

# Annual Report 2010



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# Notice of Annual General Meeting.

Notice is hereby given that the 38th Annual General Meeting of BOC Bangladesh Limited will be held at Officers Club, 26 Baily Road, Ramna, Dhaka-1000, on Thursday 12 May 2011 at 10:30 AM to transact the following business:

1. To receive and adopt the accounts for the year ended 31 December 2010 and the reports of the Auditors and Directors thereon.
2. To declare a Dividend for the year ended 31 December 2010.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.

By order of the Board

**M Nazmul Hossain**  
Company Secretary  
10 March 2011

**Registered Office**  
Corporate Office  
285 Tejgaon I/A  
Dhaka-1208

Notes:

1. **23 March 2011** is the RECORD DATE. Shareholders whose name will appear in the share register of the Company or in the depository register on that date will be eligible to attend the Annual General Meeting and receive dividend approved.
2. A member eligible to attend the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf. No person shall act as proxy unless he/she is entitled to be present and vote in his/her own right.
3. Forms of proxy, duly completed, must be deposited at the Company's Registered Office by 10:30 A M on Monday 9 May 2011 and in default will not be treated as valid.



Shareholders at the 37th Annual General Meeting held on 13 May 2010

# Board of Directors.



## M Syeduzzaman

Chairman since 1992

Mr. M Syeduzzaman received his M.Sc. in Physics from Dhaka University, went to St John's College, Cambridge, UK, and obtained an M. A. in Development Economics from Williams College, Mass., USA. He is a development administrator with long experience in financial management and coordination of external assistance beginning his career in the Civil Service of Pakistan in 1956. He has held various positions including those of permanent secretaries in the ministries of Finance and Planning and of Principal Finance Secretary. Before he resigned from the Government in late 1987 he was Minister for Finance of Bangladesh. Mr. Syeduzzaman worked extensively as an international consultant until recently. From 1995 he is a member of the Board of Trustees of the Centre for Policy Dialogue, the leading Civil Society 'think tank' of the Country. In October 1999 he was elected Chairman of Bank Asia Ltd., a new commercial bank in the private sector from which position he stepped down on June 1, 2008. In early 2002 Mr. Syeduzzaman was elected Chairman of the Bangladesh Rice Foundation and continued in that position until February 2008. In 2003 Mr. Syeduzzaman was elected Chairman of the newly established Credit Rating Agency of Bangladesh, a public Limited Company for providing credit rating services to financial and non-financial organization. Since 2005 he is a member of the International Advisory Council for the 2020 Vision Initiative of the Washington based International Food Policy Research Institute (IFPRI). From January 01, 2007, Mr. Syeduzzaman has been elected a member of the Board of Trustees of the International Rice Research Institute (IRRI) located in the Philippines. The same year, he was appointed a member of the Advisory Board of the Mahabubul Huq Human Development Centre, located in Islamabad, Pakistan.



## Waliur Rahman Bhuiyan, OBE

Managing Director since 1998

Mr. Bhuiyan obtained a Masters in Economics and an MBA from Dhaka University. He started his career with the Company in 1975 and has worked in a variety of senior positions in the Gases and Welding businesses and also in the Personnel and Administration functions. He was appointed to the Board of Directors in 1996.

Mr. Bhuiyan is a former President of Foreign Investors' Chamber of Commerce & Industry (FICCI) and held the position for three terms from 1999 to 2003 and 2007 to 2009. In the year 2007 he was decorated with Order of British Empire (OBE) by Her Majesty The Queen of Great Britain. In July 2008 he was appointed Honorary Consul General of Finland in Bangladesh. He is in the Board of Directors of ACI Limited. He was former Director of Chittagong Stock Exchange Limited and Biman Bangladesh Airlines Limited.



## Sanjiv Lamba

Director since 2004

Mr. Sanjiv Lamba is a member of the Executive Board, Linde AG, with responsibility for the Asia Pacific business, based in Singapore. He is also currently the Regional Business Unit Head for Linde's South & East Asia business.

After qualifying as a Chartered Accountant in 1989, Mr. Lamba joined The Linde Group's India unit, which operates under the entity, BOC India Limited. He worked in BOC India's Finance & Treasury operations before moving, in 1993, to The BOC Group plc's headquarters in the UK and was attached to the Audit and Corporate Finance departments. Mr. Lamba returned to India in 1997 as Head of Finance before joining the board of BOC India as Director, Finance, in 2000.

In 2001, Mr. Lamba was appointed Managing Director of BOC India Limited and during the next 4 years was responsible for successfully leading the company in its turnaround strategy. Mr. Lamba moved to Singapore in 2005 as the Business Head for the Process Gas Solutions business spanning seven countries across South & South East Asia. In 2006, following the acquisition of the BOC businesses by Linde AG, Mr. Lamba was appointed Regional Business Unit Head for the fast growing business in the South & East Asia region covering 11 countries spanning Pakistan in the west to South Korea in the east.

Mr Lamba was made a member of The Executive Board of Linde AG in March 2011.

Mr Lamba is an active member of business and professional bodies, and serves on the Executive Committee of the Asia Industrial Gases Association (AIGA). He is also a member of various chambers of commerce and industry.



## Binod Patwari

Director since 2008

Mr. Binod Patwari, is the Head of Finance & Control for South & East Asia, Linde Gas Asia Pte Limited, a member of The Linde Group. He oversees the finance & control function of the business that covers 11 countries in the region spanning Pakistan in the west to South Korea in the east. He is based in the regional headquarters in Singapore.

Mr. Patwari has been with Linde for over 13 years. He joined Linde's India unit, BOC India Ltd, in June 1997 in the finance function, first as accountant and then as treasurer. In 2001, he moved from Kolkata to Singapore to take on a regional role as Planning Manager, South East Asia, responsible for finance and planning in six countries in the region. He relocated a year later to The BOC Group head office in the United Kingdom to assume the role of Corporate Finance Manager responsible for investment appraisal and evaluation of a portfolio of capital expenditure projects and acquisitions across The Group. In August 2004, he moved to Sydney, Australia, when he was appointed General Manager, Finance for the PGS line of business in the South Pacific. He moved back to Kolkata in December 2005 to take on the role of Finance Director, South & South East Asia for the PGS line of business. With the merger of The BOC Group and Linde AG in 2006 to form The Linde Group, Mr Patwari relocated to Singapore to take on his current role.

Mr. Patwari has a Bachelor of Commerce (Honours) degree from the University of Calcutta and obtained his MBA from the ICFAI Business School in Kolkata. He qualified as a chartered financial analyst from the Institute of Chartered Financial Analysts of India. Mr. Patwari is also a qualified Company Secretary from the Institute of Company Secretaries of India.



### Lee Bon Hian

Director since 2008

Mr. Lee Bon Hian joined Linde Gas Asia in May 2008 as the Cluster Head and has responsibilities for Bangladesh, Pakistan, Philippines, Sri Lanka and Vietnam.

Mr. Lee spent significant time with British Petroleum in various roles across Asia and has worked in sales & marketing, manufacturing operations, logistics and supply chain management and has broad experience in a range of industry sectors in Asia, including oil, energy, lubricants, performance chemicals and bio-diesel. He has a multi-cultural career background, having worked and lived in Singapore, Taiwan, Thailand and Vietnam, while covering other countries in the region.

Mr. Lee has a Bachelor of Engineering (Honours) degree in Mechanical Engineering and a Master of Science degree in Industrial Engineering, both from the National University of Singapore (NUS). He also has a Graduate Diploma in Business Administration from the Singapore Institute of Management.



### Md Fayekuzzaman

Joined the Board of Directors in July 2010

Mr. Md Fayekuzzaman is the Managing Director of Investment Corporation of Bangladesh (ICB) and Chairman, ICB Capital Management Limited. He is also the Member, Board of Directors of Bangladesh Institute of Capital Market (BICM), Standard Bank Limited, Industrial and Infrastructure Development Finance Company Ltd. (IIDFC), Bangladesh Development Bank Ltd. (BDBL), British American Tobacco Bangladesh Ltd. (BATB), GlaxoSmithKline Bangladesh Ltd., Renata Limited, ACI Limited, National Tea Company Ltd., Central Depository Bangladesh Ltd. (CDBL), Dhaka Stock Exchange Ltd., The Institute of Bankers, Bangladesh; Credit Rating Agencies of Bangladesh Ltd. (CRAB), Credit Rating Information and Services Ltd. (CRISL) and Apex Tannery Ltd.

Mr. Md Fayekuzzaman born in 1953, obtained B. Com Hons., M. Com in Management. He completed his Post Graduation studies in Investment Planning, Appraisal and Management of Development Finance Institution in Bradford University, Bradford, United Kingdom. Mr. Zaman has experience of about 25 years in Commercial and Investment Banking. Prior to the present position, he had been Deputy Managing Director of Agrani Bank Ltd. since 2007. Before that he was the General Manager of ICB.



### Latifur Rahman

Director since 2006

Mr. Latifur Rahman is the Chairman and CEO of Transcom Group, with annual turnover of around Taka 23 billion. The business originated with tea plantations in 1885.

Group companies dealing with beverages, electronics, pharmaceuticals, fast food, distributions, print media and tea include, Transcom Beverages Limited, Transcom Electronics Limited, Eskayef Bangladesh Limited, Transcom Foods Limited, Transcom Distribution Company Limited, Mediastar Limited, Mediaworld Limited and Tea Holdings Limited. Group is a major stakeholder in Reliance Insurance Limited and National Housing Finance and Investments Limited.

He is also the Chairman of Nestlé Bangladesh Limited, Holcim Bangladesh Limited and National Housing Finance & Investments Limited.

Mr. Rahman is currently the Vice President of International Chamber of Commerce – Bangladesh. He was President of Metropolitan Chamber of Commerce & Industry, Dhaka, Bangladesh Employers' Federation and Member, Executive Committee, Federation of Bangladesh Chambers of Commerce & Industry (FBCCI), Bangladesh Jute Mills Association and Bangladesh Tea Association.

Mr. Latifur Rahman had been closely involved with the fiscal and trade policy making bodies of the Government as Chairman, Tradebody Reforms Committee, Member – Bangladesh Better Business Forum, Advisory Committee on WTO, National Committee on Export Promotion and Consultative Committee on Jute. He was Member of the Executive Board of Bangladesh Bank (Central Bank).



### Ayub Quadri

Director since 2008

Mr. Ayub Quadri received his M.A. in English from Dhaka University and Masters in Public Affairs from the University of Connecticut, USA. Apart from extensive training in the administrative academies in Pakistan and Bangladesh, Mr. Quadri has received training in many international institutions including Singapore University, ILO Institute Geneva, United Nations Institute Japan, South East Asia Regional Centre the Philippines and Institute of Public Service USA.

Beginning his career in the Civil Service of Pakistan in 1969, Mr. Quadri held various positions in the Government of Bangladesh, including those of permanent secretaries in the ministries of Industries, Water Resources, Economic Relations, Food, Fisheries and Livestock, Agriculture and Rural Development. He was also Chairman of the Bangladesh Chemical Industries Corporation (BCIC) and Director General of the Bangladesh Rural Development Board (BRDB).

Mr. Quadri retired from Government service in 2005. He was an Advisor of the Care Taker Government that assumed responsibility in January 2007. He had responsibility for the ministries of Education and Culture. He resigned in December of the same year.

Mr. Ayub Quadri has been on the board of numerous public, private and joint venture entities. Among others, he has been Chairman of the board of Basic Bank Ltd, Karnafuli Fertilizer Company (KAFCO), Industrial Promotion and Development Company (IPDC) and Bangladesh Institute of Management (BIM).



### Erphan S Matin

Director since 2008

Mr. Erphan Shehabul Matin is an Electrical Engineer from Bangladesh University of Engineering & Technology (BUET), Dhaka. Soon after graduation he started his career with the Company in 1980. Over the years Mr. Matin has worked in a variety of senior positions in the Company heading Marketing, Sales, Customer Services, Procurement, Distributions, Customer Engineering Services, Welding – Operations and Projects.

In January 2011, the Board of Directors of the Company has appointed Mr. Matin as the new Managing Director who will take over this responsibility from Mr. Waliur Rahman Bhuiyan with effect from 13th May 2011.

He is a life member of Bangladesh Institution of Engineers, Dhaka.



### M Nazmul Hossain

Joined the Board of Directors in February 2011

Mr. M Nazmul Hossain is a Chartered Accountant with many years of experience in the industry. He has joined the Company 1982 and held several senior positions in the Company prior to being appointed to the Board of Directors. He also holds the office of the Company Secretary. He is a member of the Institute of Chartered Accountants of Bangladesh.

### Secretary

M Nazmul Hossain

### Registered Office

Corporate Office  
285 Tejgaon I/A  
Dhaka-1208

### Auditors

Rahman Rahman Huq

### Bankers

The Hongkong Shanghai Banking Corporation Limited  
Standard Chartered Bank Ltd.  
Citibank N.A.  
Sonali Bank Ltd.  
Prime Bank Ltd.  
Brac Bank Ltd.

### Legal Advisers

Huq & Company

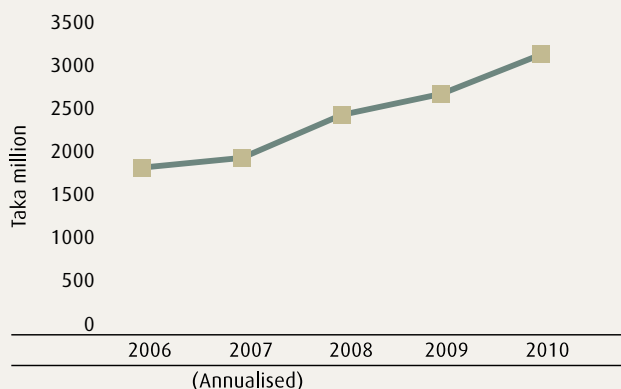
Syed Ishtiaq  
Ahmed & Associates

# Financial History.

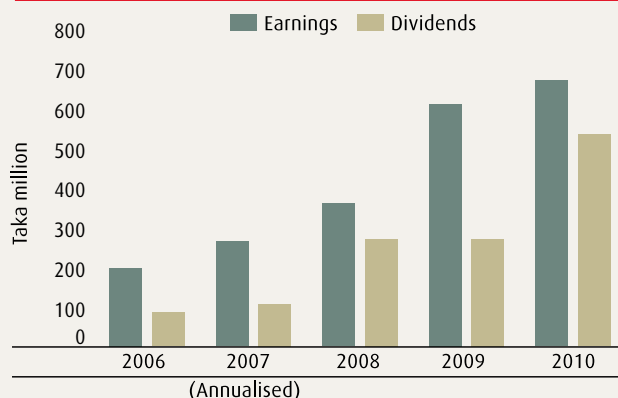
		2006	2006	2007	2008	2009	2010
		15 months	Annualised	12 months	12 months	12 months	12 months
Revenue	Taka'000	2,358,955	1,887,164	2,000,172	2,498,583	2,742,817	3,199,375
Profit before tax	"	336,425	269,140	350,155	457,740	772,611	903,256
Taxation	"	112,926	90,341	89,171	116,106	181,972	241,320
Deferred tax	"	-22,753	-	-2,667	-17,708	-19,231	-6,132
Earnings	"	246,252	197,002	263,651	359,342	609,870	668,068
Dividend proposed	"	106,528	85,222	106,528	117,181	117,181	152,183
Interim dividend paid	"	-	-	-	152,183	152,183	380,457
General reserve*	"	1,051,366	-	1,195,914	1,312,546	1,666,177	1,823,141
Share capital	"	152,183	152,183	152,183	152,183	152,183	152,183
Shareholder's equity*	"	1,249,730	-	1,394,278	1,510,910	1,838,534	1,995,498
Net fixed assets	"	1,087,131	-	1,004,121	961,178	922,735	1,043,552
Depreciation	"	168,946	135,157	134,386	135,466	136,321	132,769
Earnings per share	Taka	16.18	12.94	17.32	23.61	40.08	43.90
Price Earning Ratio	"	-	9.00	19.00	11.00	12.00	16.00
Dividend per share	"	7.00	5.60	7.00	17.70	17.70	35.00
Dividend percentage (%)	"	70	56	70	177	177	350
Net assets per share *	"	82.12	-	91.62	99.28	120.81	131.13
Operating cashflow per share	"	21.60	-	22.16	25.11	68.41	45.45

\* Adjusted for change in presentation of proposed dividends

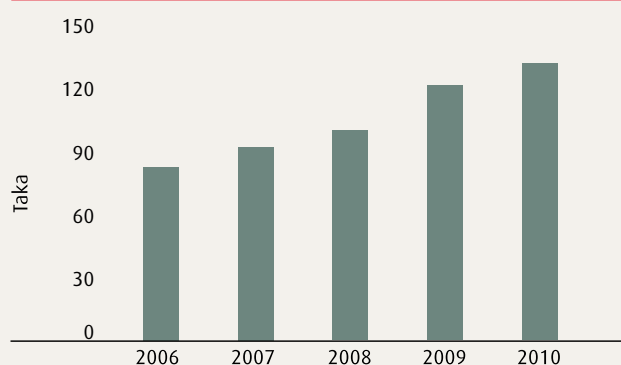
## Revenue



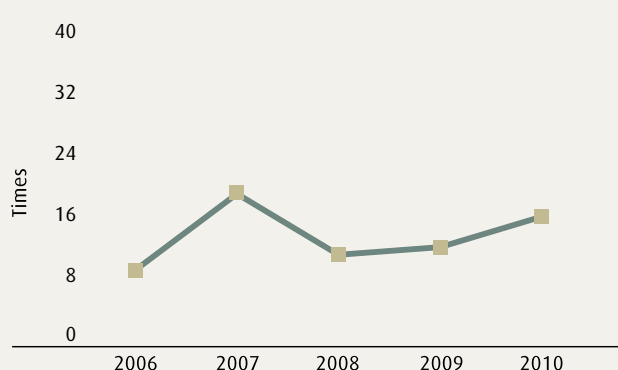
## Earnings & Dividends



## Net Assets Per Share



## Price Earning Ratio





# The Year at a Glance.

		2010	2009	Change over 2009
Revenue	Taka '000	3,199,375	2,742,817	16.65%
Profit before tax	"	903,256	772,611	16.91%
Earnings	"	668,068	609,870	9.54%
Earnings per Share	Taka	43.90	40.08	9.54%

## Statement of Value Added.

Year ended 31 December 2010.

	Year ended 31 December 2010	%	Year ended 31 December 2009	%
	'000 Taka		'000 Taka	
<b>Value Added</b>				
Revenue	3,199,375		2,742,817	
Bought in materials and services	(1,709,638)		(1,543,459)	
	1,489,737		1,199,358	
Other income including interest on bank deposits	82,946		168,878	
<b>Available for distribution</b>	<b>1,572,683</b>	<b>100</b>	<b>1,368,236</b>	<b>100</b>
<b>Distributions</b>				
To Employees in remuneration and benefits	421,223	27	377,224	27
To Provider of capital in :				
(a) interest on borrowings	1,393	-	966	-
(b) Interim and Final dividend proposed	532,640	34	269,364	20
To Government in taxes, duties and surcharges	349,230	22	243,855	18
Retained for reinvestment and future growth:				
(a) depreciation	132,769	8	136,321	10
(b) reserve and surplus	135,428	9	340,506	25
	<b>1,572,683</b>	<b>100</b>	<b>1,368,236</b>	<b>100</b>

# Chairman's Statement.

Dear Shareholders,

It is with great pleasure that I welcome you to the 38th Annual General Meeting of your Company. I am also extremely happy to share with you my happiness the excellent business performance by your Company during the just concluded accounting year, despite some challenges, emanating mainly from energy crisis and new environment regulations relating to ship breaking. Therefore, I invite you to join me in congratulating the management for the excellent business results and for being able to sustain continuous business growth. Needless to say that overall performance of Bangladesh economy in 2010 provided the back drop of such an opportunity.

The Bangladesh economy performed well in the last financial and calendar year in the face of the ongoing slowdown in the major industrial economics. GDP growth was reasonably robust. Exports picked up, recovering from the slower growth in the previous year, contributing to maintaining a healthy foreign exchange reserve position. The growth in workers' remittances – the other major source of growth for the foreign exchange reserves, however slowed down. Agriculture – still the largest single employer, did well responding to favourable weather and continued Government support for inputs, finance and extension services. The rise in agricultural income also boosted domestic demand and thus also contributed to economic growth. Strong revenue income growth permitted the Government to provide resources for public spending, though use of foreign assistance was below expectation. Food prices, however, maintained upward trends reflecting mainly the rapid rise in international market prices for food grains and other food items.

Production in export oriented industries picked up, but the overall performance of the industry sector was not yet up to the mark. Acute shortages in power, gas and lack of infrastructural support continue to affect industrial investment and production. Efforts have been underway to expand generation capacity to alleviate power supply shortages in a couple of years. But gas shortages will continue as a major constraint to these efforts and industrial production, unless quick progress is made in augmenting gas production through developing the existing gas fields and discovering new ones. Shortages of gas will also imply greater dependence on costlier liquid fuel for power generation, which will add to overall cost of production. The industrial sector needs to attain faster growth to provide more remunerative job opportunity to the growing labour force. The sector also needs to be diversified, and improve technical efficiency and productivity in the sector.

Several challenges to macroeconomic management and maintaining growth momentum have unfolded. The rise in international food, fuel and commodity prices will be sources of further inflationary pressure. Greater budgetary allocation will be needed for food and fuel subsidies. Imports are growing rapidly, and the import bill is likely to surge with fuel import for the new fuel-based power plants rising. This, along with higher planned import of food grains, is likely to constrain the reserve position and put pressure on exchange rate. The continued slowdown in remittance growth could have major effect on the foreign exchange reserves. The balance of payments may then come under strong pressure.

Higher growth is needed for faster reduction in poverty and for achieving the millennium development goals. Investment as a share of GDP, particularly public investment, needs to rise significantly. The supply of skilled workforce needs to be increased. For encouraging higher private investment, implementation of public sector projects, especially those on infrastructure, needs to be accelerated. The

outcome of public-private partnership, a new initiative taken by the Government for developing infrastructure should also be visible with quicker implementation. Ensuring food security and developing capacity to cope with the effects of climate change are the other key medium-term challenges to the economy – on which the Government has rightly concentrated attention.

## Business Environment and Financial Performance

The year 2010 began with a lot of apprehension about possible fallouts from global economic uncertainties. Fortunately the global economic uncertainties did not affect the economy much. The economic environment turned out to be much better than was anticipated. Though there was some increase in natural gas and power price, causing price pressure on industrial and consumer products, these factors were more than compensated by overall downward trend in raw material prices. Growth trend in the manufacturing and industrial sector was upwards, raw material price was lower compared to the previous year. The average price of raw material of welding electrode was significantly low over the previous year's – year end average rates.

Under these circumstances the turnover registered a 17% growth over the previous year followed by 36% increase in profit from operations, and 10% increase in post-tax profit, which may be termed as a record and a commendable achievement's. This was possible because of some timely pricing decisions and close monitoring of costs by the management. Higher Income from bank interest also added to the earnings.

The working capital was also managed prudently during the year helping to maintain healthy liquidity position in spite of a payment of 250% interim dividend for the year. Your Board closely monitored the growing cash reserves to ensure optimization of its utilization, striking a balance between dividend pay out and conservation of resources for future investment needs, particularly in higher technology process to face growing domestic demand and competition in some areas.

Directors have recommended a final dividend of Taka 10.00 per share 100% for the year ended 31st December 2010. This would require a payout of Taka 152,182,800. Therefore the total payout for the year would be Taka 532,639,800 (350%) which is higher than last year.

For better understanding of the performance of the business, details are discussed by business segment ie Bulk, PG & P (Packaged Goods and Products) and Hospital Care.

## Bulk

All major contributors performed well. Liquid Oxygen demand in the ship breaking sector was positive in the earlier part of the year which declined in the later part due to the new requirement of obtaining "no objection" certificate (NOC) for Ship cutting in Bangladesh from the department of environment. Argon uptake went up in the year due to its application in export oriented industries. BOC India continued to supply bulk gases (Industrial Oxygen and Argon) to ensure availability of gases on demand. Liquid CO2 demand dropped over the previous year since two major customers set up their own plants. Dry Ice sales remained lower than the previous year mainly due to pressure from competition.

## PG&P (Packaged Goods and Products)

All industrial compressed gases and welding products are reported under this segment. Overall performance of the segment was better than the previous year. Mild Steel Electrode was the main driver of the segment which achieved 27% growth over the previous year. Performance of Compressed Industrial Oxygen was far below previous year due to conversion of compressed gas customer into liquid. Demand for Compressed Oxygen fell because of the impact of lower activity in ship breaking sector and loss of market share. Sale of other Industrial Gases provided good support to maintain turnover of the segment. LPG performed better in the year under report due to the availability of product and cylinder in the market. WTC (Welding Training Centre) continued to suffer due to reduced demand for skilled welders in the face of global economic uncertainty caused by financial crisis, specially in the Middle and South East Asia.

## Hospital Care

Our Hospital Care business continued to maintain its growth momentum in 2010 like previous years. Sale of Compressed and Liquid Medical Gases supported by sale of Medical equipment and Medical Pipe Line were the key sales drivers of the segment for the year. I would like to inform you that your Company reintroduced Medical Pipe Line (MPL) business in 2010 and installed a MPL in a Private Hospital. It may be mentioned that competition is being faced by Medical Oxygen from Pressure Swing Absorption (PSA) and a new local Competitor.

## Development

Company's business performed well in the prevailing economic environment of the Country. Many of its manufactured products registered growth both in volume and revenue. The capacity utilisation of the various plants was in line with the previous year with the exception of Welding Electrode Plant which recorded more than 100% utilisation of its registered capacity. Continuous improvement in economic procurement and effective cost control contributed significantly in the profitability of the Company. In addition to HPO (High Performance Organisation) Project ASSERT has been launched in 2010 with an aggressive growth strategy with the ambitious 1-2-2-1 targets to be achieved by 2015, i.e., to be number one in safety and market share, to double revenue, more than double profit and to be the number one team in the business. To increase the production capacity of Electrode Factory a new production line is under installation at Rupgonj. This will increase electrode production capacity by 7,700 Metric Tonne per year. I would also like to update you that a new Carbon Dioxide Plant with 5,320 Metric Tonne annual capacity has been installed at Tejgaon Factory to meet future demand of Carbon Dioxide Gas. The management is committed to provide innovative solution and use the best technology for the customers.

## Safety Matters

For all our stakeholders, specially for our employees and customers, safety remained the top-most priority for the Company as elsewhere in the Linde Group. In 2010 Company achieved its leading Safety Indicators and managed lagging indicators except two major incidents in transport operations. This is one area where there is no scope for complacency or to rest on success. The Company has organized

week long training by the trainer of the Linde Group for transport drivers and the Companies Leadership Team. As per the Linde Group policy to reduce number of major incidents, Lead Safe, Site Safe program and Golden Rules of Safety were some of the programme that are in operation in all its major locations, covering all employees.

## Human Resources

Industrial peace prevailed throughout the year and productivity improvement initiatives continued. Qualified and motivated employees are important prerequisites for sustainable success of our Company. The continuing professional development of our employees, based on the requirement of the Group, is a key element of our personnel management. Group Human Resource (HR) function is responsible for advising and supporting. Under the heading "People Excellence" Group HR has organized various training programmes where significant number of our employees participated. Besides many training programmes were conducted locally for people development by in house experts. For employee motivation, Excellence Award, SPOT Recognition and Key Employee Bonus Scheme are under operation.

## Information Services

Our information service (IS) continues to add value to business functions, improving customer service, enhancing electronic controls on data security and standardising business processes. Company's data communication link was integrated with globally managed secured network by AT&T. The Server room was reorganized with state of the art technologies in order to securing information assets in the best manner. Launching of BOCB's public web site at [www.boc-gas.com.bd](http://www.boc-gas.com.bd) has facilitated publishing of company's financial reports and opened up new channel of communication with stakeholders. Introduction of Intelligent character recognition (ICR) technology for data capturing and automated posting was an innovative effort to improving customer experience productivity.

## Internal Control

Group Internal Audit team had conducted a number of audits in the areas selected by them. The findings and subsequent remedial status are regularly followed up by them and reported to the Audit Committee. The accounting software which is used for data capturing is fully integrated, which not only captures data for preparations of financial statements on a systematic basis, but also provides data for management accounts and budgetary control, which helped timely management decisions.

## Corporate Social Responsibilities

In line with Linde Group initiative and policy of care for the environment BOCB continued tree plantation in 2010. During the year 15,000 Trees were planted in Hateer Jheel Project and Mirpur Project being implemented by the Army, and in Schools and Colleges near our Factory at Rupgonj for making a greener Bangladesh. Welding Training Centre (WTC) continued to train skilled and semi skilled work force to make them suitable for overseas employment. WTC continued its operation through out the year. Training of fresh university graduates as internees to acquire managerial and leadership skill was another programme of the Company. Company

provides scholarship to meritorious children of welding products dealers and of non management staff.

## Board Matters

The composition of Board remained the same as when we met last, except that we lost Mr. Azizur Rashid former Finance Director of the Company who opted for early retirement on personal grounds after 13 years of valuable service to the Board. His resignation was effective from 1st February 2011. We will miss his rich contribution. On behalf of all of us here today and on my personal behalf, I express gratitude and wish Mr. Rashid success in the rest of his life. In his place Mr. Md. Nazmul Hossain, General Manager Finance of BOC Bangladesh Limited joined the Board as an Executive Director and Company Secretary. Please join me in welcoming him, and we look forward to his valuable contribution to the Company.

I would also like to inform you that Mr. Waliur Rahman Bhuiyan had voluntarily decided to take early retirement due to health reasons and will step down from the position of Managing Director of the Company at the end of 12th May 2011. The proposal was accepted by the Board of Directors, and it was announced that Mr. Erphan Shehabul Matin, currently Business Director, would replace him as Managing Director from 13th May 2011. Mr. Bhuiyan has extended dedicated service to the Company for a period of 36 years and has added enormous value to the Company. On behalf of all of us here today, and on my personal behalf, I express our gratitude for his past services, and wish him success and good health in the rest of his life. Mr. Matin's appointment as Managing Director, starting on 13th May 2011, will continue up to 31st December 2014.

## Prospects

Recovery from the recent global economic crisis looks encouraging for all countries in Asia. Boom is being predicted for neighbouring India. With the introduction of Transit facilities with Eastern part of India and Nepal and Bhutan, new business opportunities seems awaiting us. On the other hand Government has announced plans for large projects like Expressways and Metro train around Dhaka, and lot of new private sector initiatives, specially in power sector which are under considerations, would also open business opportunities for your Company. The new Group initiative "Project ASSERT" shall bring positive changes in years to come.

In spite of the slowly recovering global economic crisis and its possible affect on Bangladesh economy, particularly from food and fuel prices, I am optimistic about improvement in the business environment of the Country. The Government is sincerely trying to improve the business environment for economic activities. Your management is adequately prepared to take advantage of the private and public initiatives.

Where capacity saturation is anticipated, necessary investments plans will be under consideration. In the light of the global economic crisis all investment proposals will be naturally subject to rigorous studies.

Dear Shareholders,

As usual, I would like to thank the Board members and the shareholders for their support, and the employees of the Company for making it possible to achieve results I have described. We also owe our success to our customers, suppliers, bankers, Government authorities and agencies to whom we owe our deep gratitude.

Finally, I would like to conclude my statement on a personal note. I was first invited to the Annual General Meeting of BOC Bangladesh Limited (at the time BOL), in 1992. Counting from that, this is my 20th Annual General Meeting with the shareholders and managerial staff of one of the most respected companies in the Country. In these long years, I have seen managerial changes, ownership changes, management practice changes, and so on. But I can say with confidence that these changes took the Company to greater heights and delivered better results for our shareholders. I could see at times extra efforts by the managerial staff, including the top management, in adjusting to the new system of management practiced by the Linde Group. But things have settled down, as far as I can see.

For me, these 20 years have been a period of growing business for the Company, expanding friendship with Board Members, and the senior management team. I cannot finish counting the assistance and support I received from the BOC staff members in official as well as personal matters. I would like to specially express my thanks to them; but I cannot promise that I shall not continue to seek their help in some matters at least for a few months after I leave you.

I am also extremely happy to inform the distinguished shareholders, whose love and affection I have long enjoyed, that when I step down as a non-Executive Director of the Company, I shall be replaced by a very distinguished lady of our professional society – Ms. Parveen Mahmud at present President of the Institute of Chartered Accountants of Bangladesh. Her professional position – is that of Deputy Managing Director, Palli Karma Sahayak Foundation (PKSF) – where she has established her reputation well. I have no doubt that our distinguished shareholders will warmly welcome this valuable addition to the Board.

Let us give her a standing welcome ovation – even if she will technically join her first Board Meeting immediately after the Annual General Meeting. May God bless you all, and bless the Company for all times to come.



**M Syeduzzaman**

10 March 2011

# Report of the Board of Directors.

The Directors are pleased to present the audited accounts of the Company for the year ended 31st December 2010.

The Company continued to be the principal supplier in the Country of industrial and medical gases, welding equipment and products, and certain medical products and consumables.

## Operations

The operations of the Company did not face major challenge during the year since the demands of major industrial gases were met with the production capacity of the Plants. All the plants performed smoothly. However some routine maintenance work on the ASU plant was carried out as per Linde Group Policy to improve reliability and efficiency. Major overhauling of two Waukesha generators was carried out during the year which resulted in improved reliability and reduction of Natural Gas consumption. In order to meet high demand for MS Electrodes the life expired Havelock Electrode Plant was brought back to operation. Acetylene and Nitrous Oxide demand uptake levels were stable.

A new Carbon Dioxide Plant with 5,320 Metric Tonne annual capacity has been installed at Tejgaon Factory in December 2010 to meet future demand of the product. To cope with increased demand for MS Electrodes, installation of a new plant with 7,700 Metric Tonne annual capacity at Rupgonj is under progress. The plant is expected to be on stream from the middle of the year 2011.

## Financial Results

The Company recorded a growth in turnover of 17% over the last year i.e. to Taka 3,199,374,647 from Taka 2,742,816,718. This was driven mainly by sales growth of MS Electrodes.

Profitability in the year reached a new peak. While turnover growth was 17%, Profit from Operations grew by 36%. This was as a result of favourable raw material costs, better recovery of fixed costs with volume increase of the key manufactured products, and overall control on costs. Release of provisions for doubtful debts and disposal of certain fixed assets also helped.

Pre tax profit reached an all time high of Taka 903,256,446 compared to last year's level of Taka 772,611,664. This was possible because of the factors mentioned above, coupled with higher Interest income.

## Working Capital Management

Overall Working Capital Management was satisfactory during the year. Stock level went up by 30% due to higher level of welding raw-material in hand and in transit over previous year. The year end stock level was higher to cope with increased demand for electrodes in the market. Debtor's level went up over last year due to

non payment of recent debts by Government Hospitals due to their fund constraints. The increased level of stock and debtors were well compensated by increase in current liabilities, restricting overall increase in net working capital level to only 5%.

## Dividends

You are aware that an interim dividend of Taka 25.00 (250%) per share amounting to Taka 380,457,000 was paid out in the year as against Taka 10.00 (100%) per share amounting to Taka 152,182,800 paid out in 2009.

With the Directors' recommendation for a final dividend of Taka 10.00 (100%) per share involving a payout of Taka 152,182,800 (2009 Taka 117,180,756) subject to approval at the Annual General Meeting, over all dividend percentage for the year would be 350% and total dividend payout for the year would amount to Taka 532,639,800 (2009 Taka 269,363,556).

## Reserves

The Directors propose to transfer Taka 668,067,771 to General Reserve from the retained profit for the year. An amount of Taka 13,466,000 was charged to the Reserve being adjustment necessary to reflect the deficit in pension fund as per actuarial valuation per BAS 19.

## Directors

The present directors are named on pages 3 to 5 of this report.

Mr. M Syeduzzaman, Mr. Md Fayekuzzaman and Mr. M Nazmul Hossain retire under Article 81 of the Articles of Association of the Company. Mr. M Syeduzzaman decided not to be re-elected. Mr. Md Fayekuzzaman and Mr. M Nazmul Hossain being eligible, offer themselves for re-election.

## Corporate Governance

In compliance with the Securities & Exchange Commission's Notification No. SEC/CMRRCD/2006-158/02-08 dated 20th February, 2006 the Directors report that:

- The Financial Statements prepared by the Company present a true and fair view of the Company's state of affairs, result of its operations, cash flows and changes in equity.
- Proper books of accounts as required by law have been maintained.
- Appropriate accounting policies have been followed in formulating the Financial Statements, and Accounting estimates were reasonable and prudent.

- The Financial Statements were prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh.
- The Internal Control system is sound in design and effectively implemented and monitored.
- There are no significant doubts about the Company's ability to continue as a going concern.
- Significant deviations from the operating results of the previous year are reported in details in the accounts and in the Directors' Report.

Key operating and financial data of three years preceding the year ended 31st December 2010, particulars of Board meetings, Audit Committee meetings, pattern of shareholdings and the compliance report are provided in Annexure 1 to 4.

### Auditors

The Auditors, Rahman Rahman Huq, being eligible offer themselves for reappointment.

On behalf of the Board of Directors,  
10 March 2011



**Waliur Rahman Bhuiyan**  
Managing Director



**M Syeduzzaman**  
Director & Chairman

## Committees.

### Audit Committee

Chairman	Mr. Ayub Quadri	Director
Member	Mr. Binod Patwari	Director
Member	Mr. Lee Bon Hian	Director
Member	Mr. Latifur Rahman	Director
Secretary	Mr. M Nazmul Hossain	Director
	Mr. Indrajit Mitra	Country Head of Internal Audit India and Bangladesh, Internal Audit Asia/ Pacific

### Country Leadership Team

Chairman	Mr. Waliur Rahman Bhuiyan, OBE	Managing Director
Member	Mr. Erphan S Matin	Business Director
Member	Mr. M Nazmul Hossain	Finance Director
Member	Mr. Firoz A Siddiquey	General Manager, Human Resources
Member	Mr. Kazi Hassan Sharif	General Manager, Operations
Member	Mr. Abu Shair	IS Manager
Member	Mr. Iftekhar Karim	Hospital Care Manager
Member	Mr. Md Abdul Matin	SHEQ Manager

# Annexure 1.

Key operating and financial data of three years preceding the year ended to 31st December 2010.

## Financial History

		2007	2008	2009	2010
		12 months	12 months	12 months	12 months
Revenue	Taka'000	2,000,172	2,498,583	2,742,817	3,199,375
Profit before tax	"	350,155	457,740	772,611	903,256
Taxation	"	89,171	116,106	181,972	241,320
Deferred tax	"	(2,667)	(17,708)	(19,231)	(6,132)
Earnings	"	263,651	359,342	609,870	668,068
Dividend	"	106,528	117,181	117,181	152,183
Interim Dividend	"	-	152,183	152,183	380,457
General reserve	"	1,195,914	1,312,546	1,666,177	1,823,141
Share capital	"	152,183	152,183	152,183	152,183
Shareholder's equity	"	1,394,278	1,510,910	1,838,534	1,995,498
Net fixed assets	"	1,004,121	961,178	922,735	1,043,552
Depreciation	"	134,386	135,466	136,321	132,769
Earnings per share	Taka	17.32	23.61	40.08	43.90
Dividend per share	"	7.00	17.70	17.70	35.00
Dividend percentage (%)		70	177	177	350
Net assets per share	"	91.62	99.28	120.81	131.13
Operating cashflow per share	"	22.16	25.11	68.41	45.45

# Annexure 2.

## Shareholding Pattern

Director's Name	2008	Holdings 2009	2010
Mr. M Syeduzzaman (Chairman)	30	30	30
Mr. Waliur Rahman Bhuiyan OBE (CEO) & spouse (folio # S0606)	44	44	44
Mr. Azizur Rashid (Resigned January 2011)	44	44	44
Mr. Latifur Rahman (Independent Director)	10	10	10
Mr. Ayub Quadri (Independent Director)	10	10	10
Mr. Erphan Shehabul Matin (Executive Director) & spouse (folio # N0018)	12	12	12
Mr. M Nazmul Hossain (CFO & Company Secretary-Joined February 2011 in place of Mr. Azizur Rashid)	3	3	3
<b>Executives Name</b>			
Mr. Kazi Hasan Sharif	37	37	37
Mr. Mohammad Abu Shair & spouse (folio # F0335)	37	37	37
	100	100	100
10% or above shareholding:			
The BOC Group Limited	9,130,968	9,130,968	9,130,968



# Annexure 3.

## Board Meetings

During the period the Board met 5 times.

	<b>Name of the Directors</b>	<b>No. of Attendance</b>
1	Mr. M. Syeduzzaman-Chairman	4
2	Mr. Waliur Rahman Bhuiyan, OBE (CEO)	5
3	Mr. Lee Bon Hian	5
4	Mr. Sanjiv Lamba	-
5	Mr. Binod Patwari	-
6	Mr. Md. Humayun Kabir (Resigned July 2010)	3
7	Mr. Md. Fayekuzzaman (Joined July 2010 in place of Mr. Md. Humayun Kabir)	1
8	Mr. Ayub Quadri	5
9	Mr. Latifur Rahman	2
10	Mr. Azizur Rashid	5
11	Mr. Erphan Shehabul Matin	5

## Audit Committee Meetings

There were three meetings during the year. Group Head of Internal Audit of the Linde Group attended one meeting.

	<b>Name of the Members</b>	<b>No. of Attendance</b>
1	Mr. Ayub Quadri, Chairman (Independent Director)	3
2	Mr. Lee Bon Hian, Director-Corporate Investor nominated	3
3	Mr. Binod Patwari, Director-Corporate Investor nominated	-
4	Mr. Latifur Rahman (Independent Director)	1

# Annexure 4.

Status of Compliance with Securities & Exchange Commission's Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated 20th February, 2006.

Condition No.	Title	Compliance Status
1.1	<b>Board's Size:</b> Board members should not be less than 5(five) and more than 20(twenty)	Complied
1.2(i)	<b>Independent Directors:</b> At least 1/10th	Complied
1.2(ii)	<b>Appointment of Independent Director by Elected Directors</b>	Complied
1.3	<b>Individual Chairman of the Board and Chief Executive and clearly defined roles and responsibilities</b>	Complied
1.4	<b>The Directors' Report to Shareholders on:</b>	
1.4(a)	Fairness of Financial statement	Complied
1.4(b)	Maintenance of proper books of account	Complied
1.4(c)	Adoption of appropriate Accounting policies and estimates	Complied
1.4(d)	Compliance with International Accounting Standards (IAS)	Complied
1.4(e)	Soundness of Internal control system	Complied
1.4(f)	Ability to continue as Going Concern	Complied
1.4(g)	Significant deviations from last year	Complied
1.4(h)	Presentation of last three years data	Complied
1.4(i)	Declaration of dividend	Not Applicable
1.4(j)	Details of Board meetings	Complied
1.4(k)	Shareholding Pattern	Complied
2.1	Appointment of CFO, Head of Internal Audit & Company Secretary and defining of their respective roles, responsibilities and duties.	Complied: same person appoint CFO & Co. Secretary
2.2	Attendance of CFO and the Company Secretary at Board of Directors' meeting	Complied
3.00	<b>Audit Committee</b>	Complied
3.1(i)	Constitution of Committee	Complied
3.1(ii)	Constitution of Committee with Board members including one Independent Director	Complied
3.1(iii)	Filling of Casual vacancy in Committee	Not Applicable
3.2(i)	Chairman of the Committee	Complied
3.2(ii)	Professional qualification and experience of the Chairman of the Committee	Complied
3.3.1(i)	Reporting to the Board of Directors	Complied
3.3.1(ii)(a)	Reporting of Conflicts of interest to the Board of Director	Not Applicable
3.3.1(ii)(b)	Reporting of any fraud or irregularity to the Board of Directors	Not Applicable
3.3.1(ii)(c)	Reporting of violation of laws to the Board of Directors	Not Applicable
3.3.1(ii)(d)	Reporting any other matter to the Board of Directors	Complied
3.3.2	Reporting of qualified point of Commission	Not Applicable
3.4	Reporting of activities to the Shareholders and General Investors	Not Applicable
4.00	<b>External /Statutory Auditors</b>	
4.00(i)	Non-engagement in appraisal or valuation	Complied
4.00(ii)	Non-engagement in designing of Financial Information System	Complied
4.00(iii)	Non-engagement in Book keeping	Complied
4.00(iv)	Non-engagement in Broker-dealer services	Complied
4.00(v)	Non-engagement in Actuarial services	Complied
4.00(vi)	Non-engagement in Internal Audit	Complied
4.00(vii)	Non-engagement in any other services	Complied

# Auditors' Report to the Shareholders.

## Introduction

We have audited the accompanying financial statements of BOC Bangladesh Limited, which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes and all related consolidated financial statements of BOC Bangladesh Limited and its subsidiary.

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements including consolidated financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of affairs of the company and its subsidiary as at 31 December 2010 and of the result of its operation and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also 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 and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company and its subsidiary so far as it appeared from our examination of these books;
- c) the statement of financial position (balance sheet) and statement of comprehensive income (profit and loss account) dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purposes of business of the company and its subsidiary.

Dhaka, 10 March 2011



**Rahman Rahman Huq**  
Chartered Accountants

# Statement of Financial Position.

As at 31 December 2010.

		2010	2009
	Notes	'000 Taka	'000 Taka
<b>Assets</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	5	1,043,552	922,735
Intangible assets	6	4,766	5,876
Investment in subsidiary	7	20	20
<b>Total non-current assets</b>		<b>1,048,338</b>	<b>928,631</b>
<b>Current assets:</b>			
Inventories	8	361,478	278,938
Trade debtors	9	200,103	154,409
Advances, deposits and prepayments	10	117,641	107,158
Cash and cash equivalents	11	1,074,414	1,116,875
<b>Total current assets</b>		<b>1,753,636</b>	<b>1,657,380</b>
<b>Total assets</b>		<b>2,801,974</b>	<b>2,586,011</b>
<b>Equity and Liabilities</b>			
<b>Shareholders' equity:</b>			
Share capital	12	152,183	152,183
Revaluation reserve	13	20,174	20,174
General reserve	14	1,823,141	1,666,177
<b>Total equity</b>		<b>1,995,498</b>	<b>1,838,534</b>
<b>Non-current liabilities:</b>			
Employee benefits	15	114,392	81,506
Deferred tax liabilities	16	64,939	71,071
Other non-current liabilities	17	165,646	165,781
<b>Total non-current liabilities</b>		<b>344,977</b>	<b>318,358</b>
<b>Current liabilities:</b>			
Trade creditors	18	59,360	48,950
Expense creditors and accruals	19	206,801	175,699
Sundry creditors	20	55,237	74,867
Provision for taxation (net of advance tax payment)	21	140,101	129,603
<b>Total current liabilities</b>		<b>461,499</b>	<b>429,119</b>
<b>Total liabilities</b>		<b>806,476</b>	<b>747,477</b>
<b>Total equity and liabilities</b>		<b>2,801,974</b>	<b>2,586,011</b>

The annexed notes 1 to 42 form an integral part of these financial statements.



M Syeduzzaman  
Chairman



Waliur Rahman Bhuiyan  
Managing Director



M Nazmul Hossain  
Company Secretary

As per our report of same date



Rahman Rahman Huq  
Chartered Accountants

Dhaka, 10 March 2011

# Statement of Comprehensive Income.

For the year ended 31 December 2010.

		2010	2009
	Notes	'000 Taka	'000 Taka
Revenue	22	3,199,375	2,742,817
Cost of sales	23	(1,857,531)	(1,633,072)
<b>Gross profit</b>		<b>1,341,844</b>	<b>1,109,745</b>
Operating expenses	24	(520,141)	(505,046)
<b>Profit from operations</b>		<b>821,703</b>	<b>604,699</b>
Gain on sale of lease land		-	110,050
Other income	25	17,602	(1,351)
Interest income, net	26	63,951	59,213
<b>Profit before taxation</b>	27	<b>903,256</b>	<b>772,611</b>
Taxation	28	(235,188)	(162,741)
<b>Net profit for the year</b>		<b>668,068</b>	<b>609,870</b>
<b>Other comprehensive income:</b>			
Actuarial loss on defined benefit plan	15.1.4	(13,466)	(12,882)
<b>Other comprehensive income/(loss) for the year</b>		<b>(13,466)</b>	<b>(12,882)</b>
<b>Total comprehensive income for the year</b>		<b>654,602</b>	<b>596,988</b>
<b>Earnings per share:</b>			
Basic earnings per share (par value Tk10)	29	<b>43.90</b>	<b>40.08</b>

The annexed notes 1 to 42 form an integral part of these financial statements.



M Syeduzzaman  
Chairman



Waliur Rahman Bhuiyan  
Managing Director



M Nazmul Hossain  
Company Secretary

As per our report of same date



Rahman Rahman Huq  
Chartered Accountants

Dhaka, 10 March 2011

# Statement of Changes in Equity.

For the year ended 31 December 2010.

	Share capital	Revaluation reserve	General reserve	Total
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Balance as at 1 January 2009	152,183	46,181	1,312,546	1,510,910
Transfer of realised revaluation surplus through sale of revalued properties	-	(26,007)	26,007	-
Payment of dividend	-	-	(269,364)	(269,364)
<b>Total comprehensive income for the year:</b>				
Profit earned during the year	-	-	609,870	609,870
Other comprehensive income/(loss)	-	-	(12,882)	(12,882)
<b>Balance as at 31 December 2009</b>	<b>152,183</b>	<b>20,174</b>	<b>1,666,177</b>	<b>1,838,534</b>
Payment of dividend	-	-	(497,638)	(497,638)
<b>Total comprehensive income for the year:</b>				
Profit earned during the year	-	-	668,068	668,068
Other comprehensive income/(loss)	-	-	(13,466)	(13,466)
<b>Balance as at 31 December 2010</b>	<b>152,183</b>	<b>20,174</b>	<b>1,823,141</b>	<b>1,995,498</b>

# Statement of Cash Flow.

For the year ended 31 December 2010.

		2010	2009
	Notes	'000 Taka	'000 Taka
<b>Cash flow from operating activities</b>			
Receipts from sales		3,153,681	2,730,415
Other receipts / (payments)		(3,216)	132,451
Payments for supply of goods and services		(2,299,698)	(1,723,098)
Net interest received		71,729	38,765
Income tax paid	21	(230,822)	(137,506)
		<b>691,674</b>	<b>1,041,027</b>
<b>Cash flow from investing activities</b>			
Payment for acquisition of property, plant and equipment*		(260,408)	(97,215)
Payment for acquisition of intangible assets	6	(498)	(1,816)
Proceeds from sale of property, plant and equipment	34	24,424	11,918
		<b>(236,482)</b>	<b>(87,113)</b>
<b>Cash flow from financing activities</b>			
Paid to subsidiary		(15)	(43)
Payment of finance lease		-	(2,233)
Payment of dividend		(497,638)	(269,364)
		<b>(497,653)</b>	<b>(271,640)</b>
Net increase in cash during the year		(42,461)	682,274
Opening cash and cash equivalents		1,116,875	434,601
<b>Closing cash and cash equivalents</b>	<b>11</b>	<b>1,074,414</b>	<b>1,116,875</b>
<b>*Payment for acquisition of property, plant and equipment</b>			
Addition during the year	5	352,451	178,645
Transfer from capital work in progress	5.1	(92,043)	(70,153)
Payable to vendors for capital items	20	-	(11,277)
		<b>260,408</b>	<b>97,215</b>

# Consolidated Statement of Financial Position.

As at 31 December 2010.

		2010	2009
	Notes	'000 Taka	'000 Taka
<b>Assets</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	5	1,043,552	922,735
Intangible assets	6	4,766	5,876
<b>Total non-current assets</b>		<b>1,048,318</b>	<b>928,631</b>
<b>Current assets:</b>			
Inventories	8	361,478	278,938
Trade debtors	9	200,103	154,409
Advances, deposits and prepayments	10	117,641	107,158
Cash and cash equivalents	11 (a)	1,074,412	1,116,873
<b>Total current assets</b>		<b>1,753,634</b>	<b>1,657,378</b>
<b>Total assets</b>		<b>2,801,952</b>	<b>2,585,989</b>
<b>Equity and Liabilities</b>			
<b>Shareholders' equity:</b>			
Share capital	12	152,183	152,183
Revaluation reserve	13	20,174	20,174
General reserve	14 (a)	1,823,654	1,666,739
<b>Total equity</b>		<b>1,996,011</b>	<b>1,839,096</b>
<b>Non-current liabilities:</b>			
Employee benefits	15	114,392	81,506
Deferred tax liabilities	16	64,939	71,071
Other non-current liabilities	17	165,646	165,781
<b>Total non-current liabilities</b>		<b>344,977</b>	<b>318,358</b>
<b>Current liabilities:</b>			
Trade creditors	18	59,360	48,950
Expense creditors and accruals	19 (a)	206,261	175,110
Sundry creditors	20	55,237	74,867
Provision for taxation (net of advance tax payment)	21 (a)	140,106	129,608
<b>Total current liabilities</b>		<b>460,964</b>	<b>428,535</b>
<b>Total liabilities</b>		<b>805,941</b>	<b>746,893</b>
<b>Total equity and liabilities</b>		<b>2,801,952</b>	<b>2,585,989</b>

The annexed notes 1 to 42 form an integral part of these financial statements.



M Syeduzzaman  
Chairman



Waliur Rahman Bhuiyan  
Managing Director



M Nazmul Hossain  
Company Secretary

As per our report of same date



Rahman Rahman Huq  
Chartered Accountants

Dhaka, 10 March 2011



# Consolidated Statement of Comprehensive Income.

For the year ended 31 December 2010.

		2010	2009
	Notes	'000 Taka	'000 Taka
Revenue	22	3,199,375	2,742,817
Cost of sales	23	(1,857,531)	(1,633,072)
<b>Gross profit</b>		<b>1,341,844</b>	<b>1,109,745</b>
Operating expenses	24 (a)	(520,185)	(505,085)
<b>Profit from operations</b>		<b>821,659</b>	<b>604,660</b>
Gain on sale of lease land		-	110,050
Other income	25	17,602	(1,351)
Interest income, net	26	63,951	59,213
<b>Profit before taxation</b>	27 (a)	<b>903,212</b>	<b>772,572</b>
Taxation	28 (a)	(235,193)	(162,746)
<b>Net profit for the year</b>		<b>668,019</b>	<b>609,826</b>
<b>Other comprehensive income:</b>			
Actuarial loss on defined benefit plan	15.1.4	(13,466)	(12,882)
<b>Other comprehensive income/(loss) for the year</b>		<b>(13,466)</b>	<b>(12,882)</b>
<b>Total comprehensive income for the year</b>		<b>654,553</b>	<b>596,944</b>
<b>Earnings per share:</b>			
Basic earnings per share (par value Tk10)	29 (a)	<b>43.90</b>	<b>40.08</b>

The annexed notes 1 to 42 form an integral part of these financial statements.



M Syeduzzaman  
Chairman



Waliur Rahman Bhuiyan  
Managing Director



M Nazmul Hossain  
Company Secretary

As per our report of same date



Rahman Rahman Huq  
Chartered Accountants

Dhaka, 10 March 2011

# Consolidated Statement of Changes in Equity.

For the year ended 31 December 2010.

	Share capital	Revaluation reserve	General reserve	Total
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Balance as at 1 January 2009	152,183	46,181	1,313,152	1,511,516
Transfer of realised revaluation surplus through sale of revalued properties	-	(26,007)	26,007	-
Payment of dividend	-	-	(269,364)	(269,364)
<b>Total comprehensive income for the year:</b>				
Profit earned during the year	-	-	609,826	609,826
Other comprehensive income/(loss)	-	-	(12,882)	(12,882)
<b>Balance as at 31 December 2009</b>	<b>152,183</b>	<b>20,174</b>	<b>1,666,739</b>	<b>1,839,096</b>
Payment of dividend	-	-	(497,638)	(497,638)
<b>Total comprehensive income for the year:</b>				
Profit earned during the year	-	-	668,019	668,019
Other comprehensive income/(loss)	-	-	(13,466)	(13,466)
<b>Balance as at 31 December 2010</b>	<b>152,183</b>	<b>20,174</b>	<b>1,823,654</b>	<b>1,996,011</b>

# Consolidated Statement of Cash Flow.

For the year ended 31 December 2010.

		2010	2009
	Notes	'000 Taka	'000 Taka
<b>Cash flow from operating activities</b>			
Receipts from sales		3,153,681	2,730,415
Other receipts / (payments)		(3,216)	132,451
Payments for supply of goods, services and operating expenses		(2,299,708)	(1,723,141)
Net interest received		71,729	38,765
Income tax paid	21	(230,827)	(137,506)
		<b>691,659</b>	<b>1,040,984</b>
<b>Cash flow from investing activities</b>			
Payment for acquisition of property, plant and equipment*		(260,408)	(97,215)
Payment for acquisition of intangible assets	6	(498)	(1,816)
Proceeds from sale of property, plant and equipment	34	24,424	11,918
		<b>(236,482)</b>	<b>(87,113)</b>
<b>Cash flow from financing activities</b>			
Payment of finance lease		-	(2,233)
Payment of dividend		(497,638)	(269,364)
		<b>(497,638)</b>	<b>(271,597)</b>
Net increase in cash during the year		(42,461)	682,274
Opening cash and cash equivalents		1,116,873	434,599
<b>Closing cash and cash equivalents</b>	11 (a)	<b>1,074,412</b>	<b>1,116,873</b>
<b>*Payment for acquisition of property, plant and equipment</b>			
Addition during the year	5	352,451	178,645
Transfer from capital work in progress	5.1	(92,043)	(70,153)
Payable to vendors for capital items	20	-	(11,277)
		<b>260,408</b>	<b>97,215</b>

# Notes to the Financial Statements.

As at and for the year ended 31 December 2010.

## 1. Reporting entity

### 1.1 Company profile

BOC Bangladesh Limited (the "Company") is a listed Company limited by shares and was incorporated in Bangladesh in 1973 under the Companies Act 1913. The Company became a listed entity in 1976. The Company is listed both on Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). The address of the registered office is 285 Tejgaon I/A, Dhaka-1208, Bangladesh. It has been a direct subsidiary of The BOC Group Limited of United Kingdom. The entire share capital of The BOC Group Limited is fully owned by Linde AG of Germany.

### 1.2 Nature of business

The Company's principal activities are the manufacture and supply of industrial and medical gases, anaesthesia, welding products and equipments and ancillary equipments. The Company also earns rental from cylinders used by the customers and from vacuum insulated evaporators installed at customers' premises.

## 2. Basis of preparation

### 2.1 Statement of compliance

These financial statements have been prepared on going concern basis in accordance with the applicable Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

The following Bangladesh Accounting Standards (BAS)/BFRS have been newly adopted while preparing these financial statements to ensure compliance with standards which are effective from annual period beginning from 1 January 2010.

Title of relevant BAS/BFRS	Effective and application date
BAS 1: Presentation of Financial Statements (revised 2008)	1 January 2010
BAS 32: Financial Instruments: Presentation	1 January 2010
BAS 39: Financial Instruments: Recognition and Measurement	1 January 2010
BFRS 7: Financial Instruments: Disclosures	1 January 2010

### 2.2 Date of authorisation

The board of directors has authorised these financial statements on 10 March 2011 for public issue.

### 2.3 Basis of measurement

These financial statements have been prepared on going concern basis under the historical cost convention as modified to include the revaluation of certain property, plant and equipment and the pension plan which was measured based on actuarial valuation.

### 2.4 Functional and presentational currency

These financial statements are presented in Bangladesh Taka (Taka/Tk), which is both functional currency and presentation currency of the Company. The figures of financial statements have been rounded off to the nearest thousand, except as stated.

### 2.5 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation and judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 9.1	:	Provision for doubtful debts
Note 15.2	:	Provision for gratuity
Note 16	:	Deferred tax liabilities
Note 19	:	Expense creditors and accruals
Note 21	:	Provision for taxation

## 2.6 Reporting period

The financial period of the Company covers one year from 1 January to 31 December.

## 3. Significant accounting policies

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

### 3.1 Foreign currency

Foreign currencies are translated into Taka at the rates ruling on the transaction dates. Monetary assets and liabilities are reconverted at the rates prevailing at the reporting date. Non-monetary assets and liabilities are reported using the exchange rate at the date of transaction. Differences arising on conversion are charged or credited to the statement of comprehensive income.

### 3.2 Property, plant and equipment

#### 3.2.1 Recognition and measurement

Items of property, plant and equipment, excluding freehold land, freehold building and leasehold building, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is measured at revalued amount. Freehold buildings and leasehold buildings are measured at revalued amounts less accumulated depreciation. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes (after deducting trade discount and rebates) and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

#### 3.2.2 Subsequent costs

The cost of replacing or upgrading part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

#### 3.2.3 Depreciation

BOC Bangladesh Limited uses the month placed in service depreciation convention for all property, plant and equipment. Using this convention, depreciation begins in the month the asset is placed in service regardless of which day within the month the asset is placed in service. All purchased items are placed in service and being depreciated from the month of capitalisation. In case of disposals, depreciation is charged upto the immediate previous month of disposal.

No depreciation is charged on freehold land and capital work in progress. Depreciation is charged on all other items of property, plant and equipment on straight line method. The rates of depreciation vary according to the estimated useful lives of the items of property, plant and equipment. The estimated useful lives for the current and comparative year are as follows:

	Year 2010	Year 2009
Freehold buildings	40	40
Plant, machinery and cylinders (including storage tank and vacuum insulated evaporator)	10-20	10-20
Motor vehicles	5	5
Furniture, fixtures and equipment	5-10	5-10
Computer hardware	5	5

Leasehold buildings below 40 years are depreciated over the duration of the leases.

### 3.2.4 Gains or losses on disposal

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amounts and are recognised on net basis.

## 3.3 Intangible assets

### 3.3.1 Recognition and measurement

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible asset is recognised when all the conditions for recognition as per BAS 38: Intangible assets are met. The cost of the intangible assets comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

### 3.3.2 Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other expenditures are recognised in the statement of comprehensive income when incurred.

### 3.3.3 Amortisation

Enterprise Resource Plan (ERP) software and other softwares are amortised at the rate of 12.50% and 25% respectively on straight line method. The amortisation is recognised in the statement of comprehensive income.

## 3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 3.4.1 Financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the company becomes a party to the contractual provisions of the transaction.

The Company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include cash and cash equivalents and trade debtors.

#### (a) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and fixed deposits having maturity of three months or less which are available for use by the Company without any restriction.

(b) Trade debtors

Trade and other receivables represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognised at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to uncollectibility of any amount so recognised.

### 3.4.2 Financial liabilities

A financial liability is recognised when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits. The Company initially recognises financial liabilities on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include trade creditors, expense creditors and accruals, sundry creditors and other non-current liabilities.

### 3.5 Inventories

Inventories are measured at lower of cost and estimated net realisable value. The cost of inventories is measured by using weighted average cost formula and includes expenditure incurred for acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

Inventories consist of raw materials, finished goods, goods in transit and maintenance spares.

### 3.6 Impairment

The carrying value of the Company's assets other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of comprehensive income.

### 3.7 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### 3.8 Contingencies

Contingencies arising from claim, lawsuit, etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

### 3.9 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income.

#### 3.9.1 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. The Company qualifies as a "Publicly Traded Company". The effective rate of taxation is 24.75% considering 10% tax rebate for declaring dividend of more than 20% of the paid up capital. Provision for taxation has been made on the basis of Finance Act 2010.

### 3.9.2 Deferred tax

Deferred tax is recognised in compliance with BAS 12: Income Taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3.10 Workers' profit participation fund (WPPF)

The Company provides 5% of its profit before charging such expense as WPPF in accordance with The Bangladesh Labour Act, 2006.

### 3.11 Employee benefit

The Company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds as approved by the National Board of Revenue (NBR), where applicable.

#### 3.11.1 Defined contribution plan (provident fund)

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for its all permanent employees. The recognised Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 12.5% of their basic salary to the provident fund and the Company also makes equal contribution.

The Company recognises contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

#### 3.11.2 Defined benefit plans

##### 3.11.2.1 Gratuity scheme

The Company operates an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary. The Company calculated the provisions for maximum exposures as at the reporting date for all eligible employees. No actuarial valuation was made for this scheme after 2007. However, since there are no significant uncertainties/estimations with respect to gratuity payments, management considers, if actuarial valuation was made, the resulting difference, if any, would not be material.

##### 3.11.2.2 Pension scheme

The Company operates a pension scheme for its management staff. The management staff who have completed 10 years of services are entitled for pension benefit scheme.

Pension scheme is a defined retirement benefit plan under which amounts to be paid as retirement benefits are determined by reference to employees' earnings and years of service. The pension fund is considered as defined benefit plan as it meets the recognition criteria. The Company's obligation is to provide the agreed benefits to current and former employees as per condition of the fund.

Present value of defined benefit obligation and the fair value of the plan assets were determined by professional actuary. Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service cost and mutually compatible



actuarial assumptions about demographic and financial variables were used. The difference between fair value of the plan assets and present value of obligation is recognised as a liability or an asset in the statement of financial position.

The rate used to discount post employment benefit obligations is determined by reference to market yields at the date of statement of financial position on treasury bills. The expected return on plan assets is based on market expectation. Total expenses recognised in the statement of comprehensive income comprise of current service cost, interest cost and expected return on plan assets. The Company's policy is to recognise actuarial gain/loss in full immediately in other comprehensive income.

### **3.11.3 Short-term employee benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Provision is made for leave accrued during the year but not availed by employees. The amount is arrived at with reference to the latest basic salary of each employee and unutilised leave.

## **3.12 Revenue recognition**

### **3.12.1 Revenue arising from sale of goods**

#### **3.12.1.1 Goods sold**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. This usually occurs at the time of delivery of goods along with invoice.

#### **3.12.1.2 Cash on delivery sales**

Revenue is recognised when delivery is made and cash is received by the seller.

### **3.12.2 Services**

Revenue from services rendered is recognised in statement of comprehensive income in proportion to the stage of completion of the transaction at the reporting date. Cylinder rent is largely recognised on cash basis.

### **3.12.3 Commission**

When the Company acts in the capacity of an agent, rather than as the principal, in a transaction, revenue is recognised as the net amount of commission receivable by the Company.

## **3.13 Leased assets**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised as an item of property, plant and equipment. Advance lease payments on assets taken under operating lease are shown as prepayments.

## **3.14 Finance income and expenses**

Finance income comprises interest income on funds invested. Interest income is recognised on accrual basis.

Finance expenses comprise interest expense on overdraft, finance lease and bank charges. All finance expenses are recognised in the statement of comprehensive income.

### 3.15 Consolidation of financial statements

Bangladesh Oxygen Limited is a wholly owned subsidiary of BOC Bangladesh Limited. The subsidiary is an entity controlled by the Company.

The subsidiary's financial statements have been consolidated with those of the Company in accordance with BAS 27: Consolidated and separate financial statements. Intra-group balances and unrealised income and expenses arising from intra-group transactions, are eliminated in full while preparing the consolidated financial statements.

### 3.16 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares.

#### 3.16.1 Basic earnings per share

Basic EPS is calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

### 3.17 Cash flow statement

Cash flows from operating activities have been presented under direct method.

### 3.18 Events after the reporting date

Events after the reporting date that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Material events after the reporting date that are not adjusting events are disclosed in the note 42.

## 4. Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

### 4.1 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of customer, including the default risk of the industry and financial strength of the customer, as these factors may have an influence on credit risk. Geographically there is no concentration of credit risk.

The Debtors Management Review Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's payment and delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum open amount of credit sale without requiring approval from the Committee; these limits are reviewed at least once a year. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a cash/deposit basis.

The Company has established a provision policy for doubtful debts. This represents the Company's estimate of incurred losses of trade debtors. The Company provides for 50% of trade debtors which are 90 days overdue and 100% of trade debtors which are 180 days overdue.

The Company held cash and cash equivalents of Taka 1,073,588 thousand at 31 December 2010 (2009: Taka 1,116,269 thousand), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with different banks which are rated from AA3 to AAA, based on ratings by Credit Rating Agency of Bangladesh (CRAB) and Credit Rating Information and Services Limited (CRISL).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

## **4.2 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses for periods which the Company thinks appropriate; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters. Moreover, the group seeks to maintain short term lines of credit with scheduled commercial banks (Note 11.1) to ensure payment of obligation in the event that there is insufficient cash to make the required payment.

## **4.3 Market risk**

Market risk is the risk that any change in market conditions, such as foreign exchange rates, interest rates and commodity prices that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### **a) Currency risk**

The Company is exposed to currency risk on certain revenues and purchases that are denominated in foreign currencies. Majority of the company's foreign currency transactions are denominated in USD, Euro, SGD and GBP and relate to procurement of raw materials, capital items from abroad. The Company also has exposure in foreign currencies relating to some services. The Company also earns foreign currencies from export and deemed export of goods and services.

The company, as part of its currency risk management enters into forward contracts with different banks for its upcoming purchase denominated in foreign currencies to ensure its net exposure is kept to an acceptable low level.

### **b) Interest rate risk**

Interest rate risk is the risk that arises due to changes in interest rates. Foreign currency liabilities of the Company are not significantly affected by fluctuations in interest rates. The Company has not entered into any agreement involving derivative instrument at the reporting date.

### **c) Commodity risk**

Commodity risk refers to the uncertainties of future market values and of the size of the future income, caused by the fluctuation in the prices of commodities. As the Company purchases MS wire, blended power, calcium carbide and other raw materials, it is exposed to risks arising from the purchase of these materials for use in production. Commodity price risk is managed by supply contracts with suppliers.

## **4.4 Capital management**

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing Company's internal capital adequacy to ensure Company's operation as a going concern. Capital consists of share capital, general reserve and revaluation reserve. All major investment and operational decisions with exposure to certain amount are evaluated and approved by the board. The Board of Directors monitors the level of dividends to ordinary shareholders.

## 5. Property, plant and equipment

## a) Cost

Year 2010:

Particulars	Cost				Depreciation				Written	
	As at	Addition	Disposal/	As at	As at	Charge	Impairment	Disposal/	As at	down value
	1 January	during	transfer	31 December	1 January	during	during	transfer	31 December	as at
	2010	the year	during	2010	2010	the year	the year	during	2010	31 December
			the year					the year		2010
	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka
Freehold land	29,967	544	-	30,511	-	-	-	-	-	30,511
Freehold buildings	157,913	3,929	-	161,842	37,016	4,243	-	-	41,259	120,583
Leasehold buildings	107,303	5,235	-	112,538	26,122	2,847	-	-	28,969	83,569
Plant, machinery and cylinders (including storage tank and vacuum insulated evaporator)	1,810,670	65,157	(34,296)	1,841,531	1,206,744	112,850	-	(27,474)	1,292,120	549,411
Motor vehicles	52,203	7,298	(2,147)	57,354	43,246	4,365	-	(2,147)	45,464	11,890
Furniture, fixtures and equipment	64,373	3,606	(2,222)	65,757	46,850	4,337	-	(2,222)	48,965	16,792
Computer hardware	47,933	6,274	(15,505)	38,702	36,829	3,530	-	(15,505)	24,854	13,848
	2,270,362	92,043	(54,170)	2,308,235	1,396,807	132,172	-	(47,348)	1,481,631	826,604
Capital work in progress (Note 5.1)	46,834	260,408	(92,043)	215,199	-	-	-	-	-	215,199
Sub-total (A)	2,317,196	352,451	(146,213)	2,523,434	1,396,807	132,172	-	(47,348)	1,481,631	1,041,803

Year 2009:

Particulars	Cost				Depreciation				Written	
	As at	Addition	Disposal/	As at	As at	Charge	Impairment	Disposal/	As at	down value
	1 January	during	transfer	31 December	1 January	during	during	transfer	31 December	as at
	2009	the year	during	2009	2009	the year	the year	during	2009	31 December
	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka
Freehold land	29,967	-	-	29,967	-	-	-	-	-	29,967
Freehold buildings	153,516	4,621	(224)	157,913	32,981	4,044	-	(9)	37,016	120,897
Leasehold buildings	121,487	3,283	(17,467)	107,303	34,006	2,877	-	(10,761)	26,122	81,181
Plant, machinery and cylinders (including storage tank and vacuum insulated evaporator)	1,787,659	48,739	(25,728)	1,810,670	1,114,167	117,245	(2,655)	(22,013)	1,206,744	603,926
Motor vehicles	51,407	1,007	(211)	52,203	38,570	4,887	-	(211)	43,246	8,957
Furniture, fixtures and equipment	58,596	6,370	(593)	64,373	43,371	4,084	-	(605)	46,850	17,523
Computer hardware	41,780	6,133	20	47,933	34,052	2,722	-	55	36,829	11,104
	2,244,412	70,153	(44,203)	2,270,362	1,297,147	135,859	(2,655)	(33,544)	1,396,807	873,555
Capital work in progress (Note 5.1)	8,495	108,492	(70,153)	46,834	-	-	-	-	-	46,834
Sub-total (B)	2,252,907	178,645	(114,356)	2,317,196	1,297,147	135,859	(2,655)	(33,544)	1,396,807	920,389

## b) Revaluation

Year 2010:

Particulars	Revaluation				Depreciation				Written	
	As at	Addition	Disposal/	As at	As at	Charge	Impairment	Disposal/	As at	down value
	1 January	during	transfer	31 December	1 January	during	during	transfer	31 December	as at
	2010	the year	during	2010	2010	the year	the year	during	2010	31 December
			the year					the year		2010
	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka
Freehold land	147	-	-	147	-	-	-	-	-	147
Freehold buildings	176	-	-	176	89	11	-	-	100	76
Leasehold buildings	19,851	-	-	19,851	17,739	586	-	-	18,325	1,526
Sub-total (C)	20,174	-	-	20,174	17,828	597	-	-	18,425	1,749

Year 2009:

Particulars	Revaluation				Depreciation				Written	
	As at	Addition	Disposal/	As at	As at	Charge	Impairment	Disposal/	As at	down value
	1 January	during	transfer	31 December	1 January	during	during	transfer	31 December	as at
	2009	the year	during	2009	2009	the year	the year	during	2009	31 December
	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	2009
Freehold land	147	-	-	147	-	-	-	-	-	147
Freehold buildings	176	-	-	176	85	4	-	-	89	87
Leasehold buildings	45,858	-	(26,007)	19,851	40,678	458	-	(23,397)	17,739	2,112
Sub-total (D)	46,181	-	(26,007)	20,174	40,763	462	-	(23,397)	17,828	2,346

Property, plant and equipment at cost and revaluation:

As at 31 December 2010 (A+C)	2,337,370	352,451	(146,213)	2,543,608	1,414,635	132,769	-	(47,348)	1,500,056	1,043,552
As at 31 December 2009 (B+D)	2,299,088	178,645	(140,363)	2,337,370	1,337,910	136,321	(2,655)	(56,941)	1,414,635	922,735

## 5.1 Capital work in progress

	Balance as at 1 Jan 2010	Addition during the year	Transferred to property, plant and equipment	Balance as at 31 Dec 2010	Balance as at 1 Jan 2009	Addition during the year	Transferred to property, plant and equipment	Balance as at 31 Dec 2009
	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka	000 Taka
Freehold land, freehold buildings and leasehold buildings	913	63,877	(8,275)	56,515	1,157	7,660	(7,904)	913
Plant, machinery, cylinders and motor vehicles	45,921	186,651	(73,888)	158,684	7,338	88,330	(49,747)	45,921
Furniture, fixtures and equipment	-	3,606	(3,606)	-	-	6,370	(6,370)	-
Computer hardware	-	6,274	(6,274)	-	-	6,132	(6,132)	-
	<b>46,834</b>	<b>260,408</b>	<b>(92,043)</b>	<b>215,199</b>	<b>8,495</b>	<b>108,492</b>	<b>(70,153)</b>	<b>46,834</b>

## 5.2 Allocation of depreciation charged during the year

	2010	2009
	'000 Taka	'000 Taka
Cost of sales (Note 23.1)	93,184	97,865
Operating expenses (Note 24)	39,585	38,456
	<b>132,769</b>	<b>136,321</b>

## 6. Intangible assets

## Year 2010:

Particulars	Cost			Amortisation			Written		
	As at	Addition	Disposal/ adjustment	As at	As at	Charge	Disposal/ adjustment	As at	down value
	1 January	during	during	31 December	1 January	during	during	31 December	as at
	2010	the year	the year	2010	2010	the year	the year	2010	2010
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
ERP software	6,919	-	-	6,919	4,792	365	-	5,157	1,762
Other softwares*	8,394	498	-	8,892	4,645	1,243	-	5,888	3,004
<b>Total</b>	<b>15,313</b>	<b>498</b>	<b>-</b>	<b>15,811</b>	<b>9,437</b>	<b>1,608</b>	<b>-</b>	<b>11,045</b>	<b>4,766</b>

## Year 2009:

Particulars	Cost			Amortisation			Written		
	As at	Addition	Disposal/ adjustment	As at	As at	Charge	Disposal/ adjustment	As at	down value
	1 January	during	during	31 December	1 January	during	during	31 December	as at
	2009	the year	the year	2009	2009	the year	the year	2009	2009
	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
ERP software	6,919	-	-	6,919	4,427	365	-	4,792	2,127
Other softwares*	6,578	1,816	-	8,394	3,759	886	-	4,645	3,749
<b>Total</b>	<b>13,497</b>	<b>1,816</b>	<b>-</b>	<b>15,313</b>	<b>8,186</b>	<b>1,251</b>	<b>-</b>	<b>9,437</b>	<b>5,876</b>

\*Other softwares include server software and other application softwares.

## 7. Investment in subsidiary

This represents the Company's holding of 199 ordinary shares (out of 200 issued ordinary shares) of Tk 100 each in Bangladesh Oxygen Limited. This subsidiary's net loss for the year ended 31 December 2010 amounted to Tk 49,000 (2009: Tk 44,163).

	2010		2009	
	'000 Taka		'000 Taka	
<b>8. Inventories</b>				
Raw materials	157,262		117,739	
Finished goods	77,590		87,297	
Goods in transit	55,486		19,928	
Maintenance spares	71,140		53,974	
	<b>361,478</b>		<b>278,938</b>	
In view of innumerable items of inventory and diversified units of measurement, it is not feasible to disclose quantities against each item.				
<b>9. Trade debtors</b>				
Debts exceeding six months	81,701		56,530	
Debts below six months	130,639		124,025	
	<b>212,340</b>		<b>180,555</b>	
Provision for debts considered doubtful (Note 9.1)	(12,237)		(26,146)	
	<b>200,103</b>		<b>154,409</b>	

- 9.1 As per policy of the Company where a debt is overdue by 90 days or 180 days, provision for doubtful debts is made at the rates of 50% and 100% respectively. Tk 13,909 thousand was released during the year 2010 out of previous provision for doubtful debts on realisation of debt customers.

	2010	2009
	'000 Taka	'000 Taka
10. <b>Advances, deposits and prepayments</b>		
Loans and advances to employees	41,448	32,368
Advances to suppliers	7,992	3,643
Loan to Rajbari Enterprise Limited	5,226	5,210
Accrued interest on fixed deposit	13,645	25,023
Deposits and prepayments	22,724	26,100
VAT current account	26,606	14,814
	<b>117,641</b>	<b>107,158</b>

Above amounts are unsecured, but considered good. Of the total advances, deposits and prepayments Tk 79,467 thousand (2009: Tk 75,639 thousand) is receivable within 12 months from the reporting date.

11. <b>Cash and cash equivalents</b>		
Cash in hand	826	606
Cash at bank	273,588	211,206
Fixed deposits with bank	800,000	905,063
	<b>1,074,414</b>	<b>1,116,875</b>

Fixed deposits are of maturity of three months or less or can be encashed at any time by management.

11.1 <b>Credit facilities available</b>		
The Company has following credit facilities		
Standard Chartered Bank	580,000	580,000
Citibank, N.A.	120,000	120,000
HSBC	150,000	100,000
	<b>850,000</b>	<b>800,000</b>

11(a) <b>Consolidated cash and cash equivalents</b>		
BOC Bangladesh Limited	1,074,414	1,116,875
Bangladesh Oxygen Limited	(2)	(2)
	<b>1,074,412</b>	<b>1,116,873</b>

12. <b>Share capital</b>		
<b>Authorised:</b>		
20,000,000 ordinary shares of Tk 10 each	<b>200,000</b>	<b>200,000</b>
<b>Issued, subscribed and paid up:</b>		
3,616,902 ordinary shares of Tk 10 each issued for cash	36,169	36,169
999,498 ordinary shares of Tk 10 each issued for consideration other than cash	9,995	9,995
10,601,880 bonus shares of Tk 10 each	106,019	106,019
	<b>152,183</b>	<b>152,183</b>

Percentage of shareholdings:	Percentage of shareholdings		Value ( '000 Taka)	
	2010	2009	2010	2009
The BOC Group Limited	60.0	60.0	91,310	91,310
Investment Corporation of Bangladesh (ICB)	16.1	15.0	24,575	22,785
Bangladesh Development Bank Limited (BDBL)	1.1	1.2	1,715	1,761
Sadharan Bima Corporation (SBC)	1.4	1.3	2,054	2,104
Other shareholders	21.4	22.5	32,529	34,223
	<b>100.0</b>	<b>100.0</b>	<b>152,183</b>	<b>152,183</b>

## Classification of shareholders by holding:

Holdings	Number of holders		Total holding (%)	
	2010	2009	2010	2009
Less than 500 shares	8,948	9,353	5.27	5.51
500 to 5,000 shares	810	823	6.41	6.77
5,001 to 10,000 shares	40	53	1.83	2.57
10,001 to 20,000 shares	28	26	2.67	2.36
20,001 to 30,000 shares	11	6	1.78	1.01
30,001 to 40,000 shares	7	6	1.58	1.29
40,001 to 50,000 shares	2	6	0.62	1.75
50,001 to 100,000 shares	6	2	2.74	1.03
100,001 to 1,000,000 shares	4	5	8.30	8.95
Over 1,000,000 shares	2	2	68.80	68.76
	<b>9,858</b>	<b>10,282</b>	<b>100.00</b>	<b>100.00</b>

		2010	2009
		'000 Taka	'000 Taka
13	<b>Revaluation reserve</b>		
	Opening balance	20,174	46,181
	Transfer to general reserve on realisation through sale of revalued properties	-	(26,007)
		<b>20,174</b>	<b>20,174</b>
14.	<b>General reserve</b>		
	Opening balance	1,666,177	1,312,546
	Revaluation reserve realised during the year through sale of revalued properties	-	26,007
	Profit earned during the year	668,068	609,870
	Other comprehensive income/(loss)	(13,466)	(12,882)
	Payment of final dividends	(117,181)	(117,181)
	Payment of interim dividends	(380,457)	(152,183)
		<b>1,823,141</b>	<b>1,666,177</b>
14(a).	<b>Consolidated general reserve</b>		
	Opening balance	1,666,739	1,313,152
	Revaluation reserve realised during the year through sale of revalued properties	-	26,007
	Profit earned during the year	668,019	609,826
	Other comprehensive income/(loss)	(13,466)	(12,882)
	Payment of final dividends	(117,181)	(117,181)
	Payment of interim dividends	(380,457)	(152,183)
		<b>1,823,654</b>	<b>1,666,739</b>
15.	<b>Employee benefits</b>		
	Pension fund (Note 15.1)	27,538	9,456
	Gratuity scheme (Note 15.2)	86,854	72,050
		<b>114,392</b>	<b>81,506</b>
15.1	<b>Pension fund</b>		
	The Company makes contributions to a non-contributory pension plan that provides pension benefits for management staffs upon retirement, subject to fulfilling certain conditions.		
	Present value of defined benefit obligation	161,220	143,480
	Fair value of plan assets*	(133,682)	(134,024)
	<b>Deficit in the plan</b>	<b>27,538</b>	<b>9,456</b>

\*Plan assets comprise investments in Treasury bills, Pratiraksha Sanchaya Patra (PSP) and savings bank account.



	2010	2009
	'000 Taka	'000 Taka
<b>15.1.1 Movement in the present value of defined benefit obligation</b>		
Defined benefit obligation as at 1 January	143,480	124,351
Benefits paid out	(16,603)	(11,950)
Current service cost	8,215	7,548
Interest cost	13,067	10,784
Actuarial loss in other comprehensive income	13,060	12,747
<b>Defined benefit obligation as at 31 December</b>	<b>161,219</b>	<b>143,480</b>
<b>15.1.2 Movement in the fair value of plan assets</b>		
Fair value of plan assets as at 1 January	134,024	127,777
Contribution made the company to the plan	7,939	7,239
Benefits paid out	(16,603)	(11,950)
Expected return on plan assets	8,322	11,500
Actuarial gain/(loss) in other comprehensive income	-	(542)
<b>Fair value of plan assets as at 31 December</b>	<b>133,682</b>	<b>134,024</b>
<b>15.1.3 Expense recognised in profit or loss</b>		
Current service cost	8,215	7,548
Interest cost	13,067	10,784
Expected return on plan assets	(8,322)	(11,500)
	<b>12,960</b>	<b>6,832</b>
<b>15.1.4 Actuarial loss recognised in other comprehensive income</b>		
Accumulated balance in retained earnings as at 1 January	9,456	(3,426)
Recognised during the year (actuarial loss plus previous period adjustment)	13,466	12,882
<b>Accumulated balance in retained earnings as at 31 December</b>	<b>22,922</b>	<b>9,456</b>
<b>15.1.5 Actuarial assumptions</b>		
Discount rate as at 31 December	6.00%	9.00%
Expected return on plan assets	5.00%	9.00%
Future salary increase	8.00%	8.00%
Future pension increase	2.50%	2.50%
Assumption regarding future mortality are based on mortality table A(49-52) and PA(90) Ultimate. Normal retirement age is assumed to be 60 years.		
<b>15.2 Gratuity Scheme</b>		
Balance as at 1 January	72,050	71,236
Provision made during the year	23,027	13,231
	95,077	84,467
<b>Payment made during the year</b>	<b>(8,223)</b>	<b>(12,417)</b>
<b>Balance as at 31 December</b>	<b>86,854</b>	<b>72,050</b>

16. **Deferred tax liabilities**

Deferred tax assets and liabilities have been recognised and measured in accordance with the provision of BAS 12: Income Taxes. Related deferred tax expense/income have been disclosed in note 28. Deferred tax assets and liabilities are attributable to the following:

	Carrying amount at the reporting date '000 Taka	Tax base '000 Taka	Taxable/ (deductible) temporary difference '000 Taka
<b>As at 31 December 2010</b>			
<b>Assets</b>			
Property, plant and equipment	1,043,552	605,032	438,520
Inventories	361,478	433,912	(72,434)
Trade debtors	200,103	212,340	(12,237)
	<b>1,605,133</b>	<b>1,251,284</b>	<b>353,849</b>
<b>Liabilities</b>			
Employee benefits: Pension fund	27,538	22,923	4,615
Employee benefits: Gratuity scheme	86,854	-	86,854
	<b>114,392</b>	<b>22,923</b>	<b>91,469</b>
<b>Net tax deductible temporary differences</b>			262,380
Effective tax rate			24.75%
Deferred tax liabilities			64,939
<b>As at 31 December 2009</b>			
<b>Assets</b>			
Property, plant and equipment	922,735	449,168	473,567
Inventories	279,537	367,752	(88,215)
Trade debtors	154,409	180,555	(26,146)
	<b>1,356,681</b>	<b>997,475</b>	<b>359,206</b>
<b>Liabilities</b>			
Employee benefits: Pension fund	9,456	9,456	-
Employee benefits: Gratuity scheme	72,050	-	72,050
	<b>81,506</b>	<b>9,456</b>	<b>72,050</b>
<b>Net tax deductible temporary differences</b>			287,156
Effective tax rate			24.75%
Deferred tax liabilities			71,071
Opening balance		71,071	90,302
Provision/(reversal) during the year		(6,132)	(19,231)
		<b>64,939</b>	<b>71,071</b>
<b>Other non-current liabilities</b>			
Cylinder security deposit		165,646	165,781
Cylinder security deposit from customers is a liability of a continuing nature.			
<b>Trade creditors</b>			
Payable to vendors		59,360	48,950
Trade creditors are unsecured and payable within a month.			

		2010	2009
		'000 Taka	'000 Taka
19.	<b>Expense creditors and accruals</b>		
	Salaries, wages and retirement benefits	41,172	46,662
	Technical assistance fee	45,901	22,353
	Accrued expenses	48,293	42,528
	Other creditors	23,719	23,479
	Workers' profit participation fund	47,716	40,677
		<b>206,801</b>	<b>175,699</b>
19(a).	<b>Consolidated expense creditors and accruals</b>		
	Salaries, wages and retirement benefits	41,172	46,662
	Technical assistance fee	45,901	22,353
	Accrued expenses	48,293	42,528
	Other creditors	23,179	22,890
	Workers' profit participation fund	47,716	40,677
		<b>206,261</b>	<b>175,110</b>
20.	<b>Sundry creditors</b>		
	Capital items	-	11,277
	Deposit and advance from customers	45,195	48,276
	Unpaid dividends	8,247	8,642
	Others	1,795	6,672
		<b>55,237</b>	<b>74,867</b>
21.	<b>Provision for taxation</b>		
	Opening balance	129,603	85,137
	Provision made during the year	241,320	181,972
		<b>370,923</b>	<b>267,109</b>
	Payment during the year	230,822	137,506
	<b>Closing balance</b>	<b>140,101</b>	<b>129,603</b>
21(a).	<b>Consolidated provision for taxation</b>		
	Opening balance	129,608	85,137
	Provision made during the year:		
	for BOC Bangladesh Limited	241,320	181,972
	for Bangladesh Oxygen Limited	5	5
		241,325	181,977
		<b>370,933</b>	<b>267,114</b>
	Payment during the year	230,827	137,506
	<b>Closing balance</b>	<b>140,106</b>	<b>129,608</b>
22.	<b>Revenue</b>		
		2010	2009
	Unit	Quantity	Amount
			'000 Taka
	ASU gases	'000 M <sup>3</sup>	13,170
	Dissolved acetylene	'000 M <sup>3</sup>	369
	Electrodes	MT	18,411
	Others		
			<b>3,199,375</b>
			<b>2,742,817</b>

	2010	2009
	'000 Taka	'000 Taka
22.1	<b>Entire business of the Company is analysed and reported as below:</b>	
	Bulk gases	322,562
	Package gases and products (PG&P)	2,500,913
	Hospital Care	375,900
	<b>3,199,375</b>	<b>2,742,817</b>
23.	<b>Cost of sales</b>	
	Opening inventories for the year	46,200
	Cost of goods manufactured (Note 23.1)	1,747,715
	<b>1,793,915</b>	<b>1,514,942</b>
	Closing inventories of manufactured products	(70,707)
	Cost of sales of manufactured products	<b>1,723,208</b>
	Cost of trading products	134,323
	<b>1,857,531</b>	<b>1,633,072</b>
23.1	<b>Cost of goods manufactured</b>	
	<b>Materials, goods and labour:</b>	
	Raw and packing materials consumed (Note 40)	1,340,928
	Fuel and power	77,201
	Direct wages	85,208
	<b>1,503,337</b>	<b>1,188,100</b>
	<b>Manufacturing overhead:</b>	
	Salaries, wages and staff welfare	47,323
	Depreciation	93,184
	Repairs to machinery (Note 23.1.1)	65,438
	Repairs to building	2,503
	Maintenance, others	19,947
	Insurance	1,410
	Rent, rates and taxes	541
	Travelling and conveyance	1,377
	Training expenses	742
	Vehicle running expenses	5,040
	Telephone, telex and fax	1,084
	Printing, postage, stationery and office supplies	2,352
	Consultancy fees	148
	Sundry factory expenses	3,289
	<b>244,378</b>	<b>237,326</b>
	<b>1,747,715</b>	<b>1,425,426</b>
	Management has decided to show cylinder testshop expense as operating expenses from 2010. Previously this was shown as manufacturing overhead. Accordingly previous year's figure has been re-arranged to conform current year presentation.	
23.1.1	<b>Repairs to machinery</b>	
	Repairs to machinery amounting to Tk 65,438 thousand include Tk 45,483 thousand (2009: Tk 47,285 thousand) being cost of spare parts consumed for plant maintenance.	

	2010	2009
	'000 Taka	'000 Taka
24. <b>Operating expenses</b>		
Salaries, wages and staff welfare	241,153	215,931
Depreciation	39,585	38,456
Fuel and power	4,571	3,619
Repairs to building	1,861	2,831
Maintenance, others	5,972	6,452
Insurance	742	1,131
Delivery expenses	71,357	71,445
Rent, rates and taxes	6,115	10,804
Travelling and conveyance	8,596	5,018
Training expenses	2,288	743
Vehicle running expenses	33,960	31,410
Telephone, telex and fax	6,553	7,954
Global information service	3,439	3,515
Printing, postage, stationery and office supplies	7,438	6,185
Trade journal and subscription	1,397	1,423
Advertising and promotion	9,018	8,163
Provision for doubtful debts	(13,909)	12,011
Bad debts written off	409	2,903
Legal and professional charge	1,407	1,073
Technical assistance fee	30,433	22,353
Auditors' remuneration:		
Audit fees	525	475
Other fees (tax advice, PF and WPPF audit, etc.)	788	887
Bank charges	5,057	4,586
Entertainment	592	608
Management meeting and conference	395	1,542
Sundry office expenses	1,252	1,603
Amortisation of intangible assets	1,608	1,251
Contribution to WPPF	47,539	40,674
	<b>520,141</b>	<b>505,046</b>

Management has decided to show cylinder testshop expense as operating expenses from 2010. Previously this was shown as manufacturing overhead. Accordingly previous year's figure has been re-arranged to conform current year presentation.

	2010	2009
	'000 Taka	'000 Taka
24(a). <b>Consolidated operating expenses</b>		
Salaries, wages and staff welfare	241,153	215,931
Depreciation	39,585	38,456
Fuel and power	4,571	3,619
Repairs to building	1,861	2,831
Maintenance, others	5,972	6,452
Insurance	742	1,131
Delivery expenses	71,357	71,445
Rent, rates and taxes	6,115	10,804
Travelling and conveyance	8,596	5,018
Training expenses	2,288	743
Vehicle running expenses	33,960	31,410
Telephone, telex and fax	6,553	7,954
Global information service	3,439	3,515
Printing, postage, stationery and office supplies	7,438	6,185
Trade journal and subscription	1,397	1,423
Advertising and promotion	9,019	8,163
Provision for doubtful debts	(13,909)	12,011
Bad debts written off	409	2,903
Legal and professional charge	1,407	1,073
Technical assistance fee	30,433	22,353
Auditors' remuneration:		
Audit fees	535	485
Other fees (tax advice, PF and WPPF audit, etc.)	822	916
Bank charges	5,057	4,586
Entertainment	592	608
Management meeting and conference	395	1,542
Sundry office expenses	1,252	1,603
Amortisation of intangible assets (Note 6)	1,607	1,251
Contribution to WPPF	47,539	40,674
	<b>520,185</b>	<b>505,085</b>
25. <b>Other income</b>		
Proceeds from sale of items of property, plant and equipment (Note 34)	24,424	11,918
Less: Written down value:		
Cost of the property, plant and equipment	54,170	70,210
Less: Accumulated depreciation	47,348	56,941
	6,822	13,269
Gain/ (Loss) on disposal	<b>17,602</b>	<b>(1,351)</b>
26. <b>Interest income, net</b>		
Interest income	65,344	60,179
Interest expense	(1,393)	(966)
	<b>63,951</b>	<b>59,213</b>
Interest income for 2010 includes Tk 13,645 thousand accrued at the year end (2009: Tk 25,023 thousand).		
27. <b>Profit before taxation</b>		
Imported merchandise products (as per section 82C of the Income Tax Ordinance 1984)	33,366	38,425
Own manufactured, local merchandise products and bank interest earned and sale of lease interest in land	869,890	734,186
	<b>903,256</b>	<b>772,611</b>

		2010 '000 Taka	2009 '000 Taka		
27(a).	<b>Consolidated profit before taxation</b>				
	Imported merchandise products (as per section 82C of the Income Tax Ordinance 1984)	33,366	38,425		
	Own manufactured, local merchandise products and bank interest earned and sale of lease interest in land	869,890	734,186		
	Loss of subsidiary	(44)	(39)		
		<b>903,212</b>	<b>772,572</b>		
28.	<b>Taxation</b>				
	Current tax expense (Note 21)	241,320	181,972		
	Deferred tax income (Note 16)	(6,132)	(19,231)		
		<b>235,188</b>	<b>162,741</b>		
28(a).	<b>Consolidated taxation</b>				
	Current tax expense (Note 21a)	241,325	181,977		
	Deferred tax income (Note 16)	(6,132)	(19,231)		
		<b>235,193</b>	<b>162,746</b>		
29.	<b>Earnings per share</b>				
29.1	<b>Basic earnings per share</b>				
	The computation of earnings per share is given below:				
	Earnings attributable to the ordinary shareholders (net profit after tax) ('000 Taka)	668,068	609,870		
	Number of ordinary shares outstanding during the year (,000 Taka)	15,218	15,218		
	Basic earnings per share (EPS) (Taka)	43.90	40.08		
29.2	<b>Diluted earnings per share</b>				
	No diluted earnings per share is required to be calculated for the year as there was no potentially dilutive ordinary shares during the year.				
29(a).	<b>Consolidated earnings per share</b>				
	Earnings attributable to the ordinary shareholders (net profit after tax) ('000 Taka)	668,019	609,826		
	Number of ordinary shares outstanding during the year ('000 Taka)	15,218	15,218		
	Basic earnings per share (EPS) (Taka)	43.90	40.08		
30.	<b>Directors' remuneration</b>				
	Fees	95	110		
	Salaries and benefits	26,565	21,767		
	Accommodation	2,325	1,950		
	Provident fund contribution	519	457		
	Retirement benefits	2,051	1,585		
		<b>31,555</b>	<b>25,869</b>		
	Directors' remuneration is included in salaries, wages and staff welfare.				
31.	<b>Capacity</b>				
		<b>Unit of measure</b>	<b>Normal Capacity for the year</b>	<b>Production for the year</b>	<b>Remarks</b>
	Major products				
	ASU Gases	000 M3	16,908	12,969	Additional capacity to meet future demand
	Dissolved Acetylene	000 M3	1,150	374	-do-
	Electrodes	MT	15,200	18,382	See below*
	*In order to meet high demand, the Company brought back old machineries temporarily into production.				

32.	Financial instrument							
32.1	Credit risk							
		2010	2009					
		'000 Taka	'000 Taka					
a)	Exposure to credit risk							
	The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:							
	Trade debtors	212,340	180,555					
	Less: Provision for doubtful debts	(12,237)	(26,146)					
		200,103	154,409					
	Cash at bank	1,073,588	1,116,269					
		1,273,691	1,270,678					
	The maximum exposure to credit risk for trade debtors at the reporting date by product category was:							
	Gases	34,613	57,832					
	Welding	6,964	5,815					
	Hospital Care	170,763	116,908					
		212,340	180,555					
b)	Ageing of trade debtors							
	The ageing of gross trade debtors at the reporting date was:							
	Invoiced 0-30 days	46,102	43,720					
	Invoiced 31-60 days	21,533	26,685					
	Invoiced 61-90 days	32,521	22,591					
	Invoiced 91-120 days	10,704	13,632					
	Invoiced 121-180 days	19,877	17,397					
	Invoiced 181-365 days	61,755	28,970					
	Invoiced and above 365 days	19,848	27,560					
		212,340	180,555					
	Movement in the provision for doubtful debts during the year was as follows:							
	Opening balance	26,146	14,135					
	Charged/(released) during the year	(13,909)	12,011					
	Closing balance	12,237	26,146					
32.2	Liquidity risk							
	The following are the contractual maturities of financial liabilities:							
		Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
		'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka	'000 Taka
	As at 31 December 2010							
	Non-derivative financial liabilities:							
	Trade creditors	59,360	59,360	59,360	-	-	-	-
	Expense creditors and accruals	206,801	206,801	183,253	23,548	-	-	-
	Sundry creditors	55,237	55,237	55,237	-	-	-	-
	Derivative financial liabilities	-	-	-	-	-	-	-
		321,398	321,398	297,850	23,548	-	-	-
	As at 31 December 2009							
	Non-derivative financial liabilities:							
	Trade creditors	48,950	48,950	48,950	-	-	-	-
	Expense creditors and accruals	175,699	175,699	153,346	-	22,353	-	-
	Sundry creditors	74,867	74,867	74,867	-	-	-	-
	Derivative financial liabilities	-	-	-	-	-	-	-
		299,516	299,516	277,163	-	22,353	-	-



## 32.3 Market risk

## a) Currency risk

The Company is exposed to foreign currency risk relating to purchases and other transactions which are denominated in foreign currencies.

As at 31 December, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

## i) Exposure to currency risk

	As at 31 December 2010				As at 31 December 2009			
	'000 BDT	'000 USD	'000 GBP	'000 EUR	'000 BDT	'000 USD	'000 GBP	'000 EUR
<b>Foreign currency denominated assets</b>								
Trade debtors	4,581	64	-	-	4,564	66	-	-
	4,581	64	-	-	4,564	66	-	-
<b>Foreign currency denominated liabilities</b>								
Trade creditors	(13,057)	(132)	(12)	(25)	(14,042)	(90)	(69)	-
Expense creditors and accruals	(6,046)	-	-	(62)	(3,515)	-	-	(36)
	(19,104)	(132)	(12)	(87)	(17,557)	(90)	(69)	(36)
Net exposure	(14,522)	(68)	(12)	(87)	(12,993)	(24)	(69)	(36)

The following significant exchange rates are applied during the year:

	Exchange rates as at	
	31 Dec 2010	31 Dec 2009
	Taka	Taka
US Dollar	70.79	69.65
Great Britain Pound (GBP)	108.32	111.92
EURO (EUR)	96.67	98.62

## ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A change of 50 basis points (bp) in foreign currencies would have increased/(decreased) equity and profit or loss of the Company by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

	Profit or loss		Equity	
	50 bp increase	50 bp increase	50 bp increase	50 bp increase
Year 2010	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Expenditures denominated in USD	(8,764)	8,764	(8,764)	8,764
Expenditures denominated in GBP	(101)	101	(101)	101
Expenditures denominated in SGD	(23)	23	(23)	23
Expenditures denominated in EURO	(138)	138	(138)	138
Exchange rate sensitivity	(9,026)	9,026	(9,026)	9,026
	Profit or loss		Equity	
	50 bp increase	50 bp increase	50 bp increase	50 bp increase
Year 2009	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Expenditures denominated in USD	(5,902)	5,902	(5,902)	5,902
Expenditures denominated in GBP	(38)	38	(38)	38
Expenditures denominated in SGD	(162)	162	(162)	162
Expenditures denominated in EURO	(110)	110	(110)	110
Exchange rate sensitivity	(6,212)	6,212	(6,212)	6,212

## b) Interest rate risk

As at 31 December, the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount	
	2010	2009
	'000 Taka	'000 Taka
<b>Fixed rate instruments</b>		
Financial assets		
Cash at bank	1,073,588	1,116,269
Financial liabilities	-	-
<b>Floating rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-

## c) Accounting classification and fair values

Fair value of financial assets and liabilities together with carrying amount shown in the statement of financial position are as follows:

	2010		2009	
	Carrying amount	Fair value	Carrying amount	Fair value
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
<b>Assets carried at fair value through profit or loss</b>	-	-	-	-
<b>Held to maturity assets</b>				
Fixed deposits	800,000	800,000	905,063	905,063
<b>Loans and receivables</b>				
Trade debtors, net	200,103	200,103	154,409	154,409
Cash at bank (excluding fixed deposits)	273,588	273,588	211,206	211,206
<b>Available for sale financial assets</b>	-	-	-	-
<b>Liabilities carried at fair value through profit or loss</b>	-	-	-	-
<b>Liabilities carried at amortised costs</b>				
Trade creditors	59,360	N/A*	48,950	N/A*
Expense creditors and accruals	206,801	N/A*	175,699	N/A*
Sundry creditors	55,237	N/A*	74,867	N/A*
Other non-current liabilities	165,646	N/A*	165,781	N/A*

\* Determination of fair value is not required as per the requirements of BFRS 7 : Financial Instruments: Disclosure. However, fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.

## 33. Capital expenditure commitment

Contracted but not provided for in these accounts	127,262	98,743
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## 34. Proceeds from sale of property, plant and equipment

Particulars	Cost '000 Taka	Accumulated depreciation '000 Taka	Written down value '000 Taka	Sale proceeds '000 Taka	Mode of disposal	Purchaser
Plant and machinery	5,556	5,523	33	-	Write off	Not applicable
Motor vehicles:						
Motor cycle	140	140	-	52	Tender	Golam Rasul
Cars	1,316	1,316	-	3,083	Tender	Nasir Uddin
Tanker chassis	691	691	-	250	Tender	Milon Motors
	2,147	2,147	-	3,385		
Furniture, fixtures and equipments:						
Sold	17,040	17,040	-	155	Tender	Various parties
Scrapped	687	687	-	-	Derecognition	Not applicable
	17,727	17,727	-	155		
Cylinders:						
Sold	26,608	20,300	6,308	20,884	Recovery from	Various
Condemned	2,132	1,651	481	-	customers as	customers.
	28,740	21,951	6,789	20,884	per policy	
<b>2010</b>	<b>54,170</b>	<b>47,348</b>	<b>6,822</b>	<b>24,424</b>		
2009	70,210	56,941	13,269	11,918		

## 35. Number of employees engaged

The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk 36,000 and above were 386 (2009: 374).

## 36. Remittance in foreign currency

	2010		2009	
	'000 GBP	'000 Taka	'000 GBP	'000 Taka
Technical assistance fee to The BOC Group Ltd., UK	-	-	148	16,885
Dividend paid to The BOC Group Ltd., UK	2,514	268,725	1,260	145,456

The BOC Group Ltd., UK is a non-resident shareholder which holds 9,130,968 shares in this Company. Dividend paid to The BOC Group Ltd., UK in 2010 includes interim dividend of GBP 1,884 thousand for the year 2010.

## 37. Receipt in foreign currency

Name of customer/vendor	Nature of receipt	2010		2009	
		'000 US\$	'000 Taka	'000 US\$	'000 Taka
Uniglory Cycle Component Ltd.	Deemed export	250	17,222	181	12,416
Meghna Alloytech Ltd.	Deemed export	156	10,751	129	8,369
Ananda Shipyard Ltd.	Deemed export	92	6,316	67	4,568
ESAB India Ltd.	Export	-	-	8	565
Lincon Electric Co. Ltd.	Sales commission	5	375	-	-
Steris Corporation	Sales commission	16	1,125	7	477
<b>Total</b>		<b>519</b>	<b>35,789</b>	<b>392</b>	<b>26,395</b>

## 38. Value of imports calculated on CIF basis

	2010	2009
	'000 Taka	'000 Taka
Raw materials	1,165,791	748,964
Components and spare parts	135,507	142,094
Capital goods	73,046	30,172
	<b>1,374,344</b>	<b>921,230</b>

## 39. Bank guarantees and commitments

## 39.1 Bank guarantee provided against various parties and disputed VAT

Bank guarantees to third parties, shipping guarantees, bank acceptance and disputed VAT	33,426	47,366
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## 39.2 Outstanding letters of credit

475,600	368,706
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## 40. Raw and packing materials consumed

Description	Opening stock		Purchase		Closing stock		Consumption		% to total consumption
	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	
	MT	'000 Taka	MT	'000 Taka	MT	'000 Taka	MT	'000 Taka	
Calcium carbide	230	12,088	1,421	81,938	280	18,272	1,371	75,754	5.65
Wire	542	35,947	15,291	804,513	806	49,628	15,027	790,832	58.98
Blended powder	513	43,311	4,218	327,315	591	58,419	4,140	312,207	23.28
Others	-	26,393	-	166,685	-	30,943	-	162,135	12.09
<b>2010</b>	-	<b>117,739</b>	-	<b>1,380,451</b>	-	<b>157,262</b>	-	<b>1,340,928</b>	<b>100.00</b>
<b>2009</b>	-	<b>265,064</b>	-	<b>894,744</b>	-	<b>117,739</b>	-	<b>1,042,069</b>	<b>100.00</b>

Others include different types of chemicals, lubricants and packing materials purchased from local market and abroad.

## 41. Related party transactions

i) The Company purchased/received following goods and services from the Group companies in the normal course of business.

	Transaction during the year		Closing balance	
	2010	2009	2010	2009
	'000 Taka	'000 Taka	'000 Taka	'000 Taka
Special gases, spares and cylinders	52,675	57,664	(10,656)	(9,148)
Technical services	26,079	25,868	(45,901)	(25,868)
	<b>78,754</b>	<b>83,532</b>	<b>(56,557)</b>	<b>(35,016)</b>

ii) During the year following transactions were made with the organisations in which Mr. Latifur Rahman, Director of the Company is interested as director.

Sales to Transcom Group of Companies	8,079	11,169	(903)	799
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iii) Dividend paid to The BOC Group Ltd.	298,583	161,618	-	-
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iv) Key management personnel				
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Directors' remuneration	31,555	25,869	-	-
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Dividend paid to The BOC Group Ltd. in 2010 includes Tk 228,274 thousand paid as interim dividend for the year.				
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## 42. Events after the reporting date

For the year 2010 the board has recommended a final dividend of Tk 10.00 per share amounting to Tk 152,183 thousand at the board meeting held on 10 March 2011.

# Locations.

<b>Registered Office</b>		:	Corporate Office, 285 Tejgaon I/A	Tel	:	02-8821240-45
			Dhaka – 1208	Fax	:	02-8823771/02-8821247
<b>Factories</b>						
Dhaka	Tejgaon	:	285 Tejgaon Industrial Area,	Tel	:	02-8824471-74
			Dhaka – 1208	Fax	:	02-9883412 /02-8821672
Narayanganj	Rupganj	:	P.O. Dhuptara, P.S. Rupganj,	Tel	:	01199-851725
			Narayanganj			01711-563317
Chittagong	Shitalpur	:	Shitalpur, Sitakund, Chittagong	Tel	:	031-751485
Bogra	Bogra LPG Plant	:	Dhankundi, Sherpur, Bogra	Tel	:	01713145458
<b>Sales Centres</b>						
Dhaka	Tejgaon	:	285 Tejgaon Industrial Area,	Tel	:	02-8824471-74, 01713099652
			Dhaka – 1208	Fax	:	02-9883412/02-8821672
Dhaka	Postagola	:	P.O. Faridabad, Postagola,	Tel	:	02-7441320
			Dhaka –1204	Mob	:	01713099673
Dhaka	Tipu Sultan Road	:	57-58 Tipu Sultan Road,	Tel	:	02-7163768
			P.S : Sutrapur, Dhaka	Mob	:	01713099655
	Tongi	:	241 Tongi Industrial Area	Tel	:	02-9812402
			Millgate, Gazipur	Mob	:	01713099654
	Narayanganj	:	72 Sirajuddowla Road	Tel	:	02-9712264
			Narayanganj	Mob	:	01713099656
	Mymensingh	:	28, Ka K C Roy Road	Tel	:	091-52558
			Mymensingh	Mob	:	01713099657
	Noakhali	:	Contractor Masjid	Tel	:	0321-52023
			(Maijdee Road ), Alipur	Mob	:	01713099660
			Begumganj, Noakhali			
	Khulna	:	Off Rupsha Strand Road	Tel	:	041-721206/ 723076
			Labonchora, Khulna	Mob	:	01713099663
	Barisal	:	Holding No. 7641, Alekanda	Tel	:	0431-2373190
			Kotwali, Barisal	Mob	:	01713099665
	Rajshahi	:	Islampur (Debisingh para) Natore Road	Tel	:	0721-750242
			Bhadra, Rajshahi	Mob	:	01713099668
Chittagong	Shitalpur	:	Shitalpur, Sitakund	Tel	:	031-751485
			Chittagong	Mob	:	01718400005
Chittagong	Sagorika	:	68/V Sagorika Road, Pahartali	Tel	:	031-752122, 031-752776
			P.O. Customs House			031-750839
			Chittagong	Mob	:	01713099658
	Comilla	:	Sreemantapur, Laksham Road	Mob	:	01713099661
			Ahmednagar , Comilla			
	Sylhet	:	Nishat Plaza Shopping Complex	Tel	:	0821-841681
			Mominkhola, Sylhet	Mob	:	01713099662
	Jessore	:	Central Road, Ghope	Tel	:	0421-68596
			Jessore	Mob	:	01713099672
	Bogra	:	Charmatha, Rangpur Road	Tel	:	051-64327
			Nishindara, Bogra.	Mob	:	01713099666
	Rangpur	:	Central Bus Terminal	Tel	:	0521-63608
			R.K. Road, Goneshpur, Rangpur	Mob	:	01713099667
	Faridpur	:	Kashem Super Market	Tel	:	0631-65345
			West Goalchamot	Mob	:	01713099664
			Jessore Road, Faridpur			

# BOC Bangladesh sites.



# BOC Bangladesh Limited.

## Form of Proxy.

I/We ..... (name)

of ..... (address)

being a shareholder of BOC Bangladesh Limited hereby appoint, another member of the Company.

\* Mr/Mrs/Miss ..... (name)

of ..... (address)

as my proxy, to attend on my/our behalf at the 38th Annual General Meeting of the Company to be held on 12 May 2011 and at any adjournment of the meeting or any poll that may be taken in consequence thereof and to vote on my behalf as he/she thinks fit on all Resolutions.

As witness my/our hand this ..... day of ..... 2011

.....  
Signed (Shareholder/s)

.....  
Folio/BO ID #

.....  
Signed (Proxy)

.....  
Folio/BO ID #

Affix revenue stamp Tk.8.00  
(Also see notes on reverse)

## BOC Bangladesh Limited

### Shareholder's Attendance Slip

I hereby record my presence at the 38th Annual General Meeting of BOC Bangladesh Limited on 12 May 2011.

.....  
Name

.....  
Folio/BO ID #

.....  
Signature

(Please complete this and deposit at the registration counter on the day of the meeting)

## Notes :

1. A member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him.
2. No person shall act as proxy unless he is entitled to be present in his own right.
3. The instrument appointing a proxy should be signed by the member or his attorney and duly authorised in writing.
4. If the member is a corporate body its common seal (if any) should be applied to the instrument of proxy.
5. The instrument of proxy, together with the Power of Attorney (if any) under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office by no later than 10:30 AM on Monday 09 May 2011.



# Range of Products and Services.

Compressed oxygen	Medical oxygen
Liquid oxygen	Nitrous oxide
Compressed nitrogen	Entonox
Liquid nitrogen	Sterilizing gases
Dissolved acetylene	Medical gases cylinders
Carbon dioxide	Anaesthesia machines
Dry ice	Anaesthesia ventilators
Argon	ICU/CCU monitoring system
Lamp gases	ICU/CCU ventilators
LPG	Pulse oximeter
Refrigerant gases (Freon & Suva)	Infant warmer
Hydrogen	Photo therapy units
Fire suppression system	Infant incubators
Compressed helium	OT table
Liquid helium	OT light
Sulphurhexafluoride	Autoclave /Sterilizer
Sulphurdioxide	Gynaecological tables
Special gases & gas mixtures	Humidifier
Any other gas on request	Oxygen concentrator
	Resuscitators
	Central sterilizing and supply department (CSSD)
	Other medical equipment on request
Mild steel electrodes	
Low hydrogen/low alloy electrodes	
Cast iron electrodes	
Hard surfacing electrodes	
Stainless steel electrodes	
Arc welding equipment & accessories	
Gas welding rod & flux	
Gas welding and cutting equipment & accessories	
MIG welding equipment & accessories	
TIG welding equipment & accessories	
Plasma cutting equipment & accessories	
Welding training & services	
Welding equipment repairs	
Welding testing & services	