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

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.

"Your Company has taken major initiatives to ensure profitable growth in the foreseeable future. The various expansion and modernisation programs initiated by your Company to grow in the markets in which it operates have been largely completed."

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

"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."

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.

"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."

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,

Yours sincerely,

Kumar Mangalam Birla

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

Contents

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

Tel. : (022) 6691 7800 Fax : (022) 6692 8109. Website : www.ultratechcement.com/www.adityabirla.com

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.**

2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item nos. 7 to 9 of the Notice set out above, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 11th July, 2009 to 21st July, 2009 (both days inclusive) for the purpose of payment of dividend, if any, approved by the Members.
4. The dividend, as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after 21st July, 2009 to those Members or their mandates whose names are registered on the Company's Register of Members:
   a) as Beneficial Owners as at the end of business on 10th July, 2009 as per the lists to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form, and
   b) as Members in the Register of Members of the Company after giving effect to all valid share transfers in physical form which are lodged with the Company or its Registrar & Transfer Agent (RTA) viz. Sharepro Services (India) Private Limited having their address at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072 on or before 10th July, 2009.
5. a) Members are requested to notify immediately any change of address:
      (i) to their Depository Participants (DPs) in respect of the shares held in electronic form, and
      (ii) to the Company or its RTA, in respect of the shares held in physical form together with a proof of address viz. Electricity Bill, Telephone Bill, Ration Card, Voter ID Card, Passport etc.
   b) In case the mailing address mentioned on this Annual Report is without the PINCODE, Members are requested to kindly inform their PINCODE immediately.
6. Non-resident Indian Members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately:
   (a) the change in the residential status on return to India for permanent settlement.
   (b) the particulars of the NRE Account with a bank in India, if not furnished earlier.
7. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company at its Registered Office or its RTA quoting reference of their Folio number or their Client ID number with DP ID number, as the case may be.
8. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company or its RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the Members after making requisite changes thereon.

9. (a) Members are advised to avail of the facility for receipt of dividend through Electronic Clearing Service (ECS). The ECS facility is available at specified locations. Members holding shares in electronic form are requested to contact their respective DPs for availing ECS facility. Members holding shares in physical form are requested to download the ECS form from the website of the Company viz. www.ultratechcement.com and the same duly filled up and signed along with a photocopy of a cancelled cheque may be sent to the Company at its Registered Office or its RTA on or before 10th July, 2009.

(b) Members who hold shares in electronic form and want to change / correct the bank account details should send the same immediately to their concerned DP and not to the Company. Members are also requested to give the MICR Code of their bank to their DPs. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. The said details will be considered, as will be furnished by NSDL/CDSL to the Company.

(c) To avoid the incidence of fraudulent encashment of dividend warrants, Members are requested to intimate the Company 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 number.

2) Particulars of bank account, viz.

   i) Name of bank

   ii) Name of branch

   iii) Complete address of bank with PINCODE

   iv) Account type, whether Saving (SB) or Current Account (CA)

   v) Bank account number

10. *Depository System*

The Company has entered into agreements with NSDL and CDSL. Members, therefore, now have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL.

The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.

11. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form 2B prescribed by the Government from the Company's Secretarial Department at its Registered Office or its RTA or can be downloaded from its website viz. www.ultratechcement.com. Members holding shares in electronic form are required to approach their DPs for the nomination.

12. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting is attached hereto.

13. The Annual Report of the Company for the year 2008-09, circulated to the Members of the Company, will be made available on the Company's website viz. www.ultratechcement.com.

14. *In terms of circular no. MRD/DoP/Cir-05/2009 dated 20th May, 2009 issued by Securities and Exchange Board of India (SEBI), it is now mandatory for the transferee of the physical shares to furnish copy of PAN card to the Company or its RTA for registration of transfer of shares. Shareholders are requested to furnish copy of PAN card at the time of transferring their physical shares.*

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956:

Item no. 7

M/s. Haribhakti & Co, Chartered Accountants, Mumbai were appointed as Branch Auditors of the Company's Units at Jafrabad and Magdalla in Gujarat and Ratnagiri in Maharashtra at its Eighth Annual General Meeting.

The Board of Directors of the Company have on the recommendation of the Audit Committee proposed that M/s. Haribhakti & Co., Chartered Accountants, Mumbai be re-appointed as Branch Auditors of the Company, to audit the Accounts of the Company's Units at Jafrabad and Magdalla in Gujarat and Ratnagiri in Maharashtra and to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.

Further, the Company may acquire new Units in India or abroad in future and it may be necessary to appoint Branch Auditors for carrying out the audit of the accounts of such Units. Your consent is being sought for authorising the Board to appoint Branch Auditors in respect of such Units in consultation with the Statutory Auditors and to fix their remuneration.

The resolution as set out in Item no. 7 of this Notice is accordingly commended for your acceptance.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Item no. 8

Mr. S. B. Mathur was appointed Additional Director on the Board of the Company with effect from 10th September, 2008 to hold office till the conclusion of the ensuing Annual General Meeting. Mr. Mathur was Chairman of the Life Insurance Corporation of India (LIC) from August, 2002 to October, 2004. Post retirement from LIC, Mr. Mathur was appointed as Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI). He is at present the Secretary General of Life Insurance Council and Chairman of National Stock Exchange of India Limited. He is also on the Board of several reputed companies. Considering his vast experience, his presence on the Board will be valuable to the Company.

The resolution as set out in Item no. 8 of this Notice is accordingly commended for your acceptance.

None of the Directors except Mr. S. B. Mathur is interested in the said resolution.

Item no. 9

Under the provisions of the Companies Act, 1956 (the "Act") certain documents such as the Register and Index of Members, Register and Index of Debentureholders, other related books and papers etc. are required to be kept at the Registered Office of the Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office of the Company is situated, with the approval of the Members to be accorded by a Special Resolution.

At the Annual General Meeting held on 20th July, 2007, the Members had approved keeping of the Register of Members, Index of Members, Register of Debentureholders, Index of Debentureholders and other related books at the premises of the Company's Registrar and Transfer Agent (RTA) viz. Sharepro Services (India) Private Limited. The RTA has informed the Company that their office has been shifted to a new location, since the existing premises are under renovation. Hence, the approval of the Members is sought in terms of Section 163(1) of the Act, for keeping the aforementioned Registers and documents at the new location of the RTA as stated in the resolution.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

By Order of the Board

S.K.Chatterjee
Company Secretary

Place: Mumbai
Date: 16th June, 2009

Disclosure pursuant to Clause 49 of the Listing Agreement

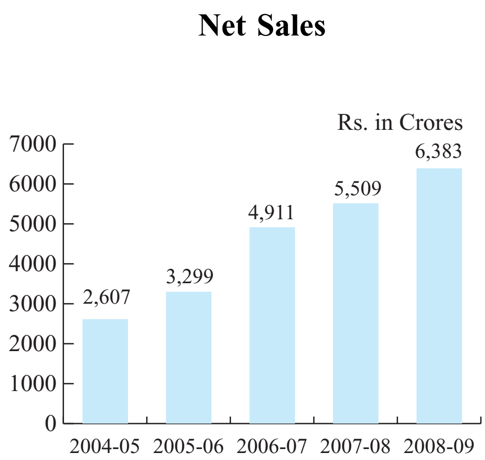
Disclosure of Directors seeking re-appointment / appointment at the Annual General Meeting to be held on 21st July, 2009:

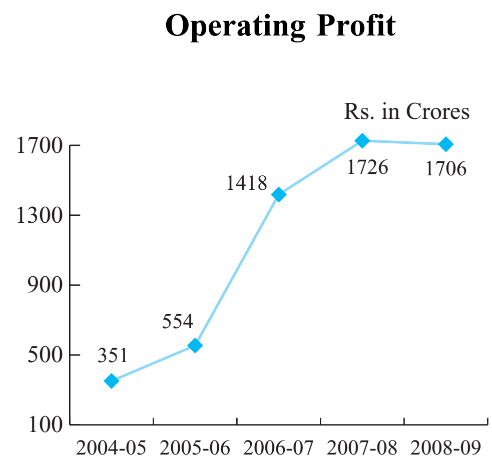
Name of Director	Mr. D. D. Rathi	Mr. G. M. Dave	Mr. Kumar Mangalam Birla	Mr. S. B. Mathur
Date of Birth	11th January, 1947	12th July, 1938	14th June, 1967	11th October, 1944
Date of Appointment	6th July, 2004	7th July, 2006	14th May, 2004	10th September, 2008
Expertise in specific general functional area	Company Executive	Advocate & Corporate Advisor	Industrialist	Company Executive
Qualification	B. Com., F.C.A.	M. Com, LLB, CAIIB	ACA, MBA	B. Com., F.C.A., ICWA Part I & II London
List of outside Directorships held (Public Limited Companies)	1. Grasim Industries Ltd.	1. Aditya Birla Retail Ltd. 2. Camphor & Allied Products Ltd. 3. Cinemax India Ltd. 4. Grasim Bhiwani Textiles Ltd. 5. PCS Technology Ltd. 6. PSI Data Systems Ltd. 7. Vinati Organics Ltd.	1. Aditya Birla Minacs Worldwide Ltd. 2. Aditya Birla Nuvo Ltd. 3. Birla Sun Life Asset Management Co. Ltd. 4. Birla Sun Life Insurance Co. Ltd. 5. Century Textiles and Industries Ltd. 6. Essel Mining & Industries Ltd. 7. Grasim Industries Ltd. 8. Hindalco Industries Ltd. 9. Idea Cellular Ltd.	1. Bank of Rajasthan Ltd. 2. DCM Sriram Industries Ltd. 3. Havells India Ltd. 4. Hindustan Oil Exploration Company Ltd. 5. Housing Development and Infrastructure Ltd. 6. IL&FS Ltd. 7. ITC Ltd. 8. National Collateral Management Services Ltd. 9. National Stock Exchange of of India Ltd. 10. Orbis Financial Corporation Ltd. 11. Universal Sompo General Insurance Co. Ltd.
Chairman / Member of the Committee of the Board of Directors of the Company	1. Share Transfers & Shareholders'/Investors Grievance Committee - Member	1. Audit Committee - Member 2. Share Transfers & Shareholders'/Investors Grievance Committee - Member	—	—
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he / she is a Director				
a) Audit Committee	—	1. Camphor & Allied Products Ltd. - Member 2. Grasim Bhiwani Textiles Ltd. - Member 3. PCS Technology Ltd. - Member 4. PSI Data Systems Ltd. - Member 5. Vinati Organics Ltd. - Member	—	1. Bank of Rajasthan Ltd. - Chairman 2. Havells India Ltd. - Chairman 3. ITC Ltd. - Chairman 4. Universal Sompo General Insurance Co. Ltd. - Chairman 5. DCM Sriram Industries Ltd. - Member 6. Hindustan Oil Exploration Company Ltd. - Member 7. Orbis Financial Corporation Ltd. - Member
b) Shareholders' Committee	1. Grasim Industries Ltd. - Member	—	—	—

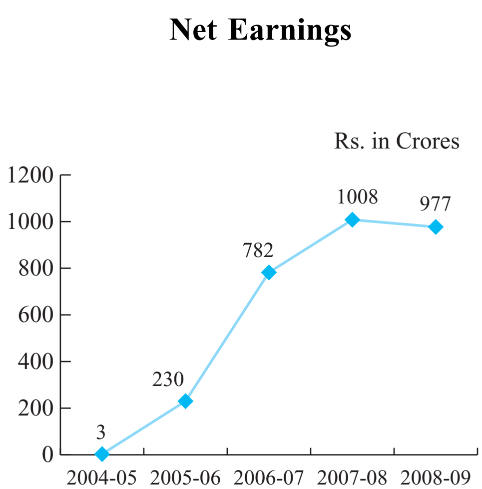
Note: Pursuant to Clause 49 of the Listing Agreement, only two Committees viz. Audit Committee and Shareholder's Committee have been considered.

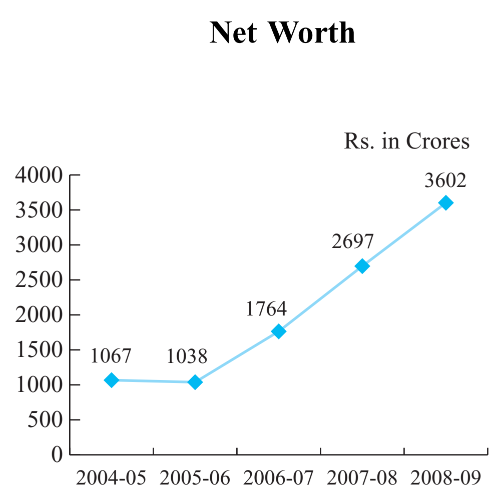
FINANCIAL HIGHLIGHTS

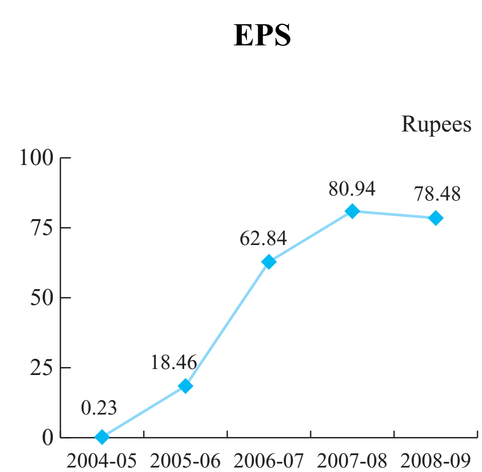
Particulars	Units	2008-09	2007-08	2006-07	2005-06	2004-05
PRODUCTION (Quantity)						
- Clinker	Mn.T	15.07	14.35	14.22	12.73	12.36
- Cement	Mn.T	15.86	15.07	14.64	13.33	12.11
SALES (Quantity)						
- Clinker	Mn.T	2.38	2.09	2.50	1.32	2.65
- Cement	Mn.T	15.80	15.02	15.17	14.23	12.52
PROFIT & LOSS ACCOUNT						
Gross Sales	Rs.Crs	7,160	6,286	5,484	3,785	3,058
Excise duty	Rs.Crs	777	777	574	486	451
Net Sales	**Rs.Crs**	**6,383**	**5,509**	**4,911**	**3,299**	**2,607**
Operating Expenses	Rs.Crs	4,677	3,783	3,493	2,745	2,256
Operating Profit	Rs.Crs	1,706	1,726	1,418	554	351
Other Income	Rs.Crs	104	101	61	37	21
EBITDA	Rs.Crs	1,810	1,827	1,479	591	372
Depreciation / Amortisation	Rs.Crs	323	237	226	216	222
EBIT	Rs.Crs	1,487	1,589	1,253	375	150
Interest	Rs.Crs	126	82	87	90	107
Profit before Exceptional items and Tax	**Rs.Crs**	**1,361**	**1,507**	**1,166**	**286**	**43**
Exceptional items Gain / (Loss)	Rs.Crs	-	-	-	-	77
Profit after Exceptional items	**Rs.Crs**	**1,361**	**1,507**	**1,166**	**286**	**(34)**
Provision for Current Tax	Rs.Crs	198	510	396	57	32
Provision for Deferred Tax	Rs.Crs	181	(17)	(17)	(5)	(68)
Fringe Benefit Tax	Rs.Crs	6	6	5	4	-
Net Earnings	**Rs.Crs**	**977**	**1,008**	**782**	**230**	**3**
Cash Earnings before Exceptional items	**Rs.Crs**	**1,481**	**1,228**	**992**	**441**	**233**
Dividend (incl. Dividend tax)	Rs.Crs	73	73	57	25	11
BALANCE SHEET						
Net Fixed Assets including CWIP	Rs.Crs	5,313	4,784	3,214	2,678	2,597
Investments	Rs.Crs	1,035	171	483	172	185
Current Assets	Rs.Crs	1,362	1,304	960	773	838
Current Liabilities	Rs.Crs	1,243	1,279	755	556	439
Net Current Assets	Rs.Crs	119	25	205	216	398
Capital Employed	**Rs.Crs**	**6,467**	**4,980**	**3,903**	**3,067**	**3,180**
Net Worth represented by:-						
Equity Share Capital	Rs.Crs	124	124	124	124	124
Employee Stock Options Outstanding	Rs.Crs	2	1			
Reserves & Surplus	Rs.Crs	3,476	2,572	1,639	914	943
Net Worth	**Rs.Crs**	**3,602**	**2,697**	**1,764**	**1,038**	**1,067**
Loan Fund						
Secured Loans	Rs.Crs	1,176	983	1,151	1,222	1,253
Unsecured Loans	Rs.Crs	966	758	427	230	278
Total Loan Funds	**Rs.Crs**	**2,142**	**1,741**	**1,579**	**1,452**	**1,531**
Deferred Tax Liabilities	Rs.Crs	723	542	560	577	582
Capital Employed	**Rs.Crs**	**6,467**	**4,980**	**3,903**	**3,067**	**3,180**
RATIOS & STATISTICS						
EBITDA Margin	%	28	33	30	18	14
Net Margin	%	15	18	16	7	0.1
Interest Cover (EBITDA/Interest)	Times	14.42	22.19	17.04	6.60	3.48
ROCE (PBIT/Average Capital Employed)	%	26	36	36	12	5
Current Ratio	Times	1.10	1.02	1.27	1.39	1.91
Debt Equity Ratio	Times	0.59	0.65	0.90	1.40	1.44
Dividend per share	Rs/Share	5.00	5.00	4.00	1.75	0.75
Dividend Payout on Net Profit (Before exceptional items)	%	8	7	7	11	13
EPS	Rs/Share	78.48	80.94	62.84	18.46	0.23
Cash EPS before exceptional items	Rs/Share	118.94	98.66	79.67	35.43	18.77
Book Value per share	Rs/Share	289.36	216.65	141.69	83.40	85.78
No. of Equity Shares	Nos. Crs.	12.45	12.45	12.45	12.45	12.44

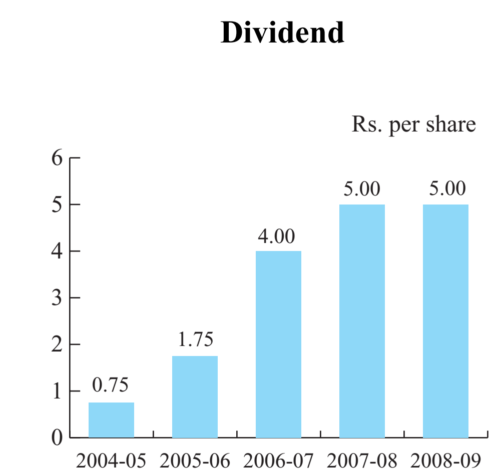

Net Sales
Rs. in Crores
7000
6000
5000
4000
3000
2000
1000
0
2,607
3,299
4,911
5,509
6,383
2004-05
2005-06
2006-07
2007-08
2008-09


Operating Profit
Rs. in Crores
1700
1300
900
500
100
351
554
1418
1726
1706
2004-05
2005-06
2006-07
2007-08
2008-09


Net Earnings
Rs. in Crores
1200
1000
800
600
400
200
0
3
230
782
1008
977
2004-05
2005-06
2006-07
2007-08
2008-09


Net Worth
Rs. in Crores
4000
3500
3000
2500
2000
1500
1000
500
0
1067
1038
1764
2697
3602
2004-05
2005-06
2006-07
2007-08
2008-09


EPS
Rupees
100
75
50
25
0
0.23
18.46
62.84
80.94
78.48
2004-05
2005-06
2006-07
2007-08
2008-09


Dividend
Rs. per share
6
5
4
3
2
1
0
0.75
1.75
4.00
5.00
5.00
2004-05
2005-06
2006-07
2007-08
2008-09

Management Discussion and Analysis

OVERVIEW

Economic growth has slowed over the previous year. This is evident from the GDP growth of 6.7% in FY09 versus 9% in FY08. This is reflected in the performance of the Indian cement industry. A volume growth of 9.8% in FY08 slowed to 8.4% in FY09.

Rising energy and commodity prices drove inflation in the 1st half of FY09, with the 2nd half impacted by the global financial turmoil. This resulted in a liquidity crunch, in the backdrop of high interest rates and a slowdown in the real estate and export sectors. The cement industry was further affected by a temporary ban on cement / clinker exports.

The Central Government, along with the Reserve Bank of India (RBI), initiated various steps to minimise the impact of the global crisis. The loan waiver for poor farmers, the National Employment Scheme, attractive support prices for commercial crops, the reduction in interest rates for housing loans upto Rs. 20 lakhs and the disbursement of the 6th Pay Commission Award supported economic activity outside the big cities.

New capacity additions in the sector will result in a fall in capacity utilisation from H2FY10, thereby putting pressure on sales realisation and margins.

Your Company has put in place several initiatives for improving productivity and conserving cash.

BUSINESS AND FINANCIAL PERFORMANCE REVIEW

Capacity Utilisation

	FY09	FY08	% change
Installed capacity (mtpa):			
Clinker	17.80	14.50	23
Cement	21.90	18.20	20
Production (MMT):			
Clinker	15.07	14.35	5
Cement	15.86	15.07	5
- clinker capacity utilisation	90%	99%	
- effective capacity utilisation@	96%	101%	

@ Effective capacity utilisation: cement production + clinker sold, based on period of new capacity in operation

The cement production capacity increased from 18.20 mtpa at the end of FY08 to 21.90 mtpa on 31st March, 2009, as a result of expansion of capacity at your Company's Unit at Andhra Pradesh Cement Works (APCW) together with a new split grinding Unit at Ginigera, Karnataka. Lower effective capacity utilisation as compared to the previous year is on account of stabilisation of new capacity.

The overall capacity will be further augmented to 23.10 mtpa on the commissioning of the balance grinding capacity at APCW in H1FY10.

Sales Volume

	FY09	FY08	% change
Sales Volume (MMT):			
Domestic – Cement	15.32	14.29	7
– Clinker	0.50	0.37	29
Total	15.82	14.66	8
Exports – Cement	0.48	0.73	-35
– Clinker	1.88	1.72	10
Total	2.36	2.45	-4
Total Volume	**18.18**	**17.11**	6

Domestic sales volume rose by 8% over FY08, though total volume was up by just 6% due to a 6 week ban on exports.

Sales Realisation (Net of Excise Duty)

	FY09	FY08	% change
Average Realisation (Rs./MT)	3,349	3,111	8
Domestic – Cement	3,522	3,322	6
Exports – Cement	3,100	2,520	23
– Clinker	2,306	1,892	22

Average domestic realisation improved due to growing demand in East / South India. The increase in realisation was much lower than the cost increase, which impaired margins. Growing demand in the Middle-East and a firm exchange rate resulted in improved export realisation until Q3FY09. However, export prices started softening from Q4FY09, due to a slowdown in the Middle East.

Financial Highlights

(Rs. in crores)

	FY09	FY08	% Change
Net Turnover	6,383	5,509	16
Domestic	5,803	5,005	16
Exports	580	504	15
Other Income	104	101	3
Total Expenditure	4,677	3,783	24
Operating Profit (PBIDT)	1,810	1,827	-1
Operating Margin (%)	**28**	**33**	
Interest	126	82	54
Gross Profit (PBDT)	1,684	1,744	-3
Depreciation	323	237	36
Profit Before Tax	1,361	1,507	-10
Current Tax	198	510	-61
Deferred Tax	181	(17)	—
Fringe Benefit Tax	6	6	—
Net Profit after Total Tax	977	1,008	-3

Net Turnover

Net Turnover grew by 16% due to higher domestic sales volume and improved prices in local and export markets. Exports constitute 9% and the Ready Mix Concrete (RMC) segment 7% of your Company's Net Sales.

Other Income

Other income remained flat at Rs. 104 crores. Your Company earned Rs. 38 crores on surplus money invested in various debt schemes of mutual funds and inter corporate deposits. The balance other income of Rs. 66 crores is mainly on account of sale of scrap, export linked benefits etc.

Operating Profit (PBIDT) and Margin

(i) **Energy** cost per tonne went up by 26% from Rs. 670 in FY08 to Rs. 847 in FY09 due to a substantial hike in imported and indigenous coal prices coupled with higher exchange rate.

(ii) **Freight and Handling expenses** increased by 11% from Rs. 969 crores in FY08 to Rs. 1,071 crores in FY09

Transit Mixer

given higher volume of RMC and domestic cement sales and increase in rail freight / HSD prices.

(iii) **Raw Material** cost per tonne was up by 11% from Rs. 245 in FY08 to Rs. 272 in FY09, consequent to higher prices of all critical inputs viz. gypsum, fly ash, iron ore and inward freight.

(iv) **Employee costs** escalated on account of revision in compensation structure in line with market, growth in the number of RMC Plants and manpower deployed in new projects, which were in various stages of commissioning.

Interest and Finance Charges

Interest cost added up from Rs. 82 crores in FY08 to Rs. 126 crores in FY09 on account of additional borrowing for on-going large capex and re-payment of existing low cost debts, which were financed through high cost borrowing.

Depreciation

Depreciation mounted by 36% from Rs. 237 crores in FY08 to Rs. 323 crores in FY09 due to capitalisation of Line II at APCW, grinding Unit at Ginigera and Thermal Power Plants (TPPs) at various locations. During the year, your Company also revised the useful life of some of the assets resulting in depreciation being higher by Rs. 17 crores.

Income Tax

Your Company has claimed reversal of tax holiday on TPPs and tax free income, thereby bringing the effective tax rate of your Company down to 28% for FY09 as compared to 33% in FY08.

Net Profit

Net profit for FY09 stood at Rs. 977 crores compared to Rs. 1,008 crores in FY08.

Cash Flow Statement

(Rs. in crores)

	FY09
Sources of Cash	
Cash from operations	1,456
Non-operating cash flow	48
Decrease in working capital	2
Increase in borrowings	382
Total	**1,888**
Uses of Cash	
Net capital expenditure	830
Increase in investments	864
Interest	117
Dividend	73
Increase in cash and cash equivalent	4
Total	**1,888**

Sources of Cash

Cash from operations

Cash generated from operations extended from Rs. 1,305 crores in FY08 to Rs. 1,456 crores in FY09, as there was a lower current tax payout due to commissioning of brownfield capacity at APCW and 192 MW captive TPPs across plants.

Non Operating Cash Flow

It consists of interest and dividend income earned on liquid investments and Rs. 5 crores of dividend received from your Company's subsidiary in Sri Lanka.

Decrease in Working Capital

The decrease is mainly on account of the following:

Decrease in receivables	—	Rs. 30 crores
Decrease in liabilities and provisions	—	Rs. 54 crores
(Increase) in coal and stores spare inventory	—	(Rs. 82 crores)
		Rs. 2 crores

The increase in coal and stores spare inventory is due to Line II at APCW.

Increase in Borrowings

Your Company's borrowings were higher because of funding the ongoing capex.

Uses of Cash

Net Capital Expenditure

The capital expenditure of Rs. 830 crores is on account of Line II at APCW, TPPs at various locations and normal modernisation capex across all locations of your Company.

Increase in Investments

Your Company invested its surplus funds into debt schemes of recognised mutual funds.

Dividend

The Board recommended that dividend be maintained at Rs. 5 per equity share of Rs. 10/- each for FY09, entailing an outflow of Rs. 73 crores including corporate tax on dividend of Rs. 11 crores. This accounts for 7% of the net profits.

Captive thermal power plant at GCW

CAPITAL EXPENDITURE PLAN

Your Company commenced commercial production of cement from its Unit in APCW and grinding Unit at Ginigera. Production was ramped up in a phased manner at APCW resulting in the total capacity of your Company increasing to 21.90 mtpa which will be further stepped up to 23.10 mtpa on commissioning of the residual cement capacity in the pipeline at APCW.

Your Company commissioned 192 MW captive TPPs at its Units at APCW, Hirmi Cement Works (HCW) in Chhattisgarh and Gujarat Cement Works (GCW) in Gujarat in a phased manner. Your Company will have access to around 236 MW of Captive Thermal Power, catering to around 80% of its power requirements.

Ready Mix Concrete Plant

With the addition of RMC Plants during the year, your Company's RMC capacity was 4.76 million cubic metres p.a. by the end of FY09. Growth in FY10 will be tempered in line with demand from Institutional Customers.

These initiatives for volume and efficiencies, which collectively involved a capex of approximately Rs. 3,200 crores during the last few years is expected to improve productivity and optimise costs.

CONSOLIDATED PERFORMANCE

(Rs. in crores)

	FY09	FY08	% Change
Net Turnover	6,564	5,624	17
Operating Profit (PBIDT)	1,820	1,837	-1
Interest	126	82	54
Gross Profit (PBDT)	1,694	1,755	-3
Depreciation & Amortisation of Goodwill	326	240	36
Profit Before Tax	1,368	1,515	-10
Current Tax & Fringe Benefit Tax	206	518	-60
Deferred Tax	182	(15)	—
Net Profit before Minority Interest	980	1,012	-3
Minority Interest	2	2	—
Net Profit after Minority Interest	978	1,010	-3

HUMAN RESOURCES

Your Company maintains a constructive relationship with its employees by creating a positive work environment, with focus on improving productivity and efficiency.

Investment in people processes and skill development is an on-going process in your Company. Selected employees from your Company are sent on cement-related visits overseas, with a view to develop a global perspective. International experts are also retained as mentors to the management team.

Organisational Health Surveys are conducted at regular intervals and their findings are analysed and suitable action plans prepared to address areas of concern.

Your Company endeavours to offer fair and reasonable compensation to its employees based on market benchmarks.

As on 31st March, 2009, your Company had 4,371 employees (3,989 employees).

RISK MANAGEMENT

Your Company continuously monitors and re-visits the risks associated with its business. It has identified access to mineral resources and financial risks including interest, forex and data integrity. Your Company has in place a mechanism for minimising and mitigating their impact on its operations.

The risk mitigation plan is monitored by Risk Management Committees at the Units and Corporate Level. The Audit Committee of the Board reviews the risks and the risk management process periodically. The Committee reports to the Board of Directors on important risk analysis findings and provides updates on the measures taken.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has in place adequate internal control systems and procedures to support smooth and efficient business operations and effective statutory compliance. The Internal Audit team follows an internal control process which consists of implementing and permanently adapting appropriate management systems aimed at giving the Audit Committee reasonable assurance concerning the reliability of financial reporting, compliance with the laws and internal regulations and the effectiveness and efficiency of your Company's control.

Internal Audit focuses on the following:

- internal control systems and measures to strengthen it;
- optimum utilisation of resources;

- review adequacy of information systems, security and control;
- prevention of errors or frauds;
- compliance with the risk mitigation plans;
- compliance with applicable laws and regulations;

The Audit Committee reviews the Audit Reports and also has discussions with the Statutory and Internal Auditors. Your Company, as part of internal control, has in place a system for monitoring statutory compliances across all its Units / Zones.

CONCLUSION

Cement demand is expected to grow in line with GDP and linked to Government and private spending on infrastructure and housing. However, with the new capacities in the sector in various stages of commissioning, a fall in capacity utilisation is inevitable from H2FY10 resulting in pressure on margins.

However, your Company's initiatives in the form of cement / clinker capacity addition, new captive thermal power plants and capital productivity should partially offset the impact in margins.

CAUTIONARY STATEMENT:

Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

UltraTech Cement Limited, (your Company) believes that sound corporate governance principles applied consistently to all areas of operations ensures that its values - Integrity; Commitment; Passion; Seamlessness and Speed are leveraged to maximise value for all its stakeholders.

Corporate governance aims at achieving high level of efficiency, accountability, responsibility and fairness in dealings with all stakeholders.

Your Company continuously strives for excellence by adopting best governance and disclosure practices. In terms of Clause 49 of the Listing Agreement executed with the stock exchanges, the details of compliance for the year ended 31st March, 2009 are as follows:

I. BOARD OF DIRECTORS

- **Composition**

  Your Company's Board comprises of 12 (twelve) Directors, which include the Managing Director and 6 (six) Independent Directors. The details of the Directors with regard to outside directorships and committee positions are as follows:

Name of Director	*Executive/ Non-Executive/ Independent[1]*	*No. of outside directorship(s) held[2]*		*No. of outside committee poition(s) held[3]*	
		Public	*Private*	*Chairman*	*Member*
Kumar Mangalam Birla	Non-Executive	9	13	-	-
Mrs. Rajashree Birla	Non-Executive	6	12	-	-
R. C. Bhargava	Independent	8	1	3	4
G. M. Dave	Independent	7	5	-	5
Y. M. Deosthalee	Non-Executive	11	-	2	2
N. J. Jhaveri	Independent	12	2	5	4
S. B. Mathur[4]	Independent	11	3	4	3
V. T. Moorthy[5]	Independent	1	-	-	-
J. P. Nayak	Non-Executive	10	-	4	2
S. Rajgopal	Independent	1	-	-	-
D. D. Rathi	Non-Executive	5	1	-	1
S. Misra	Managing Director	2	1	-	1

1. *Independent Director means a Director as defined under Clause 49 of the Listing Agreement.*
2. *Excluding alternate directorships and directorships in foreign companies and companies under Section 25 of the Companies Act, 1956, ("the Act").*
3. *Only two committees viz. the Audit Committee and the Shareholder / Investor Grievance Committee of all public limited companies are considered.*
4. *Mr. S. B. Mathur appointed as an Additional Director w.e.f. 10th September, 2008.*
5. *Mr. V. T. Moorthy treated as an Independent Director w.e.f. 10th September, 2008.*
6. *No Director is related to any other Director on the Board, except for Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla, who are son and mother respectively.*

- **Non-Executive Directors' compensation and disclosures**

  Apart from sitting fees that are paid to the Non-Executive and Independent Directors (except the Managing Director) for attending Board / Committee meetings, no other fees / commission were paid during the year. No transactions have been made with the Non-Executive and Independent Directors vis-à-vis your Company. The details of sitting fees paid to the Directors are given separately in this report.

- **Other provisions as to Board and Committees**

  The Board meets at least once a quarter to review the quarterly financial results and operations of your Company. In addition to the above, the Board also meets as and when necessary to address specific issues relating to the business of your Company.

  During the year under review, the Board met 4 times. The number of Board meetings held, dates on which held and number of Directors present are as follows:

Date of Board meetings	*City*	*Board strength*	*No. of Directors present*
22nd April, 2008	Mumbai	12	10
18th July, 2008	Mumbai	12	11
18th October, 2008	Mumbai	12	9
19th January, 2009	Mumbai	12	11

Your Company's Board plays a pivotal role in ensuring good governance and functioning of your Company. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

The Board has unfettered and complete access to any information within your Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the meeting with the permission of the Chairman. The Board provides direction and exercises appropriate control to ensure that your Company is managed in a manner that fulfils stakeholder's aspirations and societal expectations.

The information placed before the Board includes:

— Annual operating plans, capital budgets and updates thereof.

— Quarterly financial results.

— Minutes of meetings of Audit Committee and other committees of the Board.

— The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and the Company Secretary.

— Show cause, demand, prosecution notices and penalty notices which are materially important.

— Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

— Any material default in financial obligations to and by your Company, or substantial non-payment for goods sold by your Company.

— Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of your Company or taken an adverse view regarding another enterprise that can have negative implications on your Company.

— Details of any joint venture or collaboration agreement.

— Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.

— Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front.

— Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.

— Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

— Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

— Risk Management policies of your Company.

The details of attendance of each Director at the Board meetings and the last Annual General Meeting are as follows:

Name of Director	*No. of Board meetings*		*Attended last AGM@*
	Held	*Attended*	
Kumar Mangalam Birla	4	4	Yes
Mrs. Rajashree Birla	4	2	Yes
R. C. Bhargava	4	4	Yes
G. M. Dave	4	4	Yes
Y. M. Deosthalee	4	3	No
N. J. Jhaveri	4	4	Yes
S. B. Mathur[1]	4	Nil	N.A.
Dr. S. Misra[2]	4	2	Yes
V. T. Moorthy	4	4	Yes
J. P. Nayak	4	2	No
S. Rajgopal	4	4	Yes
D. D. Rathi	4	4	Yes
S. Misra	4	4	Yes

@ *Annual General Meeting (AGM) held on 18th July, 2008 at Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400025.*

1. *Mr. S. B. Mathur appointed as an Additional Director w.e.f. 10th September, 2008.*
2. *Dr. S. Misra resigned as Director w.e.f. 10th September, 2008.*

- **Code of Conduct**

  The Board of Directors has laid down a Code of Conduct ("the Code") for all Board members and senior management personnel of your Company. The Code is posted on your Company's website *www.ultratechcement.com.*

  All Board members and senior management personnel have confirmed compliance with the Code.

  A declaration signed by the Managing Director is attached and forms part of this Annual Report.

II. AUDIT COMMITTEE

- **Composition, meetings, attendance during the year and sitting fees paid**

  The Audit Committee of the Board comprises three Non-Executive Independent Directors. All the members of the Audit Committee are financially literate as per the provisions of Clause 49 of the Listing Agreement. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 (the "Act") and Clause 49 of the Listing Agreement.

  During the year, the Audit Committee met 6 times to deliberate on various matters. The meetings were held on 22nd April, 2008; 18th July, 2008; 5th September, 2008; 18th October, 2008; 19th January, 2009 and 18th March, 2009.

  The composition, attendance and sitting fees paid are as follows:

Name of Member	*No. of meetings*		*Sitting fees paid (Rs.)*
	Held	*Attended*	
R. C. Bhargava	6	6	1,20,000
G. M. Dave	6	6	1,20,000
S. Rajgopal	6	6	1,20,000

Mr. R. C. Bhargava is the Chairman of the Committee.

Permanent Invitees

Mr. D. D. Rathi – Director of your Company and Whole-time Director & Chief Financial Officer of Grasim Industries Limited, the holding company.

Mr. K. C. Birla – Chief Financial Officer of your Company.

The Statutory and Internal Auditors of your Company attend the Audit Committee meetings.

The Company Secretary acts as the Secretary to the Committee.

The object of the Audit Committee is to monitor and effectively supervise your Company's financial reporting process with a view to provide accurate, timely and proper disclosure and the integrity and quality of the financial reporting.

- **Powers**

  — To investigate any activity within its terms of reference.

  — To seek information from any employee.

  — To obtain outside legal or other professional advice.

  — To secure attendance of outsiders with relevant expertise, if it considers necessary.

- **Role**

  1. Oversight of your Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

  2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and Cost Auditor and the fixation of audit fees.

  3. Approval of payment to Statutory Auditors for any other services rendered by them.

  4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

     a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Act;

     b. Changes, if any, in accounting policies and practices and reasons for the same;

     c. Major accounting entries involving estimates based on the exercise of judgment by management;

     d. Significant adjustments made in the financial statements arising out of audit findings;

     e. Compliance with listing and other legal requirements relating to financial statements;

     f. Disclosure of any related party transactions;

     g. Qualifications in the draft audit report.

  5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

  6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with Internal Auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors, if any.

- **The Audit Committee reviews the following information**

1. Management Discussion and Analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors, if any.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor; and
6. Risk Management policy of your Company.

During the year, the Committee has reviewed the internal controls put in place to ensure that the accounts of your Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control system of your Company.

The Committee has also reviewed the procedures laid down by your Company for assessing and managing risks.

III. SUBSIDIARY COMPANY

Your Company does not have any material non listed Indian subsidiary company. The Audit Committee and Board reviews the minutes, financial statements, significant transactions and working of the unlisted subsidiary companies.

IV. DISCLOSURES

- **Disclosures on materially significant related party transactions that may have potential conflict with the interests of your Company at large**

  The transactions with related parties entered into by your Company in the normal course of business were placed before the Audit Committee periodically.

  Particulars of related party transactions are listed out in Schedule 21(B)(15) of the Accounts. However, all these transactions are on normal commercial arm's length basis.

- **Disclosure of Accounting treatment**

  Your Company has followed all relevant Accounting Standards while preparing the financial statements.

- **Risk Management**

  Your Company has in place a risk management programme which is monitored on a continuous basis. The Audit Committee reviews the efficacy of the risk management process, the key risks associated with the business of your Company and the measures in place to mitigate the same.

- **Proceeds from public issues, rights issues, preferential issues etc.**

  During the year, your Company did not raise any funds by way of public, rights, preferential issues etc.

- **Remuneration of Directors**

  Details of sitting fees paid to the Directors for attending Board meetings and their shareholding in your Company are as under:

Name of Director	*Sitting fees paid (Rs.)*	*No. of shares held*
Kumar Mangalam Birla	80,000	400
Mrs. Rajashree Birla	40,000	400
R. C. Bhargava	80,000	-
G. M. Dave	80,000	-
Y. M. Deosthalee	60,000	1,773
N. J. Jhaveri	80,000	-
S. B. Mathur[1]	Nil	-
Dr. S. Misra[2]	40,000	-
V. T. Moorthy	80,000	420
J. P. Nayak	40,000	1,276
S. Rajgopal	80,000	-
D. D. Rathi	80,000	-
S. Misra, Managing Director	Nil	2

1. *Mr. S. B. Mathur appointed as an Additional Director w.e.f. 10th September, 2008.*
2. *Dr. S. Misra resigned as Director w.e.f. 10th September, 2008.*

The details of remuneration paid to the Managing Director are as follows:

Managing Director	***Relationship with other Directors***	***Remuneration paid during 2008-09***			
		All elements of remuneration package i.e. salary, benefits, pensions etc.	Performance linked incentives, alongwith performance criteria (a)	Service contracts, notice period, severance fee	Stock option details, if any
S. Misra	—	Rs. 4.13 crores	Rs. 0.90 crores	See note (b)	See note (c)

(a) Mr. S. Misra was paid a sum of Rs. 0.90 crores towards performance incentive linked for achievement of targets for the year 2007-08.

(b) Appointment of Mr. S. Misra as Managing Director is subject to termination by three months notice in writing on either side.

(c) In terms of your Company's Employee Stock Option Scheme ("ESOS-2006"), 21,072 stock options have vested in Mr. S. Misra during the year.

All decisions relating to the remuneration of the Managing Director is taken by the Board in accordance with the approval received from the Members of your Company.

- **Management**

— The Management Discussion and Analysis forms part of the Annual Report and is in accordance with the requirements laid out in Clause 49 of the Listing Agreement.

— No material transaction has been entered into by your Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have a potential conflict with interests of your Company.

— Your Company has instituted a comprehensive Code of Conduct in compliance with the SEBI regulations on prevention of insider trading.

- **Shareholders**

— Details of the Directors seeking re-appointment/appointment at the ensuing Annual General Meeting (AGM) are provided in the Notice convening the AGM.

— Press Releases and financial results are made available on the website of your Company (*www.ultratechcement.com*) and also that of the Aditya Birla Group (*www.adityabirla.com*).

- **Share Transfers and Shareholders / Investors Grievance Committee**

Composition, meeting, attendance and sitting fees paid during the year

A "Share Transfers and Shareholders / Investors Grievance Committee" has been constituted at the Board level, under the chairmanship of a Non-Executive Independent Director.

During the year the Committee met on 22nd April, 2008 and 18h October, 2008. The composition, attendance and sitting fees paid are as follows:

Name of Member	*No. of meetings*		*Sitting fees paid (Rs.)*
	Held	*Attended*	
R. C. Bhargava	2	2	40,000
G. M. Dave	2	1	20,000
Dr. S. Misra[1]	2	1	20,000
D. D. Rathi	2	2	40,000

1. *Dr. S. Misra resigned as Director w.e.f. 10th September, 2008 and ceased to be a Member of the Share Transfers and Shareholders / Investors Grievance Committee. Mr. G. M. Dave was inducted as a Member of the Committee.*

Mr. R. C. Bhargava is elected Chairman of every meeting of the Committee. The Company Secretary acts as Secretary to the Committee and is also the Compliance Officer.

To expedite the transfer in the physical segment, necessary authority has been delegated by your Board to Directors and Officers of your Company to approve transfers / transmissions of shares / debentures. Details of share transfers / transmissions approved by the Directors and Officers are placed before the Board.

- **Role**

  The Committee looks into:

  — issues relating to share / debenture holders including transfer/transmission of shares / debentures;

  — issue of duplicate share/debenture certificates;

  — non-receipt of dividend;

  — non-receipt of annual report;

  — non-receipt of share certificate after transfers;

  — delay in transfer of shares;

  — any other complaints of shareholders.

- **Number of shareholders' complaints received so far / number not solved to the satisfaction of shareholders / number of pending complaints**

  Details of complaints received, number of shares transferred during the year, time taken for effecting these transfers and the number of share transfers pending are furnished in the "Shareholder Information" section of this Annual Report.

- **Details of non-compliance by your Company, penalties, strictures imposed on your Company by stock exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority, on any matter relating to capital markets, during the year**

  There has been no instance of non-compliance by your Company on any matter related to capital markets during the year under review and hence no strictures/penalties have been imposed on your Company by the stock exchanges or the SEBI or any statutory authority.

- **Finance Committee**

  A Finance Committee has been constituted at the Board level, under the chairmanship of a Non-Executive Independent Director. During the year, the Committee met on 22nd April, 2008 and 26th September, 2008.

  The composition, attendance and sitting fees paid are as follows:

Name of Member	*No. of meetings*		*Sitting fees paid (Rs.)*
	Held	*Attended*	
R. C. Bhargava	2	2	40,000
Dr. S. Misra[1]	2	1	20,000
S. Rajgopal	2	-	Nil
D. D. Rathi	2	2	40,000

1. *Dr. S. Misra resigned as Director w.e.f. 10th September, 2008 and ceased to be a Member of the Finance Committee. Mr. S. Rajgopal was inducted as a Member of the Committee.*

  The Committee is authorised to exercise all powers and discharge all functions relating to working capital management, foreign currency contracts, operation of bank accounts and authorising officers of your Company to deal in matters relating to excise, sales tax, income tax, customs and other judicial or quasi judicial authorities.

- **ESOS Compensation Committee**

  The ESOS Compensation Committee constituted for implementing, administering and supervising the Employee Stock Option Scheme–2006 ("the Scheme") comprises of Mr. Kumar Mangalam Birla, Mr. G. M. Dave and Mr. S. Rajgopal. During the year, the Committee vested 42,016 stock options to eligible employees of your Company in the management cadre, subject to the provisions of the Scheme, statutory provisions including SEBI Guidelines as may be applicable from time to time and the rules and procedures set out by your Company in this regard.

V. CEO/CFO CERTIFICATION

The Managing Director and Chief Financial Officer of your Company have issued necessary certificate pursuant to the provisions of Clause 49 of the Listing Agreement and the same is attached and forms part of the Annual Report.

VI. REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Report forms part of the Annual Report. Your Company complies with the provisions of Clause 49 of the Listing Agreement.

VII. COMPLIANCE

- Certificate from the Statutory Auditors confirming compliance with all the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement is annexed to the Report and forms part of the Annual Report.

- Adoption of non-mandatory compliances

  — A half-yearly declaration of financial performance including summary of the significant events in last six months have been sent to each household of shareholders.

  — The statutory financial statements of your Company are unqualified.

VIII. GENERAL BODY MEETINGS

- Location and time, where last 3 AGMs held

Year	Type	Location	Date	Time
2008	AGM	Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400 025	18th July, 2008	3:30 p.m.
2007	AGM	Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400 025	20th July, 2007	3:30 p.m.
2006	AGM	Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai – 400 020	28th August, 2006	2:00 p.m.

— Whether special resolutions passed in the previous 3 AGMs

Yes, the following resolution was passed as special resolution:

<u>At AGM held on 20th July, 2007</u>

- Keeping of register of members, index of members, register of debentureholders, index of debentureholders and other related books at the premises of your Company's Registrar and Transfer Agent.

— Whether any special resolution passed last year through postal ballot	*No*
• details of voting pattern	*Not Applicable*
• person who conducted the postal ballot exercise	*Not Applicable*
— Whether any special resolution is proposed to be conducted through postal ballot and procedure for the same	*If required, shall be conducted as per law*

IX. MEANS OF COMMUNICATION

- **Quarterly results**

— **Which newspapers normally published in:**

Newspaper	Cities of Publication
Business Standard	All editions
Economic Times	Mumbai
Free Press Journal	Mumbai
Navshakti	Mumbai
Maharashtra Times	Mumbai

— **Any website, where displayed** *www.ultratechcement.com*

www.adityabirla.com

— **Whether your Company's website displays**

All official news releases	Yes
Presentation made to Institutional Investors/Analysts	Yes (through your Company's holding company)

CODE OF CONDUCT

DECLARATION

As provided under Clause 49 of the Listing Agreement with the stock exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2009.

Mumbai	S. Misra
21st April, 2009	Managing Director

CEO/CFO CERTIFICATE

The Board of Directors

UltraTech Cement Limited

We certify that:

1. We have reviewed the financial statement, read with the cash flow statement of UltraTech Cement Limited (the Company) for the year ended 31st March, 2009 and to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements and other financial information included in this report present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;

3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;

4. We have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies;

5. We have indicated to the Auditors and the Audit Committee:

   a) significant changes in the Company's internal control over financial reporting during the year.

   b) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.

   c) instances of significant fraud of which we have become aware and involvement therein if any of management or other employees having a significant role in the Company's internal control system over financial reporting.

Mumbai	K. C. Birla	S. Misra
21st April, 2009	Chief Financial Officer	Managing Director

SHAREHOLDER INFORMATION

1. Annual General Meeting		
— Date and Time	:	Tuesday, 21st July, 2009, 3:30 p.m.
— Venue	:	Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400 025
2. Financial Calendar		
— Financial reporting for the quarter ending 30th June, 2009	:	End July, 2009
— Financial reporting for the half year ending 30th September, 2009	:	End October, 2009
— Financial reporting for the quarter ending 31st December, 2009	:	End January, 2010
— Financial reporting for the year ending 31st March, 2010	:	End April, 2010
— Annual General Meeting for the year ending 31st March, 2010	:	End July/August, 2010
3. Dates of Book Closure	:	11th July, 2009 to 21st July, 2009 (both days inclusive)
4. Dividend Payment Date	:	On or after 21st July, 2009
5. Registered Office	:	UltraTech Cement Limited "B" Wing, Ahura Centre, 2nd Floor, Mahakali Caves Road, Andheri (East), Mumbai - 400 093. Tel. : (022) 66917800 Fax : (022) 66928109 Email : sharesutcl@adityabirla.com Web : www.ultratechcement.com www.adityabirla.com

6. (a) Listing Details:

Equity Shares	Non-Convertible Debentures
1. Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	1. Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
2. National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	2. National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.

Note: Listing fees for the year 2009-10 has been paid to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

(b) Name and address of Trustees for the Debentureholders : AXIS Bank Limited
131, Maker Tower 'F',
13th Floor, Cuffe Parade,
Colaba, Mumbai-400 005
Tel: (022) 67071310
Fax: (022) 22182574

(c) Overseas Depository for GDRs : Citibank N. A.
Depository Receipt Services
388, Greenwich Street,
New York; NY-10013 USA
Tel: +2128166649
Fax: +2128166865

(d) Domestic Custodian of GDRs : Citibank N.A.
Custody Services
Ramnord House,
77, Dr. Annie Besant Road,
Worli, Mumbai – 400 018
Tel: (022) 24978066
Fax: (022) 42308333

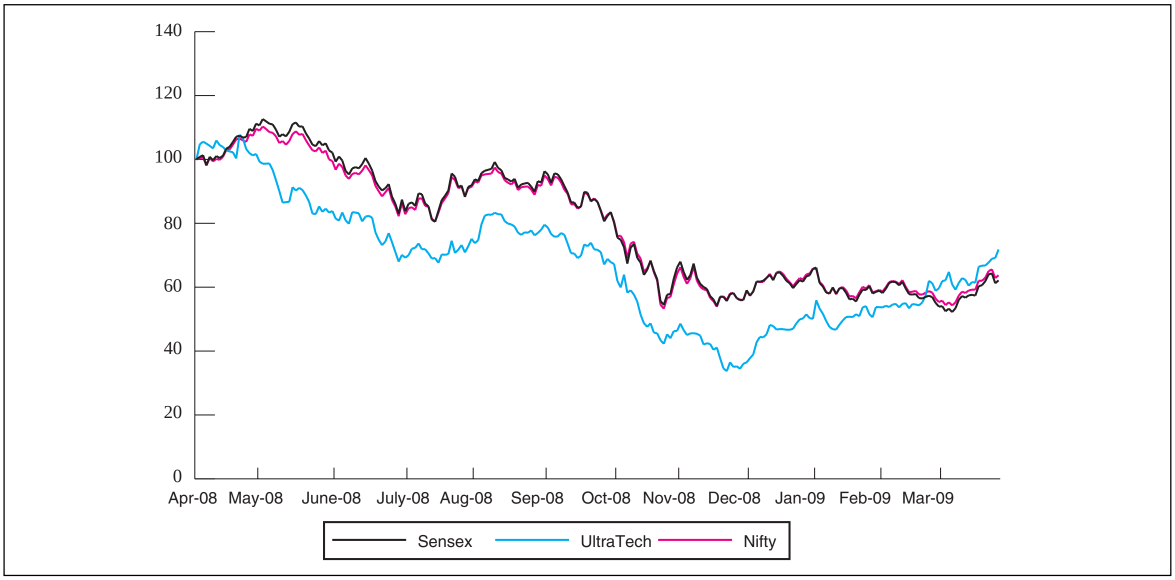
7. Stock Code : ISIN INE481G01011

	Stock Code	Reuters	Bloomberg
Bombay Stock Exchange Limited	532538	ULTC.BO	UTCEM IB
National Stock Exchange of India Limited	ULTRACEMCO	ULTC.NS	UTCEM IS

8. Stock Price Data:

	Bombay Stock Exchange Limited				National Stock Exchange of India Limited			
	High (In Rs.)	Low (In Rs.)	Close (In Rs.)	Avg. Vol. (In Nos.)	High (In Rs.)	Low (In Rs.)	Close (In Rs.)	Avg. Vol. (In Nos.)
Apr-08	843.00	755.00	761.05	321,101	849.95	755.35	762.95	1,362,007
May-08	779.00	625.00	650.25	237,963	775.00	628.00	649.55	980,443
Jun-08	660.00	538.00	544.85	435,555	689.40	526.85	545.45	1,241,794
Jul-08	598.00	500.00	574.15	308,889	643.60	512.10	577.05	1,037,714
Aug-08	650.00	552.00	590.30	408,271	646.00	550.15	591.05	1,752,837
Sep-08	613.00	500.25	528.25	563,907	635.00	493.65	528.75	775,888
Oct-08	531.00	297.00	354.65	497,841	550.00	290.55	355.05	1,968,052
Nov-08	385.00	250.00	270.65	1,322,875	399.00	245.25	269.00	3,062,486
Dec-08	397.00	259.75	383.10	1,249,790	430.00	260.00	385.50	2,848,883
Jan-09	437.75	343.00	396.40	778,396	438.00	341.25	395.95	2,242,146
Feb-09	487.90	386.05	470.40	365,591	488.00	383.90	470.10	1,468,810
Mar-09	562.00	441.50	551.00	513,652	562.45	443.05	551.35	1,670,692

9. Stock Performance:



10. Stock Performance and Returns:

Absolute Returns

(In Percentage)	1 Year	3 Years	5 Years
UltraTech	(29.72)	(19.28)	—
BSE Sensex	(37.94)	(13.93)	73.66
NSE Nifty	(36.19)	(11.22)	70.49

Annualised Returns

(In Percentage)	1 Year	3 Years	5 Years
UltraTech	(29.72)	(6.89)	—
BSE Sensex	(37.94)	(4.88)	20.20
NSE Nifty	(36.19)	(3.89)	19.46

11. Registrar and Transfer Agents (RTA) (For share transfers and other communication relating to share certificates, dividend and change of address) : 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) 67720300/67720400
Fax : (022) 28591568/28508927
Email: *utcl@shareproservices.com*

12. Share Transfer System:

Share transfer in physical form are registered and returned within a period of 12 days from the date of receipt, if the documents are clear in all respects. Officers of your Company have been authorised to approve transfers upto 5,000 shares in physical form under one transfer deed. One Director jointly with one Officer of your Company have been authorised to approve transfers exceeding 5,000 shares under one transfer deed.

The RTA attends to investor grievances in consultation with the Secretarial Department of your Company.

Transfer Period (in days)	2008-09			2007-08		
	No. of transfers	No. of shares	%	No. of transfers	No. of shares	%
1 – 15	70	4,092	5.72	999	22,192	47.80
16 – 20	343	10,379	28.02	140	6,519	6.70
21 – 30	811	32,883	66.26	951	39,264	45.50
Total	**1,224**	**47,354**	**100.00**	**2,090**	**67,975**	**100.00**

Number of pending share transfers as at 31st March, 2009 : 50 transfers in respect of 1,328 shares pending as registered notices have been issued to sellers.

13. Investor Services:

Complaints received during the year

Nature of Complaints	2008-09		2007-08	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission, Dividend, Interest, Demat & Remat and Change of address etc.	5	5	11	11

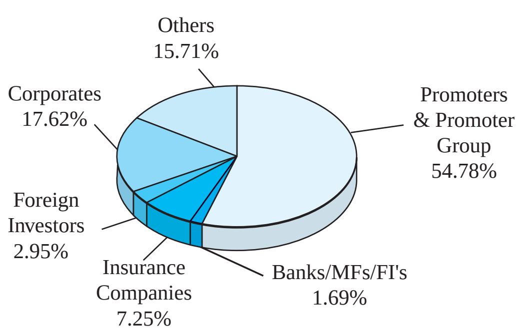
Legal proceedings on share transfer issues, if any : There are no major legal proceedings relating to transfer of shares.

14. Distribution of Shareholding as on 31st March:

No. of Equity Shares held	2009				2008			
	No. of share holders	% of share holders	No. of shares held	% of share holding	No. of share holders	% of share holders	No. of shares held	% of share holding
1 – 100	240,488	89.10	7,257,856	5.83	244,434	89.06	7,386,717	5.93
101 – 200	17,426	6.46	2,587,615	2.08	17,678	6.44	2,623,356	2.11
201 – 500	8,341	3.09	2,634,088	2.11	8,540	3.11	2,706,955	2.18
501 – 1000	2,272	0.84	1,612,984	1.30	2,328	0.85	1,662,534	1.34
1001 – 5000	1,145	0.42	2,080,414	1.67	1,214	0.44	2,270,872	1.82
5001 – 10000	75	0.03	525,319	0.42	81	0.03	590,299	0.47
10001 & above	169	0.06	107,787,603	86.59	174	0.07	107,245,146	86.15
Total	**269,916**	**100.00**	**124,485,879**	**100.00**	**274,449**	**100.00**	**124,485,879**	**100.00**

15. Category of Shareholding as on 31st March:

Category	2009				2008			
	No. of share holders	% of share holders	No. of shares held	% of share holding	No. of share holders	% of share holders	No. of shares held	% of share holding
Promoters & Promoter Group	5	0.00	68,193,101	54.78	5	0.00	67,689,875	54.38
Banks/MFs / FIs								
Mutual Fund & UTI	61	0.02	1,972,398	1.58	49	0.02	2,300,070	1.85
Banks & FI's	94	0.03	139,940	0.11	96	0.03	125,032	0.10
Insurance Companies	16	0.01	9,018,788	7.25	14	0.01	8,576,961	6.89
Foreign Investors								
FIIs	148	0.05	2,802,800	2.25	189	0.07	8,295,408	6.66
GDRs	1	0.00	185,490	0.15	1	0.00	275,804	0.22
NRIs/OCBs	3,389	1.26	681,389	0.55	3,298	1.20	701,928	0.56
Corporates	1,907	0.71	21,936,850	17.62	2,004	0.73	18,327,839	14.72
Others	264,295	97.92	19,555,123	15.71	268,793	97.94	18,192,962	14.62
Total	**269,916**	**100.00**	**124,485,879**	**100.00**	**274,449**	**100.00**	**124,485,879**	**100.00**



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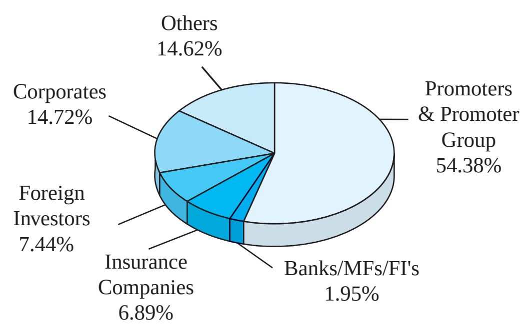

2008

16. Dematerialisation of shares and liquidity : 96.58% of outstanding shares have been dematerialised as on 31st March, 2009. Trading in shares of your Company is permitted only in the dematerialised form.

17. Details on use of public funds obtained in the last three years : Not Applicable

18. Outstanding GDR/Warrants and Convertible Bonds : 185,490 GDRs are outstanding as on 31st March, 2009. Each GDR represents one underlying equity share. There are no warrants/convertible bonds outstanding as at the year end.

19. Plant Locations:

Andhra Pradesh Cement Works
Bhogasamudram,
Tadipatri Mandal,
District : Anantapur
Andhra Pradesh - 515 415
Tel: 08558 – 288841/01
Fax: 08558 –288821/59

Awarpur Cement Works
P.O. Awarpur Cement Project,
Taluka : Korpana,
District: Chandrapur
Maharashtra – 442 917
Tel: 07173-266323
Fax: 07173-266339

Gujarat Cement Works
P.O. Kovaya,
Taluka: Rajula,
District: Amreli,
Gujarat – 365 541
Tel: 02794 – 283034
Fax:02794 – 283036

Hirmi Cement Works
Village & Post: Hirmi,
Taluka: Simga,
District: Raipur,
Chhattisgarh–493 195
Tel: 07726-281217/218/221
Fax: 07726-281572

Jafrabad Cement Works
P. B. No. 10,
Village: Babarkot,
Taluka: Jafrabad,
District: Amreli,
Gujarat– 365 540
Tel: 02794-245103
Fax: 02794-245110

Arakkonam Cement Works
Chitteri Village,
District: Vellore,
Arakkonam,
Tamil Nadu – 631 003
Tel: 04177 – 293291/293111
Fax: 04177 – 293810

Jharsuguda Cement Works
Near Dhutra Railway Station,
P.O. Arda,
District: Jharsuguda,
Orissa–768 202
Tel: 06645-283104/105
Fax:06645-283108/110

Magdalla Cement Works
Near Magdalla Port,
Dumas Road,
Surat,
Gujarat - 395 007
Tel: 0261-2725175/176
Fax: 0261-2726952

Ratnagiri Cement Works
MIDC Industrial Estate,
Zadgaon Block, Ratnagiri,
Maharashtra – 415 639
Tel: 02352-223679
Fax: 02352-221807

West Bengal Cement Works
Near EPIP, Muchipara,
Post: Rajbandh,
Durgapur,
West Bengal – 713 212
Tel: 0343-2533030
Fax:0343-2533358

Ginigera Cement Works
Ginigera Grinding Unit
Ginigera Village,
Koppal Gangavathi Road,
Koppal Taluq & District,
Karnataka
Tel: 08539-286575/201452
Fax:08539-286574

20. Investor Correspondence:

Registered Office
UltraTech Cement Limited
'B' Wing, Ahura Centre,
2nd Floor, Mahakali Caves Road,
Andheri (East),
Mumbai-400 093
Tel: (022) 66917800
Fax: (022) 66928109
Email: sharesutcl@adityabirla.com
kamal.r@adityabirla.com
Contact Person: Mr. Kamal Rathi

Registrar & Transfer Agent (RTA)
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: 67720300/67720400
Fax: 28591568/28508927
Email:utcl@shareproservices.com
satishp@shareproservices.com
Contact Person: Mr. Satish Poojari

Email for investor correspondence under SEBI requirements:*sharesutcl@adityabirla.com*

21. Other useful information for Shareholders:

Unpaid/Unclaimed Dividends

Dividend warrants in respect of the dividend declared in July, 2008 have been despatched to the shareholders at the addresses registered with the Company. Those shareholders who have not yet received the dividend warrants may please write to the Company or its RTA for further information in this behalf. Shareholders who have not encashed the warrants are requested to do so by getting them revalidated from the Registered Office of the Company or its RTA.

ECS Facility

The Company is providing facility of "Electronic Clearing Service" (ECS) for payment of dividend to shareholders. Shareholders are requested to provide details of their bank account for availing ECS facility. Further, ECS facility is also available to the beneficial owners of shares held in electronic form. Those desirous of availing the ECS facility may provide their mandate to the Company in writing, in the form which can be downloaded from the Company's website.

Share Transfer / Dematerialisation

1. Share transfer requests are acted upon within 12 days from the date of their receipt by the Company or its RTA. In case no response is received from the Company within 30 days of lodgement of transfer request, the lodger should immediately write to the Company or its RTA with full details so that necessary action could be taken to safeguard interest of the concerned against any possible loss / interception during postal transit.
2. Dematerialisation requests duly completed in all respects are normally processed within 7 days from the date of their receipt by the Company or its RTA.
3. Equity Shares of the Company are under compulsory demat trading by all investors. Considering the advantages of scripless trading, shareholders are requested to consider dematerialisation of their shareholding so as to avoid inconvenience in future.
4. The equity shares of the Company have been admitted with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) bearing ISIN No. INE481G01011.

Correspondence with the Company

Shareholders / Beneficial Owners are requested to quote their Folio Number / DP & Client ID Numbers as the case may be, in all correspondence with the Company. All correspondence regarding shares and debentures of the Company should be addressed to the Company or its RTA.

Non-Resident Shareholders

Non-resident shareholders are requested to immediately notify:

- Indian address for sending all communications, if not provided so far;
- Change in their residential status on return to India for permanent settlement;
- Particulars of their NRE bank account with a bank in India, if not furnished earlier.

Others

1. In terms of the Regulations of NSDL and CDSL, the bank account details of Beneficial Owners of shares held in electronic form will be printed on the dividend warrants as furnished by the Depository Participants (DP). The Company will not entertain any request for change of bank details printed on their dividend warrants. In case of any changes in your bank details please inform your DP immediately.

2. Shareholders holding shares in physical form are requested to notify the Company or its RTA, change in their address / pin code number and bank account details promptly by written request under the signatures of sole / first joint holder. Beneficial Owners of shares held in electronic form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney etc. directly to their DP as the same are maintained by the DPs.

3. To prevent fraudulent encashment of dividend warrants, shareholders are requested to provide their bank account details (if not provided earlier) to the Company or its RTA (if shares held in physical form) or to DP (if shares held in electronic form), as the case may be, for printing of the same on their dividend warrants.

4. In case of loss / misplacement of shares, shareholders should immediately lodge a FIR / Complaint with the Police and inform the Company or its RTA along with original or certified copy of FIR / Acknowledged copy of Police complaint.

5. For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. Wherever applicable, registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.

6. Shareholders are requested to keep record of their specimen signature before lodgement of shares with the Company to obviate possibility of difference in signature at a later date.

7. Shareholders of the Company who have multiple accounts in identical name(s) or holding more than one share certificate in the same name under different ledger folio(s) are requested to apply for consolidation of such folio(s) and send the relevant share certificates to the Company or its RTA.

8. Section 109A of the Companies Act, 1956 extends nomination facility to individuals holding shares in physical form in companies. Shareholders, in particular, those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form which can be obtained from the Company or its RTA or download the same from the Company’s website.

9. Shareholders are requested to give us their valuable suggestions for improvement of our investor services.

10. Addresses of the redressal agencies for investors to lodge their grievances:

Ministry of Corporate Affairs (MCA)
'A' Wing, Shastri Bhawan,
Rajendra Prasad Road,
New Delhi - 110 001
Tel.: (011) 23384158, 23384660,
23384659
Web: www.mca.gov.in

Securities and Exchange Board of India (SEBI)
Plot No.C4-A,'G' Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Tel.: (022) 26449000/40459000
Fax: (022) 26449016-20
Web: www.sebi.gov.in

Stock Exchanges:

Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Tel.: (022) 22721233/34
Fax: (022) 22721919
Web: www.bseindia.com

National Stock Exchange of India Limited (NSE)
Exchange Plaza, Plot No. C/1, 'G' Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Tel.: (022) 26598100-8114
Fax: (022) 26598120
Web: www.nseindia.com

Depositories:

National Securities Depository Limited (NSDL)
Trade World, 'A' Wing, 4th & 5th Floors,
Kamala Mills Compound,
Lower Parel, Mumbai - 400 013
Tel.: (022) 24994200
Fax: (022) 24972993/24976351
Web: www.nsdl.co.in

Central Depository Services (India) Limited (CDSL)
Phiroze Jeejeebhoy Towers,
16th Floor, Dalal Street,
Mumbai - 400 001
Tel.: (022) 22723333
Fax: (022) 22723199/22722072
Web: www.cdslindia.com

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
UltraTech Cement Limited

We have examined the compliance of the conditions of Corporate Governance by **UltraTech Cement Limited** for the year ended on March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the condition of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For G. P. Kapadia & Co.
Chartered Accountants

Atul B. Desai
(Partner)
Membership No. 30850

Place: Mumbai
Date: 21st April, 2009

SOCIAL REPORT

"India lives in its villages" was what Mahatma Gandhi had said, early in the 20th century. Today, in the 62nd year of our independence 70% of our 1 billion plus people continue to live in over 6 lakh villages in the hinterland of our country.

Much progress has been made to ensure that villagers live a life of dignity. Much more needs to be done. In thousands of hamlets, poverty still stalks them.

We endeavour to mitigate it in our own small way. Under the aegis of the Aditya Birla Centre for Community Initiatives and Rural Development, our focus has been and continues to be largely in rural development.

Our Centre is led by Mrs. Rajashree Birla, your Director.

Here is a snapshot of your Company's work:

HEALTH CARE

- Reached out to 53,973 villagers in remote areas through our rural medical camps and mobile medical van services. Those afflicted with serious ailments were taken to the hospitals attached to our plants for treatment.
- At the eye camps conducted by us, 2,725 villagers, including school children from some of the villages, were examined. Of these, over 100 underwent cataract surgeries and more than 300 people were provided with spectacles for better sight.
- More than 3,000 villagers benefited from the special camps organised to treat patients suffering from skin diseases, diabetes, hypertension, arthritis and other specific health problems.
- Rehabilitation camps for the physically challenged were a boon to 75 beneficiaries.
- At Awarpur Cement Works, along with the District TB Eradication Society, we provided treatment and other services to the TB-afflicted.
- Over 600 children were administered deworming doses as part of preventive measures to help children avoid infections and ensure better health status.

MOTHER AND CHILD CARE

- More than 3,000 women took advantage of the anti-natal, post-natal, mass immunisation, nutrition, and escort services for institutional delivery through our Reproductive and Child Health programmes.
- As a result of our motivational drives to promote responsible parenting, 512 villagers have opted for planned families.
- We immunised 21,584 children against polio, and 1,534 children against other diseases including Hepatitis, Measles, BCG and DPT. We also supported the Government programme on "Japanese Encephalitis (Brain fever)" where over 3,500 children up to the age of five, were administered vaccinations by the Primary Health Centre at Kolimigundla near Tadipatri.

EDUCATION

- To encourage the spirit of excellence, Merit Scholarships were awarded to 254 rural poor students. We support 2,000 children at "Anantha Animutyalu Society" to provide higher education to the economically backward meritorious students of Anantapur district.
- To reduce the number of dropouts, several educational aids such as books, school bags, uniforms, stationery, and sitting mats were provided to 2,546 students from BPL families. Newspapers, books and periodicals were given to over 1,300 students.
- Teacher training workshops were organised to improve the teaching levels in Government schools. More than 150 teachers joined in this programme.
- We support the Midday meal programme at all of our adopted Government schools and Anganwadis.
- To help students appearing for Board exams and Navodaya entrance exams coaching classes were conducted.
- To strengthen educational programmes for children in rural areas we have formed Gram Shikshan Samitis in villages.

SUSTAINABLE LIVELIHOOD

- To boost agricultural productivity and help farmers reap a rich harvest, various exposure trips and training programmes were conducted on issues such as high yielding variety seeds, organic farming, vermicompost, bio technology and fodder management benefiting more than 600 farmers.
- Immunised 11,590 animals in animal husbandry and other veterinary camps.
- To encourage tree plantation, 30,000 saplings of fruit and shade trees were distributed across all the Units.
- To enhance agriculture production we organised workshops on 'Orchid Development and Grafting' in non-irrigated areas along with the Government Horticulture Department at Hirmi Cement Works.

Distribution of tractors to farmers

- Water harvesting structures, hand pumps installation, de-silting of ponds, maintenance of tube wells and check dams, deepening of wells benefitted more than 12,000 families.
- At our Awarpur Cement Works, an innovative programme - "Krishi Dindi" is conducted on a regular basis. As part of the programme, a mobile van with agricultural specialists visits villages and educates farmers on new scientific farming practices.

SELF HELP GROUPS AND INCOME GENERATION

Vocational training program for women

- Organising women into Self Help Groups (SHGs) has enabled the empowerment of women financially as well as socially. Most of our SHGs have linkages with the economic schemes of NABARD and the District Industries Centre for employment generation activities.
- Vocational training programmes in different trades were conducted for over 800 women. Among those were phenyl and acid making, paper cups, leather bags, agarbatti, soya been products, computer training, and beauty parlor courses.

INFRASTRUCTURE DEVELOPMENT

- Your Company constructed, as well as, renovated school buildings and boundary walls, Anganwadi Centres, Panchayat Office, PHC (Primary Health Care) centres, canals, cattle sheds, street lights and approach roads for villages at its Durgapur, Awarpur, Jharsuguda, Hirmi, Kovaya, Tadipatri Plants, benefiting over 55,000 people.
- Bore well repairs and laying of drinking water pipe lines across villages have provided access to safe drinking water to more than 15,000 villagers.

SOCIAL WELFARE

Aids awareness camp

- Under the mass marriage programme, we reached out to 314 couples.
- A Yoga camp was organised for women in collaboration with Patanjali Yoga Vidyapeeth (Branch Chandrapur).
- Organised Rural Empowerment Training in 'Leadership and Entrepreneurship' development for 78 youngsters through Central Board of Workers Education, Raipur.
- Awareness camps on issues such as sanitation, environment, safe drinking water, Government Rural Development schemes, nutrition for pregnant women, care of new born babies, and HIV/AIDS were attended by over 2,000 people.

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care and to the upliftment of our rural societies.

ENVIRONMENT REPORT

Lush green surroundings around your Company's Unit

We, as a Group, are committed to sustainable development, to meeting the needs of the present without in any way jeopardizing the welfare of future generations. Our business strategies consciously factor environment conservation as a major principle.

Your Company is continually looking for new ways to preserve the environment and manage resources responsibly and is committed to sustainable development in all areas of its operations. For your Company, economic, social and environmental responsibility forms an integral part of its business.

Its environment program includes setting new targets for energy efficiency, reducing the use of natural resources, promoting the use of alternative fuels and materials, extending waste heat recovery systems, utilisation of waste products and re-engineering the processes and products to reduce energy consumption.

At all of your Company's Units we adopt clean technologies and processes that combine both economic progress and sustainable environment. Our plants are ISO14001 Environment Management Systems Certified and adhere to OHSAS 18001 standards.

Your Company's Units at Kovaya and Jafrabad, Gujarat are together, the largest users of shipping in the Indian cement industry, which is the most cost-effective and carbon friendly form of transport, delivering both cement and clinker to coastal markets in India as well as for exports.

Your Company was amongst the earliest users of Waste Heat Recovery through adoption of the organic rankine cycle technology, thereby reducing emissions into the atmosphere, at its Unit at Tadipatri, Andhra Pradesh; an initiative that qualified for carbon credits under the UN program.

Your Company benefits from the participation of its holding Company Grasim Industries Limited (Grasim) as a voluntary member of the Cement Sustainability Initiative (CSI), which is the apex forum for the Cement Industry to establish common measures, share best practices and exchange data relating to Environmental Impact. During the year, your Company established a focused program on sustainable development in line with the guidelines of the CSI.

Grasim released a baseline report for the year 2008 which also includes data of your Company. The Report has been prepared in accordance with the CSI Reporting Standard. Ernst & Young, a well reputed accounting firm, was engaged to provide a meaningful independent assurance in preparing the report.

Being a member of the CSI as also the Cement Task Force (CTF) of the Asia Pacific Partnership on Clean Development and Climate, your Company exchanges information and best practices on sustainable development with other global cement companies.

Your Company continues to validate its energy efficiency, kiln reliability and productivity based on data from Global Benchmarking Surveys conducted annually by Whitehopleman – an independent UK based consulting firm.

Our endeavours to be as eco-efficient as possible are unrelenting.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors present the Ninth Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2009.

FINANCIAL RESULTS

(Rs. in crores)

	2008-09	2007-08
Gross Turnover	**7,160.42**	6,285.80
Gross Profit	**1,684.46**	1,744.24
Less: Depreciation	**323.00**	237.23
Profit Before Tax	**1,361.46**	1,507.01
Tax Expenses	**384.44**	499.40
Profit after tax	**977.02**	1,007.61
Add: Balance brought forward from Previous Year	**1,598.12**	775.16
Surplus available for appropriation	**2,575.14**	1,782.77
Appropriation		
Debenture Redemption Reserve	**(36.08)**	(8.17)
General Reserve	**100.00**	120.00
Dividend	**62.24**	62.24
Corporate tax on Dividend	**10.58**	10.58
Balance transferred to Balance Sheet	**2,438.40**	1,598.12
Total	**2,575.14**	1,782.77

OVERVIEW AND REVIEW OF OPERATIONS

The financial year began under a challenging economic and business environment. Rising input costs, especially energy, had an adverse impact on margins. The subsequent global financial crisis further aggravated the situation through a higher cost of credit and a sharp fall in capital markets. This resulted in a slowdown in real estate activity and new private sector projects both in infrastructure and industry.

Some relief was subsequently experienced following the Government's stimulus package, the release of arrears in wages following the 6th Pay Commission Award and pre-election spending on infrastructure. This led to a revival of construction activities in semi urban and rural areas in the last quarter of FY09 with consequent increase in cement demand.

It is in this context, that your Company produced 15.86 MMT of cement (15.07 MMT) during the year under review. Effective capacity utilisation was 96% (101%) on expanded capacity. Aggregate sales volume at 18.18 MMT (17.11 MMT) was higher by 6%.

Your Company's gross turnover at Rs. 7,160.42 crores was up by 14% compared to Rs.6,285.80 crores achieved in the previous year. Profit after tax stood at Rs. 977.02 crores (Rs. 1,007.61 crores) after providing for depreciation – Rs. 323 crores (Rs. 237.23 crores) and tax – Rs. 384.44 crores (Rs. 499.40 crores). However, cash profit was higher at Rs. 1,480.60 crores (Rs. 1,228.13 crores) due to higher depreciation and lower tax payout on account of investments made in augmenting capacity and installation of captive power plants.

DIVIDEND

Your Directors recommended that the dividend be maintained at Rs. 5/- per equity share of Rs. 10/- each for the year ended 31st March, 2009. The dividend distribution would result in a cash outgo of Rs. 72.82 crores (including tax on dividend of Rs. 10.58 crores) which is identical to the amount in the year 2007-08.

CAPITAL EXPENDITURE

Most of the capital expenditure plans initiated by your Company have been completed. These include augmenting of capacity at Andhra Pradesh Cement Works (APCW) together with a grinding Unit at Ginigera, Karnataka and setting up of Captive Thermal Power Plants (TPPs) across Units. Your Company's capacity increased to 21.90 mtpa with the commissioning of capacity at APCW and Ginigera. This will be further stepped up to 23.10 mtpa on commissioning of residual cement capacity in the pipeline at APCW.

With the commissioning of the TPPs, your Company will have access to around 236 MW of Captive Thermal Power, catering to around 80% of its power requirements.

New Ready Mix Concrete (RMC) plants have been set up by your Company increasing RMC capacity to 4.76 million cubic metres p.a. by the end of FY09. Growth in FY10 will be curtailed in line with demand from Institutional Customers.

These initiatives, which collectively involved a capex of approximately Rs. 3,200 crores will help your Company in improving productivity and optimising costs. Your Company is focused on allocating resources judiciously, keeping in mind the current economic scenario.

EMPLOYEE STOCK OPTION SCHEME

During the year 42,016 stock options vested in eligible employees of your Company.

The disclosure, as required under Clause 12 of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is set out in Annexure I to this Report.

AWARDS

Your Company was the recipient of the following awards:

- Top Exporter Award from CAPEXIL for the twelfth consecutive year;
- Gold Award for Environment Protection, 2008 for Awarpur Cement Works (ACW), Maharashtra from Greentech;
- First prize for Energy Conservation and Management, 2008 for ACW from the Maharashtra Energy Development Agency (MEDA);
- Certificate of Merit Award, 2008 for energy efficiency for APCW from the Bureau of Energy Efficiency, Government of India;
- National Safety Award for the year 2007 for Hirmi Cement Works (HCW), Chhattisgarh from Ministry of Labour and Employment, Government of India.

RESEARCH AND DEVELOPMENT

Your Company's Research & Development efforts are focused on increased use of alternative fuels and materials, energy efficiency and new products.

During the year under review, your Company utilised industrial waste from metal industries as raw material for some of its operations. Your Company continues to increase the use of waste products as input material without sacrificing quality.

Your Company remains committed to sustainable development with progressive reduction of its carbon footprint per unit of production including greater use of Waste Heat Recovery Systems, which have been successfully operated at APCW for 2 years.

HUMAN RESOURCES

Your Company is continuously engaged in creating a work environment that encourages innovation and creativity. Appropriate measures are taken to secure employee engagement as a means of talent retention.

Your Company has in place an Internal Recruitment Scheme, Training Programmes and Talent Management Initiatives for providing growth to employees.

CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good corporate governance practices. Your Company was in compliance with the provisions of Clause 49 of the Listing Agreement with the stock exchanges relating to corporate governance.

A separate section on corporate governance together with a certificate from your Company's Statutory Auditors forms a part of this Annual Report.

SUBSIDIARY COMPANIES

In terms of Section 212 of the Companies Act, 1956, (the "Act") the Accounts together with the Report of Directors and the Auditor's Report of your Company's subsidiaries viz. Dakshin Cements Limited and UltraTech Ceylinco (Pvt) Limited forms part of this Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared in accordance with the provisions of Accounting Standards 21, 27 and other applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Listing Agreement with the stock exchanges and forms part of the Annual Report.

FINANCE

Your Company raised Rs. 400 crores by way of Non-Convertible Debentures, Rs. 285 crores by way of External Commercial Borrowings and Rs. 54 crores by way of fully hedged Buyers Credit. These are being utilised for financing various capex initiatives of your Company.

Your Company has repaid debentures and loans amounting to Rs. 412 crores.

CRISIL has re-affirmed its rating "AAA/Stable/P1+" for your Company's long term borrowings and bank loan facilities. Your Company has adequate liquidity and a strong balance sheet to face the challenging economic scenario.

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest on fixed deposit was outstanding as of the balance sheet date.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be disclosed pursuant to section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure II and forms part of this Report.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are to be set out in the Directors' Report, as an addendum thereto. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts as set out therein, are being sent to all Members of your Company excluding the aforesaid information about the employees. Any Member, who is interested in obtaining such particulars about employees, may write to the Company Secretary at the Registered Office of your Company.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Audited Accounts for the year under review are in conformity with the requirements of the Act and the Accounting Standards. The financial statements reflect fairly the form and substances of transactions carried out and reasonably present your Company's financial condition and results of operations.

Your Directors confirm that:

i. in the preparation of the Annual Accounts, applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

ii. the accounting policies selected have been applied consistently and judgments and estimates are made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2009 and of the profit of your Company for the year ended on that date;

iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting frauds and other irregularities;

iv. the Annual Accounts of your Company have been prepared on a going concern basis.

DIRECTORS

Dr. S. Misra resigned from the Board with effect from 10th September, 2008. Mr. Y. M. Deosthalee and Mr. J. P. Nayak resigned from the Board with effect from 15th June, 2009. The Board places on record its appreciation for the services rendered by Dr. Misra, Mr. Deosthalee and Mr. Nayak during their tenure as Members of the Board.

Mr. S. B. Mathur was appointed as an Additional Director with effect from 10th September, 2008 to hold office till the conclusion of the ensuing Annual General Meeting. Notice pursuant to Section 257 of the Act has been received from a Member proposing the above appointment as Director of your Company. The Board of Directors has also noted change in the status of Mr. V. T. Moorthy as an independent director with effect from 10th September, 2008.

Mr. D. D. Rathi, Mr. G. M. Dave and Mr. Kumar Mangalam Birla retire from office by rotation and being eligible, offer themselves for re-appointment.

A brief resume of the Directors being appointed/re-appointed are attached to the Notice of the ensuing Annual General Meeting.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai and M/s. G.P. Kapadia & Co., Chartered Accountants, Mumbai were appointed Joint Statutory Auditors of your Company from the conclusion of the previous Annual General Meeting until the conclusion of the ensuing Annual General Meeting. Being eligible, they offer themselves for re-appointment as auditors of your Company.

The Board proposes the re-appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai and M/s. G.P. Kapadia & Co., Chartered Accountants, Mumbai as Joint Statutory Auditors of your Company based on the recommendation of the Audit Committee, to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

The Board also proposes the re-appointment of M/s. Haribhakti & Co., Chartered Accountants, Mumbai as the Branch Auditor of your Company's Unit at Jafrabad and Magdalla in Gujarat and Ratnagiri in Maharashtra, based on the recommendation of the Audit Committee, to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting. In terms of the provisions of the Act, the Board also seeks your approval for the appointment of Branch Auditors in consultation with your Company's Statutory Auditors for any other Branch/Unit/Division of your Company, which may be opened/acquired/ installed in future in India or abroad.

Resolutions seeking your approval on these items are included in the Notice convening the Annual General Meeting.

The observation made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Act.

COST AUDITORS

Pursuant to the provisions of Section 233B of the Act, your Directors have appointed M/s. N. I. Mehta & Co., Cost Accountants, Mumbai as the Cost Auditors to conduct the cost audit of your Company for the financial year ending 31st March, 2010, subject to the approval of the Central Government.

APPRECIATION

Your Directors place on record their appreciation of the contribution made by employees at all levels. Your Company's growth was made possible by employee's support, co-operation, commitment, solidarity and hard work.

Your Directors wish to take this opportunity to express their deep sense of gratitude to the Central and State Governments, banks, financial institutions, shareholders and business associates for their co-operation and support and look forward to their continued support in future.

For and on behalf of the Board

Kumar Mangalam Birla
Chairman

Mumbai
16th June, 2009

ANNEXURE I

Disclosure pursuant to Clause 12 of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

Particulars		ESOS – 2006	
		Tranche I [23rd August, 2007]	**Tranche II [25th January, 2008]**
a.	No. of options granted	99,010	69,060
b.	The Pricing formula	The exercise price is the average price of the equity shares of the Company in the immediate preceding seven days period (at a stock exchange as determined by the ESOS Compensation Committee) on the date prior to the date on which the ESOS Compensation Committee finalised the specific number of options to be granted to the employees, discounted by 30%. Exercise Price : Rs. 606/- per option	The exercise price is the average price of the equity shares of the Company in the immediate preceding seven days period (at a stock exchange as determined by the ESOS Compensation Committee) on the date prior to the date on which the ESOS Compensation Committee finalised the specific number of options to be granted to the employees, discounted by 2%. Exercise Price : Rs. 794/- per option
c.	Options vested	24,752	17,264
d.	Options exercised	Nil	Nil
e.	The total number of shares arising as a result of exercise of the options	Not Applicable	Not Applicable
f.	Options lapsed	Nil	Nil
g.	Variation of terms of options	Nil	Nil
h.	Money realised by exercise of options	Not Applicable	Not Applicable
i.	Total number of options in force: – Vested – Unvested	 24,752 74,258	 17,264 51,796
j.	Employee wise details of options granted to:		
	i. Senior Managerial Personnel Mr. S. Misra, Managing Director	32,640	51,650
	ii. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil	Nil
	iii. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil	Nil
k.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Not Applicable	

l.	Where the company has calculated the employees compensation cost using the intrinsic value of the stock options: i. the difference between the employee compensation cost so computed and the employee compensation cost that shall be recognised if it had used the fair value of the options shall be disclosed ii. The impact of this difference: – on profits – EPS	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for options issued under the ESOS – 2006. Employee compensation cost: - intrinsic value based: Rs. 0.91 crores - fair value based: Rs. 3.17 crores Difference: Rs. 2.26 crores Reported / Adjusted Net Profit: Rs. 977.02 crores / Rs. 974.76 crores Basic: Rs. 78.48 / Rs. 78.30 Diluted: Rs. 78.48 / Rs. 78.30
m.	Weighted average exercise price of options: i. equal to market price of the stock ii. less than market price of the stock Weighted average fair value of options: i. equal to market price of the stock ii. less than the market price of the stock	 — Rs. 683/- — Rs. 462/-
n.	A description of the method used during the year to estimate the fair values of options.	Black – Scholes Method
	Significant assumptions used during the year to estimate the fair value of options including the following weighted average information:	
	i. Risk – free interest rate	8%
	ii. Expected life	Period up to vesting plus the average of the exercise period corresponding to each vesting.
	iii. Expected volatility	Implied volatility of the Company's stock prices on NSE based on the price data of last one year up to the date of grant Tranche I = 49% Tranche II = 52%
	iv. Expected dividend	Adjustment of the closing price of the Company's share on the NSE for the expected dividend yield over the expected life of the options (dividend for FY 2006-07 and a growth factor have been considered, which are then discounted and an average present value of dividend ascertained)
	v. The price of the underlying share in the market at the time of option grant.	Rs. 829/-

ANNEXURE II

DISCLOSURES OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY:

a) Energy Conservation Measures taken

- Installation of roller press.
- Increase in blended cement production and fly ash absorption in blended cement by optimising cement mill operations.
- Reduction in pressure drop in pre heater by redesigning cyclones using computational fluid dynamic tools.
- Use of waste heat from cooler for fly ash drying.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

- Use of medium voltage VFD drives for increased power saving in fans.
- Installation of waste heat recovery systems in pre heater and cooler.
- Cooler modification for recovery of cooler heat losses.
- Conversion of 4 stage to 5 - 6 stage pre heaters to recover heat.
- Improve efficiency of process fans.

c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

The above measures helped in reduction of power consumption and utilisation of waste and shall continue to help in reduction of power and fuel consumption.

d) Total energy consumption and energy consumption per unit of production

As per FORM-A of this Annexure.

B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption as per FORM-B of this Annexure.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on foreign exchange earnings and outgo is contained in Schedule 22 (6) and (5) of the Accounts.

FORM - A

(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy

A. POWER AND FUEL CONSUMPTION

		Current Year 2008-09	Previous Year 2007-08
1. Electricity			
(a) Purchased			
Units	000 Kwh	**817938**	923400
Total Amount	Rs. crores	**381.88**	432.69
Rate/unit	Rs.	**4.67**	4.69
(b) Own generation*			
(i) Through Diesel Generator			
Units	000 Kwh	**99071**	176961
Units(Kwh) per Ltr. of fuel oil		**3.86**	3.96
Cost/Unit	Rs.	**6.31**	5.62
(ii) Through Steam Turbine/Generator			
Units	000 Kwh	**593848**	316750
Units(Kwh) per kg of coal		**0.84**	0.70
Cost/Unit	Rs.	**3.64**	1.73
(iii) Through Steam Turbine/Generator			
Units	000 Kwh	**1394**	5527
Units(Kwh) per kg of Naphtha		**2.82**	3.80
Cost/Unit	Rs.	**19.78**	15.05
(iv) Waste Heat Recovery system			
Units	000 Kwh	**19481**	19064
Cost/Unit	Rs.	**0.37**	0.35
2. Coal (Slack, Steam & ROM including lighting Coal)			
For Co-generation of Steam & Power	Tonnes	**761121**	454839
Total Cost	Rs. crores	**179.94**	46.95
Average rate	Rs./Tonnes	**2364**	1032
For Process in Cement Plants			
Quantity	Tonnes	**2308856**	2157186
Total Cost	Rs. crores	**1016.49**	650.76
Average rate	Rs./Tonnes	**4403**	3017
3. Furnace Oil (Including Naphtha)			
Quantity	K. Ltrs	**28283**	47020
Total amount	Rs. crores	**59.84**	86.70
Average rate	Rs./K. ltr	**21157**	18438
4. Light Diesel Oil (LDO)			
Quantity	K. Ltrs	**1691**	1332
Total amount	Rs. crores	**6.70**	3.70
Average rate	Rs./K ltr	**39646**	27765
5. High Speed Diesel Oil (HSD)			
Quantity	K. Ltrs	**1583**	358
Total amount	Rs. crores	**5.89**	1.20
Average rate	Rs./K. Ltr	**37220**	33531
B. CONSUMPTION PER UNIT OF PRODUCTION			
Electricity #	Kwh /T of Cement	**85.11**	84.69
Furnace oil $	Ltr /T of Clinker	**0.16**	0.11
Coal	Kcal /Kg of Clinker	**716**	713

* Excludes Auxillary & Wheeling

\# Excludes non production power consumption

$ Furnace oil used for kiln light up

Previous years figures realigned in line with Current year

FORM - B

(See Rule 2)

Form for disclosure of particulars with respect to absorption

RESEARCH AND DEVELOPMENT (R&D)

1. **Specific areas in which R&D carried out by the Company**

   a) Development of new products and processes for value creation.

   b) Increase in percentage addition of slag and fly ash in blended cement through process.

   c) Use of waste liquid solvents as fuel in kiln.

   d) Use of industrial waste from metal industries as raw materials in cement manufacturing.

2. **Benefits derived as a result of the above R&D**

   The above initiatives have resulted in resource conservation, energy efficiency and reduction in cost of production.

3. **Future plan of action**

   a) Capability development for characterisation of waste fuels.

   b) Understanding and linking process parameters to environmental emissions.

   c) Develop low energy cement.

(Rs. in crores)

4. **Expenditure on R&D**	**2008-09**	**2007-08**
a. Capital Expenditure	4.07	0.53
b. Recurring Expenditure	13.29	8.82
c. Total expenditure	17.36	9.36
d. Total R&D expenditure as % of turnover	0.25	0.17

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation and innovation:
   - Training of plant and R&D personnel in absorption of specific skills in use of alternative fuels.
   - Participation in international and national conferences / seminars.
2. Benefits derived as a results of the above efforts:
   - Improvement in cement manufacturing process for increased use of alternative fuels.
   - Reduction in cost of cement production.
3. Information regarding technology imported during the last 5 years : Nil

AUDITORS' REPORT

TO THE MEMBERS OF ULTRATECH CEMENT LIMITED

1. We have audited the attached Balance Sheet of **UltraTech Cement Limited** as at March 31, 2009, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above:

   (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;

   (c) the reports of the auditors of the branches have been submitted to us and the same have been considered by us in preparing this report;

   (d) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns received from the branches;

   (e) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;

(ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and

(iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations from the directors as on March 31, 2009 taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director under Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. Shroff
Partner
(Membership No.34382)

For G. P. KAPADIA & CO.
Chartered Accountants

Atul B. Desai
Partner
(Membership No.30850)

Mumbai, April 21, 2009

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) The nature of the Company's business/activities during the year was such that clauses (x), (xii), (xiii), (xiv), (xviii) and (xx) of CARO are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventories:

(a) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) According to the information and explanations given to us, the Company has not granted or taken secured or unsecured loans to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly clauses (iii) (b) to (d), (f) and (g) of CARO are not applicable.

(v) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weaknesses in such internal control system.

(vi) To the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements particulars of which needed to be entered in the Register maintained under Section 301 of the Companies Act, 1956.

(vii) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits in terms of the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956.

(viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(ix) We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of cement, pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

(x) In respect of Statutory dues:

(a) According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities during the year.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2009 for a period of more then six months from the date they became payable.

(c) According to the information and explanations given to us, details of Sales Tax, Value Added Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited as on March 31, 2009 on account of any dispute are given below:

Name of statute	Nature of the dues	Amount (Rs. in Crores)	Period to which the amount relates (Assessment Years)	Forum where dispute is pending
Value Added Tax Act	Value Added Tax and penalty	0.42 3.98	2005-06 2000-04	High Court Assessing Officers
Sales Tax Act	Sales Tax and interest	19.31	2000-06	Supreme Court
		7.97	1997-98, 2000-01, 2005-06	High Court
		13.49	1993-08	Tribunal (s)
		21.14	1985-90, 1993-08	Appellate Authorities
Central Excise Act	Excise Duty, penalty and interest	0.05 1.46 24.30 6.57 8.59	2003-04 2000-03 1995-08 1998-08 1998-99, 2002-03, 2005-09	Supreme Court High Court Tribunal (s) Appellate Authorities Assessing Officers

ANNEXURE TO THE AUDITORS' REPORT

Name of statute	Nature of the dues	Amount (Rs. in Crores)	Period to which the amount relates (Assessment Years)	Forum where dispute is pending
Service Tax Act	Service Tax	4.77 1.52 5.59	2004-05, 2007-08 2004-09 2004-09	Tribunal (s) Appellate Authorities Assessing Officers
Customs Act	Custom Duty and penalty	0.11 1.22	2001-02 2005-06	Supreme Court High Court

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

(xii) In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from a bank or financial institution.

(xiii) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, *prima facie,* applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.

(xiv) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have, *prima facie,* not been used during the year for long term investment.

(xv) According to the information and explanations given to us and the records examined by us, security/charges have been created in respect of the debentures issued.

(xvi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. Shroff
Partner
(Membership No.34382)

For G. P. KAPADIA & CO.
Chartered Accountants

Atul B. Desai
Partner
(Membership No.30850)

Mumbai, April 21, 2009

BALANCE SHEET AS AT MARCH 31, 2009

	Schedules			Rs. in Crores As at March 31, 2008
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	**1A**	**124.49**		124.49
Employees Stock Options Outstanding	**1B**	**1.68**		0.77
Reserves and Surplus	**2**	**3,475.93**		2,571.73
			3,602.10	2,696.99
Loan Funds				
Secured Loans	**3**	**1,175.80**		982.66
Unsecured Loans	**4**	**965.83**		757.84
			2,141.63	1,740.50
Deferred Tax Liabilities (net)			**722.93**	542.35
TOTAL			**6,466.66**	4,979.84
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	**5**	**7,401.02**		4,972.60
Less: Depreciation		**2,765.33**		2,472.14
Net Block		**4,635.69**		2,500.46
Capital Work-in-Progress		**677.28**		2,283.15
			5,312.97	4,783.61
Investments	**6**		**1,034.80**	170.90
Current Assets, Loans and Advances				
Inventories	**7**	**691.97**		609.76
Sundry Debtors	**8**	**186.18**		216.61
Cash and Bank Balances	**9**	**104.49**		100.69
Loans and Advances	**10**	**378.97**		376.83
		1,361.61		1,303.89
Less:				
Current Liabilities and Provisions				
Current Liabilities	**11**	**1,120.92**		1,153.01
Provisions	**12**	**121.80**		125.55
		1,242.72		1,278.56
Net Current Assets			**118.89**	25.33
TOTAL			**6,466.66**	4,979.84
Accounting Policies and Notes on Accounts	**21 & 22**			

In terms of our report attached.

KUMAR MANGALAM BIRLA
Chairman

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

For G. P. KAPADIA & CO.
Chartered Accountants

ATUL B. DESAI
Partner

S. MISRA
Managing Director

K. C. BIRLA
Sr. Executive President & CFO

S. K. CHATTERJEE
Company Secretary

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R. C. BHARGAVA
G. M. DAVE
N. J. JHAVERI
S. B. MATHUR
J. P. NAYAK
S. RAJGOPAL
D. D. RATHI
Directors

Mumbai, April 21, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedules			Rs. in Crores Previous Year
INCOME				
Gross Sales		**7,160.42**		6,285.80
Less: Excise Duty		**777.34**		777.02
Net Sales			**6,383.08**	5,508.78
Interest and Dividend Income	**13**		**45.15**	37.47
Other Income	**14**		**58.41**	63.24
Increase/(Decrease) in Stocks	**15**		**88.76**	26.63
			6,575.40	5,636.12
EXPENDITURE				
Raw Materials Consumed	**16**		**684.96**	536.77
Manufacturing Expenses	**17**		**2,420.17**	1,828.87
Purchase of Finished Products			**19.50**	13.68
Payments to and Provisions for Employees	**18**		**217.67**	167.59
Selling, Distribution, Administration and Other Expenses	**19**		**1,431.51**	1,276.03
Interest and Finance Charges	**20**		**125.51**	82.31
Depreciation and Obsolescence			**323.00**	237.23
			5,222.32	4,142.48
Less: Captive Consumption of Cement {Net of Excise Duty Rs. 6.48 Crores (Previous Year Rs. 5.13 Crores)}			**(8.38)**	(13.37)
			5,213.94	4,129.11
Profit Before Tax Expenses			**1,361.46**	1,507.01
Income Tax Expenses				
Provision for Current Tax {including provision for Wealth Tax Rs. 0.46 Crore (Previous year Rs. 0.18 Crore) and Interest Rs. Nil (Previous Year Rs. 4.25 Crores)}			**197.54**	510.24
Deferred Tax			**180.58**	(16.71)
Provision for Fringe Benefit Tax			**6.32**	5.87
Profit After Tax			**977.02**	1,007.61
Balance brought forward from Previous Year			**1,598.12**	775.16
Profit Available for Appropriation			**2,575.14**	1,782.77
Appropriations				
Proposed Dividend			**62.24**	62.24
Corporate Dividend Tax			**10.58**	10.58
Debenture Redemption Reserve			**(36.08)**	(8.17)
General Reserve			**100.00**	120.00
Balance carried to Balance Sheet			**2,438.40**	1,598.12
			2,575.14	1,782.77
Basic Earnings Per Equity Share (in Rs.) {See Note B 20(A)}			**78.48**	80.94
Diluted Earnings Per Equity Share (in Rs.) {See Note B 20(B)}			**78.48**	80.91
Accounting Policies and Notes on Accounts	**21 & 22**			

In terms of our report attached.

KUMAR MANGALAM BIRLA
Chairman

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

For G. P. KAPADIA & CO.
Chartered Accountants

ATUL B. DESAI
Partner

S. MISRA
Managing Director

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Sr. Executive President & CFO

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J. P. NAYAK
S. RAJGOPAL
D. D. RATHI
Directors

Mumbai, April 21, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

			Rs. in Crores
A	**Cash Flow from Operating Activities:**	**March 31, 2009**	March 31, 2008
	Profit Before Tax	**1,361.46**	1,507.01
	Adjustments for:		
	Depreciation and Obsolescence	**323.00**	237.23
	Compensation Expenses under ESOS	**0.91**	0.77
	Bad Debts Written-off	**0.40**	1.79
	Provision for Retirement Benefits	**0.52**	7.40
	Provision for Mines Restoration	**1.76**	1.87
	Interest and Dividend Income	**(45.15)**	(37.47)
	Interest and Finance Charges	**125.51**	82.31
	Unrealised Foreign Exchange (Gain)/Loss	**12.94**	(8.97)
	(Profit)/Loss on Sale of Fixed Assets	**(0.18)**	1.18
	(Profit)/Loss on Sale of Investment	**(3.11)**	(1.28)
	Operating Profit Before Working Capital Changes	**1,778.06**	1,791.84
	Adjustments for:		
	(Increase)/decrease in Inventories	**(82.21)**	(176.18)
	(Increase)/decrease in Sundry Debtors	**30.03**	(34.90)
	(Increase)/decrease in Loans and Advances	**(2.14)**	(134.73)
	Increase/(decrease) in Trade Payables and Other Liabilities	**(56.28)**	416.07
	Cash Generated from Operations	**1,667.46**	1,862.10
	Taxes paid	**(209.74)**	(480.27)
	Expenditure for Mines Restoration	**(0.15)**	-
	Net Cash from Operating Activities (A)	**1,457.57**	1,381.83
B	**Cash Flow from Investing Activities:**		
	Purchase of Fixed Assets	**(850.04)**	(1,798.89)
	Sale of Fixed Assets	**20.25**	5.80
	(Increase)/decrease in Investments	**(863.90)**	312.34
	Profit on Sale of Investments	**3.11**	1.28
	Interest and Dividend Received	**45.15**	37.68
	Net Cash used in Investing Activities (B)	**(1,645.43)**	(1,441.79)
C	**Cash Flow from Financing Activities:**		
	Repayment of Long Term Borrowings	**(411.52)**	(285.00)
	Proceeds from Long Term Borrowings	**804.81**	161.55
	Repayments/Proceeds from Short Term Borrowings (Net)	**(11.41)**	290.11
	Interest and Finance Charges paid	**(117.40)**	(95.60)
	Dividend Paid	**(62.24)**	-
	Corporate Dividend Tax	**(10.58)**	-
Net Cash Generated in Financing Activities (C)		**191.66**	71.06
Net Increase in Cash and Cash Equivalents (A + B + C)		**3.80**	11.10
Cash and Cash Equivalents at the Beginning of the Year		**100.69**	89.59
Cash and Cash Equivalents at the End of the Year		**104.49**	100.69

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 notified by the Companies Act, 1956.
2. Purchase of fixed assets includes movements of capital work-in-progress during the Year.
3. Cash and cash equivalents represent cash and bank balances.
4. Previous year's figures regrouped/recast wherever necessary.

In terms of our report attached.

KUMAR MANGALAM BIRLA
Chairman

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

For G. P. KAPADIA & CO.
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S. RAJGOPAL
D. D. RATHI
Directors

Mumbai, April 21, 2009

SCHEDULES

			Rs. in Crores Previous Year
SCHEDULE 1A			
SHARE CAPITAL			
Authorised			
130,000,000	Equity shares of Rs. 10 each	**130.00**	130.00
Issued, Subscribed and Paid-up		**124.49**	124.49
124,485,879	Equity shares of Rs. 10 each fully paid-up. (Previous Year 124,485,879)		
	(a) 99,521,437 Equity shares of Rs. 10 each issued as fully paid-up for acquiring the Cement business pursuant to the Scheme of Arrangement without payment being received in cash;		
	(b) 87,258 Equity shares of Rs. 10 each issued as fully paid up to shareholders of erstwhile Narmada Cement Company Limited (NCCL) pursuant to the Scheme of Amalgamation without payment being received in cash.(Previous Year 87,258);		
	(c) 63,114,691 shares are held by Grasim Industries Limited (Holding Company), (Previous Year 60,211,890) and 5,077,603 shares are held by Samruddhi Swastik Trading & Investment Limited (Subsidiary Company of Grasim Industries Limited), {Previous Year 7,477,178}		
		124.49	124.49

SCHEDULE 1B

EMPLOYEES STOCK OPTIONS OUTSTANDING

Employees Stock Options Outstanding	**2.45**	2.45
Less: Deferred Employees Compensation Expenses	**0.77**	1.68
	1.68	0.77

Outstanding Employees Stock Options exercisable into 168,070 Equity Shares of Rs. 10 each fully paid up. (See Note B 19)

SCHEDULE 2

RESERVES AND SURPLUS Rs. in Crores

	Balance as at 31st March, 08	Additions during the year	Deduction/ Adjustments during the year	Balance as at 31st March, 09
Capital Reserve	25.02	-	-	25.02
Cash Subsidy Reserve	0.10	-	-	0.10
Debenture Redemption Reserve	161.63	45.17	(81.25)	125.55
General Reserve	786.86	100.00	-	886.86
Surplus as per Profit and Loss Account	1,598.12	977.02	(136.74)	2,438.40
	2,571.73	**1,122.19**	**(217.99)**	**3,475.93**
Previous Year	1,639.29	1,127.61	(195.17)	2,571.73

		Rs. in Crores Previous Year
SCHEDULE 3		
SECURED LOANS		
Non-Convertible Debentures (See Note B 5a)	**835.29**	759.32
Other Loans: (See Note B 5b)		
Foreign Currency Loan (Due witihin a year Rs. Nil)	**285.16**	-
Loans from Banks:		
Cash Credits / Working Capital Borrowings from Banks Secured by Hypothecation of Stocks and Book Debts of the Company	**55.35**	143.10
Term Loans (See Note B 5b)	**-**	80.24
	1,175.80	982.66

SCHEDULE 4		
UNSECURED LOANS		
Short Term:		
From Banks	**246.54**	170.19
Long Term:		
From Banks (Due witihin a year Rs. Nil)	**335.26**	262.90
Sales Tax Deferment Loans (Due within a year Rs. 0.57 Crore)	**384.03**	324.75
	965.83	757.84

SCHEDULE 5

FIXED ASSETS

Rs. in Crores

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.08	Additions	Deductions/ Adjustments	**As at 31.03.09**	As at 01.04.08	For the year	Deductions/ Adjustments	**Upto 31.03.09**	**As at 31.03.09**	As at 31.03.08
(A) Tangible Assets										
Freehold Land	81.45	26.17	0.03	**107.59**	-	-	-	**-**	**107.59**	81.45
Leasehold Land	20.88	0.76	0.12	**21.52**	6.16	0.63	0.02	**6.77**	**14.75**	14.72
Buildings	508.95	241.57	2.90	**747.62**	166.26	22.75	1.34	**187.67**	**559.95**	342.69
Railway Sidings	159.66	-	-	**159.66**	74.88	7.47	-	**82.35**	**77.31**	84.78
Plant & Machinery	4,009.32	2,182.46	43.32	**6,148.46**	2,098.10	259.96	21.58	**2,336.48**	**3,811.98**	1,911.22
Furniture & Fixtures	95.44	18.54	2.03	**111.95**	51.77	23.86	1.90	**73.73**	**38.22**	43.67
Jetty	80.60	-	-	**80.60**	68.12	0.96	-	**69.08**	**11.52**	12.48
Vehicles	14.32	4.17	1.59	**16.90**	6.22	2.43	0.95	**7.70**	**9.20**	8.10
Total Tangible Assets	**4,970.62**	**2,473.67**	**49.99**	**7,394.30**	**2,471.51**	**318.06**	**25.79**	**2,763.78**	**4,630.52**	2,499.11
(B) Intangible Assets										
Software	1.98	4.74	-	**6.72**	0.63	0.92	-	**1.55**	**5.17**	1.35
Total Assets (A+B)	**4,972.60**	**2,478.41**	**49.99**	**7,401.02**	**2,472.14**	**318.98**	**25.79**	**2,765.33**	**4,635.69**	2,500.46
Previous year	4,784.70	227.47	39.57	4,972.60	2,267.42	229.74	25.02	2,472.14		
Add: Capital Work-in-Progress {includes advances of Rs. 118.23 Crores (Previous Year Rs. 388.75 Crores)}									**677.28**	2,283.15
									5,312.97	4,783.61

Notes:

A) Depreciation for the year	**318.98**	229.74
Add: Obsolescence	**4.13**	7.58
Less: Depreciation transferred to Pre-operative Expenses	**(0.11)**	(0.09)
Depreciation as per Profit and Loss Account	**323.00**	237.23

B)
1. Leasehold Land includes Mining Rights.
2. Cost of Plant and Machinery includes Rs. 29.89 Crores (Previous Year Rs. 29.89 Crores) relating to railway wagons given on operating lease to the Railways under "Own Your Wagon Scheme".
3. Fixed Assets includes assets costing Rs. 136.40 Crores (Previous Year Rs. 136.40 Crores) not owned by the Company.
4. Fixed Assets costing Rs. 26.72 Crores (Previous Year Rs. 26.72 Crores) are held on Co-ownership with other Company.
5. The title deeds of some of the immovable properties transferred pursuant to the Scheme of Arrangement are yet to be transferred in the name of the Company.

SCHEDULES

Rs. in Crores

SCHEDULE 6

INVESTMENTS - At Cost

LONG TERM (TRADE)

						Previous Year
Government and Trust Securities -Unquoted					-	-
(Rs. 10,000, Previous Year Rs. 10,000) Pledged as security deposit						
Shares in Subsidiary Companies- Unquoted						
Fully paid-up Equity Shares of Rs. 10 each 50,000 Dakshin Cements Limited (Previous Year 50,000)			**1.21**			1.21
Fully paid-up Equity Shares of Sri Lankan Rupee 10 each 40,000,000 UltraTech Ceylinco (Pvt.) Limited. (Previous Year 40,000,000)			**23.03**			23.03
					24.24	24.24
Others -Unquoted						
2,000,000 4.5% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 100 each in Aditya Birla Health Services Limited. (Previous Year 2,000,000)					**20.00**	20.00
1,065,580, Equity Shares of Rs. 10 each in Madanpur (North) Coal Company (P) Ltd. (Previous Year Nil)					**1.07**	-
					45.31	44.24
CURRENT - Unquoted (Other Investments)						
Units of Debt Schemes of Mutual Funds:						
Description	**No. of Units**	**Face Value**	**Value**			
a) Liquid Schemes - Dividend Plan						
LIC MF Liquid Fund (Previous Year 1,821,826 units)	4,554,533	10			**5.00**	2.00
b) Ultra Short Term Schemes - Dividend Plan						
Birla Sun Life Savings Fund (Previous Year Nil)	107,785,600	10	107.86			-
HDFC Cash Management Treasury Advantage Fund (Previous Year Nil)	69,858,505	10	70.08			-
ICICI Prudential Flexible Income Fund (Previous Year Nil)	71,099,335	10	75.18			-
Kotak Floater Long Term Fund (Previous Year Nil)	77,876,553	10	78.50			-
Reliance Money Manager Fund (Previous Year Nil)	1,152,791	1,000	115.41			-
UTI Treasury Advantage Fund (Previous Year Nil)	709,759	1,000	70.99		**518.02**	-
c) Short Term Plans - Dividend Plan						
Birla Sun Life Dynamic Bond Fund (Previous Year Nil)	98,247,715	10			**101.01**	-
d) Income Schemes - Dividend Plan						
Birla Sun Life Income Plus Plan (Previous Year 42,565,128 units)	35,071,897	10	39.22			45.04
ICICI Prudential Income Plan (Previous Year 14,105,173 units)	8,644,798	10	9.90		**49.12**	14.82

CURRENT - Unquoted (Other Investments) (Continued)..... Rs. in Crores

Units of Debt Schemes of Mutual Funds:

	Description	**No. of Units**	**Face Value**	**Value**		Previous Year
e)	**Medium Term Debt Schemes - Dividend Plan:**					
	Birla Sun Life Short Term Opportunity Fund (Previous Year Nil)	151,210,895	10	151.34		-
	Birla Sun Life Medium Term Plan (Previous Year Nil)	25,000,000	10	25.00		-
	HDFC FMP 181D December 07- IV (Previous Year 19,800,000 units)	-	-	-		19.80
	ICICI Prudential Interval IV Qtrly B Fund (Previous Year Nil)	10,000,000	10	10.00		-
	UTI Fixed Income Monthly Interval Fund (Previous Year Nil)	39,996,000	10	40.00	**226.34**	-
f)	**Medium Term Debt Schemes - Growth Plan:**					
	Birla Sun Life Floting Rate Long Term Fund (Previous Year Nil)	74,984,253	10	75.00		-
	Birla FMP Series T (Previous Year 25,000,000 units)	-	-	-		25.00
	Lotus India FMP 13 Months - Series III (Previous Year 10,000,000 units)	-	-	-		10.00
	UTI Fixed Maturity Plan - YFMP (03/07) (Previous Year 10,000,000 units)	-	-	-		10.00
	UTI Fixed Maturity Plan - YFMP (03/09) (Previous Year Nil)	15,000,000	10	15.00	**90.00**	-
					989.49	126.66
					1,034.80	170.90

Note: No. of Units of various Mutual Funds - Debt Schemes purchased and redeemed during the year are as follows:

(i) Liquid Schemes (Dividend Plan) - Birla Sun Life Mutual Fund - 1,405,060,555; Deutsche Mutual Fund - 15,169,661; Fidelity Mutual Fund - 9,998,300; Franklin Templeton Mutual Fund - 804,858; HDFC Mutual Fund - 218,859,039; HSBC Mutual Fund - 5,496,922; ICICI Prudential Mutual Fund - 1,249,109,640; IDFC Mutual Fund - 197,450,641; JM Financial Mutual Fund - 22,962,113; Kotak Mahindra Mutual Fund - 111,055,683; LIC Mutual Fund - 481,097,622; Lotus India Mutual Fund - 24,993,752; Principal Mutual Fund - 13,299,069; Reliance Mutual Fund - 710,229,530; SBI Mutual Fund - 10,583,939; Tata Mutual Fund - 3,311,291; UTI Mutual Fund - 52,803,350.

(ii) Liquid Schemes (Growth Plan) - Birla Sun Life Mutual Fund - 37,426,550; Franklin Templeton Mutual Fund - 175,777; ICICI Prudential Mutual Fund - 44,601,430; LIC Mutual Fund - 6,693,125.

(iii) Ultra Short Term Schemes (Dividend Plan) - Birla Sun Life Mutual Fund - 1,038,212,163; Canara Robeco Mutual Fund - 7,253,911; Deutsche Mutual Fund - 45,824,131; Fortis Mutual Fund - 128,992,292; Franklin Templeton Mutual Fund - 19,970,447; HDFC Mutual Fund - 437,122,357; HSBC Mutual Fund - 19,974,832; ICICI Prudential Mutual Fund - 596,622,997; IDFC Mutual Fund - 384,425,398; JM Financial Mutual Fund - 19,990,405; JP Morgan Mutual Fund - 24,977,770; Kotak Mahindra Mutual Fund - 170,409,388; LIC Mutual Fund - 224,006,276; Principal Mutual Fund - 52,933,104; Reliance Mutual Fund - 227,236,167; SBI Mutual Fund 4,997,501; Sundaram BNP Paribas Mutual Fund - 29,925,187 Tata Mutual Fund - 372,399,591; UTI Mutual Fund - 1,676,472.

(iv) Ultra Short Term Schemes (Growth Plan) - Birla Sun Life Mutual Fund - 32,490,107; Fortis Mutual Fund - 8,280,408; JM Financial Mutual Fund - 21,855,057; LIC Mutual Fund - 32,333,161; Lotus India Mutual Fund - 22,401,434; Reliance Mutual Fund - 135,894; Tata Mutual Fund - 16,525,511.

(v) Medium Term Debt Schemes (Dividend Plan) - Birla Sun Life Mutual Fund - 55,000,000; Fortis Mutual Fund - 30,000,000; Franklin Templeton Mutual Fund - 29,962,072 HDFC Mutual Fund - 20,000,000; IDFC Mutual Fund - 30,000,000; JM Financial Mutual Fund - 35,000,000; Kotak Mahindra Mutual Fund - 35,000,000; LIC Mutual Fund - 25,000,000; Lotus India Mutual Fund - 24,995,702; ICICI Prudential Mutual Fund - 44,999,100; Reliance Mutual Fund - 44,985,700; Sundaram BNP Paribas Mutual Fund - 10,000,000; Tata Mutual Fund - 58,588,660; UTI Mutual Fund - 30,000,000.

SCHEDULES

Rs. in Crores

SCHEDULE 7
INVENTORIES

			Previous Year
Stores and Spare parts, Packing Material, Fuels and Scrap		**379.14**	408.03
Raw Materials		**68.00**	43.26
Work-in-progress		**176.99**	102.35
Finished Goods {Includes Trading Inventory of Rs. 0.02 Crore (Previous Year Rs. Nil)}		**67.84**	56.12
		691.97	609.76

SCHEDULE 8
SUNDRY DEBTORS

Exceeding six months:			
Considered Good and Secured	**5.58**		6.18
Considered Good and Unsecured	**11.54**		3.13
		17.12	9.31
Others:			
Considered Good and Secured	**80.52**		97.99
Considered Good and Unsecured	**88.54**		109.31
		169.06	207.30
		186.18	216.61

SCHEDULE 9
CASH AND BANK BALANCES

Cash Balance on Hand {Including Cheques on Hand Rs. 6.06 Crores; (Previous Year Rs. 17.62 Crores)}		**6.15**	18.53
Bank Balance with Scheduled Banks:			
In Current Accounts		**98.34**	82.16
In Fixed Deposit Account {(Rs. 25,861),(Previous Year Rs. 24,548)}		**-**	-
		104.49	100.69

SCHEDULE 10
LOANS AND ADVANCES

Secured and Considered Good			
Loan against mortgage of House Property		**1.76**	1.64
Unsecured			
Considered Good:			
Loans and Advances to a Subsidiary Company	**0.17**		0.35
Parent Company and Fellow Subsidiaries	**7.76**		-
Deposits and Balances with Government and other Authorities	**89.30**		151.33
Advances recoverable in cash or in kind or for value to be received	**279.98**		223.51
Considered Doubtful:			
Advances recoverable in cash or in kind from others	**0.22**		0.22
	377.43		375.41
Less: Provision for doubtful Loans and Advances	**0.22**		0.22
		377.21	375.19
		378.97	376.83

Rs. in Crores

SCHEDULE 11
CURRENT LIABILITIES

			Previous Year
Sundry Creditors			
Dues of Micro, Small and Medium Enterprises	**0.86**		0.21
(To the extent identified with available information)			
Parent Company and Fellow Subsidiaries	**-**		0.60
Others	**722.23**		775.59
		723.09	776.40
Security and Other Deposits		**158.19**	149.85
Advances from Customers		**77.76**	104.73
Investor Education and Protection Fund, Amount not due:			
Unpaid Dividend		**1.22**	0.76
Other Liabilities		**104.43**	89.00
Interest accrued but not due on loans		**56.23**	32.27
		1,120.92	1,153.01

SCHEDULE 12
PROVISIONS

		Previous Year
Provision for Retirement Benefits	**28.31**	27.79
Provision for Mines Restoration	**5.12**	3.51
Provision for Tax (Net of Advance Tax)	**15.55**	21.43
Proposed Dividend	**62.24**	62.24
Corporate Dividend Tax	**10.58**	10.58
	121.80	125.55

SCHEDULE 13
INTEREST AND DIVIDEND INCOME

		Previous Year
(A) On Investments		
Long Term Investments:		
Dividend from a Subsidiary	**4.77**	2.80
Current Investments:		
Dividend from Current Investments	**32.79**	28.75
(B) Interest (Gross) on Others	**7.59**	5.92
{Tax Deducted at Source Rs. 1.03 Crores, (Previous Year Rs. 0.57 Crore)}		
	45.15	37.47

SCHEDULE 14
OTHER INCOME

		Previous Year
Lease Rent	**0.31**	0.68
Insurance Claim	**0.98**	0.26
Profit on Sale of Current Investments (Net)	**3.11**	1.28
Profit on Sale of Fixed Assets (Net)	**0.18**	-
Exchange Rate Difference (Net)	**-**	11.86
Miscellaneous Income/Receipts	**53.83**	49.16
	58.41	63.24

SCHEDULE 15
INCREASE/(DECREASE) IN STOCKS

		Previous Year
Closing Stock		
Work-in-Progress	**176.99**	102.35
Finished Goods	**67.82**	56.12
	244.81	158.47
Opening stock		
Work-in-Progress	**102.35**	75.60
Finished Goods	**56.12**	59.45
	158.47	135.05
Add: Increase/(Decrease) in Excise Duty on Stocks	**2.42**	3.21
Increase/(Decrease) in Stocks	**88.76**	26.63

SCHEDULES

Rs. in Crores

SCHEDULE 16
RAW MATERIALS CONSUMED

		Previous Year
Opening Stock	**43.26**	23.43
Purchase and Incidental Expenses	**709.70**	556.60
	752.96	580.03
Less: Closing Stock	**68.00**	43.26
	684.96	536.77

SCHEDULE 17
MANUFACTURING EXPENSES

		Previous Year
Freight and Handling expense on Clinker transfer	**162.86**	133.68
Consumption of Stores, Spare Parts, Components and Packing Materials	**412.99**	348.21
Power and Fuel Consumed	**1,712.98**	1,253.26
Hire Charges of Plant and Machinery and Others	**8.58**	6.26
Repairs to Plant and Machinery	**92.58**	65.48
Repairs to Buildings	**7.59**	5.12
Repairs to Others	**22.59**	16.86
	2,420.17	1,828.87

SCHEDULE 18
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

		Previous Year
Salaries, Wages and Bonus	**168.86**	131.78
Contribution to and Provisions for Provident and Other Funds	**25.49**	15.46
Compensation Expenses under ESOS	**0.91**	0.77
Welfare Expenses	**22.41**	19.58
	217.67	167.59

SCHEDULE 19
SELLING, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES

		Previous Year
Commission paid to Distributors and Selling Agents	**23.17**	14.72
Cash Discount	**56.56**	57.52
Freight, Handling and Other Expenses	**1,071.08**	969.26
Advertisement and Sales Promotions	**105.65**	101.52
Insurance	**8.21**	9.28
Rent (including Lease Rent)	**17.61**	13.26
Rates and Taxes	**19.40**	29.86
Stationery, Printing and Communication Expenses	**10.93**	9.90
Travelling and Conveyance	**24.03**	21.61
Legal and Professional Charges	**27.50**	16.23
Bad Debts and Advances Written Off	**0.40**	1.79
Directors' Fees	**0.13**	0.12
Power (other than related to Manufacturing Activity)	**2.08**	1.79
Exchange Rate difference (Net)	**28.21**	-
Loss on Sale of Fixed Assets (Net)	**-**	1.18
Contribution for Political Party (General Electoral Trust)	**10.00**	2.80
Miscellaneous Expenses	**26.55**	25.19
	1,431.51	1,276.03

SCHEDULE 20
INTEREST AND FINANCE CHARGES

			Previous Year
(A) Interest			
On Debentures and Fixed Loans	**90.55**		62.38
On Other Loans	**28.67**		13.29
		119.22	75.67
(B) Finance Charges		**6.29**	6.64
		125.51	82.31

SCHEDULE 21

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A Significant Accounting Policies:

1. Basis of Accounting:

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the applicable mandatory Accounting Standards.

2. Use of estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognised in the period in which the results are known or materialise.

3. Fixed Assets:

Fixed assets are stated at cost (including other expenses related to acquisition and installation) less accumulated depreciation/amortisation.

4. Treatment of expenditure during construction period:

Expenditure during construction period is included under Capital Work-in-Progress and the same is allocated to the respective Fixed Assets on the completion of their construction.

5. Foreign Currency Transactions:

Foreign currency transactions are accounted for at the rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the balance sheet date are restated at year end rate. Premium or discount on forward exchange contracts is amortised as the expense or income over the life of the Contract respectively. Exchange difference including premium or discount on forward exchange contracts, arising till the commissioning of projects, relating to borrowed funds and liabilities in the foreign currency for acquisition of fixed assets are adjusted to cost of fixed assets. Any other exchange difference is dealt with in the Profit and Loss account.

6. Financial Derivatives:

Derivative financial instruments are used to hedge risk associated with foreign currency fluctuations and interest rates. The derivative contracts are closely linked with the underlying transactions, and are intended to be held to maturity. These are accounted on the date of settlement and realised gain/loss in respect of settled contracts is recognised in the Profit and Loss Account along with the underlying transactions.

7. Investments:

Current investments are carried at lower of cost or fair value. Long term investments are stated at cost after deducting provisions made for diminution other than temporary.

8. Inventories:

Inventories are valued at the lower of weighted average cost and net realisable value except waste / scrap which is valued at net realisable value.

Finished goods and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Obsolete, defective and unserviceable inventories are duly provided for.

9. Leases:

a) In respect of lease transactions entered into prior to April 1, 2001, lease rentals of assets acquired are charged to the Profit and Loss Account.

SCHEDULE 21 (Contd.)

b) Lease transactions entered into on or after April 1, 2001:

i) Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

ii) Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

iii) Assets leased out under operating leases are capitalised. Rental income is recognised on accrual basis over the lease term.

(Also refer to the policy on Depreciation and Amortisation below)

10. Depreciation and Amortisation:

Depreciation is charged in the Accounts on the following basis:

(A) Tangible Assets:

(i) Depreciation is provided on the straight-line basis at the rates prescribed in Schedule XIV to the Companies Act, 1956 except for the following:

a) Company Vehicles other than those provided to the employees at 20% per annum.

b) Motor Cars given to the employees as per the Company's Scheme is depreciated over the Scheme period.

c) Personal Computers and Laptops given to the employees as per the Company's Scheme at 31% per annum.

d) Roads, Culverts, Walls, Buildings etc., within factory premises are depreciated at 3.34% per annum.

e) Computer and Office Equipments at 25% per annum.

f) Furnitures and Fixtures at 14.29% per annum.

g) Mobile Phones at 33.33% per annum.

(ii) Assets acquired up to September 30, 1987, are depreciated at the rates prevailing at the time of acquisition.

(iii) The value of leasehold land and mining lease is amortised over the period of the lease.

(iv) Assets not owned by the Company are amortised over a period of five years or the period specified in the agreement.

(v) Expenditure incurred on Jetty is amortised over the period of the relevant agreement such that the cumulative amortisation is not less than the cumulative rebate availed by the Company.

(vi) Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of project from the date of commencement of commercial production, while depreciation on deductions/disposals is provided on a pro-rata basis upto the month preceding the month of deductions/disposals.

(B) Intangible Assets:

Specialised softwares are amortised over a period of 3 years.

11. Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is an indication of impairment based on the internal and external factors.

SCHEDULE 21 (Contd.)

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable amount. An impairment loss, if any, is charged to the Profit and Loss Account in the year in which the asset is identified as impaired. Reversal of impairment loss recognised in prior years is recorded when there is an indication that impairment loss recognised for the asset no longer exists or has been decreased.

12. Employee Benefits:

(i) Defined Contribution Plan

Contributions to defined contribution plans are recognised as expense in the Profit and Loss Account, as they are incurred.

(ii) Defined Benefit Plan

The obligation in respect of defined benefit plans is determined using projected unit credit method, with actuarial valuation at the end of each financial year. Actuarial gains/losses are recognised immediately in the Profit and Loss Account.

Obligation is measured at the present value of estimated future cash flows using a discount rate that is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

13. Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

The difference between the face value and the issue price of 'Discounted Value Non Convertible Debentures', being in the nature of interest, is charged to the Profit and Loss account, on a compound interest basis determined with reference to the yield inherent in the discount.

14. Provision for Current and Deferred Tax:

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax resulting from "timing differences" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty, except for carried forward losses and unabsorbed depreciation which are recognised based on virtual certainty, that the assets will be realised in future.

15. Revenue Recognition:

Sales Revenue is recognised on transfer of significant risks and rewards of ownership of the goods to the buyer and stated net of Sales Tax, VAT, trade discounts, and rebates but includes excise duty. Income from services is recognised as they are rendered, based on agreement/arrangement with the concerned parties. Dividend income on investments is accounted for when the right to receive the payment is established. Interest income is recognised on time proportion basis. Export Incentives, insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

16. Mines Restoration Expenditure:

The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the estimate of mineral reserves and a provision is made based on minerals extracted during the year.

Provision for the Mines Restoration is reviewed annually, on the basis of technical estimates.

SCHEDULE 21 (Contd.)

17. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed, while Contingent Assets are neither recognised nor disclosed, in the financial statements.

18. Employees Share based payments:

The Company follows intrinsic value method for valuation of Employees Stock Options. Value at the time of grant of ESOS is considered as compensation expense and is amortised in the Profit and Loss account over the period of vesting, adjusting for the actual and expected vesting.

B. Notes on Accounts

1. Contingent Liabilities not provided for in respect of:

Claims not acknowledged as debts in respect of matters in appeals		Rs. in Crores Previous Year
(a) Sales-tax liability	60.72	51.30
(b) Excise duty	46.71	27.35
(c) Royalty on Limestone/ Marl	41.01	43.27
(d) Customs	0.11	0.11
(e) Others	36.43	31.82

2. The Ministry of Textiles, vide its orders dated June 30, 1997 and July 1, 1999 has deleted cement from the list of commodities to be packed in Jute bags under the Jute Packaging (Compulsory Use in Packing Commodities) Act, 1987. In view of this, the Company does not accept any liability for non-despatch of cement in Jute bags in respect of earlier years.

3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 170.09 Crores (Previous Year Rs. 491.32 Crores).

4. (i) Derivative Instruments outstanding

Derivatives for hedging currency and interest rates, outstanding as on March 31, 2009 are as under:

Particulars	Purpose	Currency	In Millions		Cross Currency
			2008-09	2007-08	
A. Forward Contracts	Exports	USD	2.54	28.97	Rupees
	Imports	USD	29.48	—	Rupees
	Buyers Credit	USD	54.57	18.39	Rupees
	Imports	Euro	4.70	9.41	USD
	Imports	Euro	0.26	—	Rupees
	Imports	DKK	5.17	—	Rupees
	Buyers Credit	JPY	5471.57	1845.28	USD
B. Other Derivatives					
i. Currency Option and Interest Swap	ECB Loan	USD	40.00	40.00	Rupees
ii. Currency and Interest Rate Swap (CIRS)	Buyers Credit	USD	8.85	—	Rupees
	ECB Loan	JPY	6046.00	—	Rupees
	Buyers Credit	JPY	2943.73	2506.25	Rupees
iii. Interest Rate Swap/(IRS)	Mibor Linked NCDs	Rupees	2000.00	—	Rupees

SCHEDULE 21 (Contd.)

(ii) Un-hedged Foreign Currency exposure

Type of Exposure	Currency	In Millions		Cross Currency
		2008-09	2007-08	
ECB Loan	USD	—	20.00	Rupees
Buyers Credit	USD	—	24.44	Rupees

5. Secured Loans:

(a) Secured Non-Convertible Debentures

	Rs. in Crores	Previous Year
(i) Fixed Rate Non Convertible Debentures (NCDs)		
1. 8.25% NCDs (Redeemable at par on September 2, 2012)	65.00	65.00
2. 8.30% NCDs (Redeemable at par on September 2, 2012)	25.00	25.00
3. 6.00% NCDs (Redeemable at par on March 12, 2009)	—	225.00
4. Step up interest NCDs (Redeemable at par on September 16, 2012)	25.00	25.00
5. 6.65% NCDs (Redeemable at par on April 30, 2013)	5.00	5.00
6. 5.78% NCDs (Redeemable at par on May 11, 2009)	150.00	150.00
7. 6.25% NCDs (Redeemable at par on June 25, 2009)	150.00	150.00
8. 6.70% NCDs (Redeemable at par on June 16, 2008)	—	50.00
9. 10.525% NCDs (Redeemable at par on August 21, 2013; Put and Call Option exercisable to both parties on August 22, 2011)	200.00	—
(ii) Floating Rate Debentures		
1. 1 year GoI Security Linked NCDs (Redeemable at par on June 16, 2008)	—	50.00
2. MIBOR Linked NCDs (Redeemable at par on May 13, 2011)	200.00	—
(iii) Discounted Value Debentures		
1. Issued as zero coupon at yield to maturity of 6.80% (Carrying amount Rs. 15.29 crores, previous year Rs. 14.32 crores, Redeemable at par on April 30, 2013)	20.00	20.00

The Company retains the options to purchase the Debentures in the secondary market, and cancel, hold, or reissue the same at such price and on such terms as the Company may deem fit or as permitted under the Company Law. Debentures repurchased have not been kept alive for reissuance as at March 31, 2009.

The Non Convertible Debentures are secured by way of first charge, having *pari passu* rights, on the Company's movable and immovable properties (save and except book debts and inventories).

(b) The other loans of Rs. 285.16 Crores (Previous Year Rs. 80.24 Crores), are secured by a first mortgage and charge on the Company's movable and immovable properties at certain locations and / or by hypothecation of movables at those locations (save and except book debts and inventory) both present and future, having *pari passu* rights, subject to prior charges, on specific assets in favour of the Company's Bankers.

Rs. in Crores

	2008-09	2007-08
SBI, Singapore (United States Dollars 20 Million)	—	80.24
HSBC Ltd, Mauritius (Japanese Yen 2,088 Million)	93.82	—
Calyon, Singapore (Japanese Yen 2,110 Million)	92.94	—
DBS Bank Ltd, Singapore (Japanese Yen 1,848 Million)	98.40	—
Total	**285.16**	**80.24**

SCHEDULES

SCHEDULE 21 (Contd.)

6. There is no principal amount overdue to the Micro, Small & Medium enterprises.

No interest payable on overdue outstanding to the Micro, Small & Medium enterprises as on March 31, 2009. (Previous Year Rs. 0.04 Crore)

7. Disclosure as per clause 32 of the listing agreement:

(a) Loans in the nature of Inter Corporate Deposits (ICD) and trade credit given to subsidiaries:

Rs. in Crores

Name of Subsidiary Companies	Amount Outstanding	Maximum Balance Outstanding during the Year
UltraTech Ceylinco Pvt. Limited	1.29	21.67
Dakshin Cements Limited	0.17	0.17

(b) Payments made to employees by way of Loans and Advances in the nature of loan where no interest is charged or charged at the rate less than the rate prescribed in Section 372A of the Companies Act, 1956.

Rs. in Crores

Outstanding as on 31st March, 2009	4.05
Maximum balance outstanding during the Year	4.87

8. During the current year the Company has revised estimated useful life of some of the Assets. On account of which, depreciation is higher by Rs. 16.57 Crores.

9. Segment Reporting:

The Company has one business segment 'Cement' as its primary segment. The Company's operations are solely situated in India.

Rs. in Crores

	2008-09	2007-08
Net Sales:		
Domestic	5,802.59	5,005.44
Export	580.49	503.34
Total	**6,383.08**	**5,508.78**

10. Auditors remuneration (excluding service tax) and expenses charged to the accounts:

Rs. in Crores

	2008-09	2007-08
(a) Statutory Auditors:		
Audit fees	0.38	0.32
Tax audit fees	0.03	0.03
Fees for other services	0.29	0.21
Expenses reimbursed	0.01	0.01
(b) Branch Auditors:		
Audit fees	0.05	0.04
Fees for other services	0.01	0.01
Expenses reimbursed {Rs. 1,559, (Previous Year Rs. 10,480)}	—	—
(c) Cost Auditors:		
Audit fees	0.02	0.02
Expenses reimbursed {Rs. 8,200, (Previous Year Rs. 7,645)}	—	—

SCHEDULE 21 (Contd.)

11. Managing Director's remuneration: Rs. in Crores

	2008-09	2007-08
Salary	4.17	3.93
Contribution to Provident Fund and Other Funds*	0.39	0.36
Perquisites	0.47	0.15

* Excluding Contribution to Gratuity Fund and provision for leave encashment, as separate figures cannot be quantified.

12. The Ministry of Coal, Government of India, has allotted a Coal block in Chhatisgarh to the Company together with seven other allottees for captive consumption. The allottees have formed a Joint Venture Company i.e. Madanpur (North) Coal Company Private Limited (MNCCPL) for the aforesaid purpose. In terms of Joint Venture agreement, the Company has been allotted 1,065,580 Equity Shares of Rs. 10/- each aggregating 11.17% of the Paid–up Equity Share Capital of MNCCPL.

Details of the Company's interest in its Joint Venture, having Joint Control, as per the requirement of Accounting Standard (AS) -27 on "Financial Reporting of Interests in Joint Ventures", are as under:

Rs. in Crores

Sr. No.	Particulars	Madanpur (North) Coal Company (Pvt.) Ltd.
	% Shares Held	11.17%
(a)	Assets	1.05
(b)	Liabilities	0.01
(c)	Income	—
(d)	Expenses	—
(e)	Other Matters – Contingent Liability	3.65

13. Deferred Tax Assets and Liabilities as on March 31, 2009 are as under:

Rs. in Crores

Particulars	Deferred Tax (assets)/ liabilities as at 01.04.2008	Current Year Charge/ (Credit)	Deferred Tax (assets)/ liabilities as at 31.03.2009
Deferred Tax Assets:			
Provision allowed under tax on payment basis	(13.60)	(3.14)	(16.74)
	(13.60)	**(3.14)**	**(16.74)**
Deferred Tax Liabilities:			
Accumulated Depreciation	548.20	183.72	731.92
Payments allowed under tax not expensed in books	7.75	-	7.75
	555.95	**183.72**	**739.67**
Net Deferred Tax Liability	**542.35**	**180.58**	**722.93**

SCHEDULES

SCHEDULE 21 (Contd.)

14. The following expenses are included in the different heads of expenses in the Profit and Loss Account:

Rs. in Crores

Particulars	2008-09			2007-08		
	Raw Materials Consumed	Power and Fuel Consumed	Total	Raw Materials Consumed	Power and Fuel Consumed	Total
Stores and Spares Consumed	49.17	28.52	77.69	36.10	15.85	51.95
Royalty and Cess	93.55	—	93.55	94.26	—	94.26

15. Disclosure of related parties / related party transactions:

(a) **List of related parties**

Name of the Related Party	Nature of Relationship
Grasim Industries Ltd. (Grasim)	Holding Company
Sun God Trading & Investment Ltd.	Fellow Subsidiary
Samruddhi Swastik Trading & Investment Ltd. (SSITL)	Fellow Subsidiary
Shree Digvijay Cement Co. Ltd. (SDCCL) (up to 24.03.2008)	Fellow Subsidiary
Harish Cement Ltd. (HCL)	Fellow Subsidiary
Grasim Bhiwani Textiles Ltd. (GBTL)	Fellow Subsidiary
Vikram Sponge Iron Ltd. (VSIL) (w.e.f. 27.06.2008)	Fellow Subsidiary
UltraTech Ceylinco (Pvt.) Ltd. (UCPL)	Subsidiary
Dakshin Cements Ltd. (DCL)	Wholly Owned Subsidiary
Madanpur (North) Coal Company (Pvt.) Ltd.	Joint Venture

Key Management Personnel (KMP)

Mr. S. Misra, Managing Director of the Company

(b) **Disclosure of related party transactions:**

Rs. in Crores

Sr. No.	Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiary Companies			KMP	Total
		Grasim	UCPL	SSITL	SDCCL	GBTL		
1	Sale of Goods	101.77 (44.51)	68.63 (101.72)	— —	— (0.05)	— —	— —	170.40 (146.28)
2	Purchase of goods	41.45 (25.50)	— —	— —	— (2.59)	— (0.03)	— —	41.45 (28.12)
3	Sale of Fixed Assets	20.12 (5.68)	— —	— —	— —	— —	— —	20.12 (5.68)
4	Purchase of Fixed Assets	2.72 (0.09)	— —	— —	— —	— —	— —	2.72 (0.09)
5	Receiving of Services	8.18 (0.11)	— —	0.19 (0.17)	— —	— —	5.03 (4.44)	13.40 (4.72)
6	Rendering of Services	— —	37.91 (12.54)	— —	— —	— —	— —	37.91 (12.54)
7	Dividend and other income received/ receivable	1.52 —	4.77 (2.80)	— —	— —	— —	— —	6.29 (2.80)
8	Interest Paid	2.04 (2.13)	— —	— —	— —	— —	— —	2.04 (2.13)

Figures in brackets are pertaining to previous year.

SCHEDULE 21 (Contd.)

Outstanding Balance as on March 31, 2009:

Rs. in Crores

Sr. No.	Nature of Transaction	Holding Company	Subsidiary Company		Fellow Subsidiary	KMP	Total
		Grasim	DCL	UCPL	SSITL		
1.	Loans and Advances	7.76 (0.51)	0.17 (0.15)	— (0.21)	0.09 (0.09)	0.50 (0.50)	8.52 (1.46)
2.	Debtors	— —	— —	1.29 (16.45)	— —	— —	1.29 (16.45)
3.	Other Liabilities and Creditors	— (1.07)	— —	— —	— —	— —	— (1.07)

Figures in brackets are pertaining to previous year.

16. Movement of provisions during the period as required by Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Asset" notified by the Companies Act, 1956:

Mines Restoration Expenditure:

Rs. in Crores

	2008-09	2007-08
Opening Provision	3.51	1.64
Add: Provision during the year	1.76	1.87
Less: Utilisation during the year	0.15	-
Closing Provision	5.12	3.51

17. Capital work-in-progress includes:

Rs. in Crores

	2008-09	2007-08
Pre-operative expenses pending allocation:		
Stores and Spares Consumed	-	0.29
Power and Fuel Consumed	5.05	0.53
Salary, Wages, Bonus, Ex-gratia and Provisions	4.00	3.14
Insurance	0.53	0.47
Exchange (Gain) / Loss	7.52	(1.22)
Depreciation	0.11	0.09
Interest	15.71	15.85
Misc. Expenses	20.86	9.75
Total Pre-operative expenses	**53.78**	**28.90**
Less: Income	-	0.36
Add: B/f from Previous Year	35.18	6.64
Less: Capitalised during the Year	76.61	-
Total	**12.35**	**35.18**

SCHEDULES

SCHEDULE 21 (Contd.)

18. Employee Benefits:

(a) **Defined Benefit Plans as per Actuarial Valuation on March 31, 2009:**

Rs. in Crores

	2008-09			2007-08		
	Gratuity (Funded)	**Pension**	**Post Retirement Medical Benefits**	**Gratuity (Funded)**	**Pension**	**Post Retirement Medical Benefits**
(i) Opening Balance of Present value of Defined Benefit Obligation	**28.12**	**0.82**	**0.58**	**22.35**	**0.80**	**0.57**
Adjustment of:						
Current Service Cost	2.72	-	-	2.24	-	-
Interest Cost	2.39	0.06	0.04	1.80	0.06	0.04
Actuarial Losses / (Gain)	10.05	0.01	0.02	3.44	0.03	(Rs.3,209)
Benefits Paid	(2.45)	(0.07)	(0.03)	(2.42)	(0.07)	(0.04)
Past Service Cost	1.15	-	-	0.72	-	-
Closing Balance of Present value of Defined Benefit Obligation	**41.98**	**0.82**	**0.61**	**28.12**	**0.82**	**0.58**
(ii) Change in Fair Value of Assets Opening Balance of Fair Value of Plan Assets	**22.66**	-	-	**16.46**	-	-
Adjustment of:						
Return on Plan Assets	2.55	-	-	2.01	-	-
Cont. by the employer / participants	17.60	0.07	0.03	6.14	0.07	0.04
Benefits Paid	(2.45)	(0.07)	(0.03)	(2.41)	(0.07)	(0.04)
Amount lying with the Company	-	-	-	0.47	-	-
Closing Balance of Fair Value of Plan Assets	**40.36**	-	-	**22.66**	-	-
(iii) Net Asset / (Liability) recognised in the Balance Sheet						
Present value of Defined Benefit Obligation	(41.98)	(0.82)	(0.61)	(28.12)	(0.82)	(0.58)
Fair Value of Plan Asset	40.36	-	-	22.66	-	-
Net Asset / (Liability) in the Balance Sheet	**(1.62)**	**(0.82)**	**(0.61)**	**(5.46)**	**(0.82)**	**(0.58)**

SCHEDULE 21 (Contd.)

Rs. in Crores

	2008-09			2007-08		
	Gratuity (Funded)	**Pension**	**Post Retirement Medical Benefits**	**Gratuity (Funded)**	**Pension**	**Post Retirement Medical Benefits**
(iv) Expenses recognised in the Profit and Loss Account						
Current Service Cost	2.72	-	-	2.24	-	-
Interest Cost	2.39	0.06	0.04	1.80	0.06	0.04
Return on Plan Assets	(2.55)	-	-	(2.01)	-	-
Actuarial (Gain)/Losses	10.05	0.01	0.02	3.44	0.03	(Rs.3,209)
Total Expenses	**12.61**	**0.07**	**0.06**	**5.46**	**0.09**	**0.04**
(v) The major categories of plan assets as a percentage of total plan						
Insurer Managed Funds	100%	N.A.	N.A.	100%	N.A.	N.A.
(vi) Actuarial Assumptions:						
Discount Rate	7.45%	7.45%	7.45%	8.00%	7.70%	7.70%
Turnover Rate	1% - 2%	-	-	1% - 3%	-	-
Mortality	Published Rates of LIC 94-96	PA(90) annuity rates down by 4 years	PA(90) annuity rates down by 4 years	Published Rates of LIC 94-96	PA(90) annuity rates down by 4 years	PA(90) annuity rates down by 4 years
Salary Escalation Rate	6%	-	-	6%	-	-
Retirement age	Staff – 60 Yrs Workers – 58 Yrs	-	60 Yrs	Staff – 60 Yrs Workers – 58 Yrs	-	60 Yrs

(vii) Basis used to determine Expected Rate of Return on Plan Assets:

Expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

(viii) Salary Escalation Rate:

The estimates of future salary increases are considered taking into account the inflation, seniority, promotion and other relevant factors.

(b) Defined Contribution Plans:

Amount recognised as an expense and included in Schedule 18 under the head "Contribution to and Provisions for Provident and other Funds" of Profit and Loss account Rs. 12.25 Crores. (Previous Year Rs. 9.18 Crores)

(c) Amount recognised as an expense in respect of Compensated Leave Absences is Rs. 4.83 Crores. (Previous Year Rs. 5.44 Crores)

SCHEDULES

SCHEDULE 21 (Contd.)

19. Under the Employees Stock Option Scheme - 2006 (ESOS -2006), the Company had granted 168,070 options to its eligible employees in two Tranches during the year ended March 31, 2008, the details are as follows:

(A) Employees Stock Option Scheme:

Particulars	**Tranche I**	**Tranche II**
Nos. of Options	99,010	69,060
Method of Accounting	Intrinsic Value	Intrinsic Value
Vesting Plan	Graded Vesting - 25% every year	Graded Vesting - 25% every year
Exercise Period	5 Years from the date of Vesting	5 Years from the date of Vesting
Grant Date	23.08.2007	25.01.2008
Grant Price (Rs. per share)	606	794
Market Price on the date of Grant of Option (Rs.)	853	794
Discount on Average Price	30.00%	1.98%

(B) Movement of Options Granted:

	2008-09	2007-08
Options outstanding at the beginning of the year	168,070	—
Granted during the year	—	168,070
Vested during the year	42,016	—
Exercised during the year	—	—
Lapsed during the year	—	—
Options outstanding at the end of the year	126,054	168,070
Options exercisable at the end of the year	42,016	-

(C) Fair Valuation:

The fair value of options used to compute proforma net income and earnings per equity share have been done by an independent firm of Chartered Accountants on the date of grant using Black-Scholes Model.

The Key assumptions in Black-Scholes Model for calculating fair value as on the date of grant are:

1. Risk Free Rate - 8%
2. Option Life - Vesting period (1 Year) + Average of exercise period
3. Expected Volatility - Tranche-I: 0.49, Tranche-II: 0.52
4. Expected Growth in Dividend - 20%

The weighted average fair value of the option, as on the date of grant, works out to be Rs. 462 per stock option.

SCHEDULE 21 (Contd.)

Had the compensation cost for the stock options granted under ESOS 2006 been determined, based on fair-value approach, the Company's net profit and earnings per share would have been as per the proforma amounts indicated below:

Rs. in Crores

Particulars	2008-09	2007-08
Net Profit (As Reported)	977.02	1,007.61
Add: Compensation Expenses under ESOS included in the Net Profit	0.91	0.77
Less: Compensation Expenses under ESOS as per Fair Value	(3.17)	(1.84)
Net Profit (Fair value basis)	**974.76**	**1,006.54**
Basic Earning Per Share (Reported) – Rs./Share	78.48	80.94
Basic Earning Per Share (Fair value basis)– Rs./Share	**78.30**	**80.86**
Diluted Earning Per Share (Reported) – Rs./Share	78.48	80.91
Diluted Earning Per Share (Fair value basis) – Rs./Share	**78.30**	**80.83**

20. Earning per Share (EPS):

Particulars	2008-09	2007-08
(A) Basic EPS:		
(i) Net Profit attributable to Equity Shareholders (Rs. Crores)	977.02	1,007.61
(ii) Weighted average number of Equity Shares outstanding (Nos.)	124,485,879	124,485,879
Basic EPS (Rs.) (i)/(ii)	**78.48**	**80.94**
(B) Diluted EPS:		
(i) Weighted average number of Equity Shares Outstanding	124,485,879	124,485,879
(ii) Add: Potential Equity Shares on exercise of option	—*	45,852
(iii) Weighted average number of Equity Shares Outstanding for calculation of Diluted EPS (i+ii)	124,485,879	124,531,731
Diluted EPS (Rs.) {(A) (i) } / (iii)	**78.48**	**80.91**
Face value of Shares (Rs.)	10	10

* as anti dilutive.

21. Figures less than Rs. 50,000 have been shown at actuals, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest lakh.

22. Previous year's figures have been regrouped and rearranged wherever necessary to conform to this year's classification.

23. Additional information required under Part II of Schedule VI to the Companies Act, 1956 (as certified by the Executives of the respective Divisions) is as per Schedule 22.

SCHEDULES

SCHEDULE 22

ADDITIONAL INFORMATION UNDER PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

1. CAPACITIES AND PRODUCTION:

Product	Unit	Installed Capacity*		Actual Production	
		2008-09	2007-08	2008-09	2007-08
Cement	(Lakh tonnes)	219.00	182.00	158.64	150.69

Licensed capacity not indicated due to abolition of industrial licenses as per Notification No. 477 (E) dated July 25, 1991 issued under The Industries (Development and Regulation) Act, 1951.

* As Certified by the Management and accepted by the Auditors.

2. TURNOVER:

Product	Unit	2008-09		2007-08	
		Quantity	Value Rs. in Crores	Quantity	Value Rs. in Crores
Cement	Lakh tonnes	158.02	5,396.02	150.19	4,840.14
Clinker	Lakh tonnes	23.77	543.80	20.87	397.38
Others		—	443.26	—	271.26
Total			**6,383.08**		**5,508.78**

3. INVENTORY:

Product	Unit	As at 31.03.2009		As at 31.03.2008	
		Quantity	Value Rs. in Crores	Quantity	Value Rs. in Crores
Cement	Lakh tonnes	3.03	67.82	2.59	56.12
Trading Goods		—	0.02	—	—

4. RAW MATERIAL, STORES AND SPARE PARTS:

(a) Raw Material Consumed:

Product	Unit	2008-09		2007-08	
		Quantity	Value Rs. in Crores	Quantity	Value Rs. in Crores
Limestone*	Lakh tonnes	213.88	187.18	203.08	175.78
Slag	Lakh tonnes	4.96	16.66	2.74	10.86
Gypsum	Lakh tonnes	6.60	89.63	6.57	82.15
Fly Ash	Lakh tonnes	22.99	89.18	20.56	66.52
Iron ore	Lakh tonnes	3.05	30.33	2.63	24.51
Others		—	271.98	—	176.95
Total*			**684.96**		**536.77**

*Including Royalty and Cess on limestone and other related overheads.

SCHEDULE 22 (Contd.)

(b) Purchase of Finished Goods:

Class of goods	Unit	2008-09		2007-08	
		Quantity	Value Rs. in Crores	Quantity	Value Rs. in Crores
Cement	Lakh tonnes	0.45	12.35	0.43	13.64
Others		—	7.15	—	0.04
Total			**19.50**		**13.68**

(c) Value of imports (on CIF basis): Rs. in Crores

	2008-09	2007-08
(i) Raw materials	4.48	3.15
(ii) Fuel, stores and spares	643.91	460.97
(iii) Capital goods	75.18	353.51

(d) Value of imported and indigenous raw materials, stores and spares consumed:

	2008-09		2007-08	
	Value Rs. in Crores	%	Value Rs. in Crores	%
Raw materials:				
Imported	4.97	0.7	8.26	1.5
Indigenous	679.99	99.3	528.51	98.5
Total	**684.96**	**100.0**	**536.77**	**100.0**

	2008-09		2007-08	
	Value Rs. in Crores	%	Value Rs. in Crores	%
Stores and spares:				
Imported	62.85	12.8	38.10	9.5
Indigenous	427.83	87.2	362.06	90.5
Total	**490.68**	**100.0**	**400.16**	**100.0**

5. EXPENDITURE IN FOREIGN CURRENCY:

Rs. in Crores

	2008-09	2007-08
Freight/ Dispatch / Demurrage	105.27	72.09
Service Fees	4.86	1.28
Interest	10.18	6.88
Other Matters	1.54	0.45

SCHEDULES

SCHEDULE 22 (Contd.)

6. EARNINGS IN FOREIGN EXCHANGE:

Rs. in Crores

	2008-09	2007-08
Export of goods {Including Rs. 559.07 Crores (Previous Year Rs. 476.94 Crores) on FOB basis}	574.14	503.78
Professional fees	—	0.06
Dividend	4.77	2.80
Other receipts	40.92	17.22

7. DIVIDENDS REMITTED IN FOREIGN CURRENCY TO NON-RESIDENT SHAREHOLDERS:

	2008-09*			2007-08		
	No of Shareholders	Shares Held	Gross Amount of Dividends (in Rupees)	No of Shareholders	Shares Held	Gross Amount of Dividends
Final Dividend on Equity	8	2,790	13,950	—	—	—

*Dividend remitted in the year 2008-09 is pertaining to 2007-08.

Signatures to Schedules '1' to '22'

KUMAR MANGALAM BIRLA
Chairman

S. MISRA
Managing Director

K. C. BIRLA
Sr. Executive President & CFO

S. K. CHATTERJEE
Company Secretary

RAJASHREE BIRLA
R. C. BHARGAVA
G. M. DAVE
N. J. JHAVERI
S. B. MATHUR
J. P. NAYAK
S. RAJGOPAL
D. D. RATHI
Directors

Mumbai, April 21, 2009

Balance Sheet Abstract and General Business Profile

I Registration Details

Registration No.	11-128420	State Code	11
Balance Sheet Date	31-03-09		

II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	Right Issue
NIL	NIL
Bonus Issue	**Private Placement**
NIL	NIL

III Position of Mobilisation & Deployment of Funds (Amount in Rs. Thousands)

	Total Liabilities	Total Assets
	77093596	77093596
Source of Funds:	Paid-up Capital	Reserve & Surplus
	1244859	34759285
	Secured Loans	Unsecured Loans
	11757901	9658313
Application of Funds:	Net Fixed Assets	Investments
	53129699	10347957
	Net Current Assets	Miscellaneous Expenditure
	1188735	NIL

IV Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
71604219	57989523
+/- Profit/(Loss) Before Tax	+/- Profit/(Loss) After Tax
+ 13614696	+ 9770265
Earning Per Share (Rs.)	Dividend Rate (%)
78.48	50

V Generic Name of Principal Product of the Company

Item Code	252329.01
Product Description	PORTLAND CEMENT

KUMAR MANGALAM BIRLA
Chairman

S. MISRA
Managing Director

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S. B. MATHUR
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S. RAJGOPAL
D. D. RATHI
Directors

K. C. BIRLA
Sr. Executive President & CFO

S. K. CHATTERJEE
Company Secretary

Mumbai, April 21, 2009

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Sr. No.	Name of the Subsidiary Company	Dakshin Cements Limited	UltraTech Ceylinco (Pvt.) Limited
1	Financial year of the subsidiary company ended on	**March 31, 2009**	**March 31, 2009**
2	Holding Company's Interest		
	a) Number of Shares fully paid	50,000	40,000,000
	b) Extent of holding	100%	80%
		Rs. Crores	Rs. Crores
3	Net aggregate amount of Profit/(Loss) of the subsidiary, so far as they concern members of the UltraTech Cement Limited		
	i) for the financial year of the subsidiary		
	a) Dealt with in the account of the holding company	—	4.77
	b) Not dealt with in the accounts of the holding company	—	1.45*
	ii) for the previous financial years of the subsidiary since it became the holding company's subsidiary		
	a) Dealt with in the account of the holding company	—	9.84
	b) Not dealt with in the accounts of the holding company	—	13.63#
4	As the financial year of the subsidiary companies coincide with the financial year of the holding company, Section 212(5) of the Companies Act, 1956 is not applicable.		
	* converted Re. 1 = Sri Lankan Rupees 2.47		
	# converted Re. 1 = Sri Lankan Rupees 2.61	—	—

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S. K. CHATTERJEE
Company Secretary

Mumbai, April 21, 2009

CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF

ULTRATECH CEMENT LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ULTRATECH CEMENT LIMITED AND ITS SUBSIDIARIES

1. We have examined the attached Consolidated Balance Sheet of **UltraTech Cement Limited** ("the Company") and its subsidiaries which together constitute "the Group" as at March 31, 2009, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of subsidiaries and joint venture, whose financial statements reflect the Group's share of total assets of Rs. 49.39 crores as at March 31, 2009, the total revenue of Rs. 258.86 crores and cash outflows amounting to Rs. 9.64 crores for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as they relate to the amounts included in respect of these subsidiaries and joint venture is based solely on the report of other auditors.

4. We report that the consolidated financial statements have been prepared by the Company, in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures), notified under the Companies Act, 1956 and on the basis of the separate audited financial statements of the Company and the separate audited financial statements of subsidiaries and joint venture, which have been included in the consolidated financial statements.

5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2009;

   (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and

   (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner
(Membership No.34382)

For G.P. KAPADIA & CO.
Chartered Accountants

ATUL B. DESAI
Partner
(Membership No.30850)

Mumbai, April 21, 2009

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	Schedules			Rs. in Crores As at March 31, 2008
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	**1A**	**124.49**		124.49
Employees Stock Options Outstanding	**1B**	**1.68**		0.77
Reserves and Surplus	**2**	**3,485.16**		2,577.32
			3,611.33	2,702.58
Loan Funds				
Secured Loans	**3**	**1,175.81**		982.66
Unsecured Loans	**4**	**967.06**		757.84
			2,142.87	1,740.50
Minority Interest			**6.75**	5.74
Deferred Tax Liabilities (net)			**727.56**	545.38
TOTAL			**6,488.51**	4,994.20
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	**5**	**7,430.91**		4,997.21
Less: Depreciation		**2,775.40**		2,479.48
Net Block		**4,655.51**		2,517.73
Capital Work-in-Progress		**678.24**		2,283.41
			5,333.75	4,801.14
Goodwill			**6.40**	7.75
Investments	**6**		**1,009.49**	146.66
Current Assets, Loans and Advances				
Inventories	**7**	**705.55**		619.65
Sundry Debtors	**8**	**188.88**		202.63
Cash and Bank Balances	**9**	**104.68**		114.30
Loans and Advances	**10**	**390.89**		382.97
		1,390.00		1,319.55
Less:				
Current Liabilities and Provisions				
Current Liabilities	**11**	**1,128.97**		1,154.55
Provisions	**12**	**122.18**		126.35
		1,251.15		1,280.90
Net Current Assets			**138.85**	38.65
Miscellaneous Expenditure (to the extent not written off or adjusted)			**0.02**	-
TOTAL			**6,488.51**	4,994.20
Accounting Policies and Notes on Accounts	**21**			

In terms of our report attached.

KUMAR MANGALAM BIRLA
Chairman

For DELOITTE HASKINS & SELLS
Chartered Accountants

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S. RAJGOPAL
D. D. RATHI
Directors

Mumbai, April 21, 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedules			Rs. in Crores Previous Year
INCOME				
Gross Sales		**7,340.98**		6,400.40
Less: Excise Duty		**777.34**		777.02
Net Sales			**6,563.64**	5,623.38
Interest and Dividend Income	**13**		**41.48**	36.32
Other Income	**14**		**59.21**	64.33
Increase/(Decrease) in Stocks	**15**		**97.47**	26.50
			6,761.80	5,750.53
EXPENDITURE				
Raw Materials Consumed	**16**		**844.22**	622.72
Manufacturing Expenses	**17**		**2,431.47**	1,840.20
Purchase of Finished Products			**19.50**	13.68
Payments to and Provisions for Employees	**18**		**220.86**	170.54
Selling, Distribution, Administration and Other Expenses	**19**		**1,434.95**	1,279.54
Interest and Finance Charges	**20**		**125.61**	82.31
Depreciation and Obsolescence			**324.40**	238.27
Amortisation of Goodwill on Consolidation			**1.35**	1.35
			5,402.36	4,248.61
Less: Captive Consumption of Cement {Net of Excise Duty Rs. 6.48 Crores (Previous Year Rs. 5.13 Crores)}			**(8.38)**	(13.37)
			5,393.98	4,235.24
Profit Before Tax Expenses			**1,367.82**	1,515.29
Provision for Current Tax			**200.25**	513.30
Deferred Tax			**181.63**	(15.39)
Provision for Fringe Benefit Tax			**6.32**	5.87
Profit After Tax			**979.62**	1,011.51
Minority Interest			**1.56**	1.46
Profit After Minority Interest			**978.06**	1,010.05
Balance brought forward from Previous Year			**1,622.21**	796.81
Profit Available for Appropriation			**2,600.27**	1,806.86
Appropriations				
Proposed Dividend			**62.24**	62.24
Corporate Dividend Tax			**10.58**	10.58
Debenture Redemption Reserve			**(36.08)**	(8.17)
General Reserve			**100.00**	120.00
Balance carried to Balance Sheet			**2,463.53**	1,622.21
			2,600.27	1,806.86
Basic Earnings Per Equity Share (in Rs.) {See Note B 14 (A) }			**78.57**	81.14
Diluted Earnings Per Equity Share (in Rs.) {See Note B 14 (B)}			**78.57**	81.11
Accounting Policies and Notes on Accounts	**21**			

In terms of our report attached.

KUMAR MANGALAM BIRLA
Chairman

For DELOITTE HASKINS & SELLS
Chartered Accountants

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Partner

For G. P. KAPADIA & CO.
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S. RAJGOPAL
D. D. RATHI
Directors

Mumbai, April 21, 2009

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

		March 31, 2009	Rs. in Crores March 31, 2008
A	**Cash Flow from Operating Activities:**		
	Profit Before Tax	**1,367.82**	1,515.29
	Adjustments for:		
	Depreciation and Obsolescence	**324.40**	238.27
	Amortisation of Goodwill on Consolidation	**1.35**	1.35
	Compensation Expenses under ESOS	**0.91**	0.77
	Provision for Doubtful Debts and Advances / (Written back)	—	0.20
	Bad Debts Written-off	**0.40**	1.79
	Provision for Retirement benefits	**0.59**	7.43
	Provision for Mines Restoration	**1.76**	1.87
	Interest and Dividend Income	**(41.48)**	(36.32)
	Interest and Finance Charges	**125.61**	82.31
	Unrealised Foreign Exchange (Gain)/Loss	**12.94**	(8.97)
	(Profit)/Loss on Sale of Fixed Assets	**(0.18)**	1.18
	Profit on Sale of Investment	**(3.11)**	(1.28)
	Operating Profit Before Working Capital Changes	**1,791.01**	1,803.89
	Adjustments for:		
	(Increase)/decrease in Inventories	**(85.90)**	(178.46)
	(Increase)/decrease in Sundry Debtors	**13.35**	(30.73)
	(Increase)/decrease in Loans and Advances	**(7.92)**	(139.03)
	(Increase)/decrease in Miscellaneous Expenditure not Written Off	**(0.02)**	—
	Increase/(decrease) in Trade Payables and Other Liabilities	**(49.70)**	415.52
	Cash Generated From Operations	**1,660.82**	1,871.19
	Taxes paid	**(212.94)**	(483.74)
	Expenditure for Mines Restoration	**(0.15)**	—
	Net Cash from Operating Activities (A)	**1,447.73**	1,387.45
B	**Cash Flow from Investing Activities:**		
	Purchase of Fixed Assets	**(851.59)**	(1,799.13)
	Sale of Fixed Assets	**17.14**	7.07
	(Increase)/decrease in Current Investments	**(862.83)**	312.34
	Profit on Sale of Investments	**3.11**	1.28
	Interest and Dividend Received	**41.48**	36.53
	Net Cash used in Investing Activities (B)	**(1,652.69)**	(1,441.91)
C	**Cash Flow from Financing Activities:**		
	Repayment of Long Term Borrowings	**(411.52)**	(285.00)
	Proceeds from Long Term Borrowings	**804.81**	161.55
	Proceeds of Short Term Borrowings (Net)	**(10.17)**	290.11
	Interest and Finance Charges paid	**(117.57)**	(95.60)
	Dividend Paid	**(63.45)**	(0.77)
	Corporate Dividend Tax	**(10.58)**	—
	Net Cash Generated in Financing Activities (C)	**191.52**	70.29
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)		**(13.44)**	15.83
Cash and Cash Equivalents at the Beginning of the Year		**114.30**	100.11
Effect of Exchange Rate on Consolidation of Foreign Subsidiary		**3.82**	(1.64)
Cash and Cash Equivalents at the End of the Year		**104.68**	114.30

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 notified by the Companies Act, 1956.
2. Purchase of fixed assets includes movements of capital work-in-progress during the year.
3. Cash and cash equivalents represent cash and bank balances.
4. Previous year's figures regrouped/recast wherever necessary.

In terms of our report attached.

KUMAR MANGALAM BIRLA
Chairman

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

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D. D. RATHI
Directors

Mumbai, April 21, 2009

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

			Rs. in Crores Previous Year
SCHEDULE 1A			
SHARE CAPITAL			
Authorised			
130,000,000	Equity shares of Rs. 10 each	**130.00**	130.00
Issued, Subscribed and Paid up		**124.49**	124.49
124,485,879	Equity shares of Rs. 10 each fully paid-up. (Previous Year 124,485,879)		
		124.49	124.49

SCHEDULE 1B

EMPLOYEES STOCK OPTIONS OUTSTANDING

Employees Stock Options Outstanding	**2.45**	2.45
Less: Deferred Employees Compensation Expenses	**0.77**	1.68
	1.68	0.77

Outstanding Employees Stock Options exercisable into 168,070 Equity Shares of Rs. 10 each fully paid-up.

SCHEDULE 2

RESERVES & SURPLUS Rs. in Crores

	Balance as at 31st March, 08	Additions during the year	Deduction/ Adjustments during the year	Balance as at 31st March, 09
Capital Reserve	25.02	—	—	**25.02**
Cash Subsidy Reserve	0.10	—	—	**0.10**
Debenture Redemption Reserve	161.63	45.17	(81.25)	**125.55**
General Reserve	771.14	100.00	—	**871.14**
Exchange Variation Reserve *	(2.78)	2.60	—	**(0.18)**
Surplus as per Profit and Loss Account	1,622.21	978.06	(136.74)	**2,463.53**
	2,577.32	**1,125.83**	**(217.99)**	**3,485.16**
Previous Year	1,643.72	1,128.77	(195.17)	2,577.32

* Exchange Variation Reserve has been created for Exchange Variation loss in Opening Equity Share Capital and Reserves and Surplus of UltraTech Ceylinco (Pvt.) Ltd.

SCHEDULE 3

SECURED LOANS

Non-Convertible Debentures	**835.29**	759.32
Other Loans:		
Foreign Currency Loan (Due witihin a year Rs. Nil)	**285.16**	—
Loans from Banks:		
Cash Credits/Working Capital Borrowings from Banks Secured by Hypothecation of Stocks and Book Debts	**55.35**	143.10
Term Loans	**—**	80.24
Loans from Others	**0.01**	—
	1,175.81	982.66

		Rs. in Crores Previous Year
SCHEDULE 4		
UNSECURED LOANS		
Short Term:		
From Banks	**247.77**	170.19
Long Term:		
From Banks (Due within a year Rs. Nil)	**335.26**	262.90
Sales Tax Deferment Loans (Due within a year Rs. 0.57 Crore)	**384.03**	324.75
	967.06	757.84

SCHEDULE 5

FIXED ASSETS

Rs. in Crores

Particulars	Gross Block				Depreciation				Net Block	
	As at 31.03.08	Additions	Deductions/ Adjustments	**As at 31.03.09**	As at 31.03.08	For the year	Deductions/ Adjustments	**Upto 31.03.09**	**As at 31.03.09**	As at 31.03.08
(A) Tangible Assets										
Freehold Land	83.21	26.17	0.03	**109.35**	—	—	—	—	**109.35**	83.21
Leasehold Land	20.56	0.76	(0.14)	**21.46**	6.58	0.68	(0.06)	**7.32**	**14.14**	13.98
Buildings	510.35	242.20	2.65	**749.90**	166.66	22.82	1.27	**188.21**	**561.69**	343.69
Railway Sidings	159.66	—	—	**159.66**	74.88	7.47	—	**82.35**	**77.31**	84.78
Plant & Machinery	4,034.19	2,182.58	39.54	**6,177.23**	2,104.54	260.94	20.47	**2,345.01**	**3,832.22**	1,929.65
Furniture & Fixtures	96.06	18.60	1.92	**112.74**	52.11	24.06	1.84	**74.33**	**38.41**	43.95
Jetty	76.63	—	—	**76.63**	67.79	0.96	—	**68.75**	**7.88**	8.84
Vehicles	14.57	4.20	1.55	**17.22**	6.29	2.53	0.94	**7.88**	**9.34**	8.28
Total Tangible Assets	**4,995.23**	**2,474.51**	**45.55**	**7,424.19**	**2,478.85**	**319.46**	**24.46**	**2,773.85**	**4,650.34**	2,516.38
(B) Intangible Assets										
Software	1.98	4.74	—	6.72	0.63	0.92	—	**1.55**	**5.17**	1.35
Total Assets (A+B)	**4,997.21**	**2,479.25**	**45.55**	**7,430.91**	**2,479.48**	**320.38**	**24.46**	**2,775.40**	**4,655.51**	2,517.73
Previous year	4,810.81	227.69	41.29	4,997.21	2,274.16	230.78	25.46	2,479.48		
Add: Capital Work-in-Progress {includes advances of Rs. 118.23 Crores (Previous Year Rs. 388.75 Crores)}									**678.24**	2,283.41
									5,333.75	4,801.14

Note:

Depreciation for the year	**320.38**	230.78
Add: Obsolesence	**4.13**	7.58
Less: Depreciation transferred to Pre-operative Expenses	**(0.11)**	(0.09)
Depreciation as per Profit and Loss Account	**324.40**	238.27

SCHEDULE 6

INVESTMENTS - At Cost		
LONG TERM (TRADE)		
Government and Trust Securities - Unquoted	**-**	-
(Rs. 10,000, Previous year Rs. 10,000)		
Pledged as security deposit		
Others - Unquoted		
2,000,000 4.5% Cumulative Non Convertible Redeemable Preference shares of Rs. 100 each in Aditya Birla Health Services Limited. (Previous Year 2,000,000)	**20.00**	20.00
CURRENT - Unquoted (Other Investments)		
Investment in Debt Schemes of Various Mutual Funds	**989.49**	126.66
	1,009.49	146.66

Note: No. of Units of Various Mutual Funds - Debt Schemes purchased and redeemed during the year 9,035,686,044

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

SCHEDULE 7

INVENTORIES

			Previous Year
Stores and Spare parts, Packing Material, Fuels and Scrap		**380.15**	409.08
Raw Materials		**68.00**	43.26
Work-in-Progress		**176.99**	102.35
Finished Goods {Includes stock in transit Rs. Nil ; (Previous Year Rs. 5.02 Crores); Includes Trading Inventory of Rs. 0.02 Crore (Previous Year Rs. Nil)}		**80.41**	64.96
		705.55	619.65

SCHEDULE 8

SUNDRY DEBTORS

			Previous Year
Exceeding six months:			
Considered Good and Secured	**5.58**		6.18
Considered Good and Unsecured	**11.78**		3.29
Considered Doubtful and Unsecured	**0.19**		1.55
	17.55		11.02
Less: Provision for Doubtful Debts	**0.19**		1.37
		17.36	9.65
Others:			
Considered Good and Secured	**82.98**		83.67
Considered Good and Unsecured	**88.54**		109.31
		171.52	192.98
		188.88	202.63

SCHEDULE 9

CASH AND BANK BALANCES

			Previous Year
Cash Balance on Hand {Including Cheques on Hand Rs. 6.06 Crores; (Previous Year Rs. 17.62 Crores)}		**6.23**	18.69
Bank Balance with Scheduled Banks:			
In Current Accounts		**98.39**	82.66
In Fixed Deposit Accounts		**0.06**	12.95
		104.68	114.30

SCHEDULE 10

LOANS AND ADVANCES

			Previous Year
Secured and Considered Good			
Loan against mortgage of House Property		**1.76**	1.64
Unsecured			
Considered Good:			
Loans and Advances receivable from Parent Company	**7.76**		-
Deposits and Balances with Government and other Authorities	**101.01**		155.74
Advances recoverable in cash or in kind or for value to be received	**280.36**		225.59
Considered Doubtful:			
Advances recoverable in cash or in kind	**0.22**		0.22
	389.35		381.55
Less: Provision for doubtful Loans and Advances	**0.22**		0.22
		389.13	381.33
		390.89	382.97

Rs. in Crores

		Previous Year
SCHEDULE 11		
CURRENT LIABILITIES		
Sundry Creditors	**729.63**	776.66
Security and Other Deposits	**158.36**	150.11
Advances from Customers	**77.76**	104.73
Investor Education and Protection Fund, Amount not due:		
Unpaid Dividend	**1.22**	0.76
Other Liabilities	**105.77**	90.02
Interest accrued but not due on loans	**56.23**	32.27
	1,128.97	1,154.55
SCHEDULE 12		
PROVISIONS		
Retirement Benefits	**28.51**	27.92
Provision for Mines Restoration	**5.12**	3.51
Provision for Tax (Net of Advance Tax)	**15.73**	22.10
Proposed Dividend	**62.24**	62.24
Corporate Dividend Tax	**10.58**	10.58
	122.18	126.35
SCHEDULE 13		
INTEREST AND DIVIDEND INCOME		
Interest (Gross) on others	**8.69**	7.57
{Tax Deducted at Source Rs. 1.03 Crores, (Previous Year Rs. 0.57 Crore)}		
Dividend from Current Investments	**32.79**	28.75
	41.48	36.32
SCHEDULE 14		
OTHER INCOME		
Lease Rent	**0.31**	0.68
Insurance Claim	**0.98**	0.26
Profit on Sale of Current Investments (Net)	**3.11**	1.28
Profit on Sale of Fixed Assets (Net)	**0.18**	–
Exchange Rate Difference (Net)	**0.69**	12.75
Miscellaneous Income/Receipts	**53.94**	49.36
	59.21	64.33
SCHEDULE 15		
INCREASE/(DECREASE) IN STOCKS		
Closing Stock		
Work-in-progress	**176.99**	102.35
Finished Goods	**81.40**	60.99
	258.39	163.34
Opening stock		
Work-in-progress	**102.35**	75.60
Finished Goods	**60.99**	64.45
	163.34	140.05
Add: Increase/(Decrease) in Excise Duty on Stocks	**2.42**	3.21
Increase/(Decrease) in Stocks	**97.47**	26.50

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		Rs. in Crores Previous Year
SCHEDULE 16		
RAW MATERIALS CONSUMED		
Opening Stock	**43.26**	23.43
Purchase and Incidental Expenses	**868.96**	642.55
	912.22	665.98
Less: Closing Stock	**68.00**	43.26
	844.22	622.72
SCHEDULE 17		
MANUFACTURING EXPENSES		
Freight and Handling expense on Clinker transfer	**162.86**	133.68
Consumption of Stores, Spare Parts, Components and Packing Materials	**422.43**	358.43
Power and Fuel Consumed	**1,714.17**	1,254.17
Hire Charges of Plant and Machinery and Others	**8.58**	6.26
Repairs to Plant and Machinery	**92.64**	65.50
Repairs to Buildings	**8.00**	5.26
Repairs to Others	**22.79**	16.90
	2,431.47	1,840.20
SCHEDULE 18		
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages and Bonus	**171.51**	134.34
Contribution to and Provisions for Provident and Other Funds	**25.87**	15.75
Compensation Expenses under ESOS	**0.91**	0.77
Welfare Expenses	**22.57**	19.68
	220.86	170.54
SCHEDULE 19		
SELLING, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES		
Commission paid to Distributors and Selling Agents	**23.24**	14.72
Cash Discount	**56.56**	57.53
Freight, handling and Other expenses	**1,071.15**	969.88
Advertisement and Sales Promotion	**106.86**	102.30
Insurance	**8.28**	9.34
Rent (including Lease Rent)	**17.72**	13.36
Rates and Taxes	**19.51**	29.96
Stationery, Printing and Communication Expenses	**11.12**	10.12
Travelling and Conveyance	**24.73**	22.23
Legal and Professional charges	**27.66**	16.36
Bad Debts and Advances Written Off	**0.40**	1.79
Provision for Doubtful Debts and Advances	**-**	0.20
Directors' Fees	**0.13**	0.12
Power (other than related to Manufacturing Activity)	**2.08**	1.79
Exchange Rate difference (Net)	**28.21**	-
Loss on Sale of Fixed Assets (Net)	**-**	1.18
Contribution for Political Party (General Electoral Trust)	**10.00**	2.80
Miscellaneous Expenses	**27.30**	25.86
	1,434.95	1,279.54
SCHEDULE 20		
INTEREST AND FINANCE CHARGES		
(A) Interest		
On Debentures and Fixed Loans	**90.55**	62.38
On Others Loans	**28.77**	13.29
	119.32	75.67
(B) Finance Charges	**6.29**	6.64
	125.61	82.31

SCHEDULE 21

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A Significant Accounting Policies:

1. Basis of Accounting:

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the applicable mandatory Accounting Standards.

2. Use of estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognised in the period in which the results are known or materialise.

3. Fixed Assets:

Fixed assets are stated at cost (including other expenses related to acquisition and installation) less accumulated depreciation/amortisation.

4. Treatment of expenditure during construction period:

Expenditure during construction period is included under Capital Work-in-Progress and the same is allocated to the respective Fixed Assets on the completion of their construction.

5. Foreign Currency Transactions:

Foreign currency transactions are accounted for at the rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the balance sheet date are restated at year end rate. Premium or discount on forward exchange contracts is amortised as the expense or income over the life of the Contract respectively. Exchange difference including premium or discount on forward exchange contracts, arising till the commissioning of projects, relating to borrowed funds and liabilities in the foreign currency for acquisition of fixed assets are adjusted to cost of fixed assets. Any other exchange difference is dealt with in the Profit and Loss account.

6. Financial Derivatives:

Derivative financial instruments are used to hedge risk associated with foreign currency fluctuations and interest rates. The derivative contracts are closely linked with the underlying transactions, and are intended to be held to maturity. These are accounted on the date of settlement and realised gain/loss in respect of settled contracts is recognised in the Profit and Loss Account along with the underlying transactions.

7. Investments:

Current investments are carried at lower of cost or fair value. Long term investments are stated at cost after deducting provisions made for diminution other than temporary.

8. Inventories:

Inventories are valued at the lower of weighted average cost and net realisable value except waste / scrap which is valued at net realisable value.

Finished goods and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Obsolete, defective and unserviceable inventories are duly provided for.

9. Leases:

a) In respect of lease transactions entered into prior to April 1, 2001, lease rentals of assets acquired are charged to the Profit and Loss Account.

b) Lease transactions entered into on or after April 1, 2001:

   i) Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

SCHEDULE 21 (Contd.)

ii) Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

iii) Assets leased out under operating leases are capitalised. Rental income is recognised on accrual basis over the lease term.

(Also refer to the policy on Depreciation and Amortisation below)

10. Depreciation and Amortisation:

Depreciation is charged in the Accounts on the following basis:

(A) Tangible Assets:

(i) Depreciation is provided on the straight-line basis at the rates prescribed in Schedule XIV to the Companies Act, 1956 except for the following:

a) Company Vehicles other than those provided to the employees at 20% per annum.

b) Motor Cars given to the employees as per the Company's Scheme is depreciated over the Scheme period.

c) Personal Computers and Laptops given to the employees as per the Company's Scheme at 31 % per annum.

d) Roads, Culverts, Walls, Buildings etc., within factory premises are depreciated at 3.34% per annum.

e) Computer and Office Equipments at 25% per annum.

f) Furnitures and Fixtures at 14.29% per annum.

g) Mobile Phones at 33.33% per annum.

(ii) Assets acquired up to September 30, 1987, are depreciated at the rates prevailing at the time of acquisition.

(iii) The value of leasehold land and mining lease is amortised over the period of the lease.

(iv) Assets not owned by the Company are amortised over a period of five years or the period specified in the agreement.

(v) Expenditure incurred on Jetty is amortised over the period of the relevant agreement such that the cumulative amortisation is not less than the cumulative rebate availed by the Company.

(vi) Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of project from the date of commencement of commercial production, while depreciation on deductions/disposals is provided on a pro-rata basis upto the month preceding the month of deductions/disposals.

(B) Intangible Assets:

Specialised softwares are amortised over a period of 3 years.

11. Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is an indication of impairment based on the internal and external factors.

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable amount. An impairment loss, if any, is charged to the Profit and Loss Account in the year in which the asset is identified as impaired. Reversal of impairment loss recognised in prior years is recorded when there is an indication that impairment loss recognised for the asset no longer exists or has been decreased.

12. Employee Benefits:

(i) Defined Contribution Plan

Contributions to defined contribution plans are recognised as expense in the Profit and Loss Account, as they are incurred.

SCHEDULE 21 (Contd.)

(ii) Defined Benefit Plan

The obligation in respect of defined benefit plans is determined using projected unit credit method, with actuarial valuation at the end of each financial year. Actuarial gains/losses are recognised immediately in the Profit and Loss Account.

Obligation is measured at the present value of estimated future cash flows using a discount rate that is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

13. Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

The difference between the face value and the issue price of 'Discounted Value Non Convertible Debentures', being in the nature of interest, is charged to the Profit and Loss account, on a compound interest basis determined with reference to the yield inherent in the discount.

14. Provision for Current and Deferred Tax:

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax resulting from "timing differences" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty, except for carried forward losses and unabsorbed depreciation which are recognised based on virtual certainty, that the assets will be realised in future.

15. Revenue Recognition:

Sales Revenue is recognised on transfer of significant risks and rewards of ownership of the goods to the buyer and stated net of Sales Tax, VAT, trade discounts, and rebates but includes excise duty. Income from services is recognised as they are rendered, based on agreement/arrangement with the concerned parties. Dividend income on investments is accounted for when the right to receive the payment is established. Interest income is recognised on time proportion basis. Export Incentives, insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

16. Mines Restoration Expenditure:

The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the estimate of mineral reserves and a provision is made based on minerals extracted during the year.

Provision for the Mines Restoration is reviewed annually, on the basis of technical estimates.

17. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed, while Contingent Assets are neither recognised nor disclosed, in the financial statements.

18. Employees Share based payments:

The Company follows intrinsic value method for valuation of Employees Stock Options. Value at the time of grant of ESOS is considered as compensation expense and is amortised in the Profit and Loss account over the period of vesting, adjusting for the actual and expected vesting.

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 21 (Contd.)

B. NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

1. Principles of Consolidation:

(a) The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard on "Consolidated Financial Statements" (AS – 21) and "Financial Reporting of Interest in Joint Ventures" (AS – 27) notified by the Companies Act, 1956.

The CFS is prepared using uniform accounting policies, in accordance with the generally accepted accounting policies.

(b) The Consolidated Financial Statements (CFS) comprises the financial statements of UltraTech Cement Limited, its Subsidiaries and its interest in Joint Venture (Group) as at 31.03.2009, which are as under:

Name of the Company	Country of Incorporation	% Shareholding and Voting Power
(I) Subsidiary Companies		
(a) Dakshin Cements Limited	India	100%
(b) UltraTech Ceylinco (Private) Limited	Srilanka	80%
(II) Joint Venture		
Madanpur (North) Coal Company Private Limited (MNCCPL)	India	11.17%

(c) The effect of intra group transactions between the Company and its subsidiaries are eliminated on consolidation.

2. Notes on Accounts of the financial statements of the Company, its Subsidiaries and its interest in Joint Venture are set out in their respective financial statements.

3. Goodwill:

Goodwill represents the difference between the Group's share in the net worth of a subsidiary and the cost of acquisition at each point of time of making the investment in the subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

Goodwill arising out of an acquisition of equity stake in a subsidiary is amortised in equal amounts over a period of 10 years from the date of acquisition. In the event of cessation of operations of a subsidiary, the unamortised goodwill is written off fully.

During the year Rs. 1.35 Crores (Previous year Rs. 1.35 Crores) was amortised from goodwill.

4. Reserves shown in the consolidated balance sheet represents the Group's share in the respective reserves of the Group companies.

5. Contingent Liabilities not provided for in respect of:

Claims not acknowledged as debts in respect of matters in appeals		Rs. in Crores Previous Year
(a) Sales-tax liability	60.72	51.30
(b) Excise duty	46.72	27.35
(c) Royalty on Limestone/ Marl	41.01	43.27
(d) Customs	0.11	0.11
(e) Others {includes Rs. 3.65 Crores for the Company's interest in Joint Venture, (Previous year Rs. Nil)}	40.08	31.82

SCHEDULE 21 (Contd.)

6. The Ministry of Textiles, vide its orders dated June 30, 1997 and July 1, 1999 has deleted cement from the list of commodities to be packed in Jute bags under the Jute Packaging (Compulsory Use in Packing Commodities) Act, 1987. In view of this, the Company does not accept any liability for non-despatch of cement in Jute bags in respect of earlier years.

7. Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances) Rs. 170.09 Crores (Previous year Rs. 491.32 Crores).

8. **Segment reporting:**

The Group has one business segment 'Cement' as primary segment. The secondary segment is geographical, which is as under:

Rs. in Crores

	2008-09	2007-08
Net Sales:		
In India	5,802.59	5,005.44
Outside India	761.05	617.94
Total	**6,563.64**	**5,623.38**

9. **Disclosure of related parties / related party transactions:**

(a) Names of the related parties with whom transactions were carried out during the year and description of relationship:

Name of the Related Party	Nature of Relationship
Grasim Industries Ltd. (Grasim)	Holding Company
Sun God Trading & Investment Ltd.	Fellow Subsidiary
Samruddhi Swastik Trading & Investment Ltd. (SSITL)	Fellow Subsidiary
Shree Digvijay Cement Co. Ltd. (SDCCL) (upto 24.03.2008)	Fellow Subsidiary
Harish Cement Ltd. (HCL)	Fellow Subsidiary
Grasim Bhiwani Textiles Ltd. (w.e.f. 01.10.2007)	Fellow Subsidiary
Vikram Sponge Iron Ltd. (VSIL) (w.e.f. 27.06.2008)	Fellow Subsidiary

Key Management Personnel (KMP) and their relatives

Mr. S. Misra, Managing Director of the Company.

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 21 (Contd.)

(b) Disclosure of related party transactions:

Rs. in Crores

Sr. No.	Nature of Transaction	Holding Company	Fellow Subsidiary Companies			KMP	Total
		Grasim	SSITL	GBTL	SDCCL		
1.	Sale of Goods	101.77 (44.51)	— —	— —	— (0.05)	— —	101.77 (44.56)
2.	Purchase of goods	41.45 (25.50)	— —	— (0.03)	— (2.59)	— —	41.45 (28.12)
3.	Sale of Fixed Assets	20.12 (5.68)	— —	— —	— —	— —	20.12 (5.68)
4.	Purchase of Fixed Assets	2.72 (0.09)	— —	— —	— —	— —	2.72 (0.09)
5.	Receiving of Services	8.18 (0.11)	0.19 (0.17)	— —	— —	5.03 (4.44)	13.40 (4.72)
6.	Interest and Other Income received/receivable	1.52 —	— —	— —	— (0.04)	— —	1.52 (0.04)
7.	Interest Paid	2.04 (2.13)	— —	— —	— —	— —	2.04 (2.13)

Figures in brackets are pertaining to previous year.

Outstanding Balance as on March 31, 2009:

Rs. in Crores

Sr. No.	Nature of Transaction	Holding Company	Fellow Subsidiary	KMP	Total
		Grasim	SSITL		
1.	Loans and Advances	7.76 (0.51)	0.09 (0.09)	0.50 (0.50)	8.35 (1.10)
2.	Other Liabilities and Creditors	— (1.07)	— —	— —	— (1.07)

Figures in brackets are pertaining to previous year.

10. Movement of provisions during the period as required by Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Asset" notified by the Companies Act, 1956:

Mines Restoration Expenditure:

Rs. in Crores

	2008-09	2007-08
Opening Provision	3.51	1.64
Add: Provision during the year	1.76	-
Less: Utilisation during the year	0.15	1.87
Closing Provision	5.12	3.51

SCHEDULE 21 (Contd.)

11. Deferred Tax Assets and Liabilities as on March 31, 2009 are as under:

Rs. in Crores

Particulars	**Deferred Tax (assets)/ liabilities as at 01.04.2008**	**Current Year Charge/ (Credit)**	**Deferred Tax (assets)/ liabilities as at 31.03.2009**
Deferred Tax Assets:			
Provision allowed under tax on payment basis	(13.60)	(3.14)	(16.74)
Unabsorbed Losses	(2.24)	1.01	(1.23)
	(15.84)	**(2.13)**	**(17.97)**
Deferred Tax Liabilities:			
Accumulated Depreciation (to the extent not written-off or adjusted)	553.52	184.33	737.85
Payments allowed under tax not expensed in books	7.70	(0.02)	7.68
	561.22	**184.31**	**745.53**
Net Deferred Tax Liability	**545.38**	**182.18**	**727.56**

12. Auditors' remuneration (excluding service tax) and expenses charged to the accounts:

Rs. in Crores

	2008-09	2007-08
(a) Statutory Auditors:		
Audit fees	0.41	0.34
Tax audit fees	0.03	0.03
Fees for other services	0.29	0.21
Expenses reimbursed	0.01	0.01
(b) Branch Auditors:		
Audit fees	0.05	0.04
Fees for other services	0.01	0.01
Expenses reimbursed {Rs. 1,559, (Previous Year Rs. 10,480)}	—	—
(c) Cost Auditors:		
Audit fees		
Expenses reimbursed {Rs. 8,200, (Previous Year Rs. 7,645)}	0.02 —	0.02 —

SCHEDULE 21 (Contd.)

13. Employee Benefits:

(a) Defined Benefit Plans as per Actuarial Valuation on March 31, 2009: Rs. in Crores

		2008-09				2007-08			
		Gratuity		Pension	Post Retirement Medical Benefits	Gratuity		Pension	Post Retirement Medical Benefits
		Funded	Others			Funded	Others		
(i)	**Opening Balance of Present value of Defined Benefit Obligation**	**28.12**	**0.14**	**0.82**	**0.58**	**22.35**	**0.10**	**0.80**	**0.57**
	Adjustment of:								
	Current Service Cost	2.72	0.04	-	-	2.24	0.02	-	-
	Interest Cost	2.39	0.03	0.06	0.04	1.80	0.02	0.06	0.04
	Actuarial Losses / (Gain)	10.05	0.03	-	0.02	3.44	-	0.03	(Rs.3,209)
	Benefits Paid	(2.45)	(0.04)	(0.07)	(0.03)	(2.42)	-	(0.07)	(0.04)
	Past Service Cost	1.15	-	-	-	0.72	-	-	-
	Closing Balance of Present value of Defined Benefit Obligation	**41.98**	**0.20**	**0.82**	**0.61**	**28.12**	**0.14**	**0.82**	**0.58**
(ii)	**Change in Fair Value of Assets Opening Balance of Fair Value of Plan Assets**	**22.66**	-	-	-	**16.46**	-	-	-
	Adjustment of:								
	Return on Plan Assets	2.55	-	-	-	2.01	-	-	-
	Cont. by the employer / participants	17.60	-	0.07	0.03	6.14	-	0.07	0.04
	Benefits Paid	(2.45)	-	(0.07)	(0.03)	(2.41)	-	(0.07)	(0.04)
	Amount lying with the Co.	-	-	-	-	0.47	-	-	-
	Closing Balance of Fair Value of Plan Assets	**40.36**	**-**	**-**	**-**	**22.66**	**-**	**-**	**-**
(iii)	**Net Asset / (Liability) recognised in the Balance Sheet**								
	Present value of Defined Benefit Obligation	(41.98)	(0.20)	(0.82)	(0.61)	(28.12)	(0.14)	(0.82)	(0.58)
	Fair Value of Plan Asset	40.36	-	-	-	22.66	-	-	-
	Net Asset / (Liability) in the Balance Sheet	**(1.62)**	**(0.20)**	**(0.82)**	**(0.61)**	**(5.46)**	**(0.14)**	**(0.82)**	**(0.58)**

SCHEDULE 21 (Contd.)

Rs. in Crores

	2008-09				2007-08			
	Gratuity		Pension	Post Retire-ment Medical Benefits	Gratuity		Pension	Post Retire-ment Medical Benefits
	Funded	Others			Funded	Others		
(iv) Expenses recognised in the Profit and Loss Account								
Current Service Cost	2.72	0.04	-	-	2.24	0.02	-	-
Interest Cost	2.39	0.03	0.06	0.04	1.80	0.02	0.06	0.04
Return on Plan Assets	(2.55)	-	-	-	(2.01)	-	-	-
Actuarial (Gain)/Losses	10.05	0.03	0.01	0.02	3.44	-	0.03	(Rs.3,209)
Total Expenses	**12.61**	**0.10**	**0.07**	**0.06**	**5.46**	**0.04**	**0.09**	**0.04**
(v) The major categories of plan assets as a percentage of total plan								
Insurer Managed Funds	100%	N.A.	N.A.	N.A.	100%	N.A.	N.A.	N.A.
(vi) Actuarial Assumptions								
Discount Rate	7.45%	15.00%	7.45%	7.45%	8.00%	15.00%	7.70%	7.70%
Turnover Rate	1-2%	1-10%	-	-	1-3%	1-10%	-	-
Mortality	Publish Rates of LIC 94-96	1983 Mortality Table	PA(90) annuity rates down by 4 years	PA(90) annuity rates down by 4 years	Publish Rates of LIC 94-96	1983 Mortality Table	PA(90) annuity rates down by 4 years	PA(90) annuity rates down by 4 years
Salary Escalation Rate	6%	12%	-	-	6%	12%	-	-
Retirement age	Staff - 60 Yrs Workers- 58 Yrs	55 Yrs	-	60 Yrs	Staff - 60 Yrs Workers- 58 Yrs	55 Yrs	-	60 Yrs

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 21 (Contd.)

(vii) Basis used to determine Expected Rate of Return on Plan Assets:

Expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

(viii) Salary Escalation Rate:

The estimates of future salary increases are considered taking into account the inflation, seniority, promotion and other relevant factors.

(b) Defined Contribution Plans:

Amount recognised as an expense and included in Schedule 18 under the head "Contribution to and Provisions for Provident and other Funds" of Profit and Loss account Rs. 12.56 Crores. (Previous Year Rs. 9.43 Crores)

(c) Amount recognised as an expense in respect of Compensated Leave Absences is Rs. 4.83 Crores. (Previous Year Rs. 5.44 Crores)

14. Earning per Share (EPS):

Particulars	**2008-09**	**2007-08**
(A) Basic EPS:		
(i) Net Profit attributable to Equity Shareholders (Rs. Crores)	978.06	1010.05
(ii) Weighted average number of Equity Shares outstanding (Nos.)	124,485,879	124,485,879
Basic EPS (Rs.) (i)/(ii)	**78.57**	**81.14**
(B) Diluted EPS:		
(i) Weighted average number of Equity Shares Outstanding	124,485,879	124,48,5879
(ii) Add: Potential Equity Shares on exercise of option	-*	45882
(iii) Weighted average number of Equity Shares Outstanding for calculation of Diluted EPS (i+ii)	124,485,879	124,531,731
Diluted EPS (Rs.) {(A) (i) } / (iii)	**78.57**	**81.11**
Face value of Shares (Rs.)	10	10

* as anti dilutive.

15. (i) Derivative Instruments outstanding

Derivatives for hedging currency and interest rates, outstanding as on March 31, 2009 are as under:

Particulars	Purpose	Currency	In Millions 2008-09	In Millions 2007-08	Cross Currency
A. Forward Contracts	Exports	USD	2.54	28.97	Rupees
	Imports	USD	29.48	—	Rupees
	Buyers Credit	USD	54.57	18.39	Rupees
	Imports	Euro	4.70	9.41	USD
	Imports	Euro	0.26	—	Rupees
	Imports	DKK	5.17	—	Rupees
	Buyers Credit	JPY	5471.57	1845.28	USD
B. Other Derivatives i. Currency Option and Interest Swap	ECB Loan	USD	40.00	40.00	Rupees
ii. Currency and Interest Rate Swap (CIRS)	Buyers Credit	USD	8.85	—	Rupees
	ECB Loan	JPY	6046.00	—	Rupees
	Buyers Credit	JPY	2943.73	2506.25	Rupees
iii. Interest Rate Swap/(IRS)	Mibor Linked NCDs	Rupees	2000.00	—	Rupees

(ii) Un-hedged Foreign Currency exposure

Type of Exposure	Currency	In Millions 2008-09	In Millions 2007-08	Cross Currency
ECB Loan	USD	—	20.00	Rupees
Buyers Credit	USD	—	24.44	Rupees

16. During the current year the Company has revised estimated useful life of some of the Assets. On account of which, depreciation is higher by Rs. 16.57 Crores.

17. Figures less than Rs. 50,000 have been shown at actuals, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest lakh.

18. Figures pertaining to the subsidiary companies and Joint Venture have been reclassified wherever necessary to bring them in line with the Company's financial statements.

19. Previous year's figures have been regrouped and rearranged wherever necessary to conform to this year's classification.

Signatures to Schedules '1' to '21'

KUMAR MANGALAM BIRLA
Chairman

S. MISRA
Managing Director

RAJASHREE BIRLA
R.C.BHARGAVA
G.M.DAVE
N.J.JHAVERI
S. B. MATHUR
J. P. NAYAK
S. RAJGOPAL
D.D.RATHI
Directors

K. C. BIRLA
Sr. Executive President & CFO

S. K. CHATTERJEE
Company Secretary

Mumbai, April 21, 2009

Subsidiary Companies Reports and Accounts

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their sixteenth Annual Report of your Company together with the Audited Accounts of your Company for the year ended 31st March, 2009.

FINANCIAL RESULTS

During the year under review, your Company did not carry on any business activities and accordingly no Profit and Loss Account has been prepared.

CAPITAL EXPENDITURE

During the year under review, your Company did not incur any capital expenditure.

FIXED DEPOSITS

Your Company has not accepted any fixed deposit during the year ended 31st March, 2009.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, (the "Act") your Directors confirm that:

i) in the preparation of Annual Accounts, the applicable accounting standards had been followed consistently and there is no material departure;

ii) the Directors had selected such accounting policies and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your company as at 31st March, 2009;

iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting the fraud and other irregularities; and

iv) the Directors had prepared the annual accounts on a going concern basis.

AUDITORS' REPORT

There are no adverse comments, observation or reservation in the Auditors' Report on the Annual Accounts of your Company.

The Notes to the Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments from the Directors.

PARTICULARS OF EMPLOYEES

Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975 do not apply to your Company as none of its employees are covered under these provisions.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

During the year under review, your Company did not carry any commercial / business activity and accordingly particulars under conservation of energy, technology absorption, foreign exchange earnings & outgo are not applicable.

AUDITORS

M/s. G. P. Kapadia & Co., Chartered Accountants, Mumbai the existing Auditors will retire at the ensuing Annual General Meeting of your Company. They being eligible to be re-appointed have expressed their willingness to be re-appointed as the Statutory Auditors of your Company for the financial year 2009-10. A resolution seeking your approval for the re-appointment of said auditor has been included in the Notice convening the Annual General Meeting.

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by UltraTech Cement Limited, the Auditors and the Bankers of your Company.

For and on behalf of the Board of Directors

K. C. BIRLA
O. P. PURANMALKA } Directors

Place: Mumbai
Date: 14th April, 2009

Dakshin Cements Limited

AUDITORS' REPORT

We have audited the attached Balance Sheet of Dakshin Cements Limited as at 31st March, 2009. No Profit and Loss Account has been prepared as the Company has not carried out any activities. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with the provisions of Section 227 of the Companies Act, 1956, we report that:

1. As the Company has carried out no activities during the year, the requirement by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, is not applicable.

2. Further to our comments in paragraph 1 above, we report that :

   (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) the balance sheet dealt with by this report is in agreement with the books of account;

   (d) in our opinion, the balance sheet dealt with by this report, complies with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956, to the extent applicable;

   (e) on the basis of written representations received from the directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956; and

   (f) in our opinion and to the best of our information and according to the explanations given to us, the said balance sheet read together with the significant accounting policies and other notes appearing in Schedule 5, gives the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of Company's affairs as at 31st March, 2009.

For G. P. Kapadia & Co.
Chartered Accountants

ATUL B. DESAI
Partner
(Membership No. 30850)

Mumbai, April 14, 2009

Balance Sheet as at March 31, 2009

	Schedules	As at 31st March, 2009 Rupees	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees	As at 31st March, 2008 Rupees
I. SOURCES OF FUNDS:					
Shareholders' Funds					
Share Capital	1		500,000		*500,000*
Loan Funds			—		—
			500,000		*500,000*
II. APPLICATION OF FUNDS:					
Fixed Assets	2				
Gross block		—		—	
Less: Depreciation		—		—	
Net block		—		—	
Capital Work-in-progress		—		—	
Incidental Expenditure pending allocation/capitalisation		1,978,760	1,978,760	*1,758,047*	*1,758,047*
Current Assets, Loans and Advances	3	394,910		*391,327*	
		394,910		*391,327*	
Less: Current Liabilities and Provisions	4	1,911,064	(1,516,154)	*1,686,768*	*(1,295,441)*
Miscellaneous Expenditure (to the extent not written off or adjusted)			37,394		*37,394*
			500,000		*500,000*
Notes on Accounts	5				

As per our report attached.

For G. P. Kapadia & Co.
Chartered Accountants

ATUL B. DESAI
Partner
Membership No. 30850

K. C. BIRLA
Director

O. P. PURANMALKA
Director

M. R. PRASANNA
Director

Mumbai, April 14, 2009

Dakshin Cements Limited

Schedules forming part of the Balance Sheet

		As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
Schedule - 1			
SHARE CAPITAL			
Authorised			
500,000 Equity shares of Rs. 10 each		5,000,000	*5,000,000*
Issued and Subscribed			
50,000 Equity shares of Rs. 10 each fully paid (All the shares are held by UltraTech Cement Limited, the holding Company)		500,000	*500,000*
Schedule - 2			
FIXED ASSETS			
Gross block		—	—
Less: Depreciation		—	—
Net block		—	—
Capital work-in-progress		—	—
Incidental Expenditure pending allocation /capitalisation		1,978,760	*1,758,047*
		1,978,760	*1,758,047*
Schedule - 3			
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances			
Cash on Hand	241		*241*
Balance with Scheduled Bank on current account	200,305		*200,305*
		200,546	*200,546*
Loans and Advances unsecured, considered good			
TCS Receivable		7,166	*3,583*
Advances recoverable in cash or in kind or for value to be received		187,198	*187,198*
Total		394,910	*391,327*
Schedule - 4			
CURRENT LIABILITIES AND PROVISIONS			
Liabilities			
Due to UltraTech Cement Limited (The holding Company)		1,706,862	1,488,081
Due to Others		171,187	171,187
Other liabilities		33,015	27,500
Total		1,911,064	*1,686,768*

Schedule - 5

NOTES ON ACCOUNTS

1. **Significant Accounting Policies:**

   The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ("GAAP") and in compliance with the accounting standards referred to in Section 211 (3C) and other requirements of the Companies Act, 1956, to the extent applicable.

2. As the Company has not yet started commercial operation no Profit & Loss Account has been prepared. The statement showing the unallocated, pre- operative expenditure incurred up to 31st March, 2009 is shown in Schedule - 2.

3. The pre-operative expenditure as under pending allocation will be allocated to appropriate fixed assets on commencement of the commercial production:

Incidental expenditure pending allocation/capitalisation

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
Travelling and conveyance	134,629	*134,629*
Subscription	1,000	*1,000*
Survey expenses	90,750	*90,750*
Testing charges	8,000	*8,000*
Consultancy Charges	2,500	*2,500*
Auditors's remuneration	74,415	*68,900*
Printing & Stationery	3,764	*3,764*
Office expenses	2,745	*2,745*
Bank charges	325	*325*
Directors sitting fees	7,500	*7,500*
Filing fees	33,770	*33,770*
Royalty/dead rent	1,298,469	*1,113,271*
Legal fees	287,000	*262,000*
Interest	7,008	*7,008*
Miscellaneous expenses	26,885	*21,885*
Total	**1,978,760**	***1,758,047***

4. Contingent liabilities - Nil.
5. Previous year figures have been regrouped wherever necessary.

Signature to Schedule 1 to 5

As per our report attached.

For G. P. Kapadia & Co.
Chartered Accountants

ATUL B. DESAI	K. C. BIRLA	O. P. PURANMALKA	M. R. PRASANNA
Partner	Director	Director	Director
Membership No. 30850			

Mumbai, April 14, 2009

Balance Sheet abstract and Company's General Business Profile

I. Registration Details

Registration No.	01-01 6002	State Code	01
Balance Sheet Date	31-03-09		

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	500	Total Assets	500
Sources of Funds :			
Paid up Capital	500	Reserves & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL
Application of Funds :			
Net Fixed Assets	1979	Investments	NIL
Net Current Assets	(1516)	Miscellaneous Expenditure	37
Accumulated Losses	NIL		

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover (including other income)	NIL	Total Expenditure	NIL
+ / - Profit / (Loss) Before Tax	NIL	+ / - Profit / (Loss) After Tax	NIL

Please Tick Appropriate box + for Profit, - for loss

Earnings Per Share (Rs.)	NA	Dividend Rate (%)	NA

V. Generic Names of Three Principal Products / Services of the Company (as per monetary terms)

No Activities during the year

K. C. BIRLA	O. P. PURANMALKA	M. R. PRASANNA
Director	Director	Director

Mumbai, April 14, 2009

UltraTech Ceylinco (Pvt) Ltd

DIRECTORS' REPORT

The Directors of UltraTech Ceylinco (Pvt.) Ltd. have pleasure in presenting to the Members their report for the year ended 31st March, 2009.

PRINCIPAL ACTIVITY

The principal activity of the Company is carrying on business of importers, exporters, distributors, warehousemen, wholesalers, retailers and dealers of cement and to establish storage terminals and other facilities for the bagging and distribution of bulk cement.

PROFIT & LOSS ACCOUNT

	Year ended 31.03.2009 SLR (Millions)	**Year ended 31.03.2008 SLR (Millions)**
Turnover	6,154	5,648
Cost of Sales	(5,796)	(5,277)
Gross Profit	358	371
Other Operating Income	3	5
Administrative expenses	(67)	(57)
Distribution expenses	(86)	(71)
Profit from Operation	208	248
Finance Income – Net	25	75
Profit before Taxation	233	323
Taxation	(86)	(118)
Net Profit for the year	147	205
Earning per Share	2.93	4.11

DIRECTORATE

The names of the Director of the Company as at date are given under Corporate Information. There has been no change in the directorate during the year under review.

RETIREMENT BY ROTATION AND/OR OTHERWISE

By virtue of provisions contained in the Articles of Association of the Company, the Directors are not subject to retirement by rotation.

DIRECTORS INTEREST IN THE CONTRACTS

The Directors of the Company have no direct or indirect interest in any contract or proposed contract of the Company, except those specified in Note 17 to the financial statement.

AUDITORS

The accounts for the year under review have been audited by Messers KPMG Ford Rhodes Thornton & Co., Chartered Accountants, who retire and being eligible offer themselves for re-appointment for the year 2009-10.

The Directors do recommend their re-appointment.

BY ORDER OF THE BOARD

Sgd. (Authorised Signatory)

INTERNATIONAL CONSULTANCY AND CORPORATE SERVICES (PVT) LIMITED

SECRETARIES FOR ULTRATECH CEYLINCO (PVT) LIMITED

7th April, 2009

Colombo

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF ULTRATECH CEYLINCO (PVT) LTD

Report on the Financial Statements

We have audited the accompanying financial statements of UltraTech Ceylinco (Pvt) Limited, which comprise the balance sheet as at March 31, 2009 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended March 31, 2009 and the financial statements give a true and fair view of the Company's state of affairs as at March 31, 2009 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Section 151(2) of the Companies Act No.07 of 2007.

For KPMG FORD, RHODES, THORTON & CO

Chartered Accountants

Colombo, 7th April, 2009

UltraTech Ceylinco (Pvt) Ltd

Balance Sheet as at 31st March, 2009

		31.03.2009		31.03.2008	
ASSETS	**Note**	**SLR**	**INR**	SLR	INR
Non-current assets					
Leasehold land	7	26,319,710	11,508,066	27,542,552	10,198,497
Property, plant & equipment	8	426,382,753	186,432,183	440,889,326	163,253,159
Deffered tax asset	15	29,696,463	12,984,522	61,825,700	22,892,913
		482,398,926	210,924,772	530,257,578	196,344,569
Current assets					
Inventories	9	310,614,968	135,813,717	292,404,726	108,272,059
Trade receivables	10	91,416,609	39,971,124	66,779,214	24,727,107
Other receivables		259,641,517	113,526,015	118,977,422	44,586,167
Prepayment and advances		11,827,121	5,171,307	56,147,658	20,259,408
Cash and cash equivalents	11	17,207,570	7,523,861	398,650,982	147,613,082
		690,707,785	302,006,024	932,960,002	345,457,823
Total assets		1,173,106,711	512,930,797	1,463,217,580	541,802,392
EQUITY & LIABILITIES					
Equity					
Stated capital	12	500,000,000	218,620,690	500,000,000	185,140,748
Retained Earnings		272,096,842	118,972,005	275,566,541	102,037,189
Total Equity		772,096,842	337,592,695	775,566,541	287,177,937
Non-current liabilities					
Retiring benefit obligations	13	4,541,945	1,985,926	3,527,386	1,306,126
Deferred tax liability	14	135,690,520	59,329,510	143,725,670	53,218,956
		140,232,465	61,315,437	147,253,056	54,525,082
Current liabilities					
Trade payables	15	178,649,074	78,112,768	456,298,611	168,958,932
Other payables	16	24,385,935	10,662,540	13,647,799	5,053,527
Income tax payables		4,066,437	1,778,011	17,945,286	6,644,807
Accrued expenses		10,139,110	4,433,235	20,904,547	7,740,567
Bank Overdraft		43,536,848	19,036,111	31,601,740	11,701,540
		260,777,404	114,022,665	540,397,983	200,099,373
TOTAL EQUITY AND LIABILITIES		1,173,106,711	512,930,797	1,463,217,580	541,802,392

The figures in INR is converted at the rate of **2.2871 = 116/50.72** **2.70065 = 108.35/40.12**

The Directors are responsible for the preparation and presentation of these Financial Statements.

The Accounting Policies and Notes form an integral part of these Financila Statements.

Signed for and on behalf of the Board

K.C.Birla
A.R.Gunawardena } Directors

07th April 2009

Colombo.

UltraTech Ceylinco (Pvt) Ltd

Income Statement for the period ended 31st March, 2009

	Note	Year ended 31.03.2009 SLR	Year ended 31.03.2009 INR	Year ended 31.03.2008 SLR	Year ended 31.03.2008 INR
Revenue	1	**6,153,748,563**	**2,491,863,587**	5,648,144,817	2,163,245,935
Cost of sales		**(5,795,797,778)**	**(2,332,391,893)**	(5,276,939,403)	(2,024,884,572)
Gross profit		**357,950,785**	**159,471,694**	371,205,414	138,361,363
Other operating income	2	**2,667,580**	**1,080,195**	5,001,276	1,915,494
Administrative expenses		**(66,955,568)**	**(27,336,629)**	(56,967,354)	(21,761,002)
Distribution cost		**(85,728,958)**	**(34,800,581)**	(70,856,156)	(27,057,605)
Finance income - Net	3	**24,679,554**	**16,899,365**	75,448,508	25,428,658
Profit before income tax	4	**232,613,394**	**115,314,044**	323,831,688	116,886,908
Taxation	5	**(86,083,092)**	**(37,639,090)**	(118,255,383)	(43,787,780)
Net profit for the year		**146,530,302**	**77,674,954**	205,576,305	73,099,128
Earnings per share - Rs	6	**2.93**	**1.55**	4.11	1.46
The figures in INR is converted at the rate of		2.4695	=((116+108.35)/2)/((50.72+40.12)/2)	2.6109	=((108.35+109.9)/2)/((40.12+43.47)/2)

Statement of changes in equity
For the period ended 31st March, 2009

	Share Capital SLR	Retained Earnings SLR	Total SLR
Balance as at 1st April 2007	**500,000,000**	**169,990,236**	**669,990,236**
Profit for the year	—	205,576,305	205,576,305
Dividend paid	—	(100,000,000)	(100,000,000)
Balance as at 31st March, 2008	**500,000,000**	**275,566,541**	**775,566,541**
Dividend paid	—	(150,000,000)	**(150,000,000)**
Profit for the year	—	146,530,302	**146,530,302**
Balance as at 31st March, 2009	**500,000,000**	**272,096,842**	**772,096,842**

UltraTech Ceylinco (Pvt) Ltd

Cash Flow Statement for the period ended 31st March, 2009

	Year ended 31.03.2009		Year ended 31.03.2008	
	SLR	**INR**	SLR	INR
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**232,613,394**	**115,314,044**	323,831,688	116,886,908
Adjustment for				
Depreciation on property, plant and equipment	**30,851,536**	**13,489,568**	26,810,183	9,927,315
Amortization of leasehold land	**1,222,842**	**534,677**	1,181,799	437,598
Provision for retiring gratuity	**1,759,965**	**769,530**	1,084,868	401,707
Provision/ (Reversal) of provision for bad and doubtful debts	**(394,599)**	**533,718**	5,464,519	2,023,410
Interest income	**(27,212,156)**	**(11,019,134)**	(43,172,234)	(16,535,015)
Interest expense	**2,433,116**	**985,252**	—	—
Gain/(loss) on translation of foreign currency	—	**8,913,555**	—	(2,411,518)
Gain/(loss) on disposal of property, plant and equipment	—	—	110,735	42,412
Operating profit before working capital changes	**241,274,098**	**129,521,210**	315,311,558	110,772,817
(Increase)/decrease in inventories	**(18,210,242)**	**(27,541,658)**	(57,501,511)	(21,291,744)
(Increase)/decrease in trade and other receivables	**(120,586,354)**	**(68,988,095)**	35,708,360	13,222,144
Increase /(decrease) in trade and other payables	**(277,676,838)**	**(88,500,398)**	(38,625,460)	(14,302,292)
	(416,473,434)	**(185,030,151)**	(60,418,611)	(22,371,892)
Cash generated from operations	**(175,199,336)**	**(55,508,941)**	254,892,947	88,400,925
Interest expense paid	**(2,433,116)**	**(985,252)**	—	—
Income tax paid	**(75,867,854)**	**(34,950,580)**	(91,462,192)	(33,866,757)
Retiring gratuity paid	**(745,407)**	**(769,530)**	(124,236)	(46,002)
Net cash flow from operating activities	**(254,245,714)**	**(92,214,303)**	163,306,519	54,488,166
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase and construction of property, plant & equipment	**(16,344,963)**	**(5,488,485)**	(6,199,202)	(2,295,450)
Interest income received	**27,212,156**	**11,019,134**	43,172,234	16,535,015
Proceeds on disposal of property, plant and equipment	—	—	1,367,059	506,197
	10,867,194	**5,530,649**	**38,340,091**	**14,745,762**
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	**(150,000,000)**	**(60,740,138)**	(100,000,000)	(38,300,115)
Net cash flow from investing activities	**(150,000,000)**	**(60,740,138)**	(100,000,000)	(38,300,115)
Net increase /(decrease) in cash & cash equivalent	**(393,378,520)**	**(147,423,792)**	101,646,612	30,933,814
Cash & cash equivalents at the beginning of the year	**367,049,242**	**135,911,542**	265,402,632	104,977,729
Cash & cash equivalents at the end of the year	**(26,329,278)**	**(11,512,250)**	367,049,244	135,911,542
Analysis of cash and cash equivalents				
Cash in hand	**1,766,676**	**772,464**	4,221,190	1,563,029
Cash at bank	**15,440,894**	**6,751,397**	394,429,792	146,050,053
Bank Overdraft	**(43,536,848)**	**(19,036,111)**	(31,601,740)	(11,701,540)
	(26,329,278)	**(11,512,250)**	367,049,244	135,911,542

Notes to the Accounts for the period ended 31st March, 2009

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
1. TURNOVER				
Turnover-Cement	6,153,748,563	2,491,863,587	5,648,144,817	2,163,245,935

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
2 OTHER OPERATING INCOME				
Income from storage and handling	2,584,544	1,046,570	5,100,174	1,953,372
Scrap Sales	83,036	33,624	11,837	4,534
Gain/(loss) on disposals of property, plant and equipments	—	—	(110,735)	(42,412)
	2,667,580	1,080,195	5,001,276	1,915,494

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
3 FINANCE INCOME - NET				
Interest Income	27,212,156	11,019,134	43,172,234	16,535,015
Interest Expenses	(2,433,116)	(985,252)	—	—
Gain/(loss) on translation of foreign currency	(99,486)	6,865,483	32,276,274	8,893,643
	24,679,554	16,899,365	75,448,508	25,428,658

4 PROFIT BEFORE INCOME TAX

Profit before income tax is stated after charging all expenses including the following:

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
Auditors' remuneration				
Statutory Audit	450,000	182,220	500,000	191,501
Audit related services	250,000	101,234	—	—
Depreciation of property, plant and equipment	30,851,536	13,489,568	26,810,183	9,927,315
Amortisation of lease hold land	1,222,842	534,677	1,181,799	437,598
Donation	1,010,000	408,984	—	—
Provision / (reversal) for bad and doubtful debts	(394,599)	(172,535)	5,464,519	2,023,410
Staff costs (Note 4.1)	78,437,933	31,762,206	74,548,119	28,552,015

4.1 Staff costs

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
Salaries and related costs	69,139,706	27,997,035	66,565,565	25,494,688
Defined contribution plan cost- EPF and ETF	7,538,262	3,052,500	6,633,318	2,540,568
Defined benefit plan cost - Retiring Gratuity	1,759,965	712,670	1,349,236	516,759
	78,437,933	31,762,206	74,548,119	28,552,015

5 INCOME TAX EXPENSES

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
Current Tax Expenses				
Income Tax on Current year profits	61,989,005	27,104,158	82,527,708	30,558,483
Deferred Tax expenses	24,094,087	10,534,932	35,727,675	13,229,297
	86,083,092	37,639,090	118,255,383	43,787,780

Numerical reconciliation between tax charge and the product of accounting profit multiplied by the applicable tax rate.

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
Accounting profit before tax	232,613,394	115,314,044	323,831,688	116,886,907
Disallowable expenses	42,708,462	17,294,119	35,572,476	13,624,300
Allowable expenses	(7,228,774)	(2,927,178)	(5,251,522)	2,011,339
Less - Non business income (Net)	(24,012,718)	(9,723,572)	(42,954,309)	(16,451,550)
Taxable business income	244,080,364	119,957,413	311,198,333	116,070,996
Taxable non business income (Gross)	24,371,994	9,869,055	47,969,149	18,372,239
	268,452,358	129,826,469	359,167,482	134,443,235
Tax loss brought forward from previous years utilised	(93,958,325)	(38,046,944)	(125,708,619)	(48,146,545)
Taxable income	174,494,032	70,658,611	233,458,863	86,296,691
Tax liability @ 35%	61,072,911	26,703,604	81,710,602	30,255,924
Social Responsibility Levy @ 1.5%	916,094	400,554	817,106	302,559
	61,989,005	27,104,158	82,527,708	30,558,483

The tax loss of the company brought forward from the year of assessment 2007/2008 was Rs. 174,263,416/- and the company claimed Rs. 93,958,325/- during the year of assessment 2008/2009. The tax loss carried forward for the year of assessment 2008/2009 is Rs. 80,305,091/-.

6 EARNINGS PER SHARE

The calculation of basic earnings per ordinary share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the year.

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
Net profit attributable to ordinary shareholders (Rs.)	146,530,302	77,674,954	205,576,305	73,099,127
Number of ordinary shares in issue	50,000,000	50,000,000	50,000,000	50,000,000
Basic earnings per ordinary share (Rs.)	2.93	1.55	4.11	1.46

There were no potentially dilutive ordinary shares issued at any time during the year

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
7 LEASEHOLD LAND				
Cost	38,946,767	17,029,138	38,946,767	14,421,267
Cumulative amortisation				
As at the begning of the year	11,404,215	4,986,395	10,222,416	3,785,171
Charge for the year	1,222,842	534,677	1,181,799	437,598
Balance at the end of the year	12,627,057	5,521,072	11,404,215	4,222,769
Written down value	26,319,710	11,508,066	27,542,552	10,198,497

Leasehold property located at 81/11/1, New nuge Road, peliyagoda has been sub leased for a period of 30 years from East West Properties Limited who have taken on lease the said premises for a period of 99 years from the Urban Development Authority.
The sub-lease rentals and related expenses are amortised on a yearly basis as per the schedule of the agreement. Leasehold land is amortised over the lease period of 30 years.

8 PROPERTY, PLANT AND EQUIPMENT - Refer next page

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
9 INVENTORIES				
Naked cement	287,542,036	125,725,276	128,506,289	47,583,501
Bags	5,313,894	2,323,454	11,058,021	4,094,581
Stores and spares	17,759,038	7,764,986	17,218,179	6,375,573
Goods-in-transit	—	—	135,622,237	50,218,405
	310,614,968	135,813,717	292,404,726	108,272,059

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
10 TRADE RECEIVABLES				
Trade receivables	95,733,322	41,858,570	103,744,023	38,414,492
Provision for bad and doubtful debts	(4,316,713)	(1,887,446)	(36,964,809)	(13,687,385)
	91,416,609	39,971,124	66,779,214	24,727,107

Provision for bad debts amounting to Rs.32,253,497/- was written off during the year under review.

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
11 CASH AND CASH EQUIVALENTS				
Cash in hand	1,766,676	772,464	4,221,190	1,563,029
Cash at bank	15,440,894	6,751,398	394,429,792	146,050,053
	17,207,570	7,523,861	398,650,982	147,613,082

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
12 STARE CAPITAL				
Issued & fully paid number of shares				
50,000,000 ordinary shares	500,000,000	218,620,690	500,000,000	185,140,748

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
13 RETIREMENT BENEFIT OBLIGATIONS				
Provision for retiring gratuity				
As at the beginning of the year	3,527,386	1,542,319	2,566,754	950,422
Provision for the year	1,759,965	769,530	1,084,868	401,707
	5,287,351	2,311,849	3,651,622	1,352,128
Payments made during the year	(745,407)	(325,923)	(124,236)	(46,002)
Balance at the end of the year	4,541,945	1,985,926	3,527,386	1,306,126
Expenses recognized in the profit or loss				
Current service cost	889,780	389,049	635,070	235,155
Interest on obligation	810,658	354,453	449,798	166,552
Acturial gain recognised during the year	59,529	26,029		
	1,759,967	769,530	1,084,868	401,707

The key assumptions used by the actuary include the following;
(i) Rate of interest 15%
(ii) Interest on Obligation 12%
(iii) Retirement Age Normal retirement age

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
14 DEFERRED TAX ASSET /(LIABILITY)				
As at the beginning of the year	81,899,970	35,810,056	46,172,295	17,096,746
Provision for the year	24,094,087	10,534,932	35,727,675	13,229,297
Balance at the end of the year	105,994,057	46,344,988	81,899,970	30,326,043

Deferred income tax and liabilities are offset when there is a legally enforceable right to offset assets against taxliabilities and when the deferred income taxes relate to the same fiscal authority.

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
Deferred tax assets	29,696,463	12,984,522	61,825,700	22,892,913
Deferred tax liabilities	(135,690,520)	(59,329,510)	(143,725,670)	(53,218,956)
	(105,994,057)	(46,344,988)	(81,899,970)	(30,326,043)

	2009 Assets SLR	2009 Assets INR	2009 Liabilities SLR	2009 Liabilities INR	2008 Assets SLR	2008 Assets INR	2008 Liabilities SLR	2008 Liabilities INR
Recognised deferred tax assets and liabilities								
Property, plant and equipment			135,690,520	59,329,510	-		143,725,670	53,218,956
Defined benefit obligation	1,589,681	695,074	-	-	1,234,585	457,144	-	-
Tax loss carried forward	28,106,782	12,289,448	-	-	60,591,115	22,435,769	-	-
	29,696,463	12,984,522	135,690,520	59,329,510	61,825,700	22,892,913	143,725,670	53,218,956
Net deferred tax	-		105,994,057	46,344,988	-		81,899,970	30,326,043

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
15 TRADE PAYABLES				
Import Trade Payables	141,190,620	61,734,382	449,874,037	166,580,031
Other trade payables	37,458,454	16,378,386	6,424,574	2,378,901
	178,649,074	78,112,768	456,298,611	168,958,932

	31.03.2009 SLR	31.03.2009 INR	31.03.2008 SLR	31.03.2008 INR
16 OTHER PAYABLES				
Retention money from contractors	956,440	418,195	500,000	185,141
Rebate holding payable to distributors	1,524,639	666,635	6,123,933	2,267,579
Withholding tax payable	59,896	26,189	235,194	87,088
Stamp duty payable	130,300	56,973	111,375	41,240
Distribution expense payable	16,829,293	7,358,463	1,973,488	730,746
Others	4,885,366	2,136,084	4,703,809	1,741,733
	24,385,935	10,662,540	13,647,799	5,053,527

UltraTech Ceylinco (Pvt) Ltd

Notes to the Financial Statement

8 PROPERTY, PLANT & EQUIPMENT

	Buildings SLR	Plant & machinery SLR	Office equipment SLR	Lab equipment SLR	Computer equipment SLR	Electrical installation SLR	HT power line SLR	Furnitures & fittings SLR	Motor vehicles SLR	Motor cycles SLR	Total SLR
Cost											
Balance as at 31-03-2008	37,574,084	489,524,645	3,774,590	2,200,255	11,314,603	71,932,840	1,167,013	1,607,457	4,601,668	1,926,795	625,623,949
Additions during the year	14,402,999	328,500	384,919	2,134,443	818,672	-	-	58,468	-	402,061	18,530,062
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31-03-2009	**51,977,083**	**489,853,145**	**4,159,509**	**4,334,698**	**12,133,275**	**71,932,840**	**1,167,013**	**1,665,925**	**4,601,668**	**2,328,856**	**644,154,011**
Depreciation											
Balance as at 31-03-2008	10,791,738	141,979,643	2,687,885	2,046,874	4,829,641	20,815,115	385,116	1,430,983	1,307,263	645,465	186,919,723
Additions during the year	1,566,134	19,588,536	753,600	108,507	3,656,838	2,877,314	46,680	54,034	1,328,780	871,113	30,851,536
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31-03-2009	**12,357,872**	**161,568,179**	**3,441,485**	**2,155,381**	**8,486,479**	**23,692,429**	**431,796**	**1,485,017**	**2,636,043**	**1,516,578**	**217,771,259**
Written down value											
As at 31-03-2009	**39,619,211**	**328,284,966**	**718,024**	**2,179,317**	**3,646,796**	**48,240,411**	**735,217**	**180,908**	**1,965,625**	**812,278**	**426,382,753**
Capital work in progress											-
											426,382,753
As at 31-03-2008	26,782,346	347,545,002	1,086,705	153,381	6,484,962	51,117,725	781,897	176,474	3,294,405	1,281,330	438,704,227
Capital work in progress											2,185,099
											440,889,326

8 PROPERTY, PLANT & EQUIPMENT

	Buildings INR	Plant & machinery INR	Office equipment INR	Lab equipment INR	Computer equipment INR	Electrical installation INR	HT power line INR	Furnitures & fittings INR	Motor vehicles INR	Motor cycles INR	Total INR
Cost											
Balance as at 31-03-2008	16,428,944	214,040,431	1,650,407	962,043	4,947,213	31,452,014	510,266	702,847	2,012,040	842,475	273,548,679
Additions during the year	6,297,587	143,634	168,302	933,267	357,957	-	-	25,565	-	175,798	8,102,110
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31-03-2009	**22,726,532**	**214,184,065**	**1,818,709**	**1,895,309**	**5,305,170**	**31,452,014**	**510,266**	**728,411**	**2,012,040**	**1,018,272**	**281,650,789**
Depreciation											
Balance as at 31-03-2008	4,718,594	62,079,375	1,175,255	894,978	2,111,719	9,101,230	168,389	625,685	571,589	282,224	81,729,038
Additions during the year	684,779	8,564,918	329,505	47,444	1,598,921	1,258,081	20,410	23,626	580,998	380,887	13,489,568
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31-03-2009	**5,403,373**	**70,644,293**	**1,504,760**	**942,422**	**3,710,640**	**10,359,310**	**188,799**	**649,311**	**1,152,587**	**663,111**	**95,218,606**
Written down value											
As at 31-03-2009	**17,323,159**	**143,539,771**	**313,950**	**952,887**	**1,594,530**	**21,092,704**	**321,467**	**79,100**	**859,453**	**355,162**	**186,432,183**
Capital work in progress											-
											186,432,183
As at 31-03-2008	9,917,007	128,689,483	402,387	56,794	2,401,261	18,927,948	289,522	65,345	1,219,857	474,453	162,444,057
Capital work in progress											809,102
											163,253,159

17 RELATED PARTY DISCLOSURES

(a) Parent and ultimate controlling party

The ultimate parent of the company is UltraTech Cement Limited.

(b) Transactions with key management personnel

(i) Loans to Directors

No loans have been given to directors of the Company.

(ii) Key management personnel compensation

Key management personnel comprise the Directors of the Compnay and details of compensation are as follows:

	2009		2008	
	SLR	INR	SLR	INR
Salaries	9,922,119	4,017,806	11,224,656	4,299,056
Housing rent	840,000	340,145	840,000	321,721
Medical expenses & school fees reimbursement	306,433	124,085	346,006	132,521
Travelling	463,268	187,593	254,577	97,503
Other non cash benefits	489,082	198,046	257,650	98,680

(iii) The Company's transactions with its Parent Company is as follows:

	2009 SLR	2009 INR	2008 SLR	2008 INR
UltraTech Cement Limited				
-Import of cement	2,584,152,836	1,046,412,002	3,309,155,509	1,267,410,351
-Amount payables as at the balance sheet date	29,396,387	12,853,317	449,874,037	166,580,031

(iv) The Company's transactions with Associate Companies are as followes:

	2009 SLR	2009 INR	2008 SLR	2008 INR
Ceylinco Homes International Limited				
-Sale of cement	2,799,685	1,133,688	1,326,049	507,878
- Amount receivable as at the Balance Sheet date			256,671	95,041
International Consultancy & Corporate Services (Private) Limited				
-Secretarial services	345,397	139,863	334,837	128,243
Ceylinco Insurance Company PLC				
-Insurance services	2,682,937	1,086,413	3,696,488	1,415,759
Celinco CISCO Security Transport & Allied Services (Private) Limited				
-Cash transpotation services	476,108	192,792	360,442	138,050
-Security services	5,038,011	2,040,063	4,699,887	1,800,062
Ceylinco Developers Limited				
-Sale of cement	-	-	6,187,742	2,369,912
-Amount receivable as at the Balance Sheet date	-	-	234,156	86,704
Ceylinco Villas Housing Limited				
-Amount receivable as at the Balance sheet date	-	-	1,401,600	536,814

18 CAPITAL EXPENDITURE COMMITMENTS

There is no material capital expenditure committed by the company as at 31st March 2009.

19 CONTINGENT LIABILITIES

The Sri Lankan Customs commenced an inquiry on the allegation that dividends declared by the Company and remitted to the Parent Company represents part of settlement in respect of the cement imported by the Company and the additional duty is payable by the Company. The Sri Lankan Customs have not provided a basis for any value to be attributed as alleged additional duty payable. The inquiry was last held on 02nd july 2008. The Company contends there no basis to include dividends paid in the value of goods and consequently intend to resist the aforesaid contention of the Customs at any inquiry. There were no other contingent liabilities as at the balance sheet date which require djustments or disclosure in the accounts, except for the matters stated above.

20 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No circumstances have arisen since the balance sheet date which would require adjustments to or disclosure in the financial statements.

ACCOUNTING POLICIES

1. Reporting Entity

Larsen and Toubro Ceylinco (Pvt) Ltd. was incorporated on 29th August, 1997 as a Private limited liability Company and domiciled in Sri Lanka. Consequence to the change in the major share holder of the Company, the Company was renamed as UltraTech Ceylinco (Pvt) Ltd on 11 March, 2006. The Company's registered office is No.81/11/1 New Nuge Road, Peliyagoda, Kelaniya. The Company imports naked cement and markets it in 50kg bags and in bulk form.

The ultimate parent company of the entity is UltraTech Cement Ltd which is incorporated in India.

The shareholding of the Company as at balance sheet date is as follows.

Ultratech Cement Limited	80%
Ceylinco Insurance Company Limited	18%
Ceylinco International Trading Limited	2%

2. Basis of Preparation

2.1. Statement of compliance

The financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (SLAS) issued by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 07 of 2007.

2.2. Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.3. Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees, which is the Company's functional currency.

2.4. Use of Estimates and Judgments

The preparation of financial statements in conformity with SLAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates and judgmental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects current and future periods.

3. Significant Accounting Policies

The Accounting Policies set out below are consistent with those used in the previous year.

Certain comparative amounts have been reclassified to confirm to current year's presentation.

The Directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future, and they do not intend either to liquidate or cease trading.

3.1. Foreign currency transactions

Transactions in foreign currencies are translated to Sri Lankan Rupees at the exchange rate applicable on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the Sri Lankan Rupees at the exchange rate ruling at that date. Foreign currency exchange differences arising on translation are recognised in profit and loss.

3.2. Events occurring after the Balance Sheet date

All material post balance sheet events have been considered and where appropriate adjustments to or disclosures have been made in the financial statements.

3.3. Assets and bases of their valuation

Assets classified as current assets on the Balance Sheet are cash and bank balances and those which are expected to be realised in cash during the normal operating cycle or within one year from the Balance Sheet date, whichever is shorter.

UltraTech Ceylinco (Pvt) Ltd

3.3.1. Property, plant and equipment

3.3.1.1. Owned Assets

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Gains and losses on disposal of an item of property, plant & equipment are determined by comparing the proceeds from disposal with the carrying value of property, plant & equipment and are recognised net within other income in profit and loss.

Expenditure incurred for the purpose of acquiring, extending or improving Assets of a permanent nature by means of which to carry on the business or to increase the earning capacity of the business has been treated as capital expenditure.

3.3.1.2. Subsequent expenditure

The cost of replacing a part of an item of property, plant & equipment is recognized in carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.

The cost of the day-to-day servicing of property, plant & equipment are recognised in profit and loss as incurred.

3.3.1.3. Depreciation

Depreciation is recognised in profit and loss on a straight-line basis over the estimated useful lives of items of each part of an item of property, plant and equipment.

The estimated useful lives for the current period are as follows;

Building	25 Years
Plant and Machinery	25 Years
Lab Equipment	06 Years
Electronic Installation	25 Years
Office Equipment	04 Years
Motor Cars	05 Years
Motor Cycles	05 Years
HT Power line	25 Years
Computers	04 Years
Software	03 Years
Furniture & Fittings	06 Years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or is derecognised.

3.3.2. Trade and other receivables

Trade and other receivables are stated at their amounts estimated to be realisable amount.

3.3.3. Inventory

Inventories are measured at the lower of cost and net realisable value. Net Realisible value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

Cost of inventory is based on a Weighted Average Cost price and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

3.3.4. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and shot term highly liquid investments that are readily convertible to known amounts of cash.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

3.3.5. Impairment

The carrying amount of the Company's assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. Impairment losses are recognised in profit and loss.

3.4. Liabilities and provisions

All known liabilities have been accounted for in preparing the financial statements.

Liabilities classified as current liabilities on the balance sheet are those, which will fall due for payment on demand or within one year from the balance sheet date.

Non - current liabilities are those balances that fall due for payment after one year from the balance sheet date.

3.4.1. Employee benefits

3.4.1.1. Defined benefit plan

Provision has been made in the financial statements for retiring gratuities. An acturial valuation of the retirement benefit was performed by a qualified actuary as at the reporting date using the Projected Unit Credit (PUC) method as recommended by Sri Lanka Accounting Standard No.16 – "Employees Benefit Cost". The Company expects to carry out an actuarial valuation every year.

The actuarial valuation involves making assumptions about discount rates, salary increment rate mortality rate due to the long-term nature of the plans such estimates are subject to significant uncertainty.

The liability is not externally funded.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued service.

3.4.1.2. Defined contribution plan

Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an expense in profit and loss when incurred.

3.4.2. Trade and other payables

Trade and other payables are stated at their cost.

3.4.3. Provisions

A provision is recognised if as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.5. Income Statement

For the purpose of presentation of the Income Statement, the function of expenses method is adopted, as it represents fairly the elements of Company performance.

3.5.1. Revenue

Revenue is recognised when the significant risks and rewards of ownership have been transferred, recovery of the consideration is probable and the amount of revenue can be measured reliably.

Gains or losses on the disposal of property, plant and equipment are recognised in profit and loss.

Interest income is recognised in the income statement as it accrues.

3.5.2 Expenses

All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year.

3.5.2.1. Lease payments

Payments made under operating lease are recognized in profit and loss on a straight –line basis over the term of the lease.

3.5.2.2. Finance income and expenses

Finance income / cost comprise interest expense on borrowings, interest income on funds invested and gains and losses on translation of foreign currency.

3.5.2.3. Income Tax

Income tax expense comprises current tax and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, when it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the Balance Sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences will be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.6. Cash flow statement

The cash flow statement has been prepared using the "indirect method".

Interest paid is classified as operating cash flows, interest received are classified as investing cash flows, while dividends paid are classified as financing cash flows for the purpose of presenting the cash flow statement.

NOTES

UltraTech

UltraTech Cement Limited

CENTRAL MARKETING OFFICE

'A' Wing, Ahura Centre, 1st Floor,
Mahakali Caves Road, Near M.I.D.C. Office,
Andheri (East), Mumbai - 400 093
Tel No. (022) 6691 7360; 6692 8400; 6691 7274
Fax No. (022) 6691 7361; 6692 8401; 6691 7250

ZONAL MARKETING OFFICES

MUMBAI
'A' Wing, Ahura Centre, 1st Floor,
Mahakali Caves Road, Near M.I.D.C. Office,
Andheri (East), Mumbai - 400 093
Tel No. (022) 6691 7360; 6692 8400; 6691 7274
Fax No. (022) 6691 7361; 6692 8401, 6691 7250

BANGALORE
"Industry House"
5th floor, Fair Field Layout,
45, Race Course Road,
Bangalore – 560 001
Tel No. (080) 2225 0748; 2225 0749
Fax No. (080) 2220 4839

KOLKATA
"Constantia" 7th Floor,
11, Dr. U.N. Brahamachari Street,
Kolkata – 700 017
Tel No. (033) 3021 4100; 3021 4400
Fax No. (033) 3021 4490; 3021 4590

CHENNAI
23, Anna Salai, Little Mount,
Royal Building 1st Floor,
Opp. The Checkars Hotel,
Saidapet, Chennai – 600 015
Tel No. (044) 4232 8003; 4232 8018
Fax No. (044) 4232 8017

NEW DELHI
12th Floor, Ambadeep Building,
K.G. Marg, Connaught Place,
New Delhi – 110 001
Tel No. (011) 4357 3200; 2331 5007-10
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