



Sect/56

16 June 2021

To, <b>The Manager [NSE NEAPS]</b> <b>Listing Department</b> <b>National Stock Exchange of India Ltd.,</b> Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E) Mumbai – 400051	To, <b>The General Manager, [BSE Listing Centre]</b> <b>Department of Corporate Services</b> <b>BSE Limited</b> New Trading Ring, Rotunda Building, 1 <sup>st</sup> Floor, P.J. Towers, Dalal Street Fort, Mumbai 400001
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Dear Sir/Madam,

**Clarification on Resolution no. 5 - Approval of Material Related Party Transactions  
 In the Notice of the 85<sup>th</sup> Annual General Meeting of Linde India Ltd.**

This refers to the resolution no. 5 seeking approval of aggregate maximum value of the material related party transactions with Praxair India Private Ltd. and Linde South Asia Services Private Ltd. as set out in the Notice of the 85<sup>th</sup> Annual General Meeting of Linde India Ltd., which will be held through VC/OAVM on Thursday, 24 June 2021 at 10.00 A.M. IST.

In this connection, we wish to state that the Company had made necessary appropriate disclosures about the details, nature, aggregate maximum value and justification for approval of the material related party transactions with the abovementioned related parties in the Explanatory Statement attached to the Notice of the 85<sup>th</sup> Annual General Meeting of the Company in compliance with the provisions of the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, in view of query received from some shareholders, we wish to provide the following additional clarification with regard to this resolution, to enable the shareholders of the Company to take an informed decision with regard to the voting on the said resolution:

Name of the related party for which approval is sought	Aggregate limit on value of material related party transactions p.a.	Nature of transactions as set out in the Explanatory Statement to the Notice of the 85 <sup>th</sup> AGM and Additional Clarification on the same
Praxair India Private Ltd. (a wholly owned subsidiary of Linde plc)	Rs.7,000 million	Purchase/sale/manufacture of goods and services, critical spares, equipment, gases in bulk, cylinders, etc., purchase/sale of fixed assets, recovery of personnel and other costs and charges, execution of construction and engineering contracts, rendering/availing of services including Transport Operating Centre services in the normal course of business, borrowings and interest thereon and/or other related transactions, etc.



		<p>Transactions are in ordinary course of business and at arms-length.</p> <p>As stated in the Explanatory Statement, the transaction limits are estimated, inter alia, after considering the potential construction contracts that may be awarded by Praxair India Private Ltd. to the Project Engineering Division (PED) of Linde India at arms-length. These transactions are necessitated for realising potential synergies for the Company, which will also lead to higher revenues in PED for improving the operating effectiveness of the Company and to optimally utilise its capabilities in the present business environment.</p> <p>All the aforesaid transactions with Praxair India Private Ltd. – existing or to be entered into by the Company in its Gases and Project Engineering Divisions would be at the prevailing market prices on arms-length basis. As stated in the Notice of the 85<sup>th</sup> Annual General Meeting, all related party transactions are reviewed by the Audit Committee before granting omnibus approval for the transactions. Besides, the pricing of the transactions in the gases business is also aligned to a benchmarking study on the related party transactions carried out by one of the big 4 audit firms in India.</p> <p>As a matter of added governance, related party transactions are additionally certified on a quarterly basis by one of the reputed firms of Chartered Accountants and are reviewed by the Audit Committee.</p>
<p>Linde South Asia Services Private Ltd. (the JV Company)</p>	<p>Rs.2,500 million</p>	<p>O&amp;M services for undertaking certain functions of the Company such as Business Development, Onsite Account Management, Procurement, Operations, Safety, Human Resources, IT, Legal, Administration, Sales and Marketing, Product Management, Distribution, etc. and potential sale and transfer of movable assets of the Company such as distribution vehicles, tankers, cylinders, etc. to the said JV Company.</p> <p>Transactions are in ordinary course of business and at arms-length.</p> <p>As stated in the Explanatory Statement, the transaction limits are estimated after considering the potential one time sale and transfer of movable assets of the Company such as distribution assets, tankers, cylinders, etc. to</p>



		<p>Linde South Asia Services Private Ltd. at arms-length basis. These transactions are necessitated for realising potential synergies for the Company and for improving its operating effectiveness.</p> <p>All the aforesaid transactions with Linde South Asia Services Private Ltd. – existing or to be entered into by the Company are on arms-length basis and the manner of determining price is Transactional Net Margin Method (TNMM)/ other appropriate acceptable methods as recommended by one of the reputed firms of chartered accountants/ firm of certified valuer, as applicable.</p> <p>As stated in the Notice of the 85<sup>th</sup> Annual General Meeting, all related party transactions are reviewed by the Audit Committee before granting omnibus approval for the transactions.</p> <p>As a matter of added governance, related party transactions are additionally certified on a quarterly basis by one of the reputed firms of Chartered Accountants and are reviewed by the Audit Committee.</p>
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As mentioned in the Notice, the remote e-voting period starts on Monday, 21 June 2021 at 9.00 a.m. and ends on Wednesday, 23 June 2021 at 5.00 p.m. Besides, the shareholders of the Company attending the meeting, who have not cast their vote by remote e-voting will also be able to exercise their voting rights at the Annual General Meeting through e-voting system.

You are requested to please disseminate the above information on your website for information of all the shareholders and investors of the Company.

Thanking you,

Yours faithfully,

**Pawan Marda**  
Asst Vice President and Company Secretary