

ANNUAL REPORT 2008 – 2009

Dear Shareholder,

As I look at the numbers in the current maelstrom, whilst our revenues and profits have been impacted across businesses, in relative terms, measured against the competition, we have stood our ground. The litmus test we apply is: if a down-turn of this magnitude were to persist for some time, would we be the last man standing, which means, will we be the industry player least likely to be affected?

Without doubt, we are facing our toughest challenge, but we will, all the same, be the 'last man standing' once the dust settles down, as the statistics for our various businesses bear out.

We believe that tough times don't last, tough people do. At a time like this, we constantly remind ourselves, that our collective endeavour as an organization is to build businesses for the long haul. In the past too, there have been sharp swings in business cycles – and there will be more of these in the future, though hopefully not of the magnitude and ferociousness we are seeing today. And each time in the past we have come out of the eye of the storm, we have emerged fitter and stronger.

Here, let me mention the role of our values and beliefs. Our values always guide us, much like the North Star. Our history and heritage as a Group, in one word, stand for trust. Whilst we see a meltdown the world over, not just of economies, but equally of governance, I believe that our demanding standards of governance will set us apart, even more, now, and in the future. Clearly, investors and employees will appreciate and learn to value differentiate between organizations like ours that are honest, ethical, transparent and well-governed, and others, for whom governance is a platitude. This is a huge strength, built over time into our genetic coding. It will always stand us in good stead.

Yours sincerely,

Kumar Mangalam Birla



UltraTech Cement Limited

www.reportjunction.com



Mr. G. D. Birla and Mr. Aditya Birla, our founding fathers.

We live by their values.

Integrity, Commitment, Passion, Seamlessness and Speed

THE CHAIRMAN'S LETTER TO SHAREHOLDERS

... contd.



At the business level too, we are on a relatively strong footing. Your Company's net revenues crossed US\$ 1,390 million (Rs.6,383 crores) up by 16% over that of the preceding year. Net Profit stood at US\$ 213 million (Rs.977 crores).

Your Company has taken major initiatives to ensure profitable growth in the foreseeable future. An in-depth presentation of these steps has been detailed in the Management Discussion and Analysis, so I will highlight only the key points.

The various expansion and modernisation programs initiated by your Company to grow in the markets in which it operates have been largely completed. Commercial production of cement has commenced from its Unit in Andhra Pradesh Cement Works (APCW) and grinding Unit at Ginigera, Karnataka. Your Company's total capacity will stand enhanced to 23.1 mtpa on commissioning of the residual cement capacity in the pipeline at APCW.

With the captive Thermal Power Plants going on stream across its Units, your Company will have access to around 236 MW of captive power, catering to nearly 80% of its power requirements.

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Your Company has invested nearly Rs.3,200 crores over the years in these initiatives, aimed at improving productivity levels and optimizing costs.

We expect cement demand to grow in line with the GDP and linked to Government spends on infrastructure and housing. However, with the planned capacity commencing production, the industry is likely to see a surplus scenario from the second-half of FY10, which will result in pressure on margins. Your Company will continue to focus on stabilising plant performance and optimising efficiencies.

I believe our people are our biggest strength. We have further strengthened our endeavours, in these times of a slowdown, to aggressively establish a performance oriented culture that rewards better performance and distinguishes the best performers from the others. I would like to acknowledge all of our performers who deliver results.

The Aditya Birla Group: In Perspective

Today, we manage multinational teams – 1,30,000 employees, comprising 30 nationalities, across 25 countries, anchor our US\$ 29.2 billion meritocratic conglomerate. Our values – Integrity, Commitment, Passion, Seamlessness and Speed, is the thread that strings us together.

Post our Group being declared the “Best Employer” in 2007 by the Hewitt / Economic Times / Wall Street Study, our brand as an employer continues to grow strongly. More than 8,000 leading professionals from India and globally have teamed up with us.

Our rigorous assessment process, inclusive of Development Assessment Centres, assesses our people early in their career on their potential to hold leadership roles. This way, we have ensured that we have a robust bench strength of talent. We also use short term secondments and long term

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assignments to develop the capability of our people to work across borders. This year over 1,700 colleagues have been job rotated.

Over 80% of our businesses have participated in a compensation benchmarking exercise this year and we have taken significant corrective and proactive measures to stay competitive and attractive. This positioning will further help us to attract and retain the right talent.

We lay great emphasis on continuous learning through our in-house learning university – Gyanodaya. This globally benchmarked institution leverages resources from around the world to meet the development needs of our people. Over a 1,000 executives have taken courses this year. Additionally, more than 14,000 employees spread across the world, from Farmington

Hills in USA to Giza in Egypt to Perth in Australia and Renukoot in Uttar Pradesh have used Gyanodaya's E-learning platform called GVC. GVC prides itself in having a course completion ratio of 90%, which is a world benchmark.

As perhaps many of you may be aware we track the organisational climate every two years. We use the Organisational Health Survey (OHS), as the barometer of employee engagement at work. It is conducted by Gallup. Over 22,000 executives, across 17 businesses, spanning 25 countries and 750 cities/interiors participated in the OHS6. The participation level at 94%, according to Gallup, is a benchmark. 83% of the employees surveyed in the OHS6 said that they are proud to be an employee of the Aditya Birla Group and get professional satisfaction working here. 67% of our management employees have clearly emphasized their confidence in the ability of the leaders at various levels to successfully manage the emerging challenges that the Group is facing. Almost three-fourths of our employees (73%) have stated that they would definitely advocate our Group as a place to build a meaningful career.


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Going forward, I would like to emphasize that the brand of leadership that we seek to build combines the virtues of professionalism with the commanding power of the mind, heart and soul. The mind which has the intellect to perceive the right from the wrong, the heart which has an emotional bond with the organisation that cannot be severed, and a soul that is indomitable. Our biggest strength has been an emotional bonding that our employees have with the Group that makes the paradigm of duty truly boundaryless.

Best Regards,

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Yours sincerely,



Kumar Mangalam Birla

UltraTech Cement Limited

BOARD OF DIRECTORS

Kumar Mangalam Birla
Chairman

Mrs. Rajashree Birla

R. C. Bhargava

G. M. Dave

Y. M. Deosthalee
(upto 15th June, 2009)

N. J. Jhaveri

S. B. Mathur

V. T. Moorthy

J. P. Nayak
(upto 15th June, 2009)

S. Rajgopal

D. D. Rathi

S. Misra
Managing Director

Chief Financial Officer

K. C. Birla

Company Secretary

S. K. Chatterjee

Executives

O. P. Puranmalka
Group Executive President & Chief Marketing Officer

R. K. Shah
Group Executive President & Chief Manufacturing Officer

C. B. Tiwari
Chief People Officer

Unit Heads

K. Y. P. Kulkarni
Kovaya & Jafrabad (Gujarat)

S. Kumar
Hirmi (Chhattisgarh)

P. S. Mazumdar
Tadipatri (Andhra Pradesh)

B. Singh
Awarpur (Maharashtra)

Corporate Finance Division

J. Bajaj
Executive President (Finance)

M. B. Agarwal
Joint President (F&C)

Auditors

Deloitte Haskins & Sells, Chartered Accountants, Mumbai

G. P. Kapadia & Co., Chartered Accountants, Mumbai

Solicitors

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

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NOTICE

NOTICE is hereby given that the Ninth 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 Tuesday, 21st July, 2009 at 3:30 p.m. 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, 2009 and the Profit & Loss Account for the year ended 31st March, 2009 and the Report of the Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2009.
3. To appoint a Director in place of Mr. D. D. Rathi, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. G. M. Dave, 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. Deloitte Haskins & Sells, Chartered Accountants, Mumbai and M/s. G. P. Kapadia & Co., Chartered Accountants, Mumbai be and are hereby re-appointed Joint Statutory Auditors of the Company, to hold office from the conclusion of the Ninth 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 Branch Auditors of the Company, to audit the Accounts in respect of the Company's Units at Jafrabad and Magdalla in Gujarat and Ratnagiri in Maharashtra, to hold office from the conclusion of the Ninth 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

out-of-pocket expenses in connection with the audit as the Board of Directors may fix in this behalf.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint Branch Auditors of any other Branch / Unit / Division of the Company, which may be opened / acquired / installed hereafter, in India or abroad, in consultation with the Company's Statutory Auditors, any person(s) qualified to act as Branch Auditor within the provisions of Section 228 of the Act and to fix their remuneration."

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

"RESOLVED THAT pursuant to the provisions of Section 260 and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") Mr. S. B. Mathur, who was appointed as an Additional Director by the Board of Directors of the Company and who holds office as such only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 500/- pursuant to the provisions of Section 257 of the Act from a Member signifying his intention to propose Mr. S. B. Mathur as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

9. To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 163 and all other applicable provisions, if any, of the Companies Act, 1956 the Register of Members, Index of Members, Register of Debentureholders, Index of Debentureholders and other related books be kept at the premises of the Company's Registrar and Transfer Agent viz. Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072."

By Order of the Board

S.K.Chatterjee
Company Secretary

Place: Mumbai

Date: 16th June, 2009

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE NINTH ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**