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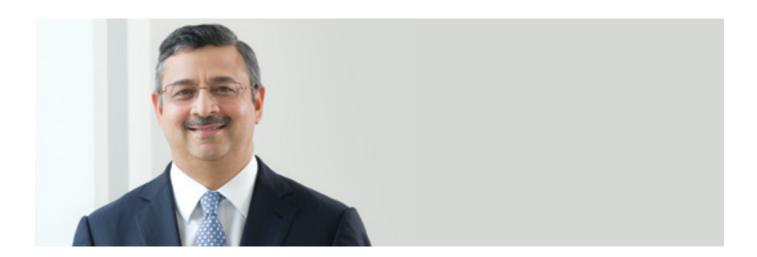
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Chairman's message.



Dear shareholders,

We operate in a VUCA world today; an acronym that describes the state of the global economy in recent years - Volatile, Uncertain, Complex and Ambiguous. However, despite the somewhat gloomy global economic landscape, recent developments in India appear positive on GDP, although the expectations on industrial activity and growth are still moderated. The economic conditions in India with falling inflation and interest rates, reasonable current account deficit and the projected GDP growth point to more optimistic prospects for the Indian economy in the future.

Against this backdrop, the Company's strategy is built around three pillars, namely, Customer Experience, Growth and Operational Discipline. These pillars of strategy drive us to listening more attentively to our customers and translating their feedback into a positive customer experience. This will spur growth for the product and service offerings provided by your Company and will finally ensure that our Operational Discipline translates into safe processes and procedures which are efficient and effective.

Our focus in this year's Annual Report is our customer. We have translated our commitment to our customers to a Customer Experience programme called CX, where our actions will make a positive impact on the experience of our customers when dealing with Linde India. Our focus through this programme is to establish world-class customer excellence

standards across the organization leveraging technology in supporting ease of doing business at all critical touch points with our customers such as indenting, ordering, inventory management, status of supplies, billing, etc.

In addition to that we are also making an investment in technology to support the customer in further developing their processes and gaining efficiency and productivity benefits. Linde India has therefore set up the Linde technology Centre in Pune for research on gas related applications and also for demonstration of such applications to our customers. This allows Linde India to differentiate it from the competition and creating value added solutions for our customers across various industries.

At Linde, we believe that sustainable customer experience comes from the passion we can ignite in the hearts and minds of our employees to serve our customers. The success of any such change depends on every function within the organization and our teams within those functions. Employee training is a vital part in ensuring that the Linde India team is not only able to engage with our customers but also to share knowledge with them on our products and services with a view to provide value added solutions.

For Linde India, being close to our customers is a lot more than just geographical proximity - we partner them, listen intently, advise proactively, develop tailored solutions and actively support them in the growth and success of their business. We want to redefine customer service levels in this industry by earning the reputation as a company that brings value and is easy to do business with.

I am confident that we are making the right investments, both in technology and in effort, here. Our focus on the customer will put us in good stead and provide resilience in this VUCA world to ensure stable, sustainable and profitable growth for the Company. Through CX, we are setting ourselves apart from the competition and I am proud to be part of a strong and passionate team whose indomitable spirit will propel Linde India to new heights.

Warm regards,

Sanjiv Lamba Chairman

Customer focused.

Focusing on the customer has always been the priority at Linde. Linde India has always believed that every process, no matter how simple or complex, can be eventually traced all the way to the customer. Consequently, the customer has always been the most important element of the strategy and the starting point for all processes and systems.



World-class testing facilities ensure purity, reliability and safety levels of the highest order.

The spirit of 'leading', inspires Linde to constantly evolve and set new benchmarks in quality and reliability as well as in customer value and customer service. But since, at Linde, everything begins with the customer in mind, if a further improvement in quality was sought, or the supply reliability had to be further improved, the project had to start with the way the customer perceives things. It's the best place the start - everything else falls into place.

2015 will be remembered as the year when Linde India launched an extensive campaign to take its customer service levels to the next level, raising the bar in the industrial gases market. The initiative, called 'CX' (Customer experience) aimed at redefining service levels, aligning the organization in one direction, simplifying processes, improving the customer interface; and overall, creating a culture of celebrating customer delight.

The first step, as always, was to understand what the customer expected Linde's customer service levels to be. Instead of talking, Linde India decided to start by listening. Extensive customer feedback programmes were launched. Customer feedback was then analysed and a roadmap was prepared using the insights obtained. CX divided the full spectrum of the customer service effort into people, processes and systems.

While processes and systems are critical, since people drive change, it was important to first align people. The team was divided into customer-thinking, customer-enabling and customer-facing sub-teams. Everyone at Linde India was a part of the project and continues to be a part of the sustained effort. A number of workshops were held to communicate to

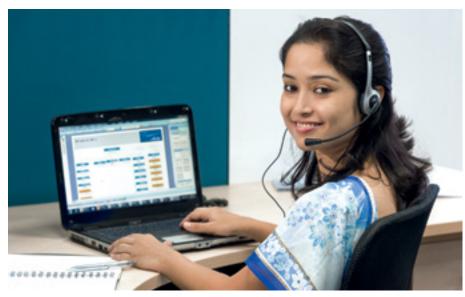
the teams the new level of customer focus that Linde India was preparing itself for.

The next step was to upgrade the already best-in-class systems and take them to the next level. While improvement and evolution are ongoing processes, the system upgrade drive launched at Linde India lands it among companies with top-notch customer-friendly systems; and the journey has only just begun.

The Customer Care Centre is the nerve centre and the primary interface for customer engagement. It has a toll-free number for customers to call on and can handle calls in almost any Indian language. The centre manages inventory levels for customers buying compressed gases in cylinders and ensures that stocks and supplies for customers across the country are monitored on a daily basis. It also handles customer queries and acts as the single point of contact for all communication with customers. The use of SAP, advanced service levels and cutting edge telephony systems give it a distinct advantage over most other customer service centres. To keep the communication and information realtime SMS alerts are sent to customers during the various stages of the supply delivery process. When it comes to resolving customer queries, the centre has a dedicated team that ensures that queries are resolved promptly.

Another centre of excellence is the Cluster Scheduling Centre, which handles customers buying liquid gases in cryogenic tankers. This is a state-of-the-art facility offering end-toend solutions to Linde's customers across India and Bangladesh. Customers' inventories are tracked online using advanced telemetry. Telemetry devices sense the levels of liquid gases in the cryogenic storage vessels and relay that information to the scheduling centre for the purpose of scheduling supplies across the region. The movement of cryogenic tankers is monitored using very sophisticated equipment and software. At Linde, safety is at the core of all operational processes. Vehicle tracking data is used extensively to make Linde's tankers safer and the delivery process more reliable.

Processes bring people and systems together. Lean six sigma runs through the veins of Linde



A strong focus on resolving customer queries in an efficient and timely manner prevents recurrence in the future.



State-of-the-art vehicle and stock tracking capabilities generate real-time data to manage distribution and inventory management more efficiently.

India. A number of six sigma projects were taken up to make processes more simple and efficient. These include production processes, distribution processes, sales and marketing processes, as well as procurement processes.

This initiative has given new strength and new credibility to the six sigma drive and these efforts have been recognized by customers across the country.

Focused on innovating for customers.



LIV™ is a special offer being introduced into the Indian Healthcare market that is a first of its kind.

leading private and government hospitals. This is where Linde provides an end-toend solution-managing the inventory and supplies for customers, round the clock and round the year, in an environment that is characterized by high patient movement, thereby adding value as India's leading medical gases provider. Linde's credibility as a medical engineering services provider was further strengthened when it become the official consultant for all medical gases related technical projects undertaken by the Manipal Hospitals chain across the country. With continuing its tradition of being an end-to-end solutions provider to customers, Linde recently, in addition to the installation and commissioning of medical gas pipeline systems, launched a new initiative under which it also provides accessories and source equipment. One such example is the

guidance and support Linde offered to MGM Hospital, Aurangabad in installing new source equipment after a safety audit conducted by Linde recommended their use.

The Healthcare team is now working on bringing in next generation medical gases solutions from Linde's global stable. These include sophisticated light-weight cylinders that will change the way medical oxygen is used, particularly in its portable and ambulatory use.

2015 was a significant year in the history of the Healthcare business in India. Inspired by the drive for enhanced Customer Experience, the Healthcare business grew in a number of ways. While there was an encouraging increase in the volumes, the business also registered a significant increase in the margins. Operating in a segment that is rapidly growing, the Healthcare business has lived up to expectations by registering significant profitable growth. The business has also expanded geographically - into tier-2 cities. Addressing the Siliguri market in northern West Bengal is a classic example, one that will serve as a model for future expansion into tier-2 cities across the country. Being awarded a large contract at the King George Medical University, Lucknow, shows the trust that Linde's brand commands in the market, even when the customer is located at a fair distance from Linde's production facility.

Yet another dimension along which the Healthcare business expanded is in providing total medical gases management solutions to customers. Linde India offers total gas management solutions to a number of



Focused on customer safety.

The commitment to safety is a promise, both personal and collective. At Linde, safety is a foundational principle and can never be compromised. Being passionate about customers further inspires safety policies to ensure that safe processes and practices are followed not just at Linde's manufacturing, bottling and storage facilities but also at customers' premises. Linde's customers benefit from Linde's high safety standards and are glad to adopt them as their own.

Safety in numbers.



Golden rules of safety

Achieved in 2015

LTI (Lost Time Injury) days for employees

Improved transport safety by achieving

00%

installation of in-cab cameras in our transport tankers and cylinder trucks

In 2015, our fleet covered

million km

delivering our products to our wide customer base

Received CAT 1 and CAT 2 Major Hazard Review Programme certificates for over

95%

of our major sites adequately mitigating all high risks and hazards involved in our operations

Our dedicated fleet of

450

trucks carries our products safely across the country

In 2015

100%

new joiners attended mandatory SHEQ induction training and competency assessments during the year (this is a mandatory requirement to be completed within six months of joining)

More than

75%

of our tonnage sites have established water recycling and rain harvesting facilities to protect the environment

Over

90%

of all our operating units are certified with international Quality Management Systems certificate and standards

Focused on customer engagement.

While it is important to work on processes and systems that improve customer experience, engaging with customers at a number of levels on an ongoing basis, is critical. The good news is that it comes naturally to a team that is passionate about customers.





Visitors keenly interested in Linde's cutting-edge technology



Linde India continued to focus on being close to customers and consistently pursued customer engagement initiatives. These include safety and process audits, customer training sessions, mock drills, participation at various customer-organised events as well as at tradeshows.

At the Make In India Week, held at Mumbai, Linde was a key participant. Linde had two display booths which were visited by a number of distinguished delegates and customers. It was a wonderful opportunity to meet customers from the various industrial sectors where Linde provides gases solutions. All major national and internal players from the steel, automobile and chemicals sectors were present at the Make In India Centre. A number of youngsters and budding entrepreneurs also visited the booths and showed interest in Linde's cutting-edge technology and best-in-class delivery capabilities. Linde's key message was 'Inspired in Germany. Made in India'.

Making a difference.



Empowering 225 women in Faridabad



Sponsoring 1 new classroom for the children of Jamshedpur



Donating 1 ambulance to ferry cancer patients for treatment



Planting 100 saplings in Chennai



Managing Director, Moloy Banerjee receiving the Golden Peacock Award

Corporate Social Responsibility (CSR) has been a key focus area for Linde. From the Board to entry-level employees, there has been a lot of insight, guidance, participation and energy. Linde India's corporate responsibility initiative focuses on four key areas - health, education, environment and livelihood (skill development).

Linde India won Special Commendation for the prestigious Golden Peacock Award for Corporate Social Responsibility, for the year 2015. The award recognizes Linde India's contribution in the field of preparing the underprivileged for sustainable livelihood and wellbeing At a glittering awards ceremony held at Mumbai hosted by the Institute of Directors, Cluster Head - South Asia, Moloy Banerjee received the award on behalf of Linde India.

Women can be the most powerful instrument of change, because women empowerment leads to empowerment of the family, the community and eventually the country as a

whole. Empowering rural women has an even deeper and stronger impact as it brings about change at the grass-roots level. To work in this direction, the project, 'Literacy to Self-Reliance' designated by the Technology and Action for Rural Advancement (TARA), New Delhi, was launched around Linde's Faridabad Plant.

The project aims at women's literacy and consequently at strengthening their income generation through various training and capacity-building initiatives in villages in and around Faridabad near New Delhi.

The uniqueness of this programme is that each woman becomes self-reliant in different ways at various stages of the project. For some women, self-reliance means being able to read and write; for some, it is about being able to contribute to their children's education, while for others it is about financial independence. But in all cases, the project certainly enhances the confidence levels of women which is a basic driver for change.

The project takes the participants through various stages of development steps, like functional literacy, life skills training, vocational training and handholding. Centres have been established in five villages in different locations and women were mobilized to participate in this programme. Trainers were identified and further trained to deliver the desired output.

The project is inspired by Linde's core value about empowering people. It derives energy from the participation of the Linde India team. The enthusiasm of the team is palpable. The Linde India team is intricately involved, every step of the way, taking time out from their schedule, taking turns to help rural women graduate to literacy and then eventually to self-reliance.

The Golden Peacock Award will always be an Inspiration and the Linde India team will continue to embrace new challenges in its endeavour to make a difference to the world.

