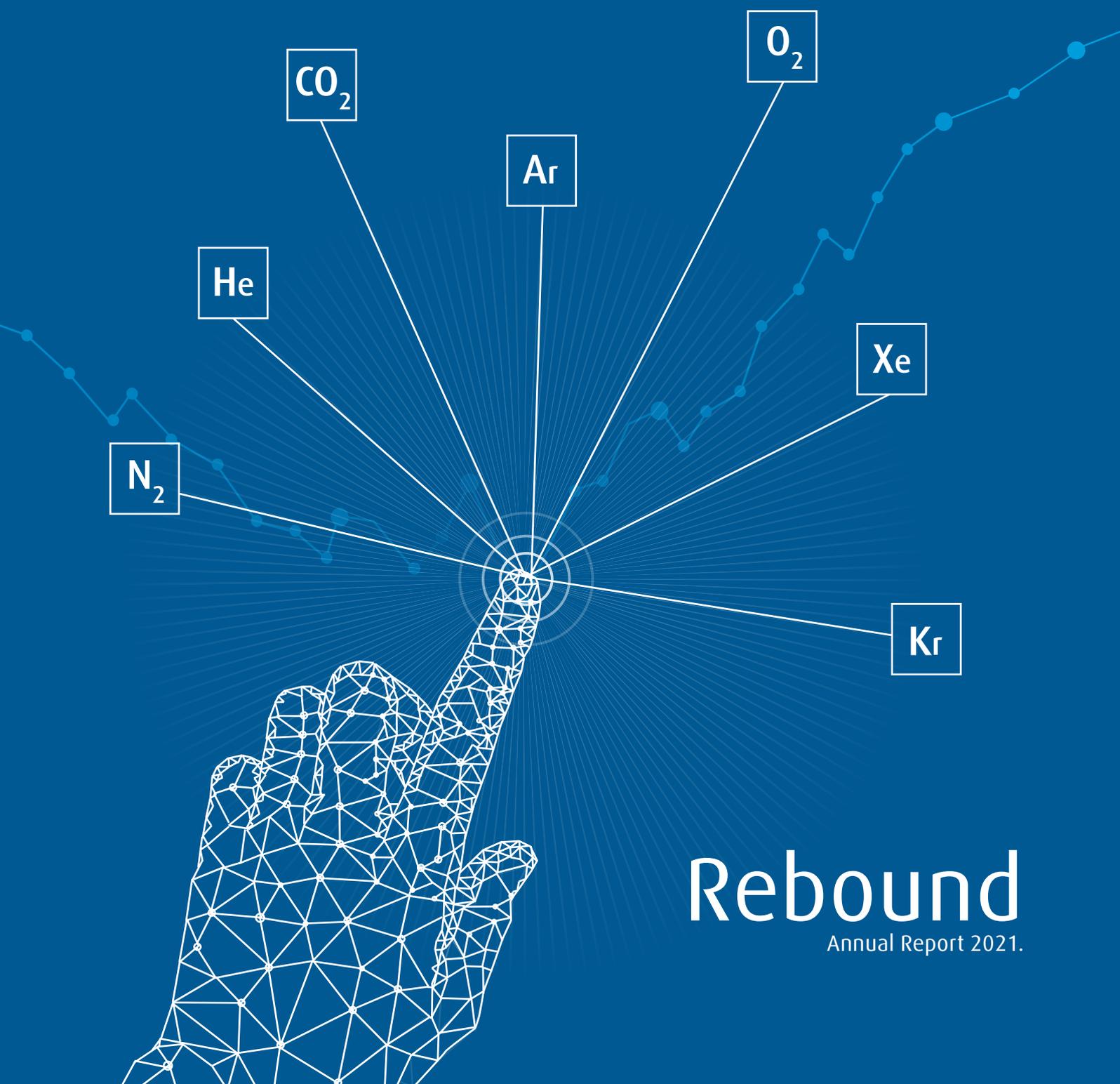


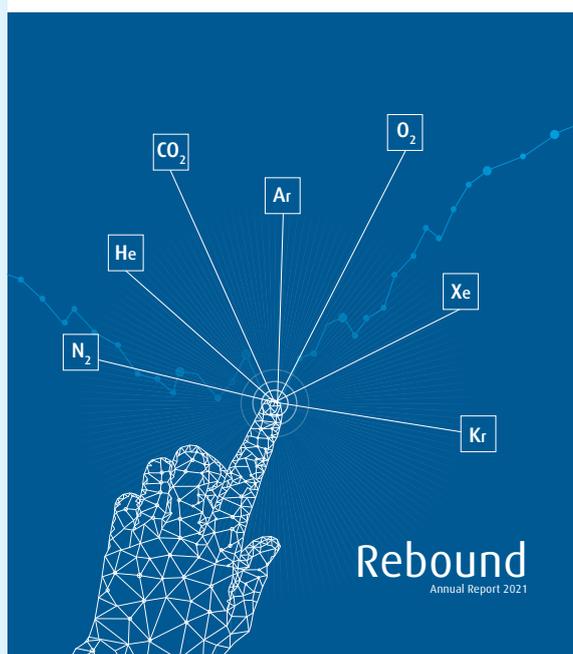


Making our world more productive



# Rebound

Annual Report 2021.



## Rebound.

Ability to rebound is one of the most important aspects of business in a VUCA (volatile, uncertain, complex and ambiguous) world. For Linde India, Rebound after each fall is a reflection of its agile business model, market leadership, and its people, who deliver innovative solutions for customers.

This “Rebound” is triggered by a committed team that resolutely pursued a shared vision and carefully executed Linde’s strategy of profitable growth safely.

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# Chairman's Message.



## Dear Shareholders,

As I reflect on the year gone by, 2021 was another difficult year when the second wave of COVID-19 in India caused unprecedented suffering that is hard to comprehend as it devastated lives and livelihoods. As you all know, the Government of India and the State Governments, however, did respond to the crisis in a very commendable manner in various ways. All these measures and the phased unlocking of the economy led to a sharp recovery in the later part of 2021. Fortunately, the 3rd wave of Covid-19 was comparatively much milder than the earlier variant and did not cause any notable disruption.

In this backdrop, I am delighted to note that your Company recorded a remarkable performance in 2021 as it delivered total revenues from operations of Rs. 21,120 million as compared to Rs. 14,711 million in 2020. The Company's revenues during 2021 have recorded a growth of 44% over 2020 despite the divestment of the South Region Divestment Business. While the Gases revenues grew by 38% from Rs.12,001 million to Rs.16,611 million, the revenues of the Project Engineering Division recorded a robust growth of about 66%, which rose from Rs. 2,710 million during 2020 to Rs.4,509 million in the year 2021. This reflects a strong REBOUND since the lows of 2020, during which the Company demonstrated resilience of its character.

The growth in the Gases revenues during the year 2021 was mainly driven by liquid and compressed medical oxygen during the 2nd

quarter led by significant surge in demand during the 2nd wave of Covid-19. This demand started to taper off during the subsequent 3rd and 4th quarters, which was replaced by demand for industrial gases including higher volumes of argon, helium and special gases. On the other hand, the growth in the Project Engineering business was driven by higher revenues from steel and refinery sectors, which was more conspicuous on account of the lower base of the previous year. You will recall that the prolonged nationwide lockdown during the year 2020, had disrupted most of the project sites resulting in deferment of revenues.

During the year under review, your Company achieved pre exceptional earnings before interest, depreciation and amortisation (EBITDA) of Rs. 6,013 million as compared to Rs. 4,075 million during 2020. This increase in the operating profit vis-a-vis 2020 was mainly on account of higher volumes and pricing impact across revenues from onsite, healthcare, packaged and special gases, productivity savings from plant load optimization and operations as well as efficiencies achieved in the distribution of products. The PED business also contributed to higher operating profits as a result of significantly higher billings as compared to 2020. The operating profits were further boosted by reduction of fixed costs, higher dividend income from the Joint Venture and interest income. Profit before tax (PBT) before exceptional item amounted to Rs. 4,168 million, which is significantly higher as compared to Rs.2,252 million in the previous year. Your Company's profit after tax for the year under review amounted to

Rs. 5,139 million, which includes exceptional profit of Rs. 2,944 million from the sale of closed factory land at Kolkata. The Directors Report deals with the performance in more detail.

Looking ahead, I must add that while the subsequent potential waves of Covid continue to pose some uncertainty, the ongoing conflict between Russia and Ukraine that started in February 2022 and other geo-political tensions in some geographies continues to impact economies across the globe. This conflict has resulted in sharp increase in energy prices, inflation and supply chain disruptions globally and India is not an exception. The global economies and the humanity are hopeful of an early and peaceful resolution of this conflict as it will ease the energy prices and supply chain disruptions and usher peace.

Closer home, with an improvement in the economic scenario in the last few quarters in India, there has been an increase in investments across various sectors of the economy and new opportunities are emerging. Both public and private capital investment in core sectors are expected to drive consistent, all-round economic growth, more particularly improving capacity utilization and investments in the manufacturing sector. Your Company has been pursuing several opportunities for profitable growth in the gases and the project engineering businesses, many of which are already in pipeline and covered in more detail in this report. I am sure all these will help Linde India to sustain and build on the REBOUND in the year ahead.

With these thoughts, I wish you well and thank you for reposing your confidence in Linde India.

Warm regards,

**R J Hughes**  
Chairman

14 April 2022

# Rebound.

The year 2021 was a year of Rebound at Linde India Ltd. The rebound is evident across multiple financial and operational performance parameters during 2021, when the company created enhanced economic and social value for its stakeholders.

The Covid-19 pandemic had pushed the global economy into recession in 2020 on a scale not witnessed since the 1930s. Adverse impact of the pandemic even continued in most part of 2021. Prolonged shutdowns, supply chain disruptions, plummeting demands and above all impact on human lives had pushed governments and business to unprecedented turmoil. Linde India responded to the situation by expanding its medical oxygen production and distribution, which ensured seamless supply of medical oxygen across India.

During these unprecedented times, the team at Linde India was realigning its strategies, which included rationalisation and monetisation of assets, expanding the production capabilities and its customer base.

**As an outcome of the company's relentless pursuit to deliver innovative and sustainable solutions for customers, 2021 was a year of Rebound. The company significantly improved its performance in both its business segments i.e. gases and related products and project engineering.**

The Rebound was evident in all performance parameters such as financial, operational as well as social and environmental contributions. A brief synopsis of the Rebound is presented here.

## Rebound – Financial

During FY21, the company achieved 43.6% higher revenue at Rs. 21,119.58 million compared to Rs. 14,711.24 million a year ago. This rebound is testimony to your Company's resilience, as this financial performance was achieved despite the divestment of the South Region Divestment Business.

The company remained debt-free as at the end of 2021 and continues to have a strong balance sheet.

# 43.6%

YoY increase in revenue

Revenue from Operations in FY 2021 at Rs.21,119.58 million was 43.6% higher as compared to Rs.14,711.24 million in FY 2020

# 47.6%

YoY increase in EBITDA

EBITDA for FY21 at Rs.6,012.51 million was 47.6% higher as compared to Rs.4,074.85 million in FY 2020, driven primarily by higher volumes, pricing actions, productivity benefits, etc.

# 73.7%

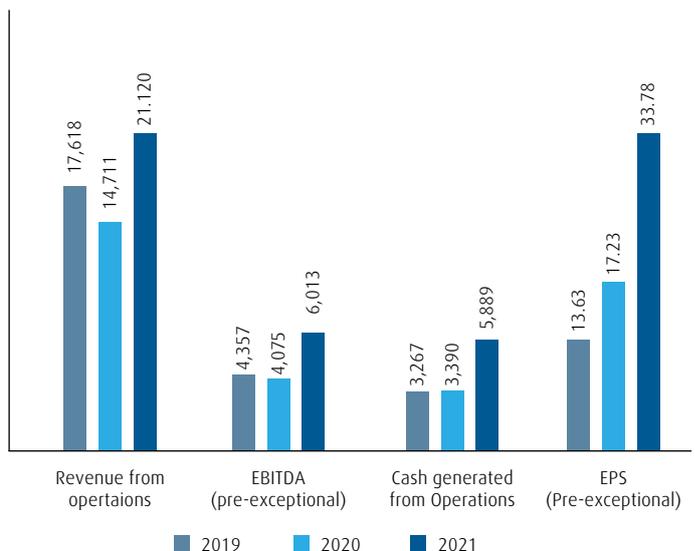
YoY increase in cash generated from operations

Cash generated from operations at Rs.5,888.78 million during FY 2021 was 73.7% higher than Rs. 3,389.59 million generated during FY 2020.

# 96.0%

YoY increase in Earnings per share

Earnings per share (before exceptional item) improved from Rs. 17.23 for FY 2020 to Rs. 33.78 for FY 2021.



Note: All figures in Rs. million except EPS

## Rebound - Operational Initiatives



View of HPS Gases site at Baroda



### Acquisition of packaged gases business in Western markets

The company entered into a business transfer agreement with HPS Gases to acquire its packaged gases business and distribution assets in August 2021 with effect from 1 November 2021 at an aggregate cash consideration of ₹275 million. This acquisition is expected to help expand Linde's presence in the packaged gas and micro bulk market in western India.

### 250 tonnes per day merchant air separation unit at Dahej

Linde India is presently setting-up of a 250 tonnes per day merchant Air Separation Unit at Dahej, Gujarat at a capex of Rs.1,386 million to secure growth in the gases business in Western markets and deliver cost savings. The new ASU is being set up at the Company's existing Dahej site, where the 110 tonnes per day Air Separation Unit is in operation and is expected to be commissioned by the end of October 2023.

### 264 tonnes per day merchant air separation unit near Ludhiana

Linde India is presently setting-up a 264 tonnes per day merchant Air Separation Unit near Ludhiana, Punjab at a capex of Rs.1,521 million to secure growth in the gases business in Northern markets and deliver cost savings. The new ASU is expected to be on stream by December 2023.

### 900 tonnes per day onsite air separation unit at ESL Bokaro Steel works

Linde India is presently setting-up a 900 tonnes per day onsite Air Separation Unit at the ESL Steel Ltd. Bokaro steel works to serve the customers demand for gases for its brownfield expansion and also cater to merchant demand in the region.

**Linde India continues its pursuit for profitable growth. On the back of a sharp recovery in the economy in 2021, Linde India has rebounded across key markets and we are confident of sustaining the Rebound.**

# About Linde.

## Linde India Ltd

**Linde India Limited, a member of Linde Plc. is a leading industrial gases company in India.**

Combining Linde Plc.'s advanced technology, our deep understanding of our customers' businesses and strong local expertise in gases and engineering, we are able to provide tailor-made solutions that help our customers to increase efficiency, productivity and flexibility in their operations, while reducing energy costs and safeguarding the environment.

The leadership position and reputation we enjoy today is built on the commitment, untiring efforts and customer-first attitude of our people. Linde India continues to invest heavily in developing its people and relentlessly improving its capabilities and is uniquely poised to successfully capitalize on the many exciting growth opportunities in India.

## Linde India has two operating business segments:

- Gases and Related Products
- Project Engineering

# 33

Operating plants

Rs. **21,120** million  
Revenues in FY2021

# 242

Employees

## Our Mission, Vision and Values

**Mission:** We live our mission of making our world more productive every day. Through our high-quality solutions, technologies and services, we are making our customers more successful and helping to sustain and protect our planet.

**Vision:** We are committed to fulfilling our vision to be the best performing global industrial gases and engineering company, where our people deliver innovative and sustainable solutions for our customers in a connected world.





### Gases and Related Products

The Gases and Related Products segment comprises of pipeline gas supplies (Onsite) to large industrial customers mainly in the primary steel, glass and chemical industries, supply of liquefied gases through cryogenic tankers (Bulk) to cater to mid-size demands across a wide range of industrial sectors and compressed gas supply in cylinders (Packaged Gas) for meeting smaller demand for gases mainly across fabrication, manufacturing and construction industry.

We own and operate 33 production facilities and filling stations across the country, including India’s largest air separation plant at Jamshedpur. We supply a wide variety of gases and mixtures as well as provide a range of related services equipment, pipelines and associated engineering services catering to the needs of a wide variety of industries. Linde India has the largest sales and distribution network in the country giving us a wide geographic reach and placing us close to our customers in any part of India.



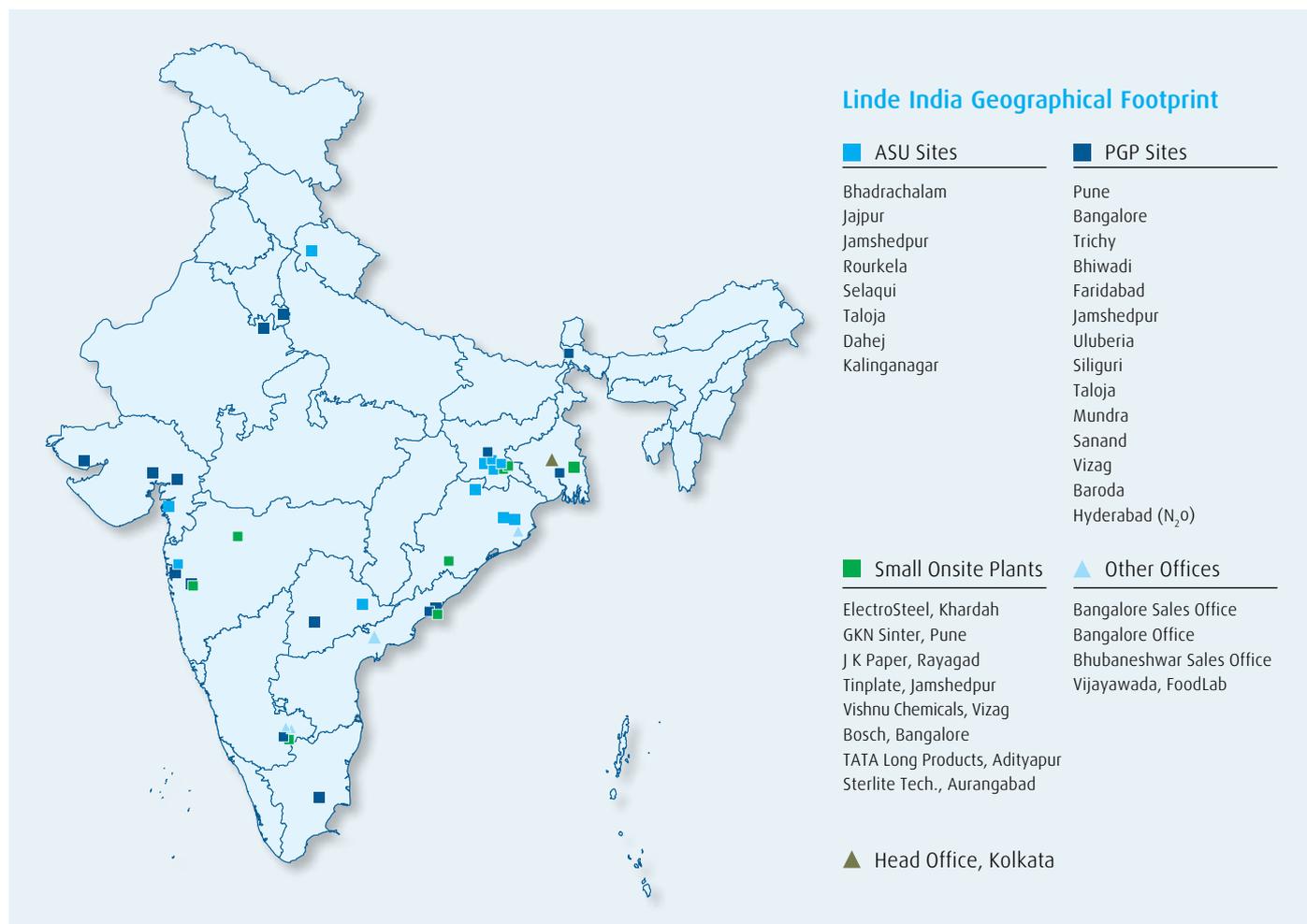
### Project Engineering Division (PED)

PED comprises the business of designing, supply, installation and commissioning of tonnage air separation units (ASU) of medium to large size, and projects relating to setting up of nitrogen plants, pressure swing adsorption (PSA) plants and gas distribution systems. PED also manufactures cryogenic vessels for in-house use as well as for sale to third party customers.

The PED takes pride in designing, engineering, supply, installation and commissioning of Air Separation Units and related projects on turnkey basis across steel and oil and gas sectors. We also execute projects in prime research organisations such as DRDO, BARC, IPR, etc.

### Key Products

Oxygen, Nitrogen, Argon, Helium, Carbon dioxide, Xenon, Krypton



# Profile of the Board of Directors & KMPs.

## Board of Directors



### Robert J Hughes

Chairman  
[DIN: 08493540]

Born 1962  
Bachelor of Science, Chemistry, from Bradford University, UK; Diploma in Management Studies from Hull University, UK



### Jyotin Mehta

Non-Executive Independent Director  
[DIN: 00033518]

Born 1958  
FCA, FCS and FICWA  
Bachelor of Commerce

#### Board Committees

AC NRC

Mr R J Hughes has over 35 years of experience including 32 years of rich experience in senior management roles in BOC and Linde. Mr Hughes was the Head of Regional Business Unit, South and East Asia of The Linde Group from 2015 to 2018, when he successfully led both business growth and turnaround situations.

#### Board Committees

AC<sup>C</sup> NRC  
SRC RMC

Mr J Mehta retired as Vice President and Chief Internal Auditor of Voltas Ltd. Presently Mr Mehta serves on the Board of Suryoday Small Finance Bank Ltd., JSW Ispat Special Products Limited (erstwhile Monnet Ispat & Energy Ltd.), ICICI Prudential Trust Ltd., Ask Investment Managers Ltd., Mahindra Rural Housing Finance Ltd. and others.



### Abhijit Banerjee

Managing Director  
[DIN: 08456907]

Born 1967  
B.Tech. in Chemical Engineering from IIT, Kharagpur



### Arun Balakrishnan

Non-Executive Independent Director  
[DIN: 00130241]

Born 1950  
B.E. (Chemical) from College of Engineering, Trichur, Post Graduate Diploma in Management from IIM, Bangalore

#### Board Committees

SRC CSR  
RMC

Mr A Banerjee joined Linde India in the year 2009 and was appointed as Managing Director of the Company with effect from 7 June 2019. He has rich experience of about 34 years in manufacturing sector covering design engineering, marketing, project management, business development and strategic account management across reputed companies including deputation for 18 months at Thyssen at Bochum, Germany.

#### Board Committees

AC NRC<sup>C</sup>  
SRC<sup>C</sup> CSR  
RMC<sup>C</sup>

Mr A Balakrishnan was the former Chairman and Managing Director of Hindustan Petroleum Corporation Ltd. from 1 April 2007 to 31 July 2010 and is presently on the Board of Pipeline Infrastructure Ltd., Haldia Petrochemicals Ltd. and other companies.



### Shalini Sarin

Non-Executive Independent Director  
[DIN: 06604529]

Born 1965  
Master of Arts (Sociology & Human Resource Management), Doctorate in Organization Behaviour

#### Board Committees



Dr S Sarin is among others on the Board of Automotive Axles Ltd., Kirloskar Oil Engines Ltd. and Meritor HVS (India) Ltd. She also serves on few not for profit boards such as International Solar Alliance – global taskforce of foundations, Alliance for an Energy Efficient Economy and chairs Plaksha Center for clean energy. She is also a mentor and Board Member of BeyonDiversity Foundation.



### Mannu Sanganerla

Non-Executive Director  
[DIN: 09243027]

Born 1976  
B.A., ACA

Ms M Sanganerla has over 21 years of work experience in Finance & Accounting roles during her stints with BOC and Linde Group. Ms Sanganerla has held leadership roles in areas of Financial Planning & Performance Management in the Linde plc Group. In her present role, she is based at Singapore as Director, M&A in Linde Plc.

## Key Managerial Personnel



### Abhijit Banerjee

Managing Director  
[DIN: 08456907]

B.Tech. in Chemical Engineering from IIT, Kharagpur

Mr A Banerjee joined Linde India in the year 2009 and has rich experience of about 34 years in manufacturing sector covering design engineering, marketing, project management, business development and strategic account management across reputed companies including deputation for 18 months at Thyssen at Bochum, Germany.



### Pawan Marda

Director - Corporate Affairs & Company Secretary

B.Com. (Hons), ACS

Mr P Marda has gathered rich experience with organisations such as AB Birla Nuvo, Voltas, Rossell Industries and a stint with Hindustan Lever before joining Linde India in 2001. During his career spanning about 35 years, Mr Marda has handled diverse corporate functions such as Accounts and Finance, Legal, Corporate Secretarial, Risk Management, Investor Relations, Corporate Governance, etc.



### Anupam Saraf

Chief Financial Officer

B.Com. (Hons.), ACA, CS

Mr A Saraf was appointed CFO at Linde India with effect from 11 November 2020. Mr Saraf gathered rich experience of nearly 21 years within the Linde Group including his first stint at Linde India in various finance roles in Taxation, Internal Audit, Insurance, etc. Mr Saraf thereafter moved to a senior position in treasury function at the regional headquarters in Singapore and also worked as head of Finance and Controlling in Singapore Linde Upgrade Project.

# Company Information.\*

## Board of Directors

Robert J Hughes, *Chairman*  
 Arun Balakrishnan, *Independent Director*  
 Jyotin Mehta, *Independent Director*  
 Shalini Sarin, *Independent Director*  
 Mannu Sanganeria, *Non-Executive Director*  
 Abhijit Banerjee, *Managing Director*

## Director - Corporate Affairs and Company Secretary

Pawan Marda

## Chief Financial Officer

Anupam Saraf

## Auditors

### Statutory Auditors

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

### Secretarial Auditors

P. Sarawagi & Associates  
 Firm Registration No. S1998WB022800

### Cost Auditors

Mani & Co.  
 Firm Registration No. 000004

## Registrar and Transfer Agents

KFin Technologies Pvt.Ltd.  
 Phone : +91 40-6716 2222  
 einward.ris@kfintech.com

## Bankers

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

## Audit Committee

Jyotin Mehta, *Chairman*  
 Arun Balakrishnan  
 Robert J Hughes  
 Shalini Sarin

## Stakeholders Relationship Committee

Arun Balakrishnan, *Chairman*  
 Jyotin Mehta  
 Abhijit Banerjee

## Nomination and Remuneration Committee

Arun Balakrishnan, *Chairman*  
 Robert J Hughes  
 Jyotin Mehta

## Corporate Social Responsibility Committee

Shalini Sarin, *Chairperson*  
 Arun Balakrishnan  
 Abhijit Banerjee

## Risk Management Committee

Arun Balakrishnan, *Chairman*  
 Jyotin Mehta  
 Abhijit Banerjee

## Registered Office

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