

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
LINDE INDIA LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **LINDE INDIA LIMITED** ("the Company"), for the quarter and nine months ended September 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Abhijit Bandyopadhyay
Partner

(Membership No. 054785)
UDIN: 19054785AAAAEJ6017

Bengaluru, November 11, 2019

Linde India Limited

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Statement of Financial Results for the quarter and nine months ended 30 September 2019

Particulars	(Rs. Million)					
	Three months ended 30 September 2019 (Unaudited)	Three months ended 30 June 2019 (Unaudited)	Three months ended 30 September 2018 (Unaudited)	Nine months ended 30 September 2019 (Unaudited)	Nine months ended 30 September 2018 (Unaudited)	Year ended 31 December 2018 (Audited)
1. Revenue from operations	4,096.69	4,982.12	5,516.22	13,489.70	16,288.61	21,916.54
2. Other income	96.25	24.38	68.32	169.96	152.22	226.34
3. Total income (1+2)	4,192.94	5,006.50	5,584.54	13,659.66	16,440.83	22,142.88
4. Expenses						
a) Cost of materials consumed	526.27	1,231.55	671.65	2,514.87	2,062.10	2,764.33
b) Purchase of stock-in-trade	282.15	299.48	283.65	827.77	823.09	1,124.97
c) Changes in inventories of finished goods and stock-in-trade	(17.25)	11.08	120.58	6.59	120.47	33.72
d) Employee benefits expense						
e) Finance Costs	312.96	271.18	371.61	861.09	963.44	1,272.92
f) Depreciation and amortisation expenses	221.25	232.41	255.86	686.39	781.53	1,027.01
g) Power and fuel	429.81	427.51	501.20	1,280.34	1,527.78	1,991.38
h) Contract job expenses	797.78	916.84	2,142.60	2,587.83	6,701.96	8,901.18
i) Freight and transport	190.99	169.96	123.60	551.01	366.98	542.47
j) Other expenses	450.32	492.06	430.76	1,399.71	1,242.10	1,714.71
Total expenses (4)	457.16	644.24	535.59	1,571.52	1,592.42	2,298.49
5. Profit from operations before tax (3-4)	3,651.44	4,696.31	5,437.10	12,287.12	16,181.86	21,671.18
6. Tax Expense:	541.50	310.19	147.44	1,372.54	258.96	471.70
a) Current tax	61.88	65.38	24.44	225.10	39.22	155.48
b) Deferred tax	110.24	43.18	18.61	220.66	39.08	(18.64)
7. Profit for the year/period (5-6)	369.38	201.63	104.39	926.78	180.66	334.86
8. Other Comprehensive Income						
A (i) Items that will not be reclassified subsequently to profit or loss	(0.33)	(10.44)	3.15	(14.14)	10.77	(89.32)
(ii) Income tax relating to items that will not be reclassified to profit or loss	14.84	3.65	(1.10)	19.67	(2.32)	31.22
B (i) Items that will be reclassified subsequently to profit or loss	2.77	(4.24)	0.38	(1.42)	18.90	25.91
(ii) Income tax relating to items that will be reclassified to profit or loss	(0.95)	1.47	(0.13)	0.50	(6.52)	(8.97)
9. Total comprehensive income for the year/period (7+8)	385.71	192.07	106.69	931.39	201.50	293.70
10. Paid up equity share capital (Face value Rs.10/- each)	852.84	852.84	852.84	852.84	852.84	852.84
11. Other Equity						
12. Earnings Per Share (EPS) (of Rs.10/- each) :						13,415.22
Basic and Diluted (not annualised) in Rs.	4.33	2.36	1.22	10.87	2.12	3.93

Notes:

(i) The Unaudited Financial Results and Segment Results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the company held on 11 November 2019. The limited review, as required under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, had been completed by the Statutory Auditors and they have expressed an unmodified opinion on the aforesaid results.

(ii) In connection with the global merger between Linde AG and Praxair Inc., the Competition Commission of India (CCI) had required divestiture of certain assets of Linde India Limited, as a condition to approving the global merger. On 14 September 2018, the Board of Directors of the Company gave an 'in principle' approval for initiation of the sale process for divestment of certain identified assets of the Company. These assets have been treated as "Assets held for sale". The Company has entered into a binding term sheet on 13 August 2019 with the potential buyer for such disposal and has obtained necessary approval of CCI and shareholders in this regard. The aggregate carrying amount of the "Assets held for sale" is Rs 2,564.59 Million. Further, no depreciation has been charged on these assets from the date these have been classified as "Assets held for sale".

(iii) The Company has adopted new standard on revenue recognition, Ind AS 115 "Revenue from Contracts with Customers" and has also appropriately evaluated its revenue recognition policy with effect from 1 January 2019. The Company has used "Modified Retrospective Approach" for transition to Ind AS 115 and thus the numbers for previous period/year are not comparable. The first-time application of new accounting standard Ind AS 115 had a negative impact on revenue. Costs which had previously been disclosed gross are now required to be shown net of sales-related costs reimbursed by the customer, which has led to a reduction in revenue and a reduction of an equal amount in cost of sales by Rs. 3,779.22 Million for the nine months ended 30 September 2019. The corresponding impact for three months ended 30 September 2019 and 30 June 2019 is Rs. 1,307.66 Million and Rs. 1,211.93 Million respectively. This also had a positive impact on the operating margin, though operating profit remained unaffected.

11 November 2019
Bengaluru

Abhijit Banerjee

Abhijit Banerjee
Managing Director
DIN : 08456907



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Segment wise Revenue, Results, Assets and Liabilities for the quarter and nine months ended 30 September 2019

(Rs. Million)

Particulars	Three months ended 30 September 2019 (Unaudited)	Three months ended 30 June 2019 (Unaudited)	Three months ended 30 September 2018 (Unaudited)	Nine months ended 30 September 2019 (Unaudited)	Nine months ended 30 September 2018 (Unaudited)	Year ended 31 December 2018 (Audited)
1. Segment revenue						
a. Gases and related products	3,222.93	3,378.91	4,584.09	9,983.26	13,434.24	18,020.78
b. Project engineering	884.47	1,618.12	960.20	3,572.14	2,980.25	4,049.44
Total	4,107.40	4,997.03	5,544.29	13,555.40	16,414.49	22,070.22
Less : Inter segment revenue	10.71	14.91	28.07	65.70	125.88	153.68
Revenue from operations	4,096.69	4,982.12	5,516.22	13,489.70	16,288.61	21,916.54
2. Segment results						
a. Gases and related products	690.66	551.57	492.15	1,971.00	1,089.53	1,626.48
b. Project engineering	117.03	199.18	110.73	441.80	371.90	542.19
Total segment profit before interest, tax and exceptional item	807.69	750.75	602.88	2,412.80	1,461.43	2,168.67
Less : i) Finance Costs	221.25	232.41	255.86	686.39	781.53	1,027.01
ii) Other unallocable expenditure (net of unallocable income)	44.94	208.15	199.58	353.87	420.94	669.96
Profit from operations before tax	541.50	310.19	147.44	1,372.54	258.96	471.70
Tax Expense	172.12	108.56	43.05	445.76	78.30	136.84
Profit for the year/period	369.38	201.63	104.39	926.78	180.66	334.86
3. Segment Assets						
a. Gases and related products*	28,354.69	28,804.59	28,628.92	28,354.69	28,628.92	28,577.45
b. Project engineering	3,254.31	3,315.89	2,882.47	3,254.31	2,882.47	3,093.83
c. Unallocated*	1,577.67	1,857.64	1,965.90	1,577.67	1,965.90	2,080.67
Total segment assets	33,186.67	33,978.12	33,477.29	33,186.67	33,477.29	33,751.95
4. Segment Liabilities						
a. Gases and related products	4,133.30	4,298.81	3,402.64	4,133.30	3,402.64	3,813.39
b. Project engineering	1,937.46	1,935.05	2,036.09	1,937.46	2,036.09	2,239.76
c. Unallocated	12,070.94	13,085.03	13,862.71	12,070.94	13,862.71	13,430.74
Total segment liabilities	18,141.70	19,318.89	19,301.44	18,141.70	19,301.44	19,483.89

Notes:

The primary segment for the Company is the Business Segment and it has two such segments which are as follows:

- a. Gases and Related Products : Comprises manufacture and sale of industrial, medical and special gases as well as related products.
- b. Project Engineering: Comprises sale of cryogenic and non cryogenic air separation plants and projects.

*Balance as at 30 September 2019, 30 June 2019, 30 September 2018 and 31 December 2018 include assets classified as "Asset held for sale" amounting to Rs. 2,564.59 Million, Rs. 2,418.69 Millions, Rs. 2425.10 Million and Rs. 2,403.66 Million respectively.

Abhijit Banerjee

Abhijit Banerjee
Managing Director
DIN : 08456907

11 November 2019
Bengaluru

