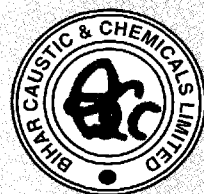
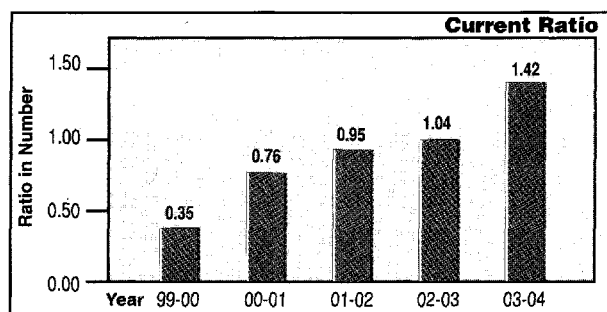
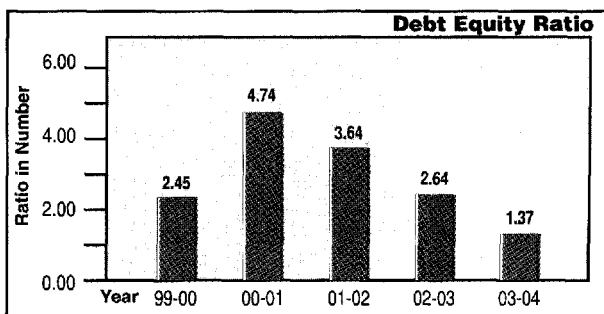
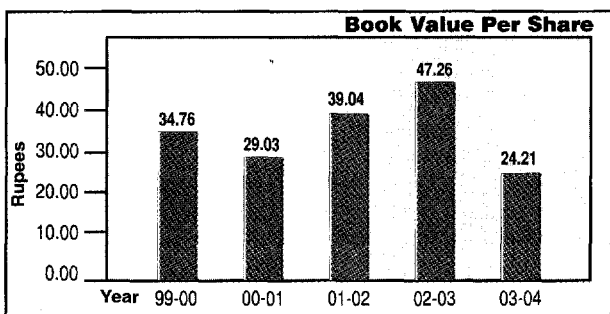
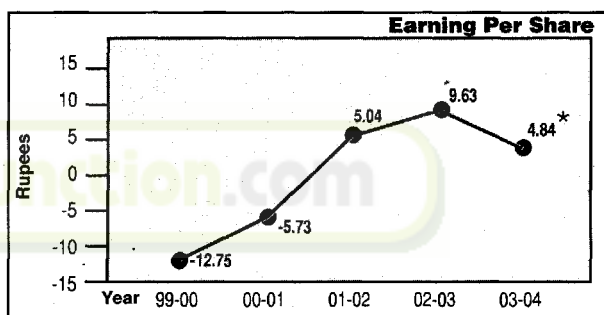
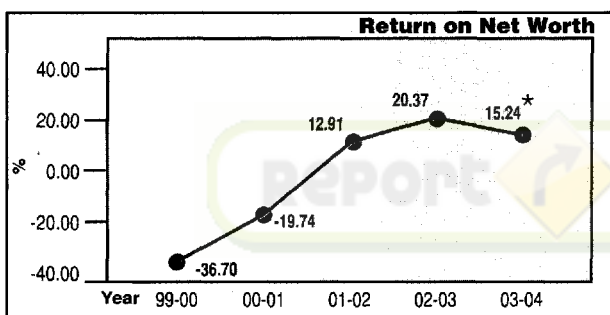
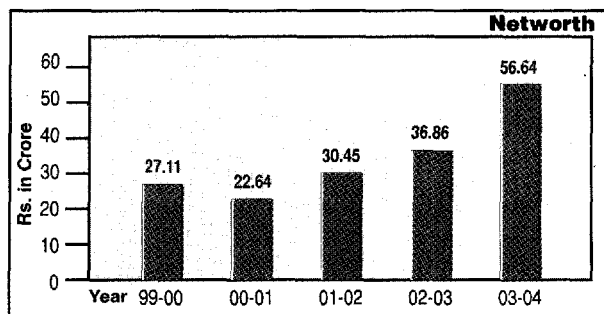
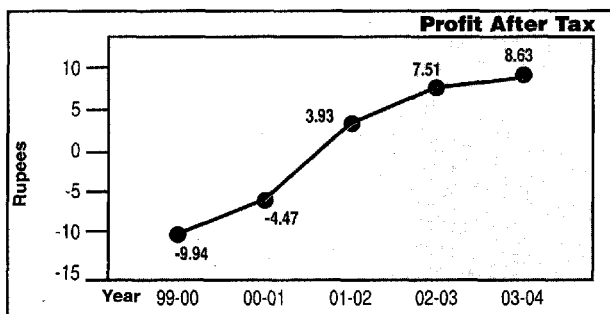
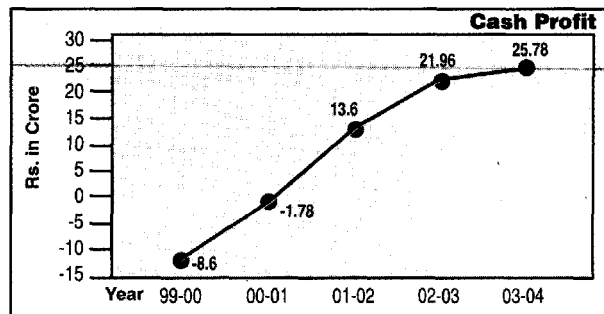
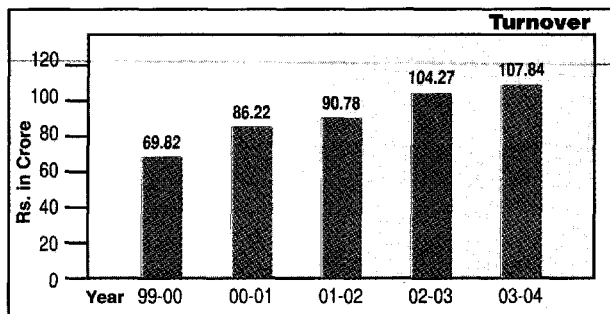


28th Annual Report 2003-2004



BIHAR CAUSTIC & CHEMICALS LIMITED

Ghanshyam Kunj, Garhwa Road,
P. O. Rehla - 822 124
Dist. Palamau (Jharkhand)



* Due to increase in Equity Capital on account of Right issue at 2:1

BIHAR CAUSTIC & CHEMICALS LIMITED

CHAIRMAN

Shri Ashok Kumar
(Nomination withdrawn w.e.f. 19.4.2004)

DIRECTORS

Shri A.K. Agarwala
Shri Vijoy Prakash
Shri K.K. Maheshwari
Shri Edwin E.Fernandes, Nominee of IDBI
Shri Biswajit Choudhuri
Shri P.P. Sharma

MANAGING DIRECTOR

Shri P.N.Ojha

WHOLETIME DIRECTOR

Shri V.N. Sharma

COMPANY SECRETARY

Shri Mahendra Parekh

BANKERS

State Bank of India
Uco Bank
American Express Bank Limited
IDBI Bank Limited

AUDITORS

M/s. M.L. Sharma & Co.,
Chartered Accountants,
Mumbai.

COST AUDITORS

M/s. V.K.Jain & Co.,
Kolkata

REGISTERED OFFICE

"Ghanshyam Kunj",
Garhwa Road, P.O. Rehla,
Distt.Palamau (Jharkhand)

Phone : (06584) 222 211,222
221,222 488 (Rehla)
Fax No: (06584) 222 205.

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BIHAR CAUSTIC & CHEMICALS LIMITED

BIHAR CAUSTIC & CHEMICALS LIMITED**REGISTERED OFFICE**

Ghanshyam Kunj, Garhwa Road, P.O. Rehla - 822 124

Distt. Palamau (Jharkhand)

Ph.(06584)222 211, 222 221, 222 488 Fax : (06584) 222 205

NOTICE TO SHAREHOLDERS,

NOTICE is hereby given that the 28th Annual General Meeting of Bihar Caustic & Chemicals Limited will be held at the Registered Office of the Company at "Ghanshyam Kunj" Garhwa Road, P.O. Rehla, Distt. Palamau (Jharkhand) on Friday, the 23rd day of July, 2004 at 2.30 p.m. to transact the following business with or without modifications.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and the Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To consider declaration of Dividend on Equity Shares .
3. To appoint a Director in place of Shri A.K.Agarwala who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Biswajit Choudhuri who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

M/s. M.L.Sharma & Co., Chartered Accountants are the retiring Auditors.

6. To consider and, if thought fit, to pass with or without modifications as an ordinary resolution, the following :

"Resolved that Shri Vijoy Prakash, who was co-opted as an Additional Director of the Company by the Board of Directors, and who holds office under section 260 of the Companies Act, 1956, until the date of the Annual General Meeting and in respect of whom the Company has received a Notice in writing proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without modification the following Resolution as a Special Resolution :

"Resolved that in accordance with the applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Listing Agreements with Stock Exchanges and the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003, or any amendment or modification thereof, and subject to such approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions or sanctions which may be agreed to by the Board of

BIHAR CAUSTIC & CHEMICALS LIMITED

Directors of the Company or any person(s) authorized by the Board, consent be and is hereby accorded to delist the Equity Shares of the Company from the Stock Exchanges at Kolkata and Delhi."

"Resolved Further that the Board of Directors of the Company be and is hereby authorized to seek voluntary delisting and to take all necessary steps in this regard as it may in its absolute discretion deem necessary and to settle any question, difficulties, doubts that may arise in regard to delisting of the existing shares, and to execute all such deeds, documents, writings as may be necessary or expedient and for this purpose to delegate the authority to any one of the Directors of the Company or the Company Secretary or to any person to do various acts, deeds and things required to be done in this behalf."

Registered Office:

Ghanshyam Kunj,
Garhwa Road,
P. O. Rehla,
Distt. Palamau
(Jharkhand)

**By Order of the Board,
For BIHAR CAUSTIC & CHEMICALS LIMITED**

**Sd/-
(Mahendra Parekh)
Company Secretary**

Camp : Kolkata

Dated : 23rd April, 2004

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NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the Meeting and the proxy need not be a member of the Company. A Proxy may not vote except in a poll. Proxies in order to be effective must be received at the Company's Registered Office at Garhwa Road, P.O. Rehla, Distt.Palamau not less than forty eight hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 16.7.2004 to 23.7.2004 (both days inclusive).
3. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unpaid or unclaimed for a period of 7 years from the date of transfer to unpaid dividend account of the Company would be transferred to the Investor Education and Protection Fund, constituted by the Central Government and the Shareholders would not be able to claim any amount of dividend transferred to the fund. As such, shareholders who have not encashed their dividend warrants are requested in their own interest to write to the Company immediately for claiming outstanding dividends declared by the company for the financial year 1996-1997 or any subsequent financial years. Dividends for the said financial year shall be transferred to Investor Education and Protection Fund in the month of October, 2004.

BIHAR CAUSTIC & CHEMICALS LIMITED

In respect of the unclaimed dividends upto financial year 1994-95, already transferred by the Company to the General Revenue Account of the Central Government, shareholders may claim the same from the Registrar of Companies, Bihar, Maurya Lok Complex, 'A' Block, Western Wing, 4th Floor, Dak Bungalow Road, Patna.

4. Members are requested to notify immediately any change in their address to our Registrars, MCS Ltd. Kolkata.
5. To avoid the incidence of fraudulent encashment of the warrants, Members are requested to intimate the Registrars, MCS Limited under the signature of the Sole/First Joint holder, the following information, so that the Bank Account Number and Name and Address of the Bank can be printed on the Dividend Warrants.
 - 1) Name of Sole/first Joint holder and Folio No.
 - 2) Particulars of Bank Account, viz.
 - i) Name of the Bank
 - ii) Name of Branch
 - iii) Complete address of the Bank with Pin code Number
 - iv) Account Type, whether Savings(SB) or Current Account (CA)
 - v) Bank Account Number
 - vi) Bank MICR Code Number.
6. In terms of section 109(A) of the Companies Act, 1956 the Shareholder may nominate a person to whom the shares held by him shall vest in the event of his/her death.

In case you wish to avail the nomination facility in respect of the shares held by you, please write to the Company/Registrars to obtain the nomination form.
7. Non-resident Indian Shareholders are requested to inform MCS Ltd., Kolkata immediately:
 - a) The change in the Residential status on return to India for permanent settlement.
 - b) The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.

8. INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT :

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/reappointed are as given below :

- | | | |
|----------------|---|--|
| 1. Name | : | Shri A. K. Agarwala |
| Age | : | 71 years |
| Qualifications | : | B.Com, F.C.A., LLB. |
| Experience | : | 45 years vast Industrial experience in various fields. Retired as Whole Time Director of Hindalco Industries Limited. Presently occupying the position of Chairmanship of Business Review Committee of Birla Management. |

BIHAR CAUSTIC & CHEMICALS LIMITED

Other Directorships	i)	Minerals & Minerals Ltd	Director
	ii)	Udyog Services Limited	Director
	iii)	Tanfac Industries Ltd.	Director
	iv)	G. D. Birla Medical Research & Educational Foundation.	Director
	v)	Renusagar Engg. & Power Services Ltd.	Director
	vi)	Hindalco Industries Ltd.	Director
	vii)	Indian Aluminium Company Ltd.	Vice Chairman
	viii)	Birla Project Development Co. Ltd.	Addl. Director
	ix)	Birla Management Corporation Ltd.	Director
Membership/ Chairmanship of the Board/Committees of Company.		:	Nil

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2. Name	:	Shri Biswajit Choudhuri
Age	:	62 years
Qualifications	:	B.Tech. (Hons), F.I.C.W.A., F.I.I.B., C.Engg., M.I.E.E.(London), F.I.I.Prod.E.,
Experience	:	41 years vast experience in Industrial as well as Financial sector. Retired from United Bank of India, holding the position of Chairman and Managing Director.
Other Directorships	i)	Adani Exports Ltd. Director
	ii)	Gujrat Adani Port Ltd. Director
	iii)	Adani Port Ltd., Director
	iv)	EID Parry India Ltd. Director
	v)	Nicco Uco Alliance Credit Ltd. Director
	vi)	De's Technico Pvt. Ltd. Director
	vii)	Orind Exports Ltd. Director

BIHAR CAUSTIC & CHEMICALS LIMITED

Membership/ Chairmanship of the Board/ Committees of Company	i) Bihar Caustic & Chemicals Ltd.	Chairman – Audit Committee
	ii) EID Parry(India)Ltd.	Member – Shareholders' Grievance Committee
	iii) Nicco Uco Alliance Credit Limited	Member – Audit Committee
		Chairman – Shareholders' Committee
		Member – Remuneration Committee

3. Name : Shri Vijoy Prakash

Age : 48 years

Qualifications : M. Phil (Physics) IAS.

Experience : 23 years

Other Directorships	i) Bihar Sponge Iron Ltd.	Director
	ii) Mihijam Vanaspati Ltd.	Director
	iii) Bihar Gases Ltd.	Director
	iv) Bihar Paper Mills Ltd.	Director

Membership/ Chairmanship of the Board/ Committees of Company	i) Bihar Sponge Iron Ltd.	Chairman
	ii) Mihijam Vanaspati Ltd.	Chairman
	iii) Bihar Gases Ltd.	Chairman
	iv) Bihar Paper Mills Ltd.	Chairman

BIHAR CAUSTIC & CHEMICALS LIMITED

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**Item No.6**

Pursuant to provisions of section 260 of the Companies Act, 1956, Shri Vijoy Prakash was co-opted as an Additional Director of the Company w.e.f. 23rd April, 2004. Shri Vijoy Prakash holds office of Director upto the date of the ensuing Annual General meeting. The Company has received his nomination intimation from one of the Promoters, M/s. Bihar State Industrial Development Corporation Limited proposing the candidature of Shri Vijoy Prakash for the office of Director.

None of the Directors of the Company, other than Shri Vijoy Prakash, are interested in this resolution.

Item No.7

The equity shares of the Company are presently listed on the following Stock Exchanges in India:

- a) The Stock Exchange, Mumbai
- b) The Calcutta Stock Exchange Association Limited, Kolkata
- c) The Delhi Stock Exchange Association Limited, Delhi

For the last few years, the trading volume of the company's equity shares, which are required to be compulsorily traded in dematerialized form, are very low and in some cases there is practically no trading at all for several months. Continued listing on such Stock Exchanges, neither serves the interests of the members/investors nor that of the company. This situation also does not justify payment of considerable amount by way of listing fee and other expenses, the company is incurring.

Recently, SEBI has promulgated the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, which permit the listed Companies to delist voluntarily their securities from the Stock Exchanges, including the Regional Stock Exchange. With the extensive networking of the Mumbai Stock Exchange and the extension of the terminals to other cities as well, investors have access to online dealings in the Company's equity shares across the country. Therefore, an exit opportunity is not given as per the extant guidelines. The company's equity shares will continue to be listed in Mumbai Stock Exchange after the delisting from Calcutta and Delhi Stock Exchanges.

The Board of Directors of the Company in its meeting held on 28th January, 2004, accordingly recommended for the approval of the members by way of Special Resolution, the proposal to voluntarily delist the company's equity shares from the Stock Exchanges at Kolkata and Delhi.

None of the Directors of the Company are interested in the Resolution.

**By order of the Board,
For BIHAR CAUSTIC & CHEMICALS LIMITED,**

**Sd/-
(Mahendra Parekh)
Company Secretary**

Place : Ghanshyam Kunj,
Garhwa Road,
P.O. Rehla, Distt. Palamau (Jharkhand)
Camp : Kolkata
Dated : 23rd April, 2004

BIHAR CAUSTIC & CHEMICALS LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS

Dear Shareholders,

Your Directors take great pleasure in presenting the 28th Annual Report together with the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2004.

FINANCIAL RESULTS :

The table below gives the financial results of the Company :

	2003-2004 (Rs. in lacs)	2002-2003 (Rs. in lacs)
Gross Turnover	10783.78	10427.29
Gross Profit/ (Loss) before Extraordinary Items	2577.69	2196.33
Less : Depreciation	803.22	800.90
Profit before Extraordinary Items & Tax	1774.47	1395.43
Extraordinary Items	168.88	-
Profit before Tax	1605.59	1395.43
Provision for Current Tax	123.68	111.83
Provision for Deferred Tax	619.33	532.37
Profit/(Loss) after Tax	862.58	751.23
Adjustment of Taxes for earlier years	4.23	0.23
Balance brought forward from previous Year	(305.36)	(1056.82)
Balance available for Appropriation	561.45	(305.36)
APPROPRIATIONS :		
Proposed Dividend	116.85	-
Tax on Proposed Dividend	14.97	-
Balance carried to Balance Sheet	429.63	(305.36)
	561.45	(305.36)

DIVIDEND :

In view of the improved working of the Company, your Directors recommend payment of dividend @ 5% on the equity capital of the Company.

YEAR IN RETROSPECT :

Net Sales and other income for the financial year under review were Rs.9528 lacs as against Rs.9120 lacs for the previous financial year registering an increase of 4.5%. The profit before tax & extraordinary items (after interest and depreciation charges) of Rs.1774 lacs and profit after tax of Rs.862 lacs for the financial year under review as against Rs.1395 lacs and Rs.751 lacs respectively for the previous financial year, improved by 27% and 14.8% respectively.

A more detailed discussion and analysis on the performance of your Company in retrospect as well as the outlook and focus for the year 2004-05 is contained elsewhere under the chapter on Management Discussion and Analysis.