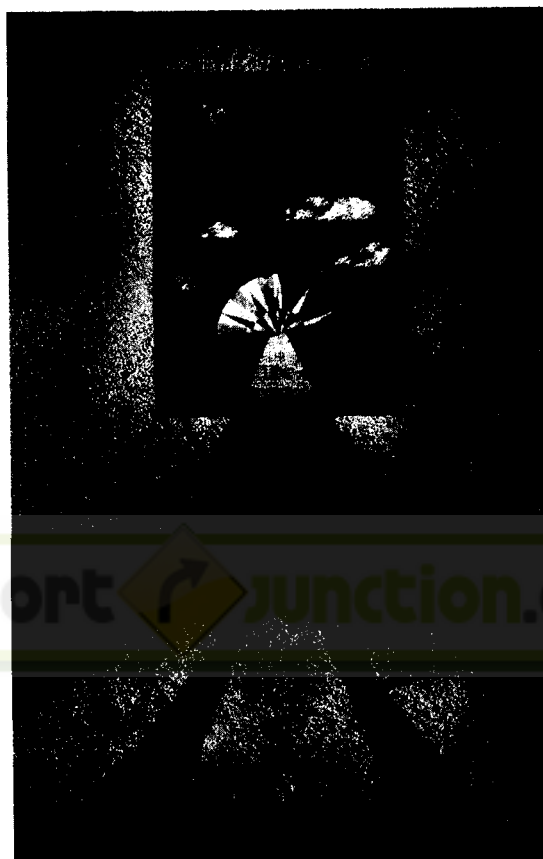
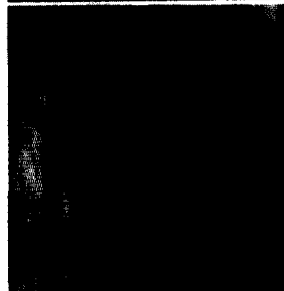


**ANNUAL REPORT
2002 - 2003**



INDAL





IN HOMAGE TO A LEGEND

“My vocation, is to strive continuously, to reach excellence in all spheres of management, by weaving the threads of enterprise, knowledge, experience, ideas and tasks into a fabric that can be called “management”. My job is to motivate, to bring together and fuse human talent, so that they act in harmony and in unison – as one team, directed towards a single purpose, a single goal.

In our Group, our first and foremost objective is to satisfy our larger family, our family comprising of our shareholders, our customers and our employees.

Towards this objective, our credo is, 'strive for excellence and perfection in all spheres of management, through continuous improvement'.

For our shareholder, it is our job, and our commitment to create wealth for him, and to amply reward the faith that he has reposed in us.

For our customers, we believe, that, 'the customer is always right'. Our motto is to give him total satisfaction, in terms of quality and service.

For our colleagues and employees, our motto is 'your growth is our concern'.” (1995)

We follow in his footsteps.



ADITYA VIKRAM BIRLA
November 14, 1943 – October 1, 1995



INDIAN ALUMINIUM COMPANY, LIMITED
1 MIDDLETON STREET, KOLKATA 700 071

NOTICE

NOTICE is hereby given that the sixty-fifth Annual General Meeting of Indian Aluminium Company, Limited will be held at **Kala Kunj, 48 Shakespeare Sarani, Kolkata 700 017**, on **Wednesday, 9 July 2003** at **11 a.m.** to transact the following as:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31 March 2003 and the Profit and Loss Account for the year ended 31 March 2003, the Reports of the Directors and the Auditors.
2. (a) To appoint a Director in place of Mr.N.J.Jhaveri who retires by rotation and, being eligible, offers himself for re-appointment.
 (b) To appoint a Director in place of Mr. Kumar Mangalam Birla who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors, fix their remuneration and in connection therewith, to pass, with or without modification, the following resolution as an ordinary resolution:
 "RESOLVED THAT, pursuant to Section 224 of the Companies Act, 1956, Messrs Price Waterhouse, Chartered Accountants, be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of the sixty-fifth Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration as may be mutually agreed upon between the Board of Directors and the Auditors, payable in equal quarterly installments and reimbursement of out-of-pocket expenses incurred in connection with the audit."

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following as ordinary resolutions:

4. "RESOLVED THAT, with effect from 1 April 2003, the terms and conditions relating to the remuneration payable to Dr.S.K.Tamotia as approved by the Members at the sixty-third Annual General Meeting held on 9 July 2001, be modified to the extent mentioned below:
 - (i) basic salary be increased from Rs 250,000 per month to Rs 300,000 per month.
 - (ii) all other terms and conditions remain unchanged."
5. "RESOLVED THAT, pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent be and is hereby accorded to the appointment of Dr.Shailendra Kumar Tamotia as President and Chief Executive Officer of the Company for the period 27 June 2003 to 24 September 2004, the latter being the date on which he completes sixty-five years, on the following terms and conditions including remuneration and perquisites:

Salary

- (i) basic pay in the grade of Rs 300,000 – Rs 450,000 per month, as may be approved by the Board from time to time.
- (ii) special pay per month as may be approved by the Board from time to time, but not exceeding an amount equivalent to the basic pay per month.
- (iii) commission based on net profits of the Company for the relevant financial year, as may be approved by the Board from time to time with a minimum of Rs 12 lakhs and a maximum not exceeding annual basic pay.
- (iv) other terms and conditions, allowances, perquisites, benefits, as approved by the members at the sixty-third Annual General Meeting held on 9 July 2001 remain unchanged."

By Order of the Board

Sanjeeb Chatterjee
 Company Secretary

25 April 2003

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books will remain closed from 25 June 2003 to 9 July 2003, both days inclusive.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed.

Members are requested to bring their copies of the Annual Report and Admission Slip to the meeting.

**EXPLANATORY STATEMENT AS REQUIRED UNDER
SECTION 173(2) OF THE COMPANIES ACT, 1956**

Item No. 2 (a)

Mr. Narendra Jamnadas Jhaveri was inducted into the Board of your Company as a nominee of The Industrial Credit and Investment Corporation of India Limited (ICICI) in 1991. Mr. Jhaveri ceased to be a nominee of ICICI in 1996 and was thereafter appointed as Director of your Company at the Board meeting held on 29 November 1996. Mr. Jhaveri holds a Masters Degree in Economics and has years of experience in the field of finance. He has held senior positions in leading financial institutions in India. He is a Director of many reputed companies, viz., Afcons Infrastructure Limited, Kotak Mahindra Capital Company Limited, National Securities Depository Limited, Pidilite Industries Limited, SKF Bearings India Limited, Siemens Limited, TAIB Capital Corporation Limited, Usha Beltron Limited and Voltas Limited.

Mr. Jhaveri is a member of the following committees in the companies in which he is a Director:

Name of the Company	Committee
National Securities Depository Limited	Member – Audit
Pidilite Industries Limited	Member – Audit
Siemens Limited	Chairman – Remuneration
SKF Bearings India Limited	Member – Audit
Usha Beltron Limited	Chairman – Audit
Voltas Limited	Chairman – Audit
Afcons Infrastructure Limited	Chairman – Audit
Kotak Mahindra Capital Company Limited	Member – Audit
TAIB Capital Corporation Limited	Member – Audit

Mr. Jhaveri is also a member of the Audit Committee of your Company's Board.

Your Directors recommend the resolution for your approval.

Item No. 2 (b)

Mr. Kumar Mangalam Birla is the Chairman of your Company and heads one of the largest business houses in India, the Aditya Birla Group. The group has extensive interests in India and abroad across diverse industries like cement, textiles, non-ferrous metals like aluminium and copper, financial services and telecommunications, etc. Mr. Birla is a Chartered Accountant and an MBA from London Business School, London. Mr. Birla has been a Director of your Company's Board since 27 June 2000.

Mr. Birla is a Director on the Boards of the following Indian companies, viz., Birla Management Corporation Limited, Birla Sun Life AMC Limited, Birla Sun Life Insurance Company Limited, Grasim Industries Limited, Hindalco Industries Limited, Indian Rayon & Industries Limited, Indo Gulf Fertilisers Limited, Larsen & Toubro Limited, PSI Data Systems Limited and Tata Iron & Steel Company Limited.

Mr. Birla does not hold any committee positions in the companies in which he is a Director.

Your Directors recommend the resolution for your approval.

Item Nos. 4 & 5

Dr. Shailendra Kumar Tamotia was appointed Director in whole-time employment, designated President & CEO of your Company with effect from 27 June 2000 for a period of three years on terms and conditions of appointment and remuneration approved by the Members at the sixty-third Annual General Meeting held on 9 July 2001.

Your Company has grown from strength to strength during the last three years under the able and valuable leadership of Dr. Tamotia. He has also been a guiding force in the integration of your Company within the framework of the Aditya Birla Group.

At the meeting held on 25 April 2003, the Board of Directors approved revision in remuneration payable to Dr. Tamotia with effect from 1 April 2003, by increasing the basic salary payable to Rs.300,000 per month.

His tenure as President & CEO expires on 26 June 2003 and in appreciation of his efforts, the Board of Directors have approved his re-appointment as President & CEO for the period 27 June 2003 to 24 September 2004, the latter date being the date on which he attains the age of sixty-five.

Dr. Tamotia has wide experience in the Indian aluminium industry. He was Chairman and Managing Director of NALCO and Honorary President of Aluminium Association of India. He was also associated with the Aditya Aluminium Project of Hindalco Industries Limited as President. He is currently Director on the Boards of Industrial Promotion and Investment Corporation of Orissa Limited (IPICOL) and West Bengal Electronics Industrial Development Corporation Limited (WEBEL). He is also a Committee Member of Indian Chamber of Commerce, Bengal Chamber of Commerce & Industry, The Associated Chambers of Commerce and Industry of India and the Confederation of Indian Industry.

Dr. Tamotia is a member of the following committees in the companies in which he is a Director:

Name of the Company	Committee
WEBEL	Member – Audit
IPICOL	Member – Audit

Dr. Tamotia is also member of the Securities Committee of your Company's Board.

The aforesaid amendment to Dr. Tamotia's remuneration and his re-appointment is subject to the approval of the members.

Your Directors recommend the resolution for your approval.

Dr. Tamotia is interested in the resolution.

The remuneration and the terms and conditions of Dr. Tamotia's re-appointment set out in the resolution should be treated as an abstract under Section 302 of the Companies Act, 1956.

INDIAN ALUMINIUM COMPANY, LIMITED
1, MIDDLETON STREET, KOLKATA 700 071



ADMISSION SLIP

65TH ANNUAL GENERAL MEETING ON 9 JULY 2003 AT 11 A.M.

Folio No. .	Name of Member (s)

- A member/proxy wishing to attend the meeting must complete this admission slip and hand it over at the entrance.
- If you intend to appoint a proxy, please complete the Proxy Form below and deposit it at the Company's Registered Office at least 48 hours before the meeting.
- CHILDREN ARE NOT ALLOWED

Name of Proxy (if any) in BLOCK LETTERS

I (We) record my (our) presence at the AGM

Signature of Member (s)/ Proxy



INDIAN ALUMINIUM COMPANY, LIMITED
1, MIDDLETON STREET, KOLKATA 700 071



PROXY FORM

I (We) ofbeing a member(s) of Indian Aluminium Company, Limited hereby appoint of or failing him of as my (our) proxy to attend and vote for me (us) and my (our) behalf at the Annual General Meeting of the Company to be held on 9 July 2003 and at any adjournment thereof.

As witness my (our) hand(s) this day of2003.

Signed by the said Affix
thirty
paise
Revenue
Stamp
here

- This Proxy Form duly completed must be received at the Company's Registered Office at least 48 HOURS before the meeting.



PASS

65TH ANNUAL GENERAL MEETING ON 9 JULY 2003 AT 11 A.M.

INDIAN ALUMINIUM COMPANY, LIMITED

(Appendix II to Directors' Report)

Statement of particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31 March 2003

Name	Age	Designation/ Nature of Duties	Remuneration (Rs)	Qualification	Experience (Years)	Commencement of Employment	Previous Employment Held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

A. Employed throughout the Financial Year

Tamotia S.K.	63	President & Chief Executive Officer	7519685 1200000 *	B.E.(Hons) Civil, M.E.(Soil Mech.& Foundation Engg.), D.Engg.(Hons)	39	27.06.2000	Hindalco Industries Ltd.
--------------	----	-------------------------------------	----------------------	---	----	------------	--------------------------

B. Employed for part of the Financial Year

Choudhary N. K.	60	Managing Director, Operations	628058 ** 549323 ***	B.Tech. (Mining), M.C.C. (Mining)	37	01.05.1992	National Aluminium Co. Ltd.
Kar A. K.	61	Chief Executive – Hirakud Complex	305533****	B.Sc., Engg. (Mech.)	37	23.02.1970	Heavy Engg. Corporation, Ranchi
Lall Ajit	57	Chief Executive – Materials & Logistics	810426	PGDM (Buss. Mgmt.)	34	01.06.1968	–
Otta B. K.	58	Vice President – Project	929605	B.Sc., Engg. (Mech)	37	21.08.1995	National Aluminium Co. Ltd.
Samaddar Sanjay	41	Chief General Manager – Global Sales & Marketing	608167	B.E. (Chem)	18	01.02.1995	India Foils Ltd.
Singh R. P.	59	Vice President – Human Resources and Corporate Affairs & Environment	243852****	B.Sc., M.Tech. (Chem)	33	01.07.1991	Atul Products Ltd.

* Represents commission

** Represents payment of commission pertaining to financial year 2001-02. Other particulars of Mr. Choudhary barring age are as per Appendix II to Directors' Report dated 2 May 2002.

*** Represents payment of bonus pertaining to financial year 2001-02. Other particulars of Mr. Choudhary barring age are as per Appendix II to Directors' Report dated 2 May 2002.

**** Represents payments of performance linked remuneration pertaining to financial year 2001-02. Other particulars barring age are as per Appendix II to Directors' Report dated 2 May 2002. Remuneration is inclusive of the Company's contribution to employee benefit funds and perquisites valued as per Income Tax Rules, 1962, but excludes compensation under statutory Rules or Voluntary Retirement Scheme.

Employees named above are (or were) whole-time employees of the Company. Conditions of employment provide for termination of service by either party upon giving three months' notice.

None of the employees named above is a relative of any Director of the Company.

For and on behalf of the Board

25 April 2003

Kumar Mangalam Birla
Chairman

CONTENTS

Indian Aluminium Company, Limited

Management Team	2
Highlights	3
Chairman's Letter	4
Management Discussion and Analysis	7
Social Report	20
Environment Report	24
Report on Corporate Governance	27
Shareholder Information	33
Report of the Directors	39
Annexure to Directors' Report	45
Statement on Significant Accounting Policies	48
Auditors' Report	49
Profit & Loss Account	52
Balance Sheet	53
Schedules	54
Cash Flow Statement	77
Eleven-year Statistical Highlights	78

Indal Exports Limited

Report of the Directors	80
Secretarial Compliance Certificate	81
Auditors' Report	83
Balance Sheet	84
Profit and Loss Account	85
Schedules	86

Consolidated Financial Statement

Statement of Significant Accounting Policies	88
Auditors' Report	89
Profit and Loss Account	90
Balance Sheet	91
Schedules	92
Statement Regarding Subsidiary Companies	106

Registered Office : 1 Middleton Street, Kolkata 700 071, Tel.: (033) 2240 22 10

Regional Sales Offices : **Bangalore** Indal House, 140 Field Marshal, K.M. Cariappa Road, Bangalore 560 025 Tel.: (080) 2558 50 51 • **Kolkata** 1, Middleton Street, Kolkata 700 071, Tel.: (033) 2240 22 10 • **Mumbai** Air India Building, Nariman Point, Mumbai 400 021, Tel.: (022) 2202 35 37 • **New Delhi** UCO Bank Building, Sansad Marg, New Delhi 110 001, Tel.: (011) 2371 14 11

Other Sales Offices : **Ahmedabad** Tel.: (079) 2685 40 51 • **Bhubaneswar** Tel.: (0674) 236 03 61 • **Chennai** Tel.: (044) 2643 10 53 • **Coimbatore** Tel.: (0422) 244 44 15 • **Hyderabad** Tel.: (040) 2772 18 83 • **Pune** Tel.: (020) 2581 65 28

BOARD OF DIRECTORS

Kumar Mangalam Birla
Chairman

A.K. Agarwala
Vice Chairman

S.K. Tamotia
President & CEO

P.K. Choksey
Director

S.C. Jain
Director

N.J. Jhaveri
Director

S. Misra
Director

A.L. Mudaliar
Director

B.L. Shah
Director

COMPANY SECRETARY

Sanjeeb Chatterjee

AUDITORS

Price Waterhouse

ADVOCATES & SOLICITORS

Sandersons & Morgans

BANKERS

Standard Chartered

Bank of America National Trust & Savings Association

Bank of Baroda

Citibank N.A.

Deutsche Bank

Punjab National Bank

State Bank of India

Syndicate Bank

The Hongkong & Shanghai Banking Corporation Limited

Union Bank of India

MANAGEMENT COMMITTEE

S.K. Tamotia
President & CEO

P.K. Sen
Joint President – Engineering, Commercial & Business Development

M. George
Joint President – Metal & Power

S. Talukdar
Joint President & Chief Financial Officer

G. Mukherjee
Joint President – Foil & Packaging

S. Ray
Vice President – Chemicals & International Trade

C.B. Agrawal
Vice President – Planning & Monitoring

A.B. Powar
Vice President – Technology

A.K. Basu
Vice President – Human Resource Management

S. Banerjee
Chief Executive – Sheet Business

UNIT HEADS

CHEMICALS

V.R. Agrawal
Alumina Refinery – Belgaum

L.S. Rao
Alumina Refinery – Muri

H. Bhagawati
Bauxite Mines – Lohardaga

A.R. Rane
Bauxite Mines – Durgmanwadi/Chandgad

ALUMINIUM

R. Misra
Smelter & Power Plant – Hirakud

C.G. Jolly
Smelter & Extrusions – Alupuram

K.K. Binani
Sheet Mill – Belur

S.D. Sharma
Sheet Mill – Talaja

S. Barari
Foil Plant – Kalwa

V. Eapen
Foil Plant – Kollur

MANAGEMENT TEAM

HIGHLIGHTS



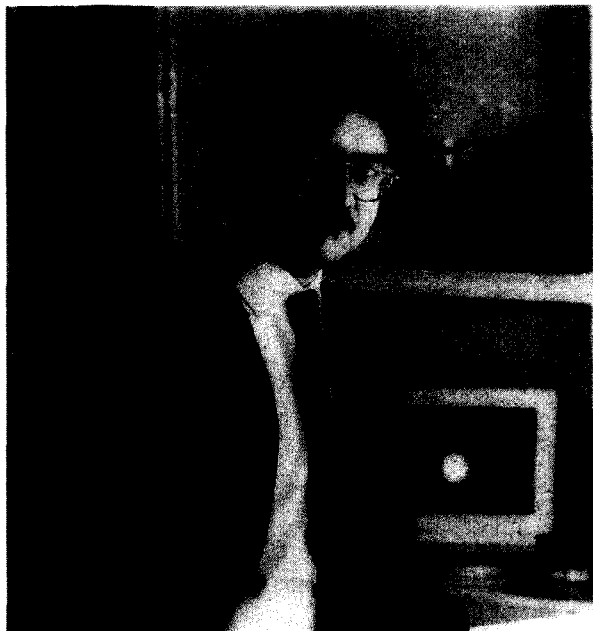
Some of the prestigious awards won by Indal

OPERATIONS

- Highest ever Revenues and Net Profits, despite business adversities.
- Record production at Alumina Refineries, Smelter and Extrusions plants.
- Significant improvement in operational efficiencies at the alumina plant at Belgaum, smelter and extrusions plants at Alupuram, power plant at Hirakud and the sheet rolling mill at Belur.
- Sales Revenues improved, despite domestic capacity overhang in downstream segment and lower alumina realisations.
- Significant growth in Exports, driven by the downstream segment, notably Sheet.
- Significant milestones in energy efficiencies and conservation measures at Belur sheet, Hirakud smelter & power, Belgaum alumina and Alupuram smelter.

AWARDS

- National Award for R&D works, by the Department of Scientific & Industrial Research (DSIR), New Delhi.
- Hirakud Smelter was presented the Sword of Honour, by the British Safety Council.
- Hirakud Smelter was awarded National Energy Conservation Award (Special Prize), by the Ministry of Power, GOI.
- Hirakud Power received National Award for Prevention of Pollution, by the Ministry of Environment & Forests, GOI.
- Hirakud Power received the Rajiv Gandhi Environment Award for Clean Technology, by the Ministry of Environment & Forests, GOI.
- Belur Sheet was presented Environmental Excellence Award jointly by the ICC and the WBPCB for proactive environmental management practices.



THE CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear fellow shareholders,

In a year characterised by a dim economic environment, overshadowed by geo-political issues and a significant lowering of consumer spends, your Company has managed to sustain its performance. Revenues at Rs 13,710 million have been maintained vis-à-vis Rs 13,684 million attained in the previous year, coupled with a Net Profit at Rs 1,186 million.

To achieve these results has been a tough slog for your Company. The cyclone at Hirakud disrupted your Plant's operations for a week, impairing its overall performance. The transporter's strike put a brake on your Company's alumina plant at Muri, crippling its operations for nearly three weeks. The Iraq war pushed chemical exports into the background. A steep rise in the power tariff by the Kerala Government, affected your Alupuram plant's profitability.

That your Company could move forward, despite the tremendous odds against which it had to perforce operate, is a reflection of its resilience power.

Significantly, the ability to continuously sweat its assets, hone its operating efficiencies and pare costs – have been the critical enablers, responsible for your Company's progress.

Among the major strategic moves made to secure your Company's profitability ongoingly, include the consolidation of its smelter capacity, and refurbishing the power supply at Hirakud, besides the integration of the erstwhile Annapurna Foils Limited (AFL).

I am pleased to inform you that the brownfield expansion of your Company's smelter at Hirakud from 30,000 tonnes to 57,200 tonnes has been accomplished. This ramp-up, which provides the metal for value-added semi-fabrication activities, is cost-efficient and bolsters your Company's competitiveness. To synchronise with the power requirements of the smelter, we have taken steps for implementing a 100 MW Power Plant. Besides its captive consumption, our intent is to wheel the surplus power to your Company's plant at Belur. This step also insulates your Company against rising power costs of the State Grid.

The integration of AFL with your Company is complete.

Looking ahead, I believe, the going is good for your Company.

The US economy is sending signals of renewed strength. Consumer confidence has soared in the U.K. Other major economies are also well into the growth mode. China, regardless of SARS, is prospering. That China poses a threat in the metals sector, I believe, is a grossly exaggerated viewpoint, particularly when one factors their emerging concerns on power. The Asian region's performance continues to be strong. The growth of these economies presages a rise in alumina and metal consumption.

In India, the Government's focus on the furtherance of the power and infrastructure sectors, both of which offer a significant potential for aluminium application, should advance growth. A softer interest bias and stable real estate prices, portend well for the housing and construction sector. The auto sector is on the upswing. A good monsoon should buoy the demand for aluminium as well.

Such a milieu, stokes your Company's growth prospects. Leveraging its ascendancy in the chemicals and downstream businesses, increasingly ushering in value-added applications, and edging exports rapidly, underlines your Company's blueprint for growth. I view the future with great optimism.