

UltraTech Cement Limited

Annual Report 2006-2007

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Mr. G. D. Birla and Mr. Aditya Birla, our founding fathers.
We live by their values.
Integrity, Commitment, Passion, Seamlessness and Speed

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UltraTech Cement Limited

BOARD OF DIRECTORS

Mr. Kumar Mangalam Birla
Chairman

Mrs. Rajashree Birla

Mr. R. C. Bhargava

Mr. G. M. Dave

Mr. Y. M. Deosthalee

Mr. N. J. Jhaveri

Dr. S. Misra

Mr. V. T. Moorthy

Mr. J. P. Nayak

Mr. S. Rajgopal

Mr. D. D. Rathi

Mr. S. Misra
Managing Director

Executives

Mr. O. P. Puranmalka	*Group Executive President & Chief Marketing Officer*
Mr. S. K. Maheshwari	*Group Executive President & Chief Manufacturing Officer*
Mr. V. Shukla	*Chief People Officer*

Unit Heads

Mr. K. Y. P. Kulkarni	*Kovaya & Jafrabad (Gujarat)*
Mr. S. Kumar	*Hirmi (Chhattisgarh)*
Mr. C. S. Reddy	*Tadipatri (Andhra Pradesh)*
Mr. Birendra Singh	*Awarpur (Maharashtra)*

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Corporate Finance Division

Mr. J. Bajaj	*Joint President (Finance)*
Mr. M. B. Agarwal	*Vice President (F&C)*

Chief Financial Officer

Mr. K. C. Birla

Auditors

M/s. S. B. Billimoria & Co., *Chartered Accountants, Mumbai*

M/s. G. P. Kapadia & Co., *Chartered Accountants, Mumbai*

Company Secretary

Mr. S. K. Chatterjee

Solicitors

M/s. Amarchand & Mangaldas & Suresh A. Shroff & Co.,
Advocates & Solicitors, Mumbai

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UltraTech Cement – Composite Units



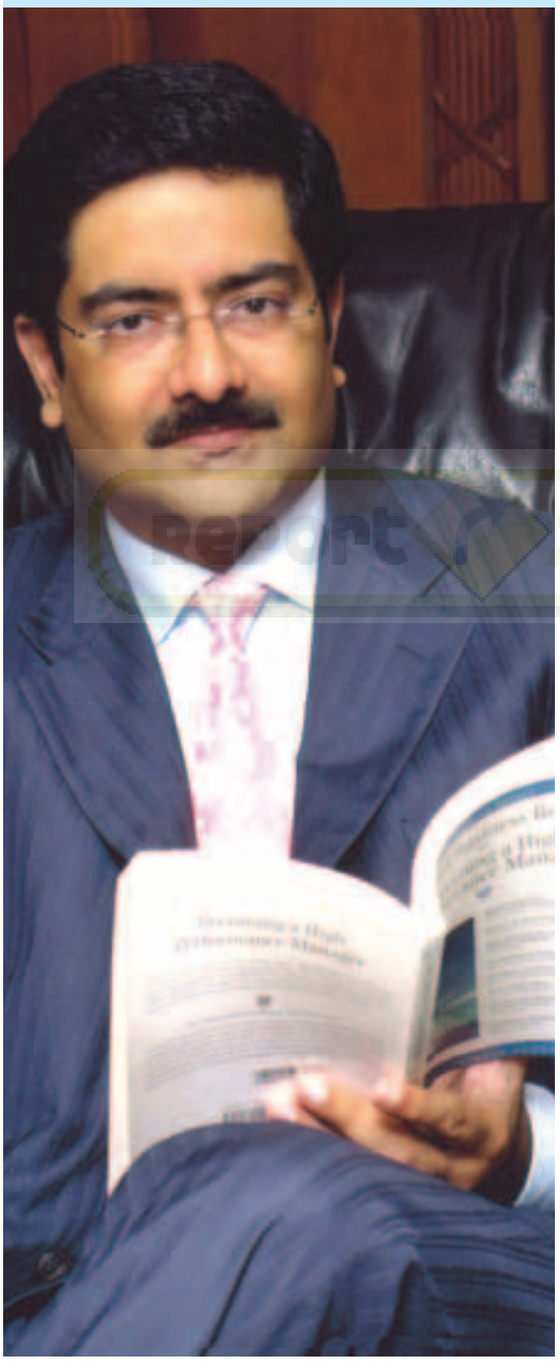
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REGISTERED OFFICE: 'B' Wing, Ahura Centre, 2nd Floor, Mahakali Caves Road, Andheri (East), Mumbai 400 093

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THE CHAIRMAN'S LETTER TO SHAREHOLDERS



Dear Fellow Shareholders,

India stands in the midst of an epochal transformation. Today, we are the fourth largest economy in the world in terms of purchasing power parity, the third largest in Asia, and the second largest among the emerging nations. Growing at a clip of over 9% annually, India is one of the few markets that have enormous potential for growth and earnings in practically all sectors. There is no let up from the Government on the reform process which has spurred the economy. These developments at the macro level will have a positive impact on your Company.

Your Company has posted improved performance, with net revenues at Rs.4,911 crores, up by 49%, and a net profit of Rs.782 crores reflecting a growth of 240%.

Your Company is augmenting capacities by an additional 4 million tpa at its Unit in Andhra Pradesh to cater to the growing demand in the South India market. With an eye on the growing Ready Mix Concrete

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business, your Company has commenced setting up Ready Mix Concrete plants in various places in the country.

The Captive Power Plants being set up at your Company's Units in Andhra Pradesh, Chattisgarh and Gujarat, are on track. They are expected to go on stream between FY08 and FY09. The Power Plants will enable us meet the challenge of growing energy costs, besides reducing your Company's dependence on the State Grid.

Towards all these projects, a Capex of around Rs. 2,600 crores has been earmarked.

Your Company's focus continues to be on sustaining Plant performance, improving service standards and timely commissioning of projects, all of which go a long way in maintaining the edge.

For our success, much credit must go to our people. The quality of our people, their intellectual and emotional commitment has been and continues to be unwavering. I deeply acknowledge their contribution in perpetuating such a meritocratic organisationf

The Cement sector is on a roll as the housing and infrastructure sectors, coupled with the increasing industrial investment continue to grow. The outlook for your Company is encouraging.

For our success, much credit must go to our people. The quality of our people, their intellectual and emotional commitment has been and continues to be unwavering. I deeply acknowledge their contribution in perpetuating such a meritocratic organisation.

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The Aditya Birla Group : In Perspective

In line with our vision to be a premium global conglomerate with a clear focus at each business level, I am pleased to inform you that our geographic reach has far expanded. This year has indeed been a landmark year consequent to major acquisitions. Today our Group is a US$ 24 billion corporation with a market cap in excess of US$ 23 billion, anchored by a committed 100,000 workforce belonging to 25 nationalities, representing 20 countries across 5 continents. We are all glued together by a common set of values – Integrity, Commitment, Passion, Seamlessness and Speed.

In line with our vision to be a premium global conglomerate with a clear focus at each business level, I am pleased to inform you that our geographic reach has far expanded.....

.....We are all glued together by a common set of values ˘ Integrity, Commitment, Passion, Seamlessness and Speed.f

As a Group we are a meritocracy with a sharp focus on people processes. We try and make space for new ideas and encourage a spirit of experimentation. Champions of good ideas have every chance to try them out.

Our people systems and our Group's HR strategy continue to evolve as our Group increasingly globalises. In this regard, we are continuously innovating to support our business vision with world-class HR processes and strategies. The Group-wide implementation of Project Poornata – the PeopleSoft based HR-ERP Programme, in its first year of implementation is already reckoned as an enabler of strategic people decisions. These on-line people processes enhance transparency and productivity.

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Talent management and strengthening of the talent pool in building leadership across the Group continues to be a focus area. On the professional front, our people systems are aligned to foster excellence, empower and enrich people, recognise creativity, innovation and reward performance. People with a track record, people with a passion to perform are steered on to a growth trajectory. Our endeavours to identify, develop and push high potential talent, which was an initiative begun two years ago, will soon be institutionalised. It might interest you to learn that more than 4,000 of our high caliber management talent have been put through our Development Assessment Centres and their professional development plans charted out.

Our investments into employee development both through classroom teaching, e-learning, personal coaching by senior management and mentoring have been scaled up.

Given the intense war for talent, in addition to these HR systems, we have taken a slew of initiatives to strengthen our employer brand and to improve the quality of life of our employees. This, we hope, will help us keep the edge.

We have set up a taskforce to define the unique employment proposition that our Group can and does offer. Our intent is to ensure that these employee value propositions translate in the day-to-day experiences of our people and enhance their involvement with our Group.

To offer our people a share in the value created by the organisation, we announced the Employee Stock Option Plan which we expect to roll out in FY08. This would give them an increasing sense of ownership in our Group.

It is with a great sense of pride that I share with you the fact that our Group has been adjudged as the Best Employer in India in 2007 and amongst the Top 20 Best Employers in Asia in the

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Hewitt-Economic Times and Wall Street Study of 2007. This is a singular achievement and a great honour given that the Study encompassed 230 companies in India and over 700 companies in Asia. This honour is also a reflection of the pride, the affection and attachment that colleagues all over have for our Group.

While we cherish this acknowledgement, we realise that we have to work harder in the people area and bring in an even sharper focus on employees and their engagement.

It is with a great sense of pride that I share with you the fact that our Group has been adjudged as the Best Employer in India in 2007 and amongst the Top 20 Best Employers in Asia in the Hewitt-Economic Times and Wall Street Study of 2007.f

Best regards,

Yours sincerely,



21st April, 2007

Kumar Mangalam Birla

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NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of **UltraTech Cement Limited** will be held at Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400 025 on Friday, 20th July, 2007 at 3.30 pm to transact with or without modification(s), as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and the Profit & Loss Account for the year ended 31st March, 2007 and the Reports of the Directors' and Auditors' thereon.

2. To note, confirm and ratify payment of dividend on equity shares for the year ended 31st March, 2007.

3. To appoint a Director in place of Mr. J. P. Nayak, who retires by rotation and, being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Y. M. Deosthalee, who retires by rotation and, being eligible, offers himself for re-appointment.

5. To appoint a Director in place of Mr. Kumar Mangalam Birla, who retires by rotation and, being eligible, offers himself for re-appointment.

6. To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. G. P. Kapadia & Co., Chartered Accountants, Mumbai be and are hereby re-appointed as Joint Statutory Auditor of the Company, and M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai be and are hereby appointed, as the other Joint Statutory Auditor of the Company in place of M/s. S. B. Billimoria & Co., Chartered Accountants, Mumbai who have intimated to the Company their inability to be re-appointed as Joint Statutory Auditors of the Company, both to hold office from the conclusion of the Seventh Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration to each of them, plus service tax as applicable and reimbursement of out-of-pocket expenses in connection with the audit as the Board of Directors may fix in this behalf."

SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 (the "Act"), M/s. Haribhakti & Co., Chartered Accountants, Mumbai, be and are hereby re-appointed as the Branch Auditors of the Company, to audit the Accounts in respect of the Company's Units at Jafrabad and Magdala in Gujarat and Ratnagiri in Maharashtra, to hold office from the conclusion of the Seventh Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration, plus service tax as applicable and reimbursement of

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