Making our world more productive

Sect/40

23 April 2024

To,	To,
The General Manager [BSE Listing Centre] **Department of Corporate Services** **BSE Limited** New Trading Ring, Rotunda Building 1st Floor P.J. Towers, Dalal Street Fort, Mumbai – 400 001 SCRIP CODE: 523457	**The Manager [NEAPS]** **Listing Department** **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor Plot No. C/1, G - Block Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 SYMBOL: LINDEINDIA

Dear Sir/Madam,

Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Clarification on Media releases

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a 'Media Statement' with regard to numerous misinformation and misstatements published by certain media outlets in relation to the Company.

You are requested to please take the above on record.

Thanking you,

Yours faithfully,

AMIT DHANUKA

Digitally signed by AMIT DHANUKA
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Date: 2024.04.23 16:02:48 +05'30'

Amit Dhanuka
Company Secretary

Encl. As above

Registered Office
Linde India Limited
Oxygen House, P43 Taratala Road
Kolkata 700 088, India
CIN L40200WB1935PLC008184

Phone +91 33 6602 1600
Fax +91 33 2401 4206
customercare.lg.in@linde.com
www.linde.in

MEDIA STATEMENT

We refer to an article dated March 28, 2024, published by Institutional Investor Advisory Services (“**IiAS**”), which contains numerous inaccurate statements in relation to Linde India Limited (the “**Company**”). Additionally, certain media outlets have carried such inaccurate statements in their respective articles. It is clarified that such misinformation and misstatements were not verified by the Company. Through this statement, the Company wishes to clarify certain material misstatements of fact.

Writ Petition filed by the Company.

As the writ petition in the High Court of Bombay is currently *sub-judice*, the Company would not like to comment on the same. However, relevant facts pertaining to the said writ petition have been covered by the Statutory Auditors in their Limited Review Report, and such facts are also disclosed in the notes forming part of the Company’s unaudited results for Q2 and Q3 of FY 2023-24.

There are two material factual inaccuracies relating to the IiAS article and subsequent media articles. First, the articles incorrectly name the Company’s parent company (i.e. Linde plc) as the petitioner. The Company is the petitioner. Further, it has been stated that summons have been issued by SEBI to Linde plc’s management and directors, which is also an inaccurate statement.

Approval by the Competition Commission of India ("CCI”) for the Global Merger.

The Company and Praxair India Private Limited ("**Praxair India**”) did not move the CCI to merge their two businesses. The merger of Linde AG, the Company’s promoter, and Praxair Inc. triggered certain thresholds in terms of the Competition Act, 2002, because of which, the Company and Praxair India were required to seek approval from the CCI. Without such approval, the global merger could not be completed.

Consequently, in September 2018, while approving the global merger, the CCI *inter alia* ordered certain divestments to be carried out by the Company and Praxair India. It is clarified that there is no mandate in law or otherwise for the Company and Praxair India to merge on account of the global merger of Linde AG and Praxair Inc.

Business Allocation

The allocation of business between the Company and Praxair India was agreed mutually in a transparent and equitable manner and is based on sound business principles, efficiency of logistics and judgment. The arrangement between the Company and Praxair India was to *inter alia* enter into a joint venture ("**JV**”), in terms of which the Company and Praxair India would have an aligned approach towards customers across India. The Business Allocation in the JV Agreement was based on criteria such as proximity to existing plants of both companies, incumbency, availability of technology, availability of plant configurations or suitable product lines, ability to offer the cheapest solution, compliance with the Competition Act, 2002, etc. To avoid conflict, the overlapping merchant air gas business was geographically divided, and the on-site air gas business was divided based on incumbency, merchant priority and the respective parties' ability to offer competitive solutions to their respective customers. For example, while Praxair India may have exclusivity with respect to CO2 and HyCO, the Company has exclusivity over the Project Engineering Business. All related party transactions are at arms' length and at commercial fair rates. Contrary to the reporting, the Company did not win a major contract with Reliance Industries Limited for hydrogen plants as the Company did not possess the ability to execute on such orders. The concerned order/ contract was executed directly by the Company's promoter, Linde AG.

Related Party Transactions

On account of the global merger and the JV, the related party transactions of the Company witnessed an increase. It is clarified that all such transactions were entered into after obtaining appropriate approvals from the Company's Board of Directors and the Audit Committee. Further, there are no material related party transactions entered into by the Company from March 2020 till date.

In relation to the omnibus approval for related party transactions sought from the Company's shareholders in 2021 during the 85th Annual General meeting of the Company, it is clarified that at the relevant time, the country had just gone through the second wave of the Covid-19 pandemic. At that time, there was an unprecedented surge in the demand for medical oxygen, and it was apprehended that the third wave, which was expected to hit India in October 2021, would call for almost double the volumes of medical oxygen than the requirement during the second wave. As the same could have resulted in a breach of the materiality thresholds for related party transactions, the Company sought approval of the shareholders in anticipation.

Notably, the Company, along with Praxair India was supplying nearly 30% of the country's requirements. In view of the situation at the time, the allocation of such items was being carried out by the Central Government as per the recommendations of an empowered group, which had been set up *inter alia* to ensure supply of oxygen during the pandemic. The Company assisted by diverting its supply of industrial oxygen towards medical use. After calming of the urgent need for medical oxygen, the threshold of material RPT was not breached and, therefore, there was no need to again approach the shareholders for approval.

Synergies of the JV and arrangement between the Company and Praxair India.

The article suggests that Linde plc is competing with the Company for business in India, and that as a result, the Company stands a chance to lose out on potential businesses. As a result of the JV and alignment between the Company and Praxair India, Linde India realized a manpower cost-related synergy of around Rs 20 crores on the cost base of 2019. In the absence of the JV, this benefit would not have accrued, and instead, the impact on the profit for the above 15 months period would have been Rs 25 crores, in addition to the impact of three salary increase cycles. In addition, during the 15 months between January 01, 2022 to March 31, 2023, the related party transactions contributed to 27% of the total revenue and 35% of the profit.

Further, it is worth noting that the Company's Project Engineering Department logged significant sales and profit as a result of the availability of technologies of Praxair Inc. and Praxair India.

The financial performance of the Company since the creation of the JV and adoption of the Business Allocation Protocol in 2020, with a CAGR of 30% in sales and 72% in EPS (without exceptional items) amply demonstrates the value these measures have created for the Company's shareholders.

In conclusion, the Company's financial performance and manifold increase in market capitalization are indicative of the trust reposed by the shareholders in the Company and also the synergies which have been realized as a result of the global merger.