



“Our goal is to become a
US \$65 billion Group by 2015
from US \$30 billion today.
We expect your company
to contribute significantly
to this growth and earnings.”

KUMAR MANGALAM BIRLA



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

We live by their values.

Integrity, Commitment, Passion, Seamlessness and Speed

UltraTech Cement Limited

Board of Directors

Kumar Mangalam Birla
Chairman

Mrs. Rajashree Birla

R. C. Bhargava

G. M. Dave

N. J. Jhaveri

S. B. Mathur

V. T. Moorthy

S. Rajgopal

D. D. Rathi

O. P. Puranmalka
Whole-time Director

Chief Financial Officer

K. C. Birla

Company Secretary

S. K. Chatterjee

Executives

R. K. Shah

*Group Executive President &
CMO (Mfg. & Projects)*

S. N. Jajoo

Chief Marketing Officer

C. B. Tiwari

Chief People Officer

Unit Heads

K. Y. P. Kulkarni

Kovaya & Jafrabad (Gujarat)

S. Kumar

Hirmi (Chhattisgarh)

A. K. Pillai

Tadipatri (Andhra Pradesh)

Birendra 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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REGISTRAR & TRANSFER AGENT: 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
Tel. : (022) 6772 0300 / 6772 0400 Fax : (022) 2859 1568 / 2850 8927

The Chairman's letter to Shareholders



Dear Shareholder,

The global economy is gradually emerging from the throes of the meltdown of 2008. While growth rates have picked up, it will still be a while to get back to the pre-crisis path. However, the fundamentals of the global economy appear to be reasonably good. The IMF has forecasted a growth of 2.3% for the advanced countries and 6.3% for the emerging economies for 2010. Of all the countries, China's growth has been most impressive. Its economy has recorded a double-digit growth for several quarters. And it continues to surge.

India also is on a strong growth trajectory. Our economy is slated to grow in excess of 8%. Consumer spending is gaining momentum. Private investment is picking up steam. Globally and in India, the trend is encouraging. These impact your Company's growth and performance.

For the Financial Year 2009-10, your Company's performance has been robust. Net Revenue at US\$ 1.57 billion (Rs. 7,050 crores), is up by 10% over that of the preceding year. Net Profit at US\$ 243 million (Rs. 1,093 crores) registered a growth of 12%.

A number of strategic initiatives have been taken by your Management in the interest of its multiple stakeholders. As these have been detailed in the 'Directors' Report to the Shareholders', I will give you a helicopter view.

Consolidation and Amalgamation

To morph your Company into a monolithic large cement player, the business needed to be consolidated. The process is on track. In the first phase, Grasim's cement business has been demerged into a separate entity viz. Samruddhi. In the second phase, Samruddhi will be merged

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into your Company. We expect the merger to be completed by July, 2010. This will catapult your Company to the No. 1 cement company in India with an aggregate capacity of 49 million tons – an achievement that is truly laudable. As always, your Company will continue to leverage upon the rich parentage of Grasim, its holding entity.

On a High Growth Terrain

Our growth plans in Cement are aggressive. The sector offers enormous potential for us. The Government's accelerated spending on infrastructure and the overall appetite for housing will continue to spike cement demand. It might interest you to learn that the Planning Commission, in the mid-term appraisal of the 11th Plan, has envisaged an expenditure of over Rs. 20 trillion on infrastructure. This will be spent during the 11th Plan period.

As the market leader, your Company will be in the forefront. We plan to add 25 million tons of capacity by 2015 at a capex of US\$ 3 billion. Our blueprint for implementing various projects is ready.

Besides a leadership position in India, we aspire to have a formidable presence in the Indian Ocean rim. As a step in this direction, your Company is acquiring ETA Star Cement Company, Dubai, together with its operations in the UAE, Bahrain and Bangladesh. The acquisition is expected to be completed shortly. It will, I believe, be a springboard for cement business in the Middle East. It is also in line with our long-term strategy of expanding our global presence.

Outlook

Having said that, significant capacity additions during the current year and the ensuing year may lead to a surplus scenario over the next 18-24 months. In return, this may impact cement prices to

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an extent. I believe, this is a short-lived phenomenon. Given the Government’s unrelenting thrust on infrastructure and the booming housing sector, the cement business can only go forward. The outlook for your Company is positive.

To our teams

I very warmly want to thank all of our colleagues in UltraTech for their immense contribution to your Company’s praiseworthy performance. I look forward to their continued commitment to your Company’s reaching greater heights and enhancing shareholder value.

The Aditya Birla Group in perspective

Today, we are a multicultural, multinational, multidimensional Group anchored by over 1,30,000 employees, belonging to 30 nationalities, across 6 continents. Our Group turnover is a little over US\$ 29 billion. Our leadership across several levels is fleet of foot, flexible enough to adapt to the ever changing environment, and ambitious enough to dream audaciously.

Our goal is to become a US\$ 65 billion Group by 2015 from US\$ 30 billion today. We expect your Company to contribute significantly to this growth and earnings.

To attain this bold and ambitious vision, we have launched a series of people centered strategies. I believe, the best of goals can only fruition if we have the best of people and harness people potential, irrespective of positions.

As the Group continues to expand globally, exploring and seizing opportunities, we have accelerated the pace of offerings to our intellectual capital. Our endeavour is to provide them with unparalleled opportunities, dynamic challenges, a rewarding professional career and a sense of fulfillment on the personal front. This is a priority area. To take this forward, we launched our employee value proposition. Simply put, it is **“a world of opportunities”**. It entails the reinforcement of a four pronged approach.

Firstly, offering exciting career prospects that give employees a leeway to chart their own growth trajectory.

Secondly, intensifying learning processes that hone existing skills. Transcending it, we have taken the learning to a higher stage where talented employees are able to convert knowledge into action through exposure to the best global minds. For example, this year at **Gyanodaya**, our benchmarkable Institute of Management Learning, more than 500 colleagues at senior levels participated in

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comprehensive global study
of organizational leadership
across the world,
our Group, was adjudged
"The 6th great place
for leaders in the
Asia Pacific Region"*

pecially designed, intellectually stimulating, innovative focused programmes. These related to globalization, leadership, innovation and getting far beyond the mind of the customer. These were conducted in collaboration with the best in class faculty from International Business Schools and consulting organizations. Among these feature, The Ross School of Business, The Duke University, UCLA (all from USA), ISB (Hyderabad), The Hay Group and Mercer Consulting.

It might interest you to learn that this year as well over a 1,000 executives enlisted for different learning sessions. Gyanodaya's virtual campuses reached out to more than 13,500 learners through its e-learning courses and webinars.

Thirdly, as part of our concerted efforts towards a sharp organizational focus and alignment in the talent management processes, across the businesses, we put in place critical differentiators. Besides linking rewards to performance, special performance incentives, international assignments, and Group-wide recognition programmes have been set in motion.

Fourthly, promoting enriched living by encouraging talent to look beyond just professional enhancement and to work toward building a wholesome, balanced life.

I believe, our Employee Value Proposition also helps to create an enabling environment that sets people up for success, enthuses in them the drive to excel, achieve and push back the frontiers of excellence.

Finally, I am delighted to share with you that in a comprehensive global study of organizational leadership across the world, conducted by The Hewitt Associates, in partnership with The RBL Group and Fortune Magazine (2009) on "Top Companies for Leaders to engage in", our Group, was adjudged "The 6th great place for leaders in the Asia Pacific Region". That of 177 companies who participated in this study, we should have been chosen is indeed a great achievement. Their critical assessment criteria included strength and depth of leadership practices, culture, examples of developing world class leaders, business performance and company reputation. On all counts, we are on course.

Yours sincerely,



Kumar Mangalam Birla

Notice

NOTICE is hereby given that the Tenth 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 Thursday, 29th July, 2010 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, 2010 and the Profit & Loss Account for the year ended 31st March, 2010 and the Report of the Directors' and Auditors' thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2010.
3. To appoint a Director in place of Mr. N. J. Jhaveri, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Rajashree Birla, who retires by rotation and, being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. V. T. Moorthy, 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 (Registration No: 117366W) and M/s. G. P. Kapadia & Co., Chartered Accountants, Mumbai (Registration No: 104768W) be and are hereby re-appointed Joint Statutory Auditors of the Company, to hold office from the conclusion of the Tenth 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 Tenth 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 Sections 198, 269, 309, 310, Schedule

XIII and all other applicable provisions, if any, of the Companies Act, 1956, (the “Act”) including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and all other applicable guidelines relating to managerial remuneration issued by the Central Government from time to time or any other law and subject to such approvals as may be necessary and as are agreed to by the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee thereof and any person, authorised by the Board in this behalf), consent of the Members be and is hereby accorded to the re-appointment of Mr. S. Misra as Managing Director of the Company from 16th October, 2009 to 31st March, 2010, the terms and conditions thereof and the revision in remuneration payable to Mr. Misra with effect from 1st July, 2009 as set out below:

Remuneration:

- i. Basic Salary: Rs.14,00,000/- (Rupees fourteen lacs only) per month with such increment(s) as the Board may decide from time to time, subject however to a ceiling of Rs. 15,00,000/- (Rupees fifteen lacs only) per month.
- ii. Special Allowance: Rs. 17,42,000/- (Rupees seventeen lacs forty two thousand only) per month with such increment(s) as the Board may decide from time to time, subject however, to a ceiling of Rs. 18,00,000/- (Rupees eighteen lacs only) per month.
- iii. Variable Pay: Performance Linked Variable Pay and /or Long Term Incentive Compensation (LTIC) and/or any other compensation as may be decided by the Board from time to time up to the end of his tenure, subject to a maximum of Rs.2,00,00,000/- (Rupees two crores only) per annum on this account.

Perquisites:

- a) Housing: The Company shall provide free furnished accommodation and also pay all rents, rates, taxes, electricity, fuel charges, water charges, telephone bills and all other expenses for the upkeep and maintenance thereof and the expenditure incurred thereon by the Company shall be valued as per the Income Tax Rules.
- b) Leave Travel Expenses: For self and family (which shall include spouse, dependant children and parents) in accordance with the Rules of the Company.
- c) Medical Expenses: Reimbursement of medical expenses (including insurance premium for medical and hospitalisation policy, if any) for self and family, which shall include spouse, children and dependant parents, at actuals.
- d) Club Fees: Fees for two clubs (entrance fee for one club only and reimbursement of monthly fees at actuals for two clubs).
- e) Leave and encashment of leave: As per the Rules of the Company.
- f) Personal Accident Insurance: As per the Rules of the Company.
- g) Contribution to Provident Fund, Superannuation or Annuity Fund: As per the Rules of the Company.
- h) Gratuity and/or contribution to Gratuity Fund of the Company: As per the Rules of the Company.
- i) Cars: Company maintained two cars, as per the Rules of the Company.
- j) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per the Rules of the Company. Travelling expenses of spouse accompanying the Managing Director on any official overseas or inland trip will be governed as per the Rules of the Company.