BOC
A Member of The Linde Group

BOC India Limited | Annual Report 2008

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A view of the 1800 tpd plant at Bellary

BOC India

Becoming a High Performance Organisation

The Journey Begins

In January 1935, BOC became the first gas company to set up a production facility in India. That was the beginning of a journey which has seen BOC India grow from being a pioneer in the gases industry in the country to what it is today – a market leader in industrial, medical and specialty gases.

This formidable position has been achieved by forging a strong and successful partnership with Indian industries through the years – with customers in industry segments as diverse as oil refining to steel, automotive to food freezing, fabrication to healthcare, glass to solar photovoltaic. They have come to rely on our global experience and industry expertise and in our ability to provide customised solutions tailored to their business needs, while maintaining a strong focus on things that matter to them - product safety and quality, and supply reliability.

The Journey Continues

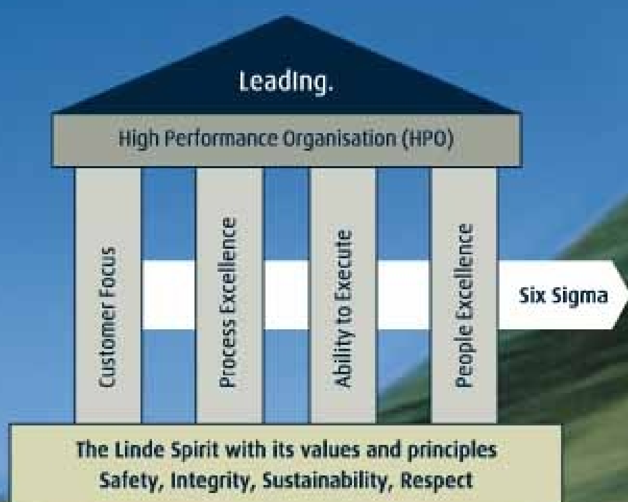
BOC India is not a company that rests on its achievements. We are on a journey of continuous improvement because we do not believe that something is done so well that it cannot be done better. This is true in the way we serve our customers, run our processes, execute a project or develop our people to help them excel – we will constantly find ways to improve on them. This mindset is the essence of a high performance organisation and this is the corporate culture that we in BOC strive towards.

One of the defining moments of the BOC India journey has been Linde's global acquisition of The BOC Group in September 2006 creating The Linde Group, one of the largest global gases and engineering group in the world. The Linde Group has a global footprint that covers more than 100 countries and employing over 50,000 people worldwide. As a member of The Linde Group, BOC India is able to tap on the vast resources and expertise of the Group to fast-track its journey to become a high performance organisation. A high performing culture supports The Linde Group's vision which is,

"We will be the leading global gases and engineering group, admired for our people, who provide innovative solutions that make a difference to the world."

The journey

- Customer Focus
- Process Excellence
- Ability to Execute
- People Excellence



Steering towards growth

Customer Focus

The core values and foundational principles of BOC India provide a guide to the way we serve our customers. We are a firm believer that "the customer is the reason why we exist". This is why a prime focus for our organisation is to listen to our customers to find out what they need and tailoring solutions to suit their requirements.

BOC India anticipates market trends with a view to developing appropriate state-of-the-art technology and innovative applications to maximise customer value. The Company leverages on Linde's latest research and development of proven methods and processes to deliver superior products and services to customers. The Company has taken various initiatives to reduce the cost of doing business and simplify processes to make it easier for customers to do business with us.

Customer Service Centre

A unique feature that provides BOC India a competitive advantage in the gases industry is the Customer Service Centre. The centre has established the Company as a market leader in terms of quality and customer satisfaction. From the creation of customer index to resolution of complaints, every customer-related issue is monitored and managed under one roof. This initiative has improved the indenting process from the customers, leading to higher customer satisfaction levels.

Process Excellence

Process excellence is about implementing standardised global best practices. Linde processes are optimally structured and executed to support business performance. BOC India leverages on the global insight of its parent to complement the skills and experience of the local talent pool to support process excellence within the organisation. This enables the Company to develop and run worldclass processes in all major differentiating areas.

Our information technology (IT) system epitomises process excellence. BOC India has harmonised its IT application with the regional business warehouse application platform to improve the reporting system within the South & East Asia regional business unit (RBU). Our IT team also introduced a new cost-effective IT application to improve business processes. In addition, the SAP platform was upgraded to the latest version to provide more functionality to the business.

Another Linde global best practice named Global Optimised Liquid Distribution (GOLD) is in the process of being implemented in BOC India. Under Project GOLD, a logistic scheduling system for distribution of liquid gases will be implemented with the aim of moving from reactive supplies to a total inventory management system. This will bring down lead time, down time, distribution costs and improve customer service. The GOLD-SAP interface will be used to leverage the existing global best practices of The Linde Group.

On the anvil is a project to set up an offshore Remote Operation Centre by the South & East Asia RBU, which will use remote technology to optimise operations of all Tonnage plants in the 10 countries within the RBU, including India.

BOC India is relentless in its search for new technologies, applications and services to boost performance in the organisation. The Company is confidently working towards the vision of making a difference to the world through innovative solutions in areas such as clean energy, energy efficiency, waste-water treatment and environmental protection, besides creating a safer and healthier workplace for its employees.

Clean energy, making a difference to our world

Flawless execution is the hallmark of a high performance culture

Ability to Execute

The ability to execute requires clear rules and streamlined, efficient and consistent decision making processes. This covers a wide range of practices involving clear understanding of what needs to be done, driving this understanding in the organisation, delegating responsibility and empowering people to take quick and consistent decisions. It also requires developing consistent project and change management skills, closely monitoring success and managing upcoming issues to foster seamless implementation.

Some key and strategic decisions that have been successfully executed or are in various stages of execution in BOC India are:

- Commissioning of 1800 tpd air separation unit at JSW Steel works at Bellary
- Setting up of merchant air separation plant in Selaqui in Uttarkhand
- Deployment of 24 KL VITT with MAN prime mover fitted with ABS, a first in the Indian cryogenic industry
- Fleet control room at the Company headquarters
- Implementation of Project GOLD

1800 tpd plant at Bellary

People Excellence

Pankaj Sharma (centre), Manager, Business Development, Project Engineering Division of BOC India, receiving the RBU AsiaOne Excellence Award 2009 from Dr Aldo Belloni (left), Member of The Executive Board of The Linde Group. On the right is Sanjiv Lamba, Head of the South & East Asia regional business unit.

BOC India aims to be an employer of choice for the best talents in the country. We believe that talents attract other talents, and we have in place human resource processes to recruit the right people for the appropriate roles. We provide worldclass professional training and development to bring out the best in our people, and offer opportunities for them to work with the best in our field through collaboration with the diverse team of Linde global experts.

In the past year, the Company organised a number of people oriented development workshops, some of which are highlighted below:

- Disha, a workshop for the senior management team of BOC India was held at Bangalore with a view to formulating the vision and strategy for the Company for 2012
- The Six Sigma Champions Training was organised for senior managers with a view to building a rigorous discipline structure and systematic framework using Six Sigma tools and a project manager methodology involving teamwork
- Training on communication skills and managerial effectiveness, among others, were held for junior and mid-level executives and managers

Bringing out the best in our people
to help them go the extra mile

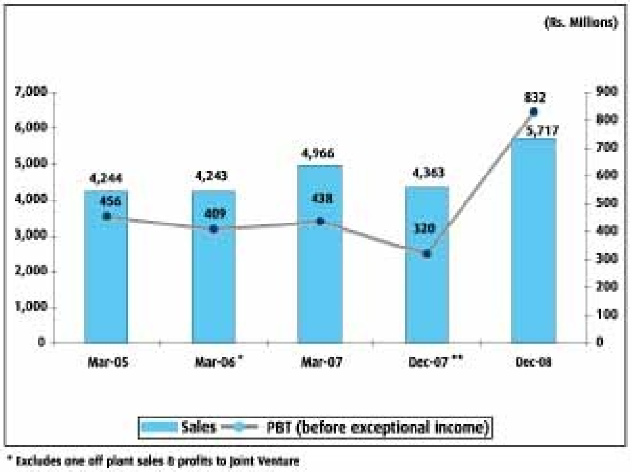
The BOC India journey in retrospect

Few companies can claim the distinction of existing for over 70 years in a dynamic, ever-changing world. Fewer still can claim to have grown through some rather challenging times by constantly reinventing themselves. BOC India has stretched its imagination, broadened its horizons, looked beyond the obvious and constantly raised the bar on its performance. The Company today prides itself as much on its hardware – its production facilities, systems and technological base – as on its software – its value system, its productivity. We look forward with confidence and are ready to take on the challenges of the future with renewed vigour.

The graphical renditions of BOC India's performance over the last financial year shows that the organisation is prepared to meet the challenges of tomorrow. Despite the challenge of a changing global economic landscape, the Company moves confidently forward with unwavering commitment and focus to deliver stable returns to all stakeholders.

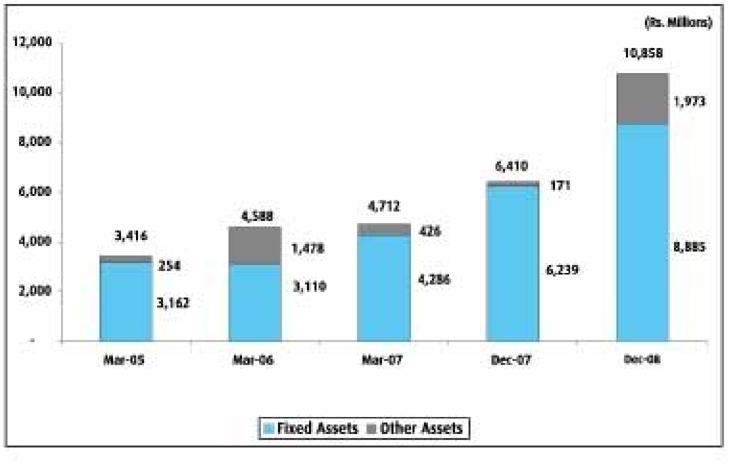
Our shareholders at the 72nd AGM

Sales & PBT Trend



* Excludes one off plant sales & profits to Joint Venture Company Bellary Oxygen Private Limited
** On annualised basis

Movement of Capital Employed



Board of Directors*

S M DATTA
Chairman

J J IRANI

S LAMBA

J MEHTA

M S HUGGON

S MENON

K ROY

*As on 23 February 2009

BOC India Limited

BOARD OF DIRECTORS*

Susim Mukul Datta, *Chairman*
Srikumar Menon, *Managing Director*
Michael Stewart Huggon
Jamshed Jiji Irani
Sanjiv Lamba
Jyotin Mehta
Kashyap Roy, *Finance Director*

ASST. VICE PRESIDENT & COMPANY SECRETARY
Pawan Marda

AUDITORS
BSR & Company

SOLICITORS
Crawford Bayley & Co.
Khaitan & Co.

**as on 23 February 2009*

BOARD COMMITTEES*

AUDIT COMMITTEE
Susim Mukul Datta, *Chairman*
Jamshed Jiji Irani
Sanjiv Lamba
Jyotin Mehta

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE
Susim Mukul Datta
Jyotin Mehta
Srikumar Menon

REMUNERATION COMMITTEE
Jamshed Jiji Irani, *Chairman*
Susim Mukul Datta
Michael Stewart Huggon
Sanjiv Lamba

BANKERS
ABN AMRO Bank N.V.
Citibank N.A.
ICICI Bank Ltd.
Punjab National Bank
Standard Chartered Bank
State Bank of India
United Bank of India

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Oxygen House
P43 Taratala Road
Kolkata 700 088
India
Tel : 91-33-2401 4708/4710-16
Fax : 91-33-2401 4206/8471

BOC

Directors' Report & Management Discussion and Analysis

The Directors have pleasure in submitting their Report together with the Audited Accounts of your Company for the year ended 31 December 2008.

Financial Results

The results for the year and those of the previous 9 months period ended 31 December 2007 are summarised below :

	Year ended 31 Dec 2008 Rs. in million	9 months ended 31 Dec 2007 Rs. in million
Gross Sales	**5716.60**	3271.91
Operating Profit after depreciation, impairment and interest, but before extraordinary items	**832.33**	240.17
Extraordinary items (Net)	**245.68**	609.19
Profit before tax	**1078.01**	849.36
Provision for current, deferred tax & fringe benefits tax	**277.61**	232.77
Profit after tax	**800.40**	616.59
Profit and Loss Brought Forward	**1149.17**	778.38
Profit available for appropriation	**1949.57**	1394.97
Appropriations :		
Proposed Dividend @ 15% (Previous year @ 20%) on 85,284,223 Equity Shares of Rs.10 each, absorbing	**127.93**	170.57
Tax on Proposed Dividend	**21.74**	28.99
Transfer to General Reserve	**40.02**	46.24
Balance carried forward	**1759.88**	1149.17

Financial Performance

The overall performance for the year was satisfactory with strong growth in both segments - Gases and Project Engineering. The turnover for the year ended 31 December 2008 at Rs.5716.60 million as against Rs.3271.91 million in the preceding 9 months accounting period ended 31 December 2007 recorded an increase of 31% on an annualised basis. While the gases business turnover was up by 17% on an annualised basis, the turnover of the Project Engineering business on the same basis recorded a growth of over 170%.

Profit before interest and exceptional item for the year ended 31 December 2008 stood at Rs.589.65 million, showing a growth of over 70% on an annualised basis over the preceding 9 months accounting period ended 31 December 2007 mainly due to better operating efficiencies and strong revenue growth. Profit before tax at Rs.1078.01 million includes interest income of Rs 242.68 million (net) mainly earned from surplus cash as a result of preferential allotment of equity shares to the promoter Group in January 2008. Also included therein is the exceptional income (net) of Rs. 245.68 million which mainly comprised of profit of Rs.153.20 million from sale of residual interest in land and building in Hyderabad and a gain of Rs.88.05 million on account of a financial lease arrangement. The Company recorded a healthy net Profit after Tax of Rs.800.40 million during the year.

Dividend

Your Directors are pleased to recommend a dividend of 15% (Rs.1.50 per equity share) for the year 2008 as against 20% (Rs. 2.00 per equity share) paid for the 9 months period ended 31 December 2007. The Board has recommended this dividend after careful consideration of the need to conserve resources for the financing of some large supply scheme tonnage projects already won by the Company, besides those that are in various stages of bidding. The dividend together with dividend tax will entail a cash outlay of Rs.149.67 million (previous year Rs. 199.56 million). The Board also recommends a transfer to General Reserve of Rs.40.02 million (previous year Rs. 46.24 million) in compliance with the Companies (Transfer of Profits to Reserves) Rules, 1975.

Industry Developments

The gases business is capital intensive and requires large investments in manufacturing units, distribution assets and storage networks to service bulk volumes at competitive prices. The industry comprises of large captive users in steel, fertiliser and refinery sectors and a large number of merchant liquid customers primarily in metal, glass, automobile, petrochemicals and pharmaceutical sectors, besides customers for medical gases. New applications in areas like food freezing, refrigeration, fire suppression, solar photovoltaic, etc. continue to provide growth opportunities. This growth has been adequately supported by 'Build Own Operate' (BOO) type of supply scheme opportunities from the captive users mainly in steel and refinery sectors, which are increasingly outsourcing their gases requirements to gases specialists.

The gases industry typically follows its end user segments, most of which showed good growth in major part of 2008. India began the year 2008 on a buoyant note and continued on its journey of growth, which was witnessed across all major industry segments. The steel majors and the public sector refineries in the country implemented their expansion plans, which resulted in exponential increase in demand for gases. All global gas majors competed for their respective share of the incremental gases demand in line with their financial strengths and investment plans for the emerging markets. The solar photovoltaic industry in India opened up additional demand for special and electronic gases.

Towards the beginning of the last quarter of 2008, the country started witnessing the impact of the global economic downturn and liquidity crunch coupled with falling commodity prices. The steel industry in India witnessed a sharp correction in steel prices and a slowdown in domestic and international demand. India's automobile industry, of late, has been witnessing severe contraction in demand due to major financial and other market upheavals. These conditions apart from impacting the existing scale of operations, also compelled industries to defer their expansion plans. While the Government of India and the Reserve Bank of India have taken steps to revive the flagging demand through stimulus packages, your Company continues to see reduced offtake and pressure on prices with varying intensities from its key customer segments.

Business Segments

As mentioned in last year's report, your Company reclassified its business into two broad segments, viz. Gases and Related Products and Project Engineering in line with the operating model of its parent, Linde AG.

Gases and Related Products

The Gases and Related Products segment comprises of gases in bulk and packaged gases and related products. Gases in bulk consist of liquid oxygen, nitrogen and argon and the packaged gases consist of compressed industrial, medical, electronic and special gases packaged in cylinders. This segment therefore, covers customers in Tonnage, Bulk, Packaged Gases and Healthcare segments.

Turnover of your Company's Gases business for the year under review grew by 17% on an annualised basis over the preceding 9 months period ended 31 December 2007. The growth was mainly driven by higher sales of liquid argon, oxygen, packaged gases and welding and safety products. The revenue in the bulk business grew by about 22% largely driven by liquid argon and oxygen. The healthcare business registered a growth of about 12% in revenue terms on the back of higher growth in medical gases including nitrous oxide for the second year in succession. The Medical Engineering Services performed well by installation of pipelines at large hospitals and nursing homes thereby continuing to contribute to the growth of the healthcare business. Special Gases grew by about 13% and new accounts in electronic gases business and higher sales to customers in the solar photovoltaic space added to the overall revenues during the year. Welding and safety products, which were launched two years ago in view of their synergy with our gases business, maintained robust growth, albeit on a smaller base.

During the year, your Company made strategic investments focusing on the solar photovoltaic business with strong support from Linde Electronics in developing local resource capability. Your Company is also setting up infrastructure for manufacturing, storing and pipeline distribution of high value electronic gases in a Special Economic Zone in the State of Andhra Pradesh to customers in photovoltaic space.

All tonnage plants of the Company and that of its joint venture company at JSW Steel works at Bellary operated satisfactorily. The performance of the 1290 tonnes per day plant in Jamshedpur improved significantly with lower than target specific power, higher argon production and reduced downtime. These improvements were achieved as a result of continuous monitoring and reliability improvement programs put in place with support from the Group. There has been some planned delay in the commissioning of the 1800 tpd air separation unit at JSW Steel works at Bellary. The plant is presently undergoing trial runs and is in the final stages of commissioning. Your Company continued to focus on new ECOVAR™ onsite supply scheme opportunities and during the year won contracts in this segment for supply of liquid oxygen and hydrogen.

The operations of the packaged gases and products plants showed improvements across various specifications. The Company invested in 230 bar cylinders for argon filling at some of the units, which has resulted in improved productivity and reduction in transportation costs.

The Company focused on distribution function and its management information system with a view to improve efficiencies in deliveries and reduce transit losses. Another highlight of the distribution function was commissioning of a fleet control room with dedicated manpower to monitor the movement of Tankers on the road using GPS and GPRS based web tracking technology to improve transport safety and transit time.

Project Engineering Division (PED)

This segment comprises manufacture and sale of cryogenic and non cryogenic vessels as well as designing, supplying, testing, erecting and commissioning of projects.

The Project Engineering Division continued its sterling performance, with turnover during the year rising significantly on the back of higher billings in its turnkey projects in the refinery and steel sectors. The Division was consistent in winning and executing orders received from prestigious Government agencies such as ISRO, Department of Space and Department of Atomic Energy, etc. These third party billings have been over and above the Division's extensive engagement with the in-house 1800 tpd Air Separation Unit at JSW Steel works at Bellary and the north India merchant ASU at Selaqui in the State of Uttarkhand. The 1800 tpd plant is now in the final stages of commissioning with trial runs being taken at present. Once commissioned, this plant will become the largest tonnage site of the Company with potential to make sustained significant contribution to its revenues and profitability in the near future.

During the year, the division has successfully commissioned a 1250 tpd Air Separation Unit for a customer at Bokaro. The division is currently engaged in the execution of several large projects, namely, 700 tpd ASU for Rourkela Steel Plant, 2x750 tpd ASU for IISCO Burnpur, Large Compressed Air Station for Bhilai Steel Plant and Nitrogen Generators at IOCL, Haldia, Bina Refinery and Bongaigaon Refinery.

The division is effectively collaborating with Linde Engineering as their technology partner and has been successful in winning several prestigious projects. The division expects further enhancement in the consortium activities in future. As on 31 December 2008, the division had a healthy third party order book of about Rs. 6030 million. Additionally, the division has on the anvil in house projects worth about Rs. 3100 million.

The Plant Manufacturing Works, the fabrication facility of Project Engineering Division, continues to manufacture and repair cryogenic storage and transport tanks and provides support to the Gases business.

Preferential Allotment to The BOC Group plc and Open Offer

During the year, your Company issued and allotted on preferential basis, 362,00,000 fully paid up equity shares of Rs.10 each at an issue price of Rs.165 per equity share aggregating to Rs.5973 million to The BOC Group plc in accordance with the provisions of Section 81(1A) of the Companies Act, 1956 and guidelines for preferential issues contained in SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended. As a result of this allotment, the shareholding of The BOC Group plc in the Company increased from 54.8% to 73.99 %.

In compliance with Regulation 11(1) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, The BOC Group plc together with Linde Holdings Netherlands B.V., Linde Finance B.V. and BOC Holdings as persons acting in concert made an open offer to acquire up to 1,70,56,845 fully paid up equity shares of Rs.10 each at an offer price of Rs.165 per equity share which was later revised to Rs.200 per equity share, representing 20% of the issued and paid up voting capital of the Company after the preferential allotment. The said Offer closed on 30 June 2008 and The BOC Group plc acquired a total number of 1,32,09,402 equity shares of Rs.10 each under the offer in trust for Linde Holdings Netherlands B.V., which resulted in further increase in its shareholding in the Company from 73.99% to 89.48%.

The BOC Group plc, the holding company of your Company re-registered itself as a private limited company with the Registrar of Companies, England and Wales on 11 September 2008 and is now referred to as "The BOC Group Limited".

Finance

Cash generation from operations was to the tune of Rs.684.11 million as compared to Rs.677.33 million in the preceding 9 months period ended 31 December 2007. During the year, the Company received a sum of Rs.5973 million from the promoter Group as subscription against allotment of 362,00,000 equity shares of Rs.10 each at an issue price of Rs.165/- per equity share on preferential basis. Out of the proceeds of the preferential issue, the Company utilised a sum of Rs.2190 million towards repayment of its existing borrowings, thus becoming a 'zero debt' company at present. The Company is poised to leverage this position for funding of its future growth opportunities.

Capital expenditure of Rs.3014.18 million during the year was mainly towards the setting up of a nitrogen generator and commissioning of bulk, packaged and electronic gases supply system at customers' sites and procurement of distribution resources.

Interest cost of the Company has decreased from Rs.18.84 million in the previous year to a net interest income of Rs.242.68 million mainly owing to interest earned on the temporary cash surplus as a result of preferential allotment of equity shares to the promoter Group in January 2008.

Prescribed Particulars

The prescribed particulars required under Section 217(1)(e) and 217(2A) of the Companies Act, 1956, read with the Rules made thereunder as amended up to date are given by way of Annexure to this Report. In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder, the names and other particulars of employees are set out in the annexure to the Directors' Report.

Human Resources

People are considered to be one of the most valuable resources by BOC India. Our commitment to this belief results in continuously evolving HR processes and policies which help employees learn, adapt and improve, thereby ensuring higher degree of retention across the organisation.

Recruitment is the first step towards building high performance team and BOC has very carefully approached prime institutions across India to hire right talent for the right job in the context of the Company's core business competencies. Your Company has a good blend of experienced and young talent, which is one of its key strengths today. Employees are encouraged to develop their respective individual development plans and continuous learning processes help them do better. The Company aims to become an employer of choice by providing attractive careers for professionals and developing leadership capabilities at all levels and by managing and rewarding performance.

During the year, your Company rolled out the Linde Spirit comprising its four core values across all its employees based at its various units and offices in India. These four core values express what the Group stands for and differentiate it from our competitors. They are - Passion to excel, Innovating for customers, Empowering people and Thriving through diversity. These values among others mean that capable and responsible people who are trusted and empowered to do the right thing create our success.

Your Company had manpower strength of 722 employees as on 31 December 2008 and enjoys harmonious industrial relations at all its plants and offices across the country.

Safety, Health, Environment and Quality (SHEQ)

Safety is one of the foundation principles upon which the Linde Spirit is built and as such continues to be the top most priority for BOC India. The Company aims to become a high performance organization, where the key SHEQ rules and procedures are clearly defined, understood, respected and complied with by employees, contractors, supervisors and managers alike.

Your Company's commitment to Safety, Health, Environment & Quality (SHEQ) is embedded in its business philosophy and the various programs in this regard maintained momentum during the year. The Behavioural Safety program, initiated to orient management behaviour towards safety, and first implemented at the Taloja unit has now been rolled out in several units. The programme is bringing in visible improvements in our safety standards and the organisation is gradually moving from a "dependent" to an "independent" culture in safety.

Transport Safety remains the single biggest challenge and focus area for improvement. Your Company has therefore risen to the challenge by significantly improving its focus on this area. The Company has recently installed GPS and GPRS based web tracking technology to improve transport safety for monitoring the driving pattern and behaviour of the drivers of its Vacuum Insulated Transport Tankers (VITTs). The data thus collected is used to give feedback to the unit managers and the concerned drivers, where required, for a continuous improvement in this area. All the units have gone through a formal Transport Safety Audit to identify areas that need improvements. As one of the other key safety initiatives, your Company introduced Manifolded Cylinder Pallets for Industrial and medical products and completely phased out Tractor /Trailor, which were earlier used for transportation of cylinders.

Outlook

The Indian economy has been on an unprecedented growth path in the past four years with the country's GDP recording a growth rate of between 8 to 9%. The buoyancy in the economic outlook however, has been affected since the last quarter of 2008 due to volatility in crude prices, inflationary conditions and later due to the sub prime crisis in US and the resultant global economic downturn, which has impacted the economies of the world to varying degrees. Needless to say, India has been no exception and the country is witnessing a moderation in growth. As per recent estimates, the Government of India has revised the GDP growth rate for the year 2008-09 to 7% with further downward revision expected for the financial year 2009-10. The economy is presently facing a severe liquidity problem, and decline in domestic and global demand, which has adversely impacted industrial production. More specifically, this has significantly impacted most of the user industry segments and their operations and expansion plans with varying degree of intensity.

While India's macro-economic fundamentals together with its domestic demand led model of economic growth look promising, in this era of globalization, the contagion of the global economic meltdown will temper its high growth aspirations in the medium term. This may impact your Company's performance in short to medium term and the management is gearing up to take various mitigating actions to minimize its adverse impact on the Company's performance.

As a member of The Linde Group, your Company has been able to leverage the strengths of its parent both in the gases and engineering segment and is well poised to win large tonnage gas supply contracts to enable it to maintain its leadership in the gases industry in India.

Internal Control Systems and their adequacy

Your Company has an adequate system of internal control commensurate with the size and the nature of its business, which ensures that transactions are recorded, authorised and reported correctly apart from safeguarding its assets against loss from wastage, unauthorised use and removal.

The internal control system is supplemented by documented policies, guidelines and procedures and an extensive program of review carried out by the Company's Internal Audit function which submits detailed reports periodically to the management and the Audit Committee.

Your Company's statutory auditors have, in their report, confirmed the adequacy of the internal control procedures.

Corporate Governance

Governance norms have assumed greater significance in India in view of recent developments across the globe including India. Your Company has always been committed to high standards in corporate governance. As an essential part of this commitment, the Board of Directors and the management has always endeavoured to demonstrate and practice business integrity, high ethical values and professionalism in all its activities. A separate report on Corporate Governance along with the certificate of the Auditors, BSR & Company, confirming compliance of the conditions of corporate governance, as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed.

Responsibility Statement

As required by Section 217(2AA) of the Companies Act, 1956, the Directors state and confirm :

That in preparation of the annual accounts for the year ended 31 December 2008, applicable accounting standards had been followed along with proper explanations relating to material departures, if any.

That they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the

Company at the end of the aforesaid financial year and of the profit or loss of the Company for that period.

That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.

That they had prepared the aforesaid annual accounts on a going concern basis.

Directors

Mr J Mehta ceased to be a Nominee Director of ICICI Bank Ltd with effect from 19 January 2008 and was again appointed as an additional director (non executive independent director) in the board meeting held on 19 January 2008 and as a non executive independent director at the Annual General Meeting held on 29 May 2008. Mr R N Greenfield, a Director representing The Linde Group resigned from the Board at the board meeting held on 7 February 2008. Mr E R Raj Narayanan resigned as the Managing Director of the Company with effect from close of business hours on 30 April 2008 on completion of his extended term. The Board of Directors places on record its appreciation of the valuable services rendered by the outgoing directors during their respective tenure.

Mr Srikumar Menon, the erstwhile Finance Director of the Company was appointed as the Managing Director with effect from 23 October 2008 at a meeting of the Board of Directors of the Company held on the said date. The Board has also appointed Mr Kashyap Roy, Head - Finance and Control of the Company as an Additional Director and Finance Director with effect from 23 February 2009.

Mr S M Datta retires by way of rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Cost Audit

The Central Government's directions vide their Order dated 10 August 2000 pursuant to Section 233B of the Companies Act, 1956, requires audit of the cost accounting records of the Company relating to Industrial Gases, for every financial year. Messrs S. Gupta & Co., a firm of Cost Accountants, conducted this audit for the 9 months period ended 31 December 2007. The Company has received the approval of the Central Government for appointment of M/s. S. Gupta & Co. for audit of cost records for the financial year 2008, which would commence soon.

Auditors

Messrs BSR & Company, Chartered Accountants, Auditors of the Company retire, and being eligible, offer themselves for re-appointment. The Company has also obtained a written consent from M/s BSR & Company to the effect that their re-appointment if made, will be within the limits specified under Section 224 (1B) of the Companies Act, 1956.

Disclaimer

Certain statements in this report relating to Company's objectives, projections, outlook, expectations, estimates, etc may be forward looking statements within the meaning of applicable laws and regulations. Although the Company believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, actual results or performance could differ materially from such expectations, projections, etc whether express or implied as a result of among other factors, changes in economic conditions affecting demand and supply, success of business and operating initiatives and restructuring objectives, change in regulatory environment, other government actions including taxation, natural phenomena such as floods and earthquakes, customer strategies, etc over which the Company does not have any direct control.

On Behalf of the Board

S Menon
Managing Director

S M Datta
Chairman

Kolkata, 23 February 2009

Annexure to Directors' Report

INFORMATION AS PER SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 ('THE RULES') AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

i. Commissioning of TUI Vibration monitoring system for monitoring vibrations from remote locations and Partial Discharge Monitors for online partial discharge in motors in major tonnage plants.

ii. Installation of Uninterrupted Power Supply System at Taloja plant for avoiding plant tripping during voltage dips.

iii. Installation of new VIST with vapor condensation coil for reducing evaporation losses.

iv. On-going energy conservation measures such as maintaining high load factor/ power factor, demand management, use of energy efficient equipment were continued with at all sites.

(b) Additional Investments and Proposals :

i. Linear Model Predective Control (LMPC) planned for 1800 TPD plant for optimisation of production and improvement in power consumption per unit of production.

ii. Investments planned for installation of TUI Vibration monitoring system at 1800 TPD plant for monitoring vibrations from remote locations. This will enhance reliability of plant and equipment.

iii. Investment planned for replacement of old HT current and potential transformers at Taloja and Tarapur plants. This replacement will enhance reliability of plant and equipment.

(c) Impact of above measures on energy consumption and cost of production :

The above measures will directly impact the electrical power usage positively and lead to significant reduction in specific power usage per unit of output.

(d) Energy conservation in respect of specified industries :

Not applicable

B. TECHNOLOGY ABSORPTION

(e) As per Form-B of the Rules

I Research & Development (R&D)

1 Areas in which R&D carried out :

(i) Ongoing development of specific shielding gases for quality welding for auto industries and others.

(ii) Implementation of improved testing and analytical tool for quality assurance of medical gases.

2 Benefits :

(i) Improved quality.

(ii) Quality assurance.

3 Future plan of action :

(i) Continue to develop more varieties of shielding gases to cater to the specific need of the market.

(ii) As a member of The Linde Group, the Company has access to various Research & Development carried out by the Group globally. In view of this, the Research & Development activities are restricted to specific local requirements.

4 Expenditure on R&D :

(a) Capital	Rs. Nil
(b) Recurring	Rs. 3.214 million
(c) Total	Rs. 3.214 million
(d) Total R&D expenditure as a percentage of total turnover	0.06%

II Technology Absorption, Adaptation and Innovation

1 Efforts made :

1. On-site filling and dispensing facility at Greater Noida SEZ Plant for supply of ultra high purity electronic gases.
2. Phasing out of tractor-trailer with Manifolded Cylinder Pallets and Crane Mounted Vehicle for supply of packaged gases.
3. Upgradation of PGP plant sites with facility for filling of 230 bar cylinders.
4. Application of NAF (Halocarbon) as fire suppressant agent.

2 Benefits derived :

1. Partnering the sunrise solar photovoltaic industry by supply of electronic and speciality gases rendering their production process more energy efficient and environment friendly.
2. Enhanced safety and improvement of distribution effectiveness.
3. Improvement in distribution efficiency of packaged gases.
4. Development of alternate and eco friendly fire suppressant.

3 Technology Imported : Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(f) Your Company's exports include plant spares, argon and speciality gases.

(g) Total foreign exchange used during the year was Rs. 1937.67 million and total foreign exchange earned during the year was Rs. 61.737 million.

INFORMATION AS PER SECTION 217(2A) READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

Name	Designation	Qualification	Total working experience (years)	Date of commencement of employment	Remuneration (Rs.)	Age (years)	Previous Employment/ Position held
1	2	3	4	5	6	7	8
Employees who were employed throughout the year							
Menon, Srikumar	Managing Director	B.Com. (Hons.), ACA	30	01.10.2001	7,159,674	57	Vice President -Finance Pidilite Industries Ltd.
Bengani, Hanuman Mal	Head - PED	B.E. (Hons.), Chemical Engg.	34	14.05.1980	4,552,589	55	Erection & Comm. Engineer, Bharat Heavy P & V Ltd.
Chaudhuri, Monojit	Head - Tonnage Operations	B.E. (Chemical Engg.)	26	01.01.2004	3,869,773	48	Site General Manager - Manufacturing and Supply ICI India Ltd.
Sen, Shibaditya	Vice President-Business Development	B.E. (Chemical), MBA	17	26.12.2007	2,565,041	39	Manager Marketing Larsen & Toubro Ltd.
Banerjee, Moloy	Head- Marketing & Business Development	B. Tech. (Mechanical)	22	20.01.1997	2,986,771	42	Project Manager Warren Industrial Ltd.
Mitra, Indrajit	Asst. Vice President- Internal Audit	B.Com. (Hons.), ACWA, ACA	31	02.07.1980	2,840,234	55	Management Trainee GEC India Ltd.
Marda, Pawan	Asst. Vice President and Company Secretary	B.Com. (Hons.), ACS	24	06.04.2001	2,828,097	46	Asst General Manager (Legal) & Company Secretary Rossell Industries Ltd.
Maitra, Bibhag	Chief Electrical Authority SEA Pacific	B.E. (Electrical Engg.)	39	24.01.1994	2,685,054	61	Electrical Engineer Simon Carves India Ltd.
Trivedi, Shekhar Lal	Business Manager - Welding & Safety Products	B.Sc. (Hons.)	37	02.11.1998	2,625,272	57	GM - Welding & Consumables ESAB India Ltd.
Kembhavi, Vinayak	Vice President- Sales	B.E. (Chemical), MMS	16	19.06.2006	2,603,740	39	Chief Operating Officer K-AIR Speciality Gases Ltd.
Nag Chowdhury, Basudev	Asst. Vice President-Process Operations (Tonnage) & Projects	B.E. (Mech.), M. Tech	16	01.09.1992	2,471,939	51	Engineer Trainee GKW Ltd.
Narayan, Kaushik	Financial Controller	B.Com. (Hons.), ACWA, ACA	13	15.09.1995	2,415,937	38	—
Employees who were employed for part of the year							
Narayanan, E R Raj	Managing Director	B.Tech. (Chemical), PG Diploma in Management	24	16.03.2005	4,248,605	47	Managing Director LANXESS India Pvt. Ltd.
Mitra, Ashis	Chief Executive, Treasury	B. Com. (Hons.), ACA	36	02.01.1974	1,962,497	60	Asst Accountant Banarhat Tea Co. Ltd.
Bhattacharya, Sandeep	Vice President - HR	MBA (Personnel Management)	21	20.02.2008	2,579,614	43	Vice President- HR Reliance Retail Ltd.

NOTES:
1) Remuneration includes, inter-alia, Company's contribution to Provident and other Funds and perquisites at actual cost or as evaluated as per Income Tax Rules, 1962.
2) All appointments are contractual.
3) None of the above employees is a relative of any Director of the Company.

Report on Corporate Governance

In accordance with Clause 49 of the Listing Agreement entered into with the Stock Exchanges in India, the details of compliance by the Company with the norms on Corporate Governance are as under:

Company's philosophy on Corporate Governance

BOC India Limited believes in good corporate governance and continuously endeavours to improve focus on it by increasing transparency and accountability to its shareholders in particular and other stakeholders in general. The Company undertakes to behave responsibly towards its shareholders, business partners, employees, society and the environment. As a member of The Linde Group, the Company is committed to business integrity, high ethical values and professionalism in all its activities.

Board of Directors (Board)

Composition of the Board as on 31 December 2008:

BOC India's Board has an appropriate mix of Executive and Non Executive Directors. The Non Executive Directors including Independent Directors impart balance to the Board and bring independent judgement in its deliberations and decisions. As on 31 December 2008, the Board of BOC India comprised of 6 Directors, detail whereof is given below:

- A Non-Executive Independent Chairman;
- Two Non-Executive Independent Directors;
- Two Non-Executive Directors representing The Linde Group; and
- One Executive Director.

The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Board Meetings

During the year ended 31 December 2008, seven Board meetings were held on 19 January 2008, 27 February 2008, 28 April 2008, 29 May 2008, 26 July 2008, 23 October 2008 and 19 December 2008. The gap between any two consecutive meetings did not exceed four months.

Board Agenda

The meetings of the Board are governed by a structured agenda. The Board members in consultation with the Chairman may bring up other matters for consideration at the Board meetings.

Information placed before the Board

Necessary information as required under the statute and as per the guidelines on Corporate Governance are placed before and reviewed by the Board from time to time.

Attendance of Directors at the Board Meetings of the Company held during the year ended 31 December 2008 and the last Annual General Meeting (AGM), Number of Other Directorship(s) and Other Board Committee Membership(s) held as on 31 December 2008

Name of Director	Category of Directorship	No. of Board meetings attended	Attendance at the last AGM	No. of other director-ship(s) (1)	Other Board Committee membership(s) / chairmanship(s) (2)
Mr S M Datta	(Chairman) Non-Executive Independent Director	7	Yes	14	5 (including 1 as Chairman)
Mr R N Greenfield (3) & (5)	Non-Executive Director	1	N.A.	—	—

Name of Director	Category of Directorship	No. of Board meetings attended	Attendance at the last AGM	No. of other directorship(s) (1)	Other Board Committee membership(s) / chairmanship(s) (2)
Mr M S Huggon (3)	Non-Executive Director	—	No	—	—
Dr J J Irani	Non-Executive Independent Director	6	Yes	10	1
Mr S Lamba (3)	Non-Executive Director	6	Yes	—	—
Mr J Mehta (4)	Non-Executive Independent Director	7	Yes	—	—
Mr S Menon (7)	(Managing Director) Executive Director	7	Yes	—	—
Mr E R Raj Narayanan (6)	(Managing Director) Executive Director	3	N.A.	—	—

(1) Excludes directorships in Indian private limited companies, foreign companies, companies under Section 25 of the Companies Act, 1956 and Alternate Directorships.

(2) Represents memberships of Audit Committee and Shareholders'/Investors' Grievance Committee.

(3) Director representing The Linde Group.

(4) Mr J Mehta ceased to be a Nominee Director of ICICI Bank Ltd. w.e.f. 19 January 2008. Mr Mehta was again appointed as an Additional Director (non-executive independent director) in the Board meeting held on 19 January 2008 and a Non Executive Independent Director at the last AGM held on 29 May 2008.

(5) Mr R N Greenfield resigned as Director of the Company at the Board meeting held on 27 February 2008.

(6) Mr E R Raj Narayanan resigned as the Managing Director of the Company with effect from close of business hours on 30 April 2008 on completion of his term.

(7) Mr S Menon was appointed as the Managing Director by the Board of Directors of the Company at its meeting held on 23 October 2008 with effect from that date. Prior to his appointment as the Managing Director, Mr Menon was the Finance Director of the Company.

Code of Conduct

During the year, as a member of The Linde Group, the Company adopted Linde's Code of Ethics as the new Code of Conduct for all its employees including its wholetime directors. Linde's Code of Ethics anchors ethical and legal behaviour within the organisation. A brief Code of Conduct was earlier adopted by the Board of Directors as the Code applicable to the Non Executive Directors of the Company. The aforesaid Codes are available on the Company's website. All Directors and senior management personnel of the Company as on 31 December 2008 have individually affirmed their compliance with the applicable Code of Conduct. A declaration signed by the Managing Director (CEO) to this effect is enclosed at the end of this report.

The Company has a Code of Conduct for prevention of insider trading in its shares which applies to all its Directors and designated employees.

Risk Management

The Company had in the year 2006 developed a risk management framework with the help of the Risk Management services of The BOC Group and the process of systematic identification of the risks based on predefined criteria was informed to the Board. These risks were then assessed and mitigation plans were put in place for the identified key risks which were periodically reviewed by the Board. During the year, the Risk Management Services of the Group further reviewed and refreshed the risks, when fresh risks were identified, assessed and scoped in qualitative and quantitative terms. The Company has since put in place appropriate mitigation plans in respect of the identified key risks. The Board reviews the risks on quarterly basis and provides oversight of the risk management process followed by the Company.

CEO/ CFO Certification

The Managing Director (CEO) and the Finance Director (CFO) of the Company have certified to the Board that all the requirements of Clause 49 (V) of the Listing Agreement, inter alia, dealing with the review of financial statements and cash flow statement for the year ended 31 December 2008, transactions entered into by the Company during the said year, their responsibility for establishing and maintaining internal control systems for financial reporting and evaluation of the effectiveness of the internal control system and making of necessary disclosures to the Auditors and the Audit Committee have been duly complied with.

Committees of the Board

There are presently three committees of the Board of Directors – Audit Committee, Remuneration Committee and Shareholders' / Investors' Grievance Committee.

The minutes of all Board Committee meetings are placed before the Board and noted by the Directors at the Board meetings. The role and composition of Audit Committee, Remuneration Committee, Shareholders' / Investors' Grievance Committee including the number of meetings held during the year ended 31 December 2008 and the related attendance are as follows:

Audit Committee

The Audit Committee of the Company was constituted in the year 1988. The present terms of reference of the Audit Committee includes the powers as laid out in Clause 49 (II) (C) and role as stipulated in Clause 49 (II) (D) of the Listing Agreement with the Stock Exchanges. The Audit Committee also reviews information as per the requirement of Clause 49 (II) (E) of the Listing Agreement.

The Audit Committee also complies with the relevant provisions of the Companies Act, 1956.

Terms of Reference

The brief description of the terms of reference of the Audit Committee in line with the Clause 49 of the Listing Agreement is:

a. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b. Recommend to the Board the appointment/ removal of statutory auditors, nature and scope of audit, fixation of audit fee and payment for any other services rendered by the statutory/ external auditors.

c. Review with the management, quarterly and annual financial statements before submission to the Board.

d. Review with the management, performance of statutory and internal auditors.

e. Review of the adequacy and effectiveness of Internal Audit function, the internal control system of the Company, structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

f. Discussion with internal auditors on any significant findings and follow up thereon including reviewing the findings of internal investigations, if any.

g. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

h. And, generally all items listed in Clause 49 (II) (D) of the Listing Agreement.

The Audit Committee may also review such matters as considered appropriate by it or referred to it by the Board.

Composition

The composition of the Audit Committee is in accordance with the requirement of Clause 49 (II) (A) of the Listing Agreement. As on 31 December 2008, the Committee comprised of four Non- Executive Directors, three of whom, including the Chairman of the Committee were Independent Directors. Mr S M Datta (Chairman of the Committee), Dr J J Irani, Mr S Lamba and Mr J Mehta were the Members of the Committee as on 31 December 2008. As per the requirement of Clause 49 of the Listing Agreement, all members of the Audit Committee are financially literate with at least one member having expertise in accounting or related financial management. The Chairman of the Audit Committee attended the previous Annual General Meeting held on 29 May 2008.

The Managing Director, Finance Director/Head- Finance and Head- Internal Audit are permanent invitees in all meetings of the Committee. The Statutory Auditors of the Company are invited to attend the Audit Committee meetings. The Cost Auditors are also invited to the meeting(s) for discussion on Cost Audit Report and for other related matters, if any. The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance during the year

Four meetings of the Audit Committee were held during the year ended 31 December 2008. The meetings were held on 27 February 2008, 28 April 2008, 26 July 2008 and 23 October 2008. The gap between any two consecutive meetings did not exceed four months. The attendance of the Members at these meetings was as follows:

Name of the Director	No. of meetings held during tenure	No. of meetings attended
Mr S M Datta	4	4
Dr J J Irani	4	4
Mr S Lamba	4	4
Mr J Mehta	4	4

Remuneration Committee

The Remuneration Committee of the Board was constituted in the financial year 2002-03. The Committee is responsible for recommending to the Board the remuneration package of Managing/ Wholetime Directors including their annual increments, variable compensation pay etc. after reviewing their performance.

Composition

As on 31 December 2008, the Committee comprised of four Non- Executive Directors, two of whom, including the Chairman of the Committee were Independent Directors. Dr J J Irani (Chairman of the Committee), Mr S M Datta, Mr M S Huggon and Mr S Lamba were the Members of the Committee as on 31 December 2008.

Attendance

During the year ended 31 December 2008, three meetings of the Committee were held on 27 February 2008, 28 April 2008 and 23 October 2008. The attendance of the members at the meetings was as follows:

Name of the Director	No. of meetings held during tenure	No. of meetings attended
Dr J J Irani	3	3
Mr S M Datta	3	3
Mr M S Huggon	3	—
Mr S Lamba	3	3

Remuneration Policy

Payment of remuneration to the Executive/ Wholetime Directors is governed by the terms and conditions of their appointment as recommended by the Remuneration Committee and approved by the Board subject to the approval of the shareholders and the Central Government, where applicable. The remuneration structure comprises basic salary, perquisites and allowances, variable compensation pay and contribution to provident, superannuation and gratuity funds.

The Non-Executive Directors, other than the Directors representing The Linde Group are paid a sum of Rs. 8,000 as sitting fees for attending each meeting of the Board and/or Committee thereof. Remuneration of Non-Executive Directors, other than the Directors representing The Linde Group, by way of commission is determined by the Board in terms of approval accorded by the shareholders.

Details of remuneration to Executive/ Wholetime Directors

Details of remuneration to Executive/ Wholetime Directors during the year ended 31 December 2008 (refer Note (xi) of Schedule 18 of the Accounts) are given below:

Name of the Director	Salary and Allowances Rs.	Variable Compensation Pay Rs.	Contribution to Provident and other Funds Rs.	Perquisites/ Other Benefits Rs.	Total Rs.
Mr E R Raj Narayanan, Managing Director (up to 30 April 2008)	2,810,250	926,332	398,198	113,825	4,248,605
Mr S Menon, Managing Director (Finance Director up to 22 October 2008)	4,218,868	1,418,663	716,375	805,768	7,159,674

The Agreements entered into with the Directors were for a period of 3 years from the respective dates of their appointments and can be terminated by either party by giving not less than six months notice in writing. The Agreements do not provide for payment of any severance fees. Presently, the Company does not have a scheme for grant of stock options to its employees.

Details of remuneration to Non-Executive Directors

Details of remuneration to the Non-Executive Directors during the year ended 31 December 2008 are given below:

Name of the Director	Sitting Fees Rs.	Commission* Rs.
Mr S M Datta	120,000	1,200,000
Dr J J Irani	104,000	350,000
Mr J Mehta	96,000 #	350,000 #

* Payable after approval of the audited accounts by the Members.

Paid/ payable to the employer company of the Director

In accordance with the approval of the shareholders in the meeting held on 26 July 2006, the payment of commission to Non-Executive Directors, other than the Directors representing The Linde Group has been determined by the Board, which is well within the ceiling of 1% of net profits of the Company for the year ended 31 December 2008 as computed under applicable provisions of the Companies Act, 1956. The allocation of the commission amongst the eligible Non- Executive Independent Directors has been decided by the Board with each interested director present not participating in the deliberations in respect of his own commission.

Other than above, the Non-Executive Directors do not have any other pecuniary relationship or transactions with the Company.

The details of shares/ convertible instruments held by the Non- Executive Directors of the Company as on 31 December 2008 are as follows:

Name of the Director	No. of Equity Shares	No. of Convertible Instruments
Mr S M Datta	5,000	N. A.
Mr S Lamba	400	N. A.

Shareholders' / Investors' Grievance Committee

The Committee oversees redressal of complaints and grievances of the shareholders/ investors and quarterly Secretarial Audit Reports as well as compliance with other related guidelines of Securities and Exchange Board of India.

Composition

As on 31 December 2008, the Shareholders'/ Investors' Grievance Committee comprised of three Directors - two Non-Executive Independent Directors, viz. Mr S M Datta and Mr J Mehta and Mr S Menon, Managing Director of the Company. Mr S Menon was appointed as a member of the Committee by the Board of Directors at its meeting held on 26 July 2008. Mr E R Raj Narayanan, the earlier Managing Director of the Company ceased to be a member of the Committee with effect from close of business hours on 30 April 2008 consequent upon his resignation as the Managing Director of the Company.

The members present at each meeting elect one of the Non-Executive Independent Directors to act as the Chairman. The Company Secretary acts as the Secretary to the Committee.

During the year ended 31 December 2008, the Committee met once during the year on 26 July 2008. The attendance of the Members at the meeting was as follows:

Name of the Director	No. of meetings held during tenure	No. of meetings attended
Mr S M Datta*	1	1
Mr J Mehta	1	1
Mr E R Raj Narayanan	Nil	N.A.
Mr S Menon	1	1

*Elected to chair the meeting.

The Board of Directors has delegated the power of approving the share transfers, transmissions, etc. to the Managing Director and Company Secretary of the Company for expediting these processes. The Committee of Delegates meets once in a fortnight to dispose of all matters relating to share transfers, transmissions, etc.

Compliance Officer

The Board of Directors has designated Mr Pawan Marda, Company Secretary of the Company as the Compliance Officer.

Shareholders' complaints

During the year ended 31 December 2008, the Company received 28 complaints from the shareholders/ investors. As on 31 December 2008, no complaint was pending. It is the endeavour of the Company to attend to shareholders'/ investors' complaints and other correspondence within a period of 15 days except where constrained by disputes or legal impediments.

Pending Share Transfers & Dematerialisation Requests

The Company's shares are required to be compulsorily traded in electronic form and as such the Company receives few transfers in physical form. During the year ended 31 December 2008, the Company processed 3,15,441 shares for transfer. This includes 1,43,929 equity shares in physical form tendered and accepted under the open offer made by The BOC Group plc along with Linde Holdings Netherlands B.V., Linde Finance B.V. and BOC Holdings as persons acting in concert. As on 31 December 2008, there were no shares pending for transfer. A total of 4 dematerialisation requests covering 530 equity shares received in the second half of December 2008 were pending as on 31 December 2008, which have been processed/ confirmed on 9 January 2009.

General Body Meetings

A. Location and time for last three Annual General Meetings (AGM) :

Financial Year	Date of AGM	Venue	Time	No. of Special Resolution(s) passed
9 months period ended 31 December 2007	29 May 2008	Science City, Kolkata	11.00 a.m.	None
Year ended 31 March 2007	31 July 2007	Science City, Kolkata	3.00 p.m.	None
Year ended 31 March 2006	26 July 2006	Science City, Kolkata	3.00 p.m.	One

B. No special resolution was passed last year through Postal Ballot. Similarly, no special resolution is being proposed to be conducted through a Postal Ballot for the ensuing Annual General Meeting. The Company will seek shareholders' approval through postal ballot in respect of resolutions relating to such businesses as are prescribed in the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, as and when the occasion arises.

C. Information about Directors proposed to be appointed / re-appointed as required under Clause 49 (IV) (G) of the Listing Agreement with the Stock Exchanges is furnished under Note 10 of the Notice of the ensuing Annual General Meeting.

Disclosures

- Materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

  None of the transactions with any of the related parties were in conflict with the interests of the Company. However, the related party relationship and transactions given under Note (xxiv) of Schedule 18 of the audited accounts for the year ended 31 December 2008 may be referred.

- Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to the capital markets, during the last three years.

  No penalties or strictures have been imposed by any regulatory authority on any matter related to capital markets during the last three years.

- The Company raised a sum of Rs.597.30 crores by way of a preferential allotment of 3,62,00,000 equity shares of Rs.10 each to the promoter Group at an issue price of Rs.165 per share in accordance with the Securities Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. The details of utilisation of the proceeds of the preferential allotment have been disclosed to the Audit Committee as per the requirement of the Listing Agreement.

- Material non-listed subsidiary companies as defined in Clause 49 of the Listing Agreement with Stock Exchanges:

  None.

- Inter-se relationships between Directors of the Company:

  None.

- **Non Mandatory Requirements**

  The Company complies with the following non-mandatory requirements:

  Chairman's Office

  During the year ended 31 December 2008, the Company maintained office of the non-executive Chairman and paid / reimbursed expenses incurred by him in performance of his duties.

Tenure of Independent Directors

No specific tenure has been specified for the Independent Directors. However, none of the Independent Directors on the Board has served for a tenure exceeding 9 years from the date when the revised Clause 49 became effective.

Remuneration Committee

The Company has a Remuneration Committee of the Board. The details of the Remuneration Committee have been covered elsewhere in the report.

Audit Qualifications

There are no qualifications in the Auditors' Report to the Members on the financial statements for the year ended 31 December 2008.

Training of Board Members

Presentations are made by the Executive Directors giving an overview of Company's operations to familiarise the new Non-Executive Directors with the operations and business model of the Company. The Non-Executive Directors are also apprised of industry developments and new initiatives, risk framework and management strategy of the Company as well as important changes in applicable legislation, enactment, guidelines, accounting standards, etc. to enable them to take informed decisions.

Shareholders' Rights

The quarterly, half yearly and annual financial results of the Company are published in leading newspapers and are posted on the Company's website. Significant press releases are also posted on the website under the News section. The complete Annual Report is sent to every shareholder of the Company.

Other Non Mandatory Requirements

The Company would implement other non-mandatory requirements in due course as and when required and /or deemed necessary by the Board.

Means of Communication

- The unaudited quarterly financial results were approved and taken on record within one month of the close of the relevant quarter and the audited financial results for the year ended 31 December 2008 were approved and taken on record within two months of the close of the financial year. Such results were thereafter sent to the Stock Exchanges in the proforma prescribed under the Listing Agreement and also published in prominent business dailies in English and a regional newspaper published in Bengali.
- As the Company publishes the audited financial results for the last quarter of the financial year within the stipulated period of three months from the close of the financial year as per the Listing Agreement with the Stock Exchanges, the unaudited financial results for the last quarter of the financial year are not published.
- The Company also issues official press releases to the print media. The News section in the Company's website includes all major press releases made by the Company.
- The Company has its own website "www.boc-india.com", where information about the Company, extracts of the last three audited Balance Sheets and Profit & Loss Accounts, quarterly and annual audited financial results, distribution of shareholding at the end of each quarter, official press releases, etc. are displayed and regularly updated.
- The Company also electronically files unaudited quarterly and audited annual Financial Results, Segment Results, Shareholding Pattern, etc. on the EDIFAR website "www.sebiedifar.nic.in" as required by SEBI/ the Listing Agreement with the Stock Exchanges.
- Management Discussion and Analysis is a part of the Directors' Report.
- The Company has not made any presentation to institutional investors/ analysts during the year.
- The Company has an exclusive section on "Investor Relations" in its website "www.boc-india.com" for the purpose of giving necessary information to the shareholders on various matters such as transfer, transmission, dematerialisation and rematerialisation of shares, issue of duplicate share certificates, nomination facility, use

of electronic clearing service for payment of dividend, etc. These information, procedures, formats, etc. are available on the aforesaid website in downloadable formats as a measure of added convenience to the investors.

General Shareholder Information

Date, time & venue of the Annual General Meeting	:	28 May 2009 at 3.00 p.m. at Kala Mandir Auditorium 48, Shakespeare Sarani, Kolkata 700017
Financial Calendar 2009 (tentative and subject to change)	:	i. Financial Year : January 2009 to December 2009 ii. First Quarter Results : 28 April 2009 iii. Second Quarter and Half Yearly Results : 21 July 2009 iv. Third Quarter Results : 27 October 2009 v. Audited Annual Results : February 2010
Book Closure Period	:	20 May 2009 to 28 May 2009 (both days inclusive).
Dividend Payment Date	:	On or after 2 June 2009
Listing on Stock Exchanges	:	a) The Calcutta Stock Exchange Association Ltd. 7 Lyons Range, Kolkata 700 001 b) Bombay Stock Exchange Ltd. P. J. Towers, Dalal Street, Mumbai 400 001 c) National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Bandra Kurla Complex, Bandra (East) Mumbai 400 051

Annual Listing Fees have been paid to all these stock exchanges for the year 2008-09.

Stock Code	:	a) The Calcutta Stock Exchange Association Ltd. Physical : 16; Demat : 10000016
	:	b) Bombay Stock Exchange Ltd. Physical : 23457; Demat : 523457
	:	c) National Stock Exchange of India Ltd. Symbol : BOC

Stock Market Price Data

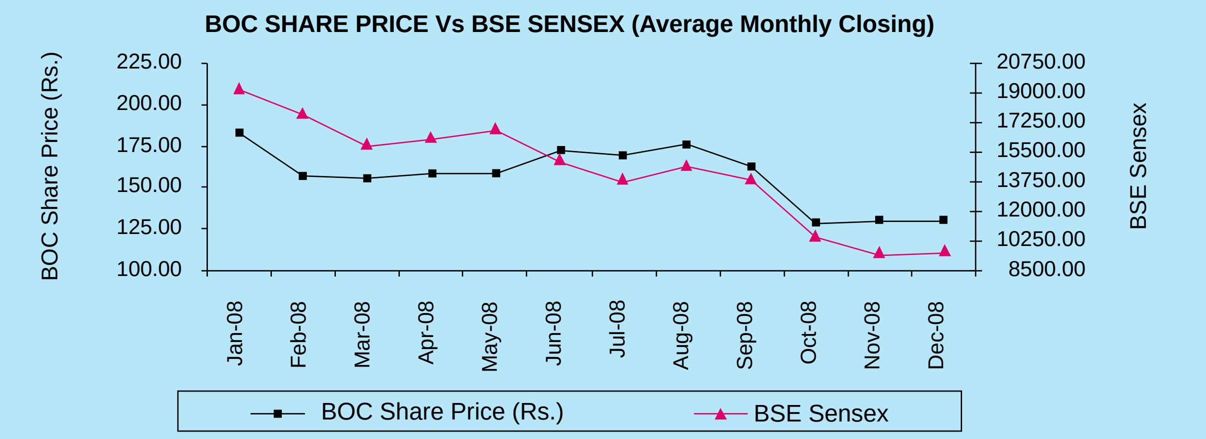
Monthly high and low quotations and volume of shares traded on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during the year ended 31 December 2008

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume of shares traded	High (Rs.)	Low (Rs.)	Volume of shares traded
January 2008	233.00	132.30	7,875,687	260.00	132.10	7,655,746
February 2008	165.00	152.00	1,036,531	165.75	152.30	992,799
March 2008	160.00	145.45	1,417,540	162.95	151.55	1,364,170
April 2008	165.00	154.00	631,295	164.50	154.00	594,682
May 2008	166.00	156.00	792,381	167.00	151.95	782,157
June 2008	205.00	157.50	4,566,632	210.00	157.00	5,404,328
July 2008	184.00	162.10	131,525	194.00	163.00	143,147

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume of shares traded	High (Rs.)	Low (Rs.)	Volume of shares traded
August 2008	193.85	168.50	156,901	194.00	170.00	217,083
September 2008	188.00	130.30	114,422	179.80	138.15	96,303
October 2008	149.00	109.00	137,008	149.00	105.65	145,372
November 2008	143.95	121.00	84,419	148.50	116.70	82,930
December 2008	137.45	124.10	68,962	136.00	125.00	53,497

During the year, there were no significant transactions in the shares of the Company on the Calcutta Stock Exchange.

Performance of the Company's shares to broad based indices such as BSE Sensex



Registrar and Transfer Agents : Link Intime India Pvt. Ltd.
(Formerly "Intime Spectrum Registry Ltd.")
59C, Chowringhee Road, 3rd Floor, Kolkata 700 020
Phone : 91-33-2289 0540; Telefax : 91-33-2289 0539
Email : kolkata@linkintime.co.in

Share Transfer System : Share transfers in physical form should be lodged at the office of the Registrar and Transfer Agents, Link Intime India Pvt. Ltd., Kolkata at the address given above or at the registered office of the Company. All share transfers are normally processed within 15 days of lodgement thereof and are approved by the committee of Managing Director and Company Secretary who have been delegated this power by the Board of Directors for expediting these processes. The Committee of Delegates meets once in a fortnight to dispose of all matters relating to transfers, transmissions, etc. Dematerialisation of shares is processed normally within a period of 10 days from the date of receipt of the Demat Request Form.

Dematerialisation of shares and Liquidity : The Company's shares are compulsorily required to be traded in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE 473A01011. As on 31 December 2008, a total of 8,35,56,481 equity shares of the Company constituting 97.97% of the total Subscribed and Paid up Share Capital stand dematerialised.

Distribution of shareholding as on 31 December 2008

Number of Shares Slab	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
1-50	9,914	33.98	257,572	0.30
51-100	6,524	22.36	602,749	0.71
101-250	5,780	19.81	1,048,467	1.23
251-500	3,895	13.35	1,490,828	1.75
501-1000	1,887	6.47	1,442,140	1.69
1001-5000	1,083	3.71	2,190,906	2.57
5001-10000	52	0.18	378,452	0.44
10001-100000	41	0.14	699,705	0.82
Above 100000	2	0.00	77,173,404	90.49
Total :	**29,178**	**100.00**	**85,284,223**	**100.00**

Shareholding pattern as on 31 December 2008

Category	Number of Shares held	% of Shares held
Foreign Promoters (The BOC Group Ltd, U.K., a part of The Linde Group)	76,308,293	89.48
Foreign Holdings (FIIs,OCBs & NRIs)	180,805	0.21
FIs, Insurance Companies & Banks	796,360	0.94
Other Corporate Bodies	685,653	0.80
Mutual Funds	100	—
Individuals & Others	7,313,012	8.57
Total :	**85,284,223**	**100.00**

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity : Not applicable

Plant Locations :

Ahmedabad

Rakhial Road
Ahmedabad 380 023

Asansol

G T Road (West)
Gopalpur, Asansol 713 304
Dist. Burdwan

Bangalore

Plot No. 1/2, Phase-I, Peenya Industrial Estate
Bangalore 560 058

Bhiwadi

Plot No. B-821, RIICO Industrial Area
Bhiwadi 301 019, Dist. Alwar

Chennai

Plot No. G-21, SIPCOT Industrial Park
Irungattukottai,
Dist. Kancheepuram 602 105

Plot No. 21E (NP), SIDCO Industrial Estate
Ambattur, Chennai 600 098

Greater Noida SEZ

Electronic Gases Plant
Gate No.3, 66 Udyog Vihar
Gautam Budha Nagar
Greater Noida 201 306

Howrah

Village : Pakuria, P.O. Lakhenpur
P.S. Domjur, Howrah 711 323

Hyderabad

Tonnage Plant (65 tpd) & Packaged Gases
and Products Plant
Plot No. 178 & 179
IDA Pashamylaram, Phase III
Dist. Medak 502 307

Jamshedpur

Tonnage Plant (1290 tpd)
Long Tom Area (Behind NML)
Burma Mines, Jamshedpur 831 007

Jamshedpur (Contd.)

Tonnage Plant (225 tpd)
Near "L" Town Gate
Opposite Bari Maidan
Sakchi, Jamshedpur 831 001

Mona Road, Burma Mines
Jamshedpur 831 007

Kolkata

Plant Manufacturing Works
P-41 Taratala Road, Kolkata 700 088

48/1 Diamond Harbour Road
Kolkata 700 027

Navi Mumbai

Tonnage Plant
T-8 MIDC Industrial Area
Taloja, Navi Mumbai 410 208
Dist. Raigad

Taloja PGP Plant
T-25, MIDC Industrial Area
Taloja, Navi Mumbai 410 208
Dist. Raigad

Pune

B 16/2, MIDC Industrial Area
Chakan, Village - Mahalunge,
Tal - Khed, Dist. Pune 410 501

Tarapur

Tonnage Plant
Plot No. F-7/2, Road C
MIDC Industrial Area
Tarapur 401 506, Dist. Thane

Trichy

Plot No. 30, 31 & 32
Sidco Industrial Estate, Mathur
Dist. Pudukkottai 622 515

Visakhapatnam

51-1-1 Nakkavanipalem
P.O. P&T Colony
Visakhapatnam 530 013

Address for correspondence : The Asst. Vice President and Company Secretary
BOC India Limited
Oxygen House
P 43 Taratala Road, Kolkata 700 088
Phone : 91-33-2401 4708; 2401 5172 (Dir.)
Fax : 91-33-2401 4206
Email : pawan.marda@boci.co.in

Declaration by the Managing Director(CEO) under Clause 49 of the Listing Agreement

To,
The Members of
BOC India Limited

I, Srikumar Menon, Managing Director of BOC India Limited declare that to the best of my knowledge and belief, all the Members of the Board and senior management personnel of the Company have affirmed their respective compliance with the applicable Code of Conduct for the year ended 31 December 2008.

Kolkata
23 February 2009

Srikumar Menon
Managing Director

Auditors' Certificate on compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement

To the Members of
BOC India Limited

We have examined the compliance of conditions of Corporate Governance by BOC India Limited for the year ended 31 December 2008, as stipulated in clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **BSR & Company**
Chartered Accountants

Akhil Bansal
Partner
Membership No. 090906

Mumbai
Date : 23 February 2009

BOC

Balance Sheet as at 31 December 2008
(Amounts in Rupees thousand)

	Schedule	As at 31 Dec 2008	As at 31 Dec 2007
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	852,842	490,842
Reserves and Surplus	2	9,509,701	3,245,967
		10,362,543	3,736,809
LOAN FUNDS	3		
Secured Loans		—	150,000
Unsecured Loans		—	2,040,000
		—	2,190,000
DEFERRED TAX LIABILITY (NET)	4	495,323	483,420
		10,857,866	6,410,229
APPLICATION OF FUNDS			
FIXED ASSETS	5		
Gross Block		6,849,800	6,533,284
Less : Depreciation		3,310,515	3,160,110
		3,539,285	3,373,174
Capital Work-in-Progress		5,398,418	2,922,798
		8,937,703	6,295,972
Less : Impairment		52,564	57,146
		8,885,139	6,238,826
INVESTMENTS	6	150,000	150,000
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	479,978	394,654
Trade Debtors	8	854,699	571,459
Cash and Bank Balances	9	1,386,516	83,621
Other Current Assets	10	503,492	285,421
Loans and Advances	11	850,568	409,409
		4,075,253	1,744,564
Less :			
CURRENT LIABILITIES AND PROVISIONS			
Liabilities	12	1,911,288	1,353,246
Provisions	13	341,238	369,915
		2,252,526	1,723,161
NET CURRENT ASSETS		1,822,727	21,403
		10,857,866	6,410,229
Significant Accounting Policies and Notes on Accounts	18		

This is the Balance Sheet referred to in our Report of even date.

For and on behalf of

BSR & COMPANY
Chartered Accountants

AKHIL BANSAL
Partner
Membership No. : 090906

Kolkata
23 February, 2009

The Schedules referred above form an integral part of the Balance Sheet.

On Behalf of the Board

Chairman S M DATTA
Managing Director S MENON
Finance Director K ROY
Company Secretary P MARDA

Profit and Loss Account for the year ended 31 December 2008

(Amounts in Rupees thousand)

	Schedule	Year ended 31 Dec 2008	Nine months ended 31 Dec 2007
INCOME			
Gross Sales		5,716,597	3,271,915
Less : Excise Duty		382,723	289,854
Net Sales		5,333,874	2,982,061
Other Income	14	476,116	33,883
		5,809,990	3,015,944
EXPENDITURE			
Materials Consumed and Change in Stock	15	954,784	469,619
Expenses	16	3,683,801	2,039,821
Depreciation and Impairment	5	334,998	241,284
Interest Expense	17	4,076	25,052
		4,977,659	2,775,776
PROFIT BEFORE TAX AND EXCEPTIONAL ITEM		832,331	240,168
Exceptional Items [Refer Note (v) on Schedule 18]		245,676	609,189
PROFIT BEFORE TAX		1,078,007	849,357
Provision for :			
Current Tax		(256,484)	(223,825)
Fringe Benefits Tax		(9,220)	(9,000)
Deferred Tax (Charge)/ Credit		(11,902)	56
PROFIT AFTER TAX		800,401	616,588
Profit and Loss Account Brought Forward		1,149,170	778,382
		1,949,571	1,394,970
APPROPRIATIONS			
Proposed Dividend		127,926	170,568
Dividend Tax		21,741	28,988
Transfer to General Reserve		40,020	46,244
Profit and Loss Account Carried Forward		1,759,884	1,149,170
		1,949,571	1,394,970
Earnings per Equity Share of Rs. 10/- each [Refer Note (xvi) on Schedule 18]			
on Profit after tax and before exceptional items			
Basic and diluted (Rs.)		7.42	2.94
on Profit after tax			
Basic and diluted (Rs.)		9.59	12.56
Significant Accounting Policies and Notes on Accounts	18		

This is the Profit and Loss Account referred to in our Report of even date.

For and on behalf of
BSR & COMPANY
Chartered Accountants

AKHIL BANSAL
Partner
Membership No. : 090906

Kolkata
23 February, 2009

The Schedules referred above form an integral part of the Profit and Loss Account.

On Behalf of the Board

Chairman S M DATTA
Managing Director S MENON
Finance Director K ROY
Company Secretary P MARDA

BOC

Cash Flow Statement for the year ended 31 December 2008

(Amounts in Rupees thousand)

	Year ended 31 Dec 2008	Nine months ended 31 Dec 2007
A Cash Flow from Operating Activities :		
Net Profit before Tax and Exceptional Items	**832,331**	240,168
Adjustments for :		
Depreciation and Impairment	**334,998**	241,284
Provision for Doubtful Debts, Advances and Other Current Assets (Net)	**31,700**	23,898
Provision for Contingencies	**8,000**	(78)
Unrealised Foreign Exchange Gain	**(75,445)**	(8,443)
Dividend on Current Investment	**(15,000)**	(18)
Profit on Sale of Fixed Assets (Net)	**(2,699)**	(10,580)
Interest (Net)	**(233,151)**	18,837
Operating Profit before working capital changes	**880,734**	505,068
Adjustments for :		
Trade Receivables	**(314,940)**	113,751
Other Receivables	**(450,167)**	(189,235)
Inventories	**(85,324)**	(112,862)
Trade Payables	**653,810**	360,607
Cash generated from operations	**684,113**	677,329
Direct Taxes paid	**(387,819)**	(56,581)
Direct Taxes refunds received	**—**	1,325
Cash Flow before Exceptional Items	**296,294**	622,073
Exceptional Items :		
Gain on Finance Lease Arrangement	**88,051**	—
Net Cash from Operating Activities	**384,345**	622,073
B Cash Flow from Investing Activities :		
Purchase of Fixed Assets	**(3,014,181)**	(2,160,929)
Proceeds from Sale of Fixed Assets	**35,547**	15,587
Proceeds from Sale of Current Investments	**—**	30,000
Purchase of Current Investments	**—**	(30,000)
Dividend received	**15,000**	18
Interest received	**184,312**	9,775
Cash Flow before Exceptional Items	**(2,779,322)**	(2,135,549)
Exceptional Items :		
Proceeds from Sale of Fixed Assets (Property)	**157,647**	610,889
Direct Taxes on Exceptional Items	**(35,318)**	(136,817)
Net Cash used in Investing Activities	**(2,656,993)**	(1,661,477)
C Cash Flow from Financing Activities :		
Proceeds from Preferential Issue of Shares	**5,973,000**	—
Increase/ (Decrease) in Short Term Borrowings (Net)	**(2,190,000)**	1,386,585
Repayment of Long Term Borrowings	**—**	(113,887)
Capital Incentive received	**2,000**	—
Interest paid	**(10,750)**	(20,343)
Dividend paid	**(169,719)**	(121,630)
Dividend Tax paid	**(28,988)**	(20,855)
Net Cash from Financing Activities	**3,575,543**	1,109,870

Cash Flow Statement for the year ended 31 December 2008 (Contd.)

(Amounts in Rupees thousand)

	Year ended 31 Dec 2008	Nine months ended 31 Dec 2007
Net Increase in Cash and Cash Equivalents (A+B+C)	**1,302,895**	70,466
Opening Cash and Cash Equivalents	**83,621**	13,155
Closing Cash and Cash Equivalents	**1,386,516**	83,621

Notes :

(i) Cash and Cash Equivalents comprises of (Refer Schedule 9) :

	Year ended 31 Dec 2008	Nine months ended 31 Dec 2007
Cash in Hand	**3,018**	2,090
With Scheduled Banks		
— Unclaimed Dividend Accounts	**4,076**	3,227
— Current Accounts	**153,399**	72,781
— Deposit Accounts	**1,220,901**	401
— Margin Money Deposits	**5,122**	5,122
	1,386,516	83,621

(ii) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on "Cash Flow Statements" as prescribed by Companies (Accounting Standard) Rules, 2006.

(iii) Previous period's figures have been rearranged/ regrouped wherever necessary. Further as explained in Note (xxxvi) on schedule 18 previous period's figures are for nine months for the period from 1 April 2007 to 31 December 2007 and hence are not comprable to the current year's figure.

This is the Cash Flow Statement referred to in our Report of even date.

For and on behalf of

BSR & COMPANY
Chartered Accountants

AKHIL BANSAL
Partner
Membership No. : 090906

Kolkata
23 February, 2009

The Schedules referred above form an integral part of the Cash Flow Statement.

On Behalf of the Board

Chairman S M DATTA
Managing Director S MENON
Finance Director K ROY
Company Secretary P MARDA

Schedules to the Balance Sheet as at 31 December 2008

(Amounts in Rupees thousand)

			As at 31 Dec 2008	As at 31 Dec 2007
1	**SHARE CAPITAL**			
	Authorised			
	86,000,000	(Previous Year 60,000,000) Equity Shares of Rs. 10 each	**860,000**	600,000
	Issued			
	85,286,209	(Previous Year 49,086,209) Equity Shares of Rs. 10 each	**852,862**	490,862
	Subscribed			
	73,182,743	(Previous Year 36,982,743) for Cash	**731,827**	369,827
	222,666	(Previous Year 222,666) for Consideration other than Cash	**2,227**	2,227
	11,878,814	(Previous Year 11,878,814) as Bonus Shares by Capitalisation of Reserves and Securities Premium	**118,788**	118,788
	85,284,223*	(Previous Year 49,084,223) Equity Shares of Rs. 10 each fully paid	**852,842**	490,842
		* Includes 76,308,293 (Previous Year 26,898,891) Equity shares held by The BOC Group Ltd., U.K., the holding Company [Refer Note (xxii) on Schedule 18]		

		31 Dec 2008	31 Dec 2008	31 Dec 2007
2	**RESERVES AND SURPLUS**			
	Capital Reserve			
	Revaluation Reserve [Refer Note (i) (e) on Schedule 18]			
	As per last Account	**17,054**		19,821
	Less : Transfer to General Reserve	**215**		2,767
			16,839	17,054
	Securities Premium			
	As per last Account	**1,361,522**		1,361,522
	Add: Premium on equity shares issued during the year [Refer Note (xxii) on Schedule 18]	**5,611,000**		—
			6,972,522	1,361,522
	Capital Incentive			
	As per last Account	**—**		2,000
	Add: Additions during the year (from Government of Jharkhand)	**2,000**		—
	Less: Transfer to general reserve	**—**		2,000
			2,000	—
	General Reserve			
	As per last Account	**718,221**		657,963
	Add : Transfer from Revaluation Reserve	**215**		2,767
	Add : Transfer from Profit and Loss Account	**40,020**		46,244
	Add : Transfer from Capital Incentive	**—**		2,000
	Add : Transition adjustment on adoption of Accounting Standard - 15 (revised)	**—**		9,247
			758,456	718,221
	Profit and Loss Account		**1,759,884**	1,149,170
			9,509,701	3,245,967

Schedules to the Balance Sheet as at 31 December 2008

(Amounts in Rupees thousand)

	As at 31 Dec 2008	As at 31 Dec 2007
3 LOAN FUNDS		
Secured Loans		
From Banks :		
Commercial Paper	—	150,000
Unsecured Loans		
From Banks :		
Term Loans	—	2,040,000
	—	2,190,000

Note :

Commercial Paper were secured by a first charge by way of hypothecation of the stocks of raw materials and components, finished goods, work-in-progress, stores and spare parts and book debts.

	As at 31 Dec 2008	As at 31 Dec 2007
4 DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Difference between written down value of depreciable assets as per books and written down value as per Income Tax	**557,029**	581,426
Future Income from Finance Lease Arrangement	**26,984**	—
(A)	**584,013**	581,426
Deferred Tax Asset		
Voluntary Separation payments	**5,481**	5,264
Settlement compensation for closed units	**1,163**	3,467
Provision for doubtful debts, advances, other current assets, contingencies and leave encashment	**82,046**	89,275
(B)	**88,690**	98,006
(A) - (B)	**495,323**	483,420

Schedules to the Balance Sheet as at 31 December 2008
(Amounts in Rupees thousand)

5 FIXED ASSETS

	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION/ AMORTISATION				IMPAIRMENT	NET BOOK VALUE	
	As at 1 January 2008 (a)	Additions during the year	Deductions during the year	As at 31 Dec 2008	As at 1 January 2008	Depreciation/ Amortisation for the year	Deductions during the year	As at 31 Dec 2008	As at 31 Dec 2008(f)	As at 31 Dec 2008	As at 31 Dec 2007
	(A)	(B)	(C)	(D = A+B-C)	(E)	(F)	(G)	(H = E+F-G)	(I)	(J = D-H-I)	(K)
Land - Freehold	57,011	51,896	19	108,888	—	—	—	—	—	108,888	57,011
- Leasehold	59,301	—	—	59,301	7,402	622	—	8,024	—	51,277	51,899
Buildings	457,828	25,135	2,175	480,788	102,693	14,846	857	116,682	1,980	362,126	352,980
Plant and Machinery	5,697,109	426,264	216,936	5,906,437	2,866,429	305,793	182,295	2,989,927	15,852	2,900,658	2,810,421
Motor Vehicles	44,553	3,523	640	47,436	14,189	4,428	279	18,338	—	29,098	30,364
Furniture and Fittings	31,258	5,820	1,354	35,724	19,771	—	429	19,342	88	16,294	11,399
Office Equipments	186,224	25,923	921	211,226	149,626	9,309	733	158,202	—	53,024	36,598
	6,533,284	538,561 (d)	222,045	6,849,800	3,160,110	334,998 (e)	184,593	3,310,515	17,920	3,521,365	3,350,672
Capital Work-in-Progress				5,398,418 (b)					34,644	5,363,774 (b)	
				12,248,218					52,564	8,885,139	
Previous Year	5,995,259	581,582	43,557	9,456,082	2,953,068	241,284	34,242	3,160,110	57,146	6,238,826 (c)	

(a) Includes Revaluation on 30 September 1966 and 1 October 1980 by an external valuer.
(b) Includes unsecured Capital Advances aggregating Rs. 1,350,170 (Previous Year Rs.951,828) that are considered good and borrowing costs aggregating Rs 23,752 (Previous Year Rs 110,922)
(c) Includes Capital Work-in-Progress Rs 2,888,154 (net of impairment Rs 34,644)
(d) Includes Rs Nil (Previous Year Rs 84,279) pertaining to prior years
(e) Includes Rs Nil (Previous Year Rs 20,725) pertaining to prior years
(f) Movement in Impairment

	As at 1 January 2008	Provision during the year	Released on sale/adjustment during the year	As at 31 Dec 2008
	(A)	(B)	(C)	(D = A+B-C)
Buildings	2,155	-	175	1,980
Plant and Machinery	20,259	-	4,407	15,852
Furniture and Fittings	88	-	-	88
	22,502	-	4,582	17,920
Capital Work-in-Progress	34,644	-	-	34,644
	57,146	-	4,582	52,564
Previous Year	59,754	-	2,608	57,146

Schedules to the Balance Sheet as at 31 December 2008

(Amounts in Rupees thousand)

	As at 31 Dec 2008	As at 31 Dec 2007
6 INVESTMENTS		
(Fully paid up)		
Trade Investments		
Long Term - at cost or under		
Unquoted		
Bellary Oxygen Company Private Limited 15,000,000 (Previous Year 15,000,000) Equity Shares of Rs. 10 each	**150,000**	150,000
At nominal value of Re. 1 each:		
(a) Woodlands Hospital and Medical Research Centre Limited 30 (Previous Year 30) 1/2% Debentures of Rs. 100 each		
(b) Belvedere Estates Limited 1 (Previous Year 1) 1/2% Debentures of Rs. 325 thousand 25,000 (Previous Year 25,000) Ordinary Shares of Rs. 10 each		
	150,000	150,000

Notes:

1. No quoted investments were held by the Company during the year.
2. Units of Mutual Funds purchased and sold during the current year Nil (Previous year as per detail below) :

Investment	No. of Units	
	Purchased	Sold
G70 Standard Chartered Liquidity Manager-Plus -Daily Dividend	30,012.377	30,012.377

Schedules to the Balance Sheet as at 31 December 2008

(Amounts in Rupees thousand)

		As at 31 Dec 2008		As at 31 Dec 2007
7	**INVENTORIES**			
	(Valued at lower of cost and net realisable value)			
	Stores and Spare Parts	**165,909**		109,416
	[Including in transit Rs. 339 (Previous Year Rs. 391)]			
	Raw Materials and Components	**12,497**		48,943
	[Including in transit Rs. Nil (Previous Year Rs. 8,730)]			
	Finished Goods	**185,537**		114,900
	[Including in transit Rs. 14,015 (Previous Year Rs. Nil)]			
	Construction Work-in-Progress	**116,035**		121,395
		479,978		394,654
8	**TRADE DEBTORS**			
	Unsecured			
	Debts outstanding for a period exceeding six months			
	(a) Considered good*	**112,104**		114,681
	(b) Considered doubtful	**131,215**		173,072
	Other debts considered good**	**742,595**		456,778
		985,914		744,531
	Less: Provision for Doubtful Debts	**131,215**		173,072
		854,699	***	571,459

* Including Rs. 51,183 (Previous year Rs. 42,212) due from a joint venture

** Including Rs. 11,455 (Previous year Rs. 11,020) due from a joint venture

*** Includes debts outstanding from companies under the same management as defined u/s 370(IB) of the Companies Act, 1956:

BOC Bangladesh Limited	**2,906**	3,081
BOC Kenya Limited	**279**	13

9	**CASH AND BANK BALANCES**		
	Cash in Hand	**3,018**	2,090
	With Scheduled Banks		
	— Unclaimed Dividend Accounts	**4,076**	3,227
	— Current Accounts	**153,399**	72,781
	— Fixed Deposits	**1,220,901**	401
	— Margin Money Deposits	**5,122**	5,122
		1,386,516	83,621

Schedules to the Balance Sheet as at 31 December 2008

(Amounts in Rupees thousand)

	As at 31 Dec 2008	As at 31 Dec 2007
10 OTHER CURRENT ASSETS		
Unsecured and considered good :		
Claims including Escalation (Net)	**14,694**	6,057
Prepaid Expenses [Refer Note (xiii) on Schedule 18]	**21,735**	26,401
Balances with Customs, Port Trust, Central Excise, etc.	**58,401**	80,270
Deposits	**151,850**	151,791
Receivables from Finance Lease Arrangement [Refer Note (xiv) on Schedule 18]	**203,921**	—
Others	**52,891**	20,902
	503,492	285,421
11 LOANS AND ADVANCES		
Unsecured		
Loans and Advances recoverable in cash or in kind or for value to be received		
(a) Considered good [Refer Note (vii) on Schedule 18]	**753,405**	409,409
(b) Considered doubtful	**2,605**	2,605
	756,010	412,014
Less: Provision for Doubtful Advances	**2,605**	2,605
	753,405	409,409
Tax (including Fringe Benefits Tax) net of provision Rs. 1,274,751 (Previous Year Rs. 1,009,047)	**97,163**	—
	850,568	409,409
12 LIABILITIES		
Sundry Creditors		
— Total outstanding dues of micro and small enterprises*	**29**	—
— Total outstanding dues of creditors other than micro and small enterprises	**1,613,299**	1,116,345
Advances from Customers	**287,958**	154,676
Interest accrued but not due on loans	**—**	6,675
Temporary book overdraft	**5,926**	72,323
Investor Education and Protection Fund shall be credited by Unpaid Devidends (not yet due to be credited)	**4,076**	3,227
	1,911,288	1,353,246

*Refer Note (vi) on Schedule 18

	As at 31 Dec 2008	As at 31 Dec 2007
13 PROVISIONS		
Provision for Contingencies [Refer Notes (xvii) on Schedule 18]	**68,293**	60,293
Provision for leave encashment and other employee benefits	**123,278**	49,796
Tax (including Fringe Benefits Tax) net of advance tax Rs. 1,371,914 (Previous Year Rs. 948,777)	**—**	60,270
Provision for Proposed Dividend (including tax thereon)	**149,667**	199,556
	341,238	369,915

Schedules to the Profit and Loss Account for the year ended 31 December 2008

(Amounts in Rupees thousand)

	Year ended 31 Dec 2008	Nine months ended 31 Dec 2007
14 OTHER INCOME		
Interest Income on deposits and others [Tax deducted at source Rs.23,029 (Previous Year -Rs.636)]	**237,227**	6,215
Interest Income on Finance Lease Arrangement [Refer Note (xiv) on Schedule 18]	**9,535**	—
Rent	**9,913**	4,672
Dividends on Investments	**15,000**	18
Profit on Disposal of Fixed Assets (Net)	**2,699**	10,580
Liabilities no longer required written back	**—**	2,898
Insurance claims including loss of profits	**59,558**	1,248
Gain on Foreign Exchange (Net)	**101,611**	—
Miscellaneous	**40,573**	8,252
	476,116	33,883
15 MATERIALS CONSUMED AND CHANGE IN STOCK		
Opening Stock		
Raw Materials and Components	**48,943**	7,869
Finished Goods	**114,900**	92,866
Construction Work-in-Progress	**121,395**	8,839
	285,238	109,574
Purchases during the year (including finished goods purchased)	**983,615**	645,283
	1,268,853	754,857
Less : **Closing Stock**		
Raw Materials and Components	**12,497**	48,943
Finished Goods	**185,537**	114,900
Construction Work-in-Progress	**116,035**	121,395
	954,784	469,619
16 EXPENSES		
Stores and Spare Parts consumed	**154,193**	60,164
Salaries, Wages and Bonus	**388,337**	175,835
Contribution to Employee Benefit Funds	**40,756**	20,905
Workmen and Staff Welfare Expenses	**59,207**	59,758
Travelling Expenses	**91,055**	59,740
Power and Fuel	**1,246,437**	870,302
Repairs - Plant and Machinery	**68,085**	37,584
- Buildings	**11,360**	5,186
- Others	**29,970**	21,261
Insurance	**31,388**	16,619
Freight and Transport	**480,025**	321,718
Rent	**11,705**	8,700
Rates and Taxes	**6,504**	1,847
Communication Expenses	**23,539**	18,804
Termination benefit to Employees	**8,280**	9,791
Loss on Foreign Exchange (Net)	**—**	8,800
Contract Job Expenses	**719,082**	169,221
Bad Debts written off [net off povision adjusted Rs.73,557 (Previous Year Rs. Nil)]	**—**	—
Provision for Doubtful Debts	**31,700**	23,898
Technical Support Fees	**104,426**	32,258
Miscellaneous [Includes differential excise duty on opening and closing stock of finished goods Rs. (2,355) (Previous Year Rs. 928)]	**177,752**	117,430
	3,683,801	2,039,821
17 INTEREST EXPENSE		
Fixed Loans	**2,103**	11,847
Banks and Others	**1,973**	13,205
	4,076	25,052

BOC

Schedules to the accounts for the year ended 31 December 2008

18. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(i) Significant Accounting Policies

(a) Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India (GAAP) and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable.

(b) Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

(c) Revenue Recognition

Revenue from sale of gas is recognised on transfer of risk and rewards of ownership to the customer and facility charge is recognised on accrual basis as per the terms of the contract with the customers at the end of the month.

Income from fixed price long term construction contracts are recognised under the percentage of completion method with reference to the estimated overall profitability of the contract that is reassessed on a regular basis. Percentage of completion is ascertained on the basis of work completed under the contract and accepted by the customer based on the extent of work performed in accordance with the terms of the contract. Provision for expected loss is recognized immediately when it is probable that the total estimated contract costs will exceed total contract revenue. Revenue from cost plus contracts is recognised based on cost incurred on the project plus the mark up agreed with the customer.

Interest is recognised on a time proportion basis. Income from dividend is recognised on declaration of dividend by the investee company.

(d) Fixed Assets

Fixed assets are stated at cost of acquisition/ revalued amounts less accumulated depreciation. Cost of acquisition includes taxes, duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use. Hitherto, indirect expenditures that were incidental and related to projects for construction of fixed assets were being capitalised as part of construction costs of such fixed assets. The change in accounting policy has been considered necessary in view of the withdrawal of the Guidance Note on Treatment of Expenditure during Construction Period by the Institute of Chartered Accountants of India during the year. The financial impact of the change in accounting policy is not significant. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Spares that can be used only with particular items of plant and machinery and such usage is expected to be irregular are capitalised.

(e) Depreciation/ Amortisation

Tangible Assets

Depreciation is provided on a straight line method over the useful life of the fixed assets as estimated by the management. Useful life so estimated are in line with the useful lives derived from the depreciation rates as prescribed in Schedule XIV to the Companies Act, 1956.

In case of revalued fixed assets, depreciation is provided as aforesaid, on the total value of fixed assets as appearing in the books of account after revaluation. Additional depreciation attributable to revalued amount is charged to the Profit and Loss Account. On disposal of a previously revalued item of fixed asset, the difference between the net disposal proceeds and the net book value is charged or credited to the profit and loss statement except that, to the extent such loss is related to an increase which was previously recorded as a credit to revaluation reserve and which has not been subsequently reversed or utilised, is charged directly to that account. The amount standing in revaluation reserve following the retirement or disposal of an asset, which relates to that asset is transferred to general reserve.

Consideration for obtaining leasehold rights over land is being amortised over the period of the lease.

Assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.

Spares capitalised are being depreciated over the useful life/ remaining useful life of the plant and machinery with which such spares can be used.

Intangible Assets

Computer software is amortised over its useful life of 5 years as estimated by the management.

(f) Impairment of Fixed Assets

The carrying amounts of fixed assets and capital work in progress are reviewed at each Balance Sheet date in accordance with Accounting Standard 28 on 'Impairment of Assets' prescribed by Companies (Accounting Standards) Rules, 2006, to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or the cash generating unit of which it is a part exceeds the corresponding recoverable amount. Impairment losses are recognised in the Profit and Loss Account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Investments

Long Term Investments are stated at cost. Provision is made for diminution, other than temporary, in the value of investments, wherever applicable. Short term investments are stated at lower of cost and fair value.

(h) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. In determining the cost, weighted average cost method is used. The carrying costs of raw materials, components and stores and spare parts are appropriately written down when there is a decline in replacement cost of such materials and the finished products in which they will be incorporated are expected to be sold below cost.

Finished goods are valued at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item by item basis. Cost comprises of direct material and labour expenses and an appropriate portion of production overheads incurred in bringing the inventory to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of the production facilities.

Costs incurred on long term construction contracts that are yet to be billed to the customer are disclosed as construction work in progress net of provision for loss.

Excise duty liability is included in the valuation of year-end inventory of finished goods.

(i) Leases

Finance lease

Assets made available to a customer under an arrangement that has been classified as a finance lease are recognised as a receivable at the inception of the lease at an amount equal to the net investment in the lease or the fair value of the leased assets, whichever is lower. The excess of net investment in the lease/ fair value of the leased asset, as the case may be, over the book value of the leased asset are recognised as gain in the Profit and Loss Account at the inception of the lease. Lease rentals are apportioned between principal and interest based on a pattern reflecting a constant periodic return on the net investment of the lessor outstanding in respect of the finance lease. The lease rental amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs are recognised immediately in the Profit and Loss Account.

Operating leases

Lease payments under operating leases are recognised as expense in the profit and loss account on a straight line basis over the lease term.

(j) Research and Development

Revenue expenditure on research and development is expensed in the year in which it is incurred and related capital expenditure is considered as addition to fixed assets.

(k) Employee Benefits

The Company's obligations towards various employee benefits have been recognised as follows:

Short term benefits

Cost of accumulating compensated absences that are expected to be availed within a period of 12 months from the year end are recognised when the employees render the service that increases their entitlement to future compensated absences. Cost is computed based on past trends and is not discounted.

Cost of non-accumulating compensated absences is recognised when absences occur. Costs of other short term employee benefits are recognised on accrual basis based on the terms of employment contract and other relevant compensation policies followed by the Company.

Post employment benefits

i) Monthly contributions to Provident Funds which are defined contribution schemes are charged to Profit and Loss Account and deposited with the Provident Fund authorities on a monthly basis.

ii) Gratuity and superannuation schemes which are in the nature of defined benefit plans, excepting Plan B of Executive Staff Pension Fund, are administered by the Trustees. Annual contributions are recognised on the basis of actuarial valuation of related obligations and plan assets conducted by an external actuary appointed by the Company and are paid to the respective funds. Plan B of Executive Staff Pension Fund which is a defined contribution scheme for which the Trustees of the scheme have entrusted the administration of the related fund to the Life Insurance Corporation of India (LICI). The contributions are charged to profit and loss account and deposited with LICI on a monthly basis. Excess of plan assets over obligations that is expected to be recovered in future has been recognised as a receivable in these financial statements.

Other long term benefits

Cost of long term benefit by way of accumulating compensated absences that are expected to be availed after a period of 12 months from the year-end are recognised when the employees render the service that increases their entitlement to future compensated absences. Such costs are recognised based on actuarial valuation of related obligation on the reporting date. Actuarial gains and losses for the year are recognised in the Profit and Loss Account as income or expense.

Termination benefits

Costs of termination benefits have been recognised only when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle such obligation and the amount of the obligation can be reliably estimated.

(l) Foreign Exchange Transactions

Foreign exchange transactions are recorded at the exchange rate prevailing on the dates of the transactions. Year-end monetary assets and liabilities denominated in foreign currencies, other than those covered by forward exchange contracts, are translated at the year-end foreign exchange rates.

Exchange differences arising on settlements/ translations are recognised in the Profit and Loss

Schedules to the accounts for the year ended 31 December 2008

Account. In case of forward exchange contracts which are entered into to hedge the foreign currency risk of a receivable/ payable recognised in these financial statements, premium or discount on such contracts are amortised over the life of the contract and exchange differences arising thereon in the reporting period are recognised in the Profit and Loss Account. Forward exchange contracts which are entered into to hedge the foreign currency risk of a firm commitment or a highly probable forecast transactions are marked to market at the year end and the resulting losses if any, are charged to the Profit and Loss Account.

(m) Provisions and Contingent Liabilities

A provision is recognised in the financial statements where there exists a present obligation as a result of a past event, the amount of which is reliably estimable, and it is probable that an outflow of resources will be necessary to settle the obligation. Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and/ or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be necessary to settle the obligation, or the amount of the obligation cannot be reliably estimated.

(n) Taxation

Income tax expense comprises current and fringe benefits (i.e. amount of taxes for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

(o) Government Grants

Grants/ subsidies are recognised when no uncertainties exist as regards receipt of the amount of such grant/ subsidy and compliance with the attached terms and conditions.

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Grants/ subsidies in respect of fixed assets are adjusted against the cost of the related items of fixed assets/ capital reserve as the case may be.

(p) Earnings per Share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

Notes to accounts

(ii) Interest in Joint Venture

a) The Company does not have a subsidiary and is not required to present consolidated financial statements under Accounting Standard 21 - "Consolidated Financial Statements" prescribed by the Companies (Accounting Standards) Rules, 2006. Accordingly the Company is not required under Accounting Standard 27 - "Financial Reporting of Interest in Joint Ventures" as prescribed by the Companies (Accounting Standards) Rules, 2006 to consolidate its share of assets, liabilities, income and expenses in Joint Venture Company. Such interest has been accounted for as a long term investment in these financial statements. The details regarding the assets, liabilities, income and expenses of the joint venture company is being provided below as additional information to the users of the financial statements.

Schedules to the accounts for the year ended 31 December 2008

b) The Company's interest, as a venturer, in a jointly controlled entity (Incorporated Joint Venture) is:

Name of the Joint Venture	Country of Incorporation	**Percentage of ownership interest as at 31 Dec 2008**	Percentage of ownership interest as at 31 Dec 2007
Bellary Oxygen Company Private Limited (Belloxy)	India	**50**	50

The Company's share in the financial position and the financial performance of Belloxy for the year ended 31 December 2008 are as follows:

Particulars	**As at 31 Dec 2008 Rs' 000 (Unaudited)**	As at 31 Dec 2007 Rs' 000 (Unaudited)
ASSETS		
Fixed Assets	**873,661**	925,261
Capital Work - in - Progress	**1,307**	68
Investments	**55,175**	55,175
Current Assets, Loans and Advances:		
(a) Inventories	**33,821**	17,071
(b) Trade Debtors	**127,910**	109,916
(c) Cash and Bank Balances	**10,456**	1,455
(d) Loans and Advances and Other Current Assets	**17,963**	73,998
Miscellaneous Expenditure (to the extent not written off)	**—**	1,331
LIABILITIES		
Secured Loans	**548,806**	672,000
Current Liabilities and Provisions:		
(a) Liabilities	**338,701**	320,008
(b) Provisions	**—**	1,125
Deferred Tax Liability (Net)	**14,768**	2,578

Particulars	**Year ended 31 Dec 2008 Rs' 000 (Unaudited)**	Nine months ended 31 Dec 2007 Rs' 000 (Unaudited)
INCOME		
Sales (Net)	**295,876**	279,104
Other Income	**3,821**	4,276
EXPENSES		
Manufacturing and other expenses	**168,684**	166,484
Depreciation	**40,119**	40,069
Interest	**37,072**	43,856
Provision for Taxation	**(205)**	—

Schedules to the accounts for the year ended 31 December 2008

c) Company's transactions with Belloxy, being a related party, during the year ended 31 December 2008 are disclosed in note (xxiv) below.

(iii) Estimated Capital commitments (net of advance) not provided for **Rs. 2,588,786 thousand** (Previous Year Rs. 637,620 thousand).

(iv) Contingent Liabilities :

Claims against the Company in respect of taxes , duties etc. not acknowledged as debts are estimated as below:

	Year ended 31 Dec 2008 Rs. '000	Nine months ended 31 Dec 2007 Rs. '000
a) Excise Duty matters*	**65,860**	73,446
b) Sales Tax matters*	**46,432**	36,243
c) Guarantees given by the Company	**11,400**	11,700
d) Other guarantee	**5,122**	5,122
e) Sales Tax Liability transferred to a beneficiary**	**27,600**	27,600
f) Bills Discounted	**14,030**	17,588
g) Other claims	**11,476**	14,800

* Excludes disputed matters in view of favourable appellate decisions on similar issues.

** Pursuant to an approved scheme of Government of Maharashtra, certain Sales Tax Liabilities of the Company had been transferred to an eligible beneficiary, at a discount, for which a bank guarantee had been provided by the beneficiary to ensure timely payment to the concerned authorities.

(v) Exceptional Items:

	Year ended 31 Dec 2008 Rs. '000	Nine months ended 31 Dec 2007 Rs. '000
Profit on sale of Company's right in joint development of property at Hyderabad	**153,203**	609,189
Gain on finance lease arrangement (Refer note xiv below)	**88,051**	—
Profit on acquisition of land by Municipal Corporation, Ahmedabad	**4,422**	—
Total	**245,676**	609,189

(vi) There are no Micro and Small Enterprises, to whom the Company owes dues, that are outstanding for more than 45 days as at 31 December, 2008. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of confirmations received from vendors, suppliers, etc in response to intimation in this regard sent by the Company to such parties.

(vii) Loans and Advances recoverable in cash or in kind or for value to be received (Schedule 11) include:-

(a) **Rs.1,077 thousand** (Previous Year Rs.1,238 thousand) being interest free loans (car loan, furniture loan and education loan) to various employees which are recovered from their remuneration in accordance with relevant repayment schedule contained in the relevant schemes/ specific approvals.

(b) The above includes **Rs.23 thousand** (Previous Year Rs.63 thousand) due from an Officer of the Company; [Maximum amount due during the year **Rs.63 thousand** (Previous Year Rs.93 thousand)].

(c) **Rs.250,000 thousand** (Previous Year Rs.250,000 thousand) being long term advance to a Joint Venture Company (Also refer note xxiv below) for purchase of gases in future.

Schedules to the accounts for the year ended 31 December 2008

(viii) The details of employee benefits for the Year on account of gratuity and superannuation which are funded defined employee benefit plans and leave encashment which is an unfunded defined benefit plan are as under:

Rs' 000

			Pension	Gratuity	Leave Encashment
I	**Components of Employer Expense**		**Funded**		**Unfunded**
	a)	Current Service Cost	**743** [522]	**2,469** [1,869]	**1,902** [1,279]
	b)	Interest Cost	**1,678** [5,031]	**2,981** [2,506]	**796** [755]
	c)	Expected Return of Plan Assets	**(1,724)** [(5,091)]	**(3,435)** [(2,700)]	**—** [—]
	d)	Actuarial Losses / (Gains)	**6,776** [3,318]	**7,653** [(2,106)]	**8,557** [1,757]
	e)	Total Expenses recognised in the Statement of Profit & Loss Account	**7,473** [3,780]	**9,668** [(431)]	**11,255** [3,791]
	The Pension Expenses and Gratuity Expenses have been recognised in 'Contribution to Employee Benefit Funds' and Leave Encashment in 'Salaries, Wages and Bonus' under Schedule 16 to the Profit and Loss Account.				

Rs' 000

			Pension	Gratuity	Leave Encashment
II	**Actual Returns for the Year ended 31 December 2008**		**(462)** [3,709]	**1,275** [4,465]	**—** [—]
III	**Net Asset / (Liability) recognised in Balance Sheet as at 31 December 2008**				
	a)	Present Value of Defined Benefit Obligation	**25,139** [83,882]	**44,521** [40,042]	**17,632** [13,260]
	b)	Fair Value of Plan Assets	**19,535** [83,965]	**41,905** [45,254]	**—** [—]
	c)	Status [Surplus / (Deficit)]	**(5,604)** [83]	**(2,616)** [5,212]	**(17,632)** [(13,260)]
	d)	Net Asset / (Liability) recognised in Balance Sheet	**(5,604)** [83]	**(2,616)** [5,212]	**(17,632)** [(13,260)]

			Pension	Gratuity	Leave Encashment
IV	**Change in Defined Benefit Obligation (DBO) during the year ended 31 December 2008**				
	a)	Present Value of DBO at the beginning of Year	**23,302** [85,580]	**40,042** [44,425]	**13,260** [14,594]
	b)	Current Service Cost	**743** [522]	**2,469** [1,869]	**1,902** [1,279]
	c)	Interest Cost	**1,678** [5,031]	**2,981** [2,506]	**796** [755]
	d)	Actuarial (Gains) / Losses	**4,590** [1,936]	**5,493** [(341)]	**8,557** [1,757]
	e)	Benefits Paid	**(5,174)** [(9,187)]	**(6,464)** [(8,417)]	**(6,883)** [(5,125)]
	f)	Present Value of DBO at the end of year	**25,139** [83,882]	**44,521** [40,042]	**17,632** [13,260]

Schedules to the accounts for the year ended 31 December 2008

Rs' 000

			Pension	Gratuity	Leave Encashment
V	**Change in Fair Value of Plan Assets during the year ended 31 December 2008**				
	a)	Fair value of Plan Assets at the beginning of year	**23,104** [89,443]	**45,254** [49,206]	**—** [—]
	b)	Expected Return on Plan Assets	**1,724** [5,091]	**3,435** [2,700]	**—** [—]
	c)	Actuarial Gains /(Losses)	**(2,186)** [(1,382)]	**(2,160)** [1,765]	**—** [—]
	d)	Actual Company Contribution	**2,067** [—]	**1,840** [—]	**6,883** [5,125]
	e)	Benefits Paid	**(5,174)** [(9,187)]	**(6,464)** [(8,417)]	**(6,883)** [(5,125)]
	f)	Fair value of Plan Assets at the end of the year	**19,535** [83,965]	**41,905** [45,254]	**—** [—]
VI	**Actuarial Assumptions**				
	a)	Discount Rate (%)	**6.50** [8.10]	**6.50** [8.10]	**6.50** [8.10]
	b)	Expected Return on Plan Assets (%)	**8.00** [8.00]	**8.00** [8.00]	**—** [—]
	The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.				

Previous year's figures are in brackets.

VII Basis used to determine the Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

	Year ended 31 Dec 2008 Rs. '000	Nine months ended 31 Dec 2007 Rs. '000
(ix) Auditors' Remuneration :		
As Auditors		
Audit Fee	**1,200**	700
Limited Reviews	**480**	216*
Group Reporting Package Review	**470**	310*
Miscellaneous certificates, etc.	**848**	343*
Reimbursement of expenses (including Service tax)	**371**	79
	3,369	1,648

(* Includes Rs.573 thousands paid to erstwhile auditors)

Schedules to the accounts for the year ended 31 December 2008

		Year ended 31 Dec 2008 Rs. '000	Nine months ended 31 Dec 2007 Rs. '000
(x)	Expenditure on Research and Development :		
	Revenue Expenditure	**3,214**	2,365
(xi)	Remuneration to Directors :		
	(a) Salaries	**7,029**	7,002
	(b) Variable Compensation Pay	**2,345**	2,184
	(c) Contribution to Provident Fund and Other Funds	**1,115**	1,296
	(d) Other Benefits	**920**	1,113
	(e) Commission to Non-Wholetime Directors (Note xii below)	**1,900**	2,335
	(f) Sitting Fees	**320**	208
		13,629*	14,138

* Appointment of the Managing Director with effect from 23 October 2008 and remuneration aggregating **Rs 1,909 thousand** paid/ payable to him and recognised as charge in these financial statements are pending shareholders' approval. Such approval will be obtained in the next Annual General Meeting.

(xii) Computation of Directors' Commission for the Year ended 31 December 2008 in accordance with Section 349 of the Companies Act, 1956.

		Year ended 31 Dec 2008 Rs. '000	Nine months ended 31 Dec 2007 Rs. '000
Profit Before Taxation		**1,078,007**	849,357
Add :	Depreciation charge to accounts	**334,998**	241,284
	Directors' Remuneration	**13,629**	14,138
	Termination benefits to employees	**8,280**	9,791
	Capital incentive received from Government of Jharkhand	**2,000**	—
	Wealth tax	**1,000**	574
		1,437,914	1,115,144
Less:	Capital Profit		
	- On disposal of fixed assets.	**159,547**	613,717
	Depreciation under Section 350 of the Companies Act,1956	**334,998**	241,284
Profit for the purpose of Directors' Commission		**943,369**	260,143
Directors' Commission thereon - upto 1% of profit, restricted to		**1,900**	2,335

(xiii) Prepaid expenses in Schedule 10 include:

(a) **Rs.13,320 thousand** (Previous Year Rs.14,760 thousand) towards rent adjustable over a period of 20 years from April 1998.

(b) **Rs.Nil** (Previous Year Rs. 2,103 thousand) towards prepaid interest on Commercial Paper.

(c) **Rs.Nil** (Previous Year Rs. 2,754 thousand) towards forward premium on open forward exchange contracts as at 31 December 2008.

(xiv) During the year, certain plant and machinery have been made available by the Company to a customer under a finance lease arrangement. Such assets given under a finance lease arrangement have been recognized, at the inception of the lease, as a receivable at an amount equal to the net investment in

Schedules to the accounts for the year ended 31 December 2008

the lease. Gain of **Rs.88,051 thousand**, being the excess of net investment in the lease over the aggregate of written down value of leased assets **Rs.87,100 thousand** and direct expenses **Rs.33,021 thousand** incurred in connection with such lease arrangement, has been recognised as an exceptional item in these financial statements. The finance income arising from the lease is being allocated based on a pattern reflecting constant periodic return on the net investment in the lease. The lease arrangement is for a period of 10 years which may be extended for such further period and on such terms and conditions as the parties may mutually agree.

Details with respect to the above leased asset under finance lease arrangements in accordance with Accounting Standard 19 -'Leases ' as prescribed by the Companies (Accounting Standards) Rules, 2006.

	Year ended 31 Dec 2008 Rs. '000	Nine months ended 31 Dec 2007 Rs. '000
Total gross investment in the lease	**343,800**	—
Less : Present value of minimum lease payments	**176,526**	—
Less : Present Value of unguaranteed residual value	**19,277**	—
Unearned finance income	**147,997**	—
Gross investment in the lease for the period :		
Not later than one year [Present value of minimum lease payments receivable Rs. 28,364 as on 31.12.2008]	**31,200**	—
Later than one year but not later than five years [Present value of minimum lease payments Rs. 89,909 as on 31.12.2008]	**124,800**	—
Later than five years [Present value of minimum lease payments Rs. 58,253 as on 31.12.2008]	**187,800**	—
Contingent rent recognised in the Profit and Loss Account	**1,772**	—

There is no uncollectable minimum lease payments receivable at the Balance Sheet date.

(xv) The Company has taken various residential and office premises under operating lease or leave and license agreements. These agreements are for a period of 11 months to 3 years, cancelable during the life of the contract at the option of both the parties and does not contain stipulation for increase in lease rentals. Minimum lease payment charged during the year to the Profit and Loss Account aggregated to **Rs.24,432 thousand** (Previous Year Rs. 17,984 thousand).

(xvi) In calculating Basic and Diluted Earnings per Share

		Year ended 31 Dec 2008 Rs. '000	Nine months ended 31 Dec 2007 Rs. '000
a)	Numerator used:		
	Profit before tax and exceptional item	**832,331**	240,168
	Less: Taxes thereon	**212,360**	95,952
	Profit after tax and before exceptional item	**619,971**	144,216
	Add: Exceptional item	**245,676**	609,189
	Less: Taxes thereon	**65,246**	136,817
	Profit after Tax	**800,401**	616,588
b)	Denominator used:		
	Weighted average number of Equity Shares of Rs. 10 each outstanding during the year	**83,503,895**	49,084,223
c)	Basic and diluted earnings per Equity Share of Rs. 10 each		
	- on Profit after tax and before exceptional items	**7.42**	2.94
	- on Profit after tax	**9.59**	12.56

Schedules to the accounts for the year ended 31 December 2008

Rs. '000

(xvii) Provision for Contingencies

	Excise and Sales Tax cases (a)	Others (b)	Total
Balance as at 1 January 2008	**50,293**	**10,000**	**60,293**
	(50,293)	(10,078)	(60,371)
Add: Provision during the year	**8,000**	**—**	**8,000**
	(—)	(—)	(—)
Less: Utilised during the year	**—**	**—**	**—**
	—	(78)	(78)
Balance as at 31 December 2008	**58,293**	**10,000**	**68,293**
	(50,293)	(10,000)	(60,293)

Previous year's figures are in brackets.

(a) Excise and sales tax cases relate to those that are pending before various adjudicating Authorities for a considerable period of time and where based on decision in similar cases / counsel's opinion, management believes that there are present obligations and the settlements of such obligations are expected to result in outflow of resources, to the extent provided for.

(b) Other provisions are towards various legal cases pending against the Company and contractual obligation in respect of which management believes that there are present obligations and the settlements of such obligations are expected to result in outflow of resources, to the extent provided for.

(xviii) Information in accordance with the requirements of the Revised Accounting Standard 7 on Construction Contracts as prescribed by the Companies (Accounting Standards) Rules, 2006.

	Year ended 31 Dec 2008 Rs. '000	Nine months ended 31 Dec 2007 Rs. '000
a) Contract revenue recognised	**1,504,271**	449,415
b) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all the contracts in progress	**2,197,789**	893,492
c) Amount of customer advances outstanding for contracts in progress	**181,244**	102,984
d) Amount of retention due from customers for contracts in progress	**192,407**	65,696
e) Gross amount due from customers for contracts in progress	**116,435**	121,395

Schedules to the accounts for the year ended 31 December 2008

(xix) The Company has entered into the following forward exchange contracts that are outstanding as at 31 December 2008 to hedge foreign currency risk of firm commitments on highly probable forecast transactions:

		31 Dec 2008		31 Dec 2007
Nature of contracts		**Forward cover buy**		Forward cover buy
Number of contracts		**9**		3
		In '000		In '000
Foreign currency amount	**EUR**	**13,266**	EUR	2,646
	USD	**—**	USD	159

Details of unhedged foreign currency exposures are as follows:

		31 Dec 2008		31 Dec 2007
		In '000		In '000
Creditors	**GBP**	**226**	GBP	921
	EUR	**977**	EUR	1,099
	USD	**2,556**	USD	1,372
	AUD	**3**	AUD	11
	SGD	**104**	SGD	715
	DKK	**1,020**	DKK	51
	MYR	**2**	MYR	1
	JPY	**39**	JPY	—
	HKD	**24**	HKD	—
Other Recoverable	**GBP**	**31**	GBP	12
	EUR	**30**	EUR	179
	USD	**7**	USD	12
	SGD	**—**	SGD	18

(xx) Provision for taxation has been recognised with reference to the taxable profit for the year ended 31 December 2008 in accordance with the provision of the Income Tax Act, 1961. The ultimate tax liability for the assessment year 2009-2010 will be determined on the basis of total income for the year ending on 31 March 2009.

(xxi) The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income Tax Act, 1961. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

(xxii) Pursuant to the approval obtained from the Board of Directors and Shareholders of the Company on 11 December 2007 and 5 January 2008 respectively, the Company made a preferential allotment of 36,200,000 equity shares of Rs. 10 each at a premium of Rs. 155 per share to The BOC Group Ltd. on 19 January 2008. Consequent to such preferential allotment, the aggregate shareholding of the promoter group has increased from 54.80% to 73.99%. Pursuant to the aforesaid approvals the Company has also increased its Authorised Share Capital from Rs. 60 crores to Rs. 86 crores divided into 86,000,000 equity shares of Rs. 10 each. Further, 13,209,402 equity shares were aquired by The BOC Group Ltd. through an open offer in compliance with regulation II(I) of SEBI (Substantial Acquisition of Shares and Takeovers) regulations 2000. At the year end, the share holding of promoter group in the Company is 89.48%.

Schedules to the accounts for the year ended 31 December 2008

(xxiii) Segment information in accordance with Accounting Standard 17 prescribed by the Companies (Accounting Standards) Rule, 2006.

a) Determination of segment information is based on the organisational and management structure of the Company and its internal financial reporting system. The Company business segments namely 'Gases and Related Products' and 'Project Engineering' have been considered as primary segments for reporting format. Segment revenue, results, assets and liabilities include the respective amounts that are directly attributable to or can be allocated on a reasonable basis to each of the segments. Revenue, expenses, assets and liabilities which relate to the enterprise as a whole and are neither attributable to nor can be allocated on a reasonable basis to each of the segments, have been disclosed as unallocable.

b) The Company operates predominantly within the geographical limits of India, accordingly secondary segments have not been considered.

c) Inter-segment revenue has been recognised at cost.

Information about Business Segments :

Rs.'000

	Year ended 31 Dec 2008	Nine months ended 31 Dec 2007
REVENUE EXTERNAL		
(Net of Excise Duty)		
Gases and Related Products (including net gain of Rs 88,051 on finance lease arrangement)	**4,140,358**	2,599,372
Project Engineering	**1,461,695**	405,290
Total (A)	**5,602,053**	3,004,662
Unallocable revenue (B) [including profits on exceptional items of Rs 157,625 (Previous Year Rs.609,189)]	**453,613**	620,471
Total (A) + (B)	**6,055,666**	3,625,133
INTER SEGMENT REVENUE		
Gases and Related Products	**—**	—
Project Engineering	**1,720,233**	1,545,720
Others	**—**	—
Total (C)	**1,720,233**	1,545,720
Segment Revenue (A) + (C)	**7,322,286**	4,550,382
DEPRECIATION / AMORTISATION		
Gases and Related Products	**323,260**	233,544
Project Engineering	**1,197**	767
Others	**10,541**	6,973
Total	**334,998**	241,284
IMPAIRMENT RELEASE		
(On disposal of fixed assets)		
Gases and Related Products	**(4,582)**	(2,608)
Total	**(4,582)**	(2,608)
NON CASH EXPENSES OTHER THAN DEPRECIATION / AMORTISATION AND IMPAIRMENT		
Gases and Related Products	**80,119**	(17,910)
Project Engineering	**33,137**	10,910
Others	**11,409**	4,160
Total	**124,665**	(2,840)

	Year ended 31 Dec 2008	Nine months ended 31 Dec 2007
PROFIT BEFORE TAX		
Gases and Related Products (including net gain of Rs 88,051 on finance lease arrangement)	**633,077**	353,146
Project Engineering	**181,576**	43,142
Other unallocable expenses (net of unallocable income)	**105,729**	(156,120)
Total	**920,382**	240,168
Exeptional Item	**157,625**	609,189
Provision for Tax	**(277,606)**	(232,769)
Profit after Tax	**800,401**	616,588
SEGMENT ASSETS		
Gases and Related Products	**10,473,226**	7,409,686
Project Engineering	**1,057,974**	547,921
Others	**1,429,192**	25,783
Total	**12,960,392**	7,983,390
Investments	**150,000**	150,000
Total Assets	**13,110,392**	8,133,390
CURRENT LIABILITIES AND PROVISIONS		
Gases and Related Products	**(972,683)**	(747,868)
Project Engineering	**(849,634)**	(574,018)
Others	**(430,209)**	(401,275)
Total	**(2,252,526)**	(1,723,161)
Loan Funds	**—**	(2,190,000)
Deferred Tax Liability (Net)	**(495,323)**	(483,420)
Total Liabilities	**(2,747,849)**	(4,396,581)
CAPITAL EXPENDITURE		
Gases and Related Products	**2,982,199**	2,190,660
Project Engineering	**5,906**	947
Others	**26,076**	9,586
Total	**3,014,181**	2,201,193

BOC

Schedules to the accounts for the year ended 31 December 2008

(xxiv) Information in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures as prescribed by the Companies (Accounting Standards) Rules, 2006.

A) **List of Related Parties**

i) **Ultimate Holding Company (entity having control over the Company)**

Linde AG

ii) **Holding Company (entity having control over the Company)**

The BOC Group Ltd.

(Wholly owned Subsidiary of Linde AG)

iii) **Fellow Subsidiaries and Joint Venture with whom transactions have taken place during the year**

(a) **Located outside India**

Fellow Subsidiary	Country
BOC Australia Pty Limited	Australia
BOC Bangladesh Limited	Bangladesh
Chemogas N.V.	Belgium
Linde Electronics & Specialty Gases (Suzhou) Co Ltd.	China
Cryostar SAS	France
MAPAG Valves GmbH	Germany
Hong Kong Oxygen & Acetylene Co Ltd	Hong Kong
Linde Gas Hungary Co. Ltd.	Hungary
Linde Electronics Gases Japan Ltd.	Japan
MOX Gases Sdn Berhad	Malaysia
BOC Pakistan Limited	Pakistan
Consolidated Industrial Gases Inc	Philippines
Linde Gas Asia Pte Limited	Singapore
Linde Gas Singapore Pte. Ltd.	Singapore
AFROX	South Africa
AGA-CRYO AB	Sweden
Thai Industrial Gases Public Co Ltd	Thailand
BOC Limited	United Kingdom
Linde CryoPlants	United Kingdom
BOC Gases, US	United States of America
BOC INC.	United States of America
Linde Electronics Limited	United States of America
Spectra Gases, Inc.	United States of America
Linde BOC Process Plants LLC	United States of America
BOC Kenya Limited	Kenya
Linde Electronics South Africa (Pty) Ltd.	South Africa

(b) **Located in India**

Fellow Subsidiary

BOC Global Support Services Private Limited

Linde Process Technology India Private Limited

Joint Venture

Bellary Oxygen Company Private Limited

iv) **Key Management Personnel of the Company**

Mr S Menon, Managing Director (with effect from 23rd October 2008).

Mr E R Raj Narayanan, Managing Director (till 30th April 2008).

Schedules to the accounts for the year ended 31 December 2008

(Amounts in Rupees thousands)

B) Transactions with Related Parties during the year

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries (Refer 'C' below)	Joint Venture	Key Management Personnel (Refer 'D' below)
Purchase of Goods	**26,227** (34,312)		**53,100** (39,073)	**115,687** (80,115)	
Capital Expenditure	**896,310** (483,347)		**120,135** (31,676)		
Services Received	**—** (17,481)	**104,426** (32,258)	**5,699** (4,551)		
Services Rendered			**3,173** (—)		
Sale of Goods	**—** (791)		**2,530** (9,389)	**35,569** (55,692)	
Recovery of Expenses	**11,937** (8,396)		**41,629** (17,799)	**14,838** (8,794)	
Rent Received			**8,249** (3,506)		
Managerial Remuneration					**11,409** (11,595)
Equity Share Issued (Preferential allotment)		**5,973,000** (—)			
Dividend Paid		**126,198** (67,247)			
Interest Income			**—** (70)		
Interest Paid			**—** (8,137)		
Loans					
- Given			**—** (7,500)		
- Receipt towards Repayment			**—** (7,500)		
Borrowing					
- Availed			**—** (150,000)		
- Repaid			**—** (150,000)		
Outstanding balance as on 31 December 2008					
- Receivables/Debtors	**987** (10,150)	**153** (87)	**14,486** (5,964)	**102,882** (61,954)	
- Payables/ Creditors	**33,674** (13,368)	**19,342** (19,364)	**17,384** (27,117)	**99,476** (67,854)	**1,419** (2,184)
- Advance against purchases				**250,000** (250,000)	
- Advance to suppliers/Capital advance	**1,307,024** (870,389)		**44,173** (5,291)		

Previous year's figures are in brackets.

Schedules to the accounts for the year ended 31 December 2008

(Amounts in Rupees thousands)

C) Details of transactions with fellow subsidiaries (included under Column 'Fellow Subsidiaries' in 'B' above) the amount of which is in excess of 10% of the total related party transactions of the similiar nature

Nature of Transaction	Name of Fellow Subsidiaries	Year ended 31 Dec 2008	Nine months ended 31 Dec 2007
1. Purchase of Goods	Cryostar SAS	**23,314**	25,779
	BOC Limited	**6,699**	12,089
	Linde Electronic and Speciality	**6,345**	—
	Spectra Gases Inc.	**7,028**	—
2. Capital Expenditure	Cryostar SAS	**53,112**	680
	MAPAG Valves GmbH	**12,841**	—
	MOX Gases Sdn Berhad	**44,170**	—
	BOC Limited	**88**	680
	Linde CryoPlants	—	30,316
3. Services Received	BOC Limited	**4,438**	3,046
	Cryostar SAS	**1,056**	885
	Linde BOC Process Plants LLC	—	508
4. Services Rendered	BOC Global Support Services Private Limited	**3,173**	—
5. Sale of Goods	BOC Bangladesh Limted	**2,530**	8,217
	BOC Kenya Limited	—	1,172
6. Recovery of Expenses	Linde Gas Asia Pte Limited	**18,532**	8,477
	BOC Limited	**18,857**	7,500
	BOC Global Support Services Private Limited	**4,178**	1,244
7. Rent Received	BOC Global Support Services Private Limited	**8,249**	3,506
8. Interest Received	BOC Global Support Services Private Limited	—	70
9. Interest Paid	Linde Process Technologies India Private Limited	—	8,137
10. Loans			
- Given	BOC Global Support Services Private Limited	—	7,500
- Receipt towards repayment	BOC Global Support Services Private Limited	—	7,500
11. Borrowings			
- Availed	Linde Process Technologies India Private Limited	—	150,000
- Repaid	Linde Process Technologies India Private Limited	—	150,000
12. Outstanding balance as on 31.12.2008			
- Receivables / Debtors	BOC Limited	**5,128**	842
	BOC Bangladesh Limited	**2,906**	3,081
	BOC Global Support Services Private Limited	**4,582**	1,264
	Linde Gas Singapore Pte Limited	**1,247**	487
- Payables / Creditors	BOC Limited	**6,469**	10,965
	Spectra Gases Inc.	**4,969**	—
	Cryostar SAS	**2,849**	1,274
	Linde CryoPlants Limited	—	12,009
- Advance to suppliers/ Capital advance	Linde Gas Hungary Co. Ltd.	**37,357**	—
	Spectra Gases Inc.	**5,663**	—
	Cryostar SAS	—	2,483
	MOX Gases Sdn Berhad	—	2,034
	Chemogas N.V.	**682**	562

D) Details of transactions with Key Management Personnel (included under Column 'Key Management Personnel' in 'B' above) the amount of which is in excess of 10% of the total related party transactions of the similar nature

Nature of Transaction	Party	Year ended 31 Dec 2008	Nine months ended 31 Dec 2007
Managerial Remuneration	Mr S Menon	**7,160**	5,087
	Mr E R Raj Narayanan	**4,249**	6,508
Payables	Mr S Menon	**1,419**	1,053
	Mr E R Raj Narayanan	—	1,131

Schedules to the accounts for the year ended 31 December 2008

(Amounts in Rupees thousands)

(xxv) Gross Sales

		Year ended 31 Dec 2008		Nine months ended 31 Dec 2007	
Class of Goods	Units	Quantity	Amount	Quantity	Amount
Air Separation Unit Gases	1000 cum	615,757	3,341,821	424,155	2,316,201
Other Cylinder Gases	1000 cum	2,351	297,328	1,744	212,225
Vessels, plants and related accessories		***	1,469,960	***	405,290
Others			607,488		338,199
			5,716,597		3,271,915

(xxvi) Raw Materials and Components consumed

		Year ended 31 Dec 2008		Nine months ended 31 Dec 2007	
Class of Goods	Units	Quantity	Amount	Quantity	Amount
Ferrous, Non-Ferrous Metals & Components		***	404,685	***	233,732
Chemicals	tonnes	2,326	74,110	1,851	48,467
			478,795		282,199

(xxvii) Licensed Capacity, Installed Capacity and Production

		Year ended 31 Dec 2008			Nine months ended 31 Dec 2007		
Class of Goods	Units	Licensed Capacity *	Installed Capacity **	Production	Licensed Capacity *	Installed Capacity **	Production
Air Separation Unit Gases	1000 cum	N.A.	903,403	593,639	N.A.	903,403	403,260
Other Cylinder Gases	1000 cum	N.A.	10,426	1,745	N.A.	8,548	1,481
Air Separation & Gas Plants, Associated and Cryogenic Equipment	Nos/Sets	N.A.	38	35	N.A.	38	32

* N.A. represents not applicable in view of Government of India's notification No. S.D.477(E) dated 25 July 1991.

** Information on installed capacity have been certified by management and have not been audited since it is technical in nature

(xxviii) Closing Stock of Finished Goods

		As at 31 Dec 2008		As at 31 Dec 2007		As at 31 March 2007	
Class of Goods	Units	Quantity	Amount	Quantity	Amount	Quantity	Amount
Air Separation Unit Gases	1000 cum	9,645	52,064	7,363	42,368	7,259	38,595
Other Cylinder Gases	1000 cum	116	25,319	127	30,001	96	21,136
Others			108,154		42,531		33,135
			185,537		114,900		92,866

(xxix) Finished Goods purchased

		Year ended 31 Dec 2008		Nine months ended 31 Dec 2007	
Class of Goods	Units	Quantity	Amount	Quantity	Amount
Air Separation Unit Gases	1000 cum	24,399	255,678	20,999	196,269
Other Cylinder Gases	1000 cum	595	58,651	294	39,764
Others			118,196		49,739
			432,525		285,772

*** The quantitative details are not given as the company deals in a large number of items of diffeent measurement units and therefore it is not practical to give quantitative details in respect thereof.

Schedules to the accounts for the year ended 31 December 2008

(Amounts in Rupees thousands)

(xxx) Value of Imports on CIF basis

	Year ended 31 Dec 2008 Amount	Nine months ended 31 Dec 2007 Amount
Raw Materials, Components and Spare Parts	**270,677**	151,750
Capital Goods	**1,411,468**	564,402
	1,682,145	716,152

(xxxi) Consumption of Raw Materials, Components and Stores & Spares

	Year ended 31 Dec 2008		Nine months ended 31 Dec 2007	
	Amount	% of total Consumption	Amount	% of total Consumption
Imported	**243,382**	**38**	100,449	29
Indigenous	**389,606**	**62**	241,914	71
	632,988	**100**	342,363	100

(xxxii) Expenditure in Foreign Currency

	Year ended 31 Dec 2008 Amount	Nine months ended 31 Dec 2007 Amount
Travelling expenses	**3,131**	2,398
Technical Know-how / Services	**126,195**	288,896
Others	**—**	2,546
	129,326	293,840

(xxxiii) Earnings in Foreign Exchange

	Year ended 31 Dec 2008 Amount	Nine months ended 31 Dec 2007 Amount
Export (F.O.B. basis)	**19,302**	12,078
Others	**42,435**	24,916
	61,737	36,994

(xxxiv) Remittance in Foreign Currency on account of Dividend

Dividend for the Nine months ended 31 Dec 2007	Year ended 31 December 2008			Dividend for the year ended 31 March 2007	Nine months ended 31 Dec 2007		
	Number of Non Resident Shareholders	Net Number of Shares held	Net Dividend Remitted Amount		Number of Non Resident Shareholders	Net Number of Shares held	Net Dividend Remitted Amount
Final Dividend	**1**	**63,098,891**	**126,198**	Final Dividend	1	26,898,891	67,247

Dividend warrants of certain non-resident shareholders sent to their bankers in India have been excluded.

(xxxv) Expenses are net of reimbursement received aggregating **Rs.129,030** (Previous year Rs.80,120)

(xxxvi) Previous year's figures have been rearranged/ regrouped where necessary to conform to current period's presentation. However, current year's figures are not comparable with those of the previous period which comprised of nine months.

Signatures to Schedule '1' to '18'

On behalf of the Board

Chairman S M DATTA
Managing Director S MENON
Finance Director K ROY
Company Secretary P MARDA

Kolkata
23 February, 2009

Information pursuant to Part IV of Schedule VI to the Companies Act, 1956

(a) Registration Details

CIN No.	L40200WB1958PLC008184	State Code	21
Balance Sheet Date	31 December 2008		

(b) Capital raised during the period (Amounts in Rs. thousand)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

(c) Position of Mobilisation and Deployment of Funds (Amounts in Rs. thousand)

Total Liabilities	10,857,866	Total Assets	10,857,866
Sources of Funds :		Application of Funds :	
Paid up Capital	852,842	Net Fixed Assets	8,885,139
Reserves and Surplus	9,509,701	Investments	150,000
Secured Loans	—	Net Current Assets	1,822,727
Unsecured Loans	—		
Deferred Tax Liability	495,323		

(d) Performance of Company (Amounts in Rs. thousand)

Turnover *	6,192,713
(*Representing Total Income including Other Income)	
Total Expenditure	5,360,382
Profit/(Loss) Before Tax	1,078,007
Profit/(Loss) After Tax	800,401
Earning per share (Rs.)	10
Dividend rate %	15

(e) Generic Names of three Principal Products/ Services of the Company

Item Code No. (ITC Code)	28044000	Product Description	Oxygen
Item Code No. (ITC Code)	28043000	Product Description	Nitrogen
Item Code No. (ITC Code)	28042100	Product Description	Argon

On behalf of the Board

Chairman	S M DATTA
Managing Director	S MENON
Finance Director	K ROY
Company Secretary	P MARDA

Auditors' Report

To the members of BOC India Limited

1. We have audited the attached Balance Sheet of BOC India Limited as at 31 December 2008, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books;

   (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   (e) On the basis of written representations received from directors as on 31 December 2008, and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on 31 December 2008 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956;

   (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31 December 2008; and

      ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

      iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **BSR & Company**
Chartered Accountants

Akhil Bansal
Partner
Membership No: 090906

Place: Kolkata
Date: 23 February, 2009

Annexure to the Auditors' report

(Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) Fixed assets disposed of during the year were not substantial, and therefore, do not affect the going concern assumption.

(ii) (a) The inventory, except goods-in-transit has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

(b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.

(v) (a) In our opinion and according to the information and explanations given to us, the particulars of the contract or arrangement referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

(b) Under the aforesaid contract or arrangement, certain services that are rendered by the Company as per the specialised requirements of a buyer and the value of such services exceeds Rs. 5 lakhs during the year, suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, they appear reasonable.

(vi) The Company has not accepted any deposits from the public during the year.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.

There were no dues on account of Cess under Section 441A of the Act since the date from which the aforesaid Section comes into force has not yet been notified by the Central Government.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at 31 December 2008, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Customs duty, Wealth tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.

According to the information and explanations given to us, dues of Sales tax, Service tax and Excise duty which have not been deposited on account of any dispute are listed below:

Name of the Statute	Nature of the Dues	Amount (Rs. '000)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act and Various State Sales Tax Acts	Sales Tax	50,798	1983-1984, 1986-2003	Supreme Court
		4,935	1982-1992, 2004-2005	High Court

Name of the Statute	Nature of the Dues	Amount (Rs. '000)	Period to which the amount relates	Forum where dispute is pending
		57,430	1981-1988, 1992-1997	Revisional Board
		10,166	1989-1991, 1995-2003	Tribunal
		583	1998-1999	Commissioner (Appeals) of Commercial Taxes.
		11,096	2001-2008	Joint Commissioner (Appeals) of Commercial Taxes.
		74,022	2000-2006	Additional Commissioner of Commercial Taxes.
		111,207	1976-1979, 1984-2005	Deputy Commissioner (Appeals) of Commercial Taxes.
		2,250	1997-2001	Assistant Commissioner of Commercial Taxes.
Central Excise Act	Excise Duty	1,623	2007-2008	Supreme Court
		4,901	1990-2006	High Court
		12,195	1991-2008	Customs, Excise and Service Tax Appellate Tribunal.
		13,139	1991-2008	Commissioner (Appeals)
		63,701	1991-2008	Commissioner of Central Excise
		7,708	1991-2008	Additional Commissioner
		6,269	1991-2008	Assistant Commissioner
Service Tax	Service Tax	29,236	2005-2008	Customs, Excise and Service Tax Appellate Tribunal.
		333	2003-2008	Commissioner (Appeals)
		1,325	2003-2008	Assistant Commissioner.

(x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institution. The Company did not have any outstanding debentures during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) The Company did not have any term loans outstanding during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues during the year.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **BSR & Company**
Chartered Accountants

Akhil Bansal
Partner
Membership No. 090906

Place: Kolkata
Date: 23 February, 2009

BOC

Ten-Year Financial Data

(Rs. million)

	2000 (18 months)	2001	2002	2003	2004	2005	2006	2007	31 Dec 2007 (9 Months)	31 Dec 2008 (12 Months)
Sales : Home	3,973.2	2,978.5	3,031.3	3,206.6	3,469.8	4,243.5	5,607.1	4,954.7	3,259.8	**5,697.3**
Export	5.0	35.2	6.6	16.1	1.9	0.1	2.2	11.1	12.1	**19.3**
Profit/ (Loss) before Tax and Extraordinary Item	(794.4)	18.1	35.5	114.6	201.4	455.9	809.1	437.7	240.2	**832.3**
Tax	—	—	(15.0) ***	36.5	76.6	189.6	326.0	183.3	96.0	**212.3**
Profit/ (Loss) after Tax, before Extraordinary Item	(794.4)	18.1	50.5	78.1	124.8	266.3	483.2	254.4	144.2	**620.0**
Extraordinary Item, (net of Tax)	—	—	(24.7)	85.2	168.1	13.4	303.1	191.6	472.4	**180.4**
Profit after Tax	(794.4)	18.1	25.8	163.3	292.9	279.7	786.3	446.0	616.6	**800.4**
Share Capital	490.8	490.8	490.8	490.8	490.8	490.8	490.8	490.8	490.8	**852.8**
Reserves and Surplus	1,549.9	1,564.6	1,523.0	1,529.5	1,767.1	1,898.9	2,517.2	2,819.7	3,246.0	**9,509.7**
Shareholders' Funds	1,834.2	1,851.0	1,857.1	2,020.3	2,257.9	2,389.7	3,008.1	3,310.5	3,736.8	**10,362.5**
Loan Funds	1,839.0	1,562.5	1,408.9	1,142.9	848.4	768.6	1,087.3	917.3	2,190.0	**—**
Gross Block *	4,788.2	4,833.3	4,911.5	5,041.9	5,219.8	5,836.3	5,862.4	7,298.4	9,456.1	**12,248.2**
Depreciation **	1,560.4	1,803.5	2,009.5	2,227.9	2,384.1	2,674.2	2,752.7	3,012.8	3,217.3	**3,363.1**
Net Block *	3,227.8	3,029.8	2,902.0	2,814.0	2,835.7	3,162.1	3,109.7	4,285.6	6,238.8	**8,885.1**
Investments	0.8	0.7	0.7	0.6	121.7	650.0	290.1	150.0	150.0	**150.0**
Net Current Assets	430.9	355.0	338.9	327.0	233.6	(396.4)	1,187.9	275.7	21.4	**1,822.7**
Total Capital Employed	3,659.6	3,385.5	3,241.6	3,141.6	3,191.0	3,415.7	4,587.7	4,711.3	6,410.2	**10,857.8**
Dividend (Incl. Tax thereon)	—	—	—	—	55.4	84.1	167.9	143.6	199.6	**149.7**
Rate of Dividend	—	—	—	—	10%	15%	30%	25%	20%	**15%**
No. of Shareholders	25,806	25,860	26,196	27,034	27,993	28,675	32,061	31,772	31,663	**29,178**
No. of Employees	660	636	613	633	591	588	633	643	657	**722**

* Includes Capital Work-in-Progress

** Includes Impairment

*** Excess provision for taxation for earlier years written back

Notes


Fast tracking the journey towards becoming a high performance organisation
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BOC

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