.31 million as compared to Rs. 2,065.76 million in the previous year recording a growth of about 31%. This includes a profit of Rs. 43 million shown as other income arising from disposal of right to use an apartment at Kolkata. This has become possible due to ramp up of new tonnage plants, optimization of costs and focus on more profitable segments like specialty gases and healthcare business. The profit before exceptional items and tax for the year under review

amounted to Rs. 663.38 million as against Rs. 536.38 million achieved during the previous year recording an increase of about 24%. This increase is despite significantly higher finance cost of Rs. 744.50 million on long term borrowings and working capital demand loans as compared to Rs. 404.17 million in the year 2012 as well as higher depreciation charge of Rs. 1,290.43 million as compared to Rs. 1,125.21 million in the year 2012 on account of capitalization of new plants.

During the year, your Company has also accounted for an income of Rs. 502.70 million arising from disposal of surplus factory land at Ahmedabad, which has been disclosed as an exceptional item for the year 2013 as compared to an exceptional income from land sale of Rs. 718.62 million in the previous year. Net profit after tax for the year stood at Rs. 773.28 million as compared to Rs. 894.80 million in 2012, which is largely due to lower exceptional income recognized in 2013 as compared to 2012.

Dividend

Your directors are pleased to recommend a dividend of 15% (Rs. 1.50 per equity share of Rs. 10 each) for the year 2013 in respect of 85,284,223 equity shares of Rs. 10 each in the Company. The Board has recommended this dividend after careful consideration of the need to balance the expectation of the shareholders and its endeavour to maintain a stable dividend payout on a sustained basis in the years ahead. The dividend together with dividend tax will result in a cash outlay of Rs. 149.67 million. The Board has also recommended a transfer to General Reserve of Rs. 38.66 million (Previous Year Rs. 44.74 million) in compliance with the Companies (Transfer of Profits to Reserves) Rules, 1975.

Industry developments

The gases business is capital intensive by nature as it requires large investments in setting up of air separation units as well new packaged gases sites. The supply chain in the gases business also requires significant investments in the form of distribution assets and storage networks to service bulk volumes as well as in the form of cylinders to service relatively smaller volumes in packaged gases business. The industry comprises of major users in steel, chemicals and refinery sectors and a large number of merchant liquid customers primarily in metal, glass, automobile, petrochemicals and pharmaceutical sectors, besides customers for medical gases. New applications continue to provide growth opportunities. This growth is also supported by the increasing outsourcing

of gases requirement under a 'Build Own Operate' (BOO) type of supply scheme opportunities mainly in steel and refinery sectors.

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 to very large industrial customers (tonnage), liquefied gases in bulk and packaged gases in compressed form for industrial segments. The tonnage customers are supplied gaseous oxygen, nitrogen and argon by pipelines directly from the tonnage plants. Gases in bulk consist of liquid oxygen, nitrogen and argon and packaged gases consist of compressed industrial, electronic and special gases. The strategy of the tonnage and bulk business continues to be building and sustaining market leadership through application led gas sales and enhanced service levels.

The Healthcare business provides high quality gases for pharmaceutical use such as medical oxygen, synthetic air, nitrous oxide in addition to providing state of the art medical gas distribution systems to major hospitals. Your Company also provides total gas management solutions to private hospital chains across the country and has ambitious plans to expand beyond its current footprint in metro cities.

The turnover of your Company's gases business for the year 2013 recorded a growth of about 13% over that achieved in 2012. This growth has been mainly driven by ramping up of production at the new plants viz. the 2550 tpd Air Separation Unit for Tata Steel works at Jamshedpur, merchant Air Separation Unit at Taloja, and a new steam methane reformed hydrogen plant for Sterlite Technologies at Aurangabad, which were commissioned in the previous year. Improved operational efficiencies at the 1800 tpd plant at JSW Steel Works at Bellary also contributed to higher operating profits. While the tonnage business grew at nearly 17%, the revenue from bulk products namely liquid oxygen, nitrogen and argon grew by a modest 7%. The other major driver for increased turnover has been the Healthcare business, which grew nearly 33% over the previous year on the back of higher volumes of liquid and compressed medical oxygen. The Healthcare business also gained from higher revenues generated by the medical engineering services for execution of large medical gas pipeline

projects at super speciality hospitals. Your Company also maintained its focus on total gas management solutions at private hospitals including medical gas pipeline projects. During the year, your Company completed the acquisition of assets and gases business of Uttam Air Products Ltd. and Uttam Special Gases Pvt. Ltd. in Northern India which helped Healthcare business to consolidate its position in these markets.

Demand for industrial gases continued to remain sluggish during the year on account of slowdown in major end user industry segments as well as overall economic downturn in the Country on the back of disappointing GDP growth of about 4.5% during the FY 2012-13. The demand pattern from some of the end user segments continued to make some of our tonnage plants operate at lower than full capacity or in turndown mode at times during the year under review. Our primary markets, viz. steel, glass, automobile, pharmaceuticals, construction and infrastructure did not show signs of any improvement over the previous year. The delay in commissioning of your Company's twin ASUs, which was mainly attributable to the customer, further impacted the gases business during the year. Your Company finally commissioned one of the twin ASUs during December 2013 and subsequently commenced commercial production in January 2014. Your Company has also commissioned a 700 nm³/hour Vacuum Pressure Swing Adsorption Unit at J. K. Paper works.

The year 2013 saw rising input costs especially power and diesel across several states in India. While the power cost increase in West India was about 20%, the steep hike in diesel prices led to increase in distribution costs. Despite competitive pressures, the Gases business took actions to recover increase in cost of inputs, although the sluggish markets made it difficult to fully recover such increased costs, thereby putting margins under pressure. While our major customers in steel sector such as Tata Steel and JSW Steel sustained almost uninterrupted operations albeit at lower capacity, other customers among smaller non integrated steel mills reeled under sluggish demand and input cost pressures. The continuing slowdown in the automobile sector impacted argon sales adversely.

Your Company has made efforts to maximize value by focusing on retail end of packaged gases. During the year, your Company brought a sharp focus on its packaged gases operations by setting up new generation filling sites at Uluberia, Bangalore, Pune, etc. These sites incorporate latest designs and include facilities for debulking of CO₂ and nitrous oxide, 230 bar industrial oxygen filling, bar coding of cylinders, etc.

Despite a challenging business climate in India, your Company's Application Technology based sales organisation was successful in

pursuing Linde's patented technologies and solutions in Indian markets. Increasing number of Linde's patented solutions now have a reference installation in India. A second REBOX[®] installation was commissioned at Kalyani Carpenter Special Steels in Pune. This installation resulted in significant decrease in customer's fuel consumption making their furnace one of the most energy efficient in the country. Other success stories of the Application Technology Sales Organisation include installation of REBOX[®] at Mahindra Sanyo in Khopoli, awarding of contract for installation of its CGM[®] burner technology at Goa Glass Fibre, engagement with several cement producing plants to support an improved production performance in their kilns, applying Linde's HIGHJET[®] solutions in cupola furnaces for mineral wool and foundry iron production. Additionally, Linde India is pursuing gas applications in welding, plastic & rubber, pharmaceuticals, chemicals, water treatment and food & beverage sectors.

Your Company sees several opportunities in the gases business in the medium to long term. Projection of estimated steel demand of 110 million metric tonnes is expected to drive continuous investments for additions to steel making capacity in the country. This presents an opportunity in the tonnage business, as steel is a major driver for demand in this business. Besides, decaptivation and outsourcing of gases demand by refineries may also offer opportunities for the tonnage business by expanding the market for air gases to hydrogen, etc. Your Company's planned diversification in hydrogen, helium and CO₂ businesses is expected to widen its product portfolio in the bulk and packaged gases business.

On the other hand, your Company also sees some risks which are related to increasing power costs in West India and unreliable power supply faced at some of the tonnage plants such as Selaqui and Hyderabad, over capacity in the markets resulting in pricing pressures in the merchant business, project delays, etc. Some of the threats and concerns such as slowdown in the Indian economy are completely external, over which your Company does not have any control.

Project engineering

The Project Engineering segment comprises the business of designing and engineering, supply, installation and commissioning of tonnage Air Separation Units (ASU) of medium to large size, apart from projects relating to setting up of nitrogen plants, hydrogen Pressure Swing Adsorption (PSA) plants, compressed air systems and gas distribution systems. The Project Engineering Division (PED) also manufactures cryogenic vessels for in-house use as well as for sale to third party customers.

The year 2013 was somewhat of a challenging year for the project engineering segment particularly with regard to new project wins due to difficult market conditions prevailing in project business throughout the year. However, despite severe downturn of the economy and sluggish market conditions in the capital goods sector, PED achieved revenue of Rs. 3,676.66 million from third party projects as compared to Rs. 3,888.55 million recorded in 2012. During the year, the Division executed several projects involving air separation plants, nitrogen plants, Pressure Reducing Stations (PRS), Compressor Air Stations in steel industry both in public and private sectors, including in overseas markets. The highlights of the Division's overseas performance was the successful supply of a 2000 tpd ASU to PT Linde Indonesia at Cilegon, Indonesia which was commissioned during the year for supply of gases to POSCO Steel works. This project was the Division's first large export order, which was executed in a seamless manner along with Linde Engineering, Munich. Besides, PED has also commissioned a 64 tpd Air Separation Unit for Ceylon Oxygen Ltd. at Colombo in Sri Lanka.

In the Indian markets, PED commissioned a Compressed Air System Project at SAIL – Bokaro, Nitrogen Plant Augmentation Projects at HPCL, Vizag, HPCL, Mumbai. Other than these projects, the Division has also completed execution of nitrogen plant at MRPL, Mangalore and BPCL, Dibrugarh. Besides, several nitrogen plant projects like ONGC Petro, Dahej and GAIL Pata, etc are at different stages of execution. The Division has thus maintained its leadership in cryogenic nitrogen plants as well as hydrogen PSA plants. Commissioning activities have also started for 600 tpd Air Separation Plant at Bhushan Power and Steel, Rengali, Odisha. Besides, the Division is also constructing 2 x 1250 tpd ASU for NMDC, a 220 tpd oxygen plant for Abul Khair Steel Melting Ltd, Bangladesh, a 1000 tpd ASU for Bhushan Steel at Meramandali in Odisha. The execution of these and several other projects is progressing well.

In addition to the third party projects, PED has had a significant engagement with several large in house projects for the Gases business of your Company. The Division has been engaged in construction of 2 x 853 tpd Air Separation Plants at Rourkela Steel Plant of SAIL. After protracted delays faced in this project, which were largely attributable to the customer, the pre-commissioning of 2 X 853 tpd Air Separation Units at SAIL's Rourkela Steel Plant started towards the end of the year under review and the performance tests were completed for the entire facility as per contractual terms. The first ASU has commenced commercial production in January 2014. PED is currently also executing another large in house project for the Gases Division, viz. 2 x 1000 scale plants at Tata Steel's greenfield site at Kalinanagar in Odisha, which is expected to be completed during the year 2015.

While the Project Engineering Division provides greater focus in execution of in-house ASU projects for the Gases business, it also continues to remain focused to make its business more competitive through several initiatives to increase the indigenous component through use of special machines and with support of skilled team.

The Division's total third party orders in hand stood at Rs. 4,560 million as on 31 December 2013.

Your Company's business faces various risks such as strategic as well as operational risks in both of its segments viz. Gases and Project Engineering, which arises from both internal and external sources. As explained in the report on Corporate Governance, the Company has an adequate risk management system which takes care of identification, assessment and review of risks as well as their mitigation plans put in place by the respective risk owners. The risks which were identified and were being addressed by the Company during the year under review included risks relating to execution model of the Company for tonnage projects, over dependence of business on steel sector, continuing increase in inflation, increase in power costs, delay in customer projects, competitive risks, etc. Since the Project Engineering Division of your Company is engaged in execution of various in house and third party projects, it has an inherent risk of time and cost overruns due to various reasons. Your Board of Directors provides oversight of the risk management process in the Company and reviews the progress of the action plans for each of the identified key risks on a quarterly basis.

Finance

As on 31 December 2013, your Company had three loan facilities by way of External Commercial Borrowing (ECB) aggregating EURO 199.60 million from Linde AG. The first two of these facilities were executed for funding of large air separation units (ASU) viz. 2550 tpd ASU at Tata Steel works at Jamshedpur and 2x853 tpd ASUs for SAIL's Rourkela Steel Plant. The third facility has been availed for financing construction of 2 nos. scale 1000 plants at Tata Steel's new site at Kalinganagar and steam methane reformed hydrogen plant at Asian Peroxide's works at Sullurpet.

Out of the three facilities, two facilities aggregating EURO 122 million are fully drawn down. The third facility is a fixed rate INR facility equivalent to EURO 77.60 million and is partly drawn. During the course of the year, INR equivalent of EURO 43.80 million was drawn down and EURO 12.20 million was repaid leaving a net outstanding position of EURO 147.20 million as at the end of the year. The EURO ECBs are fully hedged both with regard to the principal and interest payments.

During the year, your Company has also negotiated and fully drawn down a two-year floating rate term loan facility of USD 16.80 million equivalent of Rs. 1,000 million from Citibank. This term loan facility was availed for funding ongoing capital expenditure program in the Gases business. This facility is in addition to Rs. 1,000 million term loan executed in 2012. Both the facilities are fully hedged with regard to the principal and interest payments.

During the year, the overall Working Capital Demand Loan (WCDL) reduced from Rs. 1,600 million as on 31 December 2012 to Rs. 1,320 million as on 31 December 2013.

Offer for sale by the promoter group

In order to comply with the minimum and continuous public shareholding requirement in listed companies laid down by the Securities and Exchange Board of India (SEBI), The BOC Group Limited, U.K., a part of The Linde Group, the promoter shareholder of your Company made an offer for sale of 12,345,126 equity shares of Rs. 10 each in the Company through the stock exchange mechanism on 16 May 2013 pursuant to SEBI's circular dated 18 July 2012 (CIR/MRD/DP/18/2012). The Said 'offer for sale' was concluded successfully, as a result of which, the Promoter holding in the Company was reduced from 89.48% to 75% of the total issued and paid up share capital of your Company.

Prescribed particulars

The prescribed particulars required under Section 217(1)(e) and 217(2A) of the Companies Act, 1956, read with the relevant Rules as amended up to date are given by way of Annexure to this Report.

There were 8 employees who were employed throughout the year and were in receipt of remuneration aggregating to Rupees 6 million or more and 2 employees were employed for part of the year and were in receipt of remuneration aggregating to Rupees 0.5 million per month or more during the year ended 31 Dec. 2013. In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed there under as amended, the names and other particulars of employees are set out in the annexure to the Directors' Report. However, in terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report is being sent to all the shareholders of the Company

excluding the said information. The aforesaid statement is available for inspection by shareholders at the Registered Office of the Company during business hours on all 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.

Human resources

People are the most critical and valued resource in The Linde Group and the HR function ensures that all employees are aligned to the organisation's shared values, management principles and a high performance culture. The HR function aims at acquiring the employees best suited to the organization, to nurture them and to build long term careers and thereby loyalty. Your Company's HR function therefore regularly seeks inputs and feedback from employees and has some of the best HR practices in place to become an employer of choice. Linde India maintains a competitive edge by ensuring the right talent for the right job. This is ensured by using multi-pronged selection tools like assessment centres, personality tests and one on one interview. Our recruitment focuses on infusing quality talent aligned to the values of Linde with potential to take the organisation to a higher level of performance.

At Linde India, learning and development is a way of life. During the year under review, your Company introduced the Linde University e-campus in India. This unique online solution helps manage trainings of employees effectively. It will also help us provide just-in-time training through e-learning programs to all our employees. We encourage our employees to hone their skills and help in creating an appropriate environment that is conducive for personal and professional growth. The Company identifies training needs for all its junior and middle level managers from time to time. Our training programmes are a blend of national and international experience. In addition to this, all new employees undergo a structured induction program called 'SAMPARK', where they get opportunity to engage with the senior management team on their respective functions.

Our Emerging Talent Development programme, which was launched in 2012, received special recognition for People Excellence in Linde India. This is a unique two-year development programme for emerging talent, which is aimed to nurture and groom talent in South Asia Cluster through a common talent development programme.

The organisation's rewards philosophy is in line with the best in the market that motivate employees for achieving stretch business performance. Pay-for Performance is supported by various reward schemes, which are in place to motivate and retain skilled employees to achieve business strategy and goals. Your Company has also created digitized and standard process for all Human Resource interfaces with employees to drive process excellence and higher level of employee satisfaction. Various other initiatives like Health Awareness Programs, CSR activities, Team building exercise for employees across locations were carried out during the year. Your company had manpower strength of 839 as on 31 December 2013 and witnessed harmonious industrial relations at all its manufacturing locations and offices in the country.

Corporate Social Responsibility (CSR)

During the year, one of the key CSR activities initiated by your Company involved raising of funds from employees to contribute to the Chief Minister's Relief Fund for helping the victims of devastating floods in Uttarakhand with a matching contribution from Linde India. Besides, your Company helped its Indoxco Club in arranging a voluntary blood donation camp at its Head Office, where nearly 200 employees and contractor workmen donated blood at the camp.

In view of the provisions relating to CSR contained in the new Companies Act, 2013, the Board of Directors of your Company has set up a CSR Committee comprising three directors, viz. Mr. Arun Balakrishnan, a Non Executive Independent Director as its Chairman, Mr. Binod Patwari, a Non Executive Director and Mr. Moloy Banerjee, Managing Director of the Company. The Committee will recommend a CSR policy for the Company to the Board for approval in due course and will oversee and monitor its CSR activities in line with the said policy in compliance with the provisions of the Companies Act, 2013.

Safety, Health, Environment and Quality (SHEQ)

Safety is a top priority for Linde India both in its own business processes and for use of its products by customers. As a member of The Linde Group, your Company is focused on minimizing safety risks and to protect people from any harm or injury.

In order to reinforce on the SHEQ agenda, your Company continues to focus on ensuring compliance with The Linde Group's Golden Rules of Safety, which are a set of 7 mandatory rules framed to manage, mitigate and control high risk jobs at all times. Linde's Golden Rules of Safety comprise incident reporting, driving and vehicles, permit to work, working at height, lifting operations, contractor management and engineering management of change. During the year to bring a sharp focus on the Golden Rules of Safety, your company initiated stand-downs of these rules at its plant sites. The Permit-to-Work stand-downs and Working-at-height stand-downs were held at all sites during the course of 2013. The safety leadership team members of the Company visited the Units and participated in the stand-downs along with the site team of engineers and contractors. However, since your Company continuously needs to reinforce this level of commitment, behavioural safety assumes greater importance. Behavioural Safety is therefore recognized as a key differentiator to help create the right SHEQ culture in the organization. During course of the year, your Company carried out several Site Safe Sustainability reviews and also rolled out programs such as Site Safe & Act Safe for Drivers in several sites where this had not been done earlier.

During 2013, a major emphasis was also given to competency assessment using Linde's Tracess system for engineers and contractors. Competency assessments are distinct from the normal SHEQ training and your Company gives a lot of importance in the assessment of engineers and contractors on critical chapters relating to safety & operations with a view to improve operational and safety effectiveness.

The Linde Group has a global process to evaluate and communicate safety, health, environment and quality incidents worldwide. Transparency in SHEQ reporting and the need to report all accidents and incidents, even the minor ones are part of the Linde Safety culture. Near misses from which the Group can learn lessons for future are also recorded this way.

Your Company has a large dedicated transport fleet of over 400 transport tankers, delivery vehicles, etc which travel in various parts of the country to deliver products to the customers, thereby covering over 20 million kms in a year. Given the challenging external environment in which we operate in India, transport safety has always been a focus area for continuous monitoring and improvement. Your Company's project STEER (Safe Transport Execution Engagement Responsibility) dealing with engagement with drivers has been launched at all locations. Passenger car safety also remains another focus area in the Company. In passenger

cars, defensive driver training has been achieved for over 99% of the drivers and driver observation was done for nearly 93% of the personnel.

Your Company has also pushed ahead with Major Hazards Review Programme (MHRP). Your Company uses this programme to measure risks and hazards on a uniform basis for all locations where hazardous materials are used or stored and to establish control measures to minimize these risks as much as possible.

As reported in earlier years, your Company has set up water recycling and rain harvesting facilities at many of its tonnage plant sites. As an integral part of its initiatives to protect the environment, your Company monitors waste generation, emission of green house gases, effluents, quality of air, etc at the plant sites. Most of our key ASU sites have already been covered under ISO 14001:2004 accreditation while the other sites are in the process of acquiring the certification.

Your Company provides life saving gases for the hospitals and therefore needs to deliver the highest quality, consistently and at all times. As a result, the Company adheres to stringent quality standards at all its sites, most of which have been certified in accordance with the international quality management standard ISO 9001.

Security arrangements at the plant sites and offices have been reviewed to make them more effective and alert against all possible threats with a view to make our plants and work places safer.

Outlook

The global economic landscape faced challenges during 2013. While Europe continued to witness recessionary trends, the US economy has shown initial signs of expansion and recovery. The manufacturing growth in China was slower than expected. During 2014, the Euro economies are expected to turn the corner from recession to recovery. Growth is also expected to strengthen in advanced economies though the recovery is expected to be uneven. Against this backdrop, the Indian economy suffered the consequences of high fiscal and current account deficit during 2013, inflationary trends in food and industrial inputs, contraction of demand, falling rupee, deepening growth concerns and weak policy action from the Government. As a result, slowdown hit almost all sectors of the Indian economy with the GDP growth rate falling to a decade low

level of around 4.5%. The inflation has shown signs of some improvement following reasonably good monsoon during 2013. The hope of a stable government at the centre after the upcoming general elections in India is expected to speed up policy reforms and improve the investment climate and business sentiment.

The country is slated to become the second-largest steel producer by 2015 as large public and private sector players strengthen steel production capacity in view of rising demand. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors. Notwithstanding this, the steel majors in India, both in public and private sector are in advanced stages of adding new capacities. The demand landscape for steel is expected to change in the medium to long term as the new Government is expected to increase spend on the infrastructure sector. Besides, outsourcing by the refinery sector is expected to expand the market beyond air gases to hydrogen, syngas, liquefied natural gas and carbon dioxide capture. Industry specific solution with focus on newer segments like pharma, fine chemicals, heat treatment, food & beverage, cement, etc. also open new window of opportunity. Linde is positioning itself in a unique position to provide solutions to these industries and to grow its tonnage business in a profitable manner.

The presence of a large middle class population, along with increase in its per capita income on the back of sustained economic growth in the years ahead is expected to provide enough of a demand stimulus to ensure continued economic growth for India. Since long term macro economic fundamentals for the Indian economy remain good, your Board looks to the future with optimism.

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. The Company reviews its policies, guidelines and procedures of internal control on an ongoing basis in view of the ever changing business environment.

Your Company's statutory auditors have, in their report, confirmed the adequacy of the internal control procedures.

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 endeavor 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 ongoing process. Your Company's Board will therefore closely follow future developments in the governance norms and will take lead in ensuring compliance with the same. A separate report on Corporate Governance along with the certificate of the Auditors, B S R & Co. LLP, confirming compliance of the conditions of corporate governance, as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed.

Responsibility statement

As required by Section 217(2AA) of the Companies Act, 1956, the Directors state and confirm:

That in preparation of the annual accounts for the year ended 31 December 2013, applicable accounting standards had been followed along with proper explanations relating to material departures, if any.

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.

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.

That they had prepared the aforesaid annual accounts on a going concern basis.

Directors

Mr. Srikumar Menon stepped down as the Managing Director of the Company at the Board Meeting held on 29 July 2013 with effect from close of business hours on that date. Mr. Menon was first inducted in the Board as the Finance Director of the Company in November 2001 and later appointed by the Board of Directors as the Managing Director of the Company in October 2008. During his long tenure on the Board, Mr. Menon rendered valuable services to the Company and provided visible leadership to the growth agenda of the Company as its Managing Director. Your Directors therefore, place on record their sincere appreciation of the valuable contribution made by Mr. Menon to the Company during his tenure on the Board.

Consequently, Mr. Moloy Banerjee, the Deputy Country Head of the Company was appointed as an Additional Director and Managing Director of the Company with effect from 30 July 2013. Mr. Banerjee vacates office as per Article 92 of the Articles of Association of the Company at the ensuing Annual General Meeting and it is proposed to appoint him as a Director and the Managing Director of the Company at the ensuing Annual General Meeting. Necessary resolution for appointment of Mr. Moloy Banerjee as Director and Managing Director of the Company is included in the Notice calling the Annual General Meeting.

Mr. Binod Patwari retires by way of rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Necessary resolution for reappointment of Mr. Patwari as a Director of the Company is included in the Notice of the ensuing Annual General Meeting. The Board recommends the aforesaid resolutions for your approval.

Cost audit

The Central Government's directions vide their Order dated 10 August 2000 pursuant to Section 233B of the Companies Act, 1956, requires audit of the cost accounting records of the Company relating to Industrial Gases, for every financial year. Messrs Rammani Sarkar & Co., a firm of Cost Accountants in Kolkata conducted this audit for the Company's financial year ended 31 December 2012 and submitted their report to the Central Government on 27 June 2013. The Company had received the approval of the Ministry of Corporate Affairs in the Central Government for appointment of M/s. Rammani Sarkar & Co. as Cost Auditors for auditing the cost accounts relating to industrial gases as well as Project Engineering Division for the financial year ended 31 December 2013. The Cost Auditor would take up the audit as soon as possible and would submit its report for the year 2013 within the due date. It is proposed to appoint M/s. Bandyopadhyaya Bhaumik & Co., a firm of Cost Accountants as the Cost Auditor for the year ending 31 December 2014 and necessary application for their appointment would be filed by the Company with the Ministry of Corporate Affairs in due course.

Auditors

The Statutory Auditors of the Company have informed that BSR & Co., Chartered Accountants, a partnership firm registered under the Partnership Act, 1932 had been converted to a Limited Liability Partnership with the name "B S R & Co. LLP" with effect from 14 October 2013. Messrs B S R & Co. LLP, Chartered Accountants, Statutory Auditors of the Company retire and being eligible, offer them for re-appointment. The Company has obtained a written consent from Messrs B S R & Co. LLP to the effect that their re-appointment if made, will be within the limits specified under Section 224 (1B) of the Companies Act, 1956.

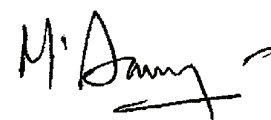
Disclaimer

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



M Banerjee
Managing Director

Annexure to Directors' Report.

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 ('THE RULES') AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

- i) Ongoing energy conservation measures such as maintaining power factor near unity and demand management were undertaken at most of the sites.
- ii) Interconnection of wet air lines between tonnage plants in Jamshedpur leading to improvement in plant reliability. This has also improved overall plant efficiency and optimised power consumption at the plants.
- iii) Major overhaul of the 1800 tpd ASU at Bellary resulting in savings in consumption of power.
- iv) Optimisation of plant running modes and higher loading in Talaja, Selaqui and Jamshedpur (2550 tpd) Air Separation Units resulting in improvement in energy consumption.
- v) Best operating practices are being followed for optimization of plant operation. Condition based monitoring of critical equipment is being done and actions as required are being taken to improve plant reliability and reduce overall cost of production.
- vi) Implementation of Advance Control Systems for plant operations done in the new Air Separation Plants, which has resulted in reduction of power consumption.

b) Additional investments and proposals:

- i) Major investment planned towards turnaround maintenance of 1290 tpd plant at Jamshedpur for improving efficiency of plant operations.
- ii) Major investment planned for new 33kV power line from a new substation in Jhajara for 221 tpd ASU at Selaqui for continuous availability of good quality power.

c) Impact of above measures on energy consumption and cost of production :

The above measures will have a positive impact on the electrical power usage and will lead to significant reduction in specific power usage per unit of output.

d) Energy conservation in respect of specified industries:

Not applicable

B. TECHNOLOGY ABSORPTION

e) As per Form-B of the Rules

I. Research & Development (R&D)

1. Areas in which R&D carried out:

- i) Widening application of shielding gases for fusion welding and allied processes specific to customer requirement.
- ii) Testing and certification of Linde registered shielding gases for specific markets.

2. Benefits:

- i) Improved quality

3. Future plan of action:

- i) Continue to explore new applications of shielding gases to meet specific need of the market and roll out similar facilities across multiple packaged gases sites.
- ii) As a member of The Linde Group, the Company has access to various Research & Development carried out by the Group globally. In view of this, the R&D activities of the Company are restricted to specific local requirements.

4. Expenditure on R&D:

a) Capital	Rs. Nil
b) Recurring	Rs. 1.46 million
c) Total	Rs. 1.46 million
d) Total R&D expenditure as a percentage of total turnover	0.01%

II. Technology absorption, adaptation and innovation

1. Efforts made :

1. Commissioning of (NG) new generation state of the art packaged gases sites at Uluberia and Kalinganagar as per Linde's engineering standards for improving safety and productivity.
2. "Project Condor plus" for oxygen filling implemented at all existing sites for improved safety.
3. Commissioning of 230 bar oxygen filling facility at Bangalore, Pune and Kalinganagar packaged gases plants.
4. Individual bar coding and cylinder tracking solution has been implemented at all packaged gases plants.

2. Benefits derived :

1. Improved productivity and safety in compressed gases business.
2. Improved safety standards in operations.

3. Technology Imported:

Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

f) Activities relating to exports, initiatives taken to increase exports, etc and export plans:

The Company's export activities during the year were mainly on account of revenues from export orders executed by the Project Engineering Division. The export revenues are largely towards sale of oxygen plants by the Project Engineering Division to Indonesia, Bangladesh and Sri Lanka. Besides, Gases Division also exported liquid oxygen, argon, nitrogen and nitrous oxide to Bangladesh, Dubai and Malaysia. The Company will continue to explore business opportunities in the Project Engineering business as well as for export of ASU gases to neighboring countries, especially Bangladesh in short to medium term.

g) Total foreign exchange used and earned:

Total Foreign exchange used during the year was Rs. 1,715.93 million and total foreign exchange earned during the year was Rs. 864.35 million, which included Rs. 771.14 million from exports.

Corporate governance.

Report on corporate governance.

In accordance with Clause 49 of the Listing Agreement entered into with the Stock Exchanges in India, the details of compliance by the Company with the norms on Corporate Governance are as under:

Company's philosophy on corporate governance

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

Board of Directors (Board)

Composition of the Board as on 31 December 2013

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 2013, the Board of the Company comprised of 6 Directors, detail whereof is given below:

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

The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Board meetings

During the year ended 31 December 2013, four Board meetings were held on 4 February 2013, 27 April 2013, 29 July 2013 and 31 October 2013. The gap between any two consecutive meetings did not exceed four months.

Board agenda

The meetings of the Board are governed by a structured agenda. 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 statute and as per the guidelines on Corporate Governance are placed before and reviewed by the Board from time to time.

Attendance of Directors at the Board Meetings of the Company held during the year ended 31 December 2013 and the last Annual General Meeting (AGM), Number of Other Directorship(s) and Other Board Committee Membership(s) held as on 31 December 2013

Name of the Director	Category of Directorship	No. of Board meetings attended	Attendance at the last AGM	No. of other directorship(s) (*)	Other Board Committee membership(s)/ chairmanship(s) (**)
Mr. S Lamba (***)	(Chairman) Non-Executive Director	4	Yes	-	-
Mr. A Balakrishnan	Non-Executive Independent Director	4	No	9	8 [including 2 as Chairman]
Mr. J Mehta	Non-Executive Independent Director	4	Yes	1	1
Mr. S Menon(****)	(Managing Director) Executive Director	3	Yes	N.A.	N.A.
Mr. B Patwari(***)	Non-Executive Director	3	Yes	-	-
Mr. A Narayan	Non-Executive Independent Director	4	Yes	1	1 [as Chairman]
Mr. M Banerjee(*****)	(Managing Director) Executive Director	1	N.A.	-	-

(*) Excludes directorships in Indian private limited companies, foreign companies, companies under Section 25 of the Companies Act, 1956 and Alternate Directorships.

(**) Represents memberships of Audit Committee and Shareholders' / Investors' Grievance Committee.

(***) Director representing The Linde Group.

(****) Mr. S Menon resigned as the Managing Director of the Company with effect from the close of business hours on 29 July 2013 and ceased to be a Director with effect from that date.

(*****) Mr. M Banerjee was appointed as an Additional Director and Managing Director of the Company with effect from 30 July 2013 at the Board Meeting held on 29 July 2013.

Code of conduct

As a member of The Linde Group, the Company had earlier 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. A brief Code of Conduct was also adopted by the Board of Directors as the Code applicable to the Non Executive Directors of the Company. The aforesaid Codes are available on the Company's website. All Directors and senior management personnel of the Company as on 31 December 2013 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 Company has a Code of Conduct for prevention of insider trading in its shares which applies to all its Directors and designated employees.

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. The senior management team of the Company has been reviewing its risks periodically and the last risk workshop was

held on 23 July 2012. The management team deliberated on all identified fresh risks at the said 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 were put in place in respect of them. The Company's executive management has since implemented a system for identification, assessment, mitigation and review of new risks on an ongoing basis. The Board provides oversight of the risk management process followed by the Company and reviews the progress of the action plan for each risk on quarterly basis.

CEO/CFO certification

The Managing Director (CEO) and the Head – Finance & Control (CFO) of the Company have certified to the Board that all the requirements of Clause 49 (V) of the Listing Agreement, inter alia, dealing with the review of financial statements and cash flow statement for the year ended 31 December 2013, 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 2013, the Company had three committees of the Board of Directors – Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievance 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 and composition of Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievance Committee including the number of meetings held during the year ended 31 December 2013 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 includes the powers as laid out in Clause 49 (II) (C) and role as stipulated in Clause 49 (II) (D) of the Listing Agreement with the Stock Exchanges. The Audit Committee also reviews information as per the requirement of Clause 49 (II) (E) of the Listing Agreement.

The Audit Committee also complies with the relevant provisions of the Companies Act, 1956.

Terms of reference

The brief description of the terms of reference of the Audit Committee in line with the Clause 49 (II) (D) of the Listing Agreement is:

- 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 Listing Agreement 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.
- And, generally all items listed in Clause 49(II)(D) of the Listing Agreement.

As stipulated in Clause 49 (II) (E) of the Listing Agreement, the Audit Committee also reviews management discussion and analysis of financial performance, related party transactions, Internal Audit reports relating to internal control and appointment 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 is in accordance with the requirement of Clause 49 (II) (A) of the Listing Agreement. As on 31 December 2013, the Committee comprised of four Non-Executive Directors, three of whom, including the Chairman of the Committee were Independent Directors. Mr. J Mehta (Chairman of the Committee), Mr. S Lamba, Mr. A Balakrishnan and Mr. A Narayan were the Members of the Committee as on 31 December 2013. As per the requirement of Clause 49 of the Listing Agreement, 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 previous Annual General Meeting held on 17 May 2013.

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

Meetings and attendance during the year

Four meetings of the Audit Committee were held during the year ended 31 December 2013. The meetings were held on 4 February 2013, 27 April 2013, 29 July 2013 and 31 October 2013. The gap between any two consecutive meetings did not exceed four months. 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	4	4
Mr. S Lamba	4	4
Mr. J Mehta	4	4
Mr. A Narayan	4	4

Remuneration committee

The Remuneration Committee of the Board was constituted in the financial year 2002-03. The Committee is responsible for recommending to the Board the remuneration package of Managing/Wholtime Directors including their annual increments, variable compensation pay under The Linde Group's Short Term, Mid Term and Long term Incentive Plan etc. after reviewing their performance.

Composition

As on 31 December 2013, the Committee comprised of three Non-Executive Directors, two of whom including the Chairman of the Committee were Independent Directors. Mr. A Balakrishnan, a Non-Executive Independent Director (Chairman of the Committee), Mr. J Mehta, a Non-Executive Independent Director and Mr. S Lamba, a Director representing The Linde Group were the Members of the Committee as on 31 December 2013.

Attendance

During the year ended 31 December 2013, two meetings of the Committee were held on 27 April 2013 and 29 July 2013. 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	2	2
Mr. S Lamba	2	2
Mr. J Mehta	2	2

Remuneration policy

Payment of remuneration to the Executive/Wholtime Directors is governed by the terms and conditions of their appointment as recommended by the 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 Linde Group's Short Term, Mid Term and Long term Incentive Plan and contribution to provident, superannuation and gratuity funds.

The Non-Executive Directors, other than the Directors representing The Linde Group are paid a sum of Rs. 15,000 as sitting fees for attending each meeting of the Board and Audit Committee and a sum of Rs. 8,000 as sitting fees for attending other Committee meetings of the Board. 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 Directors

Details of remuneration to Executive/Wholetime Directors during the year ended 31 December 2013 are given below:

in Rupees

Name of the Director	Salary and Allowances	Variable Compensation Pay	Contribution to Provident and other Funds	Perquisites/Other Benefits	Total
Mr. S Menon, Managing Director (up to 29 July 2013)	4,991,319	15,970,782	980,092	852,858	22,795,051
Mr. M Banerjee, Managing Director (w.e.f. 30 July 2013)	3,751,112	1,097,281	583,309	504,594	5,936,296

The Agreement entered into with Mr. Moloy Banerjee is for a period of 3 years from the date of his appointment i.e. 30 July 2013 and can be terminated by either party by giving not less than six months notice in writing. The Agreement does not provide for payment of any severance fees. Presently, the Company does not have a scheme for grant of stock options to its employees.

of 1% of net profits of the Company for the year ended 31 December 2013 as computed under applicable provisions of the Companies Act, 1956. 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.

Details of remuneration to Non-Executive Directors

Details of remuneration to the Non-Executive Directors during the year ended 31 December 2013 are given below:

in Rupees

Name of the Director	Sitting Fees*	Commission**
Mr. A Balakrishnan	136,000	600,000
Mr. J Mehta	144,000	800,000
Mr. A Narayan	128,000	600,000
Total	408,000	2,000,000

* Exclusive of Service Tax.

**Payable to Directors after approval of the audited accounts for the year 2013 at the AGM.

Other than the above, the Non-Executive Directors do not have any other 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 2013 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.

In accordance with the approval of the Shareholders in the Annual General Meeting held on 17 May 2012, 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

Shareholders'/Investors' Grievance Committee

The Committee oversees redressal of complaints and grievances of the shareholders/investors and quarterly reports on reconciliation of share capital audit as well as compliance with other related guidelines of Securities and Exchange Board of India.

Composition

As on 31 December 2013, the Shareholders'/Investors' Grievance Committee comprised of three Directors – two Non-Executive Independent Directors viz. Mr. J Mehta and Mr. A Narayan (Chairman of the Committee) and Mr. M Banerjee, Managing Director of the Company. During the year, Mr. Srikumar Menon ceased to be a Member of the Committee with effect from close of business hours on 29 July 2013 consequent upon his resignation as the Managing Director of the Company. With effect from 30 July 2013, Mr. Moloy Banerjee, the present Managing Director of the Company was inducted by the Board as a Member of the Committee.

The Company Secretary acts as the Secretary to the Committee.

During the year ended 31 December 2013, the Committee met once on 31 October 2013. 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. M Banerjee*	1	1
Mr. J Mehta	1	1
Mr. A Narayan	1	1
Mr. S Menon**	-	N.A.

* Inducted as a Member of the Committee w.e.f. 30 July 2013.

** ceased to be a Director and Member of the Committee w.e.f. 29 July 2013.

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 an interval of about 10 days to dispose

of all matters relating to share transfers, transmission, issue of duplicate share certificates, etc with a view to meet the time line for registering the transfer/transmission etc of equity shares within 15 days as stipulated in the Listing Agreement.

Compliance officer

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

Shareholders' complaints

During the year ended 31 December 2013, the Company received 24 complaints from the shareholders/investors. As on 31 December 2013, no shareholder/investor complaint was pending. It is the endeavour of the Company to attend to all such complaints and other correspondence within a period of 15 days except where constrained by disputes or legal impediments.

Pending share transfers & dematerialisation requests

The Company's shares are required to be compulsorily traded in electronic form and as such the Company receives few transfers in physical form. During the year ended 31 December 2013, the Company processed 6,471 shares for transfer. As on 31 December 2013, one request for transfer of 4 shares received in the last week of December 2013 was pending, which was processed on 6 January 2014. A total of 2 dematerialisation requests covering 633 equity shares received in the last week of December 2013 were pending as on 31 December 2013, which have been processed/confirmed on 3 January 2014.

General body meetings

A) Location and time for last three Annual General Meetings (AGM):

Financial Year	Date of AGM	Venue	Time	No. of Special Resolution(s) passed
Year ended 31 December 2012	17 May 2013	Kala Mandir, Kolkata	3.00 p.m.	None
Year ended 31 December 2011	17 May 2012	Kala Mandir, Kolkata	3.00 p.m.	1
Year ended 31 December 2010	2 June 2011	Kala Mandir, Kolkata	10.00 a.m.	None

B) Special Resolutions passed in the previous three AGMs:

At the 76th Annual General Meeting of the Company held on 17 May 2012, a Special Resolution was passed for payment of commission to the Directors of the Company (other than a Managing Director, a Wholtime Director, a Director not resident in India and an Alternate Director).

C) Postal Ballot:

During the year 2013, one special resolution for change of name of the Company from "BOC India Limited" to "Linde India Limited" was passed through Postal Ballot. Mr. Trivikram Khaitan, Advocate of Khaitan & Co. LLP was appointed as the Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner in compliance with the applicable laws and regulations. A total of 569 Postal Ballots and 38 e-voting confirmations (as per NSDL report) were received from the Members of the Company, of which 7 Postal Ballots and 1 e-voting confirmation respectively were rejected and considered invalid. The details of the result of the said Postal Ballot including the voting pattern were as follows:

Particulars	No. of Postal Ballot Forms & E-Voting confirmations received	No. of votes cast	% of votes cast	% of Paid up capital
Assent	558	76,593,274	99.98%	89.81%
Dissent	41	11,898	0.02%	0.01%
Total	599	76,605,172	100.00%	89.82%

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

D) Appointment/Re-appointment of Directors:

Information about Directors proposed to be appointed/re-appointed as required under Clause 49(IV)(G) of the Listing Agreement with the Stock Exchanges is furnished under Note 10 of the Notice of the ensuing Annual General Meeting.

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 interest 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 financial statements for the year ended 31 December 2013 may be referred. All related party transactions are in the ordinary course of business and are at arm's length.

- **Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange 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 any regulatory authority on any matter related to capital markets during the last three years.

- **Material non-listed subsidiary companies as defined in Clause 49 of the Listing Agreement with Stock Exchanges :**

None.

- **Inter-se relationships between Directors of the Company :**

None.

- **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 personnel has been denied access to the Audit Committee.

Non mandatory requirements

The Company complies with the following non-mandatory requirements:

Remuneration committee

The Company has a Remuneration Committee of the Board. The details of the Remuneration Committee have been covered elsewhere in the report.

Audit qualifications

There are no qualifications in the Auditor's Report to the Members on the financial statements for the year ended 31 December 2013.

Training of Board Members

Presentations are made by the Managing Director giving an overview of Company's operations to familiarize the new Non-Executive Directors with the operations and business model of the Company. The Non-Executive Directors are also apprised of industry developments and new initiatives, risk framework and management strategy of the Company from time to time as well as important changes in applicable legislation, enactment, guidelines, accounting standards, etc. to enable them to take informed decisions.

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 sends Annual Reports and other documents such as notices/ other communications in electronic mode to those shareholders, who have given their consent in this regard and registered their e-mail addresses with the Company or its RTA as per the green initiative of the Ministry of Corporate Affairs. The complete Annual Report and other communications in physical form is sent to all other shareholders of the Company.

Other non mandatory requirements

The Company would implement other non-mandatory requirements in due course as and when required and/or deemed necessary by the Board.

Means of communication

- The unaudited quarterly financial results in respect of the first three quarters of the financial year were approved, taken on record and submitted to the Stock Exchanges along with "review report" within forty five days of the close of the relevant quarter. Audited financial results in respect of the last quarter were submitted to the Stock Exchanges 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 upto the end of the third quarter were only reviewed and not subjected to audit. Such results were thereafter sent to the Stock Exchanges in the proforma prescribed under the Listing Agreement and also published in prominent business dailies in English and a regional newspaper published in Bengali.

- The Company also issues official press releases to the print media. The News and Media section in the Company's website includes all major press releases made by the Company.
- Consequent upon the change of name of the Company to Linde India Limited, the website address of the Company has been changed from www.boc-india.com to www.linde.in. The new website displays information about the Company, extracts of the last three audited Balance Sheets and Profit & Loss Accounts, quarterly and annual audited financial results, distribution of shareholding at the end of the each quarter, official press releases etc. which are regularly updated.
- Management Discussion and Analysis is a part of the Directors' Report.
- All price sensitive information and matters which are material and relevant to shareholders are intimated to all the Stock Exchanges where the securities of the Company are listed.
- The Company has made presentation to investors/ analysts during the year and the said presentation is 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.

General shareholder information

Date, time & venue of the Annual General Meeting	23 May 2014 at 03.00 p.m. at Kala Mandir Auditorium 48, Shakespeare Sarani, Kolkata – 700017
	i. Financial Year January 2014 to December 2014
	ii. First Quarter Results 2 May 2014
	iii. Second Quarter and Half Yearly Results 21 July 2014
	iv. Third Quarter Results 28 October 2014
Financial Calendar 2014 (tentative and subject to change)	v. Audited Annual Results February 2015
Book Closure Period	14 May 2014 to 23 May 2014 (both days inclusive).
Dividend Payment Date	On or before 30 May 2014
Listing on Stock Exchanges	a) The Calcutta Stock Exchange Ltd. 7 Lyons Range, Kolkata 700 001 b) Bombay Stock Exchange Ltd., P. J. Towers, Dalal Street, Mumbai 400 001 c) 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 2013-14.	
Stock Code	a) The Calcutta Stock Exchange Ltd. Physical: 16; Demat : 10000016 b) Bombay Stock Exchange Ltd., Physical: 23457; Demat: 523457 c) National Stock Exchange of India Ltd., Symbol: LINDEINDIA

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

Shareholders are requested to refer to the notice of the Annual General Meeting for the due dates for transfer of unclaimed dividends to Investor Education and Protection Fund. This information is also posted in the Investor Relation section of the Company's website. Shareholders are requested to immediately contact the Company or its Registrar & Transfer Agents, Messrs Link Intime India Pvt. Ltd., 59 C, Chowringhee Road, 3rd Floor, Kolkata 700 020 for the same.

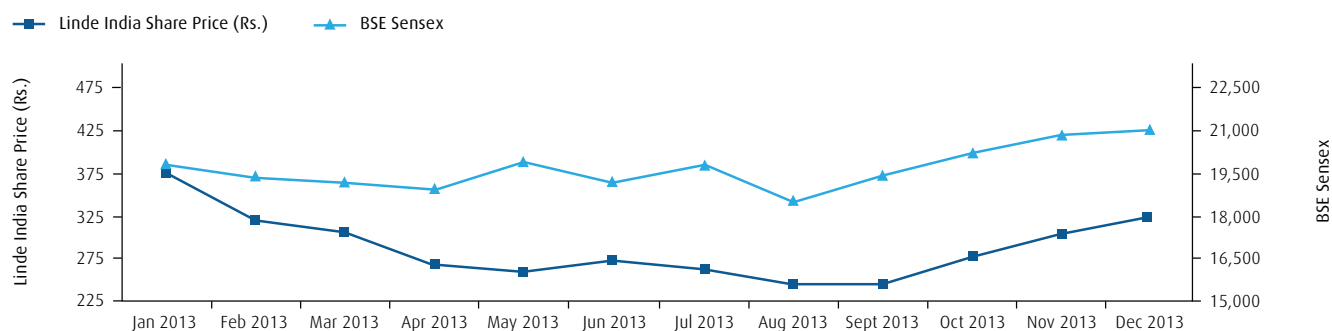
Stock market price data

Monthly high and low quotations and volume of shares traded on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during the year ended 31 December 2013.

Month in Rupees	BSE			NSE		
	High	Low	Volume of shares traded	High	Low	Volume of shares traded
January 2013	397.85	352.00	112,355	397.00	356.00	141,670
February 2013	355.95	281.10	144,402	358.45	284.00	195,077
March 2013	363.90	248.75	1,592,624	362.90	247.80	3,664,543
April 2013	309.75	230.20	281,102	308.95	231.40	514,619
May 2013	289.95	231.65	503,953	274.90	231.25	1,356,921
June 2013	294.30	252.20	258,237	294.50	251.50	926,797
July 2013	275.75	250.00	421,823	278.90	252.00	640,777
August 2013	260.95	228.15	24,994	261.00	228.10	222,216
September 2013	280.00	210.55	84,702	285.00	232.10	109,341
October 2013	290.00	268.00	143,570	293.80	265.00	104,641
November 2013	328.00	280.00	126,896	331.00	276.10	769,179
December 2013	343.90	305.25	264,834	346.00	302.00	204,716

During the year, there were no transactions in the shares of the Company on the Calcutta Stock Exchange.

Performance of the Company's shares to broad based indices such as BSE Sensex Linde India Share Price vs. BSE Sensex (Average Monthly Closing)



Registrar and Transfer Agents	Link Intime India Pvt. Ltd., 59C, Chowringhee Road, 3rd Floor, Kolkata – 700 020 Phone +91 33 2289 0540; Telefax +91 33 2289 0539 kolkata@linkintime.co.in
Share Transfer System	The work relating to Share Registry both in physical and electronic form is handled by Link Intime India Pvt. Ltd., Registrars and Transfer Agents of the Company. In compliance with the requirement of clauses 3(C) and 12 A(3) of the Listing Agreement, all transfers, sub division, consolidation, renewal, exchange, etc of shares in the Company are processed within 15 days of lodgment thereof and 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 an interval of about 10 days to dispose of all matters relating to transfers, transmission, etc. Dematerialisation of shares is processed normally within a period of 10 days from the date of receipt of the Demat Request Form.
Dematerialisation of shares and Liquidity	The Company's shares are compulsorily required to be traded in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE 473A01011. As on 31 December 2013, a total of 84,125,462 equity shares of the Company constituting 98.64% of the total Subscribed and Paid up Share Capital stand dematerialized.

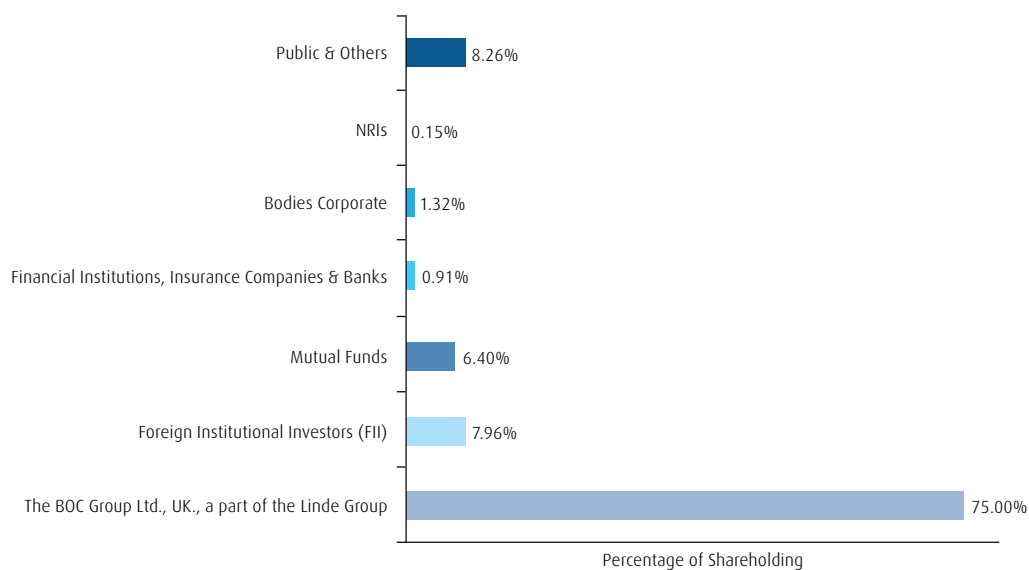
Distribution of shareholding as on 31 December 2013

Number of Shares Slab	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
1-50	8,039	39.04	168,792	0.20
51-100	3,796	18.44	338,520	0.40
101-250	3,790	18.41	671,452	0.79
251-500	2,609	12.67	978,417	1.15
501-1000	1,336	6.49	991,996	1.16
1001-5000	855	4.15	1,757,867	2.06
5001-10000	70	0.34	522,861	0.61
10001-100000	75	0.36	2,025,273	2.37
Above 100000	20	0.10	77,829,045	91.26
Total	20,590	100.00	85,284,223	100.00

Shareholding pattern as on 31 December 2013

Category	Number of Shares held	% of Issued & Paid up Share Capital
(A) Foreign Promoters		
The BOC Group Ltd, U.K., a part of The Linde Group	63,963,167	75.00
(B) Public Shareholding		
I) Institutional Shareholding		
Foreign Institutional Investors	6,787,541	7.96
Financial Institutions, Insurance Companies & Banks	781,042	0.91
Mutual Funds	5,456,166	6.40
Sub-Total (I)	13,024,749	15.27
(II) Non-Institutional Shareholding		
Bodies Corporate	1,123,653	1.32
NRIs	129,279	0.15
Public & Others	7,043,375	8.26
Sub-Total (II)	8,296,307	9.73
Total	85,284,223	100.00

Shareholding Pattern as on 31 December 2013



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

Not Applicable

Plant locations:

Asansol

G T Road (West)
Gopalpur, Dist. Burdwan,
Asansol – 713 304

Bangalore

Plot No. 1 & 2 (Part) ,
Survey No. 59/1 & 60,
Sompura Industrial Area,
Dobaspet, 1st Stage,
Bangalore – 562111

Bellary

Tonnage Plant (1800 tpd)
JSW Steel premises, Toarangallu,
Dist- Bellary, Karnataka – 583123

Bhiwadi

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

Chennai

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

Faridabad

Plot-41, Sector-6,
Faridabad, Haryana – 121006

Hyderabad

Tonnage Plant (65 tpd) &
Packaged Gases and Products
Plant
Plot No. 178 & 179,
IDA Pashamylaram, Phase III,
Dist. Medak – 502 307

Jajpur

Tonnage Plant (418 tpd)
Jindal Stainless Ltd.,
Kalinganagar Industrial Complex,
Duburi,
District Jajpur – 755026

Kalinganagar Industrial Complex
(PGP),
Duburi, Village – Khurunti,
Danagadi Tahasil,
PO – Gobarghati, Jajpur – 755 026

Jamshedpur

Tonnage Plant (2550 tpd)
Tonnage Plant (1290 tpd)
Industrial Gases Plants
(500 tpd, 275 tpd x 2)
Long Tom Area, (Behind NML)
Burma Mines,
Jamshedpur – 831007

Tonnage Plant (225 tpd)
Near “L” Town Gate,
Opposite Bari Maidan,
Sakchi, Jamshedpur – 831001

Mona Road, Burma Mines,
Jamshedpur – 831 007

Kolkata

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

48/1 Diamond Harbour Road,
Kolkata – 700 027

Pune

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

Rourkela

Tonnage Plant (2x853 tpd)
Near Rourkela Steel Plant Fertilizer
Gate,
Rourkela Town Unit No. 46,
P.O. Tangrapalli, Dist. Sundargarh,
Rourkela,
Odisha – 769007

Selaqui

Tonnage Plant (221 tpd)
Khasara No. 122, MI
Behind Pharma City
Selaqui, Dehradun – 248 197

Taloja

Tonnage Plant (330 tpd)
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

Visakhapatnam

Plot No. 62, J N Pharma City,
Thanam Village, Parwada Mandal,
Visakhapatnam – 531 021

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 2401 4708
Fax +91 33 2401 4206
pawan.marda@linde.com

Declaration by the Managing Director (CEO) under Clause 49 of the Listing Agreement

To,
The Members of
Linde India Limited

I, Moloy Banerjee, Managing Director of Linde India Limited (formerly known as BOC 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 2013.

Moloy Banerjee
Managing Director

Mumbai
7 February 2014

Auditor's Certificate on compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement

To,
The Members of
Linde India Limited

We have examined the compliance of conditions of Corporate Governance by Linde India Limited (formerly known as BOC India Limited) ('the Company') for the year ended on 31 December 2013, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We further 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 B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W
Vikram Advani
Partner
Membership No: 091765

Place: Gurgaon
Date: 24 February 2014

Financial statements.

Balance Sheet.

in Rupees million	Note	As at 31 Dec. 2013	As at 31 Dec. 2012
Equity and liabilities			
Shareholders' funds			
Share capital	2	852.84	852.84
Reserves and surplus	3	13,420.43	12,486.28
		14,273.27	13,339.12
Non-current liabilities			
Long-term borrowings	4	11,156.87	8,504.17
Deferred tax liabilities (net)	5	1,992.05	1,439.52
Other long-term liabilities	6	253.49	228.13
Long-term provisions	7	2,657.78	2,409.65
		16,060.19	12,581.47
Current liabilities			
Short-term borrowings	8	1,320.00	1,600.00
Trade payables	9	3,104.84	2,577.77
Other current liabilities	10	4,178.72	3,059.47
Short-term provisions	7	722.91	982.86
		9,326.47	8,220.10
Total		39,659.93	34,140.69
Assets			
Non-current assets			
Fixed assets			
Tangible fixed assets	11	16,492.46	16,782.71
Intangible fixed assets	12	156.21	58.42
Capital work-in-progress	11	7,437.32	5,761.75
Non-current investments	13	150.07	150.00
Long-term loans and advances	14	5,159.78	3,219.30
Other non-current assets	15	2,929.89	1,409.99
		32,325.73	27,382.17
Current assets			
Inventories	16	762.89	714.90
Trade receivables	17	2,908.34	3,095.64
Cash and bank balances	18	583.43	462.95
Short-term loans and advances	19	1,532.29	2,098.47
Other current assets	20	1,547.25	386.56
		7,334.20	6,758.52
Total		39,659.93	34,140.69
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W
Vikram Advani, Partner
Membership No.: 091765

M Sadhukhan, Chief Financial Officer

For and on behalf of the Board of Directors of
Linde India Limited
S Lamba, Chairman
J Mehta, Director
M Banerjee, Managing Director
P Marda, Asst. Vice President
& Company Secretary

Mumbai
7 February 2014

Statement of Profit and Loss.

in Rupees million	Note	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Income			
Revenue from operations (gross)	21	15,294.96	14,113.45
Less: Excise duty		1,010.36	869.05
Revenue from operations (net)		14,284.60	13,244.40
Other income	22	83.35	34.26
Total income		14,367.95	13,278.66
Expenses			
Cost of materials consumed	23	2,310.97	2,339.77
Purchase of stock-in-trade	24	394.53	663.92
Changes in inventories of finished goods, contract work-in-progress and stock in trade	25	(33.73)	31.25
Employee benefits	26	815.19	822.86
Finance costs	27	744.50	404.17
Depreciation and amortisation (including impairment)	28	1,290.43	1,125.21
Other expenses	29	8,182.68	7,355.10
Total expenses		13,704.57	12,742.28
Profit before exceptional items and tax		663.38	536.38
Exceptional item	43	502.70	718.62
Profit before tax		1,166.08	1,255.00
Income tax expense			
Current tax (includes earlier year tax written back Rs. Nil (previous year Rs. 10.64)		(247.02)	(255.34)
MAT credit entitlement		247.02	211.88
Deferred tax		(392.80)	(316.74)
Profit for the year		773.28	894.80
Earnings per equity share [nominal value of share Rs. 10 (previous year Rs. 10)]	38		
On profit before exceptional items			
Basic		4.06	4.36
Diluted		4.06	4.36
On profit after taxation			
Basic		9.07	10.49
Diluted		9.07	10.49
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements.

Cash Flow Statement.

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012	in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
A. Cash flow from operating activities:			Proceeds from sale of fixed assets	404.28	776.91
Profit before tax	1,166.08	1,255.00	Dividend received	15.00	15.00
Adjustments for:			Interest received	0.78	6.81
Depreciation and amortisation including impairment	1,290.43	1,125.21	Net cash used in investing activities	(3,851.83)	(1,663.61)
Provision for doubtful debts	42.53	87.19	C. Cash flow from financing activities:		
Provision for warranties	2.79	114.56	Proceeds from borrowings	4,132.12	2,600.00
Unrealised foreign exchange gain	(10.94)	(4.87)	Repayment of borrowings	(1,060.85)	(395.14)
Dividends on long term investments - trade	(15.00)	(15.00)	Mark to market loss on roll forward of derivative contracts	-	(91.52)
Profit on disposal of fixed assets (net)	(556.32)	(700.94)	Finance cost paid	(1,236.99)	(1,030.67)
Provision for liquidated damages written back	(20.98)	-	Dividend paid	(128.42)	(129.08)
Provision for warranties written back	(99.14)	-	Tax paid on dividend	(20.75)	(20.75)
Provisions/liabilities no longer required written back	(66.04)	(13.84)	Net cash generated from financing activities	1,685.11	932.84
Finance cost(net)	743.74	398.09	Net increase/(decrease) in cash and cash equivalents (A+B+C)	120.48	231.77
Operating cash flow before working capital changes	2,477.15	2,245.40	Cash and cash equivalents at the beginning of the period	462.95	231.18
Adjustments for:			Cash and cash equivalents at the end of the period	583.43	462.95
Trade receivables	145.63	58.82	Notes to cash flow statement		
Loans and advances	734.10	(482.31)	Cash and cash equivalents comprises of (refer Note 18):		
Other assets	(810.24)	(173.70)	Cash on hand	4.79	5.14
Inventories	(47.99)	24.63	Cheques on hand	-	125.00
Liabilities and provisions	(75.12)	(307.10)	With scheduled banks:		
Cash generated from operations	2,423.53	1,365.74	- on current accounts	307.97	218.65
Income taxes paid (net of refund)	(136.33)	(403.20)	- on deposit account (with original maturity of 3 months or less)	265.40	108.40
Net cash generated from operating activities	2,287.20	962.54	- on unclaimed dividend accounts *	5.27	5.76
B. Cash flow from investing activities:				583.43	462.95
Purchase or construction of fixed assets (including intangible assets, capital advances and capital work in progress)	(4,271.89)	(2,462.33)			

* accounts are not available for use by the Company

The notes referred to above form an integral part of the financial statements.

Notes to financial statements.

Company overview

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

1. Significant accounting policies

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

a) Basis of preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest million.

b) Use of estimates

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

c) Current – non current classification

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

Assets

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

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- 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:

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- 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 Revised Schedule VI to the Companies Act, 1956. Based on the nature of manufacturing activity and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle for the purpose of current – non current classification of assets and liabilities:

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

d) Revenue recognition

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

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

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

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

e) Tangible fixed assets

Tangible fixed assets are stated at cost of acquisition or construction or revalued amounts less accumulated depreciation or accumulated impairment loss, if any. Cost of item of tangible fixed asset includes purchase price, taxes, non refundable duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use.

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

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

f) Intangible fixed assets

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

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

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

g) Depreciation

Tangible fixed assets

- Depreciation is provided on the straight line method. The rates of depreciation prescribed in Schedule XIV of the Companies Act, 1956, are considered as minimum rates. If the management's estimate of useful life of a fixed asset at the time of acquisition of the asset or the remaining useful life on a subsequent review is shorter than the useful life derived from the rate of depreciation prescribed in Schedule XIV, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, certain components of plant and machinery are being depreciated at the rate of 10% and 6.91% that are higher than the corresponding rates prescribed in the aforesaid Schedule XIV.
- In case of revalued fixed assets, depreciation is provided as aforesaid, on the total value of fixed assets as appearing in the books of account after revaluation. Additional depreciation attributable to revalued amount is charged to the Statement of Profit and Loss. On disposal of a previously revalued item of fixed asset, the difference between the net disposal proceeds and the net book value is charged or credited to the Statement of Profit and Loss except that, to the extent such loss is related to an increase which was previously recorded as a credit to revaluation reserve and

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

- Consideration for obtaining leasehold rights over land is being amortised over the period of the lease.
- Assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.
- Spares capitalised are being depreciated over the useful life/remaining useful life of the plant and machinery with which such spares can be used.
- Assets retired from active use and held for disposal are stated at lower of their net book value and net realizable value and shown under "Other current assets".

h) Amortisation

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

The amortisation rates are as follows:

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

i) Impairment

The carrying amounts of fixed assets and capital work in progress are reviewed at each Balance Sheet date in accordance with Accounting Standard 28 on 'Impairment of Assets' prescribed by the Companies (Accounting Standards) Rules, 2006 (as amended), to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or the cash generating unit of which it is a part exceeds the corresponding recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised. Impairment loss recognized for goodwill is not reversed in a subsequent period

unless the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur, and subsequent external events have occurred that reverse the effect of that event. Goodwill, intangible assets which are amortised over a period exceeding ten years and intangible assets which are not yet available for use are tested for impairment annually.

j) Borrowing costs

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

k) Investments

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

l) Inventories

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

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

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

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

m) Leases

Finance leases

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

Operating leases

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

n) Research and development

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

o) Employee benefits

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

Short term benefits

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

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

Post employment benefits

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

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

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

Compensated absences

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

Termination Benefits

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

p) Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rate prevailing on the dates of the transactions. Year-end monetary assets

and liabilities denominated in foreign currencies are translated at the year-end foreign exchange rates.

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

q) Derivative instruments and hedge accounting

The Company has entered into forward contracts and principal and interest swap contracts with a bank to hedge its risks associated with foreign currency and variable interest rate fluctuations related to certain firm commitments and forecasted transactions. These derivative contracts are being considered as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" (AS 30). The use of hedging instruments is governed by the Company's policies approved by the Board of Directors. The Company does not use these contracts for trading or speculative purposes.

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

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

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

r) Provisions and contingent liabilities

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

s) Tax

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

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using

the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

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

t) Earnings per share

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

2. Share capital

in Rupees million

	As at 31 Dec. 2013	As at 31 Dec. 2012
Authorised		
86,000,000 (Previous Year 86,000,000) Equity Shares of Rs. 10 each	860.00	860.00
Issued		
85,286,209 (Previous Year 85,286,209) Equity Shares of Rs. 10 each	852.86	852.86
Subscribed & paid up		
85,284,223 (Previous Year 85,284,223) Equity Shares of Rs. 10 each fully paid up	852.84	852.84

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at 31 Dec. 2013		As at 31 Dec. 2012	
	Number	Amount	Number	Amount
Equity shares				
At the commencement and at the end of the period	85,286,209	852.86	85,286,209	852.86

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

	As at 31 Dec. 2013		As at 31 Dec. 2012	
	Number	Amount	Number	Amount
Equity shares of Rs. 10 each fully paid up held by:				
The BOC Group Ltd, U.K., holding company	63,963,167	639.63	76,308,293	763.08

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

	As at 31 Dec. 2013		As at 31 Dec. 2012	
	Number	% of total shares in class	Number	% of total shares in class
Equity shares of Rs. 10 each fully paid-up held by:				
The BOC Group Ltd, U.K., holding company*	63,963,167	75.00	76,308,293	89.48

Rights, preferences and restrictions attached to equity shares

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

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

*Consequent upon the offer for sale through the stock exchange mechanism on 16 May 2013 made by The BOC Group Limited, a member of The Linde Group, the promoter shareholding in the Company was reduced from 89.48% to 75% in compliance with minimum public shareholding requirement under the Listing Agreement.

3. Reserve and surplus

in Rupees million	As at 31 Dec. 2013	As at 31 Dec. 2012
Securities premium account		
At the commencement and at the end of the year	6,972.52	6,972.52
Revaluation reserve		
At the commencement of the year	16.34	16.46
Less: Amount transferred to the general reserve	2.26	0.12
	14.08	16.34
Capital incentive		
At the commencement and at the end of the year	2.00	2.00
General reserve		
At the commencement of the year	937.97	893.11
Add: Transfer from revaluation reserve	2.26	0.12
Add: Transfer from surplus	38.66	44.74
	978.89	937.97
Translation and hedging reserve		
At the commencement of the year	(7.33)	19.52
Add: Movement during the year (Refer Note 42)	310.54	(26.85)
	303.21	(7.33)
Surplus (profit and loss balance)		
At the commencement of the year	4,564.78	3,863.40
Profit for the year	773.28	894.80
Appropriations		
Proposed equity dividend [amount Rs. 1.5 per share (previous year: Rs. 1.5 per share)]	127.93	127.93
Tax on proposed equity dividend	21.74	20.75
Transfer to general reserve	38.66	44.74
	5,149.73	4,564.78
Total reserves and surplus	13,420.43	12,486.28

4. Long-term borrowings (unsecured)

in Rupees million	Non-current portion		Current portion*	
	As at 31 Dec. 2013	As at 31 Dec. 2012	As at 31 Dec. 2013	As at 31 Dec. 2012
Foreign currency loan from Linde AG, ultimate holding company	6,984.04	7,504.17	1,801.24	885.40
Rupee loan from Linde AG, ultimate holding company	3,132.26	-	-	-
Foreign currency term loan from bank	1,040.57	-	-	-
Term loan from bank	-	1,000.00	1,000.00	-
	11,156.87	8,504.17	2,801.24	885.40

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

in Rupees million	Loan outstanding		Repayment schedule	Interest rate	Interest rate as per interest rate swap
	As at 31 Dec. 2013	As at 31 Dec. 2012			
Borrowings					
a) External commercial borrowings of EURO 52.20 million *	4,435.12	4,209.30	Half yearly installments commencing from February 2013 to May 2016	3months EURIBOR + 3.5%	11.24%
(previous year EURO 58.00 million)					
b) External commercial borrowings of EURO 51.20 million *	4,350.16	4,180.27	Yearly installments commencing from August 2012 to September 2017	4.585%	9.45%
(previous year EURO 57.60 million)					
c) External commercial borrowings of Rs. 3,132.26 (previous year Rs. Nil)	3,132.26	-	Yearly installments commencing from January 2017 to January 2020	7.76%	NA
d) Term loan from bank **	1,000.00	1,000.00	August 2014	MIBOR+285 basis points	11%
e) Foreign Currency term loan from bank of USD 16.83 million# (previous year Rs. Nil)	1,040.57	-	June 2015	USD-LIBOR- BBA+265 basis points	9.4%
	13,958.11	9,389.57			

* Against the above loan the company has designated principal and interest swap contracts with a bank as hedges of foreign currency borrowing facilities aggregating Euro 103.40 million (previous year Euro 115.60 million) equivalent to Rs. 6,632.83 (previous year Rs. 7,413.83). Also refer note 42

** Against the above loan the Company has designated interest rate swap contract with banks as hedges of floating interest rate facilities. Also refer note 42

Against the above loan the Company has designated principal and interest swap contracts with a bank as hedges of foreign currency borrowing facilities aggregating USD 16.84 million (previous year Nil) equivalent to Rs. 1,000.00 (previous year Rs. Nil). Also refer note 42

5. Deferred tax liabilities (net)

in Rupees million	As at 31 Dec. 2013	As at 31 Dec. 2012
Deferred tax liabilities		
Difference between net book value of depreciable assets as per books and written down value as per Income Tax Act 1961	2,087.54	1,669.87
Mark to market on derivative contracts	156.21	-
Future Income from finance lease arrangement	124.31	127.25
(A)	2,368.06	1,797.12
Deferred tax asset		
Mark to market on derivative contracts	-	3.52
Provision for doubtful receivables, contingencies and employee benefits	116.79	103.61
Separation payment to employees	11.19	15.77
Unabsorbed depreciation	246.40	233.07
Others	1.63	1.63
(B)	376.01	357.60
Deferred tax liabilities (net) (A) - (B)	1,992.05	1,439.52

6. Other long-term liabilities

in Rupees million	As at 31 Dec. 2013	As at 31 Dec. 2012
Sundry deposits	201.81	174.77
Other liabilities	51.68	53.36
	253.49	228.13

7. Provisions

in Rupees million	Long term		Short term	
	As at 31 Dec. 2013	As at 31 Dec. 2012	As at 31 Dec. 2013	As at 31 Dec. 2012
Provision for employee benefits				
Gratuity*	26.61	30.23	-	-
Pension*	12.25	9.61	-	-
Compensated absences	14.66	14.48	0.66	1.94
Other employee benefits*	18.05	16.14	147.20	126.92
	71.57	70.46	147.86	128.86
Other provisions				
Provision for warranties	-	-	235.94	478.76
Provision for liquidated damages	-	-	136.48	157.46
Provision for contingencies	-	-	52.96	69.10
Provision for dismantling cost	417.00	417.00	-	-
Provision for proposed equity dividend	-	-	127.93	127.93
Tax on proposed equity dividend	-	-	21.74	20.75
Provision for tax (Including fringe benefit Tax) [Refer note-14(a)]	2,169.21	1,922.19	-	-
	2,586.21	2,339.19	575.05	854.00
Total provisions	2,657.78	2,409.65	722.91	982.86

*Refer note 34

Movement of provisions

in Rupees million	Liquidated damages	Warranties	Contingencies	Dismantling Costs
Balance as at 1 January 2013	157.46	478.76	69.10	417.00
	(157.46)	(364.20)	(69.10)	(-)
Add: Provision during the year	-	2.79	-	-
	(-)	(147.18)	(-)	(417.00)
Less: Utilised during the year	-	146.47	16.14	-
	(-)	(8.98)	(-)	(-)
Less: Reversed during the year	20.98	99.14	-	-
	(-)	(23.64)	(-)	(-)
Balance as at 31 December 2013	136.48	235.94	52.96	417.00
	(157.46)	(478.76)	(69.10)	(417.00)

(previous year figures are in bracket)

a) Provision for liquidated damages

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

b) Provision for warranties

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

c) Provision for contingencies

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

d) Provision for dismantling costs

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

8. Short-term borrowings

in Rupees million

	As at	As at
	31 Dec. 2013	31 Dec. 2012

Short term loan from bank (unsecured)	1,320.00	1,600.00
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The above loan is repayable on demand and it carries an interest rate in the range of 10.0% to 10.5% per annum payable monthly.

9. Trade payables

in Rupees million	As at 31 Dec. 2013	As at 31 Dec. 2012
Trade payables	3,104.84	2,577.77
Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprise Development Act, 2006 (MSMED):		
Particulars		
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	-	0.59
- Interest	-	0.16
The amount of interest paid by the buyer as per the MSMED	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	3.96	4.14
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED	0.01	0.28
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED	0.45	0.44

10. Other current liabilities

in Rupees million	As at 31 Dec. 2013	As at 31 Dec. 2012
Current maturities of long-term borrowings (refer note 4)	2,801.24	885.40
Advance from customers	194.10	782.90
Billing in excess over cost and profit	637.88	586.81
Interest accrued but not due on borrowings	226.00	198.83
Amount liable to be deposited in investors education and protection fund but not yet due for deposit		
Unpaid dividend	5.27	5.76
Creditors for capital goods	298.49	563.23
Employee liabilities	5.18	24.14
TDS payable	9.89	9.28
Work contract tax payable	0.67	3.12
	4,178.72	3,059.47

11. Tangible fixed assets

in Rupees million	Freehold Land	Leasehold Land	Buildings*	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross Block								
Balance as at 1 January 2012	235.19	181.82	783.21	13,159.71	60.41	52.73	234.32	14,707.39
Additions	5.26	-	136.22	7,419.84	9.07	6.90	17.85	7,595.14
Disposals/adjustments	19.38	36.90	21.15	111.16	0.52	-	11.77	200.88
Reclassification to assets held for sale	-	-	-	63.96	-	-	-	63.96
Other adjustments								
Borrowing Costs	-	-	13.69	620.35	-	-	3.57	637.61
Balance as at 31 December 2012	221.07	144.92	911.97	21,024.78	68.96	59.63	243.97	22,675.30
Balance as at 1 January 2013	221.07	144.92	911.97	21,024.78	68.96	59.63	243.97	22,675.30
Additions#	-	-	76.35	939.20	36.28	7.36	10.06	1,069.25
Disposals/adjustments	0.06	-	25.76	356.70	-	4.67	1.16	388.35
Reclassification to assets held for sale	-	28.02	-	-	-	-	-	28.02
Other Adjustments##	-	-	0.00	-	-	-	-	-
Balance as at 31 December 2013	221.01	116.90	962.56	21,607.28	105.24	62.32	252.87	23,328.18
Depreciation and Impairment Losses								
Balance as at 1 January 2012	-	13.28	171.88	4,443.88	26.77	22.61	167.45	4,845.87
Depreciation for the Year	-	3.08	30.29	970.87	3.93	5.29	12.24	1,025.70
Impairment loss during the Year***	-	-	1.56	82.27	0.69	-	-	84.52
Impairment released during the year	-	-	(1.52)	(0.40)	-	-	(0.01)	(1.93)
Accumulated depreciation on Disposals	-	(2.60)	(7.20)	(28.92)	(0.49)	-	(11.71)	(50.92)
Reclassification to assets held for sale	-	-	-	(10.65)	-	-	-	(10.65)
Balance as at 31 December 2012	-	13.76	195.01	5,457.05	30.90	27.90	167.97	5,892.59
Balance as at 1 January 2013	-	13.76	195.01	5,457.05	30.90	27.90	167.97	5,892.59
Depreciation for the Year	-	1.94	30.07	1,197.46	5.46	6.10	11.58	1,252.61
Impairment released during the year	-	-	(0.01)	(6.13)	-	-	-	(6.14)
Accumulated depreciation on Disposals	-	-	(5.30)	(289.88)	-	(2.17)	(1.12)	(298.47)
Reclassification to assets held for sale	-	(4.87)	-	-	-	-	-	(4.87)
Balance as at 31 December 2013	-	10.83	219.77	6,358.50	36.36	31.83	178.43	6,835.72

11. Tangible fixed assets

in Rupees million	Freehold Land	Leasehold Land	Buildings*	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
Net block								
As at 31 December 2012	221.07	131.16	716.96	15,567.73	38.06	31.73	76.00	16,782.71
As at 31 December 2013	221.01	106.07	742.79	15,248.78	68.88	30.49	74.44	16,492.46
Capital work-in-progress**								
Balance as at 1 January 2012								4,990.50
Additions								8,660.11
Asset capitalised/adjusted during the year								7,888.86
Balance as at 31 December 2012								5,761.75
Balance as at 1 January 2013								5,761.75
Additions								2,663.00
Asset capitalised/adjusted during the year								987.43
Balance as at 31 December 2013								7,437.32

* Includes revaluation on building Rs. 14.08 (previous year Rs. 16.34) done by an external valuer on 30 September 1966 and 1 October 1980

** Includes borrowing costs aggregating Rs. 1,656.49 (previous year Rs. 1,136.83) net of interest income on surplus funds which was not immediately utilised and invested in fixed deposit Rs. 39.75 (previous year Rs. 39.75)

Capital work in progress Includes impairment balance of Rs. 30.10 (previous year Rs. 30.10)

*** The impairment loss in the previous year represents the write-down of certain fixed assets to its nil value due to the non existence of demand of electronic gases and related equipments from one of the customer. The solar photovoltaic technology used by the customer had become non competitive and accordingly, the operations are discontinued by the customer. As a result, certain fixed asset located at the customer's site were identified and impaired to the extent of Rs. 84.52 in the previous year

The asset class wise impairment provided during the previous year is as follows:

Asset	Amount
Buildings	1.56
Plant and Machinery	82.27
Furniture & Fittings	0.69
	84.52

The Company has acquired business of manufacture and distribution of medical and industrial gases both in liquid and compressed form. The assets acquired under such arrangement includes plant and machinery and vehicles aggregating to Rs. 85.90 and Rs. 2.46 respectively which have been recognised as per the valuation performed by the valuer

1, 1/2% debentures of Rs. 116,860 and 16,996 ordinary shares of Rs. 10 each represents right to use flat as at the year end. Investments in such securities has been reclassified from non current investment under note 13

12. Intangible fixed assets

in Rupees million	Goodwill	Software	Non compete fees	Leasehold rights	Total
Gross block					
Balance as at 1 January 2012	25.39	48.21	-	-	73.60
Additions		9.02	-	-	9.02
Balance as at 31 December 2012	25.39	57.23	-	-	82.62
Balance as at 1 January 2013	25.39	57.23	-	-	82.62
Additions*	98.77	6.54	17.00	13.30	135.61
Balance as at 31 December 2013	124.16	63.77	17.00	13.30	218.23
Amortisation					
Balance as at 1 January 2012	1.72	5.56	-	-	7.28
Amortisation for the Year	5.16	11.76	-	-	16.92
Balance as at 31 December 2012	6.88	17.32	-	-	24.20
Balance as at 1 January 2013	6.88	17.32	-	-	24.20
Amortisation for the Year	20.80	12.22	2.69	2.11	37.82
Balance as at 31 December 2013	27.68	29.54	2.69	2.11	62.02
Net block					
Net Block As at 31 December 2012	18.51	39.91	-	-	58.42
Net Block As at 31 December 2013	96.48	34.23	14.31	11.19	156.21

* The Company has acquired running business of manufacture and distribution of medical and industrial gases both in liquid and compressed form. The Company has acquired intangible assets in the form of goodwill, non compete fee and leasehold rights as part of the business purchase agreement and the same have been recognised as per the valuation performed by valuer.

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

in Rupees million	As at 31 Dec. 2013	As at 31 Dec. 2012
Trade investments		
Unquoted		
I. Investment in joint venture		
Bellary Oxygen Company Private Limited	150.00	150.00
15,000,000 (Previous year 15,000,000) equity shares of Rs. 10 each		
II. At Nominal value of Re 1 each		
a) Woodlands Multispeciality Hospital Limited		
2,980 (Previous Year 2,980) Equity shares of Rs. 10 each	0.00	0.00
b) Belvedere Estates Limited*		
Nil (Previous year 2) 1/2% Debentures of Rs. Nil (Previous year Rs. 325,000)	-	0.00
Nil (Previous year 25,000) Ordinary shares of Rs.10 each	-	0.00
III. Investment in equity shares		
JSW Steel Limited	0.07	-
100 (Previous Year Nil) equity shares of Rs. 10 each		
	150.07	150.00

* 1, 1/2% debentures of Rs. 116,860 and 16,996 ordinary shares of Rs. 10 each represents right to use flat as at the year end. Accordingly, the investment in such securities has been reclassified as tangible fixed assets under Note 11. The figures of previous year requires regrouping to Note 11 to confirm to current year's classification

The aggregate book value and market value of quoted non current investments and book value of unquoted non current investments are as follows

in Rupees million	As at 31 Dec. 2013	As at 31 Dec. 2012
Quoted non-current investment		
Aggregate book value	0.07	-
Aggregate market value	0.10	-
Aggregate book value of un-quoted non-current investment	150.00	150.00

14. Long term loans and advances

in Rupees million	Non-current Portion		Current Portion*	
	As at 31 Dec. 2013	As at 31 Dec. 2012	As at 31 Dec. 2013	As at 31 Dec. 2012
To parties other than related parties				
(Unsecured and considered good)				
Capital advances	186.19	272.65	-	-
Security deposits	221.03	257.99	62.04	49.02
Other loans and advances				
Prepaid expenses	5.86	7.55	24.83	18.92
Balance with custom, excise etc.	153.12	153.12	875.05	1,089.40
Advance tax recoverable [Refer note (a) below]	2,594.49	2,211.14	-	-
[includes MAT credit entitlement Rs. 458.90 (previous year Rs. 211.88)]				
	3,160.69	2,902.45	961.92	1,157.34
To related parties				
(Unsecured and considered good)				
Capital advances	1,951.36	139.85	-	-
Other advances	47.73	177.00	135.00	73.00
	1,999.09	316.85	135.00	73.00
	5,159.78	3,219.30	1,096.92	1,230.34

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

a) Advance tax (net of provision) aggregates to Rs. 425.28 (previous year Rs. 288.95).

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

in Rupees million	As at 31 Dec. 2013	As at 31 Dec. 2012
Receivable from finance lease arrangement	340.65	368.52
Receivable from mark to market on derivative contracts	2,589.24	1,041.47
	2,929.89	1,409.99

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

in Rupees million	As at 31 Dec. 2013	As at 31 Dec. 2012
Stores and spare parts	414.13	388.81
[including in goods in transit Rs. 0.91 (previous year Rs. Nil)]		
Raw materials and components	15.38	26.44
[including in goods in transit Rs. Nil (previous year Rs. 5.13)]		
Finished goods	314.59	268.99
[including goods in transit Rs. 11.19 (previous year Rs. Nil)]		
Contract work-in-progress	18.79	30.66
	762.89	714.90
Closing stock of finished goods		
Class of goods		
Air separation unit gases	158.51	111.64
Other cylinder gases	109.89	97.69
Others	46.19	59.66
	314.59	268.99

17. Trade receivables

in Rupees million	As at 31 Dec. 2013	As at 31 Dec. 2012
Receivables outstanding for a period exceeding six months from the date they became due for payment		
a) Secured, considered good	-	-
b) Unsecured, considered good	1,657.40	1,791.44
c) Doubtful	226.02	181.43
Other receivables		
a) Secured, considered good	-	2.59
b) Unsecured, considered good	1,250.94	1,301.61
c) Doubtful	10.43	12.49
	3,144.79	3,289.56
Less: Provision for doubtful receivables	236.45	193.92
	2,908.34	3,095.64

18. Cash and bank balances

in Rupees million	As at 31 Dec. 2013	As at 31 Dec. 2012
Cash and cash equivalents		
Cash on hand	4.79	5.14
Cheques on hand	-	125.00
Balances with banks		
on current accounts	307.97	218.65
on deposit account (with original maturity of 3 months or less)	265.40	108.40
on unclaimed dividend accounts *	5.27	5.76
	583.43	462.95

* accounts are not available for use by the Company

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

in Rupees million	As at 31 Dec. 2013	As at 31 Dec. 2012
Current portion of long term loans and advances (refer note 14)		
To parties other than related parties	961.92	1,157.34
To related parties	135.00	73.00
Other short-term loans and advances		
To parties other than related parties		
Advances for supply of goods and services	390.30	675.84
Advances to employees	2.83	3.92
To related parties		
Advances for supply of goods and services	42.24	188.37
	1,532.29	2,098.47

20. Other current assets (Unsecured and considered good)

in Rupees million	As at 31 Dec. 2013	As at 31 Dec. 2012
Claims including escalation	77.20	74.83
Receivables from finance lease arrangement	25.09	23.61
Receivable from mark to market on derivative contracts	79.07	15.40
Unbilled revenue	900.24	138.76
Fixed assets reclassified as held for sale	73.41	53.31
Interest receivable	3.94	3.96
Receivable from related parties – for recovery of expenses	127.55	49.90
Receivable from sale of land and buildings	235.78	-
Other receivable	24.97	26.79
	1,547.25	386.56

21. Revenue from operations

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Sale of products (gross)	11,307.50	10,077.41
Revenue from construction contracts (refer note 39)	3,724.53	3,925.51
Other operating revenues (refer note 21a)	262.93	110.53
	15,294.96	14,113.45
Less: Excise duty	1,010.36	869.05
Revenue from operations (net)	14,284.60	13,244.40
21. a) Other operating revenues		
Interest income on finance lease arrangement	43.49	43.54
Provisions/liabilities no longer required written back	66.04	13.84
Provision for liquidated damages written back	20.98	-
Provision for warranty written back	99.14	-
Income from finance lease	-	44.31
Miscellaneous	33.28	8.84
	262.93	110.53
Breakup of revenue		
Air separation unit gases	10,714.57	9,339.24
Other cylinder gases	172.59	272.61
Vessels, plants and other engineering project goods	3,724.53	3,925.51
Others	420.34	465.56
	15,032.03	14,002.92

22. Other income

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Rent	13.97	12.39
Dividends on long term investments – trade	15.00	15.00
Insurance claims including loss of profits	-	0.79
Profit on disposal of fixed assets (net)	53.62	-
Interest income		
on deposits and others [tax deducted at source Rs. 0.07 (previous Year Rs. 0.60)]	0.76	6.08
	83.35	34.26

23. Cost of materials consumed

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Inventory of materials at the beginning of the year	26.44	36.79
Purchases	2,299.91	2,329.42
Less: Inventory of materials at the end of the year	15.38	26.44
	2,310.97	2,339.77
Breakup of cost of material consumed		
Ferrous, non-ferrous metals and components	2,230.41	2,265.99
Chemicals	80.56	73.78
	2,310.97	2,339.77
Breakup of inventory – materials		
Ferrous, non-ferrous metals and components	12.93	17.03
Chemicals	2.45	9.41
	15.38	26.44

24. Breakup of purchase of stock in trade

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Air separation unit gases	113.92	305.36
Other cylinder gases	101.48	192.91
Others	179.13	165.65
Total	394.53	663.92

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

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Opening inventory		
Finished goods	268.99	269.98
Contract work-in-progress	30.66	60.92
	299.65	330.90
Less: Closing inventory		
Finished goods	314.59	268.99
Contract work-in-progress	18.79	30.66
	(33.73)	31.25

26. Employee benefits

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Salaries, wages and bonus	699.97	663.01
Contribution to provident and other funds	60.69	79.57
Workmen and staff welfare expenses	51.11	49.44
Separation payments to employees	3.42	30.84
	815.19	822.86

27. Finance costs

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
- on long and short term borrowings from banks	358.94	224.78
- others	385.56	179.39
	744.50	404.17

28. Depreciation and amortisation (including impairment)

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Depreciation of tangible fixed assets (including impairment)	1,252.61	1,108.29
Amortisation of intangible fixed assets	37.82	16.92
	1,290.43	1,125.21

29. Other expenses

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Consumption of stores and spare parts	293.07	141.70
Travelling expenses	165.34	147.85
Power and fuel	4,827.54	4,443.86
Repairs		
- Plant and machinery	157.74	132.54
- Buildings	29.38	37.05
- Others	19.89	17.10
Insurance	58.14	55.85
Freight and transport	1,145.71	958.27
Rent (refer note 37)	70.44	65.58
Rates and taxes	7.61	6.70
Communication costs	40.66	39.57
Loss on foreign exchange (Net)[includes mark to market loss Rs. 49.05 (previous year Rs. 8.14) (Refer note 42 (ii))]	54.87	4.37
Loss on disposal of fixed assets (Net)	-	17.68
Contract Job expenses	513.74	480.74
Provision for warranties	2.79	114.56
Bad debts written off [Net of provision adjusted Rs. Nil (Previous year Rs. 24.53)]	-	-
Provision for doubtful receivables	42.53	87.19
Technical support fees	130.71	139.45
Miscellaneous expenses	622.52	465.04
	8,182.68	7,355.10

30. Interest in joint venture

a) The Company does not have a subsidiary and is not required to present consolidated financial statements under Accounting Standard 21 – “Consolidated Financial Statements” prescribed by the Companies (Accounting Standards) Rules, 2006 (as amended). Interest in Joint-venture has been accounted for as a long term investment in these financial statements. The details as per Accounting Standard 27 – “Financial Reporting of Interest in Joint Ventures” as prescribed by the Companies (Accounting Standards) Rules, 2006 (as amended) are disclosed regarding the assets, liabilities, income and expenses of the joint venture company as additional information to the users of the financial statements.

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

Name of the Joint Venture	Country of Incorporation	Percentage of ownership interest as at 31 December 2013	Percentage of ownership interest as at 31 December 2012
Bellary Oxygen Company Private Limited (Belloxy)	India	50	50

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

in Rupees million	As at/for year ended 31 Dec. 2013 (Unaudited)	As at/for year ended 31 Dec. 2012 (Unaudited)
Non-current assets	772.85	826.12
Current assets	192.46	158.29
Non-current liabilities	427.45	482.43
Current liabilities	128.85	140.59
Revenue	450.44	443.46
Expenses(including income tax expense)	374.43	361.61
Contingent liabilities	Nil	Nil
Capital commitments	1.31	11.08
Other Commitments	Nil	Nil

c) Company’s transactions with Belloxy, being a related party, during the year ended 31 December 2013 are disclosed under note 45.

31. Estimated Capital commitments (net of advance) not provided for Rs. 2,692.71 million (Previous Year Rs. 3,647.89 million)

32. Contingent liabilities not provided for

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
a) Excise duty and service tax matters *	38.03	38.03
b) Other excise matters **	-	-
c) Sales tax matters *	107.41	54.14
d) Guarantee given by the Company	64.60	184.81
e) Sales tax liability transferred to a beneficiary ***	27.60	27.60
f) Bills discounted	34.20	56.41
g) Other claims	15.39	21.69

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

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

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

33. Miscellaneous expenses under note 29 includes Auditors' remuneration

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
As Auditors		
Audit fee	1.50	1.40
Limited reviews	0.63	0.58
Group reporting package review	0.59	0.51
Tax audit fee	0.67	0.67
Other certificates etc.	0.06	0.60
Reimbursement of expenses	0.72	0.75
	4.17	4.51

34. The details of employee benefits for the year ended 31 December 2013 on account of gratuity and pension which are funded defined employee benefit plans and provident fund which is an unfunded benefit plan are as under:

in Rupees million	Pension		Gratuity		Provident Fund	
	2013	2012	2013	2012	2013	2012
i) Components of Employer Expense						
a) Current service cost	0.80	0.93	5.52	5.01	3.73	2.05
b) Interest cost	2.20	2.25	5.17	4.38	1.36	0.88
c) Expected return of plan assets	(1.52)	(1.42)	(2.81)	(2.88)	-	-
d) Actuarial losses/(gains)	4.16	2.40	(4.30)	8.68	(0.04)	3.67
e) Total expenses recognised in Statement of Profit and Loss	5.64	4.16	3.58	15.19	5.05	6.60
ii) Actual returns for the year ended	1.35	1.65	2.11	2.30	-	-
iii) Net liability recognised in Balance Sheet as at the year end						
a) Present value of defined benefit obligation	29.92	27.79	59.73	63.86	19.41	17.51
b) Fair value of plan assets	17.67	18.18	33.12	33.63	-	-
c) Deficit	12.25	9.61	26.61	30.23	19.41	17.51
d) Net liability recognised in Balance Sheet	12.25	9.61	26.61	30.23	19.41	17.51
iv) Change in Defined Benefit Obligation (DBO) during the year						
a) Present value of DBO at the beginning of Year	27.79	30.98	63.86	56.64	17.51	10.91
b) Current service cost	0.80	0.93	5.52	5.01	3.73	2.05
c) Interest cost	2.20	2.25	5.17	4.38	1.36	0.88
d) Actuarial (gains)/losses	3.99	2.63	(5.00)	8.10	(0.04)	3.67
e) Benefits paid	(4.86)	(9.00)	(9.82)	(10.27)	(3.15)	-
f) Present value of DBO	29.92	27.79	59.73	63.86	19.41	17.51
v) Change in Fair Value of Plan Assets during the year ended						
a) Fair value of plan assets at the beginning of year	18.18	18.93	33.63	40.40	-	-
b) Expected return on plan assets	1.52	1.42	2.81	2.88	-	-
c) Actuarial gains/(losses)	(0.17)	0.23	(0.70)	(0.58)	-	-
d) Actual company contribution	3.00	5.10	7.20	2.70	3.15	-
e) Benefits paid	(4.86)	(9.00)	(9.82)	(10.27)	(3.15)	-
f) Acquisition adjustment	-	1.50	-	(1.50)	-	-
g) Fair value of plan assets at the end of the year	17.67	18.18	33.12	33.63	-	-
vi) Actuarial assumptions						
a) Discount rate (%)	9.20	8.40	9.20	8.40	8.00	8.50
b) Expected return on plan assets (%)	8.00	8.00	8.00	8.00	-	-
c) Salary escalation rate (%)	5.00	5.00	5.00	5.00	-	-
vii) Major category of planned assets						
Insurance managed funds (%)	100.00	100.00	100.00	100.00	-	-

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

in Rupees million	2013	2012	2011	2010	2009
Pension					
a) Present value of defined benefit obligation	29.92	27.79	30.98	24.54	18.59
b) Fair value of plan assets	17.67	18.18	18.93	19.94	18.03
c) Deficit	12.25	9.61	12.05	4.60	0.56
d) Experience adjustment of plan assets [(gain)/loss]	0.17	(0.23)	0.38	(0.04)	(0.39)
e) Experience adjustment of obligation[(gain)/loss]	5.02	2.50	6.65	5.17	1.38
f) Actuarial (gain)/loss due to change on assumptions	(1.03)	0.13	(0.73)	0.24	(1.30)

in Rupees million	2013	2012	2011	2010	2009
Gratuity					
a) Present Value of defined benefit obligation	59.73	63.86	56.64	54.29	35.08
b) Fair value of plan assets	33.12	33.63	40.40	44.38	31.55
c) Deficit	26.61	30.23	16.24	9.91	3.53
d) Experience adjustment of plan assets [(gain)/loss]	0.70	0.58	0.47	(2.29)	2.83
e) Experience adjustment of obligation[(gain)/loss]	(0.05)	7.53	2.97	4.59	3.96
f) Actuarial (gain)/loss due to change on assumptions	(4.95)	0.57	(2.53)	0.90	(4.22)

in Rupees million	2013	2012	2011	2010	2009
Provident Fund					
a) Present Value of defined benefit obligation	19.41	17.51	10.91	9.34	8.61
b) Fair value of plan assets	-	-	-	-	-
c) Deficit	19.41	17.51	10.91	9.34	8.61
d) Experience adjustment of plan assets [(gain)/loss]	-	-	-	-	-
e) Experience adjustment of obligation[(gain)/loss]	(2.13)	2.17	(0.83)	(0.30)	(0.22)
f) Actuarial (gain)/loss due to change on assumptions	2.09	1.50	(0.11)	0.17	0.58

ix) Notes:

- The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.
- The pension expenses and gratuity expenses have been recognised in 'contribution to Provident and other funds' under Note 26.
- The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

35. Expenditure on Research and Development

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Revenue expenditure	1.46	1.65

36.

- a) Certain plant and machineries have been made available by the Company to the customers under a finance lease arrangement. Such assets given under a finance lease arrangement have been recognised, at the inception of the lease, as a receivable at an amount equal to the net investment in the lease. The finance income arising from the lease is being allocated based on a pattern reflecting constant periodic return on the net investment in the lease.
- b) Details with respect to the above leased asset under finance lease arrangements in accordance with Accounting Standard 19 –‘Leases’ as prescribed by the Companies (Accounting Standards) Rules, 2006 (as amended).

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Total gross investment in the lease	673.80	732.00
Less: Present value of minimum lease payments	219.06	267.50
Less: Present value of unguaranteed residual value	21.19	21.19
Unearned finance income	433.55	443.31
Gross investment in the lease		
i) Not later than one year [Present value of minimum lease payments receivable Rs. 36.39 (Previous year Rs. 45.83)]	64.20	70.20
ii) Later than one year but not later than five years [Present value of minimum lease payments Rs. 137.62 (Previous year Rs. 138.85)]	262.60	279.50
iii) Later than five years [Present value of minimum lease payments Rs. 66.24 (Previous year Rs. 104.01)]	347.00	382.30
iv) Contingent rent recognised in the Statement of Profit and Loss	12.50	12.64
v) Uncollectable minimum lease payments receivable at the Balance Sheet date	-	-

37.

Company has taken various residential and office premises under operating lease or lease and license agreements. These agreements are for a period of 11 months to 3 years, cancellable during the life of the contract at the option of both the parties and do not contain stipulation for increase in lease rentals. Minimum lease payment charged during the year to the statement of profit and loss aggregated to Rs. 70.44 million (Previous year Rs. 67.15 million).

38. Earnings per share

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Numerator used:		
Profit before tax and exceptional item	663.38	536.38
Less: Taxes there on	317.33	164.62
Profit after tax and before exceptional item	346.05	371.76
Add: Exceptional item	502.70	718.62
Less: Taxes thereon	75.47	195.58
Profit after tax	773.28	894.80
Denominator used:		
Number of equity shares of Rs. 10 each used during the year	85,286,209	85,286,209
Earning per share – on profit after tax and before exceptional item (basic and diluted earnings per equity share of Rs. 10 each)	4.06	4.36
Earning per share – on profit after tax (basic and diluted earnings per equity share of Rs. 10 each)	9.07	10.49

39. Information in accordance with the requirements of the Revised Accounting Standard 7 on Construction Contracts as prescribed by the Companies (Accounting Standards) Rules, 2006 (as amended).

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Contract revenue recognised	3,724.53	3,925.51
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all the contracts in progress	17,887.31	14,286.79
Amount of customer advances outstanding for contracts in progress	147.11	725.85
Amount of retention due from customers for contracts in progress	1,499.66	1,735.01
Gross amount due from customers for contracts in progress	919.03	169.42
Gross amount due to customers for contracts in progress	637.88	586.81

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

in million		Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Trade payable	GBP	0.01	0.00
	EUR	1.78	0.00
	USD	1.97	0.65
	AUD	0.01	0.02
	SGD	0.03	0.03
	DKK	0.13	0.13
	JPY	4.67	0.00
Trade receivable/other receivable	HKD	0.02	0.02
	GBP	0.01	1.50
	EUR	0.67	0.50
	USD	0.29	0.11
	JPY	0.00	5.25

41.

- i) Provision for taxation has been recognised with reference to the taxable profit for the year ended 31 December 2013 in accordance with the provision of the Income tax Act, 1961. The ultimate tax liability for the assessment year 2014-2015 will be determined on the basis of total income for the year ending on 31 March 2014.
- ii) The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Section 92-92F of the Income - Tax Act, 1961. Since the law requires the existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of the domestic and international transactions entered into with the associated enterprises during the assessment year and expects such records to be in existence latest by due date as required under law. The management is of the opinion that its domestic and international transaction are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.
- iii) During the year the company has recognised **Rs. 247.02 million** (previous year 211.88 million) as MAT credit entitlement and the same has been carried forward having regard to the trend of profitability and future projections. Management is of the opinion that the company will pay normal income tax during the period for which the MAT credit can be carried forward for setoff against the normal tax liability.

42.

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

- i)
- a) Principal and interest swap as hedges of foreign currency borrowing facilities aggregating **Euro103.40 million** (previous year Euro 115.60 million) and **USD 16.84 million** (previous year nil) equivalent to **Rs. 7,632.83 million** (previous year Rs. 7,413.83 million) available to the Company at variable interest rates based on LIBOR. The principal and interest rate swap aggregating to **Rs. 4,435.12 million** (previous year Rs. 4,209.30 million), **Rs. 4,350.16 million** (previous year Rs. 4,180.27 million) and **Rs. 1,040.57 million** (previous year nil) will mature in the year 2016 and 2017 and 2015 respectively, based on the remaining period as of the Balance Sheet date.
- b) Interest swaps as hedge of floating interest rate to fixed interest on a term loan of **Rs. 1,000.00 million** (previous year Rs. 1,000.00 million). The interest swap will mature in the year 2014 based on the remaining period as of the balance sheet date.
- c) Further the Company has entered into certain firm commitments for purchase of **Euro 8,401 thousands** (previous year Euro 33,693 thousands) and **USD Nil** (previous year USD 1,010 thousands) and sale of **USD 4,557 thousands** (previous year USD 6,557 thousands).

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

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Not later than one month	364.02	1,852.06
Later than one month not later than three months	282.02	-
Later than three months and not later than one year	285.85	315.58
Later than one year and not later than two year	-	709.84

Rs. 1,447.61 million (net of deferred tax Rs. 745.41 million) [Previous year Rs. 659.27 million (net of deferred tax Rs. 316.63 million)] being the translation loss on foreign currency borrowings drawn down till the year-end and Rs. 1,709.76 million (net of deferred tax Rs. 880.39 million) [Previous year Rs. 648.37 million (net of deferred tax Rs. 311.40 million)] being the portion of gain arising from changes in fair values of the swap contracts referred to in point (a) above that are determined to be effective hedge of the aforesaid foreign currency borrowing facilities at variable interest and the related hedged transaction expected to occur in future have been recognized in translation and hedging reserve in shareholders' funds.

Rs. 0.60 million (net of deferred tax Rs. 0.30 million) [previous year (Rs 9.75 million) (net of deferred tax (Rs. 4.69 million)] being the portion of gain/(loss) arising from changes in fair values of the swap contracts referred in point (b) above that are determined to be effective hedge of the aforesaid floating interest rate facilities and the related hedged transaction expected to occur in future have been recognized in translation and hedging reserve in shareholders' funds.

Further, the translation gain on the forward covers for firm commitments which are determined to be effective hedge of foreign currency payables and receivables referred in point (c) above aggregating to Rs. 40.46 million (net of deferred tax Rs. 20.93 million) [Previous year Rs. 13.32 million (net of deferred tax Rs. 6.40 million)] has been recognised in translation & hedging reserve in shareholders' funds.

ii) Hedged transaction aggregating to Rs. 342.34 million (equivalent to USD 6.29 million) [previous year Rs. 148.99 million (equivalent Euro 2.15 million) which is no longer expected to occur, the net cumulative loss recognized in shareholders' funds is now transferred to the Statement of Profit and Loss for the year aggregating to Rs. 49.05 million (previous year Rs. 8.14 million)

43.

During the year, the Company has sold factory land and structures situated at Ahmedabad and a profit of Rs. 502.70 million arising from sale of such land has been shown as exceptional item. In the previous year, the Company had sold factory land situated at Vizag and Bangalore and a profit of Rs. 718.62 million arising from sale of such lands were shown as exceptional item.

44.

Segment information in accordance with Accounting Standard 17 prescribed by the Companies (Accounting Standards) Rule, 2006 (as amended).

- a) Determination of segment information is based on the organisational and management structure of the Company and its internal financial reporting system. The Company business segments namely 'Gases and Related Products' and 'Project Engineering' have been considered as primary segments for reporting format. Segment revenue, results, assets and liabilities include the respective amounts that are directly attributable to or can be allocated on a reasonable basis to each of the segments. Revenue, expenses, assets and liabilities which relate to the enterprise as a whole and are neither attributable to nor can be allocated on a reasonable basis to each of the segments, have been disclosed as unallocable.
- b) The Company operates predominantly within the geographical limits of India, accordingly secondary segments have not been considered.
- c) Inter-segment revenue has been recognised at cost.

Information about business segment

in Rupees million

	As at 31 Dec. 2013			As at 31 Dec. 2012		
	Gases and Related Products	Project Engineering	Total	Gases and Related Products	Project Engineering	Total
1. Segment revenue						
External revenue (net of excise duty) (A)	10,564.93	3,676.66	14,241.59	9,309.51	3,888.55	13,198.06
Interest income (B)	43.49	-	43.49	43.54	-	43.54
Interest income - unallocable			0.76			6.08
Other income - unallocable			82.11			30.98
Total external revenue			14,367.95			13,278.66
Inter segment revenue (C)	-	845.04	845.04	-	1,113.13	1,113.13
Total segment revenue (A) + (B) + (C)	10,608.42	4,521.70	15,130.12	9,353.05	5,001.68	14,354.73
2. Segment results						
Interest income	1,079.37	705.49	1,784.86	578.04	639.73	1,217.77
Interest expense (net) - unallocable	43.49	-	43.49	43.54	-	43.54
Total segment result	1,122.86	705.49	1,828.35	621.58	639.73	1,261.31
Other unallocable expenses (net of unallocable income)			(743.74)			(398.09)
Profit before tax and exceptional item			(421.23)			(326.84)
Profit before tax			663.38			536.38
Exceptional item	502.70	-	502.70	718.62	-	718.62
Profit before tax			1,166.08			1,255.00
Less: Tax expense			392.80			360.20
Profit after tax			773.28			894.80
3. Segment assets						
Unallocated assets	30,179.88	3,190.77	33,370.65	27,059.64	2,899.55	29,959.19
Unallocated investments			6,139.21			4,031.50
Total assets			150.07			150.00
			39,659.93			34,140.69
4. Segment liabilities						
Liabilities and provisions	2,355.46	2,998.30	5,353.76	2,294.65	3,722.73	6,017.38
Unallocable liabilities and provisions			2,762.74			2,355.10
Borrowings			15,278.11			10,989.57
Deferred tax liability (net)			1,992.05			1,439.52
Total liabilities			25,386.66			20,801.57
5. Cost incurred to acquire fixed assets						
Unallocable	2,802.24	30.46	2,832.70	3,793.36	6.68	3,800.04
			47.72			20.58
			2,880.42			3,820.62
6. Depreciation/amortisation						
Impairment loss	1,268.08	1.82	1,269.90	1,018.56	1.79	1,020.35
Unallocated depreciation/amortisation	-	-	-	84.52	-	84.52
			20.53			20.34
			1,290.43			1,125.21
7. Impairment released						
On disposal of fixed assets	6.14	-	6.14	1.93	-	1.93
8. Significant non cash expenses other than depreciation/amortisation						
	42.53	-	42.53	87.19	114.57	201.76

45.

Information in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures prescribed by the Companies (Accounting Standards) Rules, 2006 (as amended).

A) List of Related Parties

i) Ultimate Holding Company (entity having control over the Company)

Linde AG, Germany

ii) Holding Company (entity having control over the Company)

The BOC Group Limited, United Kingdom

(Wholly owned Subsidiary of Linde AG)

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

a) Located outside India

Fellow Subsidiary	Country
Linde Bangladesh Limited	Bangladesh
Chemogas N.V.	Belgium
BOC (China) Holdings Company Limited.	China
Linde Electronics & Speciality Gases (Suzhou) Company Limited.	China
Hangzhou Linde International Trading Co., Limited	China
Cryostar SAS	France
Linde HKO Limited	Hong Kong
The BOC Group Limited, (Hong Kong)	Hong Kong
Linde Gáz Magyarország Zrt.	Hungary
PT. Linde Indonesia	Indonesia
Linde Japan Limited	Japan
Linde Korea Company Limited	Korea
Linde Malaysia Holdings Berhad	Malaysia
Linde Malaysia Sdn. Bhd.	Malaysia
Linde Philippines Inc	Philippines
Linde Gas Singapore Pte Limited	Singapore
Linde Gas Asia Pte Limited	Singapore
Ceylon Oxygen Limited	Srilanka
Cryo Aktiebolag	Sweden
AGA Aktiebolag	Sweden
BOC Lienhwa Industrial Gases Company Limited	Taiwan
Linde (Thailand) Public Company Limited	Thailand
Linde CryoPlants Limited	United Kingdom
BOC Limited	United Kingdom
Linde North America, Inc.	United States of America
Linde Gas North America LLC	United States of America
Linde Process Plants, Inc.	United States of America
Linde RSS LLC	United States of America
Linde LLC	United States of America
Linde Engineering North America Inc.	United States of America
Linde Gas Vietnam Limited	Vietnam

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. S Menon, Managing Director till 29 July 2013

Mr. M Banerjee, Managing Director from 30 July 2013

B) Transactions with related parties during the year

in Rupees million	Ultimate Holding Company		Holding Company		Fellow Subsidiaries (Refer 'C' below)		Joint Venture		Key Management Personnel	
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	31 Dec. 2013	31 Dec. 2012	31 Dec. 2013	31 Dec. 2012	31 Dec. 2013	31 Dec. 2012	31 Dec. 2013	31 Dec. 2012	31 Dec. 2013	31 Dec. 2012
Nature of transaction										
Purchase of goods	18.74	198.30	-	-	248.80	356.79	92.74	97.93	-	-
Purchase of fixed assets	66.42	5,411.81	0.73	-	170.85	171.18	-	-	-	-
Services received	121.45	55.27	130.71	139.45	126.38	104.12	-	-	-	-
Facility fees received	-	-	-	-	3.60	3.60	-	-	-	-
Sale of goods/ services	-	-	-	-	673.57	950.09	13.03	14.24	-	-
Recovery of expenses	26.51	13.49	-	-	71.72	35.46	11.42	10.65	-	-
Reimbursement of expenses	8.24	7.84	-	-	7.29	0.06	-	-	-	-
Rent received	-	-	-	-	13.51	11.49	-	-	-	-
Managerial remuneration	-	-	-	-	-	-	-	-	28.73	23.57
Dividend paid/ payable	-	-	114.46	114.46	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-	15.00	15.00	-	-
Borrowings during the year	3,132.26	-	-	-	-	-	-	-	-	-
Borrowings repaid during the year	780.85	395.14	-	-	-	-	-	-	-	-
Finance cost	538.76	369.44	-	-	-	-	-	-	-	-
Outstanding balances:										
Receivables	50.29	22.91	0.80	0.80	66.63	31.57	38.94	35.21	-	-
Payables	220.31	103.54	187.32	93.25	283.80	273.31	-	4.35	1.10	3.14
Payables for borrowings	11,917.54	8,389.57	-	-	-	-	-	-	-	-
Interest accrued but not due	153.83	99.22	-	-	-	-	-	-	-	-
Advance from customers	-	-	-	-	-	292.43	-	-	-	-
Advance to vendors/Capital advances	1,855.51	152.91	-	-	138.09	175.31	182.73	250.00	-	-
Guarantee given by the Company	-	-	-	-	-	-	61.60	184.81	-	-

C) Details of transactions with fellow subsidiaries (included under Column 'Fellow Subsidiaries' in 'B' above) the amount of which is in excess of 10% of the total related party transactions of the similar nature

Nature of Transaction	Name of fellow subsidiaries	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
1. Purchase of goods	Cryostar SAS	61.00	218.91
	Linde North America, Inc.	166.29	127.90
2. Purchase of fixed assets	Cryostar SAS	54.22	50.73
	AGA Aktiebolag	-	56.40
	Linde Engineering India Private Limited	112.25	61.84
3. Services received	Linde Gas Asia Pte. Ltd.	29.70	25.23
	Linde North America, Inc.	51.99	61.05
	Linde Gas Singapore Pte. Limited	42.26	12.77
4. Facility fees received	Linde Global Support Services Private Limited	3.60	3.60
5. Sale of goods/services	PT. Linde Indonesia	570.82	662.80
	Ceylon Oxygen Limited	43.94	243.60
6. Recovery of expenses	Linde Gas Asia Pte Limited	57.91	30.98
7. Reimbursement of expenses	Linde Bangladesh Limited	-	0.06
	Linde Engineering India Private Limited	7.20	-
8. Rent received	Linde Global Support Services Private Limited	13.51	11.49
9. Outstanding balance:			
- Receivables	Linde Bangladesh Limited	12.64	7.98
	Linde Gas Asia Pte Limited	35.54	19.86
- Payables			
	Linde Gas Singapore Pte. Ltd	66.82	19.31
	Cryostar SAS	24.50	52.39
	Linde North America Inc.	71.49	52.04
	Linde Engineering India Private Limited	-	63.90
	AGA Aktiebolag	30.06	15.86
- Advance to Vendors/Capital	Cryostar SAS	10.88	69.41
Advances	Linde Engineering North America Inc.	110.60	53.18
	Linde North America, Inc.	16.26	17.03
	Linde Engineering India Private Limited	-	33.14
- Advance from customers	PT. Linde Indonesia	-	248.62
	Ceylon Oxygen Limited	-	43.81

46. Value of imports on CIF basis

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Components and spare parts	410.40	853.04
Capital goods	247.12	5,741.77
	657.52	6,594.81

47. Consumption of raw materials, components and stores & spare parts

in Rupees million	Year ended 31 Dec. 2013		Year ended 31 Dec. 2012	
	Amount	% of total Consumption	Amount	% of total Consumption
Raw material				
Imported	-	-	-	-
Indigenous	80.56	100.00	73.78	100.00
	80.56	100.00	73.78	100.00
Components and Stores & Spare parts				
Imported	446.04	17.68	1,008.26	41.88
Indigenous	2,077.44	82.32	1,399.43	58.12
	2,523.48	100.00	2,407.69	100.00

48. Expenditure in foreign currency

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Travelling expenses	0.66	0.87
Technical support fees	130.71	139.45
Services received	258.29	165.17
Interest expense	538.76	369.44
Reimbursement of expenses	15.53	7.90
	943.95	682.83

49. Earnings in foreign exchange

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Export (F.O.B. basis)	771.14	1,425.77
Recovery of expenses	93.21	44.61
	864.35	1,470.38

50. Remittance in foreign currency on account of dividend

in Rupees million	Year ended 31 Dec. 2013	Year ended 31 Dec. 2012
Number of Non-Resident Shareholders	One	One
Dividend for the year	2012	2011
Number of Shares held	76,308,293	76,308,293
Amount Remitted	114.46	114.46

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

51. Expenses are net of reimbursement received aggregating Rs. 109.65 million (previous year Rs. 59.60 million).

52. Figures for the previous year has been regrouped/rearranged where necessary.

Independent auditor's report.

To the Members of Linde India Limited
(formerly known as BOC India Limited)

Report on the financial statements

We have audited the accompanying financial statements of Linde India Limited (formerly known as BOC India Limited) [‘the Company’], which comprise the Balance Sheet as at 31 December 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”) which, as per a clarification issued by the Ministry of Corporate Affairs, continues to apply under section 133 of the Companies Act 2013 (which has superseded section 211(3C) of the Companies Act, 1956 w.e.f. 12 September 2013). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 December 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (“the Order”) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act 2013 (which has superseded section 211(3C) of the Companies Act 1956 w.e.f. 12 September 2013); and
 - e) on the basis of written representations received from the directors as on 31 December 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Annexure to the auditor's report.

(Referred to in our report of even date)

i)

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

ii)

- a) The inventory, except goods-in-transit has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii)

The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

iv)

In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

v)

- a) In our opinion and according to the information and explanations given to us, the particulars of the contract or arrangement referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

- b) Under the aforesaid contract or arrangement, certain services that are rendered by the Company as per the specialised requirements of a buyer and the value of such services exceeds Rs. 0.50 million during the year, suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.

vi)

The Company has not accepted any deposits from the public during the year.

vii)

In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

viii)

We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

ix)

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at 31 December 2013 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues of Customs duty and Wealth tax which have not been deposited with the appropriate authorities on account of any dispute.

According to the information and explanations given to us, dues of Sales tax, Service tax and Excise duty which have not been deposited by the Company on account of any dispute are listed below:

Name of the Statute	Nature of Dues	Amount in (Rs. million) ***	Period to which amount relates	Forum where the dispute is pending
Central State Sales Tax Act and VAT Acts	Sales Tax/VAT	57.58*	1982-1992	High Court
			2005-2006	
			2009-2010	
		154.37	1981-1982	Revisional Board
			1983-1984	
			1986-1987	
		74.45*	1992-2009	Tribunal
			1993-1994	
			1995-1997	
		18.12	2003-2006	Joint Commissioner (Appeals) of Commercial taxes
			2008-2013	
			2005-2011	
		64.79	2004-2008	Deputy Commissioner (Appeals) of Commercial Taxes
			2009-2011	
			2006-2007	Assistant Commissioner of Commercial taxes
Central Excise Act, 1944	Excise Duty	29.25	2007-2008	
		59.15	2002-2003	Additional Commissioner of Commercial taxes
		170.60	2009-2010	
			2010-2011	
		2.06	1998-1999	Senior Joint Commissioner (Appeals) of Commercial taxes
			2001-2003	
			2005-2007	
		21.72	1999-2009	Commissioner of Commercial taxes
		10.49	1998-2001	
			2008-2009	
		116.04**	2008-2009	High Court
			2008-2009	
			2008-2009	
		7.89	1991-2011	Customs, Excise and Service Tax Appellate Tribunal
		24.69	1991-2010	
		15.24	2007-2010	
Finance Act, 1994	Service tax	5.07	1996-2000	Commissioner of Central Excise
		32.40	2007-2012	
			2007-2012	
		5.94	2006-2010	Additional Commissioner
		121.48	2006-2010	
		4.35	2005-2012	
		0.13	2005-2012	Deputy Commissioner
		6.49	2005-2012	
			2005-2012	
			2005-2012	Assistant Commissioner
		32.40	2005-2008	
			2005-2010	
			2004-2010	Customs, Excise and Service Tax Appellate Tribunal
		4.35	2004-2007	
		0.13	2009-2010	
		6.49	2009-2011	Commissioner (Appeals)
		32.40	2009-2011	
			2007-2011	
		32.40	2009-2011	Commissioner of Service tax
			2009-2011	
			2007-2011	

* Including amounts aggregating to Rs. 80.69 million in respect of Sales tax cases, which have been stayed by respective authorities

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

*** Excluding the demands the proceedings of which have been set aside or remanded for reassessment by the appropriate authorities

x)

The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

xi)

In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding debentures during the year.

xii)

The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii)

In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society.

xiv)

According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

xv)

In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.

xvi)

In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.

xvii)

According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that funds raised on short term basis have not been used for long-term investment.

xviii)

The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956.

xix)

The Company did not have any outstanding debentures during the year.

xx)

The Company has not raised any money by public issues during the year.

xxi)

According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Ten-year financial data.

Ten-year financial data

in Rupees million	2005	2006	2007	31Dec. 2007 (9 months)	31Dec. 2008 (12 months)	2009	2010	2011	2012	2013
Sales										
Home	4,243.5	5,607.1	4,954.7	3,259.8	5,697.3	8,245.6	10,214.8	11,577.1	12,577.2	14,260.9
Export	0.1	2.2	11.1	12.1	19.3	113.6	146.3	104.5	1,425.8	771.1
Profit/ (Loss) before Tax and Exceptional Item	455.9	809.1	437.7	240.2	832.3	920.0	1,295.7	1,748.5	536.4	663.4
Tax	189.6	326.0	183.3	96.0	212.3	376.1	359.4	531.9	164.6	317.3
Profit/ (Loss) after Tax, before Exceptional Item	266.3	483.2	254.4	144.2	620.0	543.9	936.3	1,216.6	371.8	346.1
Exceptional Item, (net of Tax)	13.4	303.1	191.6	472.4	180.4	(11.5)	-	-	523.04	427.23
Profit after Tax	279.7	786.3	446.0	616.6	800.4	532.4	936.3	1,216.6	894.8	773.3
Share Capital	490.8	490.8	490.8	490.8	852.8	852.8	852.8	852.8	852.8	852.8
Reserves and Surplus	1,898.9	2,517.2	2,819.7	3,246.0	9,509.7	9,728.4	10,297.8	11,767.0	12,486.3	13,420.4
Shareholders' Funds	2,389.7	3,008.1	3,310.5	3,736.8	10,362.5	10,581.2	11,150.6	12,619.8	13,339.1	14,273.3
Loan Funds	768.6	1,087.3	917.3	2,190.0	-	1,176.1	4,691.6	8,380.3	10,989.6	15,278.1
Debt - Equity (%)	32.2	36.1	27.7	58.6	-	11.1	42.1	66.4	82.4	107.0
Gross Block (includes capital Work-in-progress)	5,836.3	5,862.4	7,298.4	9,456.1	12,248.2	14,958.0	20,624.2	19,801.6	28,549.8	31,013.8
Depreciation (includes Impairment)	2,674.2	2,752.7	3,012.8	3,217.3	3,363.1	3,792.2	4,326.2	4,883.3	5,946.9	6,927.8
Net Block (includes Capital Work in Progress)	3,162.1	3,109.7	4,285.6	6,238.8	8,885.1	11,165.8	16,298.0	14,918.3	22,602.9	24,086.0
Investments	650.0	290.1	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.1
Net Current Assets	(396.4)	1,187.9	275.7	21.4	1,822.7	1,188.6	192.0	(373.5)	(1,461.6)	(1,992.3)
Total Capital Employed	3,415.7	4,587.7	4,711.3	6,410.2	10,857.8	12,504.4	16,640.0	21,000.1	24,328.7	29,551.4
Dividend										
(Incl. Tax thereon)	84.1	167.9	143.6	199.6	149.7	149.7	149.1	148.7	148.7	149.7
Rate of Dividend	15%	30%	25%	20%	15%	15%	15%	15%	15%	15%
No. of Issued Shares	49,084,223	49,084,223	49,084,223	49,084,223	85,284,223	85,284,223	85,284,223	85,284,223	85,284,223	85,284,223
Earnings per Share (Rs.)	5.70	16.02	9.09	12.56	9.59	6.24	10.98	14.26	10.49	9.07
No of Shareholders	28,675	32,061	31,772	31,663	29,178	26,759	21,824	20,364	20,883	20,590
No of Employees	588	633	643	657	722	666	726	797	797	839

Note: Year 2011 figures are updated as per revised schedule VI requirement where ever necessary

Linde India Limited

(Formerly known as BOC India Limited)

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Customer Service Centre Phone 1800 3456789 (toll free)

www.linde.in

FORM A

1.	Name of the Company	Linde India Limited (formerly known as BOC India Limited)
2.	Annual financial statements for the year ended 31 December 2013	31 December 2013
3.	Type of Audit qualification	Unqualified
4.	Frequency of qualification	N.A.


5. Signatures for Linde India Limited:

 <hr/> J Mehta Audit Committee Chairman	 <hr/> M Banerjee Managing Director	 <hr/> M Sadhukhan Chief Financial Officer
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Place: Mumbai
Date : February 7, 2014

Signatures by Auditors :

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W



Vikram Advani
Partner
Membership No. 091765
Place : Mumbai
Date : February 7, 2014