

# ANNUAL REPORT 2010 - 2011



Leadership through Consolidation



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



Dear Shareholder,

The global economy has withstood the recession though its recovery has been rather sluggish. World growth decelerated to nearly 3.8% during the second half of 2010 from 5.3% during the first half. The IMF forecasts a 4.3% global growth in 2011. The US economy grew at 3% last year. Growth in the Euro zone was muted at around 2%. In sharp contrast emerging economies have grown briskly - in excess of 7%. China and India are the clear standouts, peaking at over 10% and 9% growth respectively.

With the global economic growth slowing, growth levels in India are likely to be impacted. Nevertheless, as we know, the fundamentals of the Indian economy remain strong. Over the past few years India's track record has been impressive. The country recorded almost twice the global growth rate. Whilst the country does face roadblocks in the short term, the medium to long term growth prospects for India are bright. These have a bearing on your Company's growth and performance.



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*"I must say that this year has been all about leadership through consolidation, employee engagement, performance management and customer focus."*

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For the Financial Year 2010-11, your Company's revenues stood at US \$ 2.90 billion vis-à-vis US \$ 1.57 billion in the previous year. Net profit at US \$ 308 million reflects a rise of 27% in comparison to US \$ 243 million in FY 2010.


I must say that this year has been all about leadership through consolidation, employee engagement, performance management and customer focus.

### **Leadership through consolidation**

The acquisition of ETA Star Cement marked our foray beyond Indian shores. It has always been our aspiration to establish our leadership position in India and to have a formidable presence in the Indian Ocean rim. This region is a focus area for your Company in the White Cement sector as well. This acquisition along with the amalgamation of Samruddhi Cement, has bolstered your Company's leadership position. We have become a pan India player. Alongside, we have gained a strong foothold in the growing markets in the Middle East and the neighbouring regions. Today, your Company's cement capacity stands raised to 52 mtpa. UltraTech is among the top-10 global cement companies.

### **Capital outlays**

To accelerate the pace of growth, over the next 3 years, your Company has earmarked a capital outlay of US \$ 2.4 billion. We are investing in the setting up of additional clinkerisation plants at Chhattisgarh and



Karnataka together with grinding units, bulk packaging terminals and ready mix concrete plants across the country. These expansions are expected to be operational in FY14 and will augment our cement capacity by 9.2 mtpa.

## **Outlook**

I believe, in the cement sector, issues such as the demand supply mismatch, infrastructural bottlenecks and rising input costs are challenges that we have to grapple with currently. In the last few years, new capacity additions of around 100 mtpa, coupled with the prevailing sluggish demand has resulted in a surplus scenario. At the same time, the substantial hike in coal and petro-product prices have led to a drastic increase in input costs. So, overall in the short term one feels bearish about the sector.

In my view, over the long term the cement sector is likely to grow in excess of 8.5%. My optimism stems from the Government's enhanced focus on urban as well as rural infrastructure development and housing. Furthermore, the enhanced capital allocation towards infrastructure in the 12<sup>th</sup> – Five Year Plan will be a growth propeller. We are positive that we will continue to do well.

## **To our teams**

I would like to say a big thank you to all of our teams for their consistent high performance. I take great pride in the performance of our people.

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***“In my view, over the long term the cement sector is likely to grow in excess of 8.5%. My optimism stems from the Government's enhanced focus on urban as well as rural infrastructure development and housing.”***

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## The Aditya Birla Group in perspective

Today, we are a multi ethnic, multi dimensional Group with a bench strength of 133,000 passionate and committed people, belonging to 42 nationalities across 6 continents. For the year 2010-11, our consolidated revenues stand at US \$ 35 billion, compared to US \$ 29 billion in the preceding year, recording a 22% growth. Our leadership, regardless of levels, has a penchant for collaborative and innovative solutions, for new ways of working that keep our Companies and our products on our clients and customers radar all the time. This is what drives our performance.


I believe that purposive actions in the people area can be huge differentiators to our growth plans. For us, it is very important to know what our people think of us. So we recourse to a biannual Organisational Health Survey (OHS) conducted by Gallup as the barometer of the engagement at work index in our Group. Over 28,000 executives spanning 31 countries participated in OHS 7 (2010). The participation level at 97%, in Gallup's opinion, sets a new benchmark. Given its objectivity and rigour of its process, there is immense value in its findings.

It is a matter of great satisfaction for me that the key strength of the Group, as identified in the OHS, continues to be the great sense of pride that our employees experience and express in working for the Aditya Birla Group. More importantly, this pride stems from our employees' belief and conviction that we are a good corporate citizen. Given the decline in ethics we see in business today, that is a huge validation of our insistence on value-based leadership. Pride, in turn is a great driver of positive energy and performance.

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***"It is a matter of great satisfaction for me that the key strength of the Group, as identified in the OHS, continues to be the great sense of pride that our employees experience and express in working for the Aditya Birla Group."***

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To capitalise on this positivity and to grow and hone the talent resident in the Group, we have launched several initiatives that further our Employee Value Proposition – a World of Opportunities. We have launched the ‘Career Management Services’ – a pioneering effort which is an integrated end-to-end career service aimed at all employees. This is already afoot in the cement business. Over the coming years it will be extended across other businesses in the Group.

On the issue of grooming talent, collectively our Business Directors and Business Heads, along with me, have invested over 500 man-hours in discussing, reviewing and working through the development plans of each of our talent pool members at the Group level. Their development plans include engagement with special projects, coaching and mentoring by the top leadership team, besides attending cutting-edge functional and behavioural programmes globally that open the frontiers of their mind and goad them to defy limitations. That 60% of the total leadership positions were filled in from our existing talent in 2010-11 validates the talent honing processes which have laid a robust leadership pipeline within our Group.

Our commitment to employee learning and development at all levels, is unrelenting. In 2010-11, there were 30,000 touch points with our learners through multiple formats of learning. More than 25,000 employees enlisted in e-learning programmes at Gyanodaya, our Institute of Management Learning. This year, at Gyanodaya, 200 colleagues at very senior levels attended specially designed programmes.

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***“On the issue of grooming talent, collectively our Business Directors and Business Heads, along with me, have invested over 500 man-hours in discussing, reviewing and working through the development plans of each of our talent pool members at the Group level.”***

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***"Our people are our future. With them and the wind in our sails, we feel buoyant about achieving our stretch goal of becoming a 65 billion dollar Group by 2015. Your Company will play an important role in reaching this destination."***

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They had the opportunity to interact with professors from leading Universities and B-Schools. They were a great faculty, drawn from Universities such as Stanford, RICE, Michigan and Duke at the global level along with professors from the IIMs and ISB (Hyderabad). Our senior managers also derived immense value from training and learning sessions conducted by leading consultancies such as The Centre for Creativity Leadership (CCL), The Hay Group and The Works Partnership (TWP), among others.

Finally, I am delighted to share with you that our employees have given a thumping vote of confidence to our Group as the 'Best Employers' in India and in Asia Pacific. Aditya Birla Group, of which your Company is an integral member, has been declared as one of the 'Best Employers' in India in the Aon Hewitt Survey conducted recently. We ranked 2<sup>nd</sup> from among 200 other Indian organisations, who participated in the survey. In Asia Pacific, we have been ranked among the top companies as well. Soon we hope to attain this stature in the rest of the world too – wherever we operate.

Our people are our future. With them and the wind in our sails, we feel buoyant about achieving our stretch goal of becoming a 65 billion dollar Group by 2015. Your Company will play an important role in reaching this destination.

Yours sincerely,



Kumar Mangalam Birla



## Board of Directors

Kumar Mangalam Birla  
*Chairman*

Mrs. Rajashree Birla

R. C. Bhargava

G. M. Dave

Adesh Gupta

N. J. Jhaveri

Nirmalya Kumar

S. B. Mathur

V. T. Moorthy

S. Rajgopal

D. D. Rath

O. P. Puranmalka  
*Whole-time Director*

## Chief Financial Officer

K. C. Birla

## Company Secretary

S. K. Chatterjee

## Executives

R. K. Shah  
*Group Executive President & CMO (Mfg. & Projects)*

S. N. Jajoo  
*Chief Marketing Officer*

C. B. Tiwari  
*Chief People Officer*

R. Mohnot  
*Unit Head – White Cement*

## Corporate Finance Division

J. Bajaj  
*Executive President (Finance)*

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

## Statutory Auditors

Deloitte Haskins & Sells, *Chartered Accountants, Mumbai*

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

## Cost Auditors

N. I. Mehta & Co., *Cost Accountants, Mumbai*

## Solicitors

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

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**REGISTERED OFFICE:** ‘B’ Wing, Ahura Centre, 2<sup>nd</sup> Floor, Mahakali Caves Road, Andheri (East), Mumbai 400 093  
Tel. : (022) 6691 7800 Fax : (022) 6692 8109. Website : [www.ultratechcement.com/www.adityabirla.com](http://www.ultratechcement.com/www.adityabirla.com)

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**REGISTRAR & TRANSFER AGENT:** Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex,  
2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072  
Tel. : (022) 6772 0300 / 6772 0400 Fax : (022) 2859 1568 / 2850 8927

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**NOTICE** is hereby given that the Eleventh Annual General Meeting of **UltraTech Cement Limited** will be held at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020 on Friday 9<sup>th</sup> September, 2011 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 31<sup>st</sup> March, 2011 and the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2011 and the Report of the Directors' and Auditors' thereon.
2. To declare dividend on equity shares for the year ended 31<sup>st</sup> March, 2011.
3. To appoint a Director in place of Mr. R. C. Bhargava, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S. Rajgopal, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. D. D. Rathi, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai (Registration No.: 117366W) and M/s. G. P. Kapadia & Co., Chartered Accountants, Mumbai (Registration No.: 104768W) be and are hereby re-appointed Joint Statutory Auditors of the Company, to hold office from the conclusion of the Eleventh 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 Eleventh 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. Adesh Gupta, 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 ₹ 500/- pursuant to the provisions of Section 257 of the Act from a Member signifying his intention to propose Mr. Gupta 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 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") Prof. Nirmalya Kumar, 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 ₹ 500/- pursuant to the provisions of Section 257 of the Act from a Member signifying his intention to propose Prof. Kumar 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."

By Order of the Board



S. K. Chatterjee  
Company Secretary

Place: Mumbai

Date: 26<sup>th</sup> April, 2011

#### Notes:

1. **A Member entitled to attend and vote at the Eleventh 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 (the "Act") 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 27<sup>th</sup> August, 2011 to 9<sup>th</sup> September, 2011 (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 from 12<sup>th</sup> September, 2011 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 26<sup>th</sup> August, 2011 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, 2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072 on or before 26<sup>th</sup> August, 2011.
5. Pursuant to the provisions of Section 205A of the Act, dividend for the financial year 2003-04 and the dividends for the subsequent years, which remain unpaid or unclaimed for a period of 7 years will

be transferred to Investor Education and Protection Fund (IEPF). Shareholders who have so far not encashed the dividend warrant(s) for the financial year 2003-04 are requested to make their claim to the Secretarial Department at the Registered Office of the Company or the office of the RTA on or before 15<sup>th</sup> November, 2011, failing which the unpaid / unclaimed amount will be transferred to the IEPF. In terms of the provision of Section 205C of the Act, no claim shall lie with respect to unclaimed dividend once it is transferred by the Company to IEPF.

6. 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.
7. 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.
8. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or its RTA quoting reference of their Folio numbers or their Client ID number with DP ID number, as the case may be.

9. 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.

10. (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](http://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 or its RTA.
- (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

#### 11. 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.*

12. As per the provisions of the Act, 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](http://www.ultratechcement.com). Members holding shares in electronic form are required to approach their DPs for the nomination.
13. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment/

appointment at the Annual General Meeting is attached hereto.

14. The Annual Report of the Company for the year 2010-11, circulated to the Members of the Company, will be made available on the Company's website viz. [www.ultratechcement.com](http://www.ultratechcement.com). The annual accounts of the Company's subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time.
15. *In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. transfer of shares, deletion of name, transmission of shares and transposition of shares. Shareholders are requested to furnish copy of PAN card for all the abovementioned transactions.*
16. *The Ministry of Corporate Affairs, Government of India, through its Circular Nos. 17/2011 dated 21<sup>st</sup> April, 2011 and 18/2011 dated 29<sup>th</sup> April, 2011, respectively, has allowed companies to send documents viz. Notices of meetings, Annual Reports and other shareholder communication to their shareholders electronically as part of its green initiatives in corporate governance.*

*Recognising the spirit of the circular, it is proposed that henceforth documents as mentioned above will be sent electronically to the email addresses provided by you and made available to the Company by the Depositories viz. NSDL / CDSL. As and when there are changes in your email address, you are requested to update the same with your depository participant.*

*For shares held in physical form, shareholders can register their email address with the Company at [sharesutcl@adityabirla.com](mailto:sharesutcl@adityabirla.com) mentioning their name(s) and folio no(s).*



## 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 Tenth Annual General Meeting.

The Board of Directors of the Company ("the Board") 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. Adesh Gupta was appointed Additional Director on the Board of the Company with effect from 26<sup>th</sup> October, 2010 to hold office till the conclusion of the ensuing Annual General Meeting. Mr. Gupta is a whole-time Director and CFO of the Company's holding Company viz. Grasim Industries Limited. Mr. Gupta has been associated with the Aditya Birla Group for more than 30 years during which period he has served in various

positions. Considering his vast experience and seniority, 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. Adesh Gupta is interested in the said resolution.

#### Item no. 9

Prof. Nirmalya Kumar was appointed Additional Director on the Board of the Company with effect from 16<sup>th</sup> February, 2011 to hold office till the conclusion of the ensuing Annual General Meeting. Prof. Kumar is Professor of Marketing and Co-Director of Aditya Birla India Centre at London Business School. Prof. Kumar's experience includes working with more than 50 Fortune 500 companies in 50 different countries. He is the author of five books, including four for the Harvard Business School Press: Marketing as Strategy, Private Label Strategy, Value Merchants and India's Global Powerhouses. Previously, he has served on the Boards of ACC, Ambuja Cements, BP Ergo, Bata India and Zensar Technologies. He currently serves on the Board of Governors for London Business School. He has a PhD from Kellogg School of Management, Northwestern University. Considering his vast experience, his presence on the Board will be valuable to the Company.

The resolution as set out in item no. 9 of this Notice is accordingly commended for your acceptance.

None of the Directors except Prof. Nirmalya Kumar is interested in the said resolution.

By Order of the Board



S. K. Chatterjee  
Company Secretary

Place: Mumbai

Date: 26<sup>th</sup> April, 2011



## Disclosure pursuant to Clause 49 of the Listing Agreement relating to Directors seeking re-appointment / appointment at the Annual General Meeting :

Name of Director	Mr. R. C. Bhargava	Mr. S. Rajgopal	Mr. D. D. Rathi	Mr. Adesh Gupta	Prof. Nirmalya Kumar
Date of Birth	30 <sup>th</sup> July, 1934	17 <sup>th</sup> July, 1935	11 <sup>th</sup> January, 1947	11 <sup>th</sup> September, 1956	8 <sup>th</sup> March, 1960
Date of Appointment	6 <sup>th</sup> July, 2004	20 <sup>th</sup> October, 2007	6 <sup>th</sup> July, 2004	26 <sup>th</sup> October, 2010	16 <sup>th</sup> February, 2011
Expertise in specific general functional area	General Management	Civil Service	Company Executive	Company Executive	Professor - Marketing
Qualification	M.Sc. (Maths), M.A. (Dev. Economics)	B.A. Hons (Mathematics), M.A. (History)	B. Com., FCA	B. Com, FCA, FCS,	B. Com., MBA, PhD in Marketing
List of outside Directorships held (Public Limited Companies)	<ol style="list-style-type: none"> <li>1. Birla Sunlife Asset Management Company Ltd.</li> <li>2. Dabur India Ltd.</li> <li>3. Grasim Industries Ltd.</li> <li>4. Idea Cellular Ltd.</li> <li>5. IL&amp;FS Ltd.</li> <li>6. Maruti Suzuki India Ltd.</li> <li>7. Optimus Global Services Ltd.</li> <li>8. Polaris Software Lab Ltd.</li> <li>9. Thomson Press Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Larsen &amp; Toubro Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Grasim Industries Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Aditya Birla Telecom Ltd.</li> <li>2. Birla Insurance Advisory and Broking Services Ltd.</li> <li>3. Birla Consultants Ltd.</li> <li>4. Birla Industrial Finance (India) Ltd.</li> <li>5. Birla Industrial Investments (India) Ltd.</li> <li>6. Grasim Bhiwani Textiles Ltd.</li> <li>7. Grasim Industries Ltd.</li> <li>8. Samruddhi Swastik Trading and Investments Ltd.</li> <li>9. Sun God Trading and Investment Ltd.</li> </ol>	—
Chairman / Member of the Committee of the Board of Directors of the Company	<ol style="list-style-type: none"> <li>1. Audit Committee - Chairman</li> <li>2. Share Transfer &amp; Shareholder / Investor Grievance Committee - Member</li> </ol>	<ol style="list-style-type: none"> <li>1. Audit Committee - Member</li> </ol>	<ol style="list-style-type: none"> <li>1. Share Transfer &amp; Shareholder / Investor Grievance Committee - Member</li> </ol>	—	—
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he / she is a Director					
<b>a) Audit Committee</b>	<ol style="list-style-type: none"> <li>1. IL&amp;FS Ltd. - Chairman</li> <li>2. Optimus Global Services Ltd. - Chairman</li> <li>3. Thomson Press Ltd. - Chairman</li> <li>4. Dabur India Ltd. - Member</li> <li>5. Grasim Industries Ltd. - Member</li> <li>6. Polaris Software Lab Ltd. - Member</li> </ol>	—	—	<ol style="list-style-type: none"> <li>1. Grasim Bhiwani Textiles Ltd. - Member</li> <li>2. Samruddhi Swastik Trading and Investments Ltd. - Member</li> </ol>	—
<b>b) Shareholders Committee</b>	<ol style="list-style-type: none"> <li>1. Maruti Suzuki India Ltd. - Member</li> </ol>	—	<ol style="list-style-type: none"> <li>1. Grasim Industries Ltd. - Member</li> </ol>	<ol style="list-style-type: none"> <li>1. Grasim Industries Ltd. - Member</li> </ol>	—

Note : Pursuant to Clause 49 of the Listing Agreement, only two committees viz. Audit Committee and Shareholders Committee have been considered.

Particulars	Units	2010-11*	2009-10	2008-09	2007-08	2006-07
<b>PRODUCTION (Quantity)</b>						
- Clinker	Mn.T	26.75	15.55	15.07	14.35	14.22
- Cement	Mn.T	32.92	17.64	15.87	15.07	14.64
<b>SALES (Quantity)</b>						
- Clinker	Mn.T	1.56	2.46	2.38	2.09	2.50
- Cement	Mn.T	33.23	17.77	15.80	15.02	15.17
<b>PROFIT &amp; LOSS ACCOUNT</b>						
Gross Sales	₹ Crs	14,859	7,729	7,160	6,286	5,484
Excise duty	₹ Crs	1,649	679	777	777	574
<b>Net Sales</b>	<b>₹ Crs</b>	<b>13,210</b>	<b>7,050</b>	<b>6,383</b>	<b>5,509</b>	<b>4,911</b>
Operating Expenses	₹ Crs	10,668	5,078	4,679	3,783	3,493
Operating Profit	₹ Crs	2,542	1,972	1,704	1,726	1,418
Other Income	₹ Crs	287	122	106	101	61
EBITDA	₹ Crs	2,829	2,094	1,810	1,827	1,479
Depreciation / Amortisation	₹ Crs	766	388	323	237	226
EBIT	₹ Crs	2,063	1,706	1,487	1,589	1,253
Interest	₹ Crs	277	118	126	82	87
<b>Profit before Tax</b>	<b>₹ Crs</b>	<b>1,786</b>	<b>1,588</b>	<b>1,361</b>	<b>1,507</b>	<b>1,166</b>
Provision for Current Tax	₹ Crs	385	387	198	510	396
Provision for Deferred Tax	₹ Crs	(3)	108	181	(17)	(17)
Fringe Benefit Tax	₹ Crs	-	-	6	6	5
<b>Net Earnings</b>	<b>₹ Crs</b>	<b>1,404</b>	<b>1,093</b>	<b>977</b>	<b>1,008</b>	<b>782</b>
<b>Cash Earnings</b>	<b>₹ Crs</b>	<b>2,167</b>	<b>1,589</b>	<b>1,481</b>	<b>1,228</b>	<b>992</b>
Dividend (incl. Dividend tax)	₹ Crs	191	87	73	73	57
<b>BALANCE SHEET</b>						
Net Fixed Assets including CWIP	₹ Crs	12,506	5,201	5,313	4,784	3,214
Investments	₹ Crs	3,730	1,670	1,035	171	483
Current Assets	₹ Crs	3,759	1,472	1,372	1,304	960
Current Liabilities	₹ Crs	3,454	1,299	1,253	1,279	755
Net Current Assets	₹ Crs	305	173	119	25	205
<b>Capital Employed</b>	<b>₹ Crs</b>	<b>16,541</b>	<b>7,044</b>	<b>6,467</b>	<b>4,980</b>	<b>3,903</b>
Net Worth represented by						
Equity Share Capital	₹ Crs	274	124	124	124	124
Employee Stock Options Outstanding	₹ Crs	5	2	2	1	-
Reserves & Surplus	₹ Crs	10,387	4,482	3,476	2,572	1,639
<b>Net Worth</b>	<b>₹ Crs</b>	<b>10,666</b>	<b>4,609</b>	<b>3,602</b>	<b>2,697</b>	<b>1,764</b>
<b>Loan Fund</b>						
Secured Loans	₹ Crs	2,790	854	1,176	983	1,151
Unsecured Loans	₹ Crs	1,355	750	966	758	427
<b>Total Loan Funds</b>	<b>₹ Crs</b>	<b>4,145</b>	<b>1,605</b>	<b>2,142</b>	<b>1,741</b>	<b>1,579</b>
Deferred Tax Liabilities	₹ Crs	1,730	831	723	542	560
<b>Capital Employed</b>	<b>₹ Crs</b>	<b>16,541</b>	<b>7,044</b>	<b>6,467</b>	<b>4,980</b>	<b>3,903</b>
<b>RATIOS &amp; STATISTICS</b>						
EBITDA Margin	%	21	30	28	33	30
Net Margin	%	11	16	15	18	16
Interest Cover (EBITDA/Interest)	Times	10.21	17.82	14.42	22.19	17.04
ROCE (PBIT/Average Capital Employed)	%	19	25	26	36	36
Current Ratio	Times	1.09	1.13	1.09	1.02	1.27
Debt Equity Ratio	Times	0.39	0.35	0.59	0.65	0.90
Dividend per share	₹ / Share	6.00	6.00	5.00	5.00	4.00
Dividend Payout on Net Profit (Before exceptional items)	%	14	8	7	7	7
EPS	₹ / Share	62.74	87.82	78.48	80.94	62.84
Cash EPS before exceptional items	₹ / Share	90.57	127.65	118.94	98.66	79.67
Book Value per share	₹ / Share	389.21	370.21	289.36	216.65	141.69
No. of Equity Shares	Nos.	274,041,665	124,487,079	124,485,879	124,485,879	124,485,879

\* The previous years figures are strictly not comparable on account of the amalgamation of Samruddhi Cement Limited with your Company w.e.f. 1<sup>st</sup> July, 2010 (Appointed Date).

## OVERVIEW

The global economy is indicating signs of recovery. After witnessing a sharp downturn in 2008 and 2009, an increasing number of countries have registered notable recovery on the back of concerted government efforts towards development activities. The recovery has been primarily led by the emerging economies, especially the Asian economies of India and China.

In FY11, India's economic performance was powered by a rebound in the agricultural and service sectors. The economy grew by 8.6% during FY11, a revelation of not only its strong fundamentals but also the opportunities that it holds for the future. Growth in the infrastructure and capital goods sectors were however slower than GDP growth. While the economy indicated signs of a turnaround, it encountered some setbacks in the form of high inflation, fiscal deficit and current account deficit. Despite several measures adopted by the Government and the Reserve Bank of India, inflation continued to remain high.

FY11 was quite challenging for the cement industry. Demand off-take was weaker than expected on account of lower housing demand, realty and infrastructure spending. On the supply front, overcapacity continued to plague the industry. In line with the fall in demand and over supply scenario, industry capacity utilisation was at 75% against 84% recorded in the previous year. The demand-supply mismatch is expected to stay for some time as the total cement industry capacity is expected to increase even further over the next 18-24 months.

On the cost front, fuel and energy prices remained high. Cement prices remained under pressure causing margins to contract severely. Given this backdrop, over the next couple of years, over capacity, rising input costs and volatile pricing environment is expected to affect industry margins.

*The figures given in this Management Discussion and Analysis includes figures of erstwhile Samruddhi Cement Limited ("Samruddhi") for the period 1<sup>st</sup> July, 2010 to 31<sup>st</sup> March, 2011 and therefore the figures for the year under review are strictly not comparable with the previous year. However, for like for like comparison, figures for the last year have been recasted, so as to include Samruddhi's figures for the period 1<sup>st</sup> July, 2009 to 31<sup>st</sup> March, 2010.*

## PERFORMANCE REVIEW

### – Capacity Utilisation

	FY11 (Reported)	FY10 (Recasted)	FY10 (Reported)	% change over FY10 (Recasted)
<b>Installed capacity (MMTPA):</b>				
Clinker	36.20	36.20	17.80	—
Cement	48.75	48.75	23.10	—
<b>Production (MMT):</b>				
Clinker	26.75	27.52	15.55	(3)
Cement	32.92	32.11	17.64	3
- clinker capacity utilisation*	84%	87%	87%	(3)
- effective capacity utilisation@	81%	86%	88%	(5)

\* clinker capacity utilisation based on period of new capacity in operations.

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

### – Sales Volume

	FY11 (Reported)	FY10 (Recasted)	FY10 (Reported)	% change over FY10 (Recasted)
<b>Sales Volume (MMT):</b>				
Domestic—Cement	32.67	31.77	17.26	3
Clinker	0.09	0.49	0.52	(82)
<b>Total</b>	<b>32.76</b>	<b>32.26</b>	<b>17.78</b>	<b>2</b>
Exports –Cement	0.55	0.50	0.50	11
Clinker	1.35	1.92	1.92	(30)
Total	1.90	2.42	2.42	(21)
<b>Total Volume</b>	<b>34.67</b>	<b>34.68</b>	<b>20.21</b>	<b>—</b>

During the year, industry cement demand growth was 5.3% against 12% in the previous year, the lowest growth in last 10 years. Your Company's growth was 3% on account of subdued growth in the markets of South India.

### – Sales Realisation (Net of Excise Duty)

	FY11 (Reported)	FY10 (Recasted)	FY10 (Reported)	% change over FY10 (Recasted)
Average Realisation (₹/MT)	3,323	3,414	3,311	(3)
Domestic – Cement	3,416	3,558	3,543	(4)
Exports – Cement	2,905	3,050	3,050	(5)
– Clinker	1,551	1,602	1,602	(3)

The industry witnessed capacity addition of around 28 MMT during the year, over and above the 60 MMT added in the previous year. This has resulted in a surplus scenario, which together with sluggish demand adversely impacted domestic realisation which was lower by 4% as compared to the previous year.

### – Financial Highlights

(₹ in Crores)

	FY11 (Reported)	FY10 (Recasted)	FY10 (Reported)	% change over FY10 (Recasted)
Net Turnover	13,210	13,442	7,050	—
Domestic	12,821	12,957	6,589	—
Exports	389	485	461	(20)
Other Income	287	179	122	60
Total Expenditure	10,668	9,602	5,078	11
Operating Profit (PBIDT)	2,829	4,019	2,094	(30)
<b>Operating Margin (%)</b>	<b>21</b>	<b>30</b>	<b>30</b>	<b>(9)</b>
Depreciation	766	700	388	9
Profit Before Interest and Tax (PBIT)	2,063	3,319	1,706	(38)
Interest	277	—*	118	—
Profit Before Tax	1,786	—*	1,588	—
Tax Expenses	382	—*	495	—
Net Profit after Tax	1,404	—*	1,093	—

\* The recasted figures for FY10 not being available, % change over FY10 not indicated.

### Net Turnover

Turnover remained at par with the previous year with increased volume partly off-setting the effect of decline in cement prices. The share of Ready Mix Concrete (RMC), White Cement and other related products in your Company's turnover was 9% and 6% respectively. Both RMC and White Cement have recorded a splendid performance with turnover for RMC reflecting a growth of 26% and that of White Cement 16%. White Cement Business growth is linked with the higher sale of Wall Care Putty and other White Cement based products.

### Other Income

With the amalgamation of Samruddhi with your Company, all assets and liabilities of Samruddhi

stand transferred to your Company with effect from 1<sup>st</sup> July, 2010 i.e the Appointed Date. These include the liquid investments of Samruddhi which have also been transferred, resulting in higher income on current investments. Apart from the income from current investments, your Company has received fiscal incentives of around ₹ 20 crores for one of its Unit and higher export incentives.

### Operating Profit (PBIDT) and Margin

Operating profit and margin were impacted mainly on account of substantial increase in cost as follows:

#### (i) Energy Cost

Increase in imported as well as domestic coal prices impaired energy costs by 23% which rose substantially from ₹ 682/t to ₹ 840/t.

Imported coal prices increased by 37% from CIF US\$ 88/t to US\$ 121/t. In addition to the normal hike in price of domestic coal, there was a further rise in domestic coal prices in the range of 30%-150% from 1<sup>st</sup> March, 2011 by Coal India Limited, impact of which will be seen in FY12.

The impact in price hike was partially offset by improvement in consumption norms and improved efficiency of equipment. All of these have resulted in reduction of power consumption from 83.13 Kwh/t of cement to 82.02 Kwh/t. Use of captive power has further escalated with around 78% of your Company's power requirement being met through captive generation.

In order to conserve natural resources, your Company has further augmented the use of alternative fuels.

#### (ii) Freight and Handling expenses

Freight and handling expenses for domestic dispatches were up 6% from ₹ 706/t to ₹ 748/t, on account of hike in freight rates linked with diesel prices.

Overall lead distance improved considerably over the previous year with stabilisation of new capacities and a close focus on main markets.

#### (iii) Employee cost

Employee cost rose by 24% linked to normal increments, increase in manpower number and

the result of settlement of wage revision for workers as well as higher provision of retirement benefits compared to the previous year.

With lower realisation and increase in cost, overall operating margins declined from 30% to 21%.

#### Depreciation

Increase in depreciation from ₹ 700 crores in FY10 to ₹ 766 crores in FY11 is due to the new capitalisation in FY11 and the full impact of capitalisation in FY10.

#### Interest & Finance Charges

Interest cost stood at ₹ 277 crores as compared to ₹ 118 crores in FY11 on account of transfer of loans from Samruddhi.

#### Income Tax

Income tax expenses were lower on account of reversal of tax provisions amounting to ₹ 126 crores relating to earlier years.

#### Net Profit

Net profit stood at ₹ 1,404 crores.

#### – Cash Flow Statement

(₹ in Crores)

	<b>FY11 (Reported)</b>	<b>FY10 (Reported)</b>
<b>Sources of Cash</b>		
Cash from operations	2,167	1,636
Non-operating cash flow	135	58
Proceeds from issue of share capital	1	—
Increase in borrowings	1	—
<b>Total</b>	<b>2,304</b>	<b>1,694</b>
<b>Uses of Cash</b>		
Net capital expenditure	1,242	274
Increase in investments	542	636
Decrease in borrowings	—	522
Interest	293	146
Dividend	141	73
Increase in working capital	92	64
<b>Total</b>	<b>2,310</b>	<b>1,715</b>
Increase / (Decrease) in cash & cash equivalents	(6)	(21)



View of a Cement Unit



## Sources of Cash

### Cash from operations

Higher cash from operations is the outcome of amalgamation of Samruddhi with your Company. On a like for like basis, cash from operations has declined because of lower realisation and an upsurge in cost.

### Non-Operating Cash Flow

Non-operating cash flow is higher due to higher income on increased liquid investments transferred from Samruddhi and fiscal export incentives.

### Uses of Cash

#### Net Capital Expenditure

Capital expenditure of around ₹ 1,242 crores is towards expansion of capacity at Rawan Cement Works, Chhattisgarh and Rajashree Cement Works, Karnataka, setting up of captive power plants at Awarpur Cement Works, Maharashtra, Andhra Pradesh Cement Works, Andhra Pradesh, jetty expansion at Gujarat Cement Works, bulk packaging terminals and normal modernisation capex.

#### Increase in investments

Your Company invested surplus funds into debt scheme of recognised Mutual Funds.

#### Increase in working capital

#### Increase / (Decrease) were mainly on account of the following:

Increase in Inventory	₹ 120 crores
Increase in Sundry Debtors	₹ 96 crores
Increase in Loans & advances	₹ 21 crores
Increase in Liabilities and provisions	(₹ 145 crores)
	<hr/>
	₹ 92 crores

and also reflects the impact of amalgamation of Samruddhi with your Company.

### CAPITAL EXPENDITURE PLAN

Your Company has a capital outlay of around ₹ 11,000 crores to be spent over the next 3 years. These include setting up of additional clinkerisation plants at Chhattisgarh and Karnataka along with grinding units and bulk packaging terminals across various states. To take these projects forward, orders for major equipment have been placed. Consequent to these

expansions, the cement capacity addition will be 9.2 mtpa, which will be operational from early FY14.

## CONSOLIDATED PERFORMANCE

(₹ in Crores)

	<b>FY11 (Reported)</b>	<b>FY10 (Reported)</b>
Net Turnover	13,691	7,175
<b>Operating Profit (PBIDT)</b>	<b>2,860</b>	<b>2,107</b>
Interest	299	118
<b>Gross Profit (PBDT)</b>	<b>2,561</b>	<b>1,989</b>
Depreciation & Amortisation of Goodwill	813	391
<b>Profit Before Tax</b>	<b>1,748</b>	<b>1,598</b>
Tax Expenses	387	501
<b>Net Profit before Minority Interest</b>	<b>1,361</b>	<b>1,097</b>
Minority Interest	(6)	2
<b>Net Profit after Minority Interest</b>	<b>1,367</b>	<b>1,095</b>

On account of the amalgamation of Samruddhi with your Company w.e.f. 1<sup>st</sup> July, 2010 and acquisition of ETA Star Cement, the figures for FY11 are strictly not comparable with the corresponding period of the previous year. However comparable consolidated net turnover and PBIT for the corresponding period of the previous year are ₹ 13,568 crores and ₹ 3,329 crores, respectively.

## HUMAN RESOURCES

Your Company continues to believe that human resources will play a very important role in the growth of its business. We continue to benchmark our HR policies with best practices prevailing in the industry.

Your Company maintains cordial relationship with its employees with emphasis on safe work practices and productivity improvement.

The total number of employees post amalgamation of Samruddhi with your Company as on 31<sup>st</sup> March 2011 was 11,509 (pre-amalgamation 4,371).



Packing Plant

## RISK MANAGEMENT

Your Company continuously monitors and revisits the risks associated with its business. It has institutionalised the procedure for identifying, minimising and mitigating risks and the same are reviewed periodically.

Your Company has identified the following aspects as the major risks for its operations:-

- i) Availability of raw-material and fuel
- ii) Uncertain economic scenario
- iii) Environment and Safety
- iv) Financial
- v) Compliance
- vi) Data integrity.

### i) **Availability of raw-material and fuel**

Securing limestone mines and acquisition of land are big challenges in the current scenario.

Your Company has sufficient limestone reserves for its existing operations. Your Company is on the continuous look-out for sourcing of additional limestone reserves for

enhancing the existing plant life as well as for its future expansion. Your Company's operations are dependent on the continuous availability of quality coal at economical prices. Towards this objective, entering into long term contracts, securing coal blocks and linkages are a top priority for your Company. Use of alternative fuels for its operations is pursued earnestly.

### ii) **Uncertain economic scenario**

Although the economic scenario is indicating signs of recovery, there still exist areas of concern. Though the Government has demonstrated its intention to go for an aggressive nation building exercise by doubling the capital outlay in the 12<sup>th</sup> – Five Year Plan, its implementation is critical. The cement demand drivers continue to be housing, infrastructure and private consumption. The situation gets further compounded as a result of the socio-economic unrest witnessed in some parts of the Middle-East and African economies which may affect the availability of resources or put undue pressure on cost relating to petro products. In the domestic market, the surplus



scenario is likely to continue over the next 18 – 24 months thereby putting pressure on margins. Your Company is striving hard to optimise costs and provide better services to its consumers to negate these factors.

### iii) Environment and Safety

Your Company's operations are subject to environmental and safety laws and regulations. These impose stringent obligations, restrictions and protective measures to be adopted. The cost of compliance with these regulations is also high. Your Company is well aware of the importance of complying with the environment and safety regulations and continuously keeps on reviewing and upgrading the systems.

### iv) Financial

Inflation continues to remain untamed, forcing the Government to take monetary, fiscal and policy measures to tackle the challenge. These could enhance cost of borrowings for your Company.

### v) Compliance

The level of compliance is increasing by the day. Apart from the monetary penalties involved, non-compliance also has an adverse affect on an organisation's reputation. Your Company monitors its compliance mechanism so as to ensure that instances of non-compliance do not occur or are kept to the bare minimal.

### vi) Data integrity

Adherence with applicable regulations and compliance management involves generating voluminous data. These have to be preserved and prevented from being mis-used. Your Company regularly reviews and updates its data to ensure its integrity.

An Apex Committee has been set up for identifying and monitoring risks and reviewing the mitigation plan. This Committee is supported by the Risk Management Committees at the Units. The risk mitigation plans are reviewed regularly by the Audit Committee of your Company.



Central Control Room at a Unit

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has in place internal control systems and procedures commensurate with the size and nature of its operations. Internal control processes which consist of implementing and adopting appropriate management systems are followed. These are aimed at giving the Audit Committee reasonable assurance on the reliability of financial reporting, statutory and regulatory compliances, effectiveness and efficiency of your Company's operations. The Internal Control systems are reviewed periodically and revised to keep in tune with the changing business environment.

Internal Audit focuses on: (i) control systems, (ii) optimum utilisation of resources, (iii) prevention of frauds, (iv) adequacy of information systems, security and control, (v) compliance with risk management systems.

The Audit Committee reviews the Internal Audit Reports, discusses the same with the Internal Auditors and suggests ways of improvement.

## CONCLUSION

The cement industry is likely to maintain its growth momentum and continue growing at > 8.5% in the medium to long term. Government initiatives in the infrastructure sector and the housing sector are likely to be the main growth drivers.

Significant capacity addition during the year together with the possible addition of around 22 MMT during FY12 will lead to a surplus scenario. The pricing environment is likely to remain challenging coupled with rising energy costs due to greater reliance on imports, which will continue to squeeze margins.

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## 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.*

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is all about how a company is operated. The Aditya Birla Group is committed to the adoption of best governance practices and their adherence in true spirit at all times. Our governance practice stem from an inherent desire to provide full disclosure of material information and reflects the culture of trusteeship that is deeply ingrained in our value system and reflected in our thought process.

Our governance philosophy rests on five basic tenets: (i) board accountability to the company and shareholders (ii) strategic guidance and effective monitoring by the board (iii) protection of minority interests and rights (iv) equitable treatment of all shareholders (v) transparency and timely disclosure.

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.

Your Company continuously strives for excellence through adopting best governance and disclosure practices. In terms of Clause 49 of the Listing Agreement executed with stock exchanges, the details of compliance for the year ended 31<sup>st</sup> March, 2011 are as follows:

### I. BOARD OF DIRECTORS

#### • Composition

Your Company's Board comprises of 12 (twelve) Directors, which include the Whole-time Director and 7 (seven) 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 <sup>1</sup>	No. of outside directorship(s) held <sup>2</sup>	No. of outside committee position(s) held <sup>3</sup>	
		Public	Chairman	Member
Kumar Mangalam Birla	Non-Executive	10	-	-
Mrs. Rajashree Birla	Non-Executive	6	-	-
R. C. Bhargava	Independent	9	3	4
G. M. Dave	Independent	6	2	6
Adesh Gupta <sup>4</sup>	Non-Executive	9	-	3
N. J. Jhaveri	Independent	7	2	2
Nirmalya Kumar <sup>5</sup>	Independent	-	-	-
S. B. Mathur	Independent	12	4	5
V. T. Moorthy	Independent	1	-	-
S. Rajgopal	Independent	1	-	-
D. D. Rathi	Non-Executive	1	-	1
O. P. Puranmalka	Whole-time Director	1	-	-

1. Independent Director means a Director as defined under Clause 49 of the Listing Agreement.
2. Excluding alternate directorships and directorships in private limited companies, 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. Adesh Gupta appointed as an Additional Director w.e.f. 26<sup>th</sup> October, 2010.
5. Prof. Nirmalya Kumar appointed as an Additional Director w.e.f. 16<sup>th</sup> February, 2011.
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**

Sitting fees / commission paid to the Non-Executive Directors and Independent Directors are approved by the Board of Directors and have shareholder's approval. The details of sitting fees / commission paid to the Non-Executive Directors and Independent 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. It also meets as and when necessary to address specific issues relating to the business of your Company.

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

Date of Board meetings	Board strength	No. of Directors present
29 <sup>th</sup> April, 2010	10	9
29 <sup>th</sup> July, 2010	10	10
26 <sup>th</sup> October, 2010	11	8
25 <sup>th</sup> January, 2011	11	10

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, amongst other:

- 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 (AGM) are as follows:

Name of Director	No. of Board meetings		Attended last AGM <sup>@</sup>
	Held	Attended	
Kumar Mangalam Birla	4	4	Yes
Mrs. Rajashree Birla	4	2	No
R. C. Bhargava	4	4	Yes
G. M. Dave	4	3	Yes
Adesh Gupta <sup>1</sup>	4	2	N. A.
N. J. Jhaveri	4	4	Yes
Nirmalya Kumar <sup>2</sup>	4	N. A.	N. A.
S. B. Mathur	4	2	No
V. T. Moorthy	4	4	Yes
S. Rajgopal	4	4	Yes
D. D. Rathi	4	4	Yes
O. P. Puranmalka	4	4	Yes

<sup>@</sup> AGM held on 29<sup>th</sup> July, 2010 at Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400025.

1. Mr. Adesh Gupta appointed as an Additional Director w.e.f. 26<sup>th</sup> October, 2010.

2. Prof. Nirmalya Kumar appointed as an Additional Director w.e.f. 16<sup>th</sup> February, 2011.

## • 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](http://www.ultratechcement.com).

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

A declaration signed by the Whole-time 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 possess financial / accounting expertise. The composition of the Audit Committee meets the requirements of Section 292A of the Act and Clause 49 of the Listing Agreement.

During the year, the Audit Committee met 5 times to deliberate on various matters. The meetings were held on 29<sup>th</sup> April, 2010; 29<sup>th</sup> July, 2010; 26<sup>th</sup> October, 2010; 25<sup>th</sup> January, 2011 and 17<sup>th</sup> March, 2011.

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

Name of Member	No. of meetings		Sitting fees paid (₹)
	Held	Attended	
R. C. Bhargava	5	5	1,00,000
G. M. Dave	5	4	80,000
S. Rajgopal	5	5	1,00,000

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

### Permanent Invitees

Mr. D. D. Rathi - Director of your 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, debenture holders, 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. However, your Company has unlisted subsidiary companies in Sri Lanka and Middle East, the results of which are presented to your Company's Board.

### IV. DISCLOSURES

- **Disclosures on materially significant related party transaction 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 are placed before the Audit Committee.

Particulars of related party transactions are listed out in Schedule 21(B)(19) 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**

All decisions relating to the remuneration of the Directors are taken by the Board of Directors of your Company in accordance with the shareholder's approval, wherever necessary. Sitting fees for attending Board and Committee meetings is ₹ 20,000/- per meeting. At the Annual General Meeting held on 29<sup>th</sup> July, 2010, shareholders approved payment of commission not exceeding 1% per annum of the net profit of your Company to the Non-Executive Directors. The Board fixes the amount to be paid as commission. For the year 2010 - 2011, the Board has approved payment of ₹ 15 crores as commission to the Non-Executive Directors. The amount of commission payable is determined after assigning weightage to attendance, type and significance of the meetings to the overall functioning of your Company.



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

Name of Director	Sitting fees paid (₹)	Commission paid (31 <sup>st</sup> March, 2010 ) (₹)	Commission payable (31 <sup>st</sup> March, 2011) (₹)	Number of shares held
Kumar Mangalam Birla	80,000	9,00,00,000	13,50,00,000	14,065
Mrs. Rajashree Birla	40,000	35,90,000	82,05,000	41,701
R. C. Bhargava	80,000	18,90,000	22,80,000	129
G. M. Dave	60,000	14,80,000	13,50,000	5
Adesh Gupta <sup>1</sup> @	40,000	Nil	1,00,000	619
N. J. Jhaveri	80,000	7,30,000	8,40,000	-
Nirmalya Kumar <sup>2</sup>	Nil	Nil	Nil	-
S. B. Mathur	40,000	6,50,000	3,90,000	57
V. T. Moorthy	80,000	1,00,000	1,00,000	577
S. Rajgopal	80,000	14,60,000	16,35,000	-
D. D. Rathi <sup>@</sup>	80,000	1,00,000	1,00,000	57
O. P. Puranmalka	Nil	Nil	Nil	304

1. Mr. Adesh Gupta appointed as an Additional Director w.e.f. 26<sup>th</sup> October, 2010.

2. Prof. Nirmalya Kumar appointed as an Additional Director w.e.f. 16<sup>th</sup> February, 2011.

@ During the year 6,254 stock options granted to Mr. Adesh Gupta on 8<sup>th</sup> September, 2010 which will vest in four equal instalments commencing from 8<sup>th</sup> September, 2011 and can be exercised within a period of five years from each vesting. 4,258 stock options vested in Mr. D. D. Rathi in terms of the Scheme of Amalgamation of Samruddhi Cement Limited ("Samruddhi") with your Company.

The details of remuneration paid to the Whole-time Director is as follows:

Whole-time Director	Relationship with other Director	Remuneration paid during 2010-11			
		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
O. P. Puranmalka	-	₹ 3.00 crores	₹ 0.79 crores	See note (b)	See note (c)

(a) Mr. O. P. Puranmalka was paid a sum of ₹ 0.79 crores towards performance incentive linked for achievement of targets for the year 2009-10.

(b) Appointment of Mr. O. P. Puranmalka as Whole-time 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"), 4,042 stock options have vested and 14,973 stock options have been granted to Mr. O. P. Puranmalka during the year. For further details please refer to Annexure A to the Director's Report to the Shareholders.

All decisions relating to the remuneration of the Whole-time Director is taken by the Board in accordance with the resolution passed by 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 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](http://www.ultratechcement.com)) and also that of the Aditya Birla Group ([www.adityabirla.com](http://www.adityabirla.com)).

## • Share Transfers and Shareholders / Investors Grievance Committee

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

A "Share Transfer and Shareholder / 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 29<sup>th</sup> April, 2010 and 26<sup>th</sup> October, 2010. The composition, attendance and sitting fees paid are as follows:

Name of Member	No. of meetings		Sitting fees paid (₹)
	Held	Attended	
R. C. Bhargava	2	2	40,000
G. M. Dave	2	1	20,000
D. D. Rathi	2	2	40,000

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 transfers in the physical segment, necessary authority has been delegated by your Board to Director(s) and Officers of your Company to approve transfer / transmission 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 shareholder 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 and strictures imposed on the Company by stock exchanges or the 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 other statutory authority.

- **Voluntary Guidelines – 2009**

The Ministry of Corporate Affairs has issued a set of Voluntary Guidelines on 'Corporate Governance' and 'Corporate Social Responsibility' in December, 2009. These guidelines are expected to serve as a benchmark for the Corporate Sector and also help them in achieving the highest standard of corporate governance. Your Company already has in place some of the provisions of these guideline.

- **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 29<sup>th</sup> April, 2010.

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

Name of Member	No. of meetings		Sitting fees paid (₹)
	Held	Attended	
R. C. Bhargava	1	1	20,000
S. Rajgopal	1	1	20,000
D. D. Rathi	1	1	20,000

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 Options Scheme – 2006 ("the Scheme") comprises of Mr. Kumar Mangalam Birla, Mr. G. M. Dave and Mr. S. Rajgopal.

In terms of the authority granted to the Committee, 157,509 stock options have been granted to eligible employees under the Scheme, out of which 97,106 options have been granted to the eligible employees of Samruddhi in terms of the Scheme of

Amalgamation of Samruddhi with your Company.

During the year, the Committee vested 109,372 stock options to eligible employees, 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. Further, the Committee allotted 21,117 equity shares of ₹ 10/- each of your Company to Option Grantees pursuant to the exercise of stock options under the Scheme.

- **Merger Implementation Committee**

The Merger Implementation Committee, constituted to consider, examine and evaluate a consolidation of the cement business, met on 25<sup>th</sup> July, 2010.

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

Name of Member	No. of meetings		Sitting fees paid (₹)
	Held	Attended	
G. M. Dave	1	1	20,000
N. J. Jhaveri	1	1	20,000
D. D. Rathi	1	1	20,000

## V. CEO/CFO Certification

The Whole-time 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 with the stock exchanges.

## 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 with the Stock Exchanges 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 the first half of the financial year under review has been sent to each household of shareholders.
  - The statutory financial statements of your Company are unqualified.

## VIII. GENERAL BODY MEETINGS

AGMs of your Company during the preceding 3 years were held at Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400 025.

Date and time of the AGMs, held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

### 2010

Date and Time: 29<sup>th</sup> July, 2010; 3.30 p.m.

Special Resolution passed:

- Approving the payment of commission to the Non-Executive Directors of your Company.

### 2009

Date and Time: 21<sup>st</sup> July, 2009; 3.30 p.m.

Special Resolution passed:

- Keeping of register of members, index of members, register of debentureholders, index of debentureholders and other related books at new location of your Company's Registrar and Transfer Agent as their office has been shifted due to renovation at the existing premises.

### 2008

Date and Time: 18<sup>th</sup> July, 2008; 3.30 p.m.

Special Resolution passed: Nil

- 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 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 and Ahmedabad
Free Press Journal	Mumbai
Navshakti	Mumbai

- Any website, where displayed  
[www.ultratechcement.com](http://www.ultratechcement.com)  
[www.adityabirla.com](http://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 31<sup>st</sup> March, 2011.

Mumbai  
26<sup>th</sup> April, 2011

O. P. Puranmalka  
Whole-time Director

## CEO/CFO CERTIFICATION

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 31<sup>st</sup> March, 2011 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  
26<sup>th</sup> April, 2011

K. C. Birla  
Chief Financial Officer

O. P. Puranmalka  
Whole-time Director

1. Annual General Meeting
  - Date and Time : Friday, 9<sup>th</sup> September, 2011, 3.30 p.m.
  - Venue : Birla Matushri Sabhagar,  
19, New Marine Lines,  
Mumbai - 400020
2. Financial Calendar
  - Financial reporting for the quarter ending 30<sup>th</sup> June, 2011 : End July, 2011
  - Financial reporting for the half year ending 30<sup>th</sup> September, 2011 : End October, 2011
  - Financial reporting for the quarter ending 31<sup>st</sup> December, 2011 : End January, 2012
  - Financial reporting for the year ending 31<sup>st</sup> March, 2012 : End April, 2012
  - Annual General Meeting for the year ending 31<sup>st</sup> March, 2012 : End July/August, 2012
3. Dates of Book Closure : 27<sup>th</sup> August, 2011 to 9<sup>th</sup> September, 2011 (both days inclusive)
4. Dividend Payment Date : From 12<sup>th</sup> September, 2011
5. Registered Office : UltraTech Cement Limited  
"B" Wing, Ahura Centre, 2<sup>nd</sup> Floor,  
Mahakali Caves Road,  
Andheri (East),  
Mumbai - 400093.  
Tel.: (022) 66917800  
Fax: (022) 66928109  
Email: [sharesutcl@adityabirla.com](mailto:sharesutcl@adityabirla.com)  
Web: [www.ultratechcement.com](http://www.ultratechcement.com)  
[www.adityabirla.com](http://www.adityabirla.com)

6. (a) Listing Details:

Equity Shares	Non-Convertible Debentures
1. Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	1. Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
2. National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	2. National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

Note: Listing fees for the year 2011-12 have been paid to the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

(b) Name and address of Trustees  
for the Debentureholders

- : 1. AXIS Bank Limited  
Axis House,  
Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai - 400025  
Tel: (022) 24255202  
Fax: (022) 24251200
2. State Bank of India  
Mumbai Main Branch,  
Accounts 1 Division, 1<sup>st</sup> Floor,  
Mumbai Samachar Marg, Fort,  
Mumbai - 400001  
Tel No : (022) 22642332  
Fax No: (022) 22691088

(c) Overseas Depository for GDRs

- : Citibank N. A.  
Depository Receipt Services  
388, 14<sup>th</sup> Floor, Greenwich Street,  
New York; NY-10013 USA  
Tel: +212-723-4483  
Fax: +212-723-8023

(d) Domestic Custodian of GDRs

- : Citibank N.A.  
Custody Services  
3<sup>rd</sup> Floor, Trent House, G Block,  
Plot No. 60, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400051  
Tel: (022) 40296000  
Fax: (022) 26532205

7. Stock Code

: ISIN INE481G01011

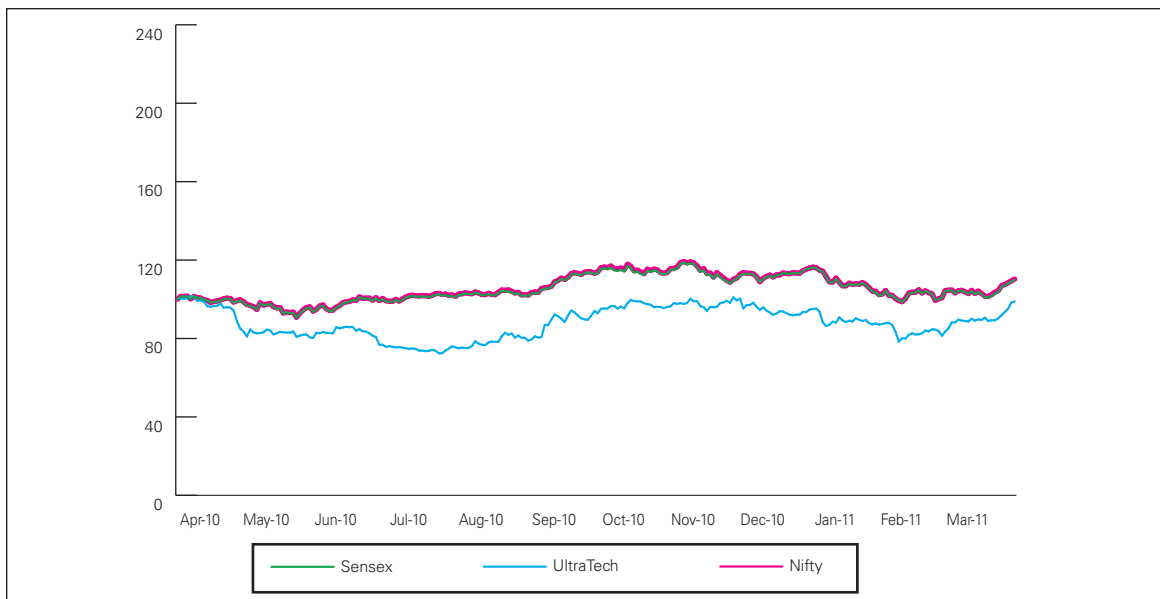
	Stock Code	Reuters	Bloomberg
BSE	532538	ULTC.BO	UTCEM IB
NSE	ULTRACEMCO	ULTC.NS	UTCEM IS

8. Stock Price Data:

	BSE				NSE			
	High (In ₹)	Low (In ₹)	Close (In ₹)	Volume (In Nos.)	High (In ₹)	Low (In ₹)	Close (In ₹)	Volume (In Nos.)
Apr-10	1,172.20	924.80	972.35	417,837	1,174.00	964.00	972.75	1,670,069
May-10	992.70	902.00	922.90	469,098	1,015.20	904.00	921.75	2,989,207
Jun-10	1,000.00	862.00	878.10	238,839	998.00	848.50	879.30	1,834,189
Jul-10	881.00	820.00	864.35	813,400	890.00	821.00	863.90	3,752,435
Aug-10	972.00	855.10	904.30	454,655	974.00	852.60	902.50	3,196,656
Sep-10	1,098.00	900.70	1,066.90	777,789	1,102.00	900.50	1,062.60	6,475,556
Oct-10	1,146.90	1,055.50	1,096.05	343,572	1,152.45	1,046.70	1,099.90	5,905,818
Nov-10	1,174.90	1,052.65	1,125.90	1,012,717	1,175.00	1,070.00	1,137.60	11,970,282
Dec-10	1,154.50	1,039.00	1,082.15	303,323	1,189.00	1,036.00	1,084.25	4,453,247
Jan-11	1,099.70	966.00	999.00	251,198	1,197.45	968.10	1,002.80	1,833,072
Feb-11	1,035.00	890.00	929.70	83,362	1,033.65	883.40	930.80	3,026,552
Mar-11	1,145.00	929.00	1,133.80	400,393	1,147.50	920.30	1,131.50	3,418,880



## 9. Stock Performance:



## 10. Stock Performance and Returns:

## Absolute Returns

(In Percentage)	1 Year	3 Years	5 Years
UltraTech	(2.02)	44.22	65.65
BSE Sensex	10.94	24.29	72.39
NSE Nifty	11.14	23.22	71.45

## Annualised Returns

(In Percentage)	1 Year	3 Years	5 Years
UltraTech	(2.02)	12.98	10.62
BSE Sensex	10.94	7.52	11.51
NSE Nifty	11.14	7.21	11.39

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,  
2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane,  
Off Andheri Kurla Road, Sakinaka,  
Andheri (East), Mumbai - 400072  
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 the 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)	2010-11			2009-10		
	No. of transfers	No. of shares	%	No. of transfers	No. of shares	%
1 - 15	75	1,949	4.25	13	260	1.50
16 - 20	535	16,681	30.35	151	6,353	17.48
21 - 30	1,153	35,907	65.40	700	22,295	81.02
<b>Total</b>	<b>1,763</b>	<b>54,537</b>	<b>100.00</b>	<b>864</b>	<b>28,908</b>	<b>100.00</b>

Number of pending share transfers as at 31<sup>st</sup> March, 2011

: 41 transfers in respect of 968 shares pending as registered notices have been issued to sellers.

13. Investor Services:

Complaints received during the year

Nature of Complaints	2010-11		2009-10	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission, Dividend, Demat and Change of address etc.	6	6	6	6

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 31<sup>st</sup> March :

No. of Equity Shares held	2011				2010			
	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	330,634	89.51	8,740,433	3.19	230,861	89.07	6,953,663	5.59
101 - 200	22,145	6.00	3,210,061	1.17	16,620	6.41	2,464,324	1.98
201 - 500	11,513	3.12	3,550,121	1.30	8,025	3.10	2,529,614	2.03
501 - 1000	3,054	0.83	2,118,553	0.77	2,224	0.86	1,577,549	1.27
1001 - 5000	1,555	0.42	2,861,580	1.04	1,131	0.44	2,094,852	1.68
5001-10000	117	0.03	809,383	0.30	92	0.04	663,561	0.53
10001 & above	339	0.09	252,751,534	92.23	215	0.08	108,203,516	86.92
<b>Total</b>	<b>369,357</b>	<b>100.00</b>	<b>274,041,665</b>	<b>100.00</b>	<b>259,168</b>	<b>100.00</b>	<b>124,487,079</b>	<b>100.00</b>

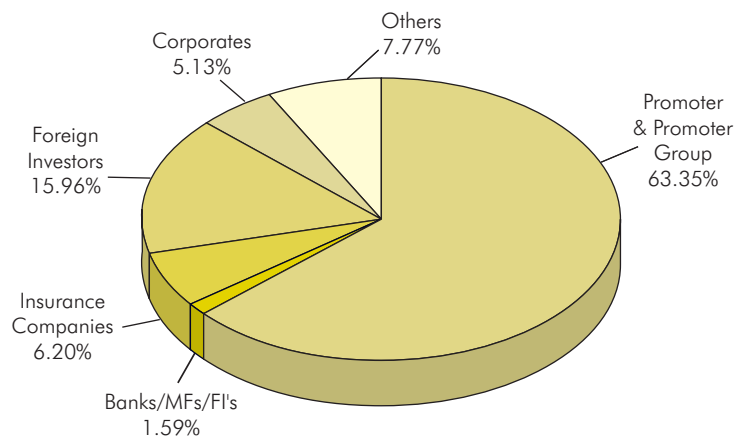
15. Category of Shareholding as on 31<sup>st</sup> March, 2011:

Category	No. of share holders	% of share holders	No. of shares held	% of share holding
<b>Promoter &amp; Promoter Group</b>	13	0.00	173,605,057	63.35
<b>Banks/MFs / FI's</b>				
Mutual Fund & UTI	95	0.03	4,155,407	1.52
Banks & FI's	136	0.04	189,993	0.07
<b>Insurance Companies</b>	29	0.01	16,996,799	6.20
<b>Foreign Investors</b>				
FII's	373	0.10	35,471,839	12.94
GDRs	1	0.00	5,769,289 <sup>@</sup>	2.11
NRIs/OCBs	7,296	1.98	2,506,654	0.91
<b>Corporates</b>	2,860	0.77	14,049,277	5.13
<b>Others</b>	358,554	97.07	21,297,350	7.77
<b>Total</b>	<b>369,357</b>	<b>100.00</b>	<b>274,041,665</b>	<b>100.00</b>

<sup>@</sup> 2,744,168 shares in respect of underlying GDRs held by Promoter & Promoter Group.

Notes: 1. In terms of the Scheme of Amalgamation of Samruddhi Cement Limited ("Samruddhi") with your Company, shareholders of Samruddhi have been allotted 149,533,469 equity shares of ₹ 10/- each of your Company as fully paid-up in the ratio of 4 (four) equity shares of your Company of face value ₹ 10/- each fully paid-up for every 7 (seven) equity shares of Samruddhi of face value ₹ 5/- each fully paid-up.

2. 21,117 equity shares of ₹ 10/- each have been allotted to option grantees pursuant to the exercise of stock options under your Company's Employees Stock Options Scheme - 2006.



16. Dematerialisation of shares and liquidity : 96.78% of outstanding shares have been dematerialised as on 31<sup>st</sup> March, 2011. 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 : 5,769,289 GDRs are outstanding as on 31<sup>st</sup> March, 2011. Each GDR represents one underlying equity share. There are no warrants/convertible bonds outstanding as at the year end.

## 19. Plant Locations (Integrated Plants) :

**Grey Cement****Andhra Pradesh Cement Works**

Bhogasamudram,  
Tadipatri Mandal,  
Dist.: Anantapur,  
Andhra Pradesh - 515415  
Tel: (08558) 288847/41  
Fax: (08558) 288821/59

**Gujarat Cement Works**

P.O. Kovaya,  
Taluka: Rajula,  
Dist.: Amreli,  
Gujarat - 365541  
Tel: (02794) 283034  
Fax: (02794) 283036

**Kotputli Cement Works**

V & P. O. Mohanpura,  
Tehsil: Kotputli,  
Dist.: Jaipur,  
Rajasthan - 303108  
Tel: (01421) 215719  
Fax: (01421) 288665

**Reddipalayam Cement Works**

Reddipalayam PO  
Dist.: Ariyalur  
Tamil Nadu - 621704  
Tel : (04329) 249240  
Fax : (04329) 249253

**White Cement****Birla White**

Rajashree Nagar, P.O. Kharia Khangar,  
Tehsil: Bhopalgarh,  
Dist.: Jodhpur, Rajasthan - 342606  
Tel : (02920) 264040 - 47  
Fax: (02920) 264244 / 264222

**Awarpur Cement Works**

P.O. Awarpur Cement Project,  
Taluka : Korpana,  
Dist.: Chandrapur,  
Maharashtra - 442917  
Tel: (07173) 266323  
Fax: (07173) 266339

**Hirmi Cement Works**

Village & Post: Hirmi,  
Taluka: Simga,  
Dist.: Raipur,  
Chhattisgarh - 493195  
Tel: (07726) 281217/218/221  
Fax: (07726) 281572

**Rajashree Cement Works**

Aditya Nagar, Malkhed Road,  
Tehsil: Sedam,  
Dist.: Gulbarga  
Karnataka - 585292  
Tel : (08441) 288888  
Fax : (08441) 288624/ 288365

**Vikram Cement Works**

Tehsil: Jawad  
Dist.: Neemuch, Khor  
Madhya Pradesh - 458 470  
Tel : (07420) 230830, 235557  
Fax : (07420)235524

**Aditya Cement Works**

Adityapuram,  
Sawa - Shambhupura Road,  
Dist.: Chittorgarh,  
Rajasthan - 312622  
Tel : (01472) 221001-10  
Fax : (01472) 221020

**Jafrabad Cement Works**

P. B. No. 10,  
Village: Babarkot,  
Taluka: Jafrabad,  
Dist.: Amreli,  
Gujarat - 365540  
Tel: (02794) 245103  
Fax: (02794) 245110

**Rawan Cement Works**

Grasim Vihar Village, P.O. Rawan,  
Tehsil: Simga, Dist.: Raipur  
Chhattisgarh - 493196  
Tel : (07726) 288217-20  
Fax : (07726) 288215, 288209

## 20. Investor Correspondence:

**Registered Office**

UltraTech Cement Limited  
'B' Wing, Ahura Centre, 2nd Floor,  
Mahakali Caves Road,  
Andheri (East),  
Mumbai - 400093  
Tel: (022) 66917800  
Fax: (022) 66928109  
Email: [sharesutcl@adityabirla.com](mailto:sharesutcl@adityabirla.com);  
[kamal.r@adityabirla.com](mailto:kamal.r@adityabirla.com)  
Contact Person: Mr. Kamal Rathi

**Registrar & Share Transfer Agent**

Sharepro Services (India) Private Limited  
13AB, Samhita Warehousing Complex,  
2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane,  
Off Andheri Kurla Road, Sakinaka,  
Andheri (East), Mumbai - 400072  
Tel: (022) 67720300 / 67720400  
Fax: (022) 28591568/28508927  
Email: [utcl@shareproservices.com](mailto:utcl@shareproservices.com)  
[satishp@shareproservices.com](mailto:satishp@shareproservices.com)  
Contact Person: Mr. Satish Poojari

Email for investor correspondence under SEBI requirements: [sharesutcl@adityabirla.com](mailto:sharesutcl@adityabirla.com)

## 21. Other Useful Information for Shareholders:

**Unpaid/Unclaimed Dividends**

Dividend warrants in respect of the dividend declared in July, 2010 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.

*Pursuant to the provisions of Section 205A of the Companies Act, 1956 ("the Act") as amended, dividend for the Financial Year 2003-04 and the dividends for the subsequent years, which remain unpaid or unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund (IEPF). Shareholders who have so far not encashed the dividend warrant(s) for the financial year 2003-04 are requested to make their claim to the Secretarial Department at the Registered Office of the Company or its RTA on or before 15<sup>th</sup> November, 2011, failing which the unpaid / unclaimed amount will be transferred to the IEPF. In terms of the provisions of Section 205C of the Act no claims shall lie with respect to unclaimed dividend once it is transferred by the Company to IEPF.*

**ECS/ NECS Facility**

The Company uses "Electronic Clearing Service" (ECS) facility for remitting dividend to its shareholders wherever available.

In terms of a notification issued by the Reserve Bank of India, with effect from 1<sup>st</sup> October, 2009, remittance of dividend through ECS is replaced by "National Electronic Clearing Service" (NECS). Banks have been instructed to move to the NECS platform. The advantages of NECS over ECS include faster credit of remittance to the beneficiary's account, coverage of more bank branches and ease of operations.

NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralised processing of

inward instructions and efficiency in handling bulk transactions.

To enable remittance of dividend through NECS, Members are requested to provide their new account number allotted to them by their respective banks after implementation of CBS. The account number must be provided to the Company or its RTA in respect of shares held in physical form and to the Depository Participants in respect of shares held in electronic form.

**Share Transfer / Dematerialisation**

1. Share transfer requests are acted upon within 12 days from the date of their receipt at the Share Department. 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 at 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 / 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 in demat 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 to 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 in demat 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 DP.
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 Act 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 - 110001  
Tel.: (011) 23384660 / 23384158 /  
23384659  
Web: [www.mca.gov.in](http://www.mca.gov.in)

**Stock Exchanges:****Bombay Stock Exchange Limited (BSE)**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400001  
Tel.: (022) 22721233/34  
Fax: (022) 22721919  
Web: [www.bseindia.com](http://www.bseindia.com)

**Depositories:****National Securities Depository Limited (NSDL)**

Trade World, 'A' Wing, 4<sup>th</sup> & 5<sup>th</sup> Floors,  
Kamala Mills Compound,  
Lower Parel, Mumbai - 400013  
Tel.: (022) 24994200  
Fax: (022) 24972993 / 24976351  
Web: [www.nsdl.co.in](http://www.nsdl.co.in)

**Securities and Exchange Board of India (SEBI)**

Plot No.C4-A,'G' Block,  
Bandra Kurla Complex,  
Bandra (East), Mumbai - 400051  
Tel.: (022) 26449000 / 40459000  
Fax: (022) 26449016-20  
Web: [www.sebi.gov.in](http://www.sebi.gov.in)

**National Stock Exchange of India Limited (NSE)**

Exchange Plaza, Plot No. C/1, 'G' Block,  
Bandra Kurla Complex,  
Bandra (East), Mumbai - 400051  
Tel.: (022) 26598100-8114  
Fax: (022) 26598120  
Web: [www.nseindia.com](http://www.nseindia.com)

**Central Depository Services (India) Limited (CDSL)**

Phiroze Jeejeebhoy Towers,  
17<sup>th</sup> Floor, Dalal Street,  
Mumbai - 400001  
Tel.: (022) 22723333  
Fax: (022) 22723199 / 22722072  
Web: [www.cdslindia.com](http://www.cdslindia.com)

In the last two decades, India as a nation has been successful in pulling up a significant number of people from below the poverty line. Unfortunately, we still have quite a large number of our people living below the poverty line – that is, on less than US \$ 1.25 a day. This is a problem. The Government of India has an ambitious vision for inclusive growth. There is the overwhelming challenge to improve the lives of the poor. However much it hurts, we have to reckon with the fact that we have the largest concentration of the poor in the world. Today, more than ever it is necessary to look into societal issues and it behoves corporates to proactively partner with the government to see that inclusive growth happens.

At our Group, caring for the underserved is a legacy and an unwritten edict that has been followed by generation after generation. And your Company is proud to be a part of this legacy.

As you may be aware, your Company's endeavours to bring in inclusive growth are channelised through the Aditya Birla Centre for Community Initiatives and Rural Development, of which, your Director, Mrs. Rajashree Birla is the Chairperson. This year the coveted Asian CSR Award was conferred on Vikram Cement (Khor, Madhya Pradesh) for its excellent work in healthcare at their Awards ceremony held in Malaysia. Likewise, the prestigious Golden Peacock Award (India) for CSR was conferred on Birla White (Kharia Khangar, Rajasthan).

Above all we take immense pride in sharing with you that this year the President of India bestowed the Padma Bhushan Award on Mrs. Birla in recognition of her exemplary social work. She was also the recipient of the Golden Peacock Life Time Achievement Award for Community Development, which she received in Portugal at the hands of the honorable former Prime Minister of Sweden Mr. Ola Ullsten.

### **A Snapshot of your Company's work**

Your Company's CSR activities are concentrated in 407 villages, in proximity to its 22 Units, across the country.

#### **Health Care**

Through our medical camps, we reached out to 48,398 villagers for general health check-ups. Those afflicted with serious ailments were taken to your Company's hospitals for treatment. Over 42,000 patients were treated in the Out Patient Department. Additionally, we organised medical camps to treat orthopedic, cardiac, skin and ENT related ailments. We treated 9,749 patients at these camps.

At the eye camps organised by us 11,474 patients were under our care. Of these 4,058 patients were operated for cataract and were provided with intra-ocular lens. Alongside 850 persons were given spectacles for better sight. These eye camps have been conducted at Khor (Madhya Pradesh), Shambhupura (Rajasthan), Hirmi (Chhattisgarh), Kotputli (Rajasthan), Rawan (Chhattisgarh), Arakkonam (Tamil Nadu) and Kharia Khangar (Rajasthan).

At Malkhed (Karnataka), we held cleft lip plastic surgery camps where 25 patients were operated upon.

At the medical camp organised for the physically challenged at Hirmi, 50 patients were provided with artificial limbs that enabled them reduce their dependency on others.

Additionally, 3,400 people were sensitised on HIV/AIDS at educative programmes held at Reddipalayam (Tamil Nadu), Khor, Hirmi, Awarpur (Maharashtra), Tadipatri (Andhra Pradesh), Jharsuguda (Orissa), Kovaya (Gujarat), Malkhed and Jafrabad (Gujarat). Sessions on tuberculosis and its related problems held at Hirmi, Awarpur and Jharsuguda were attended by 2,811 persons.

#### **Mother and Child Health Care**

Over 162,843 children were immunised against polio and 2,019 children against tuberculosis diphtheria, tetanus and measles.

Around 5,000 expectant mothers took advantage of the anti-natal, post-natal, mass immunisation, nutrition and escort services for institutional delivery. These form part of our Reproductive and Child Health Care programmes.

At sessions on adolescent health care and nutrition awareness over 2,068 girls and mothers were actively engaged. As a result of our intensive motivation drive towards responsible family raising, 2,254 villagers opted for planned families. These programmes spanned Awarpur, Hirmi, Jafrabad, Khor, Kharia Khangar, Jharsuguda, Tadipatri, Malkhed, Shambhupura, Rawan and Kovaya.

#### **Education**

To foster the girl child, our Units support the cause of girl child education through their engagement with the Kasturba Gandhi Balika Vidhyalayas (KGBV) – residential schools for girls. So far, 532 girls who had dropped out from their schools in the villages were re-enrolled in schools in Awarpur, Hirmi, Malkhed and Kharia Khangar.

Uniforms, books and bags have been distributed to 14,546 children in the rural areas. Visual

educational aids and lab equipment were given to the schools in Awarpur, Hirmi, Kovaya, Tadipatri, Jharsuguda, Jafrabad, Khor, Rawan, Durgapur (West Bengal), Ratnagiri (Maharashtra), Shambhupura, Arakkonam and Magdalla (Gujarat).

The school enrollment programmes covering 1,735 beginners at Hirmi, Kovaya, Jharsuguda, Jafrabad and Awarpur have been a great help to students. At our balwadis 520 children learn the basics of pre-primary education.

Our talent search programs and Pratibha Protshahan Samaroha drew 963 students from Reddipalayam, Rawan, Malkhed, Hirmi, Tadipatri, Awarpur and Kovaya.

Free coaching classes at Rawan, Kotputli, Hirmi, Tadipatri, Kovaya, Shambhupura and Awarpur proved a boon to 1,849 students.

We also provided career counselling services to 841 students in Jafrabad, Hirmi, Awarpur and Kovaya.

Our computer education programmes attracted 341 participants at Khor, Kharia Khangar, Awarpur and Arakkonam.

Our support to sports at schools encouraged 9,107 students to participate in sporting events at Rawan, Tadipatri, Hirmi and Kovaya.

At Malkhed, we also began yoga classes which were attended by 2,498 students.

### **Safe drinking water and sanitation**

Through our Safe Drinking Water Programmes at Shambhupura, Khor, Malkhed, Reddipalayam, Tadipatri, Hirmi, Awarpur, Kovaya, Ratnagiri, Durgapur and Jafrabad 40,000 people access clean drinking water.

More than 1,000 families have benefited from improved sanitation facilities at Malkhed, Reddipalayam, Khor, Shambhupura, Kovaya, Kharia Khangar, Jharsuguda, Tadipatri and Awarpur.

### **Infrastructure, Watershed Management and Environment**

To conserve water for agriculture and domestic uses, 12 ponds and 19 check dams were repaired / built at Jafrabad, Awarpur, Hirmi, Malkhed, Kovaya, Rawan, Khor and Kharia Khangar.

Approach roads were built in three villages at Tadipatri and repaired in 12 villages at other locations. At Malkhed, Tadipatri, Khor, Shambhupura, Reddipalayam, Hirmi and Awarpur, 12 school buildings were repaired and boundary walls constructed. A Community hall was instituted in Awarpur.



*Her Excellency, the President of India, Mrs. Pratibha Patil bestowing the coveted Padma Bhushan Award on Mrs. Rajashree Birla.*



A plantation drive for enlarging the green belt cover has been taken up at Reddipalayam, Shambhupura, Kovaya, Jafrabad, Awarpur, Khor, Hirmi, Rawan, Jharsuguda, Ratnagiri, Kotputli, Tadipatri and Kharia Khangar.

### Sustainable Livelihood

At the skill development centres at Hirmi, Shambhupura, Kharia Khangar, Khor, Rawan, Awarpur and Malkhed 1,112 youngsters received training in electrical repair, photography, videography, motor driving, food processing, sewing and dressmaking.

A training course on basic tailoring was imparted to 2,032 women at Tadipatri, Hirmi, Reddipalayam, Khor, Shambhupura, Malkhed, Arakkonam and Rawan. Alongside, 19 widows were rehabilitated at Awarpur through training in tailoring and provision of sewing machines.

To promote sustainable agriculture, organic farming units have been set up by 115 farmers from Ratnagiri and Jafrabad.

At Hirmi, Khor, Shambhupura, Malkhed, Awarpur, Jafrabad, Kovaya and Ratnagiri 1,770 farmers have been trained in the latest agricultural techniques of grafting, soil health, crop protection and post harvesting techniques. This was done in collaboration with the local agricultural technology management centres. Exposure visits to Centres of Agricultural Technology were organised for 314 farmer club members of Jafrabad, Hirmi and Kovaya, besides conducting Krishak Khet Pathsala programme.

As part of our endeavours towards renewable energy 27 bio-gas units have been set up in Rawan and Khor.

We immunised 32,760 animals at animal husbandry and other veterinary camps at all our Units. The Navjeevan Gaushala at Kharia Khangar houses 740 cows and oxen. Additionally, our dairy programme at Reddipalayam and Shambhupura caters to the health of 1,068 farm animals.

The integrated fodder management programme at Kovaya and Hirmi supplies abundant nutrition to 2,644 milch cattle.

### Self Help Groups and Income Generation

Our 293 Self Help groups empower 3,626 women financially and socially.

The Kagina Industrial Trade centre at Malkhed is reckoned as a centre of excellence and self reliance. Up until now the 440 students who have been trained here, have well placed jobs.

### Social Welfare

Under the mass marriage programme 721 couples at Jafrabad, Kovaya and Khor were married.

Our street plays (nukkad natak) espousing the fostering of the girl child, anti-alcoholism and responsible families have been well received by village communities.

### In sum

Mainstreaming CSR into our businesses and delivering societal value has given us tremendous profits, albeit of a different kind – the turnaround of human lives, lifting tens of thousands of people out of stark poverty. There is a newfound dignity among them. What more can one ask for?



Women self-help group



AIDS awareness programme



“The threats that the world faces on environment conservation, are indeed alarming. Let me highlight a few. For instance, the burgeoning population. The world’s population will reach 7 billion this year, posing greater challenges to humanity than ever before. This puts enormous pressure on the finite resources of the universe. Today, we are confronted with multiple issues such as climate change, the emission of greenhouse gases, the severity of droughts, floods, rising sea levels, their devastating impact on mankind, and our ability to pursue sustainable development. We, in India are not insulated from these problems. Keeping the bigger picture in mind, we have to ask ourselves, how hard can we step on the resources of the planet?

Long before sustainability and environment conservation became buzzwords, we as a Group, operated and continue to operate our businesses as Trustees with a deep rooted obligation to synergise growth with responsibility. Even as we build a robust business model for long-term growth, texturing sustainable development within its ambit, is part of our process. Environment

conservation and sustainable development are always on our radar. Social and environmental practices in our Group entail the simultaneous creation of economic, environmental and social value, and taking these practices far beyond compliance. Over the last decade these measures have been institutionalized. Consequently, these are integrated into our business strategies and in our endeavours to foster inclusive growth as well.”

– Kumar Mangalam Birla

Your Company is a member of Cement Sustainability Initiative (CSI) of World Business Council for Sustainable Development (WBCSD) a Global voluntary initiative on reduction in emissions. This engagement has given your Company a better understanding of the environment impact of the manufacturing process. Through this association your Company has initiated many actions to reduce the environmental footprint of its cement manufacturing process. As part of our commitment to CSI charter, our intent is to reduce our CO<sub>2</sub> emission by 0.5%



year on year till 2016. This is expected to reduce our CO<sub>2</sub> emission intensity by nearly 3%.

Most of your Company's Units are ISO 18001 EMS, OHSAS 14001 and SA8000 certified. This has helped your Company in going beyond legislation and plan activities to reduce the environmental impact of operations.

The stack emissions from the cement plant are well below the norms specified by the State Pollution Control Boards. We had initiated action to reduce the stack emission in some of the old plants where the emissions were closed to the standard set. To cite an example, we have successfully installed and commissioned a reverse air bag house to replace the existing Electro Static Precipitators (ESP) at Awarpur Cement Works in Maharashtra. This has led to levels appreciably below the limit set by the State Pollution Control Board.

Furthermore, this has also helped conserve considerable quantity of water which is a scarce national resource. As a demonstration of our transparency in reporting, Reddipalayam Cement Works in Tamilnadu (RDCW) has installed online monitoring of stack emissions which is connected to the website of Tamilnadu Pollution Control Board.

As part of our commitment to reduce our carbon footprint, your organisation has ordered Waste Heat Recovery System (WHRS) for three Units. The management has also taken a decision to implement WHRS in all new cement plant installations. In line with this decision, WHRS have been ordered for the two new plants coming up at Rajashree Cement Works in Karnataka and Rawan Cement Works in Chhattisgarh (RWCW).

The Projects for increasing the pre-heater stage from 4 to 5 and installation of new state of the art cooler at RDCW are at an advance stage of implementation.

India is short of energy resources and is highly dependent on import of energy. As a good corporate citizen, we have also initiated action to reduce the need for fossil fuels by using industrial waste as fuel in our cement kilns. Most of the

Units have created facilities for handling industrial waste fuels as well as biomass. Paint sludge from automobile industry, waste solvent from pharma industry, plastic waste from industries, municipal solid waste (RDF), opium marc, seized poppy straw, ground nut husk, wood dust, rice husk are some of the industrial waste and bio-fuels, which are used in our Units. Your Company has used 70,305 MT of alternative fuel of which 43,946 MT is bio-mass. This has saved nearly 42,000 MT of coal use in the year 2010-11.

Renewable energy is the only option for the future. In line with the National Action Plan for Climate Change (NAPCC), your Company has installed 100KW photo voltaic cell based solar power plants in each of our Units at Aditya Cement Works in Rajasthan (AC), Hirni Cement Works in Chhattisgarh and RWCW. Your Company has also installed bio-methanation plant for generation of biogas for cooking and bio-compost for gardening at our industrial canteen in AC.

Most of the cement plants are located in dry and arid zones with small rainfall. At the same time, cement plants consume a significant amount of water as process water in its cement operations and captive power plants. Your Company realised the impact, water could have on its processes, and explored the possibility of minimising water consumption and increasing availability of water.

The very first step towards reducing water consumption was focused on exploring technologies that could reduce water requirement. The installation of bag house in raw mills and air cooled condensers in thermal power plants were major steps in this direction. Your Company's approach to technology-selection, inherently evaluates water consumption over the lifetime of the equipment as one of the major criteria for adaptation of any technology.

Your Company evaluated the possibility of rain water harvesting to replenish the ground water table; which is the main source of water to its Units. The periodic ground water table evaluation being conducted by your Company also indicated an urgent need to supplement ground water table.

To achieve the objective, a two-fold approach was adopted. Water bodies in the catchment areas for rain water storage and the ground water recharging have been set up. Rain water harvesting systems have also been installed in shopping complexes, on hospital roofs, and at school and mines offices at various Units. These effectively recharge rain water in the borewells and help maintain ground water levels. Your Company's integrated Units have rain water harvesting system in mines area. The pits created after mining of limestone have been converted as storage for harvested rain water for use by Units as well as nearby villagers. These water bodies also support a variety of flora and fauna around the area.

Gujarat Cement Works in Gujarat (GCW) is the only Unit in this sector in India to have a desalination Plant. It is used for meeting the water needs of the Unit and the colony. Waste gases from the cooler are used in the desalination Plant.

Your Company meets 12% of its total water requirement by recycling waste water. At all Units,

the treated water from the sewage treatment plant is used for horticulture and process requirements. The concept of Zero water discharge is practiced at all Units, except the sea-water desalination Plant at GCW. The use of treated sewage water (from plant and colony) for the gas conditioning tower, cyclone cooling, gardening and dust suppression in cement plants is a common practice at all sites.

Your Company continues to extend the Green Belt Cover in all the Unit locations. In addition to tree plantation, GCW has undertaken a Jetropha plantation project in the mine area covering approximately 20 acres. Jafrabad Cement Works in Gujarat has undertaken mangrove plantation in 40 acres in consultation with Gujarat Ecology Commission.

The greenery encircling our Units, the swaying palms, the colorful flowerbeds and the constant chirping of the birds, show nature at its best.

Our Board, our Management and all our colleagues are committed to living in harmony with nature.



*Green surroundings around a Unit*

Dear Shareholders,

Your Directors present the Eleventh Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2011.

### CORPORATE DEVELOPMENTS

There were two significant developments during the year. Firstly, the Scheme of Amalgamation of Samruddhi Cement Limited ("Samruddhi") with your Company ("the Scheme") became effective from 1<sup>st</sup> August, 2010 and operative from the Appointed Date i.e. 1<sup>st</sup> July, 2010. In terms of the Scheme, 149,533,469 equity shares of ₹ 10/- each

have been allotted to shareholders of Samruddhi including the Custodian(s) of the Global Depository Receipts (GDRs).

Secondly, your Company's wholly owned subsidiary, UltraTech Cement Middle East Investments Limited ("UCMEIL") completed the acquisition of ETA Star Cement together with its operations in UAE, Bahrain and Bangladesh and acquired management control.

Consequent to the above developments, your Company's capacity stands augmented to 52 MMTPA placing it among the top 10 cement companies in the world.

### FINANCIAL RESULTS

(₹ in Crores)

	2010-11*	2009-10
<b>Net Turnover</b>	<b>13,210</b>	7,050
<b>Profit before Depreciation, Interest and Tax (PBDIT)</b>	<b>2,829</b>	2,094
Less: Depreciation	<b>766</b>	388
<b>Profit before Interest and Tax (PBIT)</b>	<b>2,063</b>	1,706
Interest	<b>277</b>	118
<b>Profit before Tax (PBT)</b>	<b>1,786</b>	1,588
Tax Expenses	<b>382</b>	495
<b>Profit after Tax</b>	<b>1,404</b>	1,093
Add: Balance brought forward from Previous Year	<b>2,729</b>	2,438
<b>Surplus available for appropriation</b>	<b>4,134</b>	3,532
<b>Appropriation</b>		
Debenture Redemption Reserve	<b>59</b>	(35)
General Reserve	<b>1,100</b>	750
Dividend	<b>164</b>	75
Corporate tax on Dividend	<b>27</b>	12
Balance transferred to Balance Sheet	<b>2,784</b>	2,729
<b>Total</b>	<b>4,134</b>	3,532

\* On account of the amalgamation of Samruddhi with your Company w.e.f. 1<sup>st</sup> July, 2010, the figures for FY11 are strictly not comparable with the corresponding period of the previous year. However comparable net turnover and PBIT for the previous year are ₹ 13,442 crores and ₹ 3,319 crores recasted so as to include Samruddhi's figures for the period 1<sup>st</sup> July, 2009 to 31<sup>st</sup> March, 2010.

## OVERVIEW AND REVIEW OF OPERATIONS

The financial year under review began on a positive note backed by the inherent strength of the Indian economy. Despite the stimulus measures announced earlier being gradually withdrawn, rise in domestic savings, growth in investments, revival of agriculture, manufacturing and service sectors resulted in the economy recording pre-financial crises growth rates and an acceleration in GDP. However, the economy started witnessing a rise in inflationary trend during the second half together with a tightening of the monetary policy, widening trade deficit, slowdown in corporate spending and escalation in global energy prices.

In the short to middle term, the economy will be faced with a number of challenges – most importantly, the high level of inflation which is not indicating any signs of reduction and the hardening global energy prices. A number of measures in the form of monetary, fiscal and policy will be required to overcome these challenges. Despite this, the economy is poised for good growth and has the ability to sustain the same, linked to domestic consumption.

The year 2010-11 was indeed challenging for the cement industry. Demand off-take was weaker than expected due to lower realty and infrastructure spending, extended monsoon, non-availability of railway wagons. Industry also witnessed capacity additions of around 28 MMT over and above the capacity addition of around 60 MMT in FY10. On the cost front, fuel and energy prices showed no signs of dropping. Prices of imported coal shot up by 37% while that of domestic coal rose by 30%-150% in March, 2011. Further, the cost of key inputs like fly ash, slag and other raw materials also rose significantly. Rising interest rates is a matter of concern. The prevailing situation in the Middle East and surrounding regions adversely affected exports. The combination of slower demand growth coupled with increased supply put pressure on cement pricing and margins.

Against this background, your Company has produced 32.92 MMT of cement as against 32.11 MMT in previous year. Effective capacity utilisation was 81% as against 86% in previous year on an expanded capacity. The aggregate sales volume of 34.67 MMT was at par with the previous year sales volume of 34.68 MMT. *(Previous year figures have been recasted so as to include Samruddhi's figures for the period 1<sup>st</sup> July, 2009 to 31<sup>st</sup> March, 2010).*

Your Company's net turnover stood at ₹ 13,210 crores as against ₹ 13,442 crores (recasted) achieved in the previous year. Profit before interest and tax stood at ₹ 2,063 crores as against ₹ 3,319 crores (recasted).

Going forward, the Government's increased focus on urban as well as rural infrastructure development, housing and an enhanced capital allocation towards infrastructure in the 12<sup>th</sup> – Five Year Plan, will be the major growth drivers.

## DIVIDEND

Your Directors recommended a dividend of ₹ 6/- per equity share (₹ 6/- per equity share) of ₹ 10/- each for the year ended 31<sup>st</sup> March, 2011. The dividend distribution would result in a cash outgo of ₹ 191 crores (including tax on dividend of ₹ 27 crores) compared to ₹ 87 crores (including tax on dividend of ₹ 12 crores) paid for the year 2009-10. The higher outgo is on account of new shares allotted to Samruddhi's shareholders upon the amalgamation of Samruddhi with your Company.

## EMPLOYEE STOCK OPTION SCHEME

During the year 157,509 stock options have been granted by your Company. Of these, 97,106 options have been granted to eligible employees of Samruddhi in terms of the Scheme.

109,372 stock options vested in eligible employees. The ESOS Compensation Committee allotted 21,117 equity shares of ₹ 10/- each of your Company to some option grantees, pursuant to the exercise of stock options.



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

As many of you must be aware, the Government of India has bestowed the prestigious “Padma Bhushan Award” on Mrs. Rajashree Birla, Director of your Company. This is in recognition of her exemplary contribution in the area of social work. It is indeed a matter of pride for all of us.

Your Company was the recipient of the Most Respected Company Award 2011 in the Cement Sector from the Business World.

A selective list of awards conferred upon your Company include:

- Top Exporter Award from CAPEXIL for the 14<sup>th</sup> consecutive year.
- The 9<sup>th</sup> Annual “Greentech Global Safety Award” 2010 from Greentech Foundation for Reddipalayam Cement Works (RDCW);
- The Confederation of Indian Industry’s National Award for excellence in energy management 2010 “Excellent Energy Efficient Unit” upon RDCW;
- Asian CSR Award, Kuala Lumpur, Malaysia, from Asian Institute of Management Center on Vikram Cement Works (VC) for its contribution to society;
- Greentech Environmental Excellence Award for excellent contribution to environmental activities on VC.

## RESEARCH AND DEVELOPMENT

Your Company’s Research and Development (R&D) efforts continue to be focused on the development of new products and processes that create value for its customers. While meeting customer needs is at the centre of all R&D activities, your Company is committed to sustainable development and looks at new ways to preserve the environment and manage resources responsibly. Towards this, your Company continues to maximise use of industrial

waste, alternative sources of fuel and chemicals and mineral evaluation of captive limestone reserves.

Your Company is closely engaged with the Aditya Birla Science and Technology Company Limited (ABSTCL). ABSTCL is the corporate research and development centre for the Aditya Birla Group. ABSTCL supports the broad diversity of the Group’s businesses through multi-disciplinary teams of expert scientists and engineers who lead fundamental and applied research projects. It is supported by state-of-the-art equipment set in a one-of-a-kind brand new technology-led environment and seeks advances in products, processes and applications in your Company’s products (mineralogy, clinkerisation and concrete).

## HUMAN RESOURCES

Your Company believes that Human Resources play a very critical role in its growth. Your Directors’ are pleased to inform you that the Aditya Birla Group of which your Company is a part, has been declared as one of the Best Employers in India by the Aon – Hewitt survey conducted recently. The Group ranked second among two hundred other Indian organisations which took part. The process entailed a rigorous six months exercise involving HR Systems and processes audit, online survey with several employees, face to face meetings with Leadership teams, HR and a cross section of employees.

Going forward, attracting and retaining talent will be a key challenge. Various initiatives have been launched to provide growth opportunities to employees and stem attrition. Notable initiatives for the current year include the rollout of the Employee Value Proposition and the Career Portal Platform to provide visibility of career opportunity to the employees.

## SAFETY

Your Company lays significant importance on the safety of its employees, service providers, host communities and society at large. During the year, your Company has embarked upon a journey to

achieve excellence in its Safety practices and performances. Your Company has enlisted M/s DuPont Sustainability Group, a consultancy wing of DuPont India to help in its aspiration to achieve safety excellence. DuPont is recognised worldwide for its strong safety culture.

## **CORPORATE GOVERNANCE**

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, your Company was in compliance with the provisions of Clause 49 of the Listing Agreement with the stock exchange relating to corporate governance.

The compliance report is provided in the Corporate Governance section of the Annual Report. The auditor's certificate on compliance with the provisions of Clause 49 of the Listing Agreement is annexed to this Report.

## **SUBSIDIARY COMPANIES**

The annual accounts of your Company's subsidiaries viz. Dakshin Cements Limited, Harish Cement Limited, UltraTech Cement Lanka (Pvt) Limited and UCMEIL and the related detailed information shall be made available to shareholders of your Company and its subsidiaries upon receipt of a request from them. They will also be kept open for inspection at the Registered Office of your Company and its subsidiaries during business hours.

## **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements have been prepared in accordance with the applicable Accounting Standards and the provisions of the Listing Agreement with the stock exchanges and forms part of the Annual Report.

## **FINANCE**

Your Company has raised long term loans amounting to ₹ 90 crores to meet the requirement of capital expenditure and other approved purposes. Further, your Company's wholly owned subsidiary viz. UCMEIL has raised/arranged

US\$ 290 million (equivalent to ₹ 1,293 crores) for its operations in UAE, Bahrain and Bangladesh.

CRISIL has re-affirmed the "AAA/Stable/P1+" rating for your Company's long term borrowings and bank loan facilities. Your Company has adequate liquidity and a strong balance sheet. CARE has also re-affirmed the "AAA" rating of the Non-Convertible Debentures of ₹ 500 crores transferred from Samruddhi upon its amalgamation with your Company.

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, in line with 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 these 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 substance



of transactions carried out during the year under review 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 31<sup>st</sup> March, 2011 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

Mr. Adesh Gupta and Prof. Nirmalya Kumar were appointed Additional Directors on the Board of your Company with effect from 26<sup>th</sup> October, 2010 and 16<sup>th</sup> February, 2011 respectively. They hold office till the conclusion of the ensuing Annual General Meeting. Notices pursuant to Section 257 of the Act have been received from Members proposing Mr. Gupta and Prof. Kumar for appointment as Directors of your Company.

Mr. R. C. Bhargava, Mr. S. Rajgopal and Mr. D. D. Rathi retire from office by rotation and being eligible, offer themselves for re-appointment.

The Board recommends these appointments / re-appointments.

Resolutions seeking your approval on these items are included in the Notice convening the Annual General Meeting together with a brief resume of the Directors being appointed/re-appointed.

## 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's 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 Auditor's 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 provision of Section 233B of the Act, your Directors have appointed

M/s. N.I. Mehta & Co., Cost Accountants, Mumbai and M/s. N. D. Birla & Co., Cost Accountants, Ahmedabad, jointly, as the Cost Auditors to conduct the Cost Audit of your Company for the financial year ending 31<sup>st</sup> March, 2012, subject to the approval of the Central Government. M/s. N. D. Birla & Co., Cost Accountants, Ahmedabad was one of the Cost Auditors of the erstwhile Samruddhi and also Grasim Industries Limited.

### **APPRECIATION**

Your Directors wish to take this opportunity to express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and support

and look forward to their continued support in future.

We very warmly thank all of our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company.

For and on behalf of the Board



Kumar Mangalam Birla  
Chairman

Mumbai,  
26<sup>th</sup> April, 2011

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

ESOS – 2006													
Particulars	Tranche I (23 <sup>rd</sup> August, 2007)	Tranche II (25 <sup>th</sup> January, 2008)	Tranche III (8 <sup>th</sup> September, 2010)	Tranche IV (20 <sup>th</sup> September, 2010)	Tranche V (20 <sup>th</sup> September, 2010)								
a. No. of options granted	99,010	69,060	60,403	88,907	8,199								
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%.	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%.	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%.	In terms of the Scheme of Amalgamation of Samruddhi Cement Limited with your Company.	In terms of the Scheme of Amalgamation of Samruddhi Cement Limited with your Company.								
c. Options vested	Exercise Price: ₹ 606/- per option 74,257	Exercise Price: ₹ 794/- per option 38,882	Exercise Price: ₹ 655/- per option Nil	Exercise Price: ₹ 709/- per option 73,796	Exercise Price: ₹ 1,061/- per option 6,472								
d. Options exercised	9,840	2,590	Nil	9,887	Nil								
e. The total number of shares arising as a result of exercise of the options.	9,840	2,590	Not Applicable	9,887	Not Applicable								
f. Options lapsed	8,160	25,825	Nil	809	Nil								
g. Variation of terms of options	Nil	Nil	Nil	Nil	Nil								
h. Money realised by exercise of options	₹ 5,963,040/-	₹ 2,056,460/-	-	₹ 7,009,883/-	-								
i. Total number of options in force: - Vested - Unvested	64,417 16,593	36,292 4,353	Nil 60,403	63,909 14,302	6,472 1,727								
j. Employee wise details of options granted to: i. Senior Managerial Personnel Mr. O. P. Purnamalka, Whole-time Director 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. iii. Identified employee 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 Nil	Nil Nil Nil	14,973 Nil Nil	4,042 Nil Nil	Nil 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'	₹ 62.72												
l. Where the Company has calculated the employees compensation cost using the intrinsic value of the stock options:	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for options issued under the ESOS – 2006.												
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.	Employee Compensation Cost: - Intrinsic value based - fair value based Difference												
ii. The impact of this difference:  - on profits - EPS	<table><tr><td>Reported</td><td>Adjusted</td></tr><tr><td>₹ 1,719.23 crores</td><td>₹ 1,718.45 crores</td></tr><tr><td>Basic</td><td>₹ 62.71</td></tr><tr><td>Diluted</td><td>₹ 62.69</td></tr></table>					Reported	Adjusted	₹ 1,719.23 crores	₹ 1,718.45 crores	Basic	₹ 62.71	Diluted	₹ 62.69
Reported	Adjusted												
₹ 1,719.23 crores	₹ 1,718.45 crores												
Basic	₹ 62.71												
Diluted	₹ 62.69												

m.	<p>Weighted average exercise prices of options:</p> <p>i. equal or exceed to market price of the stock</p> <p>ii. less than market price of the stock</p> <p>Weighted average fair value of options</p> <p>i. equal or exceed to market price of the stock</p> <p>ii. less than the market price of the stock.</p>	<p>—</p> <p>₹ 695/-</p> <p>—</p> <p>₹ 469/-</p>
n.	<p>A description of the method used during the year to estimate the fair values of options.</p> <p>Significant assumptions used during the year to estimate the fair values of options including the following weighted average information:</p> <p>i. Risk – free interest rate</p> <p>ii. Expected life</p> <p>iii. Expected volatility</p> <p>iv. Expected dividend</p> <p>v. The price of the underlying share in the market at the time of option grant.</p>	<p>Black – Scholes Method</p> <p>8%</p> <p>Period up to vesting plus the average of the exercise period corresponding to each vesting.</p> <p>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%; Tranche III to V = 30%.</p> <p>Adjustment of closing price of the Company's share on the NSE for the expected dividend yield over the expected life of the options (dividend for FY2006-07 and a growth factor have been considered, which are then discounted and an average present value of dividend ascertained).</p> <p>₹ 925/- (Average)</p>

**DISCLOSURE 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**

- Increase in blended cement production.
- Increase in slag and fly ash absorption in blended cement by optimising clinker quality, cement mill operations and using grinding aids.
- Grinding media optimisation in cement mills.

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

- Installation of waste heat recovery systems in preheater and cooler.
- Improvement in efficiency of process fans.
- Reduction in pressure drop across cyclones, ESP and ducts.

**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**

		<b>Current Year 2010-11</b>	<b>Previous Year 2009-10</b>
1.	Electricity:		
(a)	Purchased		
	Unit	000 Kwh	
	Total Amount	<b>543606</b>	361072
	Rate/unit	<b>₹ 290.66</b>	181.21
		<b>₹ 5.35</b>	5.02
(b)	Own generation*		
(i)	Through Diesel generator		
	Units	000 Kwh	
	Units(Kwh) per Ltr. of fuel oil	<b>71112</b>	61264
	Cost/Unit	<b>4.22</b>	3.93
		<b>₹ 9.07</b>	6.99
(ii)	Through Steam Turbine/Generator		
	Units	000 Kwh	
	Units(Kwh) per kg of coal	<b>2251369</b>	1187204
	Cost/Unit	<b>1.06</b>	1.03
		<b>₹ 3.71</b>	3.17
(iii)	Waste Heat Recovery System		
	Units	000 Kwh	
	Cost/Unit	<b>16025</b>	13997
		<b>₹ 0.55</b>	0.40
2.	Fuel (Slack, Steam & ROM including lighting Coal)		
	For Co-generation of Steam & Power		
	Quantity	Tonnes	
	Total Cost	<b>2455236</b>	1313764
	Average rate	<b>₹ 727.76</b>	311.61
		<b>₹/Tonnes 2964</b>	2372
	For Process in Cement Plants		
	Quantity	Tonnes	
	Total Cost	<b>3442080</b>	2201345
	Average rate	<b>₹ 1786.05</b>	774.56
		<b>₹/Tonnes 5189</b>	3519
3.	Furnace Oil (Including Napththa)		
	Quantity	K. Ltrs	
	Total amount	<b>28763</b>	22692
	Average rate	<b>₹ 75.00</b>	48.85
		<b>₹/K Ltr 26075</b>	21527
4.	Light Diesel Oil (LDO)		
	Quantity	K. Ltrs	
	Total amount	<b>1292</b>	1112
	Average rate	<b>₹ 5.01</b>	3.99
		<b>₹/K Ltr 38819</b>	35903
5.	High Speed Diesel Oil (HSD)		
	Quantity	K. Ltrs	
	Total amount	<b>3893</b>	3154
	Average rate	<b>₹ 14.14</b>	11.00
		<b>₹/K Ltr 36309</b>	34861
B.	CONSUMPTION PER UNIT OF PRODUCTION		
	Electricity #	Kwh /T of Cement	
	Furnace oil \$	Ltr /T of Clinker	
	Coal	Kcal /Kg of Clinker	
		<b>82.02</b>	83.13
		<b>0.12</b>	0.11
		<b>708</b>	709

\* Excludes Auxillary &amp; Wheeling

# Excludes non production power consumption

\$ Furnace oil used for kiln light up

On account of Amalgamation of Samruddhi Cement Limited with your Company w.e.f. 1<sup>st</sup> July, 2010 (Appointed date), corresponding figures as at 31<sup>st</sup> March, 2010 are strictly not comparable.



**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. Developmental projects:**

1. Design & development of an experimental concrete structure of M30 grade using portland lime stone cement for durability studies.
2. Development of high strength cement binder and a cementitious composite resembling wood characteristics.
3. Exploring possibility of beneficiating high sulphate containing lime stones for resource securitisation.

**B. Lab. Investigation project:**

1. Evaluation of combustion characteristics of various alternative fuels from industrial and agricultural wastes.
2. Studies on alkali – sulphur volatile cycles during pyro-processing for performance optimisation.
3. Retrofitting of hoppers for solving bulk flowability problems.
4. Utilisation of high sulphate bearing lime stones for clinkerisation.
5. Improvement in initial strength of slag cement by using additives.
6. Possibility of utilisation of various alternative raw materials of industrial origin in cement manufacturing.

**C. Plant activities/services:**

1. Standardisation & calibration of laboratories at Units.
2. Analytical Services and process diagnostic studies for Group Units.
3. Quality benchmarking of group cement and competitors.

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

1. Uniform cement quality to customers.
2. Enhancing usage of mineral admixtures addition in blended cement.
3. Development of portland lime stone cement.

**3. Future plan of action**

1. Design & development of nanometric additives for concrete applications.
2. Development of a simulation platform for pyro- processing using computational fluid dynamics.
3. Design & development of multi-component blended cement.

**4. Expenditure on R&D**

	(₹ in Crores)	
	<b>2010-11</b>	2009-10
a. Capital expenditure	10.28	1.34
b. Recurring expenditure	26.20	13.20
c. Total expenditure	36.48	14.54
d. Total R&D expenditure as % of turnover	0.28	0.21

**TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION****1. Efforts in brief, made towards technology absorption, adaption and innovation:**

- Training of plant and R&D personnel on refractory, process optimisation, selection and maintenance of machinery.
- Participation in National and International seminars.

**2. Benefits derived as results of the above efforts:**

- Improvement in the life of Refractory.
- Improvement in mill productivity.
- Increase in the usage of alternative fuels.

**3. Information regarding technology imported during the last 5 years: Nil**

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### To the Member 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, 2011, 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  
Firm Regn. No: 104768W

Atul B. Desai  
(Partner)  
Membership No. 30850

Place: Mumbai  
Date: 26<sup>th</sup> April, 2011

Persons constituting group coming within the definition of “group” for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following :

Mr. Kumar Mangalam Birla  
Mrs. Rajashree Birla  
Mrs. Neerja Birla  
Master Aryaman Vikram Birla  
Birla Group Holdings Private Limited  
BGH Exim Limited  
Birla TMT Holdings Private Limited  
Chaturbhuj Enterprises LLP  
Essel Mining & Industries Limited  
Global Holdings Private Limited  
Gwalior Properties And Estates Private Limited  
Infocyber India Private Limited  
Naman Finance And Investment Private Limited  
Rajratna Holdings Private Limited  
Seshasayee Properties Private Limited  
Siddhipriya Enterprises LLP  
TGS Investment And Trade Private Limited  
Trapti Trading And Investments Private Limited  
Turquoise Investments And Finance Private Limited  
Umang Commercial Company Limited  
Vignahara Enterprises LLP  
Vaibhav Holdings Private Limited



The applause that rose from  
Indian homes now resounds in its  
business boardrooms.

*Birla White is now also a Business Superbrand*

#### THE REVERED BRAND

Since its inception in 1988, Birla White has been the most preferred white cement brand across India. Birla White was conferred with the title of 'Consumer Superbrand' and is now also revered by the business fraternity as a 'Business Superbrand'.

#### IN TUNE WITH THE TIMES

A strong belief in innovation and a will to question market conventions has always driven us to stay ahead of the competition by constantly providing innovative products like **Birla White Wallcare Putty, Textura, Levelplast, GRC & Kool n Seal.**

**Birla White** (Unit of UltraTech Cement Ltd.)

**Central Marketing Office:** Ground Floor, Ahura Centre, 82, Mahakali Caves Road, Near M.I.D.C. Office, Andheri (East), Mumbai - 400 093. Tel: 022- 6692 8313 /16 Fax: 022-6692 8301

**[www.birlawhite.com](http://www.birlawhite.com)**

Quadrant M 1290

Selected  
**Business  
Superbrand**  
INDIA 2010/11  
Industry Validated

#### THE RISE

Today, Birla White is known and respected not only as the torchbearer of quality and value, but also as a contemporary brand that innovates and offers new product applications to suit evolving customer needs. A feat we have accomplished all thanks to our customers, who don't allow us to rest on our laurels and constantly challenge us. **From a 'Consumer Superbrand' to a 'Business Superbrand', the journey has been exhilarating and rewarding indeed.**

**Birla  
White**  
THE WHITEST WHITE CEMENT

*My kind of design*



# **Financials**



**To The Members of UltraTech Cement Limited**

1. We have audited the attached Balance Sheet of **ULTRATECH CEMENT LIMITED** ("the Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto, in which are incorporated the Returns from the Jafrabad, Magdalla and Ratnagiri branches (three branches) audited by the branch auditors. 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 the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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, we report that:
  - (i) 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;
  - (ii) 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 purposes of our audit have been received from the three branches audited by the branch auditors;
  - (iii) the reports on the accounts of the Jafrabad, Magdalla and Ratnagiri branches audited by the branch auditors have been forwarded to us and have been dealt with by us in preparing this report;
  - (iv) 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 the audited branch Returns;
  - (v) 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;
  - (vi) 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:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
    - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
    - (c) 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 received from the Directors as on March 31, 2011 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Registration No.117366W)

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

Mumbai, April 26, 2011

For **G. P. KAPADIA & Co.**

Chartered Accountants  
(Registration No.104768W)

Atul B. Desai  
Partner  
(Membership No. 30850)

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

- (i) Having regard to the nature of the Company's business/ activities/ results clauses (x) regarding cash loss incurred by the Company, (xiii) regarding chit fund, nidhi/ mutual benefit fund/ societies and (xiv) regarding dealing or trading in shares, securities, debentures and other investments of paragraph 4 of the Order 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 program of verification in terms of which all the fixed assets are physically verified over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. 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. In respect of inventory lying with third parties, confirmations have been obtained from those parties.
  - 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 neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, 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) According to the information and explanations given to us, the Company has not accepted any deposit from the public 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 of the Company and the nature of its business.
- (ix) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the manufacture of cement 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 determine whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

- (x) According to the information and explanations given to us in respect of statutory dues:
- 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 other material statutory dues applicable to it with the appropriate authorities during the year.
  - There were no undisputed amounts payable in respect of Income-tax, Sales Tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.
  - Details of dues of Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2011 on account of disputes are given below:

Name of statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates (Assessment Years)	Amount (₹ in Crores)
Sales Tax Act / Value Added Tax Act	Sales Tax and interest	Supreme Court	1999-2000 2000-2006	23.11
		High Court	1994-1999 2000-2004 2005-2006 2005-2007	74.20
		Tribunal(s)	1988-1996 1999-2002 2002-2004 2005-2008	44.69
		Appellate Authorities	1985-1990 1992-1998 1997-2006 2006-2009 2009-2010 2010-2011	42.40
		Assessing Officers	1990-1998 2000-2009 2009-2011	2.06
Central Excise Act	Excise Duty, penalty and interest	Supreme Court	1995-1999 1999-2000 2001-2002 2002-2004 2007-2008	9.20
		High Court	1998-1999 2000-2003 2004-2005	25.94

Name of statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates (Assessment Years)	Amount (₹ in Crores)
		Tribunal(s)	1995-1996 1996-1997 2003-2005 2005-2010	70.22
		Appellate Authorities	1991-2010 2010-2011	12.65
		Assessing Officers	2005-2011	0.41
Service Tax Act	Service Tax	High Court	2006-2008	0.06
		Tribunal(s)	1997-2009 2009-2010 2010-2011	38.62
		Appellate Authorities	2005-2008 2008-2010 2010-2011	2.58
		Assessing Officers	2006-2007 2007-2010	9.05
Customs Act	Custom Duty and penalty	Supreme Court	2001-2002	0.11
		High Court	2002-2005 2005-2006	15.18
		Tribunal(s)	2006-2010	2.73
		Appellate Authorities	2003-2007	0.04
Cess(Excluding Education Cess)		Supreme Court	2001-2011	24.87
		High Court	2005-2011	46.88
		Others	2006-2011	3.28
Income Tax Act	Income Tax	High Court	2001-2006	0.47
		Assessing Officer	2005-2006	0.09

- (xi) In our opinion and according to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has given guarantees for loans taken by subsidiaries from banks or financial institutions. The terms and conditions of which are not prejudicial to the interest of the Company.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans availed by the Company were, applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.



- (xv) 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 not been used during the year for long-term investment.
- (xvi) According to the information and explanations given to us and the records examined by us, during the year, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvii) According to the information and explanations given to us and the records examined by us, during the period covered by our audit report, the Company has not issued any debentures.
- (xviii) During the year, the Company has not raised money by issue of shares to public.
- (xix) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year nor have we been informed of such case by the management.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No.117366W)

B. P. Shroff  
Partner  
(Membership No. 34382)  
Mumbai, April 26, 2011

For **G. P. KAPADIA & Co.**  
Chartered Accountants  
(Registration No.104768W)

Atul B. Desai  
Partner  
(Membership No. 30850)

₹ in Crores  
As at  
March 31, 2010

	Schedules		AS at March 31, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	<b>1A</b>	<b>274.04</b>	124.49
Employees Stock Options Outstanding	<b>1B</b>	<b>4.78</b>	1.99
Reserves and Surplus	<b>2</b>	<b>10,387.22</b>	4,482.17
			<u>4,608.65</u>
		<b>10,666.04</b>	
<b>Loan Funds</b>			
Secured Loans	<b>3</b>	<b>2,789.76</b>	854.19
Unsecured Loans	<b>4</b>	<b>1,354.84</b>	750.33
			<u>1,604.52</u>
		<b>4,144.60</b>	
<b>Deferred Tax Liabilities (Net)</b>		<b>1,730.05</b>	830.73
			<u>7,043.90</u>
<b>TOTAL</b>		<b>16,540.69</b>	
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	<b>5</b>		
Gross Block		<b>17,942.27</b>	8,078.14
Less: Depreciation		<b>6,542.02</b>	3,136.46
			<u>4,941.68</u>
Net Block		<b>11,400.25</b>	
Capital Work-in-Progress		<b>1,105.32</b>	259.37
			<u>5,201.05</u>
		<b>12,505.57</b>	
<b>Investments</b>	<b>6</b>	<b>3,730.32</b>	1,669.55
<b>Current Assets, Loans and Advances</b>			
Inventories	<b>7</b>	<b>1,956.52</b>	821.70
Sundry Debtors	<b>8</b>	<b>602.29</b>	215.83
Cash and Bank Balances	<b>9</b>	<b>144.79</b>	83.73
Loans and Advances	<b>10</b>	<b>1,053.88</b>	351.13
Assets held for Disposal		<b>1.22</b>	-
		<b>3,758.70</b>	<u>1,472.39</u>
<b>Less: Current Liabilities and Provisions</b>			
Current Liabilities	<b>11</b>	<b>2,880.41</b>	1,138.08
Provisions	<b>12</b>	<b>573.49</b>	161.01
		<b>3,453.90</b>	<u>1,299.09</u>
<b>Net Current Assets</b>		<b>304.80</b>	<u>173.30</u>
<b>TOTAL</b>		<b>16,540.69</b>	<u>7,043.90</u>

**Accounting Policies and Notes on Accounts 21 & 22**

Schedules referred above form an integral part of the Accounts.

In terms of our report attached.

For and on behalf of the Board

KUMAR MANGALAM BIRLA  
Chairman

For DELOITTE HASKINS & SELLS  
Chartered Accountants

For G. P. KAPADIA & CO.  
Chartered Accountants

K. C. BIRLA  
Sr. Executive President & CFO

R. C. BHARGAVA  
Director

B. P. SHROFF  
Partner

ATUL B. DESAI  
Partner

S. K. CHATTERJEE  
Company Secretary

O. P. PURANMALKA  
Whole-time Director

Mumbai, April 26, 2011

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED MARCH 31, 2011**

	Schedules		₹ in Crores Previous Year
<b>INCOME</b>			
Gross Sales		<b>14,858.60</b>	7,729.13
Less: Excise Duty		<b>1,648.69</b>	679.45
Net Sales			7,049.68
Interest and Dividend Income	<b>13</b>	<b>122.34</b>	56.21
Other Income	<b>14</b>	<b>164.33</b>	65.81
Increase / (Decrease) in Stocks	<b>15</b>	<b>61.84</b>	(2.27)
		<b>13,558.42</b>	7,169.43
<b>EXPENDITURE</b>			
Raw Materials Consumed	<b>16</b>	<b>1,805.33</b>	960.61
Manufacturing Expenses	<b>17</b>	<b>4,547.98</b>	2,148.87
Purchase of Finished Products		<b>122.18</b>	63.74
Payments to and Provisions for Employees	<b>18</b>	<b>666.50</b>	252.94
Selling, Distribution, Administration and Other Expenses	<b>19</b>	<b>3,597.91</b>	1,653.53
Interest and Finance Charges	<b>20</b>	<b>277.11</b>	117.52
Depreciation and Obsolescence		<b>765.73</b>	388.08
		<b>11,782.74</b>	5,585.29
Less: Captive Consumption of Cement {Net of Excise Duty ₹ 9.35 Crores, (Previous Year ₹ 3.46 Crores)}		<b>(10.51)</b>	(4.02)
		<b>11,772.23</b>	5,581.27
<b>Profit Before Tax Expenses</b>		<b>1,786.19</b>	1,588.16
Income Tax Expenses			
Provision for Current Tax {including provision for Wealth Tax ₹ 1.72 Crores, (Previous Year ₹ 0.50 Crore)}		<b>510.72</b>	387.25
Excess tax provision reversal related to earlier years		<b>(125.52)</b>	(0.13)
Deferred Tax (Credit) / Charge		<b>(3.24)</b>	107.80
<b>Profit After Tax</b>		<b>1,404.23</b>	1,093.24
Balance brought forward from Previous Year		<b>2,729.37</b>	2,438.40
<b>Profit Available for Appropriation</b>		<b>4,133.60</b>	3,531.64
<b>Appropriations</b>			
Proposed Dividend		<b>164.42</b>	74.69
Corporate Dividend Tax		<b>26.67</b>	12.41
Debenture Redemption Reserve		<b>58.92</b>	(34.83)
General Reserve		<b>1,100.00</b>	750.00
Balance carried to Balance Sheet		<b>2,783.59</b>	2,729.37
		<b>4,133.60</b>	3,531.64
<b>Basic Earnings Per Equity Share (in ₹ ) {See Note B 21 (A)}</b>		<b>62.74</b>	87.82
<b>Diluted Earnings Per Equity Share (in ₹ ) {See Note B 21 (B)}</b>		<b>62.72</b>	87.79
<b>Accounting Policies and Notes on Accounts 21 &amp; 22</b>			
Schedules referred above form an integral part of the Accounts.			

In terms of our report attached.

For and on behalf of the Board

KUMAR MANGALAM BIRLA  
ChairmanFor DELOITTE HASKINS & SELLS  
Chartered AccountantsFor G. P. KAPADIA & CO.  
Chartered AccountantsK. C. BIRLA  
Sr. Executive President & CFOR. C. BHARGAVA  
DirectorB. P. SHROFF  
PartnerATUL B. DESAI  
PartnerS. K. CHATTERJEE  
Company SecretaryO. P. PURANMALKA  
Whole-time Director

Mumbai, April 26, 2011

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

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	March 31, 2011	March 31, 2010
<b>A Cash Flow from Operating Activities:</b>		
<b>Profit Before tax</b>	<b>1,786.19</b>	1,588.16
<b>Adjustments for:</b>		
Depreciation and Obsolescence	<b>765.73</b>	388.08
Compensation Expenses under Employees Stock Options Scheme	<b>0.86</b>	0.34
Provision for Doubtful Debts and Advances / (Written back)	<b>(3.29)</b>	-
Bad Debts Written-off	<b>0.09</b>	0.44
Excess Provision written back (Net)	<b>(32.50)</b>	(12.56)
Provision for Retirement Benefits	<b>31.65</b>	12.88
Provision for Mines Restoration	<b>1.85</b>	1.73
Interest and Dividend Income	<b>(122.34)</b>	(56.21)
Interest and Finance Charges	<b>277.11</b>	117.52
Unrealised Foreign Exchange (Gain)	<b>(1.20)</b>	(13.91)
Unrealised loss on Investments	<b>-</b>	1.07
(Profit)/Loss on Sale of Fixed Assets	<b>0.04</b>	(0.13)
(Profit)/Loss on Sale of current Investment	<b>(18.36)</b>	(2.02)
<b>Operating Profit before Working Capital Changes</b>	<b>2,685.83</b>	2,025.39
<b>Adjustments for:</b>		
(Increase)/decrease in Inventories	<b>(119.61)</b>	(129.73)
(Increase)/decrease in Sundry Debtors	<b>(96.49)</b>	(22.33)
(Increase)/decrease in Loans and Advances	<b>(20.94)</b>	32.54
Increase/(decrease) in Trade Payables and Other Liabilities	<b>144.51</b>	55.32
<b>Cash Generated from Operations</b>	<b>2,593.30</b>	1,961.19
Taxes paid	<b>(519.04)</b>	(389.11)
Expenditure for Mines Restoration	<b>-</b>	(0.15)
<b>Net Cash Generated from Operating Activities (A)</b>	<b>2,074.26</b>	1,571.93
<b>B Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	<b>(1,222.77)</b>	(275.17)
Sale of Fixed Assets	<b>5.91</b>	1.10
Expenditure for Cost on Assets transferred from SCL, pursuant to Scheme of Amalgamation	<b>(25.00)</b>	-
Purchase of Long Term Investments	<b>(0.05)</b>	-
Investment in Subsidiaries & Joint Ventures	<b>(190.08)</b>	(7.56)
(Increase)/decrease in Current Investments	<b>(351.67)</b>	(628.26)
Profit on Sale of Current Investments	<b>18.36</b>	2.02
Interest and Dividend Received	<b>116.39</b>	56.21
<b>Net Cash used in Investing Activities (B)</b>	<b>(1,648.91)</b>	(851.66)
<b>C Cash Flow from Financing Activities:</b>		
Proceeds from Issue of Share Capital	<b>1.41</b>	0.07
Repayment of Long Term Borrowings	<b>(298.33)</b>	(300.00)
Proceeds from Long Term Borrowings	<b>122.56</b>	32.89
Proceeds /(Repayment) of Short Term Borrowings (net)	<b>177.02</b>	(255.23)
Interest and Finance Charges paid	<b>(293.01)</b>	(145.94)
Dividend Paid	<b>(120.48)</b>	(62.24)
Corporate Dividend Tax	<b>(20.02)</b>	(10.58)
<b>Net Cash Generated / (Used) from Financing Activities (C)</b>	<b>(430.85)</b>	(741.03)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>(5.50)</b>	(20.76)
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>83.73</b>	104.49
<b>Cash and cash equivalents transferred from SCL as on 01.07.10, pursuant to Scheme of Amalgamation (Refer Note B 4)</b>	<b>66.56</b>	-
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>144.79</b>	83.73

**Notes:**

- Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 notified under the Companies (Accounting Standard) Rules, 2006.
- Purchase of fixed assets includes movements of capital work-in-progress during the year.
- Cash and cash equivalents represent cash and bank balances.

**Accounting Policies and Notes on Accounts**

**21**

Schedule referred above form an integral part of the Accounts.

In terms of our report attached.

For and on behalf of the Board

KUMAR MANGALAM BIRLA  
Chairman

For DELOITTE HASKINS & SELLS  
Chartered Accountants

For G. P. KAPADIA & CO.  
Chartered Accountants

K. C. BIRLA  
Sr. Executive President & CFO

R. C. BHARGAVA  
Director

B. P. SHROFF  
Partner

ATUL B. DESAI  
Partner

S. K. CHATTERJEE  
Company Secretary

O. P. PURANMALKA  
Whole-time Director

Mumbai, April 26, 2011

**SCHEDULE 1A**  
**SHARE CAPITAL**  
**Authorised**

 ₹ in Crores  
 Previous  
 Year

280,000,000 Equity shares of ₹ 10 each (Previous Year 130,000,000)	<b>280.00</b>	130.00
<b>Issued, Subscribed and Paid-up</b>	<b>274.04</b>	124.49
274,041,665 Equity shares of ₹ 10 each fully paid-up. (Previous Year 124,487,079)		
(a) 99,521,437 Equity shares of ₹ 10 each issued as fully paid-up for acquiring the Cement business pursuant to the Scheme of Arrangement with Larsen & Toubro without payment being received in cash. (Previous Year 99,521,437)		
(b) 87,258 Equity shares of ₹ 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) 149,533,469 Equity shares of ₹ 10 each issued as fully paid-up, to shareholders of erstwhile Samruddhi Cement Limited (SCL) pursuant to the Scheme of Amalgamation without payment being received in cash (Previous Year Nil). { Excluding issue of 8,518 Equity Shares kept in abeyance against shares of Grasim Industries Limited. (Previous Year Nil)}		
(d) 165,335,150 Equity shares are held by Grasim Industries Limited (Holding Company). (Previous Year 68,192,294)		
(e) 5,769,289 Equity shares represented by Global Depository Receipts. (Previous Year 174,278)		
	<b>274.04</b>	124.49

**SCHEDULE 1B**  
**EMPLOYEES STOCK OPTIONS OUTSTANDING**

Employees Stock Options Outstanding	<b>6.35</b>	2.21
Less: Deferred Employees Compensation Expenses	<b>1.57</b>	0.22
	<b>4.78</b>	1.99

Outstanding Employees Stock Options exercisable into 268,468 Equity Shares of ₹ 10 each fully paid up (Previous Year 132,885). {See Note B 20 (b)}

**SCHEDULE 2**  
**RESERVES AND SURPLUS**

₹ in Crores

	Balance as at 31 <sup>st</sup> March, 2010	Transferred from SCL as on 01.07.2010, pursuant to scheme of Amalgamation	Additions during the year	Deduction/ Adjustments during the year	Balance as at 31 <sup>st</sup> March, 2011
Capital Reserve	25.02	0.30	-	-	25.32
Cash Subsidy Reserve	0.10	-	-	-	0.10
Debenture Redemption Reserve	90.72	46.25	58.92	-	195.89
General Reserve	1,636.86	4,643.45*	1,100.00	-	7,380.31
Securities Premium Account	0.10	-	1.91#	-	2.01
Surplus as per Profit and Loss Account	2,729.37	-	1,404.23	(1,350.01)	2,783.59
	<b>4,482.17</b>	<b>4,690.00</b>	<b>2,565.06</b>	<b>(1,350.01)</b>	<b>10,387.22</b>
Previous Year	3,475.93	-	1,883.51	(877.27)	4,482.17

**\* Reserve Reconciliation: (See Note B 4)**

Excess of assets over liabilities transferred from Samruddhi Cement Limited pursuant to the scheme of amalgamation	4,851.85
Add: Gain on account of Employees Stock Options transferred	0.04
Less: Issue of Equity Shares to the Shareholders of erstwhile Samruddhi Cement Ltd, pursuant to scheme of amalgamation	(149.53)
Less: Provision for Costs in relation to transfer of assets pursuant to Scheme of Amalgamation (Net of Tax)	(58.91)
	<b>4,643.45</b>

# On account of Employees Stock Options exercised during the year.



**SCHEDULE 3  
SECURED LOANS**₹ in Crores  
Previous  
Year**Non-Convertible Debentures { Due within a year ₹ 200.00 Crores;  
(Previous year ₹ Nil ) } {See Note B 7(a)}****1,037.44** 536.33**Loans from Banks:**Foreign Currency Loan {Due within a year ₹ 858.64 Crores;  
(Previous Year ₹ Nil)} {See Note B 7(b)}**1,095.46** 285.16Rupee Term Loans {Due within a year ₹ Nil; (Previous Year ₹ Nil)}  
{See Note B 7(c)}**450.00** -Cash Credits / Working Capital Borrowings from Banks Secured by  
Hypothecation of Stocks and Book Debts of the Company**198.66** 32.70**Other Loans:**Sales Tax Deferment Loans {Due within a year ₹ 0.27 Crore;  
(Previous Year ₹ Nil)} {See Note B 7(d)}**8.20** -**2,789.76** 854.19**SCHEDULE 4  
UNSECURED LOANS****Short Term**

From Banks

**115.77** 13.47**Long Term**

From Banks {Due within a year ₹ 234.41 Crores; (Previous Year ₹ 123.48 Crores)}

**760.86** 320.98

From Others

**5.96** -Sales Tax Deferment Loans {Due within a year ₹ 16.25 Crores;  
(Previous Year ₹ 0.57 Crore)}**472.25** 415.88**1,354.84** 750.33**SCHEDULE 5  
FIXED ASSETS**

₹ in Crores

Particulars	Gross Block					Depreciation					Net Block	
	As at March 31, 2010	Assets transferred from SCL 01.07.2010	Additions	Deductions/ Adjustments	As at March 31, 2011	As at March 31, 2010	Cum. Dep transferred from SCL 01.07.2010	For the year	Deductions/ Adjustments	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
<b>(A) Tangible Assets</b>												
Freehold Land	170.73	523.90	156.27	0.24	<b>850.66</b>	-	-	-	-	-	<b>850.66</b>	170.73
Leasehold Land	19.84	98.68	8.25	0.23	<b>126.54</b>	7.33	19.75	5.07	0.02	<b>32.13</b>	<b>94.41</b>	12.51
Buildings	584.12	541.47	123.57	1.71	<b>1,247.45</b>	179.33	97.60	31.54	0.83	<b>307.64</b>	<b>939.81</b>	404.79
Railway Sidings	168.83	115.78	7.89	0.17	<b>292.33</b>	90.28	47.47	12.16	-	<b>149.91</b>	<b>142.42</b>	78.55
Plant and Machinery	6,908.07	7,654.50	474.96	43.76	<b>14,993.77</b>	2,693.15	2,408.92	668.62	35.50	<b>5,735.19</b>	<b>9,258.58</b>	4,214.92
Furniture, Fixtures & Office Equipments	118.51	129.42	30.91	11.80	<b>267.04</b>	81.57	94.79	23.45	11.21	<b>188.60</b>	<b>78.44</b>	36.94
Jetty	80.60	-	-	-	<b>80.60</b>	70.05	-	6.44	-	<b>76.49</b>	<b>4.11</b>	10.55
Vehicles	16.64	19.50	10.20	3.79	<b>42.55</b>	9.50	7.89	5.24	2.61	<b>20.02</b>	<b>22.53</b>	7.14
<b>Total Tangible Assets</b>	<b>8,067.34</b>	<b>9,083.25</b>	<b>812.05</b>	<b>61.70</b>	<b>17,900.94</b>	<b>3,131.21</b>	<b>2,676.42</b>	<b>752.52</b>	<b>50.17</b>	<b>6,509.98</b>	<b>11,390.96</b>	4,936.13
<b>(B) Intangible Assets</b>												
Software	10.80	26.05	4.48	-	<b>41.33</b>	5.25	18.99	7.80	-	<b>32.04</b>	<b>9.29</b>	5.55
<b>Total Assets (A+B)</b>	<b>8,078.14</b>	<b>9,109.30</b>	<b>816.53</b>	<b>61.70</b>	<b>17,942.27</b>	<b>3,136.46</b>	<b>2,695.41</b>	<b>760.32</b>	<b>50.17</b>	<b>6,542.02</b>	<b>11,400.25</b>	4,941.68
Previous year	7,401.02	-	695.04	17.92	8,078.14	2,765.33	-	386.91	15.78	3,136.46		
Add: Capital Work-in-Progress (includes advances of ₹ 419.47 Crores; (Previous Year ₹ 51.09 Crores))											<b>1,105.32</b>	259.37
											<b>12,505.57</b>	5,201.05

**Notes :**

- (A) Depreciation for the year  
Add: Obsolescence  
Less: Depreciation transferred to Pre-operative Expenses  
Depreciation as per Profit and Loss Account

<b>760.32</b>	386.91
<b>5.58</b>	1.17
<b>(0.17)</b>	-
<b>765.73</b>	388.08

- (B) 1. Leasehold Land includes Mining Rights.  
2. Cost of Plant and Machinery includes ₹ 55.43 Crores (Previous year ₹ 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 ₹ 238.63 Crores (Previous Year ₹ 150.94 Crores) not owned by the Company.  
4. Buildings include ₹ 16.07 Crores being cost of Debentures of and Shares in a company entitling the right of exclusive occupancy and use of certain premises.  
5. Capital Work-in-progress includes advance against capital orders, technical know-how and Supervision fees, machinery under installation / in-transit, construction materials, purchases, other assets under erection and pre-operative expenses.  
6. Pursuant to the Scheme of Amalgamation with SCL, the above Gross Block (Assets transferred from SCL) as on 01.07.2010 includes Research and Development Assets (Buildings, Plant and Machinery, Furniture Fixtures & Office Equipments and Intangible Assets) of ₹ 12.34 Crores (Previous Year ₹ Nil) and Net Block as on 01.07.2010 of ₹ 9.67 Crores (Previous Year ₹ Nil). Additions for the Research and Development Assets during the period is ₹ 2.26 Crores (Previous Year ₹ Nil ).  
7. The title deeds of some of the immovable properties transferred pursuant to the Scheme of Arrangement / Amalgamation are yet to be transferred in the name of the Company.

₹ in Crores  
Previous  
Year**SCHEDULE 6****INVESTMENTS****LONG - TERM (Unquoted, at cost, fully paid, other than trade)****Government and Trust Securities**

- -

(₹ 42,000, Previous Year ₹ 10,000) Pledged as security deposit

**Shares in Subsidiary Companies**50,000 Equity Shares of ₹ 10 each in Dakshin Cements Limited (Previous Year 50,000) **1.21** 1.2140,000,000 Equity Shares of Sri Lankan Rupees 10 each in UltraTech Cement Lanka (Pvt.) Limited. **23.03** 23.03  
(Previous Year 40,000,000)15,477,756 Equity Shares of UAE Dirham 10 each in UltraTech Cement Middle East Investments Limited **193.97** 7.56  
(Previous Year 600,000 )50,000 Equity Shares of ₹ 10 each in Harish Cement Limited. (Previous Year Nil) **0.10** -**218.31** 31.80**Shares in Joint Ventures**1,065,580 Equity Shares of ₹ 10 each in Madanpur (North) Coal Company (P) Limited. **1.07** 1.07  
(Previous Year 1,065,580)8,096,050 Equity Shares of ₹ 10 each in Bhaskarpara Coal Company Limited. (Previous Year Nil) **8.10** -**9.17** 1.07**Others**2,000,000 4.5% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 100 each in Aditya Birla Health Services Limited (Previous Year 2,000,000) **20.00** 20.0050,000 Equity Shares of ₹ 10 each in Aditya Birla Ports Limited (Previous Year Nil) **0.05** -**247.53** 52.87**CURRENT INVESTMENTS (At lower of cost or Fair Value)**

Fixed Deposits with Financial Institutions - 10.00

**Units of Debt Schemes of Mutual Funds:****Description****No. of Face  
Units Value**

Birla Sun Life Floating Rate Fund - Short Term- IP-Growth	7,695,327	10	<b>10.00</b>	-
Birla Sun Life Dynamic Bond Fund-Dividend (Previous Year 298,216,880 units)	-	10	-	309.83
Birla Sun Life Fixed Term Plan Series CD-Growth (Previous Year 50,000,000 units)	50,000,000	10	<b>50.00</b>	50.00
Birla Sun Life Fixed Term Plan Series CE -Growth	50,000,000	10	<b>50.00</b>	-
Birla Sun Life Fixed Term Plan- Series CF -Growth	75,000,000	10	<b>75.00</b>	-
Birla Sun Life Fixed Term Plan Series CG Growth	100,027,202	10	<b>100.03</b>	-
Birla Sun Life Fixed Term Plan Series CI- Growth	100,000,000	10	<b>100.00</b>	-
Birla Sun life Fixed Term Plan Series CJ Growth	30,015,551	10	<b>30.02</b>	-
Birla Sun Life Fixed Term Plan Series CK Growth	60,000,000	10	<b>60.00</b>	-
Birla Sun Life Fixed Term Plan -Series CL Growth	125,000,000	10	<b>125.00</b>	-
Birla Sun Life Fixed Term Plan -Series CM Growth	100,000,000	10	<b>100.00</b>	-
Birla Sun Life Fixed Term Plan Series CO Growth	200,000,000	10	<b>200.00</b>	-
Birla Sun Life Fixed Term Plan Series CR- Growth	100,000,000	10	<b>100.00</b>	-

**CURRENT INVESTMENTS (At lower of cost or fair value) (Continued).....**  
**Units of Debt Schemes of Mutual Funds:**

₹ in Crores  
Previous  
Year

Description	No. of Units	Face Value		
Birla Sun Life Fixed Term Plan Series CT- Growth	200,000,000	10	<b>200.00</b>	-
Birla Sun Life Fixed Term Plan Series CW - Growth	50,000,000	10	<b>50.00</b>	-
Birla Sun Life Floating Rate Long Term Fund- Dividend (Previous Year 149,688,564 units)	-	10	-	150.15
Birla Sun Life Floating Rate Long Term Fund- Growth (Previous Year 74,984,253 units)	-	10	-	75.00
Birla Sun Life Income Plus Plan- Dividend (Previous Year 22,254,582 units)	-	10	-	25.01
Birla Sun Life Medium Term Plan- INSTL- Growth (Previous Year 16,254,179 units)	143,440,467	10	<b>150.00</b>	16.22
Birla Sun Life Quarterly Interval Plan Series I- Dividend (Previous Year 20,000,000 units)	-	10	-	20.00
Birla Sun Life Quarterly Interval Plan Series II - Dividend (Previous Year 40,003,222 units)	-	10	-	40.00
Birla Sun Life Savings Fund- Growth (Previous Year 40,625,519 units)	-	10	-	71.00
Birla Sun Life Short Term FMP - Series 7-Dividend	50,000,000	10	<b>50.00</b>	-
Birla Sun Life Short Term FMP - Series 9 Dividend	50,000,000	10	<b>50.00</b>	-
Birla Sun Life Short Term FMP Series 13 Dividend	50,000,000	10	<b>50.00</b>	-
Birla Sun Life Short Term FMP- Series -6- Dividend	25,000,000	10	<b>25.00</b>	-
Birla Sun Life Short Term Fund- Growth (Previous Year 37,391,689 units)	-	10	-	40.90
Birla Sun Life Ultra Short Term Fund- Institutional - Growth	149,529,218	10	<b>174.69</b>	-
DSP BlackRock FMP - 12M Series 14- Growth	25,000,000	10	<b>25.00</b>	-
Fidelity Fixed Maturity Plan - Series 4- Plan E-Growth	25,003,905	10	<b>25.00</b>	-
Fidelity Fixed Maturity Plan -Series 3- Plan F- Growth	10,001,390	10	<b>10.00</b>	-
Fidelity Fixed Maturity Plan -Series 4- Plan F-Growth	10,000,000	10	<b>10.00</b>	-
Fidelity Fixed Maturity Plan - Series 5 - Plan A- Growth	10,000,000	10	<b>10.00</b>	-
Fidelity Fixed Maturity Plan - Series 5 - Plan E - Growth	25,000,000	10	<b>25.00</b>	-
HDFC Fixed Maturity Plan 13M October 2009- Growth (Previous Year 20,000,000 units)	-	10	-	20.00
HDFC Fixed Maturity Plan 370D June 2010 (1)- Dividend- Series XV	15,000,000	10	<b>15.00</b>	-
HDFC Fixed Maturity Plan 370D November 2010 (1 ) -Growth- Series XVII	40,000,000	10	<b>40.00</b>	-
HDFC Fixed Maturity Plan 370D September 2010 (2) -Growth - Series XV	15,000,000	10	<b>15.00</b>	-
HDFC Floating Rate Income Fund-Long Term Plan- Growth (Previous Year 15,817,397 units)	15,817,397	10	<b>25.00</b>	25.00
ICICI Prudential Active Income & PSU Bond Fund - Dividend (Previous Year 40,152,395 units)	-	10	-	40.20
ICICI Prudential Fixed Maturity Plan - Series 49 Plan A- Growth (Previous Year 10,000,000 units)	-	10	-	10.00
ICICI Prudential Fixed Maturity Plan - Series 49				

**CURRENT INVESTMENTS (At lower of cost or fair value) (Continued)....**  
**Units of Debt Schemes of Mutual Funds:**

₹ in Crores  
Previous  
Year

Description	No. of Units	Face Value		
Plan B- Growth (Previous Year 10,000,990 units)	-	10	-	10.00
ICICI Prudential FMP - Series 51 - 13M Plan-C Growth (Previous Year 20,000,000 units)	20,000,000	10	<b>20.00</b>	20.00
ICICI Prudential FMP - Series 51 - 14M Plan- D Growth (Previous Year 20,000,000 units)	20,000,000	10	<b>20.00</b>	20.00
ICICI Prudential FMP - Series 51- 1Y Plan A Growth (Previous Year 15,000,000 units)	-	10	-	15.00
ICICI Prudential FMP -Series 53 - 1Y Plan A Growth	20,000,000	10	<b>20.00</b>	-
ICICI Prudential FMP -Series 53 - 1Y Plan B Growth	25,000,000	10	<b>25.00</b>	-
ICICI Prudential FMP -Series 53 - 1Y Plan E Growth	25,000,000	10	<b>25.00</b>	-
ICICI Prudential FMP -Series 53 - 1Y Plan F Growth	25,000,000	10	<b>25.00</b>	-
ICICI Prudential FMP Series 53- 6M Plan A- Dividend	30,000,000	10	<b>30.00</b>	-
ICICI Prudential FMP -Series 54 - 1Y Plan A Growth	25,000,000	10	<b>25.00</b>	-
ICICI Prudential FMP -Series 55 - 1Y Plan A Growth	25,000,000	10	<b>25.00</b>	-
ICICI Prudential FMP -Series 55 - 1Y Plan F Growth	50,000,000	10	<b>50.00</b>	-
ICICI Prudential FMP -Series 56 - 1Y Plan B Growth	25,000,000	10	<b>25.00</b>	-
ICICI Prudential Interval Half Yearly II- Inst- Dividend	50,002,313	10	<b>50.02</b>	-
ICICI Prudential Interval Annual Interval I- Inst. Growth	49,985,584	10	<b>50.02</b>	-
ICICI Prudential Interval Annual Interval Plan III - Inst. Growth	17,999,283	10	<b>18.00</b>	-
ICICI Prudential Interval Annual Interval Plan IV - Inst. Growth	17,159,933	10	<b>20.00</b>	-
ICICI Prudential MTP Premium Plus- Dividend (Previous Year 34,940,971 units)	-	10	-	35.02
ICICI Prudential Short Term Income Plan- Dividend (Previous Year 10,238,698 units)	-	10	-	12.29
ICICI Prudential Ultra Short Term Fund- Growth (Previous Year 30,353,251 units)	-	10	-	31.35
IDFC Fixed Maturity Plan - Yearly Series 34- Growth	20,000,000	10	<b>20.00</b>	-
IDFC Fixed Maturity Plan Yearly Series 37- Growth	25,000,000	10	<b>25.00</b>	-
IDFC Fixed Maturity Plan Yearly Series 40 Growth	15,000,000	10	<b>15.00</b>	-
IDFC Fixed Maturity Plan-Yearly Series- 32 Dividend	50,000,000	10	<b>50.00</b>	-
IDFC FMP - Half Yearly Series 12- Dividend	20,002,980	10	<b>20.00</b>	-
IDFC FMP - Yearly Series 42- Growth	40,000,000	10	<b>40.00</b>	-
IDFC Short Term Plan- Dividend (Previous Year 11,089,285 units)	-	10	-	11.07
JP Morgan India Fixed Maturity Plan 400D Series 1- Dividend	10,000,000	10	<b>10.00</b>	-
JPMorgan India Fixed Maturity Plan 367D Series 1- Growth	10,000,000	10	<b>10.00</b>	-
Kotak Bond Short Term Plan- Dividend (Previous Year 20,975,697 units)	-	10	-	21.16
Kotak Credit Opportunities Fund- Growth	10,000,000	10	<b>10.00</b>	-
Kotak FMP 18M Series 2- Growth (Previous Year 10,000,000 units)	10,000,000	10	<b>10.00</b>	10.00
Kotak FMP 370 Days Series 7- Growth	20,002,383	10	<b>20.00</b>	-
Kotak FMP Series 28 -Growth	20,000,000	10	<b>20.00</b>	-

**CURRENT INVESTMENTS (At lower of cost or fair value) (Continued)....**  
**Units of Debt Schemes of Mutual Funds:**

₹ in Crores  
Previous  
Year

Description	No. of Units	Face Value		
Kotak FMP Series 29- Growth	25,000,000	10	<b>25.00</b>	-
Kotak FMP Series 30- Growth	25,000,000	10	<b>25.00</b>	-
Kotak FMP Series 40- Growth	50,000,000	10	<b>50.00</b>	-
Kotak FMP Series 43- Growth	50,000,000	10	<b>50.00</b>	-
Kotak Quarterly Interval Plan -Series 4- Dividend (Previous Year 10,000,000 units)	-	10	-	10.00
Kotak Quarterly Interval Plan -Series 6- Dividend (Previous Year 15,082,764 units)	-	10	-	15.08
Kotak Quarterly Interval Plan -Series 8 - Dividend (Previous Year 50,252,691 units)	-	10	-	50.25
L&T FMP - II (January 90 D A) - Dividend	10,000,000	10	<b>10.00</b>	-
LIC MF Floating Rate Fund- Growth (Previous Year 13,512,622 units)	-	10	-	20.43
LIC MF Savings Plus Fund - Growth (Previous Year 50,474,227 units)	-	10	-	73.87
Principal Money Manager Fund- IP- Dividend (Previous Year 2,884,449 units)	-	10	-	3.00
Principal PNB FMP (FMP- 69) 91 Days- Series XXVIII- Regular- Dividend	5,000,000	10	<b>5.00</b>	-
Reliance Fixed Horizon Fund - XIII- Series 5- Growth (Previous Year 10,000,000 units)	10,000,000	10	<b>10.00</b>	10.00
Reliance Fixed Horizon Fund - XIX - Series 1- Growth	30,000,000	10	<b>30.00</b>	-
Reliance Fixed Horizon Fund - XIX - Series 8- Growth	40,000,000	10	<b>40.00</b>	-
Reliance Fixed Horizon Fund - XIX - Series 9- Growth	40,000,000	10	<b>40.00</b>	-
Reliance Fixed Horizon Fund - XVI Series 1- Growth	20,002,505	10	<b>20.00</b>	-
Reliance Fixed Horizon Fund - XVI Series 2- Growth	50,007,437	10	<b>50.01</b>	-
Reliance Fixed Horizon Fund - XVI Series-5 Growth	25,003,523	10	<b>25.00</b>	-
Reliance Fixed Horizon Fund - XVII Series 1- Growth	25,000,000	10	<b>25.00</b>	-
Reliance Fixed Horizon Fund - XVII Series 2- Growth	40,000,000	10	<b>40.00</b>	-
Reliance Fixed Horizon Fund - XVII Series 4- Growth	25,000,000	10	<b>25.00</b>	-
Reliance Fixed Horizon Fund - XVIII-Series 7- Dividend	75,000,000	10	<b>75.00</b>	-
Reliance Fixed Horizon Fund XV Series 7- Dividend	50,000,000	10	<b>50.00</b>	-
Reliance Fixed Horizon Fund -XVIII Series 3- Dividend	10,000,000	10	<b>10.00</b>	-
Reliance Quarterly Interval Fund- Series 3- Dividend (Previous Year 9,997,580 units)	-	10	-	10.00
Reliance Regular Savings Fund- Growth (Previous Year 4,139,861 units)	-	10	-	5.00
Reliance Short Term Fund - Dividend (Previous Year 62,917,151 units)	-	10	-	66.95
Religare Active Income Fund - Dividend (Previous Year 10,050,097 units)	-	10	-	10.05
Religare Fixed Maturity Plan- III Plan A (12 Months)- Growth	5,000,000	10	<b>5.00</b>	-
Religare Fixed Maturity Plan -Series -III Plan D (370 Days) -Growth	10,000,000	10	<b>10.00</b>	-
Religare Fixed Maturity Plan -Series -III Plan F (370 Days)- Growth	15,000,000	10	<b>15.00</b>	-
Religare Fixed Maturity Plan -Series IV - Plan F - Growth	10,000,000	10	<b>10.00</b>	-
Religare Fixed Maturity Plan-Series VI-Plan B (370 Days)- Growth	10,000,000	10	<b>10.00</b>	-



**CURRENT INVESTMENTS (At lower of cost or fair value) (Continued)....**  
**Units of Debt Schemes of Mutual Funds:**

₹ in Crores  
Previous  
Year

Description	No. of Units	Face Value		
SBI Debt Fund Series- 180 Days -16- Dividend	10,000,000	10	<b>10.00</b>	-
SBI Debt Fund Series- 180 Days-14- Dividend	25,000,000	10	<b>25.00</b>	-
SBI Debt Fund Series- 370 Days- 10- Growth	50,000,000	10	<b>50.00</b>	-
SBI Debt Fund Series -90 Days-39- Dividend	50,000,000	10	<b>50.00</b>	-
Tata Fixed Maturity Plan Series 29 Scheme B- Growth	20,000,000	10	<b>20.00</b>	-
Tata Fixed Maturity Plan Series 29 Scheme C- Growth	25,004,113	10	<b>25.00</b>	-
Taurus Fixed Maturity Plan 370 Days Series - D- Growth	5,000,000	10	<b>5.00</b>	-
Taurus Fixed Maturity Plan 91 Days Series B- Dividend	5,000,000	10	<b>5.00</b>	-
UTI Fixed Income Interval Fund - MIP - I - Dividend (Previous Year 21,551,906 units)	-	10	-	21.55
UTI Fixed Income Interval Fund -Annual Interval Plan Series -II -Institutional -Growth	9,378,264	10	<b>10.00</b>	-
UTI Fixed Income Interval Fund MIP-Series 2 - Dividend (Previous Year 50,004,313 units)	-	10	-	50.00
UTI Fixed Income Interval Fund QIP-Series 3 - Dividend (Previous Year 10,000,787 units)	-	10	-	10.00
UTI Fixed Income Interval Fund QIP-Series 5 - Dividend (Previous Year 50,287,940 units)	-	10	-	50.29
UTI Fixed Maturity Plan - YFMP (03/09)- Growth (Previous Year 15,000,000 units)	-	10	-	15.00
UTI Fixed Maturity Plan YFMP (09/09) -Growth (Previous Year 20,000,000 units)	-	10	-	20.00
UTI Short Term Income Fund Regular - Dividend (Previous Year 74,553,425 units)	-	10	-	75.00
UTI Short Term Income Fund-STP - Dividend (Previous Year 9,264,855 units)	-	10	-	11.01
			<b>3,482.79</b>	1,606.68
			<b>3,730.32</b>	1,669.55

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

Axis Mutual Fund - 612,964; Baroda Pioneer Mutual Fund - 238,380,917; Birla Sun Life Mutual Fund - 10,853,833,240; Deutsche Mutual Fund - 76,585,763; DSP BlackRock Mutual Fund - 929,988; Fidelity Mutual Fund - 214,783,965; Franklin Templeton Mutual Fund - 510,571; HDFC Mutual Fund - 502,012,719; ICICI Prudential Mutual Fund - 947,572,384; IDFC Mutual Fund -753,760,655; Kotak Mahindra Mutual Fund - 2,155,259,935; L&T Mutual Fund - 10,000,000; LIC Mutual Fund - 855,878,171; PRINCIPAL PNB Mutual Fund - 23,348,347; Reliance Mutual Fund - 1,589,613,131; Religare Mutual Fund - 390,115,912; SBI Mutual Fund - 275,672,193; Sundaram Mutual Fund - 26,376,673; Tata Mutual Fund - 207,321,965; UTI Mutual Fund - 452,365,761; 8.08% GOI-2022 1,500,000; 8.13% GOI-2022 2,000,000.

₹ in Crores  
Previous  
Year**SCHEDULE 7  
INVENTORIES**

Stores and Spare parts, Packing Material, Fuel and Scrap	<b>1,116.75</b>	480.43
Raw Materials	<b>189.53</b>	91.87
Work-in-progress	<b>422.66</b>	166.40
Finished Goods	<b>227.58</b>	83.00
	<b>1,956.52</b>	821.70

**SCHEDULE 8  
SUNDRY DEBTORS****Exceeding six months:**

Secured (Considered Good)	<b>0.39</b>	0.90
Unsecured		
Considered Good	<b>20.95</b>	4.49
Considered Doubtful	<b>1.36</b>	-
	<b>22.70</b>	5.39
Less: Provision for Doubtful Debts	<b>1.36</b>	-
	<b>21.34</b>	5.39

**Others: (Considered Good)**

Secured	<b>157.12</b>	53.89
Unsecured	<b>423.83</b>	156.55
	<b>580.95</b>	210.44
	<b>602.29</b>	215.83

**SCHEDULE 9  
CASH AND BANK BALANCES**

Cash Balance on Hand {Including Cheques on Hand ₹ 24.30 Crores, (Previous Year ₹ 13.36 Crores)}	<b>24.78</b>	13.46
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**Bank Balance with Scheduled Banks:**

In Current Accounts	<b>118.57</b>	69.11
In Fixed Deposit Account*	<b>0.32</b>	-
In Unclaimed Dividend Account	<b>1.12</b>	1.16
	<b>144.79</b>	83.73

\* ₹ 0.32 Crore lodged as Security with Government Department. (Previous Year ₹ Nil)

₹ in Crores  
Previous  
Year**SCHEDULE 10****LOANS AND ADVANCES****Secured and Considered Good**

Loan against House Property (Secured by deposit of title deeds)	<b>0.07</b>	0.13
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**Unsecured**

Considered Good, unless otherwise specified:

Loans and Advances to Subsidiary Companies	<b>121.91</b>	0.21
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Advance to Parent Company	<b>0.34</b>	-
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Loan to the Managing Director	-	0.50
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{Maximum amount outstanding ₹ 0.50 Crore,  
(Previous Year ₹ 0.50 Crore)}

Deposits and Balances with Government and other Authorities	<b>360.06</b>	112.84
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Advances recoverable in cash or in kind or for value to be received	<b>460.95</b>	224.99
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Advance Tax (Net of Provision for Taxation)	<b>110.55</b>	12.46
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Advances recoverable in cash or in kind - considered doubtful	<b>0.25</b>	0.22
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	<b>1,054.06</b>	351.22
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Less: Provision for doubtful Loans and Advances	<b>0.25</b>	0.22
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	<b>1,053.81</b>	351.00
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	<b>1,053.88</b>	351.13
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**SCHEDULE 11****CURRENT LIABILITIES****Sundry Creditors**

Dues of Micro, Small and Medium Enterprises	<b>1.15</b>	0.13
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(To the extent identified with available information)

Others	<b>1,677.06</b>	681.38
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	<b>1,678.21</b>	681.51
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Security and Other Deposits	<b>469.92</b>	180.24
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Advances from Customers	<b>149.72</b>	92.09
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Investor Education and Protection Fund, Amount not due:

Unpaid Dividend	<b>2.36</b>	1.67
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Other Liabilities	<b>503.90</b>	152.73
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Interest accrued but not due on loans	<b>76.30</b>	29.84
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	<b>2,880.41</b>	1,138.08
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**SCHEDULE 12****PROVISIONS**

For Retirement Benefits	<b>134.94</b>	41.19
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For Mines Restoration	<b>9.38</b>	6.70
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For Tax (Net of Advance Tax)	<b>43.71</b>	26.02
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For Cost of Assets transferred {Refer Note B 16 (b)}	<b>194.37</b>	-
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For Proposed Dividend	<b>164.42</b>	74.69
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For Corporate Dividend Tax	<b>26.67</b>	12.41
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	<b>573.49</b>	161.01
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₹ in Crores  
Previous  
Year**SCHEDULE 13****INTEREST AND DIVIDEND INCOME****(A) On Investments****Long Term Investments:**

Dividend from a Subsidiary Company

4.85

1.69

**Current Investments:**

Dividend from Current Investments

100.95

49.77

**(B) Interest (Gross) on others**

16.54

4.75

{Tax Deducted at Source ₹ 1.04 Crores, (Previous Year ₹ 0.67 Crore )}

**122.34**

56.21

**SCHEDULE 14****Other Income**

Lease Rent

0.57

0.27

Insurance Claim

4.79

1.36

Profit on sale of Current Investments (Net)

18.36

2.02

Profit on Sale of Fixed Assets (Net)

-

0.13

Exchange Rate Difference (Net)

10.30

17.49

Miscellaneous Income / Receipts

130.31

44.54

**164.33**

65.81

**SCHEDULE 15****INCREASE / (DECREASE) IN STOCKS****Closing Stock**

Work-in-progress

422.66

166.40

Finished Goods

227.58

83.00

**650.24**

249.40

**Opening stock**

Work-in-progress

166.40

176.99

Finished Goods

83.00

67.82

Add: Stock transferred from SCL as on 01.07.2010,  
pursuant to scheme of Amalgamation

334.73

-

**584.13**

244.81

Add: Increase / (Decrease) in Excise Duty on Stocks

(4.27)

(6.86)

Increase / (Decrease) in Stocks

61.84

(2.27)

**SCHEDULE 16****RAW MATERIALS CONSUMED**

Opening Stock

91.87

68.00

Add: Stock transferred from SCL as on 01.07.2010,  
pursuant to scheme of Amalgamation

86.51

-

Purchase and Incidental Expenses (including cost of Lime Stone raised)

1,816.48

984.48

**1,994.86**

1,052.48

Less: Closing Stock

189.53

91.87

**1,805.33**

960.61

₹ in Crores  
Previous  
Year**SCHEDULE 17****MANUFACTURING EXPENSES**

Freight and Handling expense on Clinker transfer	<b>326.79</b>	144.11
Consumption of Stores, Spare Parts, Components and Packing Materials	<b>825.35</b>	420.43
Power and Fuel Consumed	<b>3,122.59</b>	1,430.22
Processing Charges	<b>23.43</b>	9.65
Hire Charges of Plant and Machinery and Others	<b>10.80</b>	6.59
Repairs to Plant and Machinery	<b>156.54</b>	87.77
Repairs to Buildings	<b>32.82</b>	22.93
Repairs to Others	<b>49.66</b>	27.17
	<b>4,547.98</b>	2,148.87

**SCHEDULE 18****PAYMENTS TO AND PROVISIONS FOR EMPLOYEES**

Salaries, Wages and Bonus	<b>561.80</b>	214.66
Contribution to Provident and Other Funds	<b>57.98</b>	22.02
Compensation Expenses under Employees Stock Options Scheme	<b>0.86</b>	0.34
Welfare Expenses	<b>45.86</b>	15.92
	<b>666.50</b>	252.94

**SCHEDULE 19****SELLING, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES**

Commission to Distributors and Selling Agents	<b>108.02</b>	46.03
Cash Discount	<b>173.58</b>	69.01
Freight, Handling and Other Expenses	<b>2,558.08</b>	1,228.79
Advertisement and Sales Promotions	<b>329.26</b>	134.05
Insurance	<b>18.96</b>	8.87
Rent (including Lease Rent)	<b>54.35</b>	19.21
Rates and Taxes	<b>93.16</b>	40.91
Stationery, Printing and Communication Expenses	<b>21.29</b>	11.51
Travelling and Conveyance	<b>48.87</b>	16.75
Legal and Professional Charges	<b>72.56</b>	29.36
Bad Debts and Advances Written Off	<b>0.09</b>	0.44
Directors' Fees	<b>0.13</b>	0.16
Director's commission (including ₹ 10 Crores related to previous year)	<b>25.00</b>	-
Power (other than related to Manufacturing Activity)	<b>3.53</b>	2.13
Loss on Sale of Fixed Assets (Net)	<b>0.04</b>	-
Contribution for Political Party (General Electoral Trust)	<b>-</b>	1.15
Miscellaneous Expenses	<b>90.99</b>	45.16
	<b>3,597.91</b>	1,653.53

**SCHEDULE 20****INTEREST AND FINANCE CHARGES****(A) Interest**

On Debentures and Fixed Loans	<b>224.16</b>	85.90
On Other Loans	<b>46.99</b>	29.11
Less: Interest Capitalised	<b>0.02</b>	2.03

**271.13** 112.98**(B) Finance Charges****5.98** 4.54**277.11** 117.52

**SCHEDULE 21****ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****A Significant Accounting Policies:****1. Basis of Accounting:**

The financial statements are prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply in all material aspects with the Accounting Standards (AS) notified under the Companies (Accounting Standard) Rules, 2006 (as amended), to the extent applicable, other pronouncements of the Institute of Chartered Accountants of India and with the relevant provisions of the Companies Act, 1956.

**2. Use of estimates:**

The preparation of financial statements in conformity with the GAAP requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reported period and the disclosures relating to contingent liabilities as of the date of the financial statements. Any revision to accounting estimates is recognised prospectively in the current and future periods. Difference between actual results and estimates are recognised in the period in which the results are known or materialise.

**3. Fixed Assets:**

Fixed assets, whether tangible or intangible, are stated at cost less accumulated depreciation / impairment loss (if any), net of Modvat / Cenvat (wherever claimed). The cost of fixed assets includes taxes, duties, freight and other incidental expenses incurred in relation to their acquisition and bringing the assets for their intended use.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under Capital Work-in-Progress.

Fixed Assets held for disposal are stated at lower of net book value and net realisable value.

**4. Treatment of expenditure during construction period:**

Expenditure / Income, 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:**

- (i) Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the year-end rates.
- (ii) In respect of Forward exchange contracts, premium or discount, being the difference between the forward exchange rate and the exchange rate at the inception of contract is recognised as expense or income over the life of the Contract.
- (iii) Exchange difference including premium or discount on forward exchange contracts, relating to borrowed funds, liabilities and commitments in the foreign currency for acquisition of fixed assets, arising till the assets are ready for their intended use, are adjusted to cost of fixed assets. Any other exchange difference either on settlement or translation is recognised in the Profit and Loss account.
- (iv) Investments in equity capital of companies registered outside India are carried in the Balance Sheet at the rates at which transactions have been executed.



**SCHEDULE 21 (Contd.)****6. Derivatives:****Financial Derivative Instruments**

Derivative 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 their settlement and realised gain/loss in respect of settled contracts is recognised in the Profit and Loss Account.

**Commodity Hedging**

The realised gain/loss in respect of commodity hedging contracts, the pricing period of which has expired or contracts cancelled during the year are recognized in the Profit and Loss Account. However, in respect of contracts, the pricing period of which extends beyond the Balance Sheet date, suitable provision for likely loss, if any, is made in the accounts.

**7. Investments:**

Investments are classified into long term investments and current investments. Long-term investments are carried at cost after deducting provisions made, if any, for diminution in value of investments other than temporary, determined separately for each individual investment.

Current investments are carried at lower of cost and fair value, determined separately for each individual investment.

**8. Inventories:**

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

Cost of finished goods and process stock includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

**9. 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 and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except for some of assets at the rates based on the useful life of the assets as determined by the management, which are higher than the rates specified in Schedule XIV to the Companies Act, 1956, as stated under:
  - (a) Company Vehicles other than those provided to the employees at 20% per annum.
  - (b) Roads, Culverts, Walls, Buildings etc. within factory premises at 3.34% per annum.
  - (c) Computer and Office Equipments at 25% per annum
  - (d) Furnitures and Fixtures – 7 years
  - (e) Mobile Phones – 3 years
  - (f) Motor Cars given to the employees as per the Company's Scheme are depreciated over the Scheme period.
- (ii) Assets acquired up to September 30, 1987, are depreciated at the rates prevailing at the time of acquisition.

**SCHEDULE 21 (Contd.)**

- (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.

**10. 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.

**11. Employee Benefits:****(i) Short term employee benefits**

Short term employee benefits are recognised as an expense on accrual at the undiscounted amount in the Profit and Loss Account.

**(ii) Defined Contribution Plan**

Contributions payable to recognised provident fund and approved superannuation scheme, which are defined contribution plans, are recognised as expense in the Profit and Loss Account; as they are incurred.

Contributions as specified by the law are paid to the provident fund set up as irrevocable trust by the holding company. The Company is generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contribution and shortfall, if any, as an expense in the year incurred.

**(iii) Defined Benefit Plan**

The obligation in respect of defined benefit plans, which cover Gratuity, Pension and Post retirement medical benefits, are provided for on the basis of an actuarial valuation, using the projected unit credit method, at the end of each financial year. Gratuity is funded with an approved fund. Actuarial gains/losses, if any, 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.

**SCHEDULE 21 (Contd.)****(iv) Other Long Term Benefits**

Long-term compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Profit and Loss Account.

**12. Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction 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 takes 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.

**13. Taxation:**

Current Tax is measured on the basis of estimated taxable income for the current accounting period and tax credits computed 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 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.

**14. Revenue Recognition:**

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

**15. 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.

The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

**16. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which

**SCHEDULE 21 (Contd.)**

a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

Contingent Liabilities are not recognised but are disclosed and Contingent Assets are neither recognised nor disclosed, in the financial statements.

**17. Employees Share based payments:**

The Company follows intrinsic value method for valuation of Employees Stock Options. The excess of the market price of shares at the time of grant of options, over the exercise price to be paid by the option holder is considered as employee compensation expense and is amortised in the Profit and Loss account over the period of vesting, adjusting for the actual and expected vesting.

**18. Earnings Per Share:**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**19. Government Grants and Subsidies:**

- (i) Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the condition attached thereto and that the grants will be received.
- (ii) Capital Government Grants or Subsidies relating to specific fixed assets are deducted from the gross value of the respective fixed assets and capital grants for projects are credited to Capital Reserve.
- (iii) Revenue Government Grants or Subsidies relating to an expense item are recognised as income over the period to match them on a systematic basis to the costs or deducted from related expenses.

**20. Segment Reporting Policies:**

Primary Segment is identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Secondary segment is identified based on geography in which major operating divisions of the Company operate.

**21. Research and development expenditure:**

Revenue expenditure on research and development is expensed as incurred. Capital expenditure incurred on research and development is capitalised as fixed assets and depreciated in accordance with the depreciation policy of the Company.

**22. Operating lease:**

Leases where significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases and lease rentals thereon are charged to the Profit and Loss Account.

**SCHEDULE 21 (Contd.)****B. Notes on Accounts****1a. Contingent Liabilities not provided for in respect of:**

₹ in Crores

Claims not acknowledged as debts in respect of matters in appeals

	2010-11	2009-10
(a) Sales-tax liability	134.80	61.34
(b) Excise duty	159.52	53.00
(c) Royalty on Limestone/Marl	181.06	42.84
(d) Customs	2.82	0.11
(e) Others	177.90	26.03

**1b.** The Company has issued corporate guarantees in favour of Bankers / Lenders / Government Authorities for its Subsidiaries and Joint Ventures; details of which are given below :

- Madanpur (North) Coal Company (Pvt.) Limited (JV) ₹ 3.65 Crores (Previous Year ₹ 3.65 Crores).
- Bhaskarpara Coal Company Limited (JV) ₹ 4.00 Crores\* (Previous Year ₹ Nil).
- UltraTech Cement Middle East Investments Limited and its subsidiaries US\$ 371 Mn (₹ 1,654.47 Crores) (Previous Year US\$ Nil).

\*Transferred pursuant to Scheme of Amalgamation of Samruddhi Cement Limited (SCL) with the Company.

- 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-dispatch of cement in Jute bags in respect of earlier years.
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1,902.25 Crores (Previous Year ₹ 233.29 Crores).

**4. Scheme of Amalgamation:**

Pursuant to the Scheme of Amalgamation ("the Scheme") of SCL a subsidiary of Grasim Industries Ltd., the holding company, with the Company as sanctioned by the Hon'ble High Courts of Bombay and Gujarat vide their orders dated June 11, 2010 and July 01, 2010 respectively; the entire business and all the assets and liabilities, duties and obligations of SCL have been transferred to and vested in the Company with effect from July 01, 2010 (the appointed date). The Scheme became effective from August 01, 2010.

The erstwhile SCL was engaged in manufacture and sale of Cement.

The amalgamation has been accounted for under the "Pooling of Interest" method as prescribed by the Accounting Standard (AS) 14 on "Accounting for Amalgamations" notified under the Companies (Accounting Standard) Rules. The scheme has, accordingly, been given effect to in these financial statements as under:

- All the Assets, Liabilities, Debenture Redemption Reserve (DRR) and Capital Subsidy Reserve (CSR) of SCL have been transferred to the Company at value appearing in the books of accounts of SCL as on June 30, 2010. Excess of assets over liabilities net of DRR and CSR, amounting to ₹ 4,851.85 Crores is credited to General Reserve.
- The cost of transfer of assets from SCL to the Company has been adjusted against the General reserve.
- Upon effectiveness of the Scheme, the authorised Share Capital of the Company increased to ₹ 2,800,000,000/- consisting of 280,000,000 equity shares of ₹ 10/- each.

**SCHEDULE 21 (Contd.)**

(d) In terms of the Scheme, the shares were to be allotted in the ratio of 4 (four) equity shares of the Company of face value ₹10/- each fully paid-up for every 7 (seven) equity shares of SCL of face value ₹ 5/- each fully paid-up. Accordingly, 149,533,469 equity shares of ₹ 10/- each have been allotted to the shareholders of erstwhile SCL including the custodian(s) of Global Depository Receipts (GDR).

(e) ESOP options of the Company were also extended to the Option holders of the SCL in the ratio of 4 options of the Company for every 7 options of SCL.

In view of the amalgamation of SCL with the Company w.e.f. July 01, 2010, the figures for the current year are not comparable with those of the previous year.

5. The Company's wholly-owned subsidiary "UltraTech Cement Middle East Investments Limited" has completed the acquisition of ETA Star Cement (ETA) and has acquired management control of ETA's operations in the UAE, Bahrain and Bangladesh.

**6. Derivative Instruments outstanding**

- (i) Derivatives for hedging currency and interest rates, outstanding as on March 31, 2011 are as under:

Particulars	Purpose	Currency	In Crores		Cross Currency
			2010-11	2009-10	
A. Forward Contracts	Exports	USD	0.40	1.14	Rupees
	Imports	USD	7.12	1.58	Rupees
	Buyers Credit	USD	2.50	-	Rupees
	Imports	Euro	4.57	0.39	USD
	Imports	Euro	-	0.13	Rupees
B. Other Derivatives					
i. Currency Option and Interest Swap	ECB	USD	4.00	4.00	Rupees
ii. Currency and Interest Rate Swap (CIRS)	Buyers Credit	USD	0.26	0.89	Rupees
	Buyers Credit	JPY	69.49	294.37	Rupees
	ECB	USD	1.00	-	Rupees
	ECB	JPY	3,468.85	604.60	Rupees
iii. Interest Rate Swap (IRS)	Mibor Linked NCDs	Rupees	200.00	200.00	Rupees

ECB- External Commercial Borrowings

- (ii) Un-hedged Foreign Currency exposure:

Particulars	Currency	In Crores		Cross Currency
		2010-11	2009-10	
Borrowings	USD	2.00	-	Rupees
Interest Payable	USD	0.03	-	Rupees



**SCHEDULE 21 (Contd.)****7. Secured Loans:****(a) Non-Convertible Debentures (NCDs)**₹ in Crores  
Previous Year

	2010-11	2009-10
<b>(i) Fixed Rate Non-Convertible Debentures (NCDs)</b>		
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. Step up interest NCDs(Redeemable at par on September 16, 2012)	25.00	25.00
4. 6.65% NCDs(Redeemable at par on April 30, 2013)	5.00	5.00
5. 10.525% NCDs(Redeemable at par on August 21, 2013, Put and Call Option exercisable to both parties on August 22, 2011)	200.00	200.00
6. 10.48% NCDs*(redeemable at par on December 16, 2013)	200.00	-
7. 8.80% NCDs*(redeemable at par on December 30, 2015, Put and Call Option exercisable to both parties on December 30, 2013)	100.00	-
8. 8.01% NCDs*(redeemable at par on July 14, 2016, Put and Call Option exercisable to both parties on July 14, 2014)	200.00	-
<b>(ii) Floating Rate Non-Convertible Debentures</b>		
1. MIBOR Linked NCDs(Redeemable at par on May 13 ,2011)	200.00	200.00
<b>(iii) Discounted Value Non-Convertible Debentures</b>		
1. Issued as zero coupon at yield to maturity of 6.80% (Carrying amount ₹ 17.44 crores, previous year ₹ 16.33 Crores, Redeemable at par on April 30, 2013)	20.00	20.00

\* Transferred pursuant to Scheme of Amalgamation of SCL with the Company

The Company retains the option to purchase the Non-Convertible 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. Non-Convertible Debentures repurchased have not been kept alive for reissuance as at March 31, 2011.

The Non-Convertible Debentures are secured by way of first charge, having pari passu rights, on the movable and immovable properties situated at certain locations of the Company (save and except book debts and inventories).

**(b) Foreign Currency Loans**

The foreign currency loans of ₹ 1,095.46 Crores (Previous Year ₹ 285.16 Crores) are secured by way of first charge, having pari passu rights, on the Company's movable and immovable assets situated at certain locations of the company (save and except book debts and inventories). Security creation is pending for loan availed from HSBC Bank (Mauritius) Limited, Mauritius (Facility amount USD 5 Crores; Amount availed till March 31, 2011 USD 1 Crore).

**SCHEDULE 21 (Contd.)**

₹ in Crores

Particulars	2010-11	2009-10
Hongkong & Shanghai Banking Corporation Ltd, Singapore (Japanese Yen 208.80 Crores)	93.82	93.82
Credit Agricole Corporate & Investment Bank, Singapore (Japanese Yen 211.00 Crores)	92.94	92.94
DBS Bank Ltd., Singapore (Japanese Yen 184.80 Crores)	98.40	98.40
Hongkong & Shanghai Banking Corporation Ltd., Mauritius (Japanese Yen 233.00 Crores)*	93.50	-
HSBC Bank (Mauritius) Ltd., Mauritius (US Dollar 1 Crore)*	45.67	-
Credit Agricole Corporate & Investment Bank, Singapore (Japanese Yen 275.00 Crores)*	111.12	-
Cooperative Central Raiffeisen- Boerenleenbank B.A. (Trading as Rabo Bank International), Singapore (Japanese Yen 450.00 Crores)*	181.39	-
BNP Paribas, Singapore (Japanese Yen 220.00 Crores)*	88.95	-
DBS Bank Ltd., Singapore (Japanese Yen 550.00 Crores)*	227.07	-
HSBC Bank (Mauritius) Ltd., Mauritius (USD 1.00 Crores)	44.60	-
Standard Chartered Bank, London (Japanese Yen 44.90 Crores)*	18.00	-
<b>Total</b>	<b>1,095.46</b>	<b>285.16</b>

\*Transferred pursuant to Scheme of Amalgamation of SCL with the Company.

**(c) Rupee Term Loan**

The Rupee Term loans of ₹ 450.00 Crores (Previous Year ₹ Nil), from banks are secured by way of first charge, having *pari passu* rights, on movable and immovable properties (save and except book debts and inventories) situated at one of the Company's location.

₹ in Crores

Particulars	2010-11	2009-10
Axis Bank Ltd., Indore*	200.00	-
HDFC Bank Ltd., Mumbai*	250.00	-
<b>Total</b>	<b>450.00</b>	<b>-</b>

\*Transferred pursuant to Scheme of Amalgamation of SCL with the Company.

**(d) Sales Tax Deferment Loan**

The Sales Tax Deferment Loan of ₹ 8.20 Crores (Previous Year ₹ Nil) transferred pursuant to Scheme of Amalgamation of SCL with the Company and is secured by bank guarantee backed by hypothecation of stocks and book debt of the Company.

**SCHEDULE 21 (Contd.)****8. Disclosure pertaining to Micro, Small and Medium Enterprises:**

There is no principal amount and interest overdue to the Micro, Small and Medium Enterprises. During the year no interest has been paid to such parties.

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**9. Disclosure as per clause 32 of the listing agreement:**

(a) Loans and Advances given to subsidiaries:

₹ in Crores

Name of Subsidiary Companies	Amount Outstanding		Maximum Balance outstanding during the Year		Investment by subsidiary in Shares of the Company (no. of shares)	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Dakshin Cements Limited	0.34	0.21	0.34	0.21	-	-
Harish Cement Limited	121.57	-	121.57	-	-	-

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

₹ in Crores

	2010-11	2009-10
Outstanding as on 31 <sup>st</sup> March	11.81	4.55
Maximum balance outstanding during the Year	15.85	6.30

**10. Segment Reporting:**

Business Segment

The Company is exclusively engaged in the business of cement and cement related products. This is in context of AS 17 "Segment Reporting", notified under the Companies (Accounting Standard) Rules, 2006, constitutes one single primary segment.

Geographical Segment is identified as secondary segment and details are given below:

₹ in Crores

	2010-11	2009-10
Segment Revenue (Sales):		
India	12,820.54	6,588.69
Rest of the World	389.37	460.99
<b>Total</b>	<b>13,209.91</b>	<b>7,049.68</b>

**SCHEDULE 21 (Contd.)****11. Auditors remuneration (excluding service tax) and expenses charged to the accounts:**

₹ in Crores

	2010-11	2009-10
<b>(a) Statutory Auditors:</b>		
Audit fees	0.80	0.38
Tax audit fees	0.08	0.03
Fees for other services	0.82	0.29
Expenses reimbursed	0.04	0.02
<b>(b) Branch Auditors:</b>		
Audit fees	0.05	0.05
Fees for other services	0.02	0.01
Expenses reimbursed {₹ 925 (Previous Year ₹340)}	-	-
<b>(c) Cost Auditors:</b> Audit fees	0.07	0.02
Expenses reimbursed {₹ 41,880 (Previous Year ₹ Nil)}	-	-

**12. (A) Managerial Remuneration:**

₹ in Crores

	2010-11	2009-10
Salary	3.23	5.41
Contribution to Provident Fund and Other Funds	0.36	0.44
Perquisites	0.20	0.58

Notes: (i) Remuneration has been paid to a Whole-Time Director in the current year and to a Managing Director in the previous year.

(ii) The above remuneration does not include provision for compensated absences and contribution to gratuity fund since it is based on actuarial valuation for the Company as a whole.

(iii) The above remuneration does not include amortisation of Employees Stock Options.

**(B) Commission to Directors other than Whole-Time Director:**

Computation of net profit in accordance with Section 349 of the Companies Act, 1956

₹ in Crores

	2010-11	2009-10
<b>Profit before tax and extraordinary items as per Profit and Loss Account</b>	<b>1,786.19</b>	<b>1,588.16</b>
Add:		
Managerial Remuneration	3.79	6.43
Commission to Directors	25.00*	-
Director's fees	0.13	0.16
Loss on Sale of Fixed Assets	0.04	-
Less:		
Profit on Sale of Fixed Assets	-	0.13
Profit on Sale of Investments	18.36	2.02
Net Profit for the year	1796.79	1592.60
<b>Commission to Directors</b>	<b>15.00</b>	<b>-</b>
% to Net Profit	0.84	-

\* ₹ 10 Crores related to Previous Year.

**SCHEDULE 21 (Contd.)**

13. 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" notified under the Companies (Accounting Standard) Rules, 2006, are as under:

₹ in Crores

Sr. No.	Particulars	Madanpur (North) Coal Company (Pvt.) Ltd.		Bhaskarpara Coal Co. Ltd*.	
		2010-11	2009-10	2010-11	2009-10
	% Shares Held	11.17%	11.17%	47.37%	-
(a)	Assets	1.10	1.05	8.00	-
(b)	Liabilities	0.01	-	0.01	-
(c)	Income	-	-	-	-
(d)	Expenses	-	-	0.06	-
(e)	Other Matters – Contingent Liability	3.65	3.65	4.00	-

\* Transferred pursuant to the Scheme of Amalgamation of SCL with the Company.

**14. Deferred Tax Assets and Liabilities as on March 31, 2011 are as under:**

₹ in Crores

Particulars	Deferred Tax (assets)/ liabilities as at 01.04.2010	Transferred from SCL as on 01.07.2010, pursuant to Scheme of Amalgamation	Current Year Charge/ (Credit)	Deferred Tax(assets)/ liabilities as at 31.03.2011
<b>Deferred Tax Assets:-</b>				
Provision allowed under tax on payment basis	(23.79)	(91.36)	(46.46)*	(161.61)
	<b>(23.79)</b>	<b>(91.36)</b>	<b>(46.46)</b>	<b>(161.61)</b>
<b>Deferred Tax Liabilities:-</b>				
Accumulated Depreciation	846.95	1,023.23	14.09	1,884.27
Payments allowed under tax not expensed in books	7.57	-	(0.18)	7.39
	<b>854.52</b>	<b>1,023.23</b>	<b>13.91</b>	<b>1,891.66</b>
<b>Net Deferred Tax Liability</b>	<b>830.73</b>	<b>931.87</b>	<b>(32.55)</b>	<b>1,730.05</b>

Deferred Tax benefits are recognized on assets to the extent that it is more likely than not future taxable profit will be available against which the asset can be utilised.

\* Out of ₹ 46.46 Crores, ₹ 29.31 Crores adjusted in General Reserve on account of Cost of assets transferred pursuant to Scheme of Amalgamation of SCL with the Company.

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

₹ in Crores

Particulars	2010-11			2009-10		
	Raw Materials Consumed	Power and Fuel Consumed	Total	Raw Materials Consumed	Power and Fuel Consumed	Total
Stores and Spares Consumed	41.97	47.38	89.35	27.94	30.91	58.85
Royalty and Cess	215.71	-	215.71	115.67	-	115.67

16. Movement of provisions during the period as required by Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Asset" notified under the Companies (Accounting Standard) Rules, 2006 (as amended):

**(a) Mines Restoration Expenditure:**

₹ in Crores

	2010-11	2009-10
Opening Provision	6.70	5.12
Transferred from SCL as on 01.07.2010, pursuant to Scheme of Amalgamation	0.83	-
Add: Provision during the year	1.85	1.73
Less: Utilisation during the year	-	0.15
<b>Closing Provision</b>	<b>9.38</b>	<b>6.70</b>

**(b) Provision for Cost of Transfer of Assets:**

₹ in Crores

	2010-11
Transferred from SCL as on 01.07.2010, pursuant to Scheme of Amalgamation	131.16
Add: Provision during the year	88.21
Less: Utilisation during the year	25.00
<b>Closing Provision</b>	<b>194.37</b>



**17. Capital work-in-progress includes:**

₹ in Crores

	2010-11	2009-10
<b>Pre-operative expenses pending allocation:</b>		
Power and Fuel Consumed	1.49	-
Salary, Wages, Bonus, Ex-gratia and Provisions	11.90	0.36
Insurance	0.01	0.13
Exchange Gain	(9.97)	(0.07)
Depreciation	0.17	-
Interest and Finance charges	5.13	1.83
Misc. Expenses	25.60	1.20
<b>Total Pre-operative expenses</b>	<b>34.33</b>	<b>3.45</b>
Less: Income	(0.30)	(0.34)
Add: B/f from Previous Year	1.33	12.35
Add: Transferred from SCL as on 01.07.2010, pursuant to scheme of Amalgamation	18.77	-
Less: Capitalised during the Year	(8.28)	(14.13)
<b>Balance included in Capital Work-in-Progress</b>	<b>45.85</b>	<b>1.33</b>

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

Parties	Relationship
<b>(a) Parties where control exists:</b>	
Grasim Industries Limited.	Holding Company
UltraTech Cement Lanka (Pvt.) Ltd.	Subsidiary
Dakshin Cements Limited.	Wholly Owned Subsidiary
Harish Cement Limited. (HCL) (w.e.f.01.07.2010)	Wholly Owned Subsidiary
UltraTech Cement Middle East Investments Limited. (UCMEIL)	Wholly Owned Subsidiary
Star Cement Co. LLC, UAE (w.e.f. 31.08.2010)	Subsidiary's Subsidiary – UCMEIL
Star Cement Co. LLC, RAK Ras-Al-Khaimah UAE (w.e.f. 31.08.2010)	Subsidiary's Subsidiary – UCMEIL
Al Nakhla Crusher LLC, Fujairah (w.e.f. 06.09.2010)	Subsidiary's Subsidiary – UCMEIL
Arabian Cement Industry LLC, Abu Dhabi (w.e.f. 15.09.2010)	Subsidiary's Subsidiary – UCMEIL
Arabian Gulf Cement Co W.L.L, Bahrain (w.e.f. 27.09.2010)	Subsidiary's Subsidiary – UCMEIL
Emirates Power Company Ltd., Bangladesh (w.e.f. 27.08.2010)	Subsidiary's Subsidiary – UCMEIL
Emirates Cement Bangladesh Ltd., Bangladesh (w.e.f. 27.08.2010)	Subsidiary's Subsidiary – UCMEIL
Madanpur (North) Coal Company (Pvt.) Limited.	Joint Venture
Bhaskarpara Coal Co. Limited. (w.e.f. 01.07.2010)	Joint Venture

**(b) Other Related Parties with whom there were transactions during the year:**

Parties	Relationship
Samruddhi Cement Limited (upto 30.06.2010)	Fellow Subsidiary
Samruddhi Swastik Trading & Investment Ltd.	Fellow Subsidiary
Vikram Sponge Iron Ltd (VSIL) (Upto 21.05.2009)	Fellow Subsidiary
Sun God Trading & Investment Limited	Fellow Subsidiary
Grasim Bhiwani Textiles Ltd.	Fellow Subsidiary
Harish Cement Limited (upto 30.06.2010)	Fellow Subsidiary
Mr. O. P. Puranmalka, Whole-time Director	Key Management Personnel (KMP)
Mrs. Sita Puranmalka	Relative of Mr. O.P. Puranmalka (Wife)
Mr. S. Misra, Managing Director (upto 31.03.2010)	Key Management Personnel (KMP)

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

₹ in Crores

Nature of Transactions	2010 - 11	2009-10
<b>Sale of Goods:</b>		
Grasim Industries Limited	3.30	122.31
Samruddhi Cement Limited	15.68	-
UltraTech Cement Lanka (Pvt.) Ltd.	139.85	131.10
Grasim Bhiwani Textiles Ltd.	0.06	-
Harish Cement Limited	₹ 7,128	-
<b>Total</b>	<b>158.89</b>	<b>253.41</b>
<b>Purchase of Goods:</b>		
Grasim Industries Limited	0.29	191.23
Samruddhi Cement Limited	57.23	-
Vikram Sponge Iron Ltd	-	0.50
<b>Total</b>	<b>57.52</b>	<b>191.73</b>
<b>Sale of Fixed Assets:</b>		
Grasim Industries Limited	-	0.61
<b>Purchase of Fixed Assets:</b>		
Grasim Industries Limited	-	0.16
Samruddhi Cement Limited	0.96	-
<b>Total</b>	<b>0.96</b>	<b>0.16</b>

₹ in Crores

<b>Nature of Transactions</b>	<b>2010 - 11</b>	<b>2009-10</b>
<b>Receiving of Services:</b>		
Grasim Industries Limited	0.48	1.78
Samruddhi Cement Limited	2.28	-
Grasim Bhiwani Textiles Limited	0.05	-
Samruddhi Swastik Trading & Investment Limited	0.36	0.20
Vikram Sponge Iron Limited	-	1.27
Key Management Personnel	3.79	6.43
Relative of Key Management Personnel	0.05	-
<b>Total</b>	<b>7.01</b>	<b>9.68</b>
<b>Rendering of Services:</b>		
UltraTech Cement Lanka (Pvt.) Ltd.	13.85	17.04
<b>Dividend and Other Income received / receivable</b>		
UltraTech Cement Lanka (Pvt.) Ltd.	4.85	1.69
<b>Dividend Paid</b>		
Grasim Industries Limited	40.92	31.56
Samruddhi Swastik Trading & Investment Ltd.	-	2.54
<b>Total</b>	<b>40.92</b>	<b>34.10</b>
<b>Interest Paid</b>		
Grasim Industries Limited	-	0.15
<b>Interest Received</b>		
Key Management Personnel	-	0.02
<b>Debenture Repayment</b>		
Grasim Industries Limited	-	10.00
<b>Loans &amp; Advances</b>		
Harish Cement Limited	33.48	-
Madanpur (North) Coal Company (Pvt.) Limited	0.03	-
UltraTech Cement Lanka (Pvt.) Ltd.	4.36	-
<b>Total</b>	<b>37.87</b>	<b>-</b>
<b>Investments</b>		
UltraTech Cement Middle East Investments Limited	186.41	7.56
Bhaskarpara Coal Co. Limited	3.67	-
<b>Total</b>	<b>190.08</b>	<b>7.56</b>
Issued shares to Grasim Industries Limited, pursuant to Scheme of Amalgamation	97.14	-
<b>Corporate Guarantees given</b>		
UltraTech Cement Middle East Investments Limited & its Subsidiaries	1,654.47	-

₹ in Crores

<b>Outstanding balances</b>	<b>2010 - 11</b>	<b>2009-10</b>
<b>Loans and Advances</b>		
Dakshin Cements Ltd	0.34	0.21
UltraTech Cement Lanka (Pvt.) Ltd.	4.36	-
Harish Cement Limited	121.57	-
Samruddhi Swastik Trading & Investment Ltd.	0.30	0.14
Madanpur (North) Coal Company (Pvt.) Limited	0.03	-
Grasim Bhiwani Textiles Ltd	-	₹12,000
Key Management Personnel	-	0.50
<b>Total</b>	<b>126.60</b>	<b>0.85</b>
<b>Debtors</b>		
Grasim	0.18	4.11
UltraTech Cement Lanka (Pvt.) Ltd.	8.14	12.22
Samruddhi Swastik Trading & Investment Ltd	₹ 45,000	-
Emirates Cement Bangladesh Ltd., Bangladesh	0.40	-
<b>Total</b>	<b>8.72</b>	<b>16.33</b>
<b>Other Liabilities and Creditors</b>		
Grasim	0.02	-
Grasim Bhiwani Textiles Ltd.	0.04	-
<b>Total</b>	<b>0.06</b>	<b>-</b>
<b>Deposit</b>		
Relative of Key Management Personnel	0.98	-
<b>Total</b>	<b>0.98</b>	<b>-</b>
<b>Corporate Guarantees</b>		
Madanpur (North) Coal Company (Pvt.) Limited.	3.65	3.65
Bhaskarpara Coal Co. Limited	4.00*	-
UltraTech Cement Middle East Investments Limited & its Subsidiaries	1,654.47	-
<b>Total</b>	<b>1,662.12</b>	<b>3.65</b>

\* Transferred pursuant to the Scheme of Amalgamation of SCL with the Company.

**19. Employee Benefits:****(a) Defined Benefit Plans as per Actuarial Valuation on March 31:**

₹ in Crores

		2010-11			2009-10		
		Gratuity (Funded)	Pension	Post Retirement Medical Benefits	Gratuity (Funded)	Pension	Post Retirement Medical Benefits
<b>(i)</b>	<b>Change in defined benefit obligation</b>						
	<b>Opening Balance of Present value of Defined Benefit Obligation</b>	<b>52.10</b>	<b>0.74</b>	<b>0.56</b>	<b>41.98</b>	<b>0.82</b>	<b>0.61</b>
	Addition on account of obligation Transferred from SCL as on 01.07.2010, pursuant to scheme of Amalgamation	98.05	7.83	-	-	-	-
	Adjustment of:						
	Current Service Cost	11.51	-	-	3.79	-	-
	Interest Cost	11.03	0.55	0.04	3.24	0.06	0.04
	Actuarial Losses / (Gain)	9.53	0.20	-	4.14	(0.07)	(0.05)
	Benefits Paid	(7.17)	(3.00)	(0.03)	(1.69)	(0.07)	(0.04)
	Past Service Cost	2.83	-	-	0.64	-	-
	Obligation during Current year	-	15.15	-	-	-	-
	<b>Closing Balance of Present value of Defined Benefit Obligation</b>	<b>177.88</b>	<b>21.47</b>	<b>0.57</b>	<b>52.10</b>	<b>0.74</b>	<b>0.56</b>
<b>(ii)</b>	<b>Change in Fair Value of Assets</b>						
	<b>Opening Balance of Fair Value of Plan Assets</b>	<b>44.84</b>	-	-	<b>40.36</b>	-	-
	Addition on account of Fair Value of Plan Assets transferred from SCL as on 01.07.2010	95.69	-	-	-	-	-
	Adjustment of: Return on Plan Assets	9.95	-	-	3.91	-	-
	Contribution by the employer	17.85	3.00	0.03	2.26	0.07	0.04

₹ in Crores

		2010-11			2009-10		
		Gratuity (Funded)	Pension	Post Retirement Medical Benefits	Gratuity (Funded)	Pension	Post Retirement Medical Benefits
	Benefits Paid	(7.17)	(3.00)	(0.03)	(1.69)	(0.07)	(0.04)
	<b>Closing Balance of Fair Value of Plan Assets</b>	<b>161.16</b>	-	-	<b>44.84</b>	-	-
(iii)	<b>Net Asset / (Liability) recognised in the Balance Sheet</b>						
	Present value of Defined Benefit Obligation	(177.88)	(21.47)	(0.57)	(52.10)	(0.74)	(0.56)
	Fair Value of Plan Asset	161.16	-	-	44.84	-	-
	Past service cost not yet recognised	(0.23)	-	-	-	-	-
	<b>Net Asset / (Liability) in the Balance Sheet</b>	<b>(16.95)</b>	<b>(21.47)</b>	<b>(0.57)</b>	<b>(7.26)</b>	<b>(0.74)</b>	<b>(0.56)</b>
(iv)	<b>Expenses recognised in the Profit and Loss Account</b>						
	Current Service Cost	11.51	-	-	3.79	-	-
	Interest Cost	11.03	0.55	0.04	3.24	0.06	0.04
	Expected Return on Plan Assets	(9.95)	-	-	(3.91)	-	-
	Actuarial (Gain)/ Losses	9.54	0.20	-	4.14	(0.07)	(0.05)
	Obligation during the year	-	14.93	-	-	-	-
	<b>Total Expense</b>	<b>22.12</b>	<b>15.68</b>	<b>0.04</b>	<b>7.26</b>	<b>(0.01)</b>	<b>(0.01)</b>
	Add: Transferred from Pre-operative Expenses	0.06	-	-	-	-	-
	<b>Total expenses charged to P&amp;L</b>	<b>22.18</b>	<b>15.68</b>	<b>0.04</b>	<b>7.26</b>	<b>(0.01)</b>	<b>(0.01)</b>
(v)	<b>The major categories of plan assets as a percentage of total plan</b>						
	Government of India Securities	8%	N.A.	N.A.	-	N.A.	N.A.



₹ in Crores

	2010-11			2009-10		
	Gratuity (Funded)	Pension	Post Retirement Medical Benefits	Gratuity (Funded)	Pension	Post Retirement Medical Benefits
Public Sector Bonds	8%	N.A.	N.A.	-	N.A.	N.A.
Insurer Managed Funds	83%	N.A.	N.A.	100%	N.A.	N.A.
Others	2%	N.A.	N.A.	-	N.A.	N.A.
<b>Total</b>	<b>100%</b>	N.A.	N.A.	<b>100%</b>	N.A.	N.A.
<b>(vi) Actuarial Assumptions:</b>						
Discount Rate	8.25%	8%-8.25% -8.28%	8.25%	8.45%	8.45%	8.45%
Turnover Rate	1%-2%	-	-	1% - 2%	-	-
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	8%	-	-	8%	-	-
Retirement age	Staff – 60 Yrs Workers – 58 Yrs	-	-	Staff – 60 Yrs Workers – 58 Yrs	-	60 Yrs
Leaving Service:						
Age: 21-44	2%	—	—	—	—	—
Age: 45 & above	1%	—	—	—	—	—

**(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.

**(ix) Experience Adjustments:****(I) Gratuity (Funded):**

₹ Crores

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Defined Benefit Obligation	22.35	28.12	41.98	52.10	177.88
Plan Assets	19.08	22.66	40.36	44.84	161.16
Surplus/(Deficit)	(3.27)	(5.46)	(1.62)	(7.26)	(16.72)

₹ Crores

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Expected Adjustments on Plan Liabilities	-	5.93	8.78	(0.34)	7.12
Expected Adjustments on Plan Assets	-	0.03	0.78	0.62	0.90

**(II) Pension Liabilities:**

₹ Crores

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Defined Benefit Obligation	0.80	0.82	0.82	0.74	0.75
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(0.80)	(0.82)	0.82	(0.74)	(0.75)
Expected Adjustments on Plan Liabilities	-	0.01	₹ (28,212)	₹ (9,037)	₹ 27,673

**(III) Post Retirement Medical Scheme Liabilities:**

₹ Crores

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Defined Benefit Obligation	0.58	0.58	0.61	0.56	0.57
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(0.58)	(0.58)	(0.61)	(0.56)	(0.57)
Expected Adjustments on Plan Liabilities	-	0.01	0.01	₹ 41,143	(0.01)

**(b) Defined Contribution Plans:**

Amount recognised as an expense and included in Schedule 18 under the head "Contribution to Provident and other Funds" of Profit and Loss account ₹ 37.21 Crores, (Previous Year ₹ 13.98 Crores).

- (c) Amount recognised as an expense in respect of Compensated Leave Absences is ₹ 22.43 Crores, (Previous Year ₹ 6.75 Crores).

20. Under the Employees Stock Option Scheme - 2006 (ESOS -2006), the Company has granted 228,473 options to its eligible employees in three Tranches.

During the year, in terms of the Scheme of Amalgamation, the Company issued stock options, in Tranche IV & V, to all the eligible employees of SCL in the ratio of 4 (four) Options of the Company for every 7 (seven) Options of erstwhile SCL held by them.

Details for all the tranches are as under:

**(a) Employees Stock Option Scheme :**

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Nos. of Options	99,010	69,060	60,403	88,907	8,199
Method of Accounting	Intrinsic Value	Intrinsic Value	Intrinsic Value	As per the Terms of Scheme	As per the Terms of Scheme
Vesting Plan	Graded Vesting - 25% every year	Graded Vesting - 25% every year	Graded Vesting - 25% every year	As per the Terms of Scheme	As per the Terms of Scheme
Exercise Period	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	As per the Terms of Scheme	As per the Terms of Scheme
Grant Date	23.08.2007	25.01.2008	08.09.2010	20.09.2010	20.09.2010
Grant Price (₹ per share)	606	794	655	709*	1,061*
Market Price on the date of Grant of Option (₹ per share)	853	794	994	.*	.*
Discount on Average Price	30.00%	1.98%	30.00%	-	-

\*Issued to employees of erstwhile SCL option holders pursuant to Scheme of Amalgamation of SCL with the Company.

**(b) Movement of Options Granted:**

	2010-11	2009-10
Outstanding at the beginning of the year	132,885	168,070
New options granted including options granted to the option holders of erstwhile SCL	157,509	-
Exercised during the year	21,117	1,200
Forfeited during the year	809	33,985
Outstanding at the end of the year	268,468	132,885

The weighted average price at the date of exercise for options was ₹ 1,060.54 per share.

**(c) Movement of Exercisable Options:**

Exercisable at the beginning of the year	82,835	42,016
Vested during the year including new options and options granted to the option holders of erstwhile SCL	109,372	42,019
Exercised during the year	21,117	1,200
Options exercisable at the end of the year	171,090	82,835

**(d) 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 the Black-Scholes Model.

The Key assumptions in the 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, Tranche-III: 0.30, Tranche-IV: 0.30, Tranche-V: 0.30
4. Expected Growth in Dividend - 20%

The weighted average fair value of the option, as on the date of grant, works out to ₹ 469 per stock option.

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:

₹ in Crores

Particulars	2010-11	2009-10
Net Profit (2010-11 figure includes Q1FY11 Net Profit of SCL ₹315.00 Crores)	1,719.23	1,093.24
Add: Compensation Expenses under ESOS included in the Net Profit	0.86	0.34
Less: Compensation Expenses under ESOS as per Fair Value	(1.64)	(0.72)
<b>Net Profit (Fair value basis)</b>	<b>1,718.45</b>	<b>1,092.86</b>
Basic Earning Per Share (Reported) – ₹ / Share	62.74	87.82
<b>Basic Earning Per Share (Fair value basis)– ₹ / Share</b>	<b>62.71</b>	<b>87.79</b>
Diluted Earning Per Share (Reported) – ₹ / Share	62.72	87.79
<b>Diluted Earning Per Share (Fair value basis) – ₹ / Share</b>	<b>62.69</b>	<b>87.76</b>

## 21. Earning per Share (EPS):

₹ in Crores

Particulars	2010-11	2009-10
<b>(A) Basic EPS:</b>		
(i) Net Profit attributable to Equity Shareholders (2010-11 figure includes Q1FY11 Net Profit of SCL ₹ 315.00 Crores)	1,719.23	1,093.24
(ii) Weighted average number of Equity Shares outstanding (Nos.)	274,025,026	124,485,979
<b>Basic EPS (₹) (i)/(ii)</b>	<b>62.74</b>	<b>87.82</b>
<b>(B) Diluted EPS:</b>		
(i) Weighted average number of Equity Shares Outstanding	274,025,026	124,485,979
(ii) Add: Potential Equity Shares on exercise of option	88,932	37,493
(iii) Weighted average number of Equity Shares Outstanding for calculation of Diluted EPS (i+ii)	274,113,958	124,523,472
<b>Diluted EPS (₹) {(A) (i) } / (iii)</b>	<b>62.72</b>	<b>87.79</b>
Face value of Shares (₹)	10	10

22. Figures less than ₹ 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest lakh.
23. Revenue expenditure on Research and Development included in different heads of expenses in the Profit and Loss Account is ₹ 3.19 Crores. (Previous Year ₹ Nil).
24. Previous year's figures have been regrouped and rearranged wherever necessary to conform to this year's classification.
25. Additional information pursuant to the provisions of paragraphs 3(ii), 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 (as certified by the Executives of the respective Divisions) is as per schedule 22.

## 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	
		2010-11#	2009-10	2010-11	2009-10
Grey Cement	Lakh tonnes	487.50	231.00	329.23	176.39
Ready Mix Concrete	Lakh Cubic Meters	103.71	39.89	37.43	15.99
White Cement	Lakh tonnes	5.60	-	4.08	-
Putty	Lakh tonnes	4.00	-	2.34	-

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.

# Capacity at the end of year includes capacity transferred from erstwhile SCL.

#### 2. Quantitative details

##### TURNOVER:

Product	Unit	2010-11		2009-10	
		Quantity	Value ₹ Crores	Quantity	Value ₹ Crores
Grey Cement	Lakh tonnes	332.25	10,932.99	177.65	6,074.60
Clinker	Lakh tonnes	15.57	248.28	24.61	454.58
Ready Mix Concrete	Lakh Cubic Meters	37.58	1,186.64	15.99	482.65
White Cement	Lakh tonnes	4.14	321.83	-	-
Putty	Lakh tonnes	2.30	434.42	-	-
Others		-	85.75	-	37.85
<b>Total</b>			<b>13,209.91</b>		<b>7,049.68</b>

**3. INVENTORY:**

Product	Unit	As at 31.03.2011		As at 31.03.2010	
		Quantity	Value ₹ Crores	Quantity	Value ₹ Crores
Grey Cement	Lakh tonnes	7.35	195.15	3.49	83.00
White Cement	Lakh tonnes	0.22	13.54	-	-
Putty	Lakh tonnes	0.19	17.35	-	-
Others		-	1.54	-	-
<b>Total</b>			<b>227.58</b>		<b>83.00</b>

**4. RAW MATERIAL, STORES AND SPARE PARTS:****(a) Raw Material Consumed:**

Product	2010-11		2009-10	
	Quantity Lakh Tonnes	Value ₹ Crores	Quantity Lakh Tonnes	Value ₹ Crores
Limestone*	387.95	484.92	224.90	247.06
Fly Ash	69.51	239.23	25.87	97.11
Gypsum	15.08	210.11	8.17	112.66
Aggregates	40.24	197.99	16.15	66.12
Sand	31.34	151.85	14.05	61.07
Chemicals	0.07	90.68	-	-
Slag	11.58	88.97	7.03	55.30
Iron ore / Hematite / Laterite	11.16	66.59	3.14	25.63
Clay	4.42	47.70	2.97	39.22
Bauxite	4.35	53.97	2.01	25.51
Clinker	1.07	32.85	5.52	176.29
Chalk	1.89	19.49	-	-
Others	-	120.98	-	54.64
<b>Total*</b>		<b>1,805.33</b>		<b>960.61</b>

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



**(b) Purchase of Finished Goods:**

Class of goods	Unit	2010-11		2009-10	
		Quantity	Value ₹ in Crores	Quantity	Value ₹ in Crores
Grey Cement	Lakh tonnes	2.86	78.96	1.72	46.94
Others		-	43.22	-	16.80
<b>Total</b>			<b>122.18</b>		<b>63.74</b>

**(c) Value of Imports (on CIF basis):**

₹ in Crores

	2010-11	2009-10
(i) Raw materials	130.01	37.54
(ii) Fuel, stores and spares	930.45	422.14
(iii) Capital goods	43.38	32.25

**(d) Value of Imported and indigenous Raw Materials, Stores and Spares consumed:**

	2010-11		2009-10	
	Value ₹ in Crores	%	Value ₹ in Crores	%
<b>Raw materials:</b>				
Imported	129.28	7.2	28.95	3.0
Indigenous	1,676.05	92.8	931.66	97.0
<b>Total</b>	<b>1,805.33</b>	<b>100.0</b>	<b>960.61</b>	<b>100.0</b>
<b>Stores and spares:</b>				
Imported	88.01	9.6	43.71	9.0
Indigenous	826.69	90.4	439.71	91.0
<b>Total</b>	<b>914.70</b>	<b>100.0</b>	<b>483.42</b>	<b>100.0</b>

**5. EXPENDITURE IN FOREIGN CURRENCY:**

₹ in Crores

	2010-11	2009-10
Freight / Dispatch / Demurrage	79.36	80.63
Service Fees	9.19	7.00
Interest	5.74	4.06
Other Matters	3.12	0.75

**6. EARNINGS IN FOREIGN EXCHANGE:**

₹ in Crores

	2010-11	2009-10
Export of goods {Including ₹ 242.75 Crores (Previous Year ₹ 322.92 Crores) on FOB basis}	389.37	460.99
Dividend	4.85	1.69
Other receipts	19.83	18.77

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

(i) Remittance in foreign currency

Sr. No.	Particulars	2010-11	2009-10
1	Dividend for the year ended	31.03.2010	31.03.2009
2	Number of Non Resident Equity Shareholders	188*	8
3	Number of Shares held by them	2,652,369*	2,790
4	Amount remitted as dividend (Rupees)	4,653,976*	13,950

\*This includes an amount of ₹ 4,637,236, declared as dividend by erstwhile SCL in respect of 177 non-resident equity shareholders holding 2,649,849 equity shares of SCL; since SCL amalgamated with the Company effective from July 01, 2010.

(ii) Except for the above equity shareholders, the Company has not made any remittance in foreign currency on account of dividends during the year and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident equity shareholders.

(iii) The particulars of non-resident equity shareholders and the amount of dividends paid to them are as under:

Sr. No.	Particulars	2010-11	2009-10
1	Equity Dividend for the year ended	31.03.2010	31.03.2009
2	Number of Non Resident Equity Shareholders including those under (i) above	10,784*	3,532
3	Number of Shares held by them	47,115,186*	7,581,427
4	Amount paid as dividend (₹ Crores)	14.43*	3.79

\* This includes an amount of ₹ 5.70 Crores declared as dividend by erstwhile SCL in respect of 7,306 non-resident equity shareholders holding 32,565,072 equity shares of SCL; since SCL amalgamated with the Company effective from July 01, 2010.

Signatures to Schedules '1' to '22'

For and on behalf of the Board

KUMAR MANGALAM BIRLA  
ChairmanK. C. BIRLA  
Sr. Executive President & CFOR. C. BHARGAVA  
DirectorS. K. CHATTERJEE  
Company SecretaryO. P. PURANMALKA  
Whole-time Director

Mumbai, April 26, 2011

**Balance Sheet Abstract and General Business Profile:****I Registration Details**

Registration No. 1 1 - 1 2 8 4 2 0

State Code 1 1

Balance Sheet Date 3 1 - 0 3 - 1 1

**II Capital Raised during the year (Amount in Rs. Thousands)**Public Issue  
NILRight Issue  
NILBonus Issue  
NILPrivate Placement  
NILEmployees Stock  
Options Scheme  
2 1 1Issued Pursuant to  
Scheme of Amalgamation  
1 4 9 5 3 8 3**III Position of Mobilisation & Deployment of Funds (Amount in Rs. Thousands)**Total Liabilities  
1 9 9 9 4 5 7 9 2Total Assets  
1 9 9 9 4 5 7 9 2Source of Funds:  
Paid-up Capital  
2 7 4 0 4 1 7Reserve & Surplus  
1 0 3 8 7 1 9 7 8Secured Loans  
2 7 8 9 7 6 6 9Unsecured Loans  
1 3 5 4 8 4 5 5Application of Funds:  
Net Fixed Assets  
1 2 5 0 5 5 8 0 8Investments  
3 7 3 0 3 0 6 3Net Current Assets  
3 0 4 7 9 7 4Miscellaneous Expenditure  
NIL**IV Performance of Company (Amount in Rs. Thousands)**Turnover  
1 4 8 5 8 6 0 3 6Total Expenditure  
1 3 0 7 2 4 2 2 6

+/- Profit/(Loss) Before Tax

+/- Profit/(Loss) After Tax

+ 1 7 8 6 1 8 1 0

+ 1 4 0 4 2 1 6 7

Earning Per Share (Rs.)

Dividend Rate (%)

6 2 . 7 4

6 0

**V Generic Name of Principal Product of the Company**

Item Code 2 5 2 3 2 9 . 0 1

Product Description P O R T L A N D C E M E N T

For and on behalf of the Board

KUMAR MANGALAM BIRLA  
ChairmanK. C. BIRLA  
Sr. Executive President & CFOR. C. BHARGAVA  
DirectorS. K. CHATTERJEE  
Company SecretaryO. P. PURANMALKA  
Whole-time Director

Mumbai, April 26, 2011

**TO THE BOARD OF DIRECTORS OF ULTRATECH CEMENT LIMITED**

1. We have audited the attached Consolidated Balance Sheet of **ULTRATECH CEMENT LIMITED** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at March 31, 2011, 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. The Consolidated Financial Statements include investments in the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated 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 the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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. We did not audit the financial statements of subsidiaries and joint ventures, whose financial statements reflect total assets of ₹1,979.42 crores as at March 31, 2011, total revenues of ₹ 628.87 crores and net cash inflows amounting to ₹ 0.95 crore for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of the 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) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its subsidiaries and joint ventures and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
- (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Registration No.117366W)

B. P. Shroff

Partner

(Membership No. 34382)

Mumbai, April 26, 2011

For **G. P. KAPADIA & Co.**

Chartered Accountants

(Registration No.104768W)

Atul B. Desai

Partner

(Membership No. 30850)

₹ in Crores  
As at  
March 31, 2010

March 31, 2019

		Schedules	
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1A	274.04	124.49
Employees Stock Options Outstanding	1B	4.78	1.99
Reserves and Surplus	2	10,367.78	4,493.05
			<u>4,619.53</u>
		10,646.60	
Loan Funds			
Secured Loans	3	2,869.19	856.74
Unsecured Loans	4	2,671.69	750.33
			<u>1,607.07</u>
		5,540.88	
		65.64	7.54
Minority Interest		1,733.54	835.55
Deferred Tax Liabilities (Net)			<u></u>
TOTAL		17,986.66	7,069.69
APPLICATION OF FUNDS			
Fixed Assets			
	5		
Gross Block		19,077.36	8,105.11
Less: Depreciation		6,774.08	3,147.01
Net Block		12,303.28	4,958.10
Capital Work-in-Progress		1,201.93	260.38
			<u>5,218.48</u>
		13,505.21	
Goodwill		471.32	6.35
Deferred Tax Asset (Net)		3.54	-
Investments		3,513.86	1,636.68
Current Assets, Loans and Advances			
Inventories	7	2,093.51	826.98
Sundry Debtors	8	824.84	209.96
Cash and Bank Balances	9	190.10	111.69
Loans and Advances	10	1,026.25	364.80
Assets held for Disposal		1.22	-
		4,135.92	1,513.43
Less:			
Current Liabilities and Provisions			
Current Liabilities	11	3,057.20	1,141.14
Provisions	12	585.99	164.13
		3,643.19	1,305.27
Net Current Assets		492.73	208.16
Miscellaneous Expenditure		-	0.02
(to the extent not written off or adjusted)			
TOTAL		17,986.66	7,069.69

**Accounting Policies and Notes on Accounts 21**

Schedules referred above form an integral part of the Accounts.

In terms of our report attached.

For and on behalf of the Board

KUMAR MANGALAM BIRLA  
Chairman

For DELOITTE HASKINS & SELLS  
Chartered Accountants

For G. P. KAPADIA & CO.  
Chartered Accountants

K. C. BIRLA  
Sr. Executive President & CFO

R. C. BHARGAVA  
Director

B. P. SHROFF  
Partner

ATUL B. DESAI  
Partner

S. K. CHATTERJEE  
Company Secretary

O. P. PURANMALKA  
Whole-time Director

Mumbai, April 26, 2011



	Schedules		₹ in Crores Previous Year
<b>INCOME</b>			
Gross Sales		15,339.84	7,854.58
Less : Excise Duty		1,648.69	679.45
Net Sales		13,691.15	7,175.13
Interest and Dividend Income	13	119.01	55.41
Other Income	14	170.59	65.89
Increase / (Decrease) in Stocks	15	87.60	(15.30)
		14,068.35	7,281.13
<b>EXPENDITURE</b>			
Raw Materials Consumed	16	2,040.02	1,039.50
Manufacturing Expenses	17	4,736.48	2,159.93
Purchase of Finished Products		122.18	63.74
Payments to and Provisions for Employees	18	699.01	256.83
Selling, Distribution, Administration and Other Expenses	19	3,621.11	1,658.26
Interest and Finance Charges	20	299.46	117.75
Depreciation and Obsolescence		812.98	389.65
Amortisation of Goodwill on Consolidation		-	1.68
		12,331.24	5,687.34
Less: Captive Consumption of Cement (Net of Excise Duty ₹ 9.35 Crores (Previous Year ₹ 3.46 Crores))		(10.51)	(4.02)
		12,320.73	5,683.32
<b>Profit Before Tax Expenses</b>		1,747.62	1,597.81
Income Tax Expenses			
Provision for Current Tax		520.47	392.66
Excess tax provision reversal related to earlier years		(125.52)	(0.13)
Deferred Tax (Credit) / Charge		(8.40)	108.44
<b>Profit After Tax</b>		1,361.07	1,096.84
Minority Interest		(6.28)	1.64
<b>Profit After Minority Interest</b>		1,367.35	1,095.20
Balance brought forward from Previous Year		2,756.46	2,463.53
<b>Profit Available for Appropriation</b>		4,123.81	3,558.73
<b>Appropriations</b>			
Proposed Dividend		164.42	74.69
Corporate Dividend Tax		26.67	12.41
Debenture Redemption Reserve		58.92	(34.83)
General Reserve		1,100.00	750.00
Balance carried to Balance Sheet		2,773.80	2,756.46
		4,123.81	3,558.73
<b>Basic Earnings Per Equity Share (in ₹) {See Note B 18 (A)}</b>		61.39	87.98
<b>Diluted Earnings Per Equity Share (in ₹) {See Note B 18 (B)}</b>		61.37	87.95

**Accounting Policies and Notes on Accounts 21**

Schedules referred above form an integral part of the Accounts.

In terms of our report attached.

For and on behalf of the Board

KUMAR MANGALAM BIRLA  
ChairmanFor DELOITTE HASKINS & SELLS  
Chartered AccountantsFor G. P. KAPADIA & CO.  
Chartered AccountantsK. C. BIRLA  
Sr. Executive President & CFOR. C. BHARGAVA  
DirectorB. P. SHROFF  
PartnerATUL B. DESAI  
PartnerS. K. CHATTERJEE  
Company SecretaryO. P. PURANMALKA  
Whole-time Director

Mumbai, April 26, 2011

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Annual Report | 2010-2011

	March 31, 2011	₹ in Crores March 31, 2010
<b>A Cash Flow from Operating Activities:</b>		
Profit before tax	1,747.62	1,597.81
Adjustments for:		
Depreciation and Obsolescence	812.98	389.65
Amortisation of Goodwill on Consolidation	-	1.68
Compensation Expenses under Employees Stock Option Scheme	0.86	0.34
Provision for Doubtful Debts and Advances / (Written back)	(3.29)	0.28
Bad Debts Written-off	0.09	0.44
Excess Provision written back	(32.50)	(12.56)
Provision for Retirement benefits	32.65	12.96
Provision for Mines Restoration	1.85	1.73
Interest and Dividend Income	(119.06)	(55.41)
Interest and Finance Charges	299.46	117.75
Unrealised Foreign Exchange (Gain)	(1.20)	(13.91)
Unrealised loss on Investments	-	1.07
(Profit)/Loss on Sale of Fixed Assets	0.04	(0.13)
(Profit)/Loss on Sale of Current Investment	(18.36)	(2.02)
<b>Operating Profit Before Working Capital Changes</b>	<b>2,721.14</b>	<b>2,039.68</b>
Adjustments for:		
(Increase)/decrease in Inventories	(101.87)	(121.43)
(Increase)/decrease in Sundry Debtors	(134.27)	(14.04)
(Increase)/decrease in Loans and Advances	(12.39)	30.79
Increase/(decrease) in Trade Payables and other Liabilities	51.47	50.33
<b>Cash Generated From Operations</b>	<b>2,524.08</b>	<b>1,985.33</b>
Taxes paid	(525.80)	(391.86)
Expenditure for Mines Restoration	-	(0.15)
<b>Net Cash Generated from Operating Activities (A)</b>	<b>1,998.28</b>	<b>1,593.32</b>
<b>B Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(1,271.92)	(275.38)
Sale of Fixed Assets	5.69	3.09
Expenditure for Cost on Assets transferred from SCL, pursuant to Scheme of Amalgamation	(25.00)	-
(Increase) / decrease in Current Investments	(362.69)	(628.26)
Investment in Subsidiaries	(717.40)	-
Purchase of Long Term Investments	(0.05)	-
Profit on Sale of Current Investments	18.36	2.02
Interest and Dividend Received	113.11	55.41
<b>Net Cash used in Investing Activities (B)</b>	<b>(2,239.90)</b>	<b>(843.12)</b>
<b>C Cash Flow from Financing Activities:</b>		
Proceeds from Issue of Share Capital	1.41	0.07
Repayment of Long Term Borrowings	(298.33)	(300.00)
Proceeds from Long Term Borrowings	824.56	32.89
Proceeds /(Repayment) of Short Term Borrowings (net)	177.49	(253.92)
Interest and Finance Charges paid	(315.36)	(146.17)
Dividend Paid	(121.68)	(62.66)
Corporate Dividend Tax	(20.02)	(10.58)
<b>Net Cash Generated / (Used) from Financing Activities (C)</b>	<b>248.07</b>	<b>(740.37)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents (A + B + C)</b>	<b>6.45</b>	<b>9.83</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>111.69</b>	<b>104.68</b>
<b>Cash and cash equivalents transferred from:</b>		
1. SCL, pursuant to Scheme of Amlgamation	66.64	-
2. ETA Star, pursuant to acquisition by UCMEIL	6.29	-
<b>Effect of exchange rate on consolidation of Foreign Subsidiary</b>	<b>(0.97)</b>	<b>(2.82)</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>190.10</b>	<b>111.69</b>

**Notes:**

- Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 notified under the Companies (Accounting Standard) Rules, 2006.
- Purchase of fixed assets includes movements of capital work-in-progress during the year.
- Cash and cash equivalents represent cash and bank balances.

**Accounting Policies and Notes on Accounts**

21

Schedule referred above form an integral part of the Accounts.

In terms of our report attached.

For and on behalf of the Board

KUMAR MANGALAM BIRLA  
Chairman

For DELOITTE HASKINS & SELLS  
Chartered Accountants

For G. P. KAPADIA & CO.  
Chartered Accountants

K. C. BIRLA  
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Partner

ATUL B. DESAI  
Partner

S. K. CHATTERJEE  
Company Secretary

O. P. PURANMALKA  
Whole-time Director

Mumbai, April 26, 2011

₹ in Crores  
Previous  
Year**SCHEDULE 1A  
SHARE CAPITAL****Authorised**280,000,000 Equity shares of ₹ 10 each (Previous Year 130,000,000) **280.00** 130.00**Issued, Subscribed and Paid up**274,041,665 Equity shares of ₹ 10 each fully paid-up. **274.04** 124.49

(Previous Year 124,487,079)

**274.04** 124.49**SCHEDULE 1B****EMPLOYEES STOCK OPTIONS OUTSTANDING**Employees Stock Options Outstanding **6.35** 2.21Less: Deferred Employees Compensation Expenses **1.57** 0.22**4.78** 1.99

Outstanding Employees Stock Options exercisable into 268,468 Equity Shares of ₹ 10 each fully paid-up (Previous Year 132,885).

**SCHEDULE 2  
RESERVES AND SURPLUS**

₹ in Crores

	Balance as at March 31, 2010	Transferred from SCL as on 01.07.2010, pursuant to Scheme of Amalgamation	Additions during the year	Deduction/ Adjustments during the year	Balance as at March 31, 2011
Capital Reserve	25.02	0.30	-	-	<b>25.32</b>
Cash Subsidy Reserve	0.10	-	-	-	<b>0.10</b>
Debenture Redemption Reserve	90.72	46.25	58.92	-	<b>195.89</b>
General Reserve	1,621.14	4,643.40	1,108.77	-	<b>7,373.31</b>
Securities Premium Account	0.10	-	1.91	-	<b>2.01</b>
Exchange Variation Reserve *	(0.49)	-	(2.16)	-	<b>(2.65)</b>
Surplus as per Profit and Loss Account	2,756.46	-	1,367.35	(1,350.01)	<b>2,773.80</b>
	<b>4,493.05</b>	<b>4,689.95</b>	<b>2,534.79</b>	<b>(1,350.01)</b>	<b>10,367.78</b>
Previous Year	3,485.16	-	1,885.16	(877.27)	4,493.05

\* Exchange Variation Reserve has been created for Exchange Variation loss in Opening Equity Share Capital and Reserves and Surplus of UltraTech Cement Lanka (Pvt.) Ltd and UltraTech Cement Middle East Investments Ltd.

**SCHEDULE 3  
SECURED LOANS**

**Non-Convertible Debentures**

**1,037.44** 536.33

**Loans from Banks:**

Foreign Currency Loan

**1,104.43** 285.16

Rupee Term loans

**450.00** -

Cash Credits/Working Capital Borrowings from Banks Secured by

**269.12** 35.25

Hypothecation of Stocks and Book Debts of the Company

**Other Loans:**

Sales Tax Deferment Loans

**8.20** -

**2,869.19** 856.74

**SCHEDULE 4  
UNSECURED LOANS**

**Short Term**

From Banks

**139.75** 13.47

**Long Term**

From Banks

**2,053.73** 320.98

From Others

**5.96** -

Sales Tax Deferment Loans

**472.25** 415.88

**2,671.69** 750.33

**SCHEDULE - 5  
Fixed Assets**

₹ in Crores

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at March 31, 2010	Assets transferred from SCL and ETA Star	Additions	Deductions/ Adjust- ments	As at March 31, 2011	As at March 31, 2010	Cumulative Depreciation transferred from SCL and ETA Star	For the year	Deductions/ Adjust- ments	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
<b>(A) Tangible Assets</b>												
Freehold Land	172.49	592.80	166.06	0.54	<b>930.81</b>	-	-	-	-	-	<b>930.81</b>	172.49
Leasehold Land	19.61	98.68	8.25	0.19	<b>126.35</b>	7.88	19.75	5.12	0.01	<b>32.74</b>	<b>93.61</b>	11.73
Buildings	586.21	584.76	123.70	3.09	<b>1,291.58</b>	179.91	110.97	33.42	1.16	<b>323.14</b>	<b>968.44</b>	406.30
Railway Sidings	168.83	115.78	7.89	0.17	<b>292.33</b>	90.28	47.47	12.16	-	<b>149.91</b>	<b>142.42</b>	78.55
Plant and Machinery	6,934.38	8,635.91	475.74	68.87	<b>15,977.16</b>	2,702.12	2,554.30	711.81	39.96	<b>5,928.27</b>	<b>10,048.89</b>	4,232.26
Furniture, Fixtures & Office Equipments	119.19	140.97	34.46	12.18	<b>282.44</b>	82.14	104.45	24.50	11.45	<b>199.64</b>	<b>82.80</b>	37.05
Jetty	76.63	-	-	-	<b>76.63</b>	69.72	-	6.44	-	<b>76.16</b>	<b>0.47</b>	6.91
Vehicles	16.97	23.43	12.24	3.95	<b>48.69</b>	9.71	10.91	5.68	2.72	<b>23.58</b>	<b>25.11</b>	7.26
<b>Total Tangible Assets</b>	<b>8,094.31</b>	<b>10,192.33</b>	<b>828.34</b>	<b>88.99</b>	<b>19,025.99</b>	<b>3,141.76</b>	<b>2,847.85</b>	<b>799.13</b>	<b>55.30</b>	<b>6,733.44</b>	<b>12,292.55</b>	4,952.55
<b>(B) Intangible Assets</b>												
Software & Others	10.80	36.31	4.48	0.22	<b>51.37</b>	5.25	27.08	8.49	0.18	<b>40.64</b>	<b>10.73</b>	5.55
<b>Total Assets (A+B)</b>	<b>8,105.11</b>	<b>10,228.64</b>	<b>832.82</b>	<b>89.21</b>	<b>19,077.36</b>	<b>3,147.01</b>	<b>2,874.93</b>	<b>807.62</b>	<b>55.48</b>	<b>6,774.08</b>	<b>12,303.28</b>	4,958.10
Previous year	7,430.91	-	695.20	21.00	8,105.11	2,775.40	-	388.48	16.87	3,147.01		
Add: Capital Work-in-Progress (includes advances of ₹ 459.31 Crores; (Previous Year ₹ 51.09 Crores))											<b>1,201.93</b>	260.38
											<b>13,505.21</b>	5,218.48
<b>Note:</b>												
(A) Depreciation for the year											<b>807.62</b>	388.48
Add: Obsolescence											<b>5.58</b>	1.17
Less: Depreciation transferred to Pre-operative Expenses											<b>(0.22)</b>	-
Depreciation as per Profit and Loss Account											<b>812.98</b>	389.65

- (B) 1. Leasehold Land includes Mining Rights.  
2. Cost of Plant and Machinery includes ₹ 55.43 Crores (Previous year ₹ 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 ₹ 238.63 Crores (Previous Year ₹ 150.94 Crores) not owned by the Company.  
4. Buildings include ₹ 16.07 Crores being cost of Debentures of and Shares in a company entitling the right of exclusive occupancy and use of certain premises.  
5. Capital Work-in-progress includes advance against capital orders, technical know-how and Supervision fees, machinery under installation / in-transit, construction materials, purchases, other assets under erection and pre-operative expenses.  
6. Pursuant to the Scheme of Amalgamation with SCL, the above Gross Block (Assets transferred from SCL) as on 01.07.2010 includes Research and Development Assets (Buildings, Plant and Machinery, Furniture Fixtures & Office Equipments and Intangible Assets) of ₹ 12.34 Crores (Previous Year ₹ Nil) and Net Block as on 01.07.2010 of ₹ 9.67 Crores (Previous Year ₹ Nil). Additions for the Research and Development Assets during the period is ₹ 2.26 Crores (Previous Year ₹ Nil).  
7. The title deeds of some of the immovable properties transferred pursuant to the Scheme of Arrangement / Amalgamation are yet to be transferred in the name of the Company.

₹ in Crores  
Previous  
Year**SCHEDULE 6  
INVESTMENTS****LONG - TERM (Unquoted, at cost, fully paid, other than trade)**

Government and Trust Securities	-	-
(₹ 42,000, Previous Year ₹ 10,000) Pledged as security deposit		

**Others**

2,000,000 4.5% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 100 each in Aditya Birla Health Services Limited. (Previous Year 2,000,000)	20.00	20.00
50,000 Equity Shares of ₹ 10 each in Aditya Birla Ports Ltd. (Previous Year Nil)	0.05	-

**CURRENT INVESTMENTS (Lower of Cost or Fair Market Value)**

Investment in Debt Schemes of Various Mutual Funds	3,482.79	1,606.68
Investment in Treasury Bills	11.02	-
Fixed Deposits with Financial Institutions	-	10.00
	<b>3,513.86</b>	<b>1,636.68</b>

Note: No. of Units of Various Mutual Funds -  
Debt Schemes purchased and redeemed during the year 19,574,935,254.

**SCHEDULE 7  
INVENTORIES**

Stores and Spare parts, Packing Material, Fuel and Scrap	1,154.59	481.18
Raw Materials	247.46	91.87
Work-in-Progress	423.57	166.40
Finished Goods (Includes stock in transit ₹ 4.57 Crores; (Previous Year ₹ 4.99 Crores);	267.89	87.53
	<b>2,093.51</b>	<b>826.98</b>

**SCHEDULE 8  
SUNDRY DEBTORS****Exceeding six months:**

Secured (Considered Good)	11.57	0.90
Unsecured		
Considered Good	37.01	4.49
Considered Doubtful	9.22	0.43
	<b>57.80</b>	<b>5.82</b>
Less: Provision for Doubtful Debts	9.22	0.43
	<b>48.58</b>	<b>5.39</b>

**Others: (Considered Good)**

Secured	287.55	48.02
Unsecured	488.71	156.55
	<b>776.26</b>	<b>204.57</b>
	<b>824.84</b>	<b>209.96</b>

**SCHEDULE 9  
CASH AND BANK BALANCES**

Cash Balance on Hand (Including Cheques on Hand ₹ 24.30 Crores, (Previous Year ₹ 13.36 Crores))	24.92	13.53
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**Bank Balance:**

In Current Accounts	130.72	69.26
In Fixed Deposit Accounts *	33.34	27.74
In Unclaimed Dividend Account	1.12	1.16
	<b>190.10</b>	<b>111.69</b>

\* ₹ 0.32 Crore lodged as Security with Government Department.  
(Previous Year ₹ Nil)

₹ in Crores  
Previous  
Year

**SCHEDULE 10  
LOANS AND ADVANCES**

**Secured and Considered Good**

Loan against House Property (Secured by deposit of title deeds)	<b>0.07</b>	0.13
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**Unsecured**

Considered Good, unless otherwise specified:

Advance to Parent Company	<b>0.34</b>	-
Loan to the Managing Director {Maximum amount outstanding ₹ 0.50 Crore, (Previous Year ₹ 0.50 Crore)}	-	0.50
Deposits and Balances with Government and other Authorities	<b>398.91</b>	124.57
Advances recoverable in cash or in kind or for value to be received	<b>513.47</b>	227.14
Advance Tax (Net of Provision for Taxation)	<b>113.46</b>	12.46
Advances recoverable in cash or in kind - considered doubtful	<b>1.24</b>	0.22

	<b>1,027.42</b>	364.89
Less: Provision for doubtful Loans and Advances	<b>1.24</b>	0.22

<b>1,026.18</b>	364.67
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<b>1,026.25</b>	364.80
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**SCHEDULE 11  
CURRENT LIABILITIES**

Sundry Creditors	<b>1,807.97</b>	683.09
Security and other Deposits	<b>477.75</b>	180.71
Advances from Customers	<b>150.18</b>	92.09

Investor Education and Protection Fund, Amount not due:

Unpaid Dividend	<b>2.36</b>	1.67
Other Liabilities	<b>539.37</b>	153.74
Interest accrued but not due on loans	<b>79.57</b>	29.84

<b>3,057.20</b>	1,141.14
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**SCHEDULE 12  
PROVISIONS**

For Retirement Benefits	<b>141.61</b>	41.47
For Mines Restoration	<b>9.38</b>	6.70
For Tax (Net of Advance Tax)	<b>49.54</b>	28.86
For Cost of Assets transferred	<b>194.37</b>	-
For Proposed Dividend	<b>164.42</b>	74.69
For Corporate Dividend Tax	<b>26.67</b>	12.41
	<b>585.99</b>	164.13

₹ in Crores  
Previous  
Year

**SCHEDULE 13**
**INTEREST AND DIVIDEND INCOME**

Interest (Gross) on others	<b>18.06</b>	5.64
{Tax Deducted at Source ₹ 1.04 Crores, (Previous Year ₹ 0.67 Crore )}		
Dividend from Current Investments	<b>100.95</b>	49.77
	<b>119.01</b>	55.41

**SCHEDULE 14**
**Other Income**

Lease Rent	<b>0.57</b>	0.27
Insurance Claim	<b>4.79</b>	1.36
Profit on sale of Current Investments (Net)	<b>18.36</b>	2.02
Profit on Sale of Fixed Assets (Net)	-	0.13
Exchange Rate Difference (Net)	<b>10.29</b>	16.90
Miscellaneous Income/Receipts	<b>136.58</b>	45.21
	<b>170.59</b>	65.89

**SCHEDULE 15**
**INCREASE/(DECREASE) IN STOCKS**
**Closing Stock**

Work-in-progress	<b>423.57</b>	166.40
Finished Goods	<b>263.32</b>	82.54
	<b>686.89</b>	248.94

**Opening stock**

Work-in-progress	<b>166.40</b>	176.99
Finished Goods	<b>82.54</b>	80.39
Add: Stock transferred from SCL as on 01.07.2010, pursuant to Scheme of Amalgamation and on acquisition of ETA Star Cement	<b>346.08</b>	-
	<b>595.02</b>	257.38
Add: Increase/(Decrease) in Excise Duty on Stocks	<b>(4.27)</b>	(6.86)
Increase/(Decrease) in Stocks	<b>87.60</b>	(15.30)

**SCHEDULE 16**
**RAW MATERIALS CONSUMED**

Opening Stock	<b>91.87</b>	68.00
Add: Stock transferred from SCL as on 01.07.2010, pursuant to Scheme of Amalgamation and on acquisition of ETA Star Cement	<b>137.47</b>	-
Purchase and Incidental Expenses (including cost of Lime Stone raised)	<b>2,058.14</b>	1,063.37
	<b>2,287.48</b>	1,131.37
Less: Closing Stock	<b>247.46</b>	91.87
	<b>2,040.02</b>	1,039.50



₹ in Crores  
Previous  
Year

**SCHEDULE 17**

**MANUFACTURING EXPENSES**

Freight and Handling expense on Clinker transfer	<b>326.79</b>	144.11
Consumption of Stores, Spare Parts, Components and Packing Materials	<b>844.84</b>	429.85
Power and Fuel Consumed	<b>3,277.20</b>	1,431.38
Processing Charges	<b>23.43</b>	9.65
Hire Charges of Plant and Machinery and others	<b>18.81</b>	6.59
Repairs to Plant and Machinery	<b>162.65</b>	87.82
Repairs to Buildings	<b>32.93</b>	22.97
Repairs to Others	<b>49.83</b>	27.56
	<b>4,736.48</b>	2,159.93

**SCHEDULE 18**

**PAYMENTS TO AND PROVISIONS FOR EMPLOYEES**

Salaries, Wages and Bonus	<b>593.08</b>	217.87
Contribution to Provident and Other Funds	<b>58.48</b>	22.47
Compensation Expenses under Employees Stock Options Scheme	<b>0.86</b>	0.34
Welfare Expenses	<b>46.59</b>	16.15
	<b>699.01</b>	256.83

**SCHEDULE 19**

**SELLING, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES**

Commission paid to Distributors and Selling Agents	<b>108.63</b>	46.07
Cash Discount	<b>173.58</b>	69.01
Freight, handling and other expenses	<b>2,558.86</b>	1,229.01
Advertisement and Sales Promotion	<b>332.32</b>	136.70
Insurance	<b>20.07</b>	8.94
Rent (including Lease Rent)	<b>62.85</b>	19.29
Rates and Taxes	<b>94.10</b>	41.04
Stationery, Printing and Communication Expenses	<b>22.47</b>	11.65
Travelling and Conveyance	<b>50.05</b>	17.38
Legal and Professional charges	<b>73.07</b>	29.50
Bad Debts and Advances Written Off	<b>0.09</b>	0.44
Provision for Doubtful Debts and Advances	<b>0.05</b>	0.28
Directors' Fees	<b>0.13</b>	0.16
Director's Commission	<b>25.00</b>	-
Power (other than related to Manufacturing Activity)	<b>3.59</b>	2.13
Loss on Sale of Fixed Assets (Net)	<b>0.04</b>	-
Contribution for Political Party (General Electoral Trust)	-	1.15
Miscellaneous Expenses	<b>96.21</b>	45.51
	<b>3,621.11</b>	1,658.26

**SCHEDULE 20**

**INTEREST AND FINANCE CHARGES**

**(A) Interest**

On Debentures and Fixed Loans	<b>241.30</b>	85.90
On Others Loans	<b>49.86</b>	29.11
Less: Interest Capitalised	<b>0.02</b>	2.03

**(B) Finance Charges**

	<b>291.14</b>	112.98
	<b>8.32</b>	4.77
	<b>299.46</b>	117.75

**SCHEDULE 21****ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****A Significant Accounting Policies:****1. Basis of Accounting:**

The financial statements are prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply in all material aspects with the Accounting Standards (AS) notified under the Companies (Accounting Standard) Rules, 2006 (as amended), to the extent applicable, other pronouncements of the Institute of Chartered Accountants of India and with the relevant provisions of the Companies Act, 1956.

**2. Use of estimates:**

The preparation of financial statements in conformity with the GAAP requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reported period and the disclosures relating to contingent liabilities as of the date of the financial statements. Any revision to accounting estimates is recognised prospectively in the current and future periods. Difference between actual results and estimates are recognised in the period in which the results are known or materialise.

**3. Fixed Assets:**

Fixed assets, whether tangible or intangible, are stated at cost less accumulated depreciation/impairment loss (if any), net of Modvat/Cenvat (wherever claimed). The cost of fixed assets includes taxes, duties, freight and other incidental expenses incurred in relation to their acquisition and bringing the assets for their intended use.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under capital work-in-progress.

Fixed Assets held for disposal are stated at lower of net book value and net realisable value.

**4. Treatment of expenditure during construction period:**

Expenditure/Income, 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:**

- (i) Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the year-end rates.
- (ii) In respect of Forward exchange contracts, premium or discount, being the difference between the forward exchange rate and the exchange rate at the inception of contract is recognised as expense or income over the life of the Contract.
- (iii) Exchange difference including premium or discount on forward exchange contracts, relating to borrowed funds, liabilities and commitments in the foreign currency for acquisition of fixed assets, arising till the assets are ready for their intended use, are adjusted to cost of fixed assets. Any other exchange difference either on settlement or translation is recognised in the Profit and Loss account.
- (iv) Investments in equity capital of companies registered outside India are carried in the Balance Sheet at the rates at which transactions have been executed.

**6. Derivatives:****Financial Derivative Instruments**

Derivative 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

## **SCHEDULE 21 (Contd.)**

intended to be held to maturity. These are accounted on the date of their settlement and realised gain/loss in respect of settled contracts is recognised in the Profit and Loss Account.

### **Commodity Hedging**

The realised gain or loss in respect of commodity hedging contracts, the pricing period of which has expired or contracts cancelled during the year are recognised in the Profit and Loss Account. However, in respect of contracts, the pricing period of which extends beyond the Balance Sheet date, suitable provision for likely loss, if any, is made in the accounts.

## **7. Investments:**

Investments are classified into long term investments and current investments. Long-term investments are carried at cost after deducting provisions made, if any, for diminution in value of investments other than temporary, determined separately for each individual investment.

Current investments are carried at lower of cost and fair value, determined separately for each individual investment.

## **8. Inventories:**

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

Cost of finished goods and process stock includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

## **9. 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 and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except for some of assets at the rates based on the useful life of the assets as determined by the management, which are higher than the rates specified in Schedule XIV to the Companies Act, 1956, as stated under:
  - (a) Company Vehicles other than those provided to the employees at 20% per annum.
  - (b) Roads, Culverts, Walls, Buildings etc. within factory premises at 3.34% per annum.
  - (c) Computer and Office Equipments at 25% per annum
  - (d) Furniture and Fixtures – 7 years
  - (e) Mobile Phones – 3 years
  - (f) Motor Cars given to the employees as per the Company's Scheme are depreciated over the Scheme period.
- (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.

**SCHEDULE 21 (Contd.)**

- (vii) Depreciation is charged on Straight Line basis at UltraTech Cement Middle East Investment Limited and its subsidiaries at following rates.

<b>Tangible Assets:</b>	<b>No. of Years</b>
Buildings (including improvements)	3-15
Plant and equipment	2-20
Furniture, fixtures and office equipment	1-5
Motor vehicles	3-5
Amortisation of intangible Assets	8.5

(B) Intangible Assets:

Specialised softwares are amortised over a period of 3 years.

**10. 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.

**11. Employee Benefits:****(i) Short term employee benefits.**

Short term employee benefits are recognised as an expense on accrual at the undiscounted amount in the Profit and Loss Account.

**(ii) Defined Contribution Plan**

Contributions payable to recognised provident fund and approved superannuation scheme, which are defined contribution plans, are recognised as expense in the Profit and Loss Account; as they are incurred.

Contributions as specified by the law are paid to the provident fund set up as irrevocable trust by the holding company. The Company is generally liable for annual contribution and any shortfall in the fund assets based on the Government specified minimum rates of return and recognises such contribution and shortfall, if any, as an expense in the year incurred.

**(iii) Defined Benefit Plan**

The obligation in respect of defined benefit plans, which cover Gratuity, Pension and Post retirement medical benefits, are provided for on the basis of an actuarial valuation, using the projected unit credit method, at the end of each financial year. Gratuity is funded with an approved fund. Actuarial gains/losses, if any, 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.

**(iv) Other Long Term Benefits**

Long-term compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Profit and Loss Account.

**12. Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction 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 takes 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.

## **SCHEDULE 21 (Contd.)**

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.

### **13. Taxation:**

Current Tax is measured on the basis of estimated taxable income for the current accounting period and tax credits computed 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 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.

### **14. Revenue Recognition:**

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

### **15. 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.

The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

### **16. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

Contingent Liabilities are not recognised but are disclosed and Contingent Assets are neither recognised nor disclosed, in the financial statements.

### **17. Employees Share based payments:**

The Company follows intrinsic value method for valuation of Employees Stock Options. The excess of the market price of shares at the time of grant of options, over the exercise price to be paid by the option holder is considered as employee compensation expense and is amortised in the Profit and Loss account over the period of vesting, adjusting for the actual and expected vesting.

### **18. Earnings Per Share:**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**SCHEDULE 21 (Contd.)****19. Government Grants and Subsidies:**

- (i) Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the condition attached thereto and that the grants will be received.
- (ii) Capital Government Grants or Subsidies relating to specific fixed assets are deducted from the gross value of the respective fixed assets and capital grants for projects are credited to Capital Reserve.
- (iii) Revenue Government Grants or Subsidies relating to an expense item are recognised as income over the period to match them on a systematic basis to the costs or deducted from related expenses.

**20. Segment Reporting Policies:**

Primary Segment is identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Secondary segment is identified based on geography in which major operating divisions of the Company operate.

**21. Research and development expenditure:**

Revenue expenditure on research and development is expensed as incurred. Capital expenditure incurred on research and development is capitalised as fixed assets and depreciated in accordance with the depreciation policy of the Company.

**22. Operating lease:**

Leases where significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases and lease rentals thereon are charged to the Profit and Loss Account

**23. Goodwill:**

Goodwill arising out of consolidation of financial statements of Subsidiaries and joint Ventures is not amortised. However the same is tested for impairment at each Balance Sheet Date.

**B. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****1. Principles of consolidation**

- (a) The Consolidated Financial Statements (CFS) are prepared on the following basis in accordance with Accounting Standard on "Consolidated Financial Statements" (AS – 21) and "Financial Reporting of Interest in Joint Ventures" (AS – 27), notified under the Companies (Accounting Standard) Rules, 2006:
  - (i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating material intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with AS-21.
  - (ii) The difference between the costs of investment in the subsidiaries, over the net assets as at the end of the financial year immediately preceding the year of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
  - (iii) The Company's interest in Jointly Controlled Entities (JV's) is consolidated on a proportionate consolidation basis by adding together the proportionate book values of assets, liabilities, income and expenses and eliminating the unrealised profits / losses on intra-group transactions in accordance with Accounting Standard (AS-27).
  - (iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and appropriate adjustments are made to the financial statements of subsidiaries when they are used in preparing the consolidated financial statements that are presented in the same manner as the Company's separate financial statements.

**SCHEDULE 21 (Contd.)**

- (v) The financial statements of the Company, its Subsidiaries and JV's used in the consolidation are drawn upto the same reporting date i.e. March 31, 2011.
- (vi) Out of Nine Subsidiaries incorporated outside India whose financial statements have been included in the Consolidated financial Statements, financial statements of a subsidiary have been drawn up in accordance with the generally accepted accounting practices (GAAP) as applicable locally. Financial Statements of these Subsidiaries have been re-stated in Indian Rupees considering them as non-integral part of the Group's operations and the resultant exchange gain/loss on conversion has been carried forward as Translation Reserve. In the opinion of the Management, based on the analysis of the significant transactions of a subsidiary whose financial statements have been drawn up in accordance with GAAP as applicable locally, no material adjustments are required to be made to comply with group accounting policies/Indian GAAP.
- (b) The Consolidated Financial Statements (CFS) comprises the financial statements of UltraTech Cement Limited, its Subsidiaries and its interest in JV's (Group) as at 31.03.2011, which are as under:

Name of the Company	Country of Incorporation	% Shareholding and Voting Power. FY 2011	% Shareholding and Voting Power. FY 2010
(I) Subsidiary Companies:			
(a) Dakshin Cements Limited	India	100%	100%
(b) UltraTech Cement Lanka (Private) Limited.	Sri Lanka	80%	80%
(c) Harish Cement Limited	India	100%	-
(d) UltraTech Cement Middle East Investments Limited (w.e.f. 03.03.2010)	UAE	100%	100%
(e) Star Cement Co. LLC,* UAE (w.e.f. 31.08.2010)	UAE	80%	-
(f) Star Cement Co. LLC,* RAK Ras-Al-Khaimah UAE (w.e.f. 31.08.2010)	UAE	80%	-
(g) Al Nakhla Crusher LLC,* Fujairah (w.e.f. 06.09.2010)	UAE	80%	-
(h) Arabian Cement Industry LLC*, Abu Dhabi (w.e.f. 15.09.2010)	UAE	80%	-
(i) Arabian Gulf Cement Co W.L.L*, Bahrain (w.e.f. 27.09.2010)	Bahrain	80%	-
(j) Emirates Power Company Ltd*., Bangladesh (w.e.f. 27.08.2010)	Bangladesh	80%	-
(k) Emirates Cement Bangladesh Ltd*., Bangladesh (w.e.f. 27.08.2010)	Bangladesh	80%	-
(II) Joint Ventures:			
(a) Madanpur (North) Coal Company Private Limited (MNCCPL)	India	11.17%	11.17%
(b) Bhaskarpara Coal Co. Limited (BCCL)	India	47.37%	-

\* Subsidiaries of UltraTech Cement Middle East Investments Limited.



**SCHEDULE 21 (Contd.)**

(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 subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries. 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 is translated at the closing rate on each Balance Sheet date as per AS 11 "The Effects of Changes in Foreign Exchange Rates" notified under the Companies (Accounting Standard) Rules, 2006.

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

Hitherto, the Company was amortising Goodwill arising on amalgamation over 10 years. In the current year in order to align with group policy, the Company has reversed and credited ₹ 8.77 Crores to General Reserve, being cumulative amortisation of such Goodwill as at 31.03.2010.

Had such change in accounting policy not been made, profit for the year before tax would have been lower by ₹ 24.30 Crores, General Reserve would have been lower by ₹ 8.77 Crores and value of Goodwill as at the year end would have been lower by ₹ 33.07 Crores.

**4. Scheme of Amalgamation:**

Pursuant to the Scheme of Amalgamation ("the Scheme") of Samruddhi Cement Ltd. ("SCL") a subsidiary of Grasim Industries Ltd., the holding company, with the Company as sanctioned by the Hon'ble High Courts of Mumbai and Gujarat vide their orders dated June 11, 2010 and July 1, 2010 respectively; the entire business and all the assets and liabilities, duties and obligations of SCL have been transferred to and vested in the Company with effect from July 01, 2010 (the appointed date). The Scheme became effective from August 01, 2010.

The erstwhile SCL was engaged in manufacture and sale of Cements.

The assets and liabilities acquired pursuant to the scheme mentioned above continue to remain in the name of/owned by SCL pending completion of the relevant formalities of transfer.

Investments made by SCL in Harish Cement Limited (Wholly owned Subsidiary) and Bhaskarpara Coal Company Limited were transferred to the Company pursuant to the Scheme of Amalgamation.

In view of the amalgamation of SCL with the Company w.e.f. July 01, 2010, the figures for the current year are not comparable with those of the previous year.

5. The Company's wholly-owned subsidiary 'UltraTech Cement Middle East Investments Limited' has completed the acquisition of ETA Star Cement and has acquired management control of its operations in the UAE, Bahrain and Bangladesh.

**SCHEDULE 21 (Contd.)**

**6. (a). Contingent Liabilities not provided for in respect of:**

Claims not acknowledged as debts in respect of matters in appeals

₹ in Crores

		<b>2010-11</b>	<b>2009-10</b>
(a)	Sales-tax liability	134.80	61.34
(b)	Excise duty	159.52	53.00
(c)	Royalty on Limestone/Marl	181.06	42.84
(d)	Customs	2.82	0.11
(e)	Others	210.81	26.03

(b). The Company has issued Corporate guarantees in favour of Government Authorities for its Joint Ventures.

(i) Madanpur (North) Coal Company (Pvt.) Ltd. ₹ 3.65 Crores (Previous year ₹ 3.65 Crores)

(ii) Bhaskarpara Coal Company Limited ₹ 4.00 Crores\* (Previous year ₹ Nil)

\* Transferred pursuant to the Scheme of Amalgamation of SCL with the Company.

**7.** 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.

**8.** The Srilankan customs commenced an inquiry on the allegation that dividends declared by the Company's Subsidiary UltraTech Cement Lanka (Pvt) Ltd. (UCLPL) and remitted to the Company represents part of settlement in respect of the cement imported by the UCLPL and that additional duty is payable by the UCLPL. The Sri Lanka Customs have not provided a basis for any value to be attributed as alleged additional duty payable. The inquiry was last held on September 01, 2010.

The UCLPL has also filled a Written Application in the Court of Appeal in seeking inter alia to quash the aforesaid decision by Srilanka Customs to hold the said inquiry and the said application is at the stage of filling counter objections by the respondents. The next hearing date is scheduled for May 30, 2011.

The UCLPL contends there is no basis to include dividends paid in the value of goods and consequently intends to resist the aforesaid contention of the Customs at any inquiry.

**9.** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 2,056.46 Crores (Previous Year ₹ 233.29 Crores).

**10. Segment Reporting:**

Business Segment

The Company is exclusively engaged in the business of cement and cement related products. This is in context of AS 17 "Segment Reporting", notified under the Companies (Accounting Standard) Rules, 2006, constitutes one single primary segment.

Geographical Segment is identified as secondary segment and details are given below:

₹ in Crores

	<b>2010-11</b>	<b>2009-10</b>
Segment Revenues (Sales):		
India	12,820.54	6,588.69
Rest of the World	870.61	586.44
<b>Total</b>	<b>13,691.15</b>	<b>7,175.13</b>

**SCHEDULE 21 (Contd.)****11. Derivative Instruments outstanding**

- (i) Derivatives for hedging currency and interest rates, outstanding as on March 31, 2011 are as under:

Particulars	Purpose	Currency	In Crores		Cross Currency
			2010-11	2009-10	
A. Forward Contracts	Exports	USD	0.40	1.14	Rupees
	Imports	USD	7.12	1.58	Rupees
	Buyers Credit	USD	2.50	-	Rupees
	Imports	Euro	4.57	0.39	USD
	Imports	Euro	-	0.13	Rupees
B. Other Derivatives					
i. Currency Option and Interest Swap	ECB	USD	4.00	4.00	Rupees
ii. Currency and Interest Rate Swap (CIRS)	Buyers Credit	USD	0.26	0.89	Rupees
	Buyers Credit	JPY	69.49	294.37	Rupees
	ECB	USD	1.00	-	Rupees
	ECB	JPY	3,468.85	604.60	Rupees
iii. Interest Rate Swap (IRS)	Mibor Linked NCDs	Rupees	200.00	200.00	Rupees

ECB- External Commercial Borrowings

**(ii) Un-hedged Foreign Currency exposure:**

Particulars	Currency	In Crores		Cross Currency
		2010-11	2009-10	
Borrowings	USD	2.00	-	Rupees
Interest Payable	USD	0.03	-	Rupees

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

₹ in Crores

	2010-11	2009-10
<b>(a) Statutory Auditors:</b>		
Audit fees	1.53	0.41
Tax audit fees	0.10	0.03
Fees for other services	1.04	0.31
Expenses reimbursed	0.04	0.02
<b>(b) Branch Auditors:</b>		
Audit fees	0.05	0.05
Fees for other services	0.02	0.01
Expenses reimbursed {₹ 925 (Previous Year ₹ 340)}	-	-
<b>(c) Cost Auditors:</b> Audit fees	0.07	0.02
Expenses reimbursed {₹ 41,880 (Previous Year ₹ Nil)}	-	-

**SCHEDULE 21 (Contd.)**

**13. Deferred Tax Assets and Liabilities as on March 31, 2011 are as under:**

(a) Deferred Tax Liability:

₹ in Crores

Particulars	Deferred Tax (assets)/ liabilities as at 01.04.2010	Transferred from SCL as on 01.07.2010, pursuant to scheme of Amalgamation	Current Year Charge/ (Credit)	Deferred Tax (assets)/ liabilities as at 31.03.2011
<b>Deferred Tax Assets:-</b>				
Provision allowed under tax on payment basis	(23.89)	(91.36)	(46.46)*	(161.71)
	<b>(23.89)</b>	<b>(91.36)</b>	<b>(46.46)</b>	<b>(161.71)</b>
<b>Deferred Tax Liabilities:-</b>				
Accumulated Depreciation	851.87	1,023.23	12.76	1,887.86
Payments allowed under tax not expensed in books	7.57	-	(0.18)	7.39
	<b>859.44</b>	<b>1,023.23</b>	<b>12.58</b>	<b>1,895.25</b>
<b>Net Deferred Tax Liability</b>	<b>835.55</b>	<b>931.87</b>	<b>(33.88)</b>	<b>1,733.54</b>

\* Out of ₹ 46.46 Crores, ₹ 29.31 Crores adjusted in General Reserve on account of Cost of assets transferred pursuant to Scheme of Amalgamation of SCL with the Company.

(a) Deferred Tax Asset:

₹ in Crores

Particulars	Deferred Tax (assets)/ liabilities as at 01.04.2010	Current Year Charge/ (Credit)	Deferred Tax (assets)/ liabilities as at 31.03.2011
<b>Deferred Tax Assets:-</b>			
Provision allowed under tax on payment basis	-	(1.62)	(1.62)
Unabsorbed Losses	-	(20.54)	(20.54)
		<b>(22.16)</b>	<b>(22.16)</b>
<b>Deferred Tax Liabilities:-</b>			
Accumulated Depreciation	-	18.62	18.62
	-	<b>18.62</b>	<b>18.62</b>
<b>Net Deferred Tax Asset</b>	-	<b>(3.54)</b>	<b>(3.54)</b>

Deferred Tax benefits are recognised on assets to the extent that it is more likely than not future taxable profit will be available against which the asset can be utilised.

**SCHEDULE 21 (Contd.)**

- 14.** Movement of provisions during the period as required by Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Asset" notified under the Companies (Accounting Standard) Rules, 2006 (as amended):

**(a) Mines Restoration Expenditure:**

₹ in Crores

	<b>2010-11</b>	<b>2009-10</b>
Opening Provision	6.70	5.12
Transferred from SCL as on 01.07.2010, pursuant to Scheme of Amalgamation	0.83	-
Add: Provision during the year	1.85	1.73
Less: Utilisation during the year	-	0.15
<b>Closing Provision</b>	<b>9.38</b>	<b>6.70</b>

**(b) Provision for Cost of Assets transferred from SCL:**

₹ in Crores

	<b>2010-11</b>
Transferred from SCL as on 01.07.2010, pursuant to Scheme of Amalgamation	131.16
Add: Provision during the year	88.21
Less: Utilisation during the year	25.00
<b>Closing Provision</b>	<b>194.37</b>

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

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

<b>Name of the Related Party</b>	<b>Nature of Relationship</b>
Grasim Industries Limited (Grasim)	Holding Company
Samruddhi Cement Limited (SCL) (Upto 30.06.2010)	Fellow Subsidiary
Samruddhi Swastik Trading & Investment Ltd.(SSTL)	Fellow Subsidiary
Vikram Sponge Iron Ltd (VSIL) (Upto 21.05.2009)	Fellow Subsidiary
Grasim Bhiwani Textiles Ltd. (GBTL)	Fellow Subsidiary
Mr. O. P. Puranmalka, Whole Time Director	Key Management Personnel (KMP)
Mrs. Sita Puranmalka	Relative of Mr. O.P. Puranmalka (Wife)
Mr. S. Misra, Managing Director (upto 31.03.2010)	Key Management Personnel (KMP)

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

₹ in Crores

<b>Nature of Transactions</b>	<b>2010-11</b>	<b>2009-10</b>
<b>Sale of Goods:</b>		
Grasim Industries Limited	3.30	122.31
Samruddhi Cement Limited	15.68	-
Grasim Bhiwani Textiles Ltd.	0.06	-
<b>Total</b>	<b>19.04</b>	<b>122.31</b>

**SCHEDULE 21 (Contd.)**

₹ in Crores

<b>Nature of Transactions</b>	<b>2010-11</b>	<b>2009-10</b>
<b>Purchase of Goods:</b>		
Grasim Industries Limited	0.29	191.23
Samruddhi Cement Limited	57.23	-
Vikram Sponge Iron Ltd	-	0.50
<b>Total</b>	<b>57.52</b>	<b>191.73</b>
<b>Sale of Fixed Assets:</b>		
Grasim Industries Limited	-	0.61
<b>Purchase of Fixed Assets:</b>		
Grasim Industries Limited	-	0.16
Samruddhi Cement Limited	0.96	-
<b>Total</b>	<b>0.96</b>	<b>0.16</b>
<b>Receiving of Services:</b>		
Grasim Industries Limited	0.48	1.78
Samruddhi Cement Limited	2.28	-
Grasim Bhiwani Textiles Ltd.	0.05	-
Samruddhi Swastik Trading & Investment Ltd.	0.36	0.20
Vikram Sponge Iron Ltd	-	1.27
Key Management Personnel	3.79	6.43
Relative of Key Management Personnel	0.05	-
<b>Total</b>	<b>7.01</b>	<b>9.68</b>
<b>Dividend Paid</b>		
Grasim Industries Limited	40.92	31.56
Samruddhi Swastik Trading & Investment Ltd.	-	2.54
<b>Total</b>	<b>40.92</b>	<b>34.10</b>
<b>Interest Paid</b>		
Grasim Industries Limited	-	0.15
<b>Interest Received</b>		
Key Management Personnel	-	0.02
<b>Debenture Repayment</b>		
Grasim Industries Limited	-	10.00
Issued shares to Grasim, pursuant to Scheme of Amalgamation	97.14	-

## SCHEDULE 21 (Contd.)

₹ in Crores

Outstanding Balances	2010-11	2009-10
<b>Loans &amp; Advances</b>		
Samruddhi Swastik Trading & Investment Ltd.	0.30	0.14
Grasim Bhiwani Textiles Ltd	-	₹ 12,000
Key Management Personnel	-	0.50
<b>Total</b>	<b>0.30</b>	<b>0.64</b>
<b>Debtors</b>		
Grasim Industries Limited	0.18	4.11
Samruddhi Swastik Trading & Investment Ltd	₹ 45,000	-
<b>Total</b>	<b>0.18</b>	<b>4.11</b>
<b>Other Liabilities and Creditors</b>		
Grasim Industries Limited	0.02	-
Grasim Bhiwani Textiles Ltd.	0.04	-
<b>Total</b>	<b>0.06</b>	<b>-</b>
<b>Deposit</b>		
Relative of Key Management Personnel	0.98	-

16. The Company's proportionate share in Assets, Liabilities, Income and Expenses of its Joint Venture companies included in these Consolidated Financial Statements are given below:

## (a) BALANCE SHEET

₹ in Crores

Particulars	2010-11	2009-10
<b>SOURCES OF FUNDS</b>		
<b>Shareholders' Funds</b>		
Share Capital	9.17	1.07
Share Application Money Pending Allotment	0.03	-
<b>TOTAL</b>	<b>9.20</b>	<b>1.07</b>



**SCHEDULE 21 (Contd.)**

₹ in Crores

<b>Outstanding Balances</b>	<b>2010-11</b>	<b>2009-10</b>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed Assets</b>		
Gross Block	2.63	0.02
Less: Depreciation {₹ 42,822; (Previous Year ₹ 20,909)}	-	-
<b>Net Block</b>	<b>2.63</b>	<b>0.02</b>
Capital Work-in-Progress	5.96	0.79
<b>Net Block including Capital Work-in-Progress</b>	<b>8.59</b>	<b>0.81</b>
<b>Current Assets, Loans and Advances</b>		
Cash and Bank Balances	0.27	0.04
Loans and Advances	0.24	0.20
	<b>0.51</b>	<b>0.24</b>
Less:		
Current Liabilities	0.01	-
<b>Net Current Assets</b>	<b>0.50</b>	<b>0.24</b>
<b>Miscellaneous Expenditure</b> (to the extent not written off or adjusted)	-	0.02
Profit & Loss Debit Balance	0.11	-
<b>TOTAL</b>	<b>9.20</b>	<b>1.07</b>

**(a) PROFIT AND LOSS ACCOUNT**

₹ in Crores

<b>Particulars</b>	<b>2010-11</b>	<b>2009-10</b>
<b>Expenses</b>		
Payment to and Provision for Employees	0.01	-
Selling, Distribution, Administration and other Expenses	0.05	-
<b>Total expenditure</b>	<b>0.06</b>	<b>-</b>
<b>Loss Before Tax</b>	<b>(0.06)</b>	<b>-</b>
<b>Loss After Tax</b>	<b>(0.06)</b>	<b>-</b>

**SCHEDULE 21 (Contd.)****17. Employee Benefits:****(a) Defined Benefit Plans as per Actuarial Valuation on March 31, 2011:**

₹ in Crores

		2010-11				2009-10			
		Gratuity		Pension	Post Retirement Medical Benefits	Gratuity		Pension	Post Retirement Medical Benefits
		Funded	Others			Funded	Others		
(i)	<b>Change in defined benefit obligation</b>								
	<b>Opening Balance of Present value of Defined benefit Obligation</b>	<b>52.10</b>	<b>0.28</b>	<b>0.74</b>	<b>0.56</b>	<b>41.98</b>	<b>0.20</b>	<b>0.82</b>	<b>0.61</b>
	Addition on account of obligation Transferred from SCL as on 01.07.2010, pursuant to scheme of Amalgamation	98.05	-	7.83	-	-	-	-	-
	Adjustment of: Current Service Cost	11.51	0.07			3.79	0.05	-	-
	Interest Cost	11.03	0.06	0.55	0.04	3.24	0.05	0.06	0.04
	Actuarial Losses / (Gain)	9.53	0.01	0.20	-	4.14	(0.02)	(0.07)	(0.05)
	Benefits Paid	(7.17)	(0.05)	(3.00)	(0.03)	(1.69)		(0.07)	(0.04)
	Past Service Cost	2.83	-	-	-	0.64	-	-	-
	Obligation during the year	-	-	15.15	-	-	-	-	-
	<b>Closing Balance of Present value of Defined Benefit Obligation</b>	<b>177.88</b>	<b>0.37</b>	<b>21.47</b>	<b>0.57</b>	<b>52.10</b>	<b>0.28</b>	<b>0.74</b>	<b>0.56</b>
(ii)	<b>Change in Fair Value of Assets</b>								
	<b>Opening Balance of Fair Value of Plan Assets</b>	<b>44.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40.36</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Addition on account of Fair Value of Plan Assets transferred from SCL as on 01.07.2010, pursuant to scheme of amalgamation	95.69	-	-	-	-	-	-	-
	Adjustment of:								
	Expected Return on Plan Assets	9.95	-	-	-	3.91	-	-	-
	Contribution by the employer	17.85	-	3.00	0.03	2.26	-	0.07	0.04
	Benefits Paid	(7.17)	-	(3.00)	(0.03)	(1.69)	-	(0.07)	(0.04)
	<b>Closing Balance of Fair Value of Plan Assets</b>	<b>161.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44.84</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SCHEDULE 21 (Contd.)**

		2010-11				2009-10			
		Gratuity		Pension	Post Retirement Medical Benefits	Gratuity		Pension	Post Retirement Medical Benefits
		Funded	Others			Funded	Others		
<b>(iii)</b>	<b>Net Asset / (Liability) recognised in the Balance Sheet</b>								
	Present value of Defined Benefit Obligation	(177.88)	(0.37)	(21.47)	(0.57)	(52.10)	(0.28)	(0.74)	(0.56)
	Fair Value of Plan Asset	161.16	-	-	-	44.84	-	-	-
	Past service cost not yet recognised	(0.23)	-	-	-	-	-	-	-
	<b>Net Asset / (Liability) in the Balance Sheet</b>	<b>(16.95)</b>	<b>(0.37)</b>	<b>(21.47)</b>	<b>(0.57)</b>	<b>(7.26)</b>	<b>(0.28)</b>	<b>(0.74)</b>	<b>(0.56)</b>
<b>(iv)</b>	<b>Expenses recognised in the Profit and Loss Account</b>								
	Current Service Cost	11.51	0.07	-	-	3.79	0.05	-	-
	Interest Cost	11.03	0.06	0.55	0.04	3.24	0.05	0.06	0.04
	Expected Return on Plan Assets	(9.95)		-	-	(3.91)	-	-	-
	Actuarial (Gain)/Losses	9.53	0.02	0.20	-	4.14	(0.02)	(0.07)	(0.05)
	Obligation during the year	-		14.93	-	-	-	-	-
	<b>Total Expense</b>	<b>22.12</b>	<b>0.15</b>	<b>15.68</b>	<b>0.04</b>	<b>7.26</b>	<b>0.08</b>	<b>(0.01)</b>	<b>(0.01)</b>
	Add: Decapitalise in Pre-operative Expenses	0.06	-	-	-	-	-	-	-
	<b>Total expenses charged to P&amp;L</b>	<b>22.18</b>	<b>0.15</b>	<b>15.68</b>	<b>0.04</b>	<b>7.26</b>	<b>0.08</b>	<b>(0.01)</b>	<b>(0.01)</b>
<b>(v)</b>	<b>The major categories of plan assets as a percentage of total plan</b>								
	Government of India Securities	8%	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.
	Public Sector Bonds	8%	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.
	Insurer Managed Funds	83%	N.A.	N.A.	N.A.	100%	N.A.	N.A.	N.A.
	Others	2%	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.
	<b>Total</b>	<b>100%</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>100%</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>

**SCHEDULE 21 (Contd.)**

		2010-11				2009-10			
		Gratuity		Pension	Post Retirement Medical Benefits	Gratuity		Pension	Post Retirement Medical Benefits
		Funded	Others			Funded	Others		
<b>(vi) Actuarial Assumptions:</b>									
	Discount Rate	8.25%	11%	8%-8.25%-8.28%	8.25%	8.45%	12.00%	8.45%	8.45%
	Turnover Rate	1%-2%	1%-10%	-	-	1%-2%	1%-10%	-	-
	Mortality	Publish Rates of LIC 94-96	GA 1983 Mortality	PA(90) annuity rates down by 4 years	PA(90) annuity rates down by 4 years	Publish Rates of LIC 94-96	GA 1983 Mortality Table	PA(90) annuity rates down by 4 years	PA(90) annuity rates down by 4 years
	Salary Escalation Rate	8%	10%	-	-	8%	15%	-	-
	Retirement age	Staff - 60 Yrs Workers- 58 Yrs	55 Yrs	-	-	Staff - 60 Yrs Workers- 58 Yrs	55 Yrs	-	60 Yrs
	Leaving Service:								
	Age: 21-44	2%	-	-	-	-	-	-	-
	Age: 45 & above	1%	-	-	-	-	-	-	-

**(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.

**SCHEDULE 21 (Contd.)**

(ix) **Experience Adjustments:**

(I) Gratuity (Funded):

₹ in Crores

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Defined Benefit Obligation	22.35	28.12	41.98	52.10	177.88
Plan Assets	19.08	22.66	40.36	44.84	161.16
Surplus/(Deficit)	(3.27)	(5.46)	(1.62)	(7.26)	(16.72)
Expected Adjustments on Plan Liabilities	-	5.93	8.78	(0.34)	7.12
Expected Adjustments on Plan Assets	-	0.03	0.78	0.62	0.90

(II) Pension Liabilities:

₹ in Crores

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Defined Benefit Obligation	0.80	0.82	0.82	0.74	0.75
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(0.80)	(0.82)	(0.82)	(0.74)	(0.75)
Expected Adjustments on Plan Liabilities	-	0.01	₹ (28,212)	₹ (9,037)	₹ 27,673

(III) Post Retirement Medical Scheme Liabilities:

₹ in Crores

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Defined Benefit Obligation	0.58	0.58	0.61	0.56	0.57
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(0.58)	(0.58)	(0.61)	(0.56)	(0.57)
Expected Adjustments on Plan Liabilities	-	0.01	0.01	₹ 41,143	₹ (0.01)

(b) **Defined Contribution Plans:**

Amount recognised as an expense and included in Schedule 18 under the head "Contribution to Provident and other Funds" of Profit and Loss account ₹ 37.72 Crores, (Previous Year ₹ 15.02 Crores).

(c) Amount recognised as an expense in respect of Compensated Leave Absences is ₹ 24.02 Crores, (Previous Year ₹ 6.75 Crores).

**SCHEDULE 21 (Contd.)****18. Earning per Share (EPS):**

Particulars	2010-11	2009-10
<b>(A) Basic EPS:</b>		
(i) Net Profit (2010-11 figure includes Q1FY11 Net Profit of SCL ₹ 315.00 Crores)	1,682.35	1,095.20
(ii) Weighted average number of Equity Shares outstanding (Nos.)	274,025,026	124,485,979
<b>Basic EPS (₹) (i)/(ii)</b>	<b>61.39</b>	<b>87.98</b>
<b>(B) Diluted EPS:</b>		
(i) Weighted average number of Equity Shares Outstanding	274,025,026	124,485,979
(ii) Add: Potential Equity Shares on exercise of option	88,932	37,493
(iii) Weighted average number of Equity Shares Outstanding for calculation of Diluted EPS (i+ii)	274,113,958	124,523,472
<b>Diluted EPS (₹) {(A) (i) } / (iii)</b>	<b>61.37</b>	<b>87.95</b>
Face value of Shares (₹)	10	10

**19. Information relating to Subsidiaries including subsidiaries of subsidiaries:**

(In terms of Government of India, Ministry of Corporate Affairs general Circular No: 2/2011, No: 5/12/2007-CL-III dated 8<sup>th</sup> February, 2011)  
(₹ in Crores)

Sr.No	Name of the Subsidiary Companies	Year	Currency	Share Capital Including Share application Money	Reserves and Surplus (Net of debit balance of profit & loss account)	Total Assets (Fixed Assets +Current Assets + Deferred Tax Assets)	Total Liabilities (Debts+Current Liabilities+ Deferred tax Liabilities)	Details of Investments (excluding investment in the subsidiary companies)- Treasury Bill	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Tax	Proposed Dividend (including Corporate Dividend Tax)
1	Dakshin Cements Ltd.	2010-11 2009-10	₹	0.05 0.05	- -	0.41 0.28	0.36 0.23	- -	- -	- -	- -	- -	- -
2	Harish Cement Ltd.(w.e.f. 1 <sup>st</sup> July, 2010)	2010-11 2009-10	₹	0.05 -	- -	126.63 -	126.58 -	- -	- -	- -	- -	- -	- -
3	UltraTech Cement Lanka Pvt Ltd.	2010-11 2009-10	SLR ₹	50.00 20.20 23.58 50.00	58.38 23.58 45.71 18.19	151.56 61.29 155.45 60.69	70.46 28.53 59.74 23.18	27.28 11.02 -	623.87 248.81 617.10 256.55	48.20 19.26 38.86 14.24	20.54 8.30 15.36 6.05	27.66 10.96 23.50 8.19	10.80 5.98 5.00 2.08
4	UltraTech Cement Middle East Investments Ltd. (Standardone) (w.e.f. 3 <sup>rd</sup> March, 2010)	2010-11 2009-10	AED ₹	15.48 187.94 0.60 7.34	(0.51) (6.23) (0.00) (0.04)	0.02 0.20 0.60 7.31	44.13 535.88 0.00 0.01	- -	- -	(0.51) (6.33) -	- -	(0.51) (6.33) -	- -
5	Star Cement Co LLC, Dubai @ (w.e.f. 31 <sup>st</sup> August, 2010)	2010-11 2009-10	AED ₹	5.09 61.75	0.24 2.89	21.91 265.84	16.58 201.20	- -	19.12 237.27	(2.35) (29.18)	- -	(2.35) (29.18)	- -
6	Arabian Cement Industry LLC, Abu Dhabi @ (w.e.f. 15 <sup>th</sup> September, 2010)	2010-11 2009-10	AED ₹	1.00 12.14	(0.41) (4.95)	19.36 234.95	18.77 227.77	- -	17.33 214.96	(2.29) (28.46)	- -	(2.29) (28.46)	- -
7	Star Cement Co LLC, Ras Al Khaimah @ (w.e.f. 31 <sup>st</sup> August, 2010)	2010-11 2009-10	AED ₹	14.36 174.29	1.65 20.07	87.29 1,059.40	71.28 865.03	- -	32.69 405.54	3.53 43.76	- -	3.53 43.76	- -
8	Al Nakhlia Crushers LLC, Fujairah @ (w.e.f. 6 <sup>th</sup> September, 2010)	2010-11 2009-10	AED ₹	0.20 2.43	(3.73) (45.23)	3.87 46.92	7.39 89.73	- -	0.65 8.10	(0.75) (9.34)	- -	(0.75) (9.34)	- -
9	Arabian Gulf Cement Company WLL, Bahrain @ (w.e.f. 27 <sup>th</sup> September, 2010)	2010-11 2009-10	Bahraini Dirham ₹	0.03 3.57	0.56 67.24	0.69 81.88	0.09 11.07	- -	0.45 55.09	(0.09) (10.65)	- -	(0.09) (10.65)	- -
10	Emirates Cement Bangladesh Ltd, Bangladesh @ (w.e.f. 27 <sup>th</sup> August, 2010)	2010-11 2009-10	Takka ₹	158.93 104.00	(77.32) (50.59)	178.12 116.56	96.51 63.15	- -	136.81 85.53	(2.26) (1.41)	(10.79) (6.74)	8.53 5.33	- -
11	Emirates Power Company Ltd, Bangladesh @ (w.e.f. 27 <sup>th</sup> August, 2010)	2010-11 2009-10	Takka ₹	27.00 17.67	(21.88) (14.32)	30.99 20.28	25.87 16.93	- -	9.03 5.64	(3.43) (2.14)	5.13 3.21	(8.56) (5.35)	- -

@ Subsidiaries of UltraTech Cement Middle East Investments Ltd.

Note: For converting the figures given in foreign currency appearing in the accounts of the subsidiary companies into equivalent INR, following exchange rates are used for 1 INR.

Sr No	Currency	Balance Sheet (Closing Rate)		Profit & Loss Account (Average Rate)	
		2010-11	2009-10	2010-11	2009-10
1	Sri Lankan Rupee (SLR)	2.4756	2.5389	2.5074	2.4054
2	UAE Dirham (AED)	0.0824	0.0818	0.0806	-
3	Takka	1.5282	-	1.5996	-
4	Bahraini Dirham	0.0084	-	0.0082	-



20. Figures less than ₹ 50,000 have been shown at actuals, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest lakh.
21. 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.
22. Previous year's figures have been regrouped and rearranged wherever necessary to conform to this year's classification.

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Signatures to Schedules '1' to '21'

For and on behalf of the Board

KUMAR MANGALAM BIRLA  
Chairman

K. C. BIRLA  
Sr. Executive President & CFO

R. C. BHARGAVA  
Director

Mumbai, April 26, 2011

S. K. CHATTERJEE  
Company Secretary

O. P. PURANMALKA  
Whole-time Director

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



# Because every construction is a different ball game

That's why UltraTech Specialty Concrete is available in a range of specialised mix designs. Most modern constructions have very different, very specialised needs and our state-of-the-art processes give you the exact mix designs that your project needs. Just what you'd expect from the engineer's choice. **UltraTech Décor** – Stamped Colour Concrete **UltraTech Hypercon** – High Strength Concrete **UltraTech Pervious** – Permeable Concrete **UltraTech Colourcon** – Coloured Concrete **UltraTech Fibrecon** – Fibre Reinforced Concrete **UltraTech Thermocon** – Temperature Controlled Concrete **UltraTech Stainless** – Corrosion Resistant Concrete **UltraTech Freeflow** – Self Compacting Concrete. We are present in Ahmedabad, Bengaluru, Chennai, Hyderabad, Vizag, Kolkata, Mumbai, Pune, Gurgaon, Noida, Jaipur, Chandigarh, Surat, Cochin, Nashik, Ludhiana and Nagpur.

For more information, please call 1800-220-466 BSNL/MTNL line (toll free), SMS UltraTech to 56161 or email us at [support.rmc@adityabirla.com](mailto:support.rmc@adityabirla.com)

