

Media Release
22 October 2002

Unaudited Financial Results for the half year ended 30 Sept. 2002

BOC India has reported a profit before tax of Rs. 1519 lakhs including an extra ordinary profit of Rs.1301 lakhs arising out of sale of its Delhi property. The results for the second quarter ended 30 September 2002 show a profit of Rs.151 lakhs, recording a favourable swing of Rs.504 lakhs over the corresponding quarter last year.

The operating profit (PBIT) for the first half of the year at Rs.975 lakhs has grown by about 33% over the corresponding period in the last year. The Company's continued focus on cash generation has resulted in significant growth in cash flows from increased cash profits and improved working capital management.

The sales have recorded a marginal increase in value terms and the increased profitability is mainly driven by reduction in power & fuel and interest costs. The revenue of the Company's Project Engineering Division during the half year ended 30 September 2002 is significantly higher, up 27% over the corresponding period in the last year. The division also has a healthy order book position with jobs worth approx. Rs. 70 crores to be executed over the next 18 months.

The new Lines of Business organisation which was announced earlier this year is now fully in place, aligning the entire organisation to its customers and markets. In conjunction with this change, the Company is also focussing on developing new applications for growth. These new applications are aimed at specific user industries such as food freezing, fibre optics, fabrication, pharmaceuticals and refining. During the first half year, the Company has also successfully concluded a 15 year contract for supply of oxygen to Tata Steel and is setting up a new 225 tpd plant in Jamshedpur to meet this demand. The plant is expected to be commissioned by 2003-04.

The Company's thrust on distribution effectiveness of liquid gases by way of Project LeVeR (Logistics Evaluation and Efficiency Review) has already started giving results in terms of improved efficiencies and reduced costs. Besides, the Company continues to focus on operational excellence at all manufacturing sites with a view to improve performance with focus on adding to its bottomline.