LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer ("Letter of Offer"/"LOF") is sent to you as Equity Shareholder(s) of Bihar Caustic & Chemicals Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer or Registrar to the Offer. In case, you have sold your Equity Shares in Bihar Caustic & Chemicals Limited, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed to the purchaser of the Equity Shares or the member of stock exchange through whom the said sale was effected.

CASH OFFER BY

HINDALCO INDUSTRIES LIMITED ("Hindalco" or "Acquirer")

(Registered office: Century Bhavan, 3rd Floor, Dr Annie Besant Road, Worli, Mumbai-400 025)

Tel: (91-22) 5662 6666, Fax: (91-22) 2422 7586 / 2436 2516

And

PILANI INVESTMENTS AND INDUSTRIES CORPORATION LIMITED ("Pilani" or "PAC")

(Registered office: Birla Building, 9/1, R. N. Mukherjee Road, Kolkotta -700 001)

Tel: (91-33) 2131680/0380, Fax: (91-33) 22438592

to the shareholders of

BIHAR CAUSTIC & CHEMICALS LIMITED

(Registered office: Ghanshyam Kunj, Garhwa Road, P.O.Rehla 822 124, District Palamau, Jharkand)

Tel:(91-06584) 222211/ 222221/ 222488, Fax: (91-06584) 222205

for purchase of 4,677,300 equity shares of Rs. 10/- each, representing 20% of the post rights issue equity share capital of BCCL, for a total consideration of Rs. 23.27 (comprising of Offer Price of Rs. 18.75 and interest net of dividend of Rs. 4.52) per Equity Share.

According to the decision of the Hon'ble Supreme Court in Clariant International Limited and another vs. SEBI (August 25, 2004), the above amount of Rs. 4.52 per share, being the interest net of dividend paid, is payable only to those shareholders of BCCL as on June 18, 2002 and whose shares are accepted in the Offer. All other shareholders whose shares are accepted in the Offer will be paid at the Offer Price of Rs. 18.75 per share.

This Offer is being made by Hindalco and Pilani, pursuant to and in compliance with the SEBI Order dated February 18, 2005, directing them to make a public announcement, taking June 18, 2002 as the reference date for calculation of offer price ("reference date"), under Chapter III of the Regulations, in terms of regulations 11(1) and 12 and other related regulations, in force on the Reference Date i.e. June 18, 2002.

The Offer is subject to the Acquirer receiving the necessary approval(s), if any, from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999 and rules and regulations there under, for acquiring shares validly tendered by non-resident shareholders.

As on the date of this Letter of Offer, there are no other statutory approvals required to implement this Offer. The Acquirer will make the above applications, if required, to acquire the shares pursuant to the Offer at an appropriate time.

In case of non-receipt of the said approvals within time, Securities and Exchange Board of India (SEBI) has the power to grant extension of time to the Acquirer and the PAC for payment of consideration to shareholders subject to the Acquirer and the PAC agreeing to pay interest as directed by SEBI.

Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to three working days (i.e. June 06, 2005) prior to the date of closing of the Offer (i.e. June 09, 2005).

The Acquirer and the PAC are permitted to revise the Offer Price / No. of Equity Shares upward any time up to seven working days prior to the date of closing of the Offer. If there is any upward revision in the Offer Price / No. of Equity Shares by the Acquirer and the PAC till the last date of revision viz. May 30, 2005 or in case of withdrawal of the Offer, the same would be informed by way of a public announcement in the newspapers mentioned in Clause 2.2.6 of this Letter of Offer and the revised price would be payable by the Acquirer and the PAC to all shareholders who tendered their Equity Shares at any time during the Offer and which are accepted by the Acquirer and the PAC under the Offer.

There is no competitive bid. As the Offer Price cannot be revised during seven working days prior to the date of closing of the Offer, it would therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price and tender their acceptance accordingly.

The Public Announcement, this Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) are available on SEBI's web-site (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRARS TO THE OFFER
ENAM **Enam Financial Consultants Pvt. Ltd.** 801/802 Dalamal Tower Nariman Point Mumbai 400 021 Tel.: +91 - 022- 5638 1800 Fax.: +91 - 022- 2284 6824 Email: bccl@enam.com Contact Person: Kinjal Palan	**MCS Limited** Sri Venkatesh Bhavan, Plot No. 27 Road No. 11, MIDC Area, Andheri (E) Mumbai 400 093 Tel.: +91 22 28215235 Fax: +91 22 28350456 Email:mcsmum@vsnl.com Contact Person: Mr. Ashok Gupta
OFFER OPENS ON: MAY 20, 2005	**OFFER CLOSES ON: JUNE 09, 2005**

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity Date	
Public Announcement	Saturday, April 02, 2005
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	Friday, April 08, 2005
Last date for a Competitive Bid	Saturday, April 23, 2005
Date by which Letter of Offer will be posted to shareholders	Saturday, May 14, 2005
Date of Opening of the Offer	Friday May 20, 2005
Last date for revising the Offer Price / No. of equity Shares	Monday, May 30, 2005
Last date of withdrawal of shares tendered by the shareholders of BCCL	Monday, June 06, 2005
Date of Closing of the Offer	Thursday, June 09, 2005
Date by which acceptance/rejection under the Offer would be intimated and the corresponding payment for the acquired Equity Shares and/or the unaccepted Equity Shares/Share Certificate(s) will be dispatched /credited.	Friday, June 24, 2005

RISKS IN RELATION TO THE OFFER

Given below are the risks related to the proposed Offer and association with the Acquirer.

1. The Acquirer makes no assurance with respect to the market price of the shares during/after the Offer.

2. The tendered shares will lie to the credit of a designated escrow account until the completion of the Offer formalities. During such period, there may be fluctuation in the market price of the shares of BCCL.

3. In the event of oversubscription in the Offer, the acceptance will be on a proportionate basis and will be contingent on the level of oversubscription.

4. In the event of regulatory approvals not being received in a timely manner or litigation leading to stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule of the major activities indicated in this Letter of Offer.

5. There is no assurance with respect to the continuation of the past trend in the financial performance of BCCL.

6. The Acquirer purchases significant quantities of caustic soda from BCCL. Reduced purchases or adverse trends to the Acquirer's business could negatively impact BCCL.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of BCCL or any other matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The shareholders of BCCL are advised to consult their stockbrokers or investment consultant, if any, for further risks with respect to their participation in the Offer.

CONTENTS

Sr. No.	Description	Page No.
A	Definitions	3
1	Disclaimer Clause	4
2	Details of the Offer	4
3	Rationale for the Acquisition and Offer	5
4	Information on Hindalco Industries Limited ("Acquirer") and Pilani Investment and Industries Corporation Limited ("PAC")	5
5	Delisting Option	17
6	Information on Bihar Caustic & Chemicals Limited. ("BCCL")	17
7	Offer Price and Financial Arrangements	20
8	Terms and Conditions of the Offer	22
9	Statutory /Other Approvals for the Offer	22
10	Procedure for Acceptance and Settlement	23
11	Documents For Inspection	27
12	Declaration by the Acquirer and the PAC	27

DEFINITIONS

Acquirer or Hindalco	Hindalco Industries Limited
Act	The Companies Act, 1956
Articles	Articles of Association of BCCL
BCCL or the Company	Bihar Caustic & Chemicals Limited
BSE	The Stock Exchange, Mumbai
BSIDC	Bihar State Industrial Corporation Limited
CDSL	Central Depository Services (India) Ltd.
CSE	Calcutta Stock Exchange Ltd
DP or Depository Participant	Brics Securities Limited
DSE	Delhi Stock Exchange Ltd
Escrow Bank	UCO Bank, Century Bhavan, Worli, Mumbai 400 025
FEMA	The Foreign Exchange Management Act, 1999 and amendments thereto
FII(s)	Foreign Institutional Investors registered with SEBI
Form of Acceptance	Form of Acceptance-cum-Acknowledgement accompanying this Letter of Offer
Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer
LOF or Letter of Offer	This Letter of Offer dated May 12, 2005.
Manager or Manager to the Offer or Enam	Enam Financial Consultants Pvt. Ltd.
NSE	National Stock Exchange Ltd
NRI(s)	Non-Resident Indians
Non-Resident Shareholders	NRIs', OCBs' and FIIs' holding the Equity Shares of BCCL
NSDL	National Securities Depository Limited
OCB(s)	Overseas Corporate Bodies
Offer or Open Offer	Open Offer to acquire 4,677,300 equity shares of Rs. 10/- each representing 20% of the post rights issue equity share capital of BCCL for a total consideration of Rs. 23.27 per Equity share (comprising of Offer price Rs. 18.75 per Equity Share and interest net of dividend of Rs. 4.52 per equity share)
Offer Period	From April 02, 2005 to June 24, 2005
Offer Price	Rs. 18.75 per fully paid-up Equity Share of BCCL.
Persons acting in Concert or PAC or Pilani	Pilani Investment and Industries Corporation Limited
Public Announcement or PA	Public Announcement for the Open Offer issued on behalf of the Acquirer and PAC on April 02, 2005
Registrar or Registrar to the Offer	MCS Limited
RBI	The Reserve Bank of India constituted under the Reserve Bank of India, 1934
Reference Date	June 18, 2002 i.e. the reference date for calculation of the offer price as per SEBI Order
Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Order	Order of SEBI dated February 18, 2005
Specified Date	April 08, 2005

1 DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF BCCL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PAC, OR THE COMPANY WHOSE EQUITY SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND PAC DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, ENAM FINANCIAL CONSULTANTS PVT. LTD, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED April 15, 2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

Neither the Acquirer nor the PAC accept any responsibility for statements made otherwise than in this Letter of Offer or in the advertisement or any material issued by, or at the instance of the Acquirer, the PAC and the Manager to the Offer and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.

2 DETAILS OF THE OFFER

2.1 Background to the Offer

2.1.1 BCCL was promoted inter alia by Hindalco, Pilani and Bihar State Industrial Development Corporation Limited ("BSIDC"). BCCL made a rights issue, vide Letter of Offer dated January 30, 2003, ("Rights Letter of Offer") in which, the Acquirer, in their capacity as a promoter and a person in control of BCCL, had given an undertaking, dated June 18, 2002, that it would subscribe to its rights entitlement in full and apply for the additional shares to the extent the issue was undersubscribed. The Rights Letter of Offer also provided that BSIDC vide its letter dated July 1, 2002 had informed BCCL that Government of Bihar had intimated BSIDC that it would not be proper to invest further by Government of Bihar/BSIDC in BCCL. It was also stated in the Rights Letter of Offer that the additional shares allotted to the Acquirer shall be in terms of the provisions of regulation 3(1)(b) of the Regulations and will be exempt from the applicability of regulations 11 and 12 of the Regulations. Pursuant to the rights issue, shareholding of the Acquirer along with its subsidiary, in BCCL rose from 20% to 54.57% on account of its subscription to its entitlement and additional shares in the rights issue at the rights issue price of Rs. 10/- per share for cash. Further the shareholding of the PAC in BCCL fell from 5% to 1.66% on account of non subscription to the rights issue. Similarly, the shareholding of BSIDC in BCCL fell from 26% to 8.67% on account of non subscription to the rights issue.

2.1.2 The Articles of Association ("Articles") of BCCL contain, inter alia, the following provisions:

a. As long as BSIDC holds 26% of the shares and the Acquirer and the PAC holds 25% of the shares, they each have a right to appoint initially not more than three directors each on the Board of BCCL, with the power to remove such directors and on vacancy being caused to appoint other directors.

b. In case of equality of votes on matters considered in any board meeting, the Chairman shall have a second or a casting vote.

c. As long as BSIDC holds not less than 26% of the issued equity capital of BCCL, BSIDC shall have the right to nominate one of their nominees on the Board of Directors as the Chairman of the Board of Directors and determine the period for which the nominee shall hold the office.

d. The Managing Director shall be a nominee of the Acquirer and PAC, to be appointed in consultation with BSIDC, with a term of not more than five years, so long as the Acquirer and PAC held 25% of the equity share capital of BCCL.

2.1.3 SEBI issued a showcause notice to the Acquirer and PAC relating to the acquisition of shares in the rights issue. After considering the reply and representations made by the Acquirer and PAC, the SEBI Order, inter alia, held that consequent to BSIDC's decline in shareholding from 26% to 8.67% it had lost its right to appoint the requisite number of Directors and the Chairman as contemplated in the Articles. The SEBI Order observed that there has been a change in the right to control the management of BCCL pursuant to the increase in the shareholding of the Acquirer and PAC from 25% to 56.23% and BSIDC's fall in shareholding as mentioned above.

2.1.4 This Offer is being made by the Acquirer and PAC, pursuant to and in compliance with the SEBI Order directing them to make a public announcement, taking June 18, 2002 as the reference date for calculation of offer price, under Chapter III of the Regulations, in terms of regulations 11(1) and 12 and other related regulations, in force on the Reference Date. A copy of the SEBI order is available on SEBI's website (www.sebi.gov.in).

2.1.5 The shares held by the Acquirer and the PAC as on June 18, 2002 were 1,560,000 and 390,000 respectively. The Acquirer, alongwith its subsidiary and the PAC acquired 11,202,287 and Nil shares in the rights issue respectively. On the date of the PA, the Acquirer along with its subsidiary and PAC held 12,762,287 and 390,000 shares respectively representing 54.57 % and 1.66 % respectively of the post rights issue equity share capital of BCCL. The Acquirer and PAC have not acquired any shares in BCCL during the 12 months prior to June 18, 2002 or thereafter until the date of this LOF except by way of rights issue are as mentioned above.

2.1.6 The Acquirer and the PAC may make requisite changes to the composition of the Board of Directors of BCCL as per business considerations and requirements. Similarly necessary steps may be taken to make the requisite changes in the Articles.

2.2 THE OFFER

2.2.1 Hindalco as the Acquirer and Pilani as the PAC, are making this Offer to the shareholders of BCCL to acquire up to 4,677,300 equity shares of Rs. 10/- each, representing 20% of the post rights issue equity share capital of BCCL, at a price of Rs. 18.75 per Equity Share

("Offer Price") payable in cash ("Offer" or "Open Offer") taking June 18, 2002 as the reference date for purposes of calculation of the Offer Price, along with interest calculated in accordance with the SEBI Order, at the rate of 10% p.a. from October 21, 2002 till June 24, 2005 i.e. the scheduled date of despatch of payment consideration to the shareholders, net of dividend of Re. 0.50 per share paid for the financial year 2003-04, amounting to Rs. 4.52 per share. Thus the total consideration per share will be Rs. 23.27 (comprising of Offer Price of Rs. 18.75 and interest net of dividend of Rs. 4.52). The total consideration of Rs. 23.27 per share shall be subject to deduction of taxes at source as applicable and will be paid accordingly. This amount is subject to change depending upon the actual date of dispatch of payment to the shareholders. According to the decision of the Hon'ble Supreme Court in Clariant International Limited and another vs. SEBI (August 25, 2004), the above amount of Rs. 4.52 per share, being the interest net of dividend paid, is payable only to those shareholders of BCCL as on June 18, 2002 and who continued to be shareholders of BCCL on the date of closing of the Offer. All other shareholders whose shares are accepted in the Offer will be paid at the Offer Price of Rs. 18.75 per share.

2.2.2 For the purpose of this Offer, Pilani is a Person Acting in Concert with Hindalco and does not intend to acquire any shares tendered in the Offer.

2.2.3 The Acquirer, the PAC and the BCCL have not been prohibited by SEBI from dealing in securities, in terms of directions under section 11B of SEBI Act or under any of the regulations under the SEBI Act.

2.2.4 The Offer is not conditional on any minimum level of acceptance by the shareholders.

2.2.5 This is not a Competitive Bid.

2.2.6 The Public Announcement about this offer , as per regulation 15(1) of the Regulations, was made in the following newspapers on April 02, 2005:

Newspaper	Language	Editions
The Financial Express	English	All editions
Jansatta	English	All editions
Aj	English	Jharkand editions

A copy of the PA is also available on SEBI's website (www.sebi.gov.in).

If there is any upward revision in the Offer Price / No. of Equity Shares by the Acquirer and the PAC till the last date of revision viz. May 30, 2005 or in case of withdrawal of the Offer, the same would be informed by way of a public announcement in the newspapers in which the original PA was published and the revised price would be payable by the Acquirer and the PAC to all shareholders whose shares are accepted by the Acquirer and the PAC under the Offer.

2.2.7 As on the date of the LOF, the Manager to the Offer does not hold any share in BCCL.

3 RATIONALE FOR THE ACQUISITION AND OFFER

3.1 This Offer as mentioned in 2.2.1 above is being made by Acquirer and PAC, pursuant and in compliance with the SEBI Order directing them to make a public announcement as required under Chapter III of the Regulations, in terms of regulations 11(1), 12 and other related regulations in force on the Reference Date.

3.2 The Acquirer and the PAC do not have any plans at present to make any major changes to the existing lines of business of BCCL or to dispose off or otherwise, encumber any assets of BCCL in the next two years, except in the ordinary course of business of BCCL and except to the extent required for the purpose of restructuring or rationalizing the existing lines of business, assets, investments, liabilities, or otherwise of BCCL. It will, in any case, be for the Board of Directors of BCCL to take any appropriate decisions in these matters in accordance with the requirements of the business. The Acquirer and PAC will not sell, dispose of or otherwise encumber any substantial asset of BCCL except with the prior approval of the shareholders.

4 INFORMATION ON HINDLACO INDUSTRIES LIMITED, the Acquirer AND PILANI INVESTMENT & INDUSTRIES LIMITED, the PAC

4.1 Hindalco Industries Limited, the Acquirer

4.1.1 Hindalco was incorporated on December 15, 1958 under the Companies Act, 1956 ("Act") as Hindustan Aluminium Corporation Limited. It's name was subsequently changed to Hindalco Industries Limited on October 09, 1989.

4.1.2 Hindalco has its registered office at Century Bhavan, 3rd Floor, Dr Annie Besant Road, Worli, Mumbai-400 025. Tel: (91-22) 5662 6666, Fax: (91-22) 2422 7586 / 2436 2516.

4.1.3 Hindalco is a part of the Aditya Birla Group. Hindalco, a flagship Company of the Aditya Birla Group, is structured into two strategic businesses namely aluminium and copper and is an industry leader in both segments.

It has its principal works and aluminum division in Renukoot, Uttar Pradesh; copper division at Bharuch, Gujarat; Power Division at Renusagar, Uttar Pradesh and its foil and wheel division at Silvassa, Dadra & Nagar Haveli. It also owns mines at various locations. Hindalco has also acquired aluminium units at Kerala, Karnataka, Jharkand, Maharashtra, West Bengal and Orissa and a power plant at Orissa from Indian Aluminium Compnay Limited through a scheme of arrangement along with mines at various locations. The main products sold by Hindalco include Aluminum Ingots/Billets, Rolled Products, Extruded Products, Conductor Redraw Rods, Aluminum Foil, Aluminum Wheel, Continuous Cast Copper Rods, Copper Cathodes and DAP and NPK Fertilizers.

4.1.4 The Shares of Hindalco are listed on BSE and National Stock Exchange Ltd ("NSE"). The price to earning ratio was 14.26 based on Hindalco's share price of Rs. 1293.65 per share on BSE on March 31, 2005 and EPS for the year ended March 31, 2004.

4.1.5 The Acquirer has duly complied with the applicable provisions of Chapter II of the Regulations.

4.1.6 The paid up capital of Hindalco as on March 31, 2005 comprises 92,774,797 equity shares of Rs. 10/- each. The Shareholding pattern of Hindalco as on March 31, 2005 is as under:

Sr. No	Shareholders Category	No. of shares held	% of shares
1	Promoters	2,40,68,057	25.94
2	FII/Mutual Funds/FIs/Banks	3,69,07,479	39.78
3	Public	1,58,84,875	17.13
4	GDR Holder	1,59,14,386	17.15
	Total paid up capital	**9,27,74,797**	**100**

4.1.7 As on the date of the PA, the details of the Board of Directors of Hindalco are as below:

Name and Designation	Residential Address	Qualification & Age	Date of Joining
Mr. C.M.Maniar Director	Garden House Chowpatty Bandstand, Dadyseth, 2nd Cross Lane, Mumbai – 400 007	M.A., B.COM, L.L.B. 69 years	08.03.1982
Mr. Eruch Byramsha Desai Director	81, Sonarica, 33A, Peddar Road, Mumbai – 400 026.	B.A., L.L.B. 74 years	05.04.1984
Mr. Sangram Singh Kothari Director	87-B Gaurav Nagar, Indian Civil Lines, Jaipur – 302 006	83 years	22.12.1988
Mr. Kumar Mangalam Birla Chairman	16-a, IL Palazzo, Little Gibbs Road, Mumbai – 400 006	A.C.A, M.B.A. 37 years	16.11.1992
Mr. M.M.Bhagat Director	13, Kabir Road, Calcutta – 700 026	B.COM, A.C.I.I. (LONDON) AIII GROUP ADVISOR (INSURANCE) 71 years	15.03.1996
Smt. Rajashree Birla Director	16-a, IL Palazzo, Little Gibbs Road, Mumbai – 400 006	B.A. 59 years	15.03.1996
Mr. A K Agarwala Director	Haveli, Flat No.3, L. D. Ruparel Marg, Mumbai - 400 006	B.COM, F.C.A., L.L.B. 71 years	11.09.1998
Mr. Kailash Nath Bhandari Independent Director	C/33 Mayfair Gardens, Little Gibbs Road, Malabar Hill, Mumbai – 400 006	B.A. L.L.B. 63 years	01.08.2001
Mr. Debu Bhattacharya Managing Director	14/a, Woodlands, Peddar Road, Mumbai – 400 026	B.SC. (HONS), B.TECH 56 years	30.04.2003

Please note that any correspondence to the Directors must be addressed to the registered office of Hindalco.

None of the directors of Hindalco hold any equity shares of BCCL except Mr. A. K. Agarwala who holds 700 equity shares. None of the directors of Hindalco have acquired any share of BCCL from 12 months prior to June 18, 2002 to the date of this LOF except by way of subscription to their rights entitlement.

None of the directors of Hindalco are on the board of BCCL except Mr. A. K. Agarwala.

4.1.8 The adjusted audited financial highlights of Hindalco for the last three years certified by Mr. Brijesh Mathur of M/S. B. K. Mathur & Associates, Chartered Accountants, (Membership no. 39565), vide their letter dated April 11, 2005, and May 09, 2005 are as follows:

(Rs. Million except as stated)

Profit & Loss Statement	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
Income from Operations	95,233	61,909	49,755
Other Income	2,700	2,446	2,330
Total Income	97,933	64,355	52,085
Total Expenditure	72,467	47,113	37,615
Profit Before Depreciation Interest and Tax	25,466	17,242	14,470
Depreciation	4,633	3,174	2,642
Interest and Finance Cost	1,700	1,612	1,201
Profit Before Extraordinary Item and Tax	19,133	12,456	10,627
Extraordinary Item	91	-	1,633
Profit Before Tax	19,042	12,456	8,994
Provision for Tax	5,748	4,067	3,173
Profit After Tax	13,294	8,389	5,821

Balance Sheet Statement	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
Sources of Funds			
Paid up share capital	928	925	925
Reserves and Surplus (excluding revaluation reserves but including deferred tax)	86,941	77,605	69,476
Networth	87,869	78,530	70,401
Secured Loans	29,523	17,259	20,493
Unsecured Loans	8,477	8,387	3,457
Total	**125,869**	**104,176**	**94,351**
Uses of Funds			
Net Fixed Assets (excluding revaluation reserves)	69,265	52,079	48,634
Investments	37,022	33,772	26,484
Net Current Assets	19,582	18,325	19,233
Total	**125,869**	**104,176**	**94,351**

Other Financial Data	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
Dividend per share (Rs.)	20.00	16.50	13.50
Earning per share (Rs.)	143	90.69	62.93
Return on Networth (%)	15.13%	10.68%	8.27%
Book Value Per Share (Rs.)	947	849	761

Notes :

1. Pursuant to a Scheme of Arrangement u/s. 391 to 394 of the Companies Act, 1956 (the Scheme) which has been approved by Hon'ble Bombay High Court and Kolkata High Court on 14th January, 2004 and 23rd December, 2004 respectively, all the business undertaking (other than the aluminum foil business at Kollur Andhra Pradesh), herein after referred to as demerged undertaking, of Indian Aluminium Company Ltd. (Indal) has been transferred to the Company with effect from the appointed date i.e. 1st April, 2004 on a going concern basis and therefore the above financial statements include financial of said demerged undertaking.
2. In Line with Accounting Standard - 19 assets taken on finance lease in earlier years at their respective cost amounting Rs. 1728 million together with their respective accumulated depreciation of Rs. 470.49 million. However we are informed that there is no impact on Profit & Loss Account for the year.

4.1.9 The reasons for rise in Total income and PAT are as follows:

The financial highlights for the year ended, March 31, 2005 are not comparable with the previous years, as the business of Indian Aluminium Company Limited (except for the Kollur foil plant) has been transferred to Hindalco as mentioned in clause 4.1.14.

For the year ended March 31, 2005, the total income of Hindalco increased by 53.40 % to Rs. 95,230 million. The net profit increased by 58.40 % to Rs. 13,290 million. The improved performance was driven by better realization, volumes and an enriched product mix comprising largely of value added products. The Aluminium business recorded an all round improvement in production across all segments. The Copper business showed higher volumes and was faced with a weak treatment and refining charges and a step reduction in import duty.

For the year ended March 31, 2004, the total income of Hindalco increased by 23.56 % to Rs. 64,355 million. The net profit increased by 44.12 % to Rs. 8,389 million. A marked improvement in domestic demand, rising share in domestic volumes, enriched product mix and better realization boosted performance of the aluminium not withstanding a cut in import duties and an appreciating Rupee.

The production and volume of the copper division grew marginally for the year. Copper business profitability fell due to sharp fall in treatment and refining charges that hit a historic low despite rising global prices. The rising global sea freight and an appreciating Rupee also adversely impacted profitability which was partly offset by reduction in conversion cost, gains in operational efficiency and benefits of low cost brownfield expansion. Hindalco successfully commissioned the expanded smelter in February 2004, raising the installed capacity to 250,000 tonnes per annum.

4.1.10 Significant accounting policies adopted by Hindalco for the year ended March 31, 2005 are as follows:

1. Fixed Assets

   Fixed Assets are stated at cost. Cost includes borrowing costs and other related overheads incurred during the period of construction

2. Intangible Assets

   Intangible assets are stated at cost. Cost includes any directly attributable expenditure on making the asset ready for its intended use.

3. Depreciation and Amortisation

(a) Depreciation on Fixed Assets has been provided for on Straight Line Method at the rates and manner prescribed under Schedule XIV to the Companies Act, 1956, as amended.

(b) Leasehold Land/Mining rights are amortised over the period of lease.

(c) Assets where ownership vests with the Government Authorities are amortised at the rates of depreciation specified in schedule XIV to the Companies Act, 1956.

(d) Intangible assets are amortised over their estimated useful life.

4. Impairment

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased

5. Leases

(a) Assets taken on finance lease (including that prior to 1.4.2001) are capitalised and finance charges are charged to statement of profit and loss on accrual basis.

(b) Lease payments under an operating lease recognised as expense in the statement of profit and loss as per terms of lease agreement.

6. Investments

(a) Long term Investments are carried at cost after deducting provision, in cases where the fall in market value has been considered of permanent nature.

(b) Current investments are stated at lower of cost and fair value.

7. Inventories

(a) Inventories of stores and spare parts are valued at or below cost after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

(b) Machinery spares which can be used only in connection with an item of Fixed Asset and whose use is not of regular nature are written off over the estimated useful life of the relevant asset

(c) Inventories of items other than those stated above are valued 'At cost or Net Realizable Value, whichever is lower'. Cost is generally determined on weighted average cost basis and wherever required, appropriate overheads are taken into account. Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

8. Foreign Currency Transactions

Year-end balance of foreign currency transactions is translated at the year-end rates and the corresponding effect is given in the respective accounts. Transactions completed during the year are adjusted on actual basis.

In respect of transactions covered by Forward Foreign Exchange Contracts, the difference between the forward rate and exchange rate at the inception of contract is recognised as income or expense over the life of the contract except for contracts relating to liabilities incurred for purchase of Fixed Assets, the difference thereof is adjusted in the carrying amount of respective Fixed Assets.

Transactions covered by cross currency swap contracts to be settled on future dates are recognised at the year-end rates of the underlying foreign currency. Effects arising of swap contracts are being adjusted on the date of settlement.

9. Retirement Benefits

(a) Year-end liability for Superannuation benefits to the eligible employees are provided and funded to approved funds.

(b) Year-end liability on account of Gratuity is provided for on actuarial valuation basis. In respect of the aluminium business such amount is funded with an approved fund.

(c) Leave Encashment benefits are provided for on actuarial basis.

10. Recognition Of Income And Expenditure

Income & Expenditure are recognised on accrual basis and provision is made for all known expenses.

11. Borrowing Costs

Borrowing cost directly attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred.

12. Taxation

Provision for current income tax is made in accordance with the Income Tax Act, 1961. Deferred tax liabilities and assets are recognised at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

13. Management Of Metal Price Risk

In respect of copper division the company has adopted a policy to minimize the risks associated with fluctuations in the price of copper and other precious metals by hedging mismatch on futures' market. However, the company does not conduct speculative operations in the futures' market. The results of metal hedging are recorded at their settlement as part of raw material cost or sales as the case may be. The settlement of these transactions generally coincides with the accounting of the underlying transactions.

14. Contingent liabilities are not provided for in the accounts and are disclosed by way of Notes.

4.1.11 The contingent liabilities of Hindalco for the year ended March 31, 2005 are as follows:

(a) Claims / Disputed liabilities not acknowledged as debt

Nature of Contingent Liability	**Status**	**Amount (Rs. million)**	
		As at March 31, 2005	**As at March 31 , 2004**
Demand notice by Asstt. Collector Central Excise Mirzapur for excise duty on power generated by company's captive power plant, Renusagar Power Co.Ltd (since amalgamated).	Writ petition pending with Delhi High Court, Delhi. Earlier demand raised was quashed by Delhi High Court. The amount has been sequestered in the Aluminium Regulation account. According to the terms of settlement dated 5.12.83 between the Central Govt. and the company, this amount will be reimbursed to the company in the event the case is decide against the company.	**91.21**	**91.21**
Demand of interest on past dues of the Aluminium Regulation Account upto 31.12.1987	The demand is in dispute with Controller of Aluminium Regulation Account.	29.04	29.04
Retrospective Revision of Water Rates by UP Jal Vidyut Nigam Limited (April 1989 to June 1993 & Jan 2000 to Jan 2001)	Writ petition pending with Lucknow Bench of Allahabad High Court. The demand stayed vide order dated 11.5.2001	40.80	40.80
Transit fees levied by Divisional Forest Officer Renukoot on coal and bauxite	Appeal pending with Allahabad High Court and payment of transit fee has been stayed. According to legal opinion received by the company, the forest department has no authority to levy such fee.	52.57	37.73
M.P. Transit Fee on Coal demanded by Nothern Coal Fields Limited	Writ petition pending with Jabalpur High Court. The company has paid Rs.105.90 million to NCL under protest subject to the final conclusion of the writ petition	112.48	82.67
Witholding Tax on payment of fees on GDR issue.	Appeal pending before Income Tax Appellate Tribunal, Mumbai. Demand adjusted against refund due to the company	91.56	91.56
Imposition of Cess on Coal by Shaktinagar Special Area Development Authority	Appeal pending before Allahabad High Court, Allahabad. Demand and levy stayed. According to legal opinion received by the company, the state has no power to tax the mineral since this field is covered under Mines and Minerals Development and Regulation Account	32.40	10.11
Demand of Royalty on Vanadium by District Mining officer, Lohardaga	Appeal pending with Allahabad High Court, Allahabad. The demand stayed on certain conditions which has been fulfilled by the company.	12.90	12.90
The demand of Excise Duty on gold	Appeal pending with Customs, Excise and Service tax Appellate Tribunal, West Zone, Mumbai	1,557.70	1,557.70
The demand for custom duty on Engg. Fees	Appeal with Customs, Excise and Service tax Appellate Tribunal, West Zone, Mumbai decided in favour of Company	-	113.70
Demand for non-payment of sales tax on leased assets	Writ petition admitted and stay granted by High Court,Ahmedabad	218.90	218.90
Arbitration proceeding with IFFCO for claim of short supply of Phosphoric Acid	Matter settled	-	45.09
Other Contingent Liabilities in respect of Excise, customs, Sales Tax, etc., each being for less than 10 millions	The demands are in dispute at various legal forums	84.85	45.15
		2324.41	2376.56

		(Rs. million)	
		As at March 31, 2005	As at March 31, 2004
(b) i)	Bills discounted with Banks	468.14	586.39
ii)	Guarantees outstanding	12633.83	6280.09
iii)	Letters of credit outstanding	710.08	9775.79
iv)	Other Bank Guarantees and Bonds besides those mentioned separately and counter guaranteed by the Company	210.85	192.32
(c)	The Company has received supplementary bills on account of revision in rate of power for Main Supply from UPSEB for the period 15.5.1976 to 30.6.1980 and the same remains unprovided for as disputed by the Company	50.10	50.10
(d)	228,340,226 Equity Shares of Rs.10/- each fully paid up in IDEA Cellular Ltd., are held by the company as investment. Out of the above 115,187,999 shares of Rs.10/- each have been pledged for securing financial assistance granted by the lenders to the company.		
(e)	The Company has given undertakings to various Financial Institutions for non-disposal of shares held in Bihar Caustic & Chemicals Ltd., Tanfac Industries Ltd., and 57,085,060 shares of Rs.10/- each of IDEA Cellular Ltd., till the Institutional loans are repaid in full.		
(f)	In terms of the Scheme of Arrangement between the Company, the erstwhile Indo Gulf Corporation Ltd (IGCL) and Indo Gulf Fertilisers Limited approved by the Hon'ble High Courts at Allahabad and Mumbai vide their orders dated 18th November, 2002 and 31st October, 2002 respectively, the company may be liable to pay a portion of disputed demands of Income Tax of Rs. 288.24 million pertaining to IGCL.		
(g)	Provisions on excise duty on Electricity was Rs. 54.73 million as on March 31, 2005.		

4.1.12 The pending litigations relating to Hindalco are as under:

	Matter	Litigating Party	Litigation Amount	Forum
1	Public interest litigation on encroachment on forest land	Centre for Public Interest Litigation	N.A.	Supreme Court of India
2	Public interest litigation on utilization of Fly Ash generated by Thermal Power Plants	Centre for Public Interest Litigation, Delhi	N.A.	Delhi High Court
3	Public interest litigation against construction of ash dam in Renusagar	Surendranath Dubey	N.A.	Allahabad High Court
4	Public interest litigation alleging environmental disaster from Ash Dam in Renukoot	Prakriti Seva Sansthan	N.A.	Allahabad High Court
5	Refund of excess cess on royalty	Union of India	Rs.24.7 million	Supreme Court of India
6	Deposit of Excise Duty levied on power generated at Renusagar	Asst. Comissioner, Central Excise	Rs.145.94 million	Delhi High Court
7	Refund of R&D cess paid on import of machinery	Union of India	Rs.12.8 million	Delhi High Court
8	Rejection of application for mining lease by State Government	M/s.Trimax Industries Ltd. V/s Union of India (Hindalco as Respondant)	N.A.	High Court of Orissa, Cuttak
9	Grant of mining lease at Maliparbat	Gimpex Metals Ltd	N.A.	Mines Tribunal, Delhi
10	Civil suit for damages for libel	Dr.SR Jindal	Rs.14.5 Million	Delhi High Court
11	Transit fee on coal imposed in Madhya Pradesh	Union of India	Rs.105.9 million upto February 2005	Jabalpur High Court
12	Transit fee on bauxite imposed in Madhya Pradesh	Union of India	Rs. 1.9 million upto February 2005	Jabalpur High Court
13	Imposition of Pariwahan Kar in Madhya Pradesh	Janpad Panchayat, Kusmi	Rs.5/- per tonne on transportaion of bauxite w.e.f.1.1.1999	Jabalpur High Court
14	Transit fee levied by Forest Dept. on coal and bauxite	Divisional Forest Officer, Renukoot	Rs.53.8 million upto February 2005	Allahabad High Court
15	Zilla Panchayat Toll Tax	State of Uttar Pradesh	N.A.	Allahabad High Court
16	Cess on coal by Shakhtinagar Special Area Devlelopment Authority	State of Uttar Pradesh	Rs.32 million upto February 2005	Allahabad High Court
17	Royalty on Vanadium	Union of India	Rs.12.9 million	Allahabad High Court
18	Recovery of royalty on alleged mining in plant area	Mining Officer, Mines Dept., Sonbhadra	Rs.9.1 million	Civil Judge, Sonbhadra

19	Retrospective Revision of Water Rates	Uttar Pradesh State Electricity Board	Rs.35.6 million	Allahabad High Court
20	Retrospective revision of water rates	Uttar Pradesh Jal Vidyut Nigam Limited	Rs.5.2 million	Allahabad High Court
21	Alleged wrongful acquisition of land at Renusagar	Ramashankar Singh	N.A.	Allahabad High Court
22	Alleged interference in the peaceful possession of land	Sarveshwari Samooh	N.A.	Allahabad High Court
23	Recovery of interest on term loan at Renusagar Power Plant	Indian Bank	Rs. 6.5 million + interest	Debt Recovery Tribunal, Calcutta
24	Custom duty on import of manuals, etc	Asst. Commissioner Customs, Calcutta	Rs.40.9 million	Asst. Commissioner, Customs, Calcutta
25	Custom duty on imported Coal Tar Pitch	Collector of Customs Calcutta	Rs.62.1 million	Calcutta High Court
26	Custom duty on import of Cryolite	Asst. Commissioner	Rs.18 million	Asst. Commissioner of Customs, Mumbai
27	Refund of customs duty on machinery	Asst. Commissioner of Customs – 2 cases	Rs. 13.7 million	Asst. Commissioner of Customs and Collectorate of Customs, Calcutta
28	Criminal writ relating to repairs of boundry wall	Col. Pushpendra Singh	N.A.	Allahabad High Court
29	Land dispute over plot in village Jokahi	State of Uttar Pradesh	N.A.	Allahabad High Court
30	Criminal proceedings resulting from an employees death	R.P.Chuabey	N.A.	Allahabad High Court
31	References by 7 workmen allegedly worked at Katni Bauxite siding	7 separate cases by workmen	N.A.	Central Government Industrial Tribunal-cum-Labour Court, Jabalpur
32	Unreasonable freight charged by Eastern Railway	Union of India	Average around 1.8 million p.a.	Railway Rates Tribunal, Madras
33	Arbitrary and unreasonable plot rent	Union of India	N.A.	Railway Rates Tribunal, Madras
34	Arbitrary fixation of plot rent by railways	South Eastern Railway, Bilaspur	Rs. 5.1 Million	Jabalpur High Court
35	Challenge of Election Notification of Nagar Panchayat Renukoot	State of Uttar Pradesh – 2 cases	N.A.	Allahabad High Court
36	Challenge of Notification declaring Hindalco establishment as Industrial Township	Md.Hussai	N.A.	Allahabad High Court
37	Permission for repair and use of road for transportation of mineral from Hindalco's bauxite mining lease at Chirokukud	State of Jharkhand	N.A.	High Court of Jharkhand at Ranchi
38	Appeal against the judgment in favour of Hindalco by the State Consumer Disputes Redressal Commission	U.P Aiways Ltd.	N.A.	National Consumer Disputes Redressal Commission, New Delhi
39	Demolition of unauthorized construction on Hindalco's land	Ashok Kumar	N.A.	Allahabad High Court
40	Deficiency in services of U.P.Airways	Chief Secretary Uttar Pradesh	Rs.0.8 million.	State Consumer Commission, Lucknow
41	Refund of Service Tax	Union of India.	N.A.	Supreme Court of India
42	Non supply of power – power cut matters	Uttar Pradesh State Electricity Board – 11 cases	Rs.315.9 million	High Court Lucknow Bench
43	Revision of tariff matter	Uttar Pradesh State Electricity Board	Rs.3.5 million	High Court Lucknow Bench
44	Minimum consumption guarantee matter	Uttar Pradesh State Electricity Board	Rs.3.7 million	High Court Lucknow Bench
45	Purchase of Adhoc Power	UPSEB	Rs. 0.5 million	15^{th} ADJ Lucknow
46	Night Load Regulation	UPSEB	Rs. 0.5 million	High Court Lucknow Bench
47	Non-payment of sales tax on leased assets	Sales Tax Authorities	Rs.218.9 million	High Court
48	Demand of 16% Excise Duty on Gold	Commissioner (Excise)	Rs.1553.1 million	CESTAT, Mumbai
49	Demand of 16% Excise Duty on Gold	Commissioner (Central Excise & Customs), Vadodara	Rs. 4.6 million	CESTAT, Mumbai

4.1.13 Hindalco held 1,560,000 equity shares of BCCL prior to its rights issue. Subsequently, Hindalco along with its subsidiary acquired 11,202,287 equity shares pursuant to the rights issue of BCCL vide its Letter of Offer dated January 30, 2003. Hindalco has complied with the applicable provisions of the regulations and other statutory requirements with regards to the above acquisitions.

4.1.14 There were no mergers / demergers, spin offs during the last three years except as stated under:

The Board of Directors of Hindalco and Indian Aluminium Company Limited approved the scheme of arrangement for transfer of all business of Indian Aluminium Company Limited (other than foil unit at Kollur, Andhra Pradesh) into Hindalco w.e.f. April 01, 2004.

The scheme of arrangement is already approved by requisite majority of shareholders and creditors of both the companies and sanctioned by Hon'ble High Court of Bombay and Calcutta. The scheme of arrangement was made effective by the Committee of Directors of both the companies from March 07, 2005. As per the scheme, Hindalco has allotted 299,522 shares of Rs. 10/- each fully paid up to the shareholders of Indian Aluminium Company Limited.

The Hon'ble high courts at Allahabad and Mumbai vide their orders dated November 18, 2002 and October 31, 2002 respectively approved a scheme of arrangement between Hindalco, Indo Gulf Corporation Limited (IGCL) and Indo Gulf Fertilizers Limited (IGFL) and their respective shareholders and creditors which envisaged the demerger of the fertilizer business of IGCL to IGFL and the subsequent amalgamation of the remaining business of IGCL with Hindalco. In terms of the scheme, the remaining business comprising of manufacturing of copper and certain precious metals, the processing, producing, manufacturing and marketing of certain type of chemicals has been amalgamated and transferred and vested in Hindalco with effect from April 01, 2002.

4.1.15 Hindalco has duly complied with all provisions under Clause 49 of the listing agreement relating to corporate governance.

4.1.16 The name and details of the Compliance Officer is as under:
Mr. Anil Malik
Company Secretary
Century Bhavan, 3rd Floor,
Dr Annie Besant Road,
Worli, Mumbai-400 025.
Tel: (91-22) 5662 6666,
Fax: (91-22) 2422 7586 / 2436 2516.

4.1.17 The details of companies promoted by Hindalco during the last three years are as under:

Birla Mt Gordon Pty Limited

Birla Mt Gordon Pty Limited is a wholly owned subsidiary of Birla Mineral Resources Pyt Ltd which in turn is a wholly owned subsidiary of Hindalco.

Date of Incorporation : September 19, 2003
Nature of Business : Exploration and mining of Copper cathode

(Rs. Million except as stated)

Financial Data	For the period ended September 19, 2003 to March 31, 2004
Equity Capital	798.48
Reserves (excluding revaluation reserves)	(217.62)
Total Income	1,284.75
PAT	217.62
Earning Per Share (Rs.)	2.73
Book Value Per Share (Rs.)	7.30

Note: Converted to Indian rupees at the exchange rate of Rs. 33.27 per Australian Dollar as on March 31, 2004.

Birla Maroochydore Pty Limited

Birla Maroochydore Pty Limited is a wholly owned subsidiary of Birla Mineral Resources Pyt Ltd which in turn is a wholly owned subsidiary of Hindalco.

Date of Incorporation : February 24, 2003
Nature of Business : Exploration and mining of Copper cathode

(Rs. Million except as stated)

Financial Data	For the period ended February 24, 2003 to March 31, 2004
Equity Capital	332.7
Reserves (excluding revaluation reserves)	(2.36)
Total Income	0.064
PAT	(2.36)
Earning Per Share (Rs.)	-
Book Value Per Share (Rs.)	9.93

Note: Converted to Indian rupees at the exchange rate of Rs. 33.27 per Australian Dollar as on March 31, 2004.

Birla Mineral Resources Pty Ltd.

Birla Mineral Resources Pyt Ltd is a wholly owned subsidiary of Hindalco.

Date of Incorporation : January 28, 2003

Nature of Business : Exploration and mining of Copper cathodes through wholly owned subsidiary companies.

(Rs. Million except as stated)

Financial Data	**For the period ended February 24, 2003 to March 31, 2004**
Equity Capital	3786.79
Reserves (excluding revaluation reserves)	(557)
Total Income	131.35
PAT	(557)
Earning Per Share (Rs.)	-
Book Value Per Share (Rs.)	8.53

Note: Converted to Indian rupees at the exchange rate of Rs. 33.27 per Australian Dollar as on March 31, 2004.

Suvas Holdings Pvt Ltd.

Suvas Holdings Pvt Ltd is a subsidiary of Indian Aluminium Company Limited which in turn is a subsidiary of Hindalco.

Date of Incorporation: September 20, 2000 and subsequently acquired by Hindalco in October 27, 2003.

Nature of Business**:** It has been setup as a Joint Venture with Laxmi Organic Industries Limited for the purpose of bidding for hydro power projects floated by the Government of Maharashta.

(Rs. Million except as stated)

Financial Data	**For the period ended February 24, 2003 to March 31, 2004**
Equity Capital	3786.79
Reserves (excluding revaluation reserves)	(557)
Total Income	131.35
PAT	(557)
Earning Per Share (Rs.)	-
Book Value Per Share (Rs.)	8.53

Indo Gulf Fertilisers Limited (IGFL)

Pursuant to a scheme of arrangement, the fertilizer business of Indo Gulf Corporation Limited was transferred to and vested in IGFL w.e.f. from March 31, 2002

Date of Incorporation : March 10, 1998

Nature of Business : It is engaged in the fertilizer business.

(Rs. Million except as stated)

Financial Data	**For the year ended March 31, 2003**	**For the year ended March 31, 2004**
Equity Capital	45.09	45.09
Reserves (excluding revaluation reserves)	439.04	515.06
Total Income	675.21	578.52
PAT	172.80	90.27
Earning Per Share (Rs.)	38.32	20.02
Book Value Per Share (Rs.)	107.40	124.20

4. 2 Pilani Investment & Industries Corporation Limited, the Person Acting in Concert

4.2.1 Pilani was incorporated on August 9, 1948 as Investment Corporation Limited under the Jaipur Companies Act, 1942. It changed its name to Pilani Investment Corporation Limited on January 6, 1953 under the Indian Companies Act, 1913 and subsequently to Pilani Investment and Industries Corporation Limited on January 13, 1982.

4.2. 2 Pilani has its registered office at Birla Building, 9/1, R. N. Mukherjee Road, Kolkota -700 001. Tel: 22131680/0380, Fax: 22438592

4.2.3 Pilani is an investment company holding shares in various companies. The main components of its income are dividend and interest income on its investments in companies.

4.2.4 The shares of Pilani are listed on the stock exchange at Madhya Pradesh and the DSE. The equity shares of Pilani are not regularly traded on the stock exchanges.

4.2.5 The PAC has duly complied with the applicable provisions of Chapter II of the Regulations.

4.2.6 The paid up capital of Pilani as on March 31, 2005 comprises 7,908,750 shares of Rs. 10/- each. The shareholding pattern of Pilani as on March 31, 2005 is as under :

Sr. No	Shareholders Category	No. of shares held	% of shares
1	Promoters	6,584,818	83.24
2	FII/Mutual Funds/FIs/Banks	38,650	0.49
3	Public	1,285,282	16.27
	Total paid up capital	**7,908,750**	**100.00**

4.2.7 As on the date of the PA, the details of the Board of Directors of Pilani are as below :

Name and Designation	Residential Address	Qualification & Age	Date of Joining
Dr. K. K. Birla Executive Director	17, Gurusaday Road, Kolkata – 700 019	Industrialist 87 years	November 23, 1992
Mr. B. K. Birla Executive Director	18, Gurusaday Road, Kolkata – 700 019	Industrialist 84 years	August 28, 1986
Shri. G. P. Birla Executive Director	9/1 R. N. Mukherjee Road Kolkata – 700 001	Industrialist 82 years	September 29, 1987
Mr. S. K. Birla Executive Director	3/1 Raja Santosh Road Kokata – 700 027	Industrialist 69 years	September 29, 1994
Mr. G. D. Kothari Executive Director	Kothari Niwas Penn Road, Alipore, Kolkata – 700 027	Industrialist 84 years	August 29, 1986
Mr. P. K. Khaitan Executive Director	1B, Old Post Office Street Kolkata – 700 001	Solicitor 62 years	March 30, 1984
Mr. D. N. Patodia Executive Director	45 Akash Neem Marg DLF City, Phase II Gurgaon – 122 002	Industrialist 72 years	September 27, 1973
Mr. A. C. Dalal Executive Director	Stallion Impex Pvt. Ltd. 54 C Mittal Tower 210 Nariman Point Mumbai – 400 021	Stock Broker 83 years	September 09, 1975
Mr. R. A. Makharia Executive Director	Birla Building, 14th Floor, 9/1 R. N. Mukhejee Road, Kolkata – 700 001.	B.A L.L.B 68 years	July 30, 1975

Please note that any correspondence to the Directors must be addressed to the registered office of Pilani

As on the date of the Public Announcement, none of the Directors of Pilani are on the Board of Directors of BCCL.

None of the Directors of Pilani have acquired any shares of BCCL from 12 months prior to June 18, 2002 till the date of LOF.

4.2.8 The adjusted audited financial highlights of Pilani for the last three years and the estimated financial results for the year ended March 31, 2005 (which has been subjected to 'Limited Review' by the Statutory Auditors of Pilani) certified by Mr. Sanjay Agarwal, Chartered Accountants, (Membership no. 056431), vide their letter dated May 06, 2005 are as follows :

(Rs. million except as stated)

Profit & Loss Statement	**For the year ended March 31, 2005***	**For the year ended March 31, 2004**	**For the year ended March 31, 2003**	**For the year ended March 31, 2002**
Income from Operations	271	229	223	210
Other Income	4	0	0	0
Total Income	275	229	223	210
Total Expenditure	23	16	12	11
Profit Before Depreciation Interest and Tax	252	213	210	199
Depreciation	0	0	0	0
Interest	13	26	39	56
Profit Before Tax	239	187	172	142
Provision for Tax	9	7	34	8
Profit After Tax	230	181	137	135

Balance Sheet Statement	**For the year ended March 31, 2005***	**For the year ended March 31, 2004**	**For the year ended March 31, 2003**	**For the year ended March 31, 2002**
Sources of Funds				
Paid up Share Capital	79	79	79	79
Reserves and Surplus (excluding revaluation reserves)	1248	1013	940	892
Networth	1327	1092	1019	971
Secured Loans	68	237	278	339
Unsecured Loans	0	0	0	0
Total	**1395**	**1329**	**1297**	**1310**
Uses of Funds				
Net Fixed Assets	2	2	3	3
Investments	1056	1007	1133	1072
Net Current Assets	325	306	149	222
Total	**1395**	**1328**	**1298**	**1310**

Other Financial Data	**For the year ended March 31, 2005***	**For the year ended March 31, 2004**	**For the year ended March 31, 2003**	**For the year ended March 31, 2002**
Dividend per share (Rs.)	—	120	100	100
Earning per share (Rs.)	29.13	22.84	17.36	17.02
Return on Networth %	17.33	16.58	13.44	13.9
Book Value Per Share (Rs.)	167.79	138.12	128.81	122.74

* Figures for the year ended March 31, 2005 is based on estimated results of Pilani which has been subject to 'Limited Review' by the Statutory Auditors of Pilani.

Note :

1. The statement of assets and liabilities has been prepared after deducting the balance outstanding of Investment Reserve Account from both Investment and Reserves and the net worth is arrived after such deduction.
2. Adjustments/rectifications for all incorrect accounting policies or failures to make provisions or other adjustments which resulted in audit qualifications has been made to the extent such amount is quantifiable.

4.2.9 The reasons for rise in Total income and PAT are as follows :

The profitability of Pilani during the year ended March 31, 2004 increased in comparison to the previous year mainly because of the improved performance of the companies in which Pilani holds shares. Similar improved performance of the companies in which Pilani has invested was the main reason for the improved performance for the year ended March 31, 2003 over the previous year.

4.2.10 Significant accounting policies adopted by Pilani for the year ended March 31, 2004 are as follows:

1. Accounting Policies

   The Company prepares its accounts on accrual basis except otherwise stated, in accordance with the normally accepted accounting principles. However, income is not recognized and also provision is made in respect of non-performing assets as per the guidelines for prudential norms prescribed by the Reserve Bank of India.

2. Fixed Assets

   a. Fixed Assets are stated at cost less depreciation

   b. Depreciation of Fixed Assets is provided on reducing balance method at the rates specified in Schedule XIV of the Companies Act, 1956.

3. Investments

   a. Long-term investments are valued at cost, i.e. book value of the investments as reflected in the financial statements as on 31st March, 2003 and for subsequent diminution, provision is made by way of adjustment against Investment Reserve.

   b. Shares held in Overseas Companies are valued at the exchange rates prevailing on the date of payment(s).

   c. In case of securities purchased cum-interest, the entire payment consideration is treated as cost. In case of securities sold cum-interest, the interest income upto date of sale is allocated to the cost of investments.

   d. In case of investments in non-convertible debentures with detachable warrants, with an option to the Company to sell the non-convertible debentures at a certain agreed price and to retain detachable warrants, the difference between the issue price and the agreed price as above, is treated as cost of detachable warrants.

4. Income from Investments/Deposits

   Dividend received from Overseas Companies is accounted for, net of tax deducted at source.

5. Provision for Retirement Benefits

   (a) Liabilities in respect of gratuity and leave payment to employees are provided on the basis of actuarial valuation.

   (b) Retirement benefits in the form of contribution to Provident & Superannuation funds are charged to Profit & Loss Account in the year when these become due.

6. Earning per share

   Earning per share is calculated by dividing the net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

7. Taxation

   Provision for Income Tax comprises of current tax and deferred tax charge or release. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets are not recognized unless there is "virtual certainty" that sufficient future taxable income will be available against which such deferred tax asset will be realized.

8. Contingencies

   Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes of the accounts.

4.2.11 Contingent liabilities of Pilani for the year ended March 31, 2004 is as follows:

1. Uncalled liability on partly paid up shares and debentures etc. held as investments Rs. 3210

2. Income Tax demands aggregating to Rs. 12,376,069 for earlier years being disputed by the company / Income Tax Department in appeals. However, the above amount has already been adjusted by the department against subsequent refunds made to the Company but no entry thereof is made in the books pending finalisation of the company's appeals.

4.2.12 Pending litigations relating to Pilani as per the Annual Report for the year 2003-04 are as under:

1. Pilani has disputed the claim for recovery of Rs. 1,544,486 plus interest from November 01, 1973 made by State Bank of India, Bombay in a suit filed against the company on the basis of guarantee given in respect of the advances made to Hind Cycles Limited against their cash Credit Account by the said bank and as such no provision thereof has been made in the accounts.

2. The Competent Authority under Urban Land (Ceiling & Regulation) Act, 1976 has declared excess land of 329.25 sq. mtrs in respect of land at New Delhi transferred to a subsidiary of Pilani w.e.f. April 01, 1985, against which a stay has been granted to Pilani by the Appellate authority under the said Act. Further in view of Urban Land (Ceiling & Regulation) Repeal Ordinance 1999 (No. 5 of 199) dated January 11, 1999, Urban Land (Ceiling & Regulation) Act, 1976 stands repealed as advised to Pilani by the solicitors.

4.2.13 Pilani held 390,000 equity shares of BCCL prior to its initial public offering. It has not acquired any equity shares since.

4.2.14 There has been no merger/demerger, spin off during the last three years.

4.2.15 Pilani has duly complied with all provisions under Clause 49 of the listing agreement relating to corporate governance.

4.2.16 The names and details of the Compliance Officer is as under:

Mr. B. D. Dalmia
18 Rasim Vihar, Birlanagar, Gwalior 474004
Tel No. 91 (0751) 2365349 Fax No. 91 (0751) 2003476

5 DELISTING OPTION

Pursuant to this Offer, the Acquirer / PAC do not propose to delist the equity shares of BCCL.

6 INFORMATION ON BIHAR CAUSTIC & CHEMICALS LIMITED

6.1 BCCL was incorporated on July 20, 1976, as a public limited company under the Act, as Bihar Caustic & Chemicals Limited.

6.2 It has its registered office at Ghanshyam Kunj, Garhwa Road, P.O. Rehla 822 124, District Palamau, Jharkand, India. Tel: (91-06584) 222211/ 222221/ 222488, Fax: (91-06584) 22205.

6.3 BCCL is one of the leading manufacturers of caustic soda in the eastern region of India and is engaged in the manufacture of Caustic Soda Lye, Liquid Chlorine, Hydrochloric Acid, Sodium Hypo Chlorite and Hydrogen Gases. Its manufacturing facilities are also at Jharkhand.

6.4 The issued, subscribed and paid-up share capital of BCCL as on the date of this PA comprises of 23,386,400 fully paid-up Equity Shares of Rs. 10/- each. There are 100 partly paid-up Equity Shares of Rs. 5/- each as on the date of this PA.

6.5. The Capital Structure of BCCL as on the PA date is as follows :

Paid up Equity Capital	No. of Shares/ voting rights	% of shares/ voting rights
Fully paid up equity capital	2,33,86,400	99.999
Partly paid up equity capital	100	0.001
Total paid up capital	2,33,86,500	100.000
Total voting rights	2,33,86,400	99.999

6.6 There are no outstanding convertible instruments of the BCCL as on date of the PA.

6.7 The capital build-up of BCCL since its inception is as follows :

Date of Allotment	Number of shares issued	% of shares issued	Cumulative paid-up capital in Rs.	Mode of allotment	Identity of allottees
10.02.1983	3978000*	51.00	39780000	Public Issue	Promoters
10.02.1983	3822000	49.00	78000000	Public Issue	Public
7.05.2003	11202287	71.87	190022870	Rights Issue	Promoters
07.05.2003	4384213	28.13	233865000	Rights Issue	Public
TOTAL	**23386500**	**100**			

* Includes 70 shares allotted for cash on July 20, 1976 as subscription to the Memorandum of Association and 10 shares allotted on September 08, 1997, for cash.

BCCL has complied with applicable provisions of regulations under the SEBI Act and other statues with regards to the above capital build up.

6.8 The Equity Shares of BCCL are listed on the BSE and the Calcutta Stock Exchange Ltd ("CSE"). The Equity Shares of BCCL were listed on DSE on the reference date. The equity shares were subsequently delisted from DSE on October 13, 2004. CSE has approved of the Company's request for voluntary delisting on March 30, 2005. The price to earning ratio was 13.88 based on BCCL's share price of Rs. 51.2 per share on BSE on March 31, 2005 and EPS for the year ended March 31, 2004.

6.9 BCCL has duly complied with all the provisions of the listing agreement entered into with BSE and CSE from time to time. No penal action has been initiated or taken by BSE or CSE and the shares have not been suspended for trading on either stock exchanges nor has any of the stock exchanges denied listing.

BCCL has duly complied with the applicable provisions regulations of Chapter II of the Regulations except for a delay of 4 days and 120 days in filing u/r 6(2) and 6(4) of respectively. Suitable action may be initiated by SEBI in due course for the said violation.

6.10 As on the date of the PA, the details of the Board of Directors of BCCL was as below :

Name and Designation	Residential Address	Qualification & Age	Date of Joining
Mr A.K. Agarwala Director	"Haveli", Flat No. 3, L.D. Ruparel Marg, Mumbai – 400 006	B.Com., L.L.B., F.C.A. 46 Years	09.05.2001
Mr K. K. Maheshwari Director	Chitrakoot Co-op Housing Society Ltd., 2nd floor, Altamount Road, Mumbai – 400 026	M.Com., F.C.A. 26 Years.	09.05.2001
Mr Vijoy Prakash Director	6, Off Polo Road P. S. Gardanibag Patna 800 001	M. Phil (Physics), I.A.S. 24 Years	23.04.2004
Mr Edwin E. Fernandes, Director	C-2 – IDBI Flat, Nepali Kothi, Boring Road, P. S. Shrikrishnapuri, Patna 800 001.	B.A (Hons), Diploma in Administrative Management 26 Years	25.02.2004

Name and Designation	Residential Address	Qualification & Age	Date of Joining
Mr Biswajit Choudhuri Director	Samrat Apartments BB 37, Apt. No. 2, Salt Lake, Kolkata – 700 064.	B. Tech. (Hons), F.I.C.W.A., F.I.I.B., C. Engg., M.I.E.E. (Lond.) F.I.I. Prod. E. 42 Years.	30.01.2002
Mr P. P. Sharma Director	Nepal House, Doranda, Ranchi – 834 001	I.A.S.	30.01.2002
Mr P. N. Ojha Managing Director	Bihar Caustic & Chemicals Ltd., P. O. Rehla – 822 124 Dist. Palamau, Jharkhand	B.E. (Chem. Engg.) 34 Years	12.09.2000

Please note that any correspondence to the directors must be addressed to the registered office of BCCL.

Mr. A. K. Agarwala , director of BCCL is a director of Hindalco and Mr. P. N. Ojha and Mr. K.K.Maheshwari represent the Acquirer in the Board of BCCL. They have recused themselves and not participated in any maters concerning or relating to the Offer including any preparatory steps leading to the Offer.

The changes in directorships after the rights issue are as follows :

Name of the Director	Date of Joining	Date of Cessation	Reason
Shri. Vijoy Prakash	April 23, 2004	—	Newly appointed*
Shri. Edwin E Fernandes	February 25, 2004	—	Newly appointed
Shri. G L Yadav		March 29, 2004	Ceased to be Nominee Director
Shri. Ashok Kumar		April19, 2004	Ceased to be Director*
Shri. P Sitaram		February 25, 2004	Ceased to be Nominee Director
Shri. V N Sharma		May 23, 2004	Completed term of appointment

* BSIDC vide their letter dated April 19, 2004 withdrew the nomination/appointment of Mr. Ashok Kumar as Chairman and Director and nominated Mr. Vijoy Prakash as Director in place of Dr. G. L Yadav vide their letter dated December 10, 2003.

6.11 The audited financial highlights of BCCL for the last three years

(Rs. million except as stated)

Profit & Loss Statement	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
Income from operations	1079.63	933.64	904.31
Other Income	21.96	19.22	7.69
Increase /(decrease)in stock	(1.22)	(3.19)	3.27
Total Income	1100.37	949.67	915.27
Total Expenditure	591.55	570.11	547.06
Profit Before Depreciation Interest and Tax	508.83	379.56	368.22
Depreciation	83.03	80.32	80.09
Interest	89.31	121.79	148.58
Profit Before Tax	336.48	177.45	139.54
Less: Extraordinary item	39.52	16.88	—
Provision for Tax	32.45	74.30	64.42
Profit After Tax	264.52	86.26	75.12

Balance Sheet Statement	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
Sources of funds			
Paid up share capital	233.86	233.69	78.00
Reserves and Surplus (excluding revaluation reserves)	619.22	473.28	337.85
Net worth	853.08	706.97	415.85
Secured loans	454.08	631.79	813.42
Unsecured loans	141.23	142.28	160.95
Total	**1555.31**	**1481.06**	**1390.22**
Uses of funds			
Net fixed assets	1453.12	1343.79	1366.03
Investments	0.00	0.00	0.00
Net current assets	64.01	94.13	12.45
Total miscellaneous expenditure not written off	37.79	43.13	11.74
Total	**1555.31**	**1481.06**	**1390.22**

Other Financial Data	For the year ended March 31, 2005	For the year ended March 31, 2004	For the year ended March 31, 2003
Dividend (%)	8 %	5 %	Nil
Earning Per Share(Rs.)	11.31	3.69	9.63
Return on Networth (%)	32.44	15.24	20.37
Book Value Per Share (Rs.)	34.84	24.24	47.26

6.12 The reasons for rise in Total income and PAT are as follows :

Total Income for the year ended March 31, 2005 at Rs. 1100.37 million has registered an increase of 15.60% over that of the previous year mainly due to higher sale volume of caustic soda by 4.66% at 54,180 MT and increase in ECU realisation by 10.4% at Rs. 19,141/- per MT over the last year's average realization of Rs. 17,337/- per MT, Increase in Other Income by Rs. 21.96 million over that of the previous year has also contributed to the increase in total income.

Net Profit after tax for the year ended March 31, 2005 at Rs. 264.52 million jumped by 207 % over that of previous year's profit of Rs. 82.26 million mainly due to higher sales volume, increased realizations and the benefits of reduced interest cost by Rs. 32.48 million due to full year impact of debt restructuring and also partly due to substantial repayment of Institutional loans during the year.

Profit after tax for the year ended March 31, 2004 stood at Rs.86.26 million against Rs.75.12 millon. The increased was mainly due to increase in ECU realisation from Rs.16637 per MT in 2002-03 to Rs.17338 per MT in 2003-04. Except for increase in chlorine production from 27892 per MT to 31624 per MT, there was a marginal reduction in caustic soda and hydrochloric acid production. Reduction in finance charges from Rs.148.5 million to Rs.12.8 million due to restructuring of long term debts also contributed to the increase in over all profitability. BCCL's gross sales for the year ended March 31, 2004 was at Rs. 1078.38 million showing an increase of 3% over the previous year.

6.13 The litigations pending relating to BCCL are as under :

1. There are cases pending against Jharkhand State Electricity Board/ Bihar State Electricity Board relating to annual minimum guarantee charges, delayed payment surcharge over DPS, remission of BCCL's claims under the High Tension Agreement and the method of computing the fuel surcharge as well as the amount charged for such surcharge aggregating about Rs. 931 million
2. BCCL has filed money suits against its customers who have not settled their outstanding dues. The total outstanding amount is Rs. 4.05 million.
3. BCCL filed a complaint against the National Insurance Company before the State Consumer Forum for recovering claims as well as for refund of extra premium paid. The Forum awarded a claim for Rs. 0.17 million. An appeal has been filed by the National Insurance Company before National Consumer Forum.
4. BCCL has instituted proceedings against the State of Bihar in order to receive an interest free sales tax loan for the period 1984-1989 and 1989-1994 from the State Government under its Industrial Policy. Although claims have been made, the loan amounting to Rs.93.36 million has not been paid.
5. The Excise Department has raised demand and show cause notices on excess realization of transportation charges for the period April 1991 to June 2000. Out of a demand for Rs. 6.4 million on appeal, BCCL was directed and paid Rs.1.6 million. BCCL has preferred an appeal before CEGAT, Calcutta.
6. The National Insurance Company has filed an appeal in the Calcutta High Court challenging the award of Rs. 2.22 million in favour of BCCL by the arbitrator relating to claims for damages of certain equipment.
7. There are 11 cases filed by the State of Jharkhand under the Factories Act 1948, Contract Labour (Regulation & Abolition) Act 1970, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Minimum Wages Act, 1948. The liability in this case is estimated to be Rs. 1.5 million.
8. After construction BCCL's caustic soda plant was completed, certain contract workers were terminated as per their contract. However, they moved an application before the Industrial Tribunal claiming to be permanent workers BCCL and therefore wrongfully dismissed. Due to the retirement of the presiding officer, the Tribunal continues to be vacant and the cases are pending.
9. Canara Bank, one of the lenders, vide its letter dated February 12, 2001 made an application to the Board of Industrial and Financial Reconstruction ("BIFR') requesting grant of permission for claiming the right to recompense from BCCL of Rs.17.53 million being reliefs and concessions in terms of the scheme of rehabilitation sanctioned by the BIFR on June 30, 1990 which was implemented and discharged subsequently. Canara Bank, being aggrieved by the order that the right to recompense was non-maintainable preferred an appeal before the Appellate Authority for Industrial and Financial Reconstruction which is being heard.

   Similarly State Bank of India has filed a suit with the DRT Ranchi claiming a sum of Rs. 39.5 million under its right to recompense under the above BIFR sanctioned scheme of rehabilitation. These claims are against loans repaid by BCCL by September 1998 as per the scheme. The suit is being heard.
10. A criminal complaint was filed by Mr. Dilip Kumar Sharma against a contractor of BCCL and the Managing Director of BCCL as the full amount of the rent was not paid by the contractor on a machine rented by Mr. Sharma The Court took cognizance of the complaint and issued a bailable warrant for Mr. Shukla and the Managing Director BCCL under section 406 of the Indian Penal Code. BCCL filed a criminal miscellaneous petition in the Jharkhand High Court at Ranchi for quashing the above order. The High Court granted a stay against the proceedings of trial court. The criminal miscellaneous petition is still pending for final disposal.
11. In respect of water charges arrears, the Bihar Government has raised a demand on the basis of 20 lacs gallons consumption per day instead of actual drawal of water (the bone of contention) for the period from 01.05.1985 to 14.11.2000 and the amount demanded by them is Rs.24.5 million. However, as per the terms of the Agreement, they have indicated referring the matter to the Arbitrator by them.
12. BCCL has appealed against the disallowance of Modat credit on Capital Goods and Input items aggregating Rs. 33,000.
13. BCCL has filed an appeal with CIT (Appeal) Ranchi against Income Tax and Interest for the assessment years 1998-99 and 2000-01 aggregating Rs. 2.22 million

6.14 No merger / demerger /spin off has taken place in BCCL during the period of last three years.

6.15 BCCL has duly complied with all provisions under Clause 49 of the listing agreement relating to corporate governance.

6.16 The name and details of the Compliance Officer are as under :

Mr. Mahendra Parekh
Bihar Caustic & Chemicals Limited,
Garhwa Road, P.O. Rehla, 822 124
Distt. Palamau (Jharkhand)
Tel. No: (06584) 222211,222221,222488
Fax: (06584) 222205

6.17 Pre and Post-Offer shareholding pattern of BCCL, as on the date of Letter of Offer is as follows :

Shareholders' category	Shareholding & voting rights prior to the offer		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer (Assuming full acceptances)	
	(A)		(B)		(A)+(B)=(C)	
	No.	%	No.	%	No.	%
(1) Promoter and Acquirer	13,152,287	56.24	4,677,300	100	17,829,587	76.24
(2) Promoter other than above	2,028,000	8.67	0	0		
(3) Public						
a. MFs		1800	0.01			
b. Banks, FIs, Insurance Company	8100	0.03			5,556,913*	23.76
c. NRI/OCB/FII	164589	0.70				
e. Others	8031724	34.35	0	0		
Total (2) + (3)	10,234,213	43.76			5,556,913	23.76
GRAND TOTAL (1+2+3)	**2,3386,500**	**100**	**4,677,300**	**100**	**23,386,500**	**100**

* Shareholding of each category of investors will depend on the response in the Open Offer.

The total number of shareholders in public category as on the PA date was 11791.

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification for the Offer Price

7.1.1 The Equity Shares of BCCL are listed on the BSE and CSE. The Equity Shares of BCCL were listed on DSE on the Reference Date. The equity shares were subsequently delisted from DSE on October 13, 2004. CSE has approved of the Company's request for voluntary delisting on March 30, 2005.

7.1.2 The annualized trading turnover in the shares of BCCL in each of the above mentioned stock exchanges based on trading volume during December 2001 to May 2002 (six calendar months preceding the month of the Reference Date) is as given below:

Stock Exchange	Total No. of Shares traded during 6 calendar months prior to the month of the reference date	Total No. of Listed Shares as on reference date	Annualized Trading Turnover (as % of Total Shares Listed)
BSE	784,755	7,800,000	20.12%
CSE	8,300	7,800,000	0.21%
DSE	Nil	7,800,000	Nil

(Source: BSE, CSE and DSE)

The Equity Shares of BCCL were frequently traded on BSE and infrequently traded on CSE and DSE based on the equity capital as on the reference date within the meaning of explanation (i) to regulation 20(3), of the Regulations, in force on the reference date.

7.1.3 In accordance with regulations 20(2) and 20(3) of the Regulations, in force on the Reference Date, the Offer Price of Rs. 18.75 per share has been determined taking into account the following :

a.	Negotiated price under the agreement for acquisition of share or voting rights or deciding to acquire shares or voting rights pursuant to which this Offer is being made.	Rs. 10/-*
b.	Highest price paid by the Acquirer/PAC for any acquisitions, including by way of allotment in a public or rights issue, during the 26 weeks prior to June 18, 2002	Not applicable
c.	Highest price paid by the Acquirer/PAC under a preferential allotment made to them at any time during 12 month period preceding June 18, 2002	Not applicable
d.	The average of the weekly high and low of the closing prices for the equity shares of BCCL for the 26 week period prior to June 18, 2002	Rs. 18.75

e.	Other Financial Parameters of BCCL with reference to June 18, 2002 **	
	Return on Networth (%)	12.91
	Book Value per Share (Rs.)	39.03
	Earnings Per Share (Rs.)	5.04
	Offer Price/Earnings Ratio	3.72

* Based on the undertaking given by Hindalco for the rights issue of BCCL to subscribe to its rights entitlement in full and apply for additional shares to the extent the rights issue of BCCL is undersubscribed.

** Based on the audited accounts of BCCL for the year ended March 31, 2002. Accordingly these ratios are based on the pre rights equity capital of BCCL and do not reflect the dilution on account of the rights issue. For impact of the dilution refer to financials of BCCL given under 'Information about BCCL'.

Mr. Brijesh Mathur, of M/S. B. K. Mathur & Associates, Chartered Accountants, 53, Vasani Center, Off Princess Street, Mumbai-400 002 (Membership No. 39565) have vide their report dated March 31, 2005, stated that the fair value based on the valuation methodology as laid down by the Hon'ble Supreme Court of India in the case of Hindustan Lever Employees Union vs Hindustan Lever Limited, 1995, (83 Com case 30), would be Rs. 10.95 per share.

Weekly high and low of closing prices and their average and the trading value on BSE for 26 weeks prior to the Reference Date are as under:

					Share Price in (Rs.)
Week No.	**Week Ending**	**High**	**Low**	**Average**	**Volume (Shares)**
1	December 24, 2001	19.25	18.0	18.63	24387
2	January 1, 2002	18.10	16.7	17.40	1100
3	January 8, 2002	16.50	15.45	15.98	2200
4	January 15, 2002	17.00	16.3	16.65	5600
5	January 22, 2002	17.50	16.4	16.95	2600
6	January 29, 2002	19.00	16.5	17.75	6557
7	February 5, 2002	19.00	17.5	18.25	2100
8	February 12, 2002	23.15	17.0	20.08	20350
9	February 19, 2002	23.65	22.25	22.95	6550
10	February 26, 2002	21.75	20.3	21.03	5550
11	March 5, 2002	20.05	19.05	19.55	4200
12	March 12, 2002	21.35	19.1	20.23	4100
13	March 19, 2002	20.25	19.1	19.68	2170
14	March 26, 2002	19.80	18.80	19.30	450
15	April 2, 2002	20.00	18.75	19.38	100
16	April 9, 2002	23.40	18.75	21.08	11370
17	April 16, 2002	22.05	20.0	21.03	700
18	April 23, 2002	19.75	18.60	19.18	3000
19	April 30, 2002	18.90	18.50	18.70	1850
20	May 7, 2002	19.30	18.75	19.03	1750
21	May 14, 2002	20.85	19.45	20.15	17225
22	May 21, 2002	17.95	15.50	16.73	4500
23	May 28, 2002	15.90	14.40	15.15	6402
24	June 4, 2002	16.85	14.85	15.85	4512
25	June 11, 2002	18.75	16.50	17.63	10028
26	June 18, 2002	20.60	18.10	19.35	26100
			26 Week Average Price	18.75	6748.12

7.1.4 In the opinion of the Manager to the Offer, the offer price of Rs. 18.75 per equity share of BCCL is justified in terms of regulation 20(2) and 20(3) of Regulations in force on the Reference Date.

7.1.5 The Acquirer and the PAC have not entered into any non-compete agreement.

7.1.6 The offer price shall not be less than the highest price paid by the Acquirer or the PAC for any acquisition of equity shares of BCCL from the date of PA upto 7 working days (i.e upto May 30, 2005) prior to the date of closing of the Offer.

7.2 Funding Arrangement for the Offer

7.2.1 The maximum fund requirement for the acquisition of 4,677,300 Equity Shares of BCCL of Rs. 10/- each would be Rs. 108,863,831 comprising of Rs. 87,699,375 at the Offer Price of Rs. 18.75 per equity share, and interest net of dividend of Rs. 21,141,396 at Rs. 4.52 per share calculated at the rate of 10% p.a., from October 21, 2002 till June 24, 2005, i.e. the scheduled date of dispatch of payment consideration to the shareholders, net of dividend of Re. 0.50 per share paid for the financial year 2003-04. This amount is subject to change depending upon the actual date of dispatch of payment to the shareholders. According to the decision of the Hon'ble Supreme Court in Clariant

International Limited and another vs. SEBI (August 25, 2004), the above amount of Rs. 4.52 per share being the interest net of dividend paid, is payable only to those shareholders of BCCL on June 18, 2002 and who continued to be shareholders of BCCL on the date of closing of the Offer. All other shareholders whose shares are accepted in the Offer will be paid at the Offer Price of Rs. 18.75 per share. These funds will be sourced from internal accruals of Hindalco.

7.2.2 In accordance with the provisions of regulation 28 of the Regulations, the Acquirer has established a Bank guarantee in favour of the Manager to the Offer for Rs. 27,300,000 (being 25% of the total consideration payable under this Offer) through IDBI Bank having its office at 224 A, Mittal Court, A Wing, Nariman Point, Mumbai 400 021. This bank guarantee shall be valid until July 14, 2005.

7.2.3 The Acquirer has also made a cash deposit of Rs. 1,100,000 (being 1% of the maximum purchase consideration payable under this Offer) in a Bank account ("Escrow Account") with UCO Bank, its branch at Century Bhavan, Worli, Mumbai 400 025, ("Escrow Bank" or "Escrow Banker").

The Manager to the Offer, Enam has been empowered to operate the Escrow Account and is authorized to realize the value of the aforesaid Escrow Account.

7.2.4 Mr. Brijesh Mathur of M/S. B. K. Mathur & Associates, Chartered Accountants, (Membership no. 39565), 53, Vasani Center, 4th Floor, 28, Babu Genu Road, Off Princess Street, Mumbai 400 002, Tel: (91-22) 2083950, Fax: (91-22) 2083949, has certified vide their letter dated April 01, 2005, that on the basis of necessary information and explanation given by the Acquirer and on verification of assets, liabilities, internal accruals, requirement of funds and availability of funds in the Escrow Account, the Acquirer has adequate resources to meet the financial requirements of the Open Offer.

7.2.5 Enam, on basis of the above, has satisfied itself that the Acquirer/PAC have adequate and firm financial arrangements to implement the Offer in accordance with the Regulations.

8 TERMS AND CONDITIONS OF THE OFFER

8. 1 The Acquirer made a Public Announcement on April 02, 2005 for the Offer. This Offer is being made to all the equity shareholders of BCCL (other than the Acquirer / PAC) and the Letter of Offer together with the Form of Acceptance, Form of Withdrawal and Transfer Deed (for shareholders holding equity shares in the physical form) is being mailed to those shareholders of BCCL whose names appear on the register of members of BCCL and to the beneficial owners of the equity shares of BCCL whose names appear as beneficiaries on the beneficial record of the respective Depositories, at the close of business on the Specified Date (i.e. April 08, 2005). Owners of equity shares but not registered as shareholder(s) are also eligible to participate in the Offer at any time prior to the date of closing of the Offer. No Letter of Offer together with a Form of Acceptance, Form of Withdrawal and Transfer Deed will be mailed to the Acquirer / PAC.

8.2 The Offer is subject to the terms and condition set out herein in the Letter of Offer, the Form of acceptance, the Form of Withdrawal, the PA and any other public announcements that may be issued about the Offer.

8.3 This Offer is subject to receipt of the statutory approvals mentioned in paragraph 9 of this LOF. In terms of regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

8.4 Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

8.5 The Offer will open on May 20, 2005 and close on June 09, 2005.

8.6 The Offer is not subject to any minimum level of acceptance. The acceptance of the Offer is entirely at the discretion of the equity shareholders of BCCL. Each shareholder of BCCL to whom the Offer is being made, is free to offer his shareholding in BCCL, in whole or in part while accepting the Offer.

8.7 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).

8.8 Equity shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of BCCL may be precluded from transferring the equity shares during pendency of the said litigation, are liable to be rejected unless directions/ orders regarding the free transferability of such equity shares are received together with the equity shares tendered under the Offer prior to the date of closing of the Offer.

8.9 The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and other documents during transit. The equity shareholders of BCCL are therefore advised to adequately safeguard their interest in this regard.

9 Statutory/Other Approvals Required for the Offer

9.1 The Offer is subject to the Acquirer receiving the necessary approval(s), if any, from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999 and rules and regulations thereunder, for acquiring shares validly tendered by non-resident shareholders.

9.2 Non-resident shareholders should also enclose a copy of the RBI permission received by them for acquiring equity shares held by them in BCCL. In case the RBI permission is not submitted, the Acquirer reserves the right to reject such equity shares tendered in the Offer.

9.3 The Acquirer will make the above applications, if required, to acquire the shares pursuant to the Offer at an appropriate time.

9.4 There are no other statutory approvals required for the purpose of this Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.

9.5 The Acquirer/PAC shall complete all procedures relating to the Offer within a period of 15 days from the date of closing of the Offer.

9.6 In case of delay, due to non-receipt of statutory approvals, as per regulation 22(12) of the Regulations, SEBI may, if satisfied that the non-receipt of the approvals was not due to willful default or negligence, grant an extension for the purpose of completion of the Offer provided the Acquirer/PAC agrees to pay interest to the shareholders for delay beyond 15 day from the date of closing of the Offer.

9.7 If the Acquirer/PAC fail to obtain the requisite approvals in time due to willful default or neglect or inaction or non-action on his part, the amount lying in the escrow account shall be forfeited in the manner provided in regulation 28 (12) (e) of the Regulations.

9.8 The Acquirer/PAC reserves the right to withdraw the Offer in the event of the requisite statutory approvals being refused. In the event of withdrawal, a public announcement will be made in the same newspapers in which this original PA is being made.

In case the RBI's approval for acquisition of equity shares from Non-Resident Shareholders is unduly delayed, the Acquirer reserve the right to proceed with the payment to the resident shareholders whose equity shares have been accepted by the Acquirer in terms of the Offer pending payment to Non-Resident Shareholders, subject to total consideration payable to the Non-Resident shareholders being deposited in the escrow/special account with lien marked in favor of the Manger to the Offer.

10 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

10.1 The Acquirer has appointed MCS Limited as Registrar to the Offer.

10.2 MCS Limited has set up the following centers to collect the acceptances being tendered in this Offer

Name & Address of Collection Centres	Mode of Delivery	Contact Person	Contact No.	Fax. No.
MCS Limited Sri Venkatesh Bhavan Plot No. 27, Road No. 11 MIDC Area, Andheri East Mumbai 400 093	Registered Post or Hand Delivery	Mr. Ashok Gupta	+91 22 28215235	+91 22 28350456
MCS Limited C/o Ghia Textile Products Co. Agra Building, 1st Floor, Room 5, Above Bank of Baroda, University Branch, 121, M G Road, Fort, Mumbai 400 001	Hand Delivery	Mr. Rajendra G	+91 22 22691266	+91 22 2691567

The documents can be tendered at the above centers between 10.00 am to 1.00 pm and 2.00 pm to 4.00 pm from Monday to Friday and between 10.00 am to 1.00 pm on Saturdays. The centers will be closed on Sundays and public holidays.

Shareholders of BCCL, other than the Acquirer and the PAC who wish to avail this Offer should forward the under mentioned documents, by hand delivery on days and during the business hours mentioned above, at any of the collection centers listed above, or by registered post to the Registrar to the Offer, MCS Limited, at their office at

Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, MIDC Area, Andheri East, Mumbai 400 093, Tel.: +91 22 28215235; Fax: +91 22 28350456; Email: mcsmum@vsnl.com, Contact Person: Mr. Ashok Gupta so as to reach the Registrars on or before June 09, 2005. (i.e. the date of Closing of the Offer).

In case of dematerialised Equity Shares, the shareholders should ensure that the credit to the Special Depository Account mentioned below should be received on or before June 09, 2005. In order to ensure this, Beneficial Owners should tender the Delivery Instructions at least two working days prior to June 09, 2005 (i.e. the date of closing of the Offer). Form of Acceptance of such dematerialised Equity Shares not credited to the Special Depository Account before the date of closing of this Offer is liable to be rejected.

No document should be sent to the Acquirer or the PAC or the Manager to the Offer or BCCL.

10.3 Procedure for Equity Shares held in Physical Form

- **Registered shareholders of BCCL should enclose :**
  - ➢ Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the equity share certificate(s) and in the same order and as per the specimen signature lodged with BCCL;
  - ➢ Original Equity Share Certificate(s);
  - ➢ Valid Share Transfer Deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with BCCL and duly witnessed at the appropriate place. The Transfer Deed should be left blank, except for the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank. A blank share transfer form is enclosed along with this Letter of Offer.

    Incase of registered shareholder, non receipt of the aforesaid documents, but receipt of the share certificates and the duly completed transfer deed, shall be deemed that the offer has been accepted.

    Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with BCCL or are not in the same order, such Equity Shares are liable to be rejected under this Offer even if the Offer has been accepted by a *bona fide* owner of such Equity Shares.
- **Unregistered owners of Equity Shares of BCCL should enclose :**
  - ➢ Form of Acceptance duly completed and signed in accordance with the instructions contained therein;
  - ➢ Original Equity Share Certificate(s);
  - ➢ Original Broker Contract Note;
  - ➢ Valid Share Transfer Deed(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance.

➢ The acknowledgement received, if any, from BCCL in case the Equity Shares have been lodged with BCCL. Such persons should instruct BCCL and its Registrar and Transfer agents to send the transferred share certificate(s) directly to the collection center as mentioned in 10.2 above. The applicant should ensure that the certificate(s) reach the designated collection center before the date of closing of the Offer.

Unregistered owners can send their acceptance of the Offer in writing to the Registrars to the Offer, MCS Limited., at the collection centers as mentioned in paragraph 10.2 above, on plain paper stating Name, Address, No. of Equity Shares held, No. of Equity Shares offered, Distinctive Nos., Folio No., together with the original Share Certificate(s), valid transfer deeds in case of Equity Shares held in physical form or photocopy or counterfoil of the delivery instructions in "Off-market" mode in case of Equity Shares held in dematerialised form and the original contract note issued by the broker through whom they acquired their Equity Shares. No indemnity is required from the unregistered owners.

Unregistered owners if they so desire may also apply on the Form of Acceptance downloaded from the SEBI's website (www.sebi.gov.in).

10.4 Procedure for Equity Shares held in Demat Form

- **Beneficial Owners should enclose :**

➢ Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose names appear in the beneficiary account and in the same order therein. The Form of Acceptance has to be tendered by the beneficial holder of Equity Shares only.

Incase of non receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted.

➢ A photocopy or counterfoil of the Delivery Instructions in "off market" mode, duly acknowledged by the beneficial owners depository participant and filled as per the details of the Special Depository Account given below.

Registrar to the Offer has for the purpose of this Open Offer, opened a Special Depository Account with Central Depository Services (India) Ltd ("CDSL") named **"MCS Ltd. - Escrow A/c. - Open Offer of BCCL**" with Brics Securities Limited, the details of which are given below :

DP ID Number	:	16800
DP Name	:	Brics Securities Limited
Client ID Number	:	1201680000015585
Depository	:	CDSL

Shareholders, having their beneficiary account with N S D L have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with C D S L. Since the Equity Shares of BCCL are in compulsory demat mode, the minimum marketable lot for such shares will be one.

- **Shareholders who have sent their Equity Share Certificates for dematerialisation should enclose :**

➢ Form of Acceptance duly completed and signed in accordance with the instructions contained therein by the sole/ joint Equity Shareholders whose name appears on the Equity Share Certificate and in the same order and as per the specimen signature lodged with BCCL.

➢ A copy of the dematerialisation request form duly acknowledged by the Equity Shareholders depository participant.

Such Equity Shareholders should ensure that the credit of their Equity Shares tendered under Offer to the Special Depository Account is made on or before the date of closing of the Offer, otherwise the same are liable to be rejected. Alternatively, if the Equity Shares sent for dematerialisation are yet to be processed by the Equity Shareholders depository participants, the Equity Shareholders can withdraw their dematerialisation request and tender the Equity Share Certificates in the Offer as per procedure mentioned in paragraph 10.3 above.

10.5 Procedure to be adopted in case of non-receipt of the Letter of Offer

- **By Equity Shareholders holding Equity Shares in physical form**

In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance of the Offer in writing to the Registrars to the Offer, MCS Limited, at the collection centers as mentioned in paragraph 10.2 above, on plain paper stating their Name, Address, No. of Equity Shares held, No. of Equity Shares offered, Distinctive Nos., Folio No together with the original Share Certificate(s), valid transfer deeds in case of Equity Shares held in physical form, so as to reach the Registrars to the Offer on or before the date of closing of the Offer.

Shareholders who have lodged their Equity Shares for transfer with BCCL must also send the acknowledgement received, if any, from BCCL towards such lodging of Equity Shares.

Shareholders who have sent their equity share certificates for dematerialisation should send a copy of the dematerialised request form duly acknowledged by their depository participant.

- **By Equity Shareholders holding Equity Shares in dematerialised form**

Beneficial Owners may send the acceptance of the Offer in writing to the Registrars to the Offer, MCS Limited at the collection centers as mentioned in paragraph 10.2 above, on plain paper, stating Name, Address, Number of Equity Shares held, Number of Equity Shares offered, DP name, DP ID, beneficiary account number and a photocopy or counterfoil of the delivery instructions in "Off market" mode, duly acknowledged by the beneficial owners depository participant, in favour of the Special Depository Account, the details of which are mentioned in paragraph 10.4 above, so as to reach the Registrars to the Offer on or before the closing of the Offer.

Shareholders, having their beneficial account with NSDL have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with CDSL.

No indemnity is required while sending the acceptance of the Offer on plain paper.

Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Form of Acceptance downloaded from SEBI web site (www.sebi.gov.in).

10.6 The total consideration to be paid to the shareholders shall be subject to deduction of taxes at source as applicable.

10.7 **The consideration received by shareholders for shares accepted in the Offer will be subject to the capital gains tax applicable as per the Income-tax Act, 1961. Further, the securities transaction tax will not be applicable on shares accepted in this Offer.**

10.8 **As per the provisions of section 196D(2) of the Income-tax Act, 1961, and as amended (“Income-tax Act”), no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor (“FII”) as defined in section 115 AD of the Income-tax Act. However, while tendering their equity shares under the Offer, Non Resident Individuals, Overseas Corporate Bodies and other non-resident shareholders will be required to submit a No Objection Certificate (“NOC”) or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income-tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders.**

Non Resident shareholders should also submit copy of the permission received from Reserve Bank of India for acquisition of the shares of BCCL. In case of its non-submission, Acquirer reserves their right to reject the shares tendered in the Offer.

10.9 The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include, but are not limited to :

i) duly attested death certificate and succession certificate in case of single shareholder;

ii) duly attested Power of Attorney if any person apart from the shareholder has signed the Form of Acceptance and/or transfer deed(s);

iii) in case of companies, the necessary corporate authorization (including Board Resolutions);

iv) any other relevant documentation.

10.10 The Registrars to the Offer will hold in trust the FOA, equity share certificates, transfer deeds and shares lying in credit of the special depository account and other documents on behalf of the shareholders of BCCL who have tendered in the Offer, until the cheques/drafts for the consideration and/or the unaccepted Equity Shares/ Equity Share certificates are dispatched/returned. The Acquirer and the PAC would not have access to these Equity Shares till such time.

10.11 The Acquirer shall accept all valid fully paid up shares and partly paid up shares tendered (except those which are withdrawn, within the date specified for withdrawal). Equity shares will be acquired by the Acquirers free from lien, charges and encumbrances of any kind whatsoever and together with all the rights attached thereto including the right to dividend, bonus and rights issue dividend thereafter.

10.12 If the number of shares tendered by the shareholders is more than the offer size, the acquisition from each shareholder will be as per regulation 21(6) of the Regulations, on a proportionate basis in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.

10.13 The consideration for the Equity Shares accepted by the Acquirer and the PAC will be paid by crossed account payee cheques/demand drafts. Such cheques/demand drafts exceeding Rs. 1,500/- or unaccepted Equity Share certificates, transfer deeds and other documents, if any, will be returned by Registered Post/Speed Post at the shareholders’/unregistered owners’ sole risk, to the sole/first shareholder/ unregistered owner. Cheques/demand drafts for Rs 1,500/- or less will be sent under certificate of posting. All cheques/demand drafts will be drawn in the name of the first holder, in case of joint registered holders.

In case of dematerialised Equity Shares, the Equity Shares would reside in the Special Depository Account as mentioned above. The Registrars to the Offer will debit the Special Depository Account to the extent of payment of consideration made by the Acquirer/ PAC and give instructions for the credit to the beneficial account of the Acquirer/ PAC. The Equity Shares held in dematerialised form to the extent not accepted as a result of non-payment/ part payment of consideration by the Acquirer/PAC under the Offer will be released to the Beneficial Owner’s Depository Account with the respective beneficial owners depository participant as per details furnished by the Beneficial Owner in the Form of Acceptance, at the sole risk of the Beneficial Owners.

10.14 In terms of regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days prior to the date of closing of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrars to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before June 06, 2005.

a) The withdrawal option can be exercised by submitting the following :

i. For Equity Shares held in demat form :

Beneficial owners should enclose :

- Duly signed and completed Form of Withdrawal accompanying the LOF. The signature(s) should be attested by the depository participant.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance cum Acknowledgement submitted by Registered post.

- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.

ii. For Equity Shares held in physical form:

Registered Shareholders should enclose:

- Duly signed and completed Form of withdrawal accompanying the LOF.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance cum Acknowledgement submitted by Registered post.
- In case of partial withdrawal, valid Share Transfer form(s)duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with BCCL and duly witnessed at the appropriate place.

  Unregistered owners should enclose :

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance cum Acknowledgement submitted by Registered post.

In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application alongwith the following details ;

- In case of physical shares: Name; Address; Distinctive Numbers; Folio Number, Number of Shares tendered and to be withdrawn and
- In case of dematerialized shares: Name; Address; Number of Shares offered and number of shares to be withdrawn; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favour of the special depository account.

b) The withdrawal of shares will be available only for the share certificates/shares that have been received by the Registrars to the Offer / credited to Special Depository Account.

c) The intimation of returned shares to the Shareholders will be at the address as per the records of the BCCL/Depository as the case may be.

d) The Form of Withdrawal should be sent only to the Registrars to the Offer.

e) In case of partial withdrawal of shares tendered in physical form by the registered shareholder, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from BCCL.

f) Partial withdrawal of tendered shares can be done only by the Registered shareholders/Beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

g) Shareholders holding shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

10.15 Barring unforeseen circumstances and factors beyond their control, the Acquirer and the PAC intend to complete all procedures relating to the Offer, including payment of consideration to the shareholders who have accepted the Offer, within 15 days from the date of closing of this Offer and for the purpose open a special account as provided under regulation 29 of the Regulations.

Provided that where the Acquirer/ PAC are unable to make the payment to the shareholders who have accepted the Offer before the said period of 15 days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer/ PAC or failure of the Acquirer/ PAC to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer/PAC agreeing to pay interest to the shareholders for delay beyond 15 days, as may be specified by SEBI from time to time, in accordance with regulation 22(12) of the Regulations.

11 DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the shareholders of BCCL at the office of BCCL - Ghanshyam Kunj, Garhwa Road, P.O. Rehla 822 124, District Palamau, Jharkand, India on all working days, from the date of opening of the Offer till the date of closing of the Offer, between 10.00 a.m. and 1.00 p.m., except Saturdays, Sundays and Holidays :

1. Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer and PAC.
2. Mr. Brijesh Mathur of M/S. B. K. Mathur & Associates, Chartered Accountants, (Membership no. 39565), vide their report dated March 31, 2005 and May 04, 2005 certifying the financial data of Acquirer.
3. Mr. Sanjay Agarwal, Chartered Accountants, (Membership no. 056431), vide their report dated May 06, 2005 certifying the financial data of PAC.
4. Copy of bank Guarantee dated April 2, 2004, for Rs. 27,300,000 in favour of Manager to the Offer.
5. Depository agreement entered into on March 30, 2005 between Brics Securities Limited and MCS Limited.
6. Annual Reports for Hindalco and BCCL for 2002-03 and 2003-04 and audited accounts for the year ended March 31, 2005. Annual Reports for Pilani for 2001-02, 2002-03 and 2003-04.
7. Certificate of Incorporation, Memorandum and Articles of Association of BCCL.
8. Copy of the SEBI Order dated February 18, 2005
9. Letter from SEBI dated April 01, 2005 under reference number CFD/DCR/TO/AT/37429/05 relating to the offer.
10. Copy of the Board Resolution of Hindalco authorizing Mr. Anil Malik to be the authorized signatory to the Letter of Offer.
11. Copy of the Board Resolution of Pilani authorizing Shri. R. A. Makharia to be the authorized signatory to the Letter of Offer.
12. Mr. Brijesh Mathur of M/S. B. K. Mathur & Associates, Chartered Accountants, (Membership no. 39565), vide their report dated March 31, 2005 regarding the adequacy of financial resources with the Acquirer and the PAC for the Open Offer.
13. Letters from the Escrow Bank confirming cash deposit of Rs. 1,100,000 deposited in the Escrow Account and a lien marked in favor of the Manager to the Offer.
14. Copy of the letter from SEBI, dated May 04, 2005 under reference number CFD/DCR/AT/39653/05 giving their comments on the Draft Letter of Offer in terms of proviso to regulation 18(2) of the Regulations.
15. A published copy of Public Announcement issued on April 02, 2005.
16. Copy of the valuation report dated March 31, 2005 regarding justification of Offer Price as certified by Mr. Brijesh Mathur of M/S. B. K. Mathur & Associates, Chartered Accountants, (Membership no. 39565).

12. DECLARATION BY THE ACQUIRER AND THE PAC

The Acquirer and the PAC and their respective Directors severally and jointly accept full responsibility for the information contained in this Letter of Offer, Form of Acceptance, Form of Withdrawal and also for ensuring compliance with the Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise. Mr. Anil Malik and Mr. R. A. Makharia has been authorised by the Board of Directors of the Acquirer and the PAC to be their authorised signatory to the Letter of Offer.

By Order of the Board,

For Hindalco Industries Limited

Sd/-
Mr. Anil Malik
(Authorised Signatory)

For Pilani Investments & Industries Corporation Limited

Sd/-
Mr. R. A. Makharia
(Authorised Signatory)

Place : Mumbai

Date : May 12, 2005

Enclosed :

a) Form of Acceptance-cum-Acknowledgement

b) Form of Withdrawal

c) Transfer Deed, if applicable

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(Please read paragraph 10.14 of the Letter of Offer titled "Procedure for Acceptance & Settlement" before filing this form)

FORM OF WITHDRAWAL

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

From

OFFER		
Opens on	:	**May 20, 2005**
Closes on	:	**June 09, 2005**
Last Date for Withdrawal	:	**June 06, 2005**

To,
MCS Limited
Unit : BCCL
Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, MIDC Area,
Andheri East, Mumbai 400 093.

Dear Sir,

Sub.: Open offer for 4,677,300 equity shares of Rs. 10/- each, representing 20% of the post rights issue equity share capital of Bihar Caustic & Chemicals Limited ("BCCL"), for a total consideration of Rs. 23.27 (comprising of Offer Price of Rs. 18.75 and interest net of dividend of Rs. 4.52) per Equity Share, payable in cash, by Hindalco Industries Limited ("the Acquirer") and Pilani Investments and Industries Corporation Limited ("the PAC")

I/We refer to the Letter of Offer dated May 12, 2005 for acquiring the Equity Shares held by me/us in BCCL.

I/We, the undersigned, have read the Letter of Offer including the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in Paragraph 10 of the Letter of Offer and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein.

I/We have read I/We hereby consent unconditionally and irrevocably to withdraw my/our equity shares as mentioned below from the Offer and I/We further authorize the Acquirer and the PAC to return to me/us, the tendered equity share certificate(s)/share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our equity shares from the Offer, no claim or liability shall lie against the Acquirer/ PACs/ Manager to the Offer/ Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal (i.e. June 06, 2005).

I/We note that the Acquirer/PAC/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the equity shares held in physical form and also for the non receipt of equity shares held in the dematerialized form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer/PAC will return Original Share Certificate(s), Share Transfer Deed(s) and equity shares only on completion of verification of the documents, signatures and beneficiary position data as available from the Depository from time to time, respectively.

SHARES IN PHYSICAL FORM

The particulars of withdrawal of original shares certificates and duly signed transfer deed(s) are detailed below :

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
	TENDERED				
1					
2					
3					
	WITHDRAWN				
1					
2					
3					
Total No. of Certificates			Total No. of Equity Shares		

Please attach an additional sheet of paper if the above space is insufficient.

SHARES IN DEMAT FORM

I/We hold the following equity shares in dematerialized Form and tendered the Equity Shares in the Offer through an off-market transaction for crediting the Shares to the "**MCS Ltd. - Escrow A/c. - Open Offer BCCL**", whose particulars are :

DP ID Number:16800**; DP Name:** Brics Securities Limited**; Client ID Number:** 1201680000015585**; Depository:** Central Depository Services Ltd

I/we have tendered ____ Equity Shares by debiting my/our account as mentioned below and hereby consent to withdraw _______ (_______________ in words) Equity Shares from the Offer.

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP.

The particulars of the account from which my/our Shares have been tendered are as detailed below :

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares

Address of First/Sole Shareholder : ______________________________

____

Tel. No.: ______________ Fax No.:______________ E-mail : ______________

I/We note that the equity shares will be credited back only to that Depository Account, from which the Equity Shares have been tendered and necessary standing instructions have been issued in this regard.

I/We confirm that the particulars given above are true and correct.

In case of dematerialized Shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,

Signed and delivered	Full Name(s)	Signature(s)	Verified and Attested by us. Please affix the stamp of DP (in case of demat Shares)/Bank (in case of physical Shares)
First/Sole Shareholder			
Second Shareholder			
Third Shareholder			

Note: In case of joint holders all must sign. In case of body corporate, stamp of the company should be affixed and necessary Board resolution should be attached.

Place :

Date :

— — — — — — — — — — — — — — — **Tear along this line** — — — — — — — — — — — — — — —

Acknowledgement Slip

FOLIO NO.______________

MCS LIMITED
UNIT : BCCL
Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, MIDC Area, Andheri East, Mumbai 400 093.

Sr. No.

Received from Mr./Ms. ______________________________

Address ______________________________

Form of Withdrawal instructing for the withdrawal of______________**(**______________ **in words) Equity Shares from the Offer.**

Signature of Official and Date of Receipt	Stamp of the Collection center

Note : All future correspondence, if any, should be addressed to Registrars to the Offer : **MCS Limited**, Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, MIDC Area, Andheri East, Mumbai 400 093, Tel.: +91 22 28215235; Fax: +91 22 28350456: Email: mcsmum@vsnl.com, Contact Person : Mr. Ashok Gupta

Crystal (022) 23823151/52