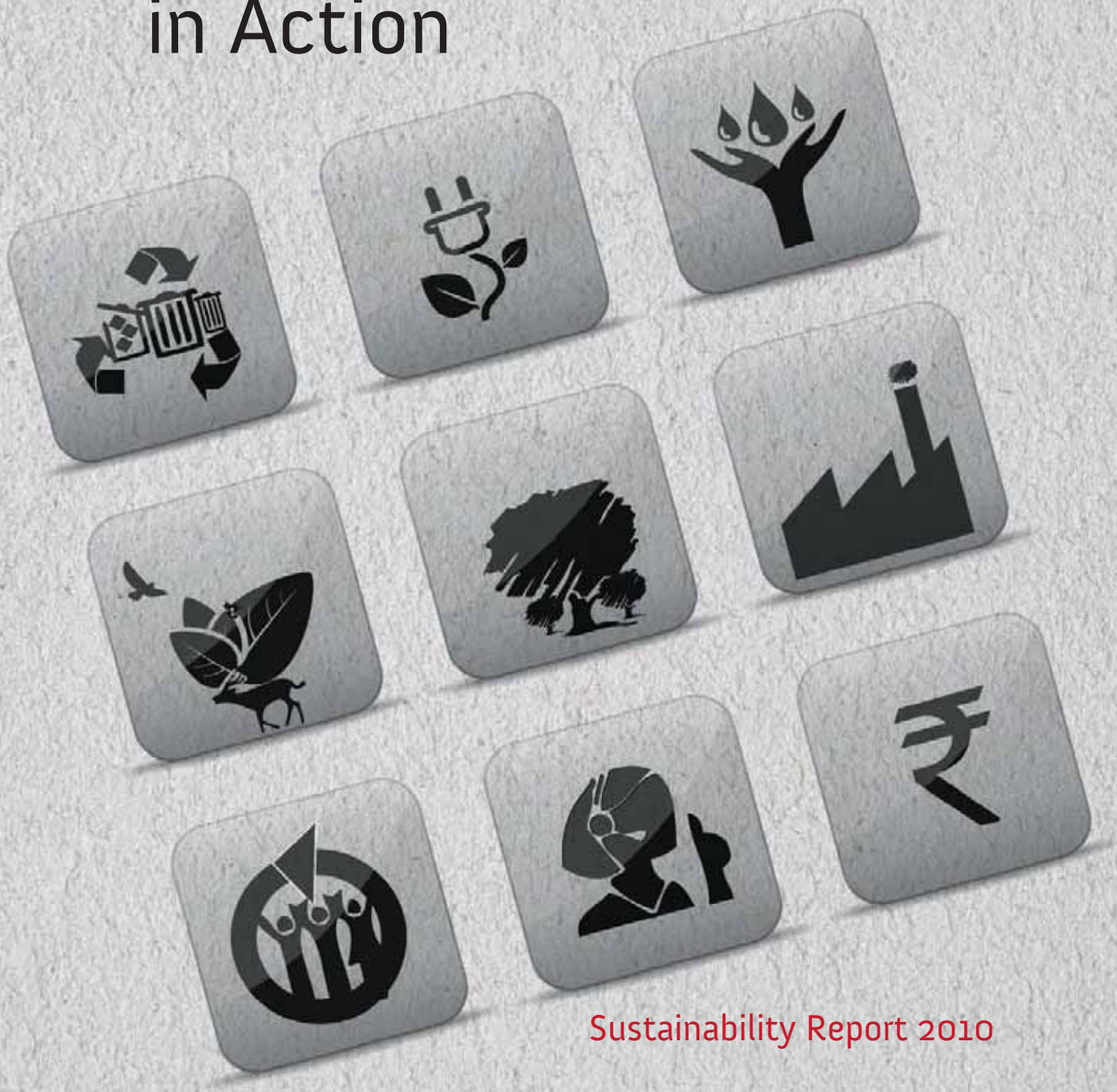
ADITYA BIRLA

UltraTech

Alternatives in Action



Sustainability Report 2010

Chairman's Message

Given the Government's accelerated spending on infrastructure, pegged at over US $ 37.4 billion, in the Union Budget of 2010-11, I believe, the cement sector will without doubt, contribute significantly to the nation's economic development. As the market leader, UltraTech will be in the forefront. And to keep pace with the country's forward march over the next decade, we plan to ramp up capacities from 52 mtpa currently to 120 mtpa.

As a Group we have always 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. Consequently these are integrated into our business strategies and in our endeavours to foster inclusive growth as well.

UltraTech's membership of the Cement Sustainable Initiative (CSI) and its partnering with global cement majors for a greater push on sustainability related issues is a forward step in this direction. Together we are channelising our energies to find solutions that can result in improved environmental performance, greater fuel efficiencies and considerably lower emissions.

In this regard, UltraTech is privileged to have established a few benchmarks. Let me briefly dwell upon them.

- The Company's thrust on use of alternate fuels is gaining momentum. We have been unrelenting in our efforts to reduce consumption of fossil fuels by substituting these with wastes from other industries. It is difficult for the waste generating industries to safely dispose these wastes generated and the only other choice is through incineration.

  We have saved coal by taking recourse to alternate fuels such as processed municipal solid waste, agro waste, tyre chips and used polythene and plastics. In 2009-10, we substituted the use of fossil fuels with 54,078 tonnes of waste materials, equivalent to 40,992 tonnes of coal. This has helped our environmental conservation efforts significantly. We are building competency and installing machinery at our Units to handle waste fuels in the most eco-friendly manner.

- At our Tadipatri Plant in Andhra Pradesh, we have installed a 4.2 MW waste heat recovery system. We believe there is a potential to generate 90 MW from kilns at various plants through this process. It can effectively cater to 12% of the total power requirement. The waste heat recovery system is under implementation in a phased manner at all of our cement plants and has been made mandatory for all our upcoming projects.

- Additionally, UltraTech has taken a lead in the cement sector in India to co-process industrial and agricultural wastes as fossil fuel substitutes in its plants.

- Our plants in Kovaya and Jafrabad, in Gujarat, are among the largest users of shipping in the cement industry. The sea route is the most cost effective and environmentally friendly transport for delivering cement and clinker in the coastal and export markets. These Units also receive incoming raw material and fuel sources such as gypsum, iron ore, coal and petcoke at its captive berth. In this way, greenhouse gas emission in the environment is contained.

- Surface miners have been deployed, facilitating production of limestone from the mines up to 40% in a dust free manner.

- Our plant at Kovaya is the only Unit in this sector in India to have a desalination plant. It is instrumental in meeting the water needs of the plant and the housing colony. The waste gases from the cooler are used in the desalination plant.

- Rain water harvesting is a priority area. Water bodies in the catchment areas for rainwater storage and ground water recharging have been set up. At the same time, rain water harvesting systems have been instituted in shopping complexes, hospital roofs, school and mine offices at our Units locations. These effectively recharge rain water in the bore wells and help maintain ground water levels.

- While we had planned the development of a greenbelt cover of 11 hectares, we were able to spread it to 19.6 hectares at our Kovaya Plant, which gives us a lot of satisfaction. We have also initiated the cultivation of Jatropha along the periphery of our mines.

Transcending business

We believe in inclusive growth. As a Group we have been and continue to be extremely sensitive to societal needs. In our own small way, we try to bring in relief and make a difference to the lives of the underserved sections of society who live in proximity to our plants. We aim to provide healthcare and raise life expectancy, and reduce infant mortality. Through our endeavours in education, we lift literacy rates. Through empowerment and training processes, we promote sustainable livelihood.

This report objectively sets out the progress made in the area of sustainable development and inclusive growth through making underserved communities self-reliant.

Yours sincerely,

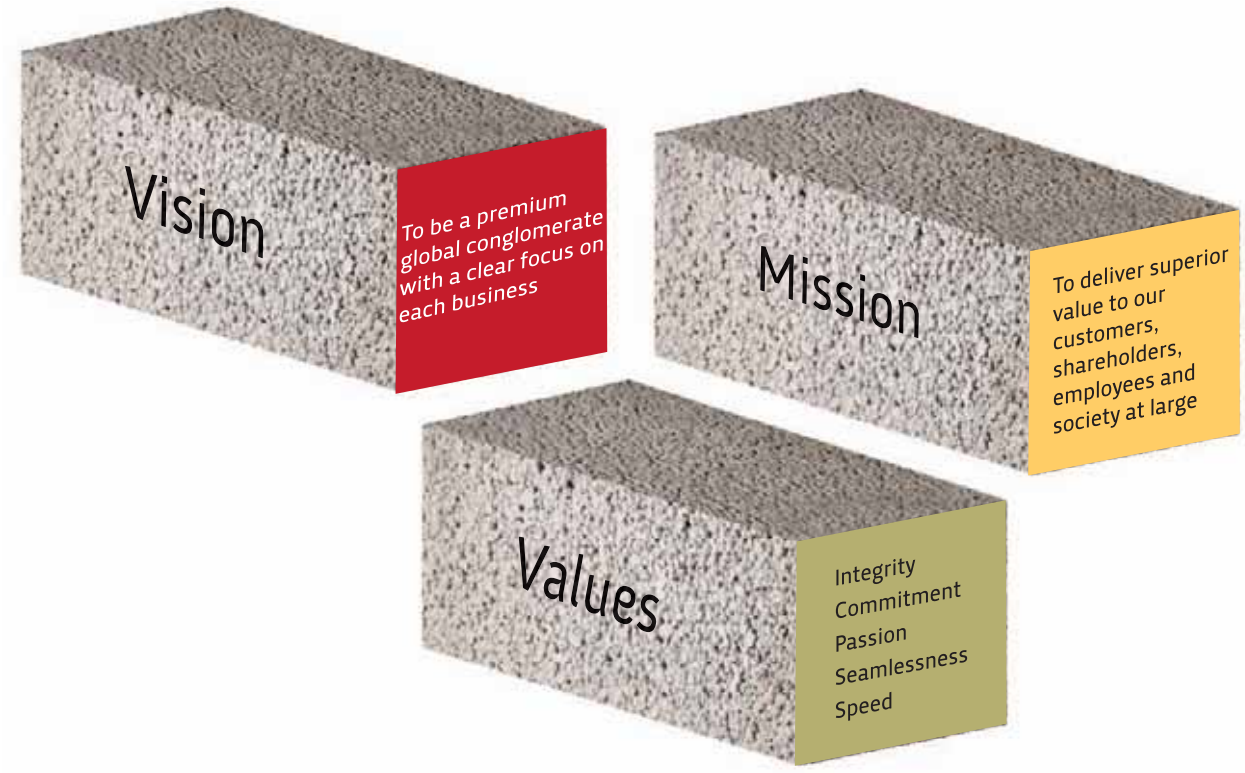
Kumar Mangalam Birla
Chairman
Mumbai, 15th December, 2010

"As a Group we have always operated and continue to operate our businesses as Trustees with a deep rooted obligation to synergise growth with responsibility."

Sustainability Journey – Progress and Commitments

This table also covers the progress against the Commitments made in the Sustainability Report 2007-08 of the Cement Business - Grasim Industries Limited (http://www.grasim.com/investors/downloads/cementing_ties_sustainability_report07-08.pdf).

Area	Target	Progress in 2009-10	Target Date
Environment	Reporting on all CSI KPIs	Completed. All CSI KPIs presented in this report.	2010-11
	Set Targets on CSI KPIs	Partially Completed. Targets set for Specific CO_2 reduction. Targets for dust, SOx and NOx will be set after the installation of continuous monitoring system and the release of regulatory standards.	2010-11
	Monitoring of SO_X and NO_X at Integrated Plants	Completed	2010-11
	Implement 3rd party Environmental Audit	Completed. Internal action plan developed and identified issues are being addressed.	2009-10
	Biodiversity Survey on Protected Land at Kovaya and Jafrabad plants in Gujarat	In progress. The Survey has already been completed for two seasons. The third season is being covered to complete the annual cycle. The report is likely to be ready by Jan. 2011.	2009-10
	Implement Waste Heat Recovery Systems at Integrated plants for Grey Cement	New Target (Present: 1 plant out of 11)	2015-16
	Implement on-line monitoring of SO_X and NO_X in all kiln stacks	New Target (Present: 4 Kilns out of 21)	2015-16
	Reduction in CO_2 emission intensity @ 0.5% annually upto 2015-16 with baseline year as 2009-10 resulting in the reduction of 2.96% over 6 years. This will also include CO_2 emissions from recently acquired ETA Star Cement and upcoming projects.	New Target	2015-16
	Low NOx burner in new Projects	New Target	Continuous
	Waste Fuel Handling and Feeding System in new Projects	New Target	Continuous
Social	Address Issues on composition of Joint Safety Committees.	Completed	2008-09
	Implement 3rd party Annual Safety Audit	Two Rounds (2008-09 and 2009-10) of Annual Audit completed. The system of recording and monitoring safety performance is being strengthened.	2008-09
	Social Satisfaction Survey at all sites (Integrated Plants)	Completed. The action plan is being developed to address areas of concern.	2009-10
Strategy	100% Integrated plants to have ISO 14001 and OHSAS 18001 Systems	New Target (Present: 11 plants out of 12)	2011-12
People	Reduce Loss Time Injury Frequency Rate by 50% over the next 3 years	New Target	2012-13
	Implement Contractor Safety Management System	New Target	2012-13



Awards

It is imperative that stakeholders know that, besides consciously working towards profit in its business, UltraTech has also enhanced its processes to achieve overall success. Recognition for its sustained efforts is listed alongside; however these are just a few of the many awards that we have earned in the reporting year.

Awards (2008-09)

- Best Improvement in Electrical Energy Performance, 2008-09 for the plant at Khor, Madhya Pradesh by NCCBM
- Award for Outstanding contribution for workers' education 2008 for the plant at Kovaya, Gujarat by Central Board of Workers' Education
- CII Energy Excellence Award – Energy Efficient Unit, 2008 for the plant at Reddipalayam, Tamil Nadu
- CII EXIM Bank Award - 2008, under the category of Commendation for "Strong Commitment to Excel" 2008-09 for the plant at Kharia Khangar, Rajasthan

Awards (2009-10)

- Top Exporter Award from CAPEXIL for the thirteenth consecutive year
- CII-ITC Sustainability Awards 2009, Commendation Certificate for Significant Achievement on the Journey towards Sustainable Development for the plant at Hirmi, Chhattisgarh by the CII-ITC Centre of Excellence for Sustainable Development (CII CESD)
- Mines environment and mineral Conservation week - First prize (Afforestation), 2009 for the plant at Hirmi, Chhattisgarh by Indian Bureau of Mines, Nagpur
- TERI Corporate Awards 2009 under the category Corporate Social Responsibility (CSR) 2009 for the plant at Shambhupura, Rajasthan by TERI, New Delhi
- "First Prize" in overall performance for Protection of Environment and Mineral Conservation 2009 for the plant at Shambhupura, Rajasthan by Indian Bureau of Mines, Government of India
- 12th F.L. Smith Award for Energy Conservation - First Prize for Maximum Percentage reduction in Electrical Energy Consumption per tonne of Clinker 2009 for the plant at Khor, Madhya Pradesh by CMA

Our Business Domain

The Group

The Aditya Birla Group is a US$ 29 billion business conglomerate and features in the league of Fortune 500 companies. Its businesses are anchored by an extraordinary force of 130,600 employees, belonging to 40 different nationalities. Over 60% of the Group's revenues flow from its overseas operations. The Group operates in 26 countries, namely India, UK, Germany, Hungary, Brazil, Italy, France, Luxembourg, Switzerland, Australia, USA, Canada, Egypt, China, Thailand, Laos, Indonesia, Philippines, UAE, Singapore, Myanmar, Bangladesh, Vietnam, Malaysia, Bahrain and Korea.

The Company

UltraTech Cement Limited ranks amongst India's largest private sector companies and is the eighth-largest cement producer in the world. It is a subsidiary of Grasim Industries Limited, which in turn is a flagship company of the Aditya Birla Group. The foundation for the cement business of the Aditya Birla Group was laid in the early 1980s, when cement plants were set up for Grasim (Khor, Madhya Pradesh) and Indian Rayon (Malkhed, Karnataka). Subsequently, the business continued on the growth trajectory through internal expansions, acquisitions and mergers.

The entire cement business of the Aditya Birla Group has now been consolidated under UltraTech Cement Limited with effect from 1st August 2010. This gives the Company the scale, size and operating efficiencies required to catapult itself into a world-leading position in the industry. UltraTech has become a pan-India player with a 20% market share. Furthermore, the Company has added to its portfolio the speciality products of White Cement and Wallcare Putty.

The merged entity has the following capacities:

- 48.8 million tpa of grey cement across 22 plants
- 0.55 million tpa of white cement
- 504 MW of captive thermal power plants
- 13.6 million cubic metres of ready-mix concrete across 70 plants

UltraTech has acquired ETA Star Cement Company LLC, Dubai, together with its cement operations in the United Arab Emirates (UAE), Bahrain and Bangladesh. The acquisition was carried out by capitalising 'UltraTech Cement Middle East Investments Limited' (UCMEIL), the Company's wholly-owned subsidiary in the UAE.

ETA Star Cement's manufacturing facilities include a 2.3 mtpa clinkerisation plant and 2.1 mtpa of cement grinding capacity in the UAE, as well as 0.4 mtpa and 0.5 mtpa of cement grinding capacity in Bahrain and Bangladesh respectively. UCMEIL will acquire management control and equity stakes at all the locations. UltraTech Cement India currently exports cement and clinker to the Middle East. With this acquisition, it will gain direct access to the markets in the Middle East and adjoining regions.

Operations

UltraTech manufactures and markets Ordinary Portland Cement, Portland Blast Furnace Slag Cement and Portland Pozzalana Cement, other special cements and also manufactures ready-mix concrete (RMC) and Wall Care Putty as per Indian, European and Sri Lankan norms.

Our major national brands are:

UltraTech CEMENT
The Engineer's Choice

Birla White®
THE WHITEST WHITE CEMENT

UltraTech CONCRETE
WE MAKE GOOD CONCRETE BETTER

Birla White WALLCARE®
White Cement Based Putty

Name and Address of the Organisation

UltraTech Cement Limited
'B' Wing, 2nd Floor, Ahura Centre,
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Mumbai 400 093. Maharashtra, India.
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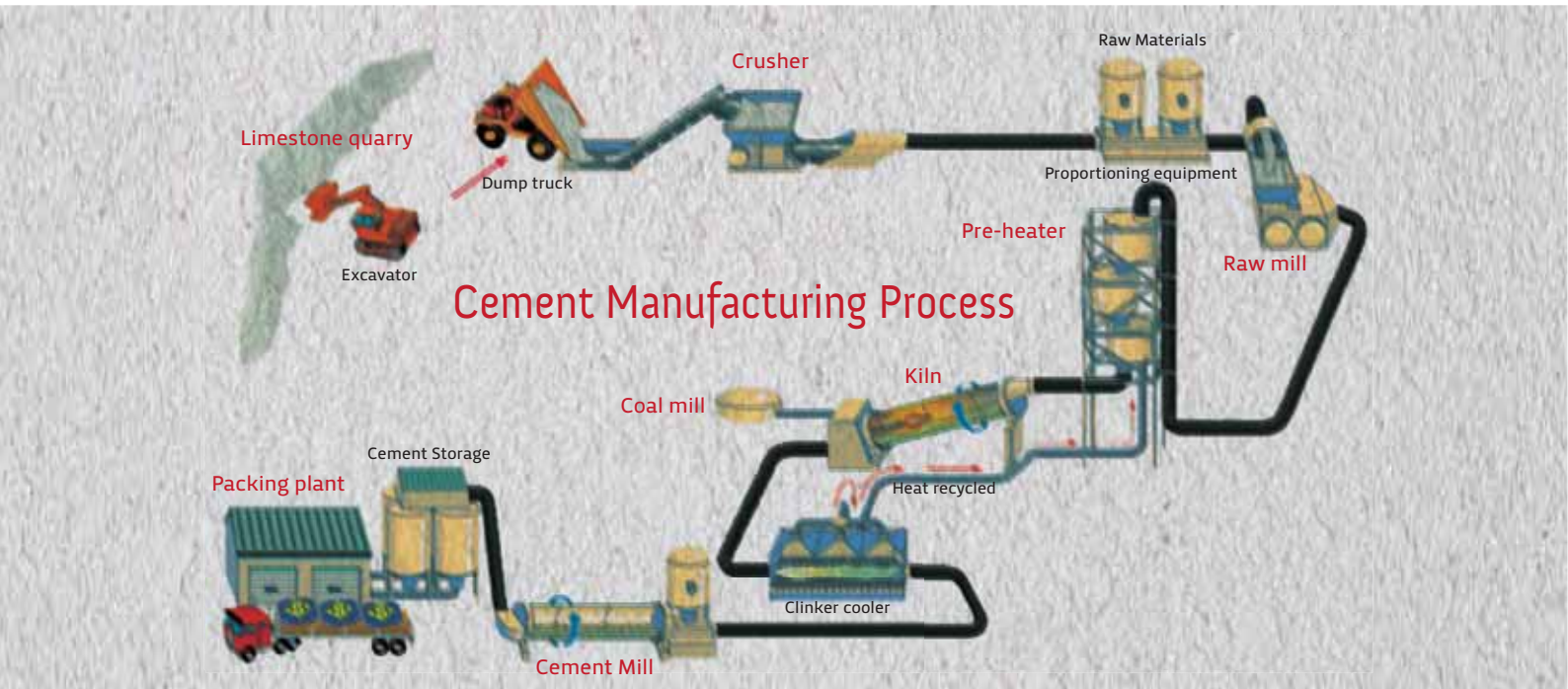
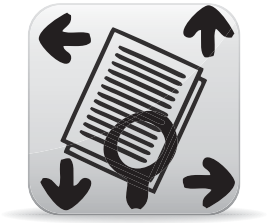
www.ultratechcement.com



Limestone is extracted from the quarry and is transported to the crusher by dumpers. Limestone is crushed to the desired size and is blended in large stockpiles. If required, corrective materials are added to achieve the desired raw mix. Raw materials are converted to fine powder in the raw mill and stored in large blending silos.

Coal is brought from outside, crushed at the coal crusher and ground to fine powder in the coal mill, to be used as fuel along with other waste fuels for firing in the pre-heater and kiln system. The raw meal stored in the silos goes through the pre-calciner and is pre-heated before going into the kiln. Pre-calcined raw meal is burnt inside the kiln at a high temperature to produce clinker. Hot clinker is then cooled and stored in stockpiles or silos.

At the Cement Mill, clinker, gypsum, other additives and cementitious materials are added to make cement. The cement is then stored in blending silos and is packed and distributed to different places in bags or bulk containers from the packing plant.



Independent Assurance

To make the reporting exercise more meaningful and credible, the Company engaged KPMG to carry out an independent assurance. You can refer to their assurance statement on page 43 of this report.

Report boundary

This report includes data for the entire operations of UltraTech as shown in the map – covering all manufacturing locations in India and Sri Lanka, along with subcontracted grinding units. The RMC plants owned and operated by the Company have been covered, whereas the RMC plants operated by the Company for dedicated customers, within their premises for a specific period, have not been included. However the report does not include the recently acquired Star Group of Companies.

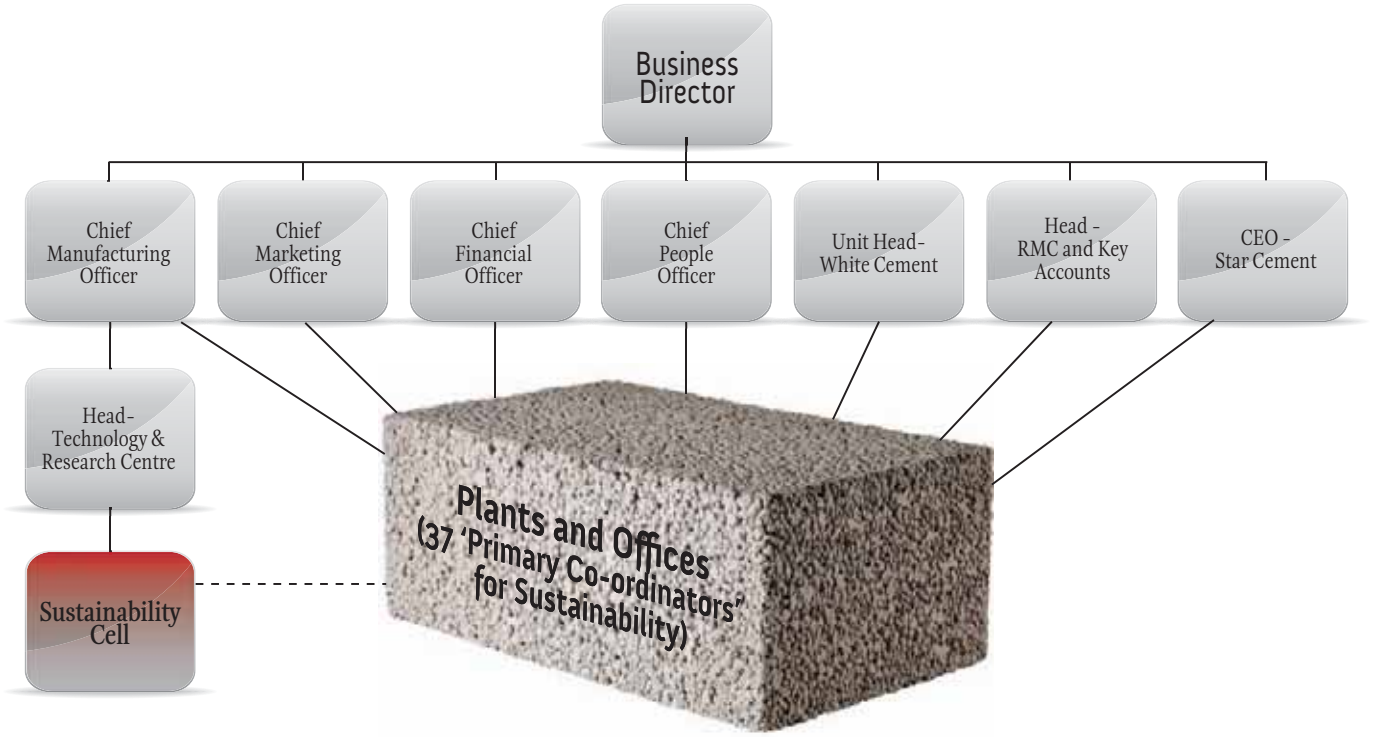
The report also covers the Energy, Materials and GHG emissions data from outsourced operations, as well as those operations where the Company's ownership is above 50%.

Reporting period

The data and information presented in this report are for the years 2008-09 and 2009-10, as the Company has decided to publish a Sustainability Report every alternative year. The last report was published by Grasim Industries Limited for the years 2006-07 and 2007-08 in July 2009 and it covered the Cement Business of the Aditya Birla Group. Hence, the operations of UltraTech Cement Limited were included in that report. Subsequently, the entire cement business of the Aditya Birla Group has been consolidated under UltraTech Cement Limited. In that context, this is UltraTech's first Sustainability Report.

Process for defining report content

Sustainable development at UltraTech is an outcome of a structured approach which is led by senior management, who sets policies and monitors the environmental, social and economic performance on a regular basis. There is a Sustainability Cell at the Head Office, responsible for identifying and translating initiatives into action. The report development process is executed by this Cell. They are supported by Site Co-ordinators who are located at Plants and Offices. Additionally, there are specialised groups on Environment, Safety, Energy and related issues, who provide need-based support.



Business Network

UltraTech's subsidiaries are Dakshin Cement Limited, Harish Cement Limited, UltraTech Cement Lanka (Pvt) Limited and UltraTech Cement Middle East Investments Limited and Star Group of Companies in UAE, Bahrain and Bangladesh. The Company's export markets include countries around the Indian Ocean, Africa, Europe and the Middle East. Export is a thrust area in UltraTech's strategy for growth; the Company is the country's largest exporter of cement clinker, and exports over 2.5 million tonnes per annum, which is about 30% of the country's total exports.

UltraTech's operations today span the length and breadth of India, with 12 integrated plants, 11 split grinding units, 5 bulk terminals, 4 jetties and 70 ready-mix concrete plants. All Units use state-of-the-art equipment and technology. A majority of its manufacturing locations have implemented Quality, Environment and other relevant management systems.

The map below shows the Unit locations of its plants, indicating a pan-India presence. All Units are located in vicinity of sizeable limestone reserves, and there are captive jetties at the Gujarat plants for coastal dispatch and exports.

Master Strokes

Financial Highlights

- Net revenues of the cement business crossed ₹ 172.0 billion in 2008-09 and touched ₹ 194.44 billion in 2009-10
- Net profit stood at ₹ 21.13 billion in 2008-09 and at ₹ 25.09 billion in 2009-10

Community Programmes

- 4,16,415 beneficiaries of UltraTech's health and medical facilities from the camps and awareness programmes conducted between 2008-2010
- 75,769 students benefitted from the organisation's education and training activities during the reporting period
- 371 houses built for poor people during 2008-2010

Environment Initiatives

- 2.88% of Net Specific CO_2 Emission has been reduced during the period 2008-2010
- 1.6 million GJ of energy has been produced through alternative fuels (excluding petcoke) during 2008-2010
- Waste materials constitute 14.64% of the total Raw Materials consumed in 2009-10
- An area of 8.5 hectares of mining land has been reclaimed in the plant located at Jafrabad, Gujarat, along the freshwater lake, by planting many varieties of important trees and shrubs
- A freshwater lake over 6.51 hectares has been created in the mined-out pits after the extraction of limestone in the plant located at Jafrabad, Gujarat
- The Company has initiated an afforestation programme on 19.6 hectares of land under its Kovaya, Gujarat plant

Approach to Sustainability

The Aditya Birla Group is a member of Global Compact, an international forum that operates under the aegis of the United Nations. The forum's vision is to usher in a "more sustainable and global economy". The Aditya Birla Group has re-articulated its values so as to drive the organisational thinking and processes – be they related to people, manufacturing, environment or community responsibility – in the direction of seeking and implementing Alternatives in Action. This also comprises the bedrock of the principles outlined by the UN Global Compact.

The Company utilises the Sustainability Report as a tool to display its efforts towards driving a triple bottom line agenda: the Planet, People and Profitability. This is the outcome of adherence to a disciplined methodology of setting realistic targets along with monitoring processes, allocating resources towards relevant projects, and establishing effective structures to execute the initiatives. All this is done with a focus on alternative solutions, and discovering new avenues to promote its sustainability agenda.

This report, which covers the environmental, social and economic performance, has been based on the GRI – G3 Reporting Framework which is in line with the United Nations Global Compact principles. This year, the report covers 40 core and 27 additional indicators.

Materiality

The Company has identified material issues by interacting with representatives from key stakeholders – Employees, Suppliers and Transporters, Customers, Communities, Environment, Lenders and Regulatory Authorities.

Using a materiality matrix, these issues were put through objective assessments, and scores were assigned, depending on how they impact specific factors. A threshold score was established to classify points into material and non-material issues. Through the materiality exercise, the issues identified are mapped to the GRI (G3) indicators and the corresponding Global Compact principles. These issues are addressed under various stakeholder categories as dedicated sections, such as Economic performance, Environmental performance and Social performance.

Every Sustainability effort has a focused endeavour at its core to anticipate the needs of key stakeholders, to provide solutions and relevant initiatives to cater to those needs, and to ensure stakeholder delight by surpassing those needs. The Stakeholder Engagement Survey is conducted every alternative year within the Company by the Sustainability Cell, which comprises top management, unit heads, cell heads and Zonal Marketing heads. This top-rung team, from across the Company, identifies the following:

- Stakeholders to be engaged
- Goal of engaging with them
- View regarding stakeholder expectations
- Responsibility
- Action taken or initiated

Top Material Issues for UltraTech

Environment	Employees	Community
• Waste as Raw Materials and Fuel • Energy Management • Energy Conservation • Emissions Reduction	• Safety of personnel – employees and contract labour	• Development of local community around the plants

Customer Satisfaction - Dialogue reveals Alternatives for Delight

Given the Company's penchant for customer delight, we have been commissioning a Quarterly Survey through an independent agency since 2004. More than 30,000 interviews are conducted every year, across 47 locations in India. The survey is conducted among five segments:

• Individual House Builders (IHBs) • Retailers • Wholesalers • Masons • Architects.

Objectives

1. To assess the current performance of the UltraTech brand
2. To determine the important factors that drive brand equity
3. To understand the brand's Unique Selling Proposition and positioning in consumers' minds

The Satisfaction scores of UltraTech have consistently remained above the benchmark. However, the survey helped identify the following focus areas:

- Accuracy of delivery
- Ease of order placement

To address the above and improve upon these areas, the Company has undertaken several initiatives:

- Right Selection and Empowerment of UltraTech Building Solutions (UBS) Outlet with specific focus on Product Knowledge and Technical Training
- Customer Pull through Conventional and Unconventional Methods such as Business Expo Exhibition, Road Shows, SMS Campaign and IHB meets
- Gathering influencer support through meets for Painters, Plumbers, Contractors, as well as Architects and Interior Designers

Customer Satisfaction is of prime importance to us to build long-term, mutually beneficial relationships with our customers – anticipating their needs, appreciating their patronage and delighting them in unique, rewarding ways.

Stakeholders
Customers

Key Expectations
- Availability
- Service
- Packaging

Survey Methods and Frequency
- Interviews through third party
- Feedback received by Customer Care
- Quarterly (on-going)

Activities
- Strong Dealer, Retailer and Sales Office network
- Extensive network of Primary sources, Godowns and Railheads
- I2 System in Supply Chain Management
- Retail Stores – UltraTech Building Solutions
- Technical Services
- GPS tracking of customer deliveries

Stakeholders
Regulatory Authorities

Key Expectations
- Active participation
- Prompt compliance of regulatory requirements

Survey Methods and Frequency
- One to one meeting
- Biennial (on-going)

Activities
- Periodic meetings
- Participation in seminars & forums
- Compliance of norms
- Verbal and written communication

Stakeholders
Shareholders and Lenders

Key Expectations
- Growth and Financial Returns
- Corporate Governance
- Compliance to 'Equator Principle' (http://www.ifc.org/ifcext/enviro.nsf/Content/PerformanceStandards)

Survey Methods and Frequency
- Annual (on-going)
- Registrar and Transfer Agent (RTA) appointed by Company attends to shareholders' grievance in consultation with the Company
- Direct feedback through exclusive e-mail ID set up by the Company for this purpose
- One to one meeting with large investors and lenders

Activities
- Half-yearly communication by the Company informing about performance and developments
- E-mail IDs of all investors are compiled for faster communication
- Adherence to established norms /procedures
- Periodic performance measurement audits by external auditors

Stakeholders
Suppliers and Contractors

Key Expectations
- Transparency
- Share technological developments
- Feedback
- Recognition

Survey Methods and Frequency
- Periodic Vendor Evaluation
- Periodic Vendor Meetings (ad-hoc)
- Direct interaction through site visits

Activities
- Adherence to values and established norms / procedures
- Periodic feedback based on vendor rating

Stakeholders
Employees

Key Expectations
- Communication; Training and Development
- Career Management
- Role Clarity
- Employee Benefits

Survey Methods and Frequency
- Annual (on-going)

Activities
- Based on the feedback, measures like business information sharing, talent management, compensation revision, providing additional facilities at residential locations, etc., have been taken

Stakeholders
Local Community

Key Expectations
- Support in Health, Education, Employment generation and Infrastructure

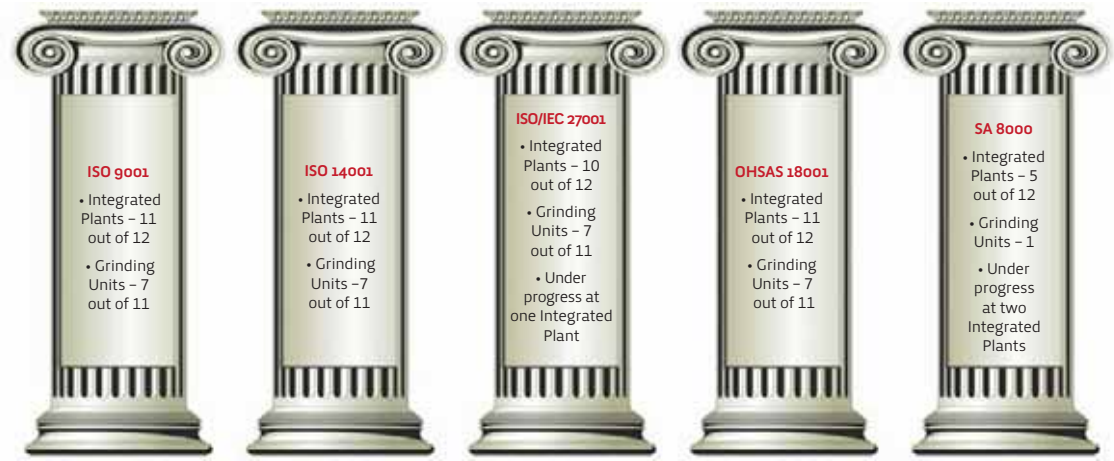
Survey Methods and Frequency
- Periodic surveys (ad-hoc)
- Personal interaction

Activities
- Extension of various welfare schemes to villagers related to infrastructure
- Joint participation in various social / cultural programmes to strengthen relations
- Participation in Government supported schemes
- Organisation of cultural and sports programmes
- Organisation of health and eye check-ups, and family planning camps
- Vocational training programmes for unemployed rural youth and women
- Extension of various programmes related to social welfare
- Tree plantation in surrounding villages

The Stakeholder Engagement needs and the processes have been aligned with the Company's business objectives. Accordingly, the engagement methods, frequency of survey and review mechanisms have been established.

A Pillar of Strength for our *Corporate Structure*

UltraTech believes that sound corporate governance principles applied consistently to all functional areas ensure that its values – Integrity, Commitment, Passion, Seamlessness and Speed – are leveraged to maximise value for all its stakeholders. The Company continuously strives for excellence by adopting the best governance and disclosure practices. The Company strives to follow all applicable regulations and has institutionalised internal control systems to ensure compliance. There has been no case of any significant fine, monetary sanction or violation during the reporting period. For further details, please refer to the Company's Annual Report at http://www.ultratechcement.com/investors/downloads/UltraTech_annual_report09-10.pdf (pages 26-37).



Disclosure on Management Approach

Economic Indicators

The Company follows standard policies, systems and practices as applicable, in accordance with the regulations and practices set down. Internal systems on finance, accounting and HR have been developed and implemented by the Company to capture, monitor, audit, analyse and ensure compliance. The economic indicators reported herein are based on the data audited by the third party auditors and form part of the annual reports of the respective companies.

Environmental Indicators

The Company has implemented an integrated approach to monitor, analyse and improve environmental performance. The ISO 14001 system, CSI guidelines and policies and environmental KPIs support the Company's overall approach to the environment. The key data sources are SAP records and data recorded specifically as part of environmental KPIs. Energy consumption, waste utilisation and emissions are key material issues for the Company and accordingly, these issues are tracked and measures are implemented to improve the overall performance. The GHG emissions are tracked in accordance with CSI's CO_2 protocol.

Labour Practices, Society and Human Rights

UltraTech follows the HR systems laid out by the Corporate HR of the Aditya Birla Group. Additionally, the Company has implemented other systems like OHSAS 18001 and SA 8000. The periodic feedback surveys on employee and social satisfaction provide the inputs for further improvement. The Safety data is captured according to CSI's Safety Protocol.

Product Responsibility

The applicable product standards, regulatory requirements, Customer Satisfaction Surveys and other Internal Systems form the core of product responsibility. The Company complies with applicable BIS, European (EN) and Sri Lankan codes for its products. The details required are based on applicable BIS, European (EN) and Sri Lankan standards and made available to the customers through Test Certificates and printing on the packaging. The information concerns the physical and chemical properties of the products apart from traceability information

Managing Risks

The organisation's operations expose it to various types of risk – external as well as internal. Managing and mitigating these risks form an integral part of the organisation's growth strategy. For further details, please refer to the Company's Annual Report at http://www.ultratechcement.com/investors/downloads/UltraTech_annual_report09-10.pdf (pages 23-24).

Partnering with Key Industry Associations

The Company has Memberships with various industrial and commercial fraternities like CMA, FICCI, CII, CSI (Cement Sustainability Initiative) and AAI (Advertising Association of India). It has been working closely with several other organisations under various Task Forces and Committees of APP7 (Asia Pacific Partnership on Clean Development and Climate) and BIS. The Company prefers to be part of policy development processes and hence, actively participates in all related forums, but has not been lobbying on any specific issue.

Cement Sustainability Initiative (CSI)

UltraTech believes that there is strong business case for sustainable development in the cement industry and has, thus voluntarily joined the Cement Sustainability Initiative (CSI) of the World Business Council for sustainable Development (WBCSD), which is a CEO-led, global association of around 200 companies dealing exclusively with business and sustainable development. The Company's objective is to participate constructively in the forum's activities towards defining the scope of sustainable development for the cement industry and then implementing the same.

As a result of its commitment to sustainable development, UltraTech is continuing its investment in energy efficient initiatives, which has resulted in specific heat consumption in its clinker production being one of the lowest. The Company is among the early proponents of waste heat recovery and alternative fuel usage in cement operations in India. These initiatives have made UltraTech the first cement company in the world to earn carbon credits.

World Business Council for Sustainable Development
Cement Sustainability Initiative

Economic Vibrancy

Economic returns is just one of the rewards that accrue to stakeholders who repose their faith in an organisation. It is the duty of every responsible organisation therefore, to focus on robust economic performance and improve on their previous year's turnover figures, year on year. UltraTech believes in going beyond pure profitability, to deliver an economic performance that encompasses a broader universe.

With enhanced bottom-line growth, the Company is enabled to plough funds into diverse spheres, in order to create better infrastructure, sustainable livelihoods, and a better quality of life for less privileged communities. There is stringent adherence to responsible paying of taxes, for the Company considers this to be a significant contributor towards building not only society, but the nation as a whole.

Direct Economic value generated and distributed

Stakeholders	FY 2008-09			FY 2009-10		
	Total Value - ₹ Billion	Value in ₹ per Bag	Share of Total Value	Total Value - ₹ Billion	Value in ₹ per Bag	Share of Total Value
Value Distributed						
Operating Costs	85.30	119.11	49.59%	93.60	114.22	48.14%
Govt. Taxes including Excise / VAT / Income Tax / Other Levies	50.23	70.14	29.20%	57.53	70.21	29.59%
Depreciation	6.08	8.48	3.53%	8.00	9.76	4.11%
Employees, Welfare and Community Development	5.36	7.49	3.12%	6.29	7.67	3.23%
Payment to Lenders	4.28	5.98	2.49%	4.32	5.27	2.22%
Proportionate Dividend to Shareholders	2.52	3.52	1.46%	2.43	2.97	1.25%
Value Retained						
Retained Earnings for Reinvestment / Modernisation	18.24	25.47	10.60%	22.27	27.18	11.46%
Value Generated						
Gross Value of Operations	**172.00**	**240.19**	**100.00%**	**194.44**	**237.26**	**100.00%**

- The Company received ₹ 1407.4 million in 2008-09 and ₹ 465.4 million in 2009-10 in terms of tax reliefs and credits.
- The Company contributed ₹ 105.5 million in 2008-09 and ₹ 91 million in 2009-10 to political parties and related institutions.

Environment Alternatives

Our *Sustainability Ideal*

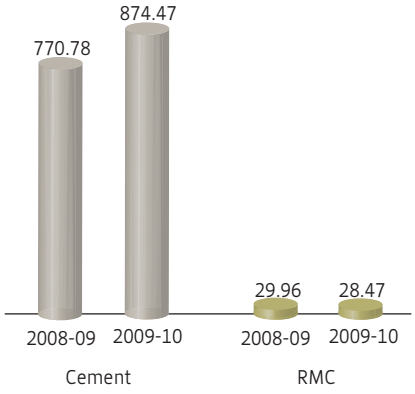
The cement industry relies heavily on natural resources to fuel its operations. As these dwindle, the imperative is clear –alternative sources of energy have to be sought out and the use of existing resources has to be reduced, or eliminated altogether. Only then can sustainable business be carried out, and a corporate can truly say it is contributing to the preservation of the Environment.

Approach

UltraTech takes its responsibility to conserve the Environment very seriously, and its eco-friendly approach is evident across all spheres of its operations. Its major thrust has been to identify alternatives to achieve set objectives and thereby reduce its carbon footprint.

1. Waste Management
2. Energy Management
3. Water Conservation
4. Biodiversity Management
5. Afforestation
6. Reduction in Emissions

Total environmental protection expenditures (₹ million)



Waste Management

The Company has launched several initiatives to minimise waste disposal, all with commendable results. Energy has been harnessed out of waste generated, and coal usage has been reduced by recoursing to alternative fuels such as processed municipal solid waste, agro waste, tyre chips, etc.

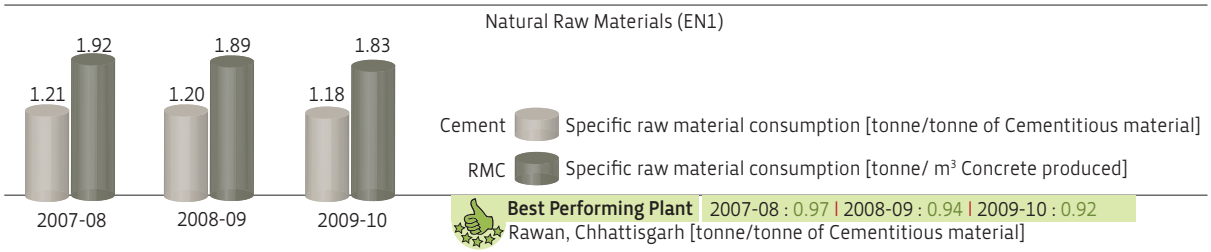
In 2009-10, the use of fossil fuels has been reduced by using 54,078 tonnes of waste materials as fuel. The Company is building competency among employees and installing state-of-the-art machinery at all Units so that waste fuels are handled in the most eco-friendly manner. Efforts to substitute natural raw materials with waste have resulted in a reduction in consumption of natural materials by 7.8% over the last five years.

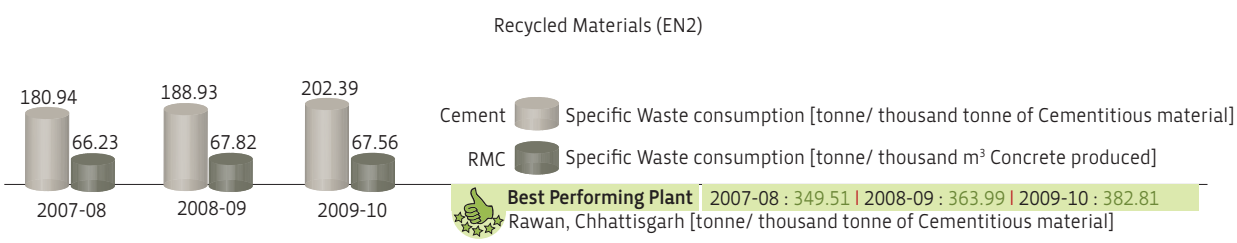
Waste materials utilised are flyash, slag, gypsum, and other industrial wastes. Their use ensures that the discarded waste is minimised, and at the same time, waste is managed in an economical manner that yields profit to the Company.

Efforts to reduce consumption of packaging material are focused on encouraging despatches in bulk instead of bagged cement. Nothing has been reclaimed during the reporting period.

All wastes have been disposed of in accordance with the guidelines of the respective pollution control board. Hazardous materials categorised under the Basel Convention have never been imported or exported. There has been no incident pertaining to significant spills from the manufacturing process. Preventive care has been taken by the Company during technology selection.

Materials used by Weight





Sustainable Solutions

Waste used as a substitute for Limestone at Reddipalyam, Tamil Nadu

The plant achieved eco-friendly manufacture of cement by partially substituting limestone with marl – normally rejected as waste generated during limestone mining. As waste, it had to be separated from limestone; it had to be transported for dumping elsewhere, and needed land for dumping. Nearly 10% of the limestone requirement (an average of about 500 tonnes per day) is replaced with marl, by mixing it with limestone in the limestone crusher hopper. As a result of this, the mine's life increased by nearly 5 years; consumption of white clay, a source for alumina, has reduced by 50% from 150 tonnes to nearly 75 tonnes per day; and reject dumping activity has been minimised.

Use of Waste Gypsum at Kovaya, Gujarat

Gypsum acts as setting time retarder while manufacturing cement. The plant had been using a combination of mineral, marine, imported and chemical gypsum to meet its requirements. Laboratory trials of various combinations of gypsum mix were conducted to meet the qualitative and quantitative requirements, and it was observed that it was possible to substitute mineral gypsum partly by waste gypsum. Difficulties were faced due to jamming while feeding the hopper, but this was overcome by modifying the hopper screen.

Reduction in Waste Generation at Mangalore, Karnataka

The plant had fluid coupling for the belt conveyor drive. It was necessary to replace burnt oil with fresh oil periodically and this burnt oil had to be disposed of. Also, oil leakage from the fluid coupling was difficult to stop in spite of several countermeasures. Alternatives were evaluated and the fluid coupling was replaced by tyre coupling, resulting in the elimination of regular oil filling and disposal of burnt oil.

Reduced use of raw materials by increasing slag absorption at Rawan, Chhatisgarh

Enhanced volume of slag based cement is one of the most effective means of reducing consumption of natural resources and energy. Changing the particle size distribution method was perfected after numerous laboratory trials. The required modifications were carried out in the grinding circuit in 2007-08 and several plant scale trials were conducted to arrive at the optimum process condition. The other major step was to enhance the consumption of slag for each tonne of cement without any adverse impact on product quality and cost economics. The new grinding circuit has been made operational now with an increase in slag consumption by up to 5%. Additional benefits include an increase in roller press output by 17% and reduction of natural raw materials by 7.5%.

Energy Management

Energy constitutes around 35% of CO_2 emissions, and can have a major impact on product quality, plant reliability and availability. UltraTech utilises data from the public domain and through mutual exchange to benchmark its energy efficiency, kiln reliability and productivity. Auditors help assess the influence on the environment, prioritise actions to reduce ecological risks and demonstrate the organisation's accountability to third parties. Rigorous, in-depth environmental audits of plants by independent auditors, the State Pollution Control Board's certified auditors and Environmental Systems auditors reconfirm UltraTech's sense of responsibility and accountability.

Transcending regulatory norms, the Company has evolved innovative ways to preserve the environment and manage resources responsibly. Clean technologies and processes that combine economic progress and sustainable environment are top-of-mind at UltraTech's Units. The organisation's thrust on using alternative fuels and reducing fossil fuel consumption by substituting these with wastes from other industries is gaining momentum. While it is difficult for waste generating industries to safely dispose of waste – the only other choice being incineration – the heartening result is the ever-reducing specific energy consumption data.

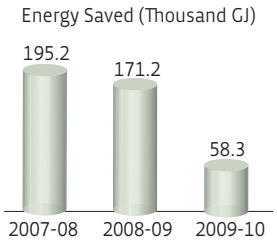
UltraTech's current focus is directed towards the following energy management activities:

a. Close control and monitoring of energy-related KPIs by using the energy management system at all major locations. This is further reinforced by periodic energy audits. There are internal targets for reduction in energy consumption starting from the business level, going down to the equipment level. Added to this is ongoing process optimisation, replacement of existing equipment by energy efficient technologies and continuous improvement under 'World Class Manufacturing System' – UltraTech's internal programme on Excellence in Manufacturing.

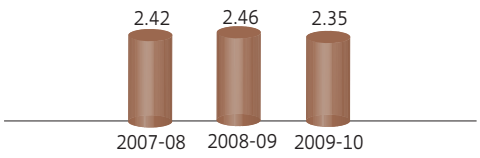
b. Selection of energy efficient technologies at the project stage and upgradation of existing plant and machinery to improve energy efficiency.

c. The Company has already installed a 4.2 MW waste heat recovery system at its Tadipatri, Andhra Pradesh plant, and has further identified a potential of 90MW of waste heat recovery from all its Kilns. The waste heat recovery can meet around 12% of the total power requirement. The scheme is being implemented in a phased manner for existing plants and has been made an integral part of all new projects.

Total energy saved due to conservation and efficiency improvements



Specific Energy (Fuel) - Cement



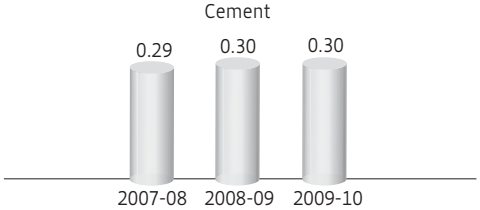
Specific Energy (Fuel) Consumption
– [GJ / tonne of Cementitious Material]

Best Performing Plant

2007-08 : 1.99 | 2008-09 : 1.93 | 2009-10 : 1.84

Rawan, Chhattisgarh

Specific Energy (Power) - Cement



Specific Energy (Power) Consumption
(Direct+Indirect)
– [GJ / tonne of Cementitious Material]

Best Performing Plant

2007-08 : 0.26 | 2008-09 : 0.24 | 2009-10 : 0.24

Reddipalayam, Tamil Nadu

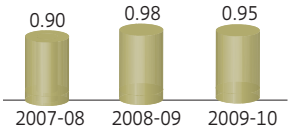
The Company has been taking initiatives to reduce energy consumption over the years and has reached a stage where further reductions are difficult to achieve. Hence, the new thrust is being put on waste heat recovery.

Cement is used as a construction material and as such, is not connected to energy consumption. However, during construction, energy is used in compaction of concrete. To eliminate compaction, the Company has developed a variety of self-compacting concrete, which does not require compaction during construction, thus eliminating the use of energy. The total estimated saving in energy due to the sale of self-compacting concrete from RMC plants is presented in the graph below.

Steps taken:

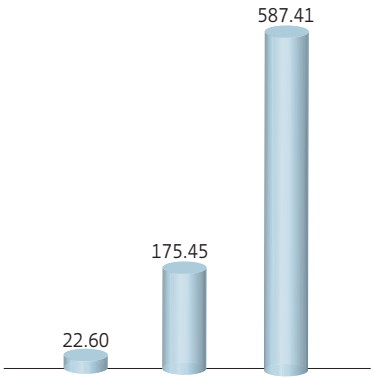
1. Regradation of grinding media in cement mills across several locations led to lower specific power consumption and higher throughput.
2. Optimisation of water spray in preheater top cyclones at Awarpur, Maharashtra plant. The fine-tuning of the system was done by optimising the feed water quantity and other process parameters. This led to a reduction in water consumption by 27.8%, in fuel consumption by 1.9% and in power consumption by process fans by 145 kW.
3. Reduction in raw mill fan speed by 7% at Awarpur, Maharashtra plant resulted in reduction in power by 40 kW.
4. Modification in cyclones and ducts across plants to reduce pressure drop and improve energy efficiency.

Specific Energy - RMC



Specific Electricity Consumption – [GJ/100 m^3 concrete produced]

Self-Compacting Concrete - An Energy Efficient Product



Total Energy Saved (Thousand GJ)

Sustainable Solutions

Reduction in Energy Consumption at Ratnagiri, Maharashtra

The plant was using a 110 kW, 600 cfm capacity air compressor for its air requirements. During the energy audit, it was observed that the size of the compressor was too high and it ran loaded only 65% of the time. Subsequently, the compressor was replaced by a 45 kW, 303 cfm air compressor. The saving in electrical energy was about 37 units/hour.

In the case of the water pump, it was noted that the pump had a higher capacity of 33%. The right size of pump was installed, leading to energy saving of around 7 units/hour.

Alternative Fuel and Energy Efficiency

Fossil fuel has triggered the growth of industrialisation and infrastructure development all over the globe. Industries are still dependent on these non-renewable energy resources to meet fuel requirements. Unfortunately, dependence on fossil fuels has resulted in various environmental problems such as air and water pollution, climate change and depletion of these fuel reserves. It is imperative to find alternative means to conserve energy and perhaps even replace the fossil fuel with an energy-efficient and clean fuel source. Research and development are constantly coming up with alternatives to fossil fuels; now it is up to the industry to customise new fuels with the existing technology or even revamp its processes to build in newer and cleaner technologies. UltraTech has taken a lead in the Indian Cement Industry to co-process industrial and agricultural wastes as fossil fuel substitutes in its plants.

Coal Availability for the Indian Cement Industry

There is already a huge gap in the supply against linkage – in the range of 30-35%. This implies that the cement plants in India will have to look for substitutes.

UltraTech has demonstrated energy efficiency, which is an effective and immediate solution to the burgeoning energy deficiency. This is the best way to minimise its reliance on fossil fuels and the corresponding monetary advantage is reflected in the Company's profit margin.

Waste - An Alternative Fuel

Resorting to alternative fuels and eco-friendly substitutes of energy sources for production and manufacturing processes is essential. Primarily, it is a sustainable measure and it also reduces the overall cost of investing in fossil fuels, which will in turn impact the profit margin of the Company. Alternative energy sources can be obtained by recycling wastes. These are also considered to be clean fuels, depending on the material used to generate energy.

Cement Kilns present an opportunity where it is a Recovery Operation. The combustible parts of the waste replace fossil fuels. The non-combustible parts of the waste replace raw materials – silica, iron, etc with minimal environmental impact.

Benefits:

- No need for investment in incinerators
- Overall lower CO_2 and methane emissions by replacement of fossil fuel – otherwise leading to burning of hazardous wastes in incinerators and fossil fuels in kilns
- Conservation of raw materials for the cement industry as hazardous wastes partially replace some of the raw materials like silica, iron, etc.
- Prevents resource depletion of non-renewable fossil fuels
- Maximises energy recovery. All the available energy is used directly in the kiln for clinker production
- Eliminates the need for disposal of inorganic ashes from the incinerator as it acts as a substitute for raw material in the Cement Kiln
- Reduction in environmental impact related to coal mining of coal thus saved

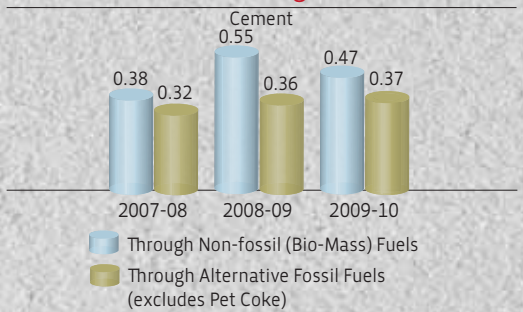
Sustainable Solutions

Replacing Fossil Fuels by Industrial and Municipal Wastes

In its quest to reduce GHG footprint, UltraTech initiated efforts to substitute fossil fuels by cleaner fuels. The Company co-ordinated with pollution control authorities and waste generators to identify and utilise the industrial and municipal wastes in its plants. The industrial wastes like sludge from chemical, pharmaceutical and textile plants were tried successfully at several plants. At the same time, other options like tyre chips and biomass were located and sourced. These were utilised in cement kilns as substitute for conventional fuel like coal, whereas, the biomass was used as substitute for coal in boilers in captive power plants. After successful trials, which were conducted under the close monitoring of pollution control authorities, permission was granted by them for regular usage. UltraTech has also commissioned its first Municipal Solid Waste Processing Plant near Jaipur in India. The major benefits of this initiative are:

- Safe disposal of Wastes
- Saving of Fossil Fuel
- Overall Reduction in GHG emission

Heat Substitution [%age of Total Heat]



Best Performing Plant

2007-08 : 6.55 | 2008-09 : 7.40 | 2009-10 : 3.80

2007-08 : 3.57 | 2008-09 : 3.37 | 2009-10 : 4.10

Reddipalayam, Tamil Nadu

Water Conservation

Cement plants are located mainly in dry and arid zones, and the amount of process water consumed by the cement industry is significant. UltraTech realised the impact it could have on the sources of water for its processes, and explored the potential of rain water harvesting to replenish the ground water table; which is the main source of water to its Units.

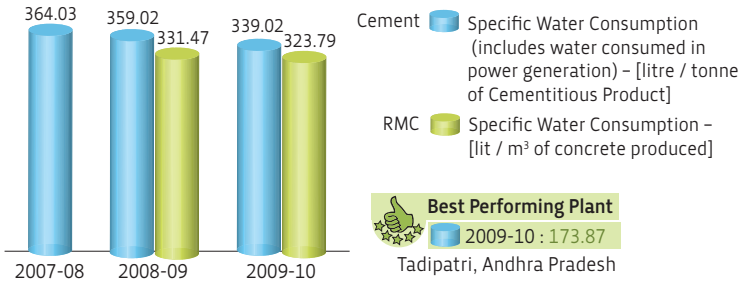
Ground water is only 19.8% of the organisation's total water withdrawal. Rain water harvesting was developed to recharge borewells and maintain the ground water table. Periodic ground water table evaluation is being carried out in line with the guidelines given by the Central Ground Water Authority and the respective pollution control boards. No significant impact on the ground water table has been noted during the reporting period.

Water bodies in the catchment areas for rain water storage and 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 mine offices at various Units. These effectively recharge rain water in the borewells and help maintain ground water levels.

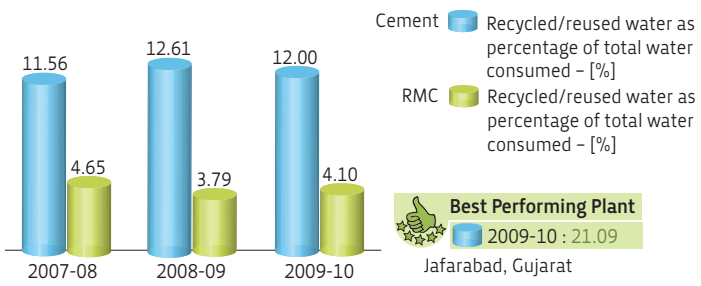
UltraTech's Unit at Kovaya is the only unit in this sector in India to have a desalination plant. It is used for meeting the water needs of the plant and the colony. Waste gases from the cooler are used in the desalination plant. At all Units, the treated water from the sewage treatment plant is used for horticulture and process requirements.

Zero water discharge is practised at all cement and RMC plants, except the desalination plant at Kovaya, Gujarat. 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.

Water Consumption (EN 8)



Water Recycled and Reused (EN 10)



Sustainable Solutions

Using Waste Water at RMC plants

The existing concrete recycling plant produces slurry water that has minimal usage in concrete production. Slurry produced in transit mixer washing or concrete recycling cannot be used beyond 10 percent of the mix design water content due to slump fall beyond control. This resulted in more slurry generation and difficulty in its disposal. The team at the Hyderabad RMC plant evaluated the recycling plant with a settling tank to treat the slurry water and increase its usage in place of fresh water. Slurry water was diverted to the settlement tank, and the water from the settlement tank was tested. The team at plant noted that it was possible to use this water by up to 35% in the concrete mix design. This scheme has been implemented at all 6 RMC plants in Hyderabad, resulting in the reduction of fresh water consumption by 22%.

Rain Water Harvesting at RMC plants

To reduce the RMC plants' water consumption, UltraTech opted for rain water harvesting apart from minimising water consumption and recycling waste water. The plants opted for a combination of diverting the entire rain water from the plant premises to either a settlement tank or a slurry tank. At the Chennai RMC plant, the rain water has been diverted to recharge ground water.

Biodiversity Conservation

UltraTech believes that biodiversity is the cradle of life in any ecosystem. It is sustainable in many ways and the Company is constantly inspired by it. In its endeavour to ensure conservation, a Biological Assessment of the terrestrial environment is being carried out at Kovaya and Jafarabad plants in Gujarat, which are also protected areas as per the national laws.

Protected areas		
Plant	CRZ	Forest Land
Kovaya, Gujarat	Mines 0.98 km^2	--
Jafarabad, Gujarat	Mines 2.53 km^2	Mines 1.77 km^2
	0.53 km^2 (Area falling under both the categories)	

UltraTech has suspended all operations in protected areas. Two seasons of biodiversity surveys have been covered, and a third is in progress. The findings of their report are mentioned below:

Key Conclusion:

"None of the habitats of flora and fauna enlisted in IUCN Red List and National Conservation List of BSI and ZSI are affected by the operational activities of the plants."

Flora

Among the enumerated flora in the study area, Hyphaene dichotoma - an endemic plant - was reported to be rare in Gujarat. Dalechampia scandens L.var.cordofana and the herb, Limonium stocksii are reported as rare plants of Gujarat, but are not assigned in any threat category.

Fauna

As per the IUCN Red List (2008), Indian Lion Panthera leo persica (Meyer), Striped Hyena and Nilghai are threatened animals. Dalmatian Pelican (Pelecanus crispus), Lesser Flamingo (Phoeniconaias minor), Painted Stork (Mycteria leucocephala), Black-headed Ibis (Threskiornis melanocephalus), Black-tailed Godwit (Limosa limosa), Eurasian Curlew (Numenius arquata) and Oriental Darter (Anhinga melanogaster), grouped under near-threatened birds, were spotted in the study area. Among the reptiles, Indian mud or flap shell turtle (Lissemys punctata) is protected as a Schedule-I reptile. The Common Indian Monitor (Varanus bengalensis), Indian Cobra (Naja naja) and Common Rat Snake (Ptyas mucosus), which are provided protection as per Schedule-II of the Wildlife Protection Act, (1972), were found in the study area.

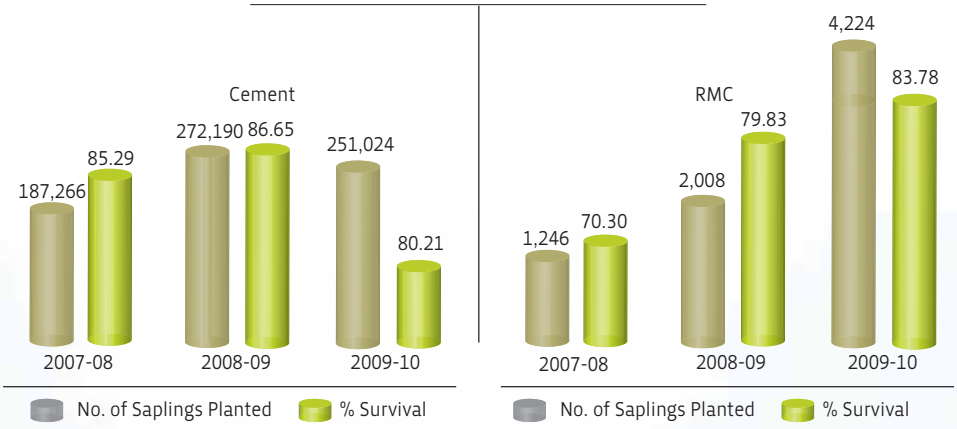
Afforestation

Only a few villages in the study area have agricultural potential; the rest of the landscape is characterised by barren and fallow lands dominated by shrub vegetation. The major agricultural crops practised during December 2009 were Groundnut (Arachis hypogaea), Cotton (Gossypium herbaceum), Bajra (Pennisetum typhoides) and Jowar (Sorghum vulgare).

An area of **8.5 hectares** has been reclaimed at Jafrabad, Gujarat plant in the mining site, north block, along the freshwater lake, by planting many varieties of economically important trees and shrubs. A freshwater lake of over 6.51 hectares at Jafrabad, Gujarat plant was created in the mined-out pits after the extraction of limestone, in the north block. A set of garland drains guide most of the surface runoff of rain water into this lake. This lake serves as a fresh water resource in this water-scarce area and also helps in recharging the aquifers, thereby improving the water quality of the neighbourhood.

While the Company had planned the development of greenbelt cover of 11 hectares, it was able to spread it to **19.6 hectares** at Kovaya, Gujarat plant, thus expanding its own aspiration in the process of afforestation. Jatropha cultivation has been initiated along the periphery of the mining lease area.

Managing Impacts on Biodiversity (EN 14)



Majority of CO_2 emissions arise from the clinker production process. Global warming and air pollution are environmental problems that can endanger human survival. Hence, industries must recognise their shortcomings and figure out a way to minimise their carbon footprint and air emissions. All types of air emissions, such as GHGs, NO_X, SO_X, SPM, are covered with the measures taken to reduce their environmental impact. The use of R21 and R22 in old air-conditioning systems is being phased out in line with the deadlines set under relevant International Conventions.

The Company decided to measure SO_X and NO_X emissions in all cement plants, even though it is not mandated by pollution authorities in India at present. The Company has installed continuous emission measurement systems for dust / SO_X / NO_X and has developed a plan to implement similar systems in the remaining plants over the next 5 years in a phased manner.

The Units at Kovaya and Jafarabad in Gujarat are among the largest users of shipping in the cement industry. The sea route is the most cost effective and environmentally friendly transport for delivering cement and clinker to coastal and export markets. During 2009-10, 58% of our cement despatches were by road, 38% by rail and about 4% by coastal mode. These Units also receive incoming raw material and fuel sources such as gypsum, iron ore, coal and pet coke at their captive berths. In this way, greenhouse gas emission in the environment is contained. Surface miners have been deployed, facilitating production of limestone from the mines up to 40% in a dust-free manner in the plant at Kovaya, Gujarat.

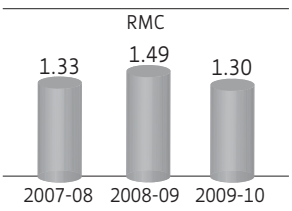
GHG emissions have been derived based on CSI's CO_2 Protocol and are monitored on a monthly basis.

The major initiatives that are underway to reduce CO_2 emissions are:

- Installation of Waste Heat Recovery System in Kilns
- Improvement in absorption of alternative materials in cement by reducing the clinker consumption for every tonne of cement produced
- Improvement in Energy Efficiency and use of alternative bio-mass fuels in Kilns
- Focus on Renewable Energy: Apart from waste heat recovery, the Company has initiated installation of a 100 kW grid connected solar PV power plant to cater to street lights at its Shambhupura, Rajasthan plant

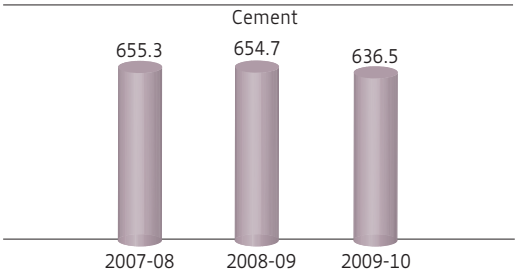
Direct and Indirect GHG Emissions (EN 16, 17 and 18)

Direct CO_2



Specific Gross CO_2 (includes onsite power generation) - [kg CO_2/m^3 concrete]

Net Direct CO_2



Specific Net CO_2 (Cement) - [kg CO_2/t cementitious material]

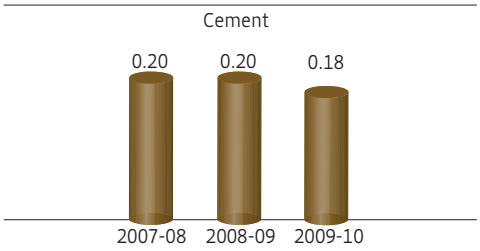
Best Performing Plant

2007-08 : 537.3 | 2008-09 : 522.8 | 2009-10 : 503.3

Rawan, Chhattisgarh

Emission of dust, SO_X and NO_X (EN 20)

Suspended Particulate Matter



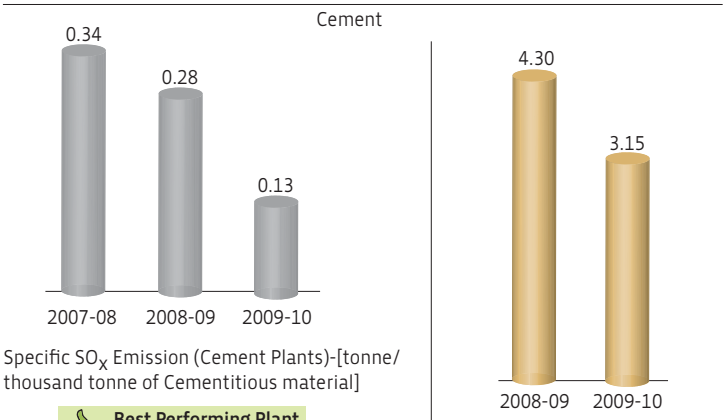
Specific Dust Emission (Cement Plants)
-[tonne/ thousand tonne of Cementitious material]

Best Performing Plant

2007-08 : 0.12 | 2008-09 : 0.11 | 2009-10 : 0.09

Reddipalayam, Tamil Nadu

SO_X



Specific SO_X Emission (Cement Plants)-[tonne/ thousand tonne of Cementitious material]

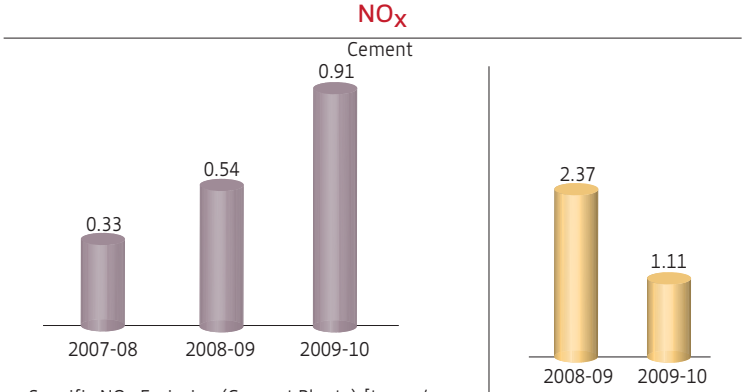
Best Performing Plant

2009-10 : Negligible

Shambhupura, Rajasthan and Khor, Madhya Pradesh

Specific SO_X Emission (Power Generation)-[tonne/ thousand MWh Net Power Produced]

NO_X



Specific NO_X Emission (Cement Plants)-[tonne/ thousand tonne of Cementitious material]

Best Performing Plant

2007-08 : 0.05 | 2008-09 : 0.04 | 2009-10 : 0.04

Kovaya, Gujarat

Specific NO_X Emission (Power Generation)-[tonne/ thousand MWh Net Power Produced]

Sustainable Solutions

Reduction in GHGs at Rawan, Chhattisgarh

The plant evaluated all options to enhance productivity and produce clinker with a lower content of natural materials. The secondary aim was to increase cement strength progressively as the high alkali content in the available raw materials had a negative impact on late strength. The team chose the option of using vitrified acrystalline blast furnace slag, which is an industrial waste from steel plants having a high glass content, as a mineraliser during clinkerisation. This slag contains mineral phases which provide fluxing characteristics during clinkerisation. As such, it is hydraulically passive and requires active agents for activation, such as alkali bearing compounds and cement clinker.

The available slag was evaluated for the desired characteristics and compatibility with raw mix and the required changes were implemented in the raw mix design, and the handling and feeding system. Several plant scale trials were conducted to arrive at optimum dosage, process conditions and raw mix. As a result, the use of natural raw materials was reduced by 0.6%, leading to the consequent reduction in CO_2 by 0.6%.

Seeking new alternatives to *empower employees*

UltraTech believes in following industry best practices when it comes to the welfare of its people assets. The HR Department has instituted efficient and streamlined processes to ensure that the organisation's talent is suitably rewarded and rise to the full extent of their potential. While the ongoing efforts are commendable, there is a constant endeavour to seek new ways to motivate, support and care for every person who drives this Company forward.

Approach

A four-pronged methodology is in place, to empower, enhance skills, encourage talent, and engender a rewarding work-life balance.

Nurture: The organisation's human resources are empowered to create a fast-track career roadmap for themselves via exceptional growth prospects.

Develop: Employees get opportunities to galvanise their intellectual capital into action, through exposure to the best global minds.

Recognise: Outstanding performance is rewarded with concrete appreciation of achievements, special incentives and international assignments.

Add Value: Professional excellence is encouraged along with the drive for self-fulfilment; employees are provided an enabling environment to reach their ultimate potential.

Examples: People Soft HRMS (Human Resource Management System), the Variable Pay Plan and Job Bands have been institutionalised.

All employees receive regular performance and career development reviews.

Alternatives in Action

Gyanodaya (Institute of Management Learning): Imparting knowledge and developing skills to keep employees up-to-date with industry trends is a key function for HR. This year, programmes that offered fresh perspectives on globalisation, leadership, innovation and understanding customers were conducted. Sessions were conducted by faculty from premier international Business Schools and consulting organisations, including the Ross School of Business, Duke University, UCLA (all from USA), ISB (Hyderabad), the Hay Group and Mercer Consulting. Gyanodaya also played host to executives from UltraTech for various learning sessions, including its virtual campuses - e-learning courses and webinars.

Gallup Survey: HR's efforts to maintain a happy workplace has been ratified through a Gallup OHS survey, which is done once in two years. UltraTech's participation scores are on the rise, with regard to Overall Satisfaction, Advocacy and Stability, as is evident in the graph below.

Employee satisfaction levels as per a Gallup Survey conducted once in 2 years

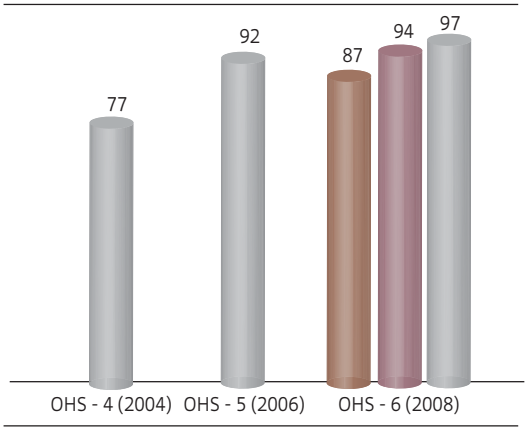
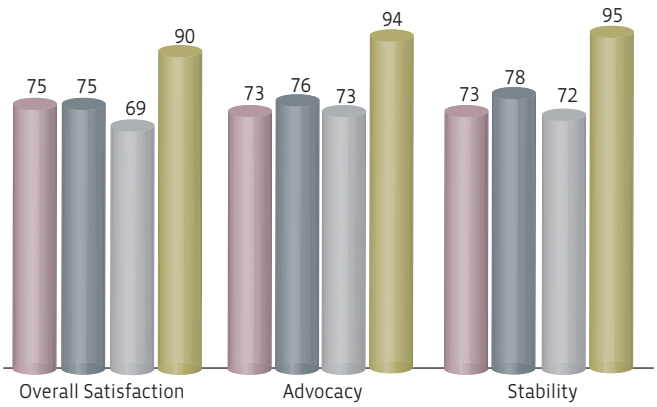


*Figure for ABG excludes Supervisors, Minacs, Novelis & Retail

Gallup Global Average
ABG
Cement Business

Key indices of Satisfaction- Percentage of total employees

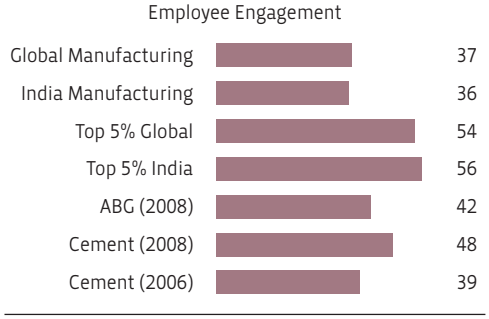


Cement Business (2006)
Cement business (2008)
ABG (2008)
India Best/ India Manufacturing Best

At its Manufacturing and Project departments, the following were identified as focus areas:

• Alignment – Communication, Training and Development • People – Career Management and Benefits • Organisational – Role Clarity

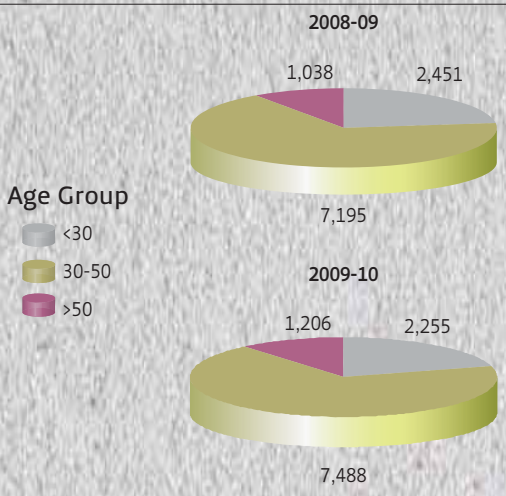
Employee Engagement – Percentage of Total Employees



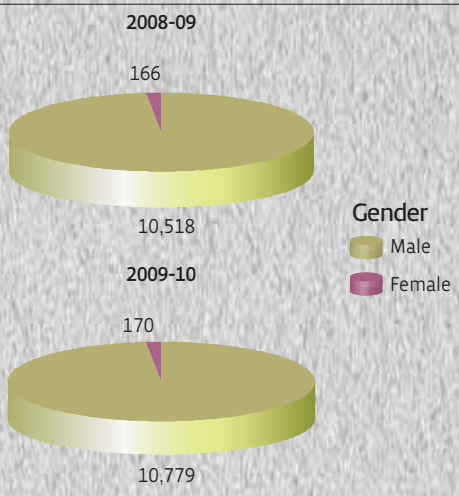
Workforce* Composition (LA 1 and 13)

(for additional details, please refer to the data table on page no. 38)

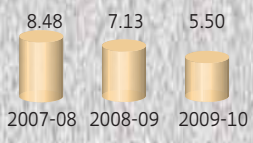
Age Profile



Gender Distribution



Manpower Turnover (%) (LA 2)



The manpower distribution shows that almost 98.4% employees are male and 68.4% are in the age group 30-50 years. Therefore, the manpower turnover data has not been split by age and gender.

** Note – 1. 100% of UltraTech's senior management has been hired locally.There are three expatriates at 'Manager' level at Bulk Terminal in Sri Lanka. 2. There are functions where outsourced labour is deployed on a temporary basis.*

The Company has institutionalised adequate internal controls to prohibit employment of child labour or use of forced labour in its operations and during the reporting period, no such operations have been identified.

Encouraging executive education: HR plans to build the Management Pipeline by providing learning opportunities for the organisation's talent pool members. Various courses are conducted in association with Universitas 21 Global - an e-University, which is a consortium of 4 select internationally recognised universities (University of Melbourne, University of Birmingham, University of Virginia and University of Nottingham). The Company pays 75% of the fees, and the rest is paid by the participant. The Company has also tied up with BITS Pilani for an on-line engineering degree course for its employees.

Bringing women into the workforce: Cement plants are usually located in remote areas and hence, it is difficult to attract women employees. To increase woman representation, several policies have been implemented, including a Policy on Sexual Harassment with the support of Internal Committees, and the addition of special clauses to the Company's Travel Policy for female employees, to ensure their safety and ease of working. At some locations, hostels equipped with all modern facilities were set up for trainees in the township. At campus interviews, female candidates are encouraged to apply, and are informed about the organisation's policies that foster a conducive environment for them. The efforts have paid off, as the number of female employees has increased over the past two years.

Programmes for continued employability and a fruitful retired life: The Company has a documented policy which makes it compulsory for every employee at leader and manager level to undergo pre-retirement training at the Corporate Training Centre. This training prepares them for an active retired life.

Higher Learning Academic programmes for Employees

During the period 2008-10, one employee has completed the course and there were 59 new enrollments. At present, 12 employees have enrolled for this course.

Ensuring Safety in the Workplace

Safety is a key concern area at UltraTech. Every effort is being made to ensure the security and promote the well-being of employees, at every site, in every procedure. While there is stringent adherence to industry norms with regard to safety, every probable hazard needs to be neutralised. With constant vigilance and regular awareness programmes, the Company regularly introduces new processes and initiatives to enhance the protection of its people.

Approach

Taking into account ongoing Greenfield and Brownfield expansions, as well as regrettable incidents of fatalities in the past, the challenge is to ensure a secure work environment at every site. By putting comprehensive safety processes in place, employees are assured of their well-being, on the job. To this end, the Company has appointed an independent consultant, tasked with strengthening the safety management system.

Initiatives under implementation to ensure excellence in safety:

- Adherence to the documented 'Safety Principles' as set down by the Cement industry, which provide direction for safety considerations during the conducting of business
- Creation of a three-tier safety organisation with line organisation ownership and involvement of people at all levels in improving safety. This includes, at a corporate level, a designated Apex Board chaired by the Business Director; five subcommittees to finalise strategies and policy on Critical Activities Working Standards, Contractors Management, Training and Skill Development, Incident Reporting and Investigation and Audit & Observations. Unit level safety organisations are responsible for implementing these strategies and are accountable to the Board
- Ensuring leadership commitment on safety by involving the leadership team in regular site safety observation tours
- Specific goal setting for the leadership team on proactive measures to ensure improvement in practices, rather than focusing only on results
- Involving front line employees and encouraging contracting partners through generic and specific training to maintain safety norms and participate in a safety improvement campaign. A system is in place with rewards for near miss reporting and continued safe behaviours
- Initiation of specific strategies to improve Contractor Safety Management, as there is a higher level of risk attached to contractors' employees due to lower literacy, technical skills and safety awareness
- Programmes to educate school children, housewives and the community, and encouraging safe behaviour in the community

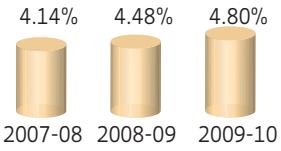
A concrete change has been observed at the manufacturing and project sites and the full impact of these initiatives across all locations will only be seen after a span of time.

Joint Safety Committees have been established at all major locations, which have representation from both, workers and management staff.

Based on the detailed assessment under OHSAS 18001, the Company has taken due care to ensure the health and safety of people engaged in the manufacturing of products by implementing suitable preventive steps. The products conform to the national standards and accordingly the guidelines are provided for handling and applications.

The number of security personnel who received training on human rights and their application to security were 624 in the Cement plants and 128 in the RMC plants. The training covered information on the Indian constitution, Indian Penal Code and the rights of citizens and Human Rights Act 1993. The Company ensures that contractual security guards are trained on human rights by the service provider.

Percentage of workforce represented in formal joint management and worker health and safety committees (LA 6)

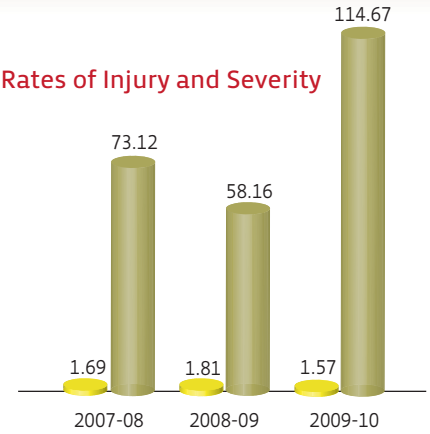


Healthcare Initiatives

Education, training, counselling, prevention and risk-control programmes with regard to serious diseases like HIV / AIDS / Hypertension, Diabetes are conducted for workforce members, their families and community members, with the help of local medical centres.

Health and safety topics are also covered in formal agreements with trade unions. The entire permanent workforce has been apprised through Standing Orders on health and safety issues, like use of safety kits, adherence to established procedures, etc.

Rates of Injury and Severity



The rates of injury and severity and the no. of fatalities have been reported, which are the most relevant safety indices in-line with CSI's Safety Protocol for Cement Industry.

Fatalities

Sustainable Solutions

Safety Stewards, Reddipalayam, Tamil Nadu

Contractor workmen are a fluctuating population, and in the process of conducting business, their number increases regularly. A point of concern is the fact that they sometimes stray into unsafe areas, and ensuring their safety is a great challenge. To deal with this, a 'Safety Stewards' programme was implemented. Every Safety Committee member plays a guardian role, which entails walking around their allocated areas in fluorescent vests and helmets with a green triangle on them, and notifying the Safety In-charge immediately in case of any incidence of unsafe procedures/conditions.

This has resulted in a significant reduction of accidents, including those which required First Aid. This proves that tapping into the team's self potential can make the world a safer place!

Safety with Prayers, Reddipalayam, Tamil Nadu

Every day, after the 8 a.m. prayers, a staff member delivers a 3-minute safety pep talk to reinforce the criticality that 'Safety comes First'. After initial hesitation, the members were encouraged by the Zonal Team Leader, who gave them ideas for topics and valuable inspiration. Soon, everyone gained the confidence to address their respective groups.

With no additional cost, this initiative has seen enhanced performance in the field of Safety and Occupational Health. Just three minutes a day keeps the working place safe!

Health awareness and check-ups, Durgapur, West Bengal

A complete health check-up was organised for the staff and contractual workmen by the organisation's First Medical Officer and HealthCare Worker, in coordination with the P&A Team. They conducted Blood Haemogram, Respiratory, Audiometry, ECG and Blood Sugar tests. This was followed by an informative session on Swine Flu awareness, and Homeopathic medicine was distributed to all present.

Contractual workmen participated enthusiastically and in large numbers in this programme. Prevention and knowledge is the first step towards good health!

Strengthening Safety at RMC Plants

To strengthen safety practices in RMC plants, several initiatives were taken over the last year. At 4 critical locations inside all plants, CCTVs were installed to facilitate safe working and address unsafe practices. Separate training programmes on safe driving and operational practices were conducted for transit mixer drivers and pump operators. All transit mixers have been equipped with tracking systems that help track the speed of the vehicle, drum speed, and other parameters.

This has helped in improving adherence to safe driving of transit mixers. Hi-tech ensures high security!

Moving towards inclusive *Growth* and a *Self-reliant Community*

Inclusive growth

Our vision is "to actively contribute to the social and economic development of the communities in which we operate. In so doing, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index."

– Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development

UltraTech has been and continues to be involved in meaningful welfare driven initiatives that distinctively impact the quality of life of the underserved sections of society, in surrounding villages that are among the poorest. The Company's activities are wide and far ranging. Its initiatives include innovative projects that foster sustainable growth through building and honing skill sets, through education and training, healthcare, watershed development and agriculture and infrastructural facilities, to name a few. Through these steps the Company endeavours to help build self-reliant communities.

Corporate Social Responsibility Policy

The Company has a well structured CSR Policy and believes in the trusteeship concept. This entails transcending business interests and grappling with the "quality of life" challenges that underserved communities face, and working towards making a meaningful difference to them.

Implementation process: Identification of projects

All projects are identified in a participatory manner, in consultation with the community, literally sitting with them and gauging their basic needs. UltraTech recourses to the participatory rural appraisal mapping process. Subsequently, based on a consensus and in discussion with the village panchayats, and other influentials, projects are prioritised.

Arising from this, the focus areas that have emerged are Education, Healthcare, Sustainable livelihood, Infrastructure development, and espousing social causes. All of its community projects are carried out under the aegis of The Aditya Birla Centre for Community Initiatives and Rural Development.

Education

In **Education**, the Company endeavours to spark the desire for learning and knowledge at every stage through
- Formal schools
- Balwadis for elementary education
- Quality primary education
- Aditya Bal Vidya Mandirs
- Girl child education
- Adult education programmes

Healthcare

In **Healthcare** our goal is to render quality healthcare facilities to people living in the villages and elsewhere through our Hospitals.
- Primary healthcare centres
- Mother and Child care projects
- Immunisation programmes with a thrust on polio eradication
- Healthcare for the visually impaired, and physically challenged
- Preventive health through awareness programmes

Sustainable Livelihoods

In **Sustainable Livelihood** UltraTech's programmes aim at providing livelihood in a locally appropriate and environmentally sustainable manner through
- Formation of Self Help Groups for women empowerment
- Vocational training through Aditya Birla Rural Technology Parks
- Agriculture development and better farmer focus
- Watershed development
- Partnership with Industrial Training Institutes

Infrastructure Development

In **Infrastructure Development,** our endeavour is to set up essential services that form the foundation of sustainable development through
- Basic infrastructure facilities
- Housing facilities
- Safe drinking water
- Sanitation and hygiene
- Renewable sources of energy

Social Change

To bring about **Social Change,** the Company advocates and supports
- Dowryless marriage
- Widow remarriage
- Awareness programmes on anti social issues
- De-addiction campaigns and programmes
- Espousing basic moral values

Activities, setting measurable targets with timeframes and performance management.

Prior to the commencement of projects, UltraTech carries out a baseline study of the villages. The study encompasses various parameters such as – health indicators, literacy levels, sustainable livelihood processes, population data - below the poverty line and above the poverty line, state of infrastructure, among others. From the data generated, a 1-year plan and a 5-year rolling plan are developed for the holistic and integrated development of the marginalised. These plans are presented at the Annual Planning and Budgeting meet. All projects are assessed under the agreed strategy, and are monitored every quarter, measured against targets and budgets. Wherever necessary, midcourse corrections are effected.

Organisational mechanism and responsibilities

Every Manufacturing Unit has a CSR Cell and each UltraTech plant has a CSR Head. At the Company, the Business Director takes on the role of the mentor, while the onus for the successful and time bound implementation of the projects is on the various Unit Presidents and CSR teams. To measure the impact of the work done, a social satisfaction survey / audit is carried out by an external agency.

Partnerships

Collaborative partnerships are formed with the Government, the District Authorities, the village panchayats, NGOs and other like-minded stakeholders. This helps widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

In collaboration with FICCI, UltraTech has set up the Aditya Birla CSR Centre for Excellence to make CSR an integral part of corporate culture.

The Company engages with well established and recognised programs and national platforms such as the CII, FICCI, ASSOCHAM to name a few, given their commitment to inclusive growth.

Budgets

A specific budget is allocated for CSR activities. This budget is project driven.

Information dissemination

The Company's engagement in this domain is disseminated through its website, Annual Reports, its house journals and through the media.

Management Commitment

Its Board of Directors, Management and all of its employees subscribe to the philosophy of compassionate care. UltraTech believes and acts on an ethos of generosity and compassion, characterised by a willingness to build a society that works for everyone. This is the cornerstone of its CSR policy.

UltraTech's Corporate Social Responsibility policy conforms to the Corporate Social Responsibility Voluntary Guidelines spelt out by the Ministry of Corporate Affairs, Government of India in collaboration with FICCI (2009).

Impact of Alternative Activities

A Social Satisfaction and Impact Assessment Study has been conducted across the Cement units, by five independent organisations. The Study aims to assess the impact of UltraTech's programmes on the community, measure the extent to which negative impacts have been reduced and collect feedback for future projects. Focus group discussions were held in random households and the findings were analysed using appropriate techniques.

The villagers awarded high scores to UltraTech for its development efforts. Satisfaction levels for the organisation's projects were also high among Government officials, media and opinion leaders in the region.

Areas of focus for the future include the expansion of the programmes to include more villages, the need to prepare long-term plans through a process that involved the villagers, the linking of Government schemes with UltraTech's initiatives, added emphasis on the promotion of improved farming system technologies, and exploring interventions on the watershed management approach.

One drawback of these activities is that the community still depends on the Company for livelihood, and all developmental activities. On the positive side, alternative methods have been adopted to involve women and youth in the development initiatives, and their participation is on the rise.

Based on the feedback, the issues will be addressed in a systematic, sector-wise manner. Greater attention will be paid to developing alternative initiatives, to help the community become self-reliant.

Sustainable Solutions

Education Upliftment

The plant at Shambhupura, Rajasthan coordinates the 'Bal Sanskar Kendra', which focuses on pre-primary education for 3-6 year-olds. The main objective is to provide proper development for small children and prepare them for formal schooling, thus reducing the chance of them dropping out when older. 40 children of adjoining villages attend the Bal Sanskar Kendra. The Principal of the Middle School at Medhi Ka Amarana village acknowledges the impact of this activity, saying that it has contributed to increasing enrolment in Primary and Middle schools, as parents enrol their children in upper classes as soon as they come out of this centre. This has also helped reduce the drop-out rate in the region.

The plant has adopted a Balwadi near its premises. Here, children get free pre-school education and medical check-ups. For the quality improvement of existing schools and pre-schools (Balwadi), the plant provides support by way of education and sports material to students, construction of extra rooms in the schools, furniture, rugs to Balwadis, development of a children's park, whitewashing of schools, thematic painting in nursery classes, construction of water harvesting system, etc.

The plant has contributed ₹ 10 million to establish the High-Tech Kitchen in Madfiya village in partnership with the Rajasthan Government and Nandi Foundation. The Government allotted the land and Nandi Foundation is coordinating the mid-day meal preparation, which is supplied to 22,000 children in 320 villages. The plant's CSR department is involved in the quality monitoring of this kitchen.

The plant runs the Aditya Birla Public School in the campus of its residential colony. Here, classes from 1st to 12th standards are coordinated for the children of employees and villagers. At present, this school has 39 children from adjoining villages, including 14 girls.

Improving the Health of Villagers

Western Rajasthan has poor health facilities due to climatic, topographic and low population densities. The plant at Kharia Khangar has helped improve health facilities through its Health Centre and Mobile Van facility. Health camps, eye camps and family planning camps have been organised for the surrounding villages, in which both patients and caretakers get free residential and food facilities, along with free lenses / spectacles and medicines.

The Health Centre provides free consultation to patients and medicine at subsidised rates. The mobile medical van and ambulance moves through the villages to provide consultation and transport services.

Promoting Enhanced Growth for Farmers

UltraTech has played a catalyst role in the promotion of agriculture in the region around its Hirmi Cement Works. With Government support, participation by the community and the efforts of the Rural Development Department, activities like soil testing, distribution of improved tool kits, formation of the Farmers Club and Farmers Field School have been carried out. The efforts are now showing results.

To assist farmers in the region, the Rural Development Department organised various farmers training programmes, distribution of improved seeds, soil testing and training on various agricultural implements.

Farmers were given training in Orchid Development and Grafting in non-irrigated areas, Horticulture, preparation of organic fertilizers, and the use of plastic beds. The Department had helped the Government in imparting training, organising exposure visits and distributing printed literature and brochures. It had also taken the initiative to improve the quality of local plums by grafting techniques

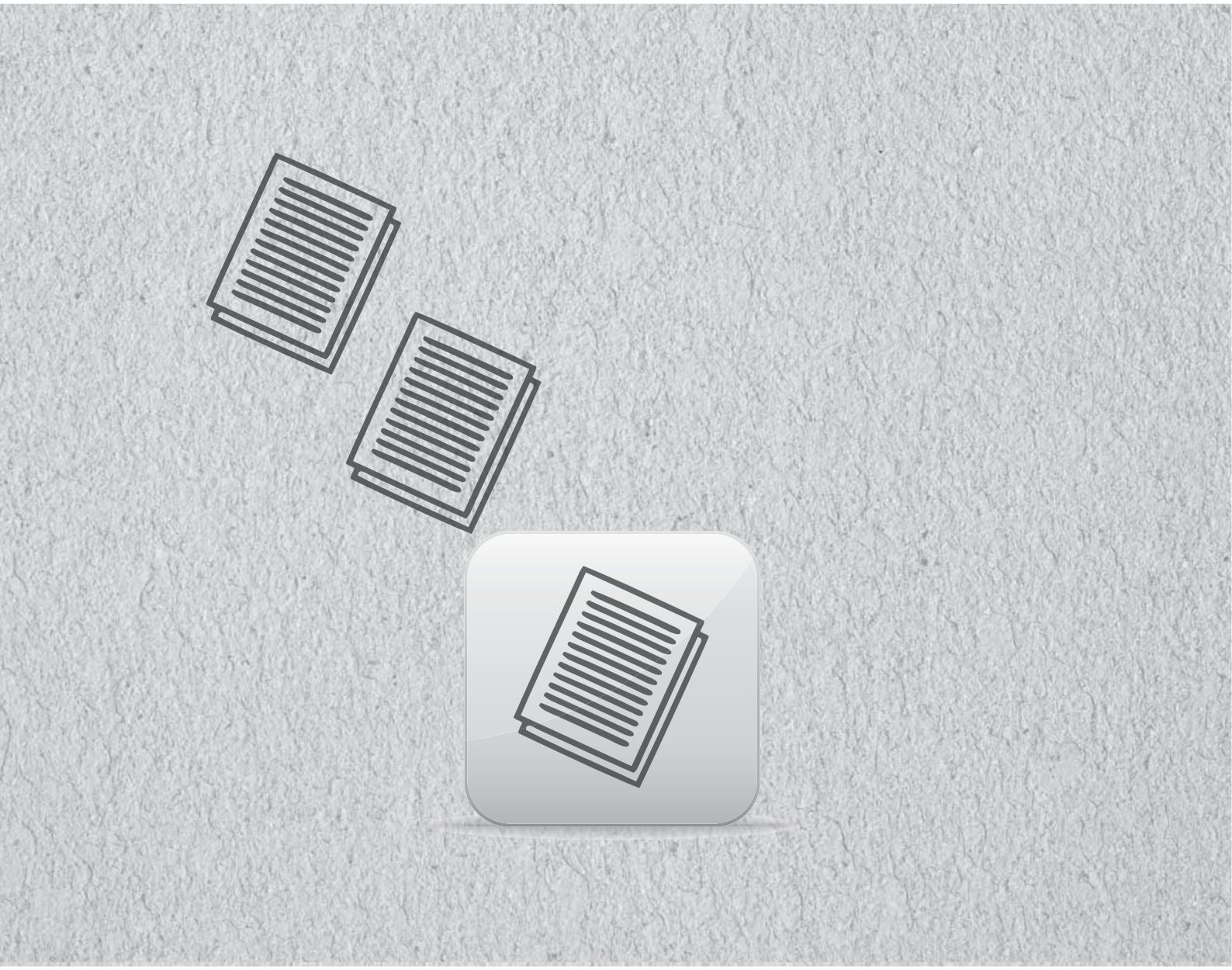
Fostering the Girl Child

The plant at Malkhed, Karnataka supports the Kasturba Gandhi Balika Vidyalaya (KGBV) in providing quality education to 100 girls in Udgi village. The school was adjudged by the Department of Education as one of the best managed schools of the district. Drop-out girls are identified with the help of the UltraTech's CSR team and the Gram Panchayat and their parents are motivated to bring them for mainstream education. The plant supports the school by providing nutritional food, conducting vocational training and organising cultural events.

Sunita was pulled out of school when she was in Class IV as her parents were field workers. She had to cook and clean while they were at work; having to tend to household chores in the morning and cattle herding till late evening. She had no time to play and would chat with friends only while filling water in the evening.

Now in KGBV, she begins her day with Yoga, milk and a nutritious breakfast. This is followed by studies and then lessons in new skills like stitching and embroidery. Her quality of life has improved significantly, and she wants to continue her education till high school. Such programmes are characteristic of all of UltraTech's plants.

Data Tables



CSI Key Performance Indices

(The following data on CSI KPIs are based on CSI's definitions and include Cement Operations only)

	KPI	FY 2008-09	FY 2009-10
A	**Climate Protection (excludes Captive Power)**		
i	CO_2 emissions – Gross (tonnes)	23,546,758	25,950,920
ii	CO_2 emissions – Net (tonnes)	23,520,455	25,923,100
iii	Specific CO_2 emissions – Net (kg/tonne cementitious material)	654.7	636.5
iv	Target reduction for CO_2	Reduction in CO_2 emission intensity @ 0.5% annually upto 2015-16 with baseline year as 2009-10 resulting in the reduction of 2.96% over 6 years. This will also include CO_2 emissions from recently acquired ETA Star Cement and upcoming projects.	
v	Independently verified CO_2 data	External verification	External verification
B	**Fuels and Raw Materials**		
i	Specific heat consumption of clinker production (MJ/tonne clinker)	3,063	2,998
ii	Alternative Fuel Rate (% of thermal energy consumption)	0.36	0.37
iii	Biomass Fuel Rate (% of thermal energy consumption)	0.55	0.47
iv	Alternative Raw Materials Rate (% total raw materials for cement production)	13.56	14.64
v	Clinker/Cement Ratio (%)	77.39	75.85
C	**Health and Safety**		
i	No. of fatalities (directly employed)	1	0
ii	No. of fatalities (indirectly employed)	20	10
iii	No. of fatalities (involving 3rd parties)	0	1
iv	No. of fatalities per 10,000 directly employed	1.48	0
v	Lost Time Injuries (LTIs) per 1 million man-hours (directly employed)	1.81	1.57
D	**Emissions Reduction**		
i	NOx emissions (tonnes/year)	8,225 (7 out of 19 kilns)	37,069 (21 out of 21 kilns)
ii	SOx emissions (tonnes/year)	5,314 (9 out of 19 kilns)	5,253 (21 out of 21 kilns)
iii	Dust emissions (tonnes/year)	7,011	7,381
iv	Specific NOx emissions (g/tonne clinker)		1,173
v	Specific SOx emissions (g/tonne clinker)		166
vi	Specific Dust emissions (g/tonne clinker)	234	220
vii viii ix	Target reduction for NOx Target reduction for SOx Target reduction for Dust	To be fixed after the installation of continuous monitoring system in all Kilns and the release of SOx/NOx emission limits by regulatory authorities.	
x	% Clinker produced with monitoring of major and minor emissions	-	Major emissions – as in the next row. Minor emissions – measured only on sample basis if hazardous wastes are used as fuel.
xi	% Clinker produced with continuous monitoring of major emissions - NOx, SOx, Dust	-	Dust – 80.95% NOx, SOx – 19.05%
E	**Local Impact**	Total	Plants Reported
i	% of sites with quarry rehabilitation plans in place		100% Integrated sites
ii	% of sites with community engagement plans in place		100% Integrated sites
iii	No. of active sites where biodiversity issues are addressed	2	1. Kovaya, Gujarat 2. Jafarabad, Gujarat

CSR Data

Sr. no.	Community Development Activities	Units of Measurement	2008-09	2009-10
1	Health and Medical Facilities	No. of Beneficiaries	218,028	198,387
2	Company Managed Schools	No.	15	17
2.1	Teachers	No.	273	292
2.2	Students	No.	6,176	6,576
3	Education and Training activities (outside colony) for students	No. of Beneficiaries	46,540	29,229
4	Other initiatives to encourage education (e.g. mid-day meal, kitchen construction, utensils, merit scholarship, educational materials)	No. of Beneficiaries	16,502	14,552
5	Water supply and water related activities	No. of Beneficiaries	106,864	134,924
6	Sports activities	No. of Beneficiaries	6,268	5,270
7	Training Women and Self Help Groups	No. of Beneficiaries	2,848	1,216
8	Agricultural Support and Training	No. of Beneficiaries	2,829	2,798
9	Awareness & Development Programmes (e.g. Seminar on domestic violence act, learner's license camp, environment awareness, worker education, wildlife protection, etc.)	No. of Programmes	27	20
		No. of Beneficiaries	8,881	11,590
10	Health Awareness Programmes (e.g. HIV, awareness on health & hygiene, water-borne disease-related awareness, etc.)	No. of Programmes	96	86
		No. of Beneficiaries	52,510	61,506
11	Village and Community Development Plans (e.g. road construction, street lights, construction of panchayat bhavans, etc.)	No. of Programmes	82	63
		No. of Beneficiaries	158,198	161,086
12	Assistance in Organising cultural / spiritual programs and other social welfare activities	No. of Programmes	95	129
		No. of Beneficiaries	321,138	246,568
13	Animal Husbandry Development Programmes and Vaccination Camp	No. of Cattle	26,688	24,897
14	Housing for Poor People	No. of Houses	231	140
15	Support to Widows, the Aged and Handicapped People	No. of Beneficiaries	325	437
16	Plantation	No. of Saplings	149,251	200,120
17	Sanitation	No. of Unit Constructed	864	753
18	Villages Adopted	No. of Villages	111	121

Human Assets Data

Workforce Composition (LA 1 and 13)

Category	FY 2008-09					FY 2009-10				
	Age Group			Gender		Age Group			Gender	
	<30	30-50	>50	M	F	<30	30-50	>50	M	F
(A) Permanent Employees										
Leaders	-	8	17	25	-	-	6	20	26	-
Managers	3	380	139	511	11	1	385	142	513	15
Executives	2,042	4,182	457	6,553	128	1,947	4,587	541	6,937	138
Workers	131	2,558	395	3,074	10	124	2,436	477	3,029	8
(B) Others										
Trainees	240	11	-	240	11	149	14	-	160	3
Retainers	35	56	16	101	6	26	60	13	94	5
Consultants	-	-	14	14	-	-	-	13	13	-
Fixed T erm Employees	-	-	-	-	-	8	-	-	7	1
Total	**2,451**	**7,195**	**1,038**	**10,518**	**166**	**2,255**	**7,488**	**1,206**	**10,779**	**170**

Programmes for skills management and lifelong learning (LA 11)

Training programmes for Employees

Description of the Course	FY 2008-09	FY 2009-10
Internal Skill Upgradation Courses - Average hours/person	10.27	9.75
External Skill Upgradation Courses (financed by Company) - Average hours/person	3.08	6.91
Deputed for Pre-retirement Training at Corporate Training Centre	4	2

Average hours of training per year per employee (LA 10)

Description	FY 2007 - 08	FY 2008 - 09	FY 2009 - 10
Leaders	2.62	3.44	7.19
Managers	16.72	26.09	37.24
Executives	15.23	22.74	18.08
Trainees	43.9	62.42	61.45
Workers	15.72	13.49	10.74

Percentage of employees covered by trade unions (LA 4)

Year	%age of Permanent Workers who are members of one or more Unions
2007-08	94.59
2008-09	94.23
2009-10	93.71

Environment

Materials	Cement			RMC		
	FY 07-08	FY 08-09	FY 09-10	FY 07-08	FY 08-09	FY 09-10
Materials used by Weight (EN1)						
1. Natural Raw Materials [million tonnes]						
Limestone and Marl	37.40	40.50	44.89	-	-	-
River and Crushed Sand	-	-	-	1.94	2.56	2.62
Corrective raw materials	2.24	2.28	2.54	-	-	-
Aggregate (all sizes)	-	-	-	2.32	3.34	3.41
Natural Gypsum	0.52	0.49	0.63	-	-	-
Total Natural Raw Materials	40.17	43.27	48.06	4.26	5.90	6.03
2. Associated Materials [tonnes]						
Lubricants	1,489	1,464	1,731	44	57	40
Refractories and Castables	11,820	21,826	17,997	-	-	-
Grinding Media	1,994	1,637	1,542	-	-	-
3. Packing Materials [thousand tonnes]						
Plastic Bags	38.63	41.11	48.29	-	-	-
Paper Bags	4.33	4.07	4.60	-	-	-
4. Semi-manufactured goods and materials [thousand tonnes]						
Clinker from outside the Group	7.77	0.00	60.23	-	-	-
Cement from outside the Group	168.52	315.81	118.03	19.62	122.34	43.36
Grinding Aid / Admixtures	2.19	2.04	1.81	7.77	10.97	11.22
Fibres	-	-	-	0.01	0.03	0.03
Recycled Materials used by Weight [thousand tonnes] - (EN2)						
Fly Ash	4,551.18	5,039.80	6,023.40	146.38	204.59	205.96
Slag	645.22	879.33	1,211.83	0.00	7.03	15.19
Waste Materials as Gypsum	761.21	799.76	952.13	-	-	-
Silica Fume	-	-	-	0.24	0.13	0.47
Other Industrial Wastes	36.27	68.65	55.98	0.39	0.32	0.73
Total Recycled Materials Used	**5,993.87**	**6,787.53**	**8,243.34**	**147.01**	**212.07**	**222.34**

Water	Cement			RMC		
	FY 07-08	FY 08-09	FY 09-10	FY 07-08	FY 08-09	FY 09-10
Water withdrawals [million m^3] (EN 8)						
Surface Water:						
a) River	4.71	4.16	3.74	-	-	-
b) Pond/lake	1.69	1.80	1.53	-	-	-
c) Sea	4.2	5.47	6.42	-	-	-
Ground water	2.98	3.24	3.79	0.430	0.664	0.728
Rain water	1.94	2.73	3.64	0.013	0.009	0.004
Water from Municipality/Water Utility	0.12	0.10	0.09	0.239	0.364	0.334
Total Water Withdrawal	**15.63**	**17.50**	**19.21**	**0.682**	**1.037**	**1.066**
Water Recycled and Reused [million m3] (EN 10)						
Total fresh water usage	**12.06**	**12.90**	**13.81**	**0.682**	**1.037**	**1.066**
Water recycled/reused	**1.39**	**1.63**	**1.66**	**0.032**	**0.039**	**0.044**

Energy	Cement			RMC		
	FY 07-08	FY 08-09	FY 09-10	FY 07-08	FY 08-09	FY 09-10
Direct Energy (EN3)						
1. Energy consumed for Production [million GJ]						
Coal	60.04	69.33	74.06	-	-	-
Waste Fuel (Non-Biomass)	0.25	0.31	0.35	-	-	-
Waste Fuel (Biomass)	0.30	0.48	0.44	-	-	-
Pet Coke (Industrial Waste)	18.81	17.10	19.75	-	-	-
Diesel	0.09	0.19	0.25	0.02	0.03	0.03
Furnace Oil	0.17	0.15	0.27	-	-	-
Energy consumed for Production	79.66	87.56	95.11	0.02	0.03	0.03
2. Energy consumption for Mining and Transportation [million GJ]						
Diesel	0.65	0.81	0.78	-	-	-
A. Total Energy Consumed for Cement/ Concrete Production (1+2)	80.32	88.37	95.90	0.02	0.03	0.03
3. Energy consumption for Power Generation [million GJ]						
Coal	10.40	19.60	29.98	-	-	-
Waste Fuel (Biomass)	0.00	0.00	0.02	-	-	-
Pet Coke + Coke Fine	0.02	0.62	7.99	-	-	-
Lignite	1.61	0.88	1.02	-	-	-
Diesel	0.02	0.08	0.16	0.02	0.04	0.03
Furnace Oil and Naphtha	3.39	1.71	1.56	-	-	-
B. Total Energy consumed for Power Generation	15.45	22.89	40.74	0.02	0.04	0.03
4. Renewable Energy produced [thousand GJ]						
Waste Heat Recovery System	68.63	70.13	50.39	-	-	-
Wind Energy	6.59	6.63	7.13	-	-	-
Indirect Energy (EN4)						
Electricity Purchased – [thousand GJ]	5,105.12	4,752.70	2,521.89	14.90	23.07	24.99
Electricity Sold – [thousand GJ]	9.62	49.11	318.73	-	-	-
Reduction in Indirect Energy Consumption (EN5 and 7)						
Power Saved – [million GJ]	0.13	0.09	0.13	-	-	-
Heat Saved – [million GJ]	1.75	1.18	1.73	-	-	-
Total Energy Saved – [million GJ]	1.88	1.27	1.86	-	-	-

Waste Disposals	Cement			RMC		
	FY 07-08	FY 08-09	FY 09-10	FY 07-08	FY 08-09	FY 09-10
Weight of Wastes by type (EN 22)						
A. Hazardous Waste (Medical Waste, Grease, Oil Sludge and Batteries)						
Solid – [tonnes]	192.73	167.89	235.34	5.83	15.69	28.53
Liquid – [tonnes]	862.26	517.41	1,252.88	11.53	12.43	2.67
B. Non-Hazardous Solid Waste (metal scrap, plastic bags, refractory, cables, bed flyash and other wastes)						
[thousand tonnes]	604.45	951.24	1,429.76	11.78	30.49	51.78

Emissions	Cement			RMC		
	FY 07-08	FY 08-09	FY 09-10	FY 07-08	FY 08-09	FY 09-10
Direct and Indirect GHG Emissions (EN 16, 17 & 18)						
A. Direct CO_2						
Total Direct CO_2 (includes onsite power generation) - [thousand t CO_2/yr]	23,149	25,709	29,799	2.95	4.65	4.29
B. Indirect CO_2						
External Power - [thousand t CO_2/yr]	1,128.81	1,068.23	566.61	3.27	5.27	5.70
Clinker imports (+)/Export (-) - [thousand t CO_2/yr]	-1,697.83	-2,047.69	-1,878.26	-	-	-
Total Indirect CO_2 -[thousand t CO_2/yr]	**-569.02**	**-979.46**	**-1,311.66**	**3.27**	**5.27**	**5.70**
Ozone-depleting substance (EN 19)						
Equivalent Tons	0.73	0.41	0.26	-	-	-
Emission of dust, SO_x and NO_x (EN 20)						
A. Coverage of Sample Emission Measurements						
Dust Emission [monitored kilns - %]	-	100 %	100 %	-	-	Monitoring At 34 % Locations
SO_x Emission [monitored kilns - %]	-	47 %	100 %	-	-	
NO_x Emission [monitored kilns - %]	-	37 %	100 %	-	-	
B. Suspended Particulate Matter						
SPM (Cement Plants) – [tonnes/yr]	6,703.03	7,010.96	7,381.35	-	-	-
SPM (from onsite power generation) – [tonnes/yr]	-	-	-	0.108	0.264	0.303
C. SO_x						
Total SO_x emission (Cement and Captive Power Plants) - [tonnes/yr]	7,270.33	9,943.09	14,198.56	-	-	-
Total SOx emission (from onsite power generation) - [tonnes/yr]	-	-	-	0.059	0.215	0.353
D. NO_x						
Total NO_x emission (Cement and Captive Power Plants) - [tonnes/yr]	5,564.72	10,769.83	40,226.45	-	-	-
Total NO_x emission (from onsite power generation) - [tonnes/yr]	-	-	-	0.045	0.153	0.181

a-z Glossary

AAI	Advertising Association of India
AIDS	Acquired Immuno Deficiency Syndrome
BIS	Bureau of Indian Standards
capex	Capital Expenditure
CAPEXIL	Chemical and Allied Export Promotion Council of India
CII	Confederation of Indian Industry
CII EXIM	CII Export Import
CII-ITC	CII- Indian Tobacco Company Limited
CMA	Cement Manufacturers Association
CO_2	Carbon Dioxide
CSI	Cement Sustainability Initiative
CSR	Corporate Social Responsibility
FICCI	Federation of Indian Chambers of Commerce and Industry
GHG	Greenhouse Gas
GJ	Giga Joules
HIV	Human Immuno Deficiency Virus
IHBs	Individual House Builders
ISO 14001	International Standards Organisation, the series is mainly for Environmental Management Systems
IUCN	International Union for Conservation of Nature
KGBV	Kasturba Gandhi Balika Vidyalaya
KPI	Key Performance Indices
KPMG	KPMG in India is one of the leading providers of risk, financial and business advisory, internal audit, corporate governance, and tax and regulatory services
kWh/m^3	Kilo Watt Hour per cubic metre
LTI Frequency Rate	Lost Time Injury Frequency Rate- number of injuries/illnesses where one or more full days were lost due to a work related incident, per million hours worked
million m^3	Million Cubic metre
million tpa	Million tonne per annum
MW	Mega Watt
MWh	Mega Watt hour
NCCBM	National Council for Cement and Building Materials
NO_x	Oxides of Nitrogen
OHSAS 18001	International occupational health and safety management system specification
RMC	ready-mix concrete
SA 8000	SA 8000 is a global social accountability standard for decent working conditions, developed and overseen by Social Accountability International (SAI)
SAP	Systeme, Anwendungen, Produkte, German for "Systems Applications and Products." Customers with the ability to interact with a common corporate database for a comprehensive range of applications
SO_x	Oxides of Sulphur
SPM	Suspended Particulate Matter
TERI	The Energy Research Institute
UBS	UltraTech Building Solutions
WBCSD	World Business Council for Sustainable Development

Data Summary – GRI Indicators and UNGC Principles

(For full details on the GRI disclosures, please visit http://www.globalreporting.org/ReportingFramework/G3Guidelines/)

Disclosure on Management Approach - EC 15
Disclosure on Management Approach - LA 15
Disclosure on Management Approach - HR 15
Disclosure on Management Approach - SO 15
Disclosure on Management Approach - EN 15
Disclosure on Management Approach - PR 15

Standard Disclosure	Coverage	UNGC Principle	Page nos.
1.1	F	-	1
1.2	F	-	13
2.1	F	-	4
2.2	F	-	5
2.3	F	-	6,7
2.4	F	-	5
2.5	F	-	6,7
2.6	F	-	4
2.7	F	-	7
2.8	F	-	4,7
2.9	F	-	4
2.10	F	-	3
3.1	F	-	6
3.2	F	-	6
3.3	F	-	6
3.4	F	-	Back Cover
3.5	F	-	6, 10
3.6	F	-	6
3.7	F	-	6
3.8	F	-	6
3.9	F	-	6,13
3.10	F	-	First Report
3.11	F	-	First Report
3.12	F	-	42, Inside back cover
4.1	F	-	12
4.2	F	-	12
4.3	F	-	12
4.4	F	-	12
4.5	F	-	12
4.6	F	-	12
4.7	F	-	12
4.8	F	-	3
4.9	F	-	12
4.10	F	-	12
4.11	F	-	12
4.12	F	-	9
4.13	F	-	13
4.14	F	-	11
4.15	F	-	10
4.16	F	-	11
4.17	F	-	10, 11, 28

Standard Disclosure	Coverage	UNGC Principle	Page nos.
EC1	F	-	14
EC2	F	7,8	*
EC3	P	6	12
EC4	F	-	14
EC5	F	-	12
EC6	F	-	**
EC7	F	6	29
EC8	F		38
EC9	F		34
EN1	F		16,17,39
EN2	F		16,17,39
EN3	F		40
EN4	F	7,8,9,10	18,19,40
EN5	F		18-21
EN6	F		19
EN7	F		18-21,40
EN8	F		22,39
EN9	F		22
EN10	F		22,39
EN11	F		23
EN12	F		23
EN13	F		23
EN14	F		23,24
EN15	F		23
EN16	F		25,41
EN17	F		25,41
EN18	F		25,41
EN19	F	7,8,9,10	41
EN20	F		25,26,41
EN21	F		22
EN22	F		40
EN23	F		16
EN24	F		40
EN25	F		22
EN26	F		17, 21, 26
EN27	F		16,41
EN28	F		12
EN29	F		25
EN30	F		15
LA 1	F		29, 38
LA 2	F		29
LA 3	F	6	12
LA 4	F	1,3	38
LA 5	F	3	***
LA 6	F		30,31
LA 7	F		31
LA 8	F		31,33,38
LA 9	F		31
LA 10	F		38
LA 11	F		38
LA 12	F		28
LA 13	F		29, 38
LA 14	F		****
HR 1	F		#
HR 2	F		##
HR 3	F		###
HR 4	F		No incident
HR 5	F	1,2,3,4,5,6	12, 38
HR 6	F		29
HR 7	F		29
HR 8	F		&
HR 9	F		&&
SO1	F	1	32-35, 38
SO2	F		100%
SO3	F		&&&
SO4	F	10	No incident
SO5	F		13
SO6	F		14
SO7	F		No New Case
SO8	F		12
PR1	F		30
PR2	F		12
PR3	F		5
PR4	F		12
PR5	F		10
PR6	F		5,12
PR7	F		12
PR8	F		No incident
PR9	F		12

* http://www.ultratechcement.com/investors/downloads/UltraTech_annual_report09-10.pdf (pages 23-24).

** There is no documented policy supporting local purchases. During the last 3 years, more than 68% and 98% purchases (by value) in cement and RMC plants, respectively, were from the same locality, i.e., same or neighbouring states where plants are located.

*** There is no documented policy on this matter; however, such changes are informed to employees through management circulars.

**** The ratio of basic salary of male and female of same category is 1:1.

The Company follows all applicable laws on the matter and all the agreements have undergone human rights screening.

100% contractors are being screened and the clauses on Human Rights are part of the contract.

The trainings are imparted on the subject through various training programs, but the total hours on this account are not captured explicitly.

& 752 security personnel were provided training on HR issues during the reporting period.

&& No Such Cases during the reporting period.

&&& 71.95% of total workforce is trained on anti-corruption policies.

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Independent assurance report to UltraTech Cement Limited 2008-10 Corporate Sustainability Report

KPMG was engaged by UltraTech Cement Limited ('UltraTech') to provide assurance on its Sustainability Report ('the Report') for the financial years 2008-09 and 2009-10.

What was included in the scope of our assurance engagement?
Assurance has been provided for the sustainability data and information presented by UltraTech in its 2008–10 Report. Our scope of assurance includes:

- Data and information for the period of 1st April 2008 to 31 March 2010 based on Global Reporting Initiative (GRI) G3 Guidelines
- Review of key performance indicators based on WBCSD Cement Sustainability Initiative (CSI) relating to CO_2 emissions and safety
- Review of Legal Environmental Compliance for Integrated Plants and Grinding Units

We have carried out site visits to 36 locations[1] of UltraTech:

Which assurance standards and guidelines did we use?
We conducted the assurance in accordance with

- ISAE 3000: "Limited Assurance" requirements of ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information by International Federation of Accountants' (IFAC) International Standard for Assurance Engagements
- AA 1000 AS:
  - "Type 1, Moderate Level" assurance requirements of AA1000 Assurance Standard 2008 by AccountAbility for all reported GRI indicators excluding safety performance indicators.
  - "Type 2, Moderate Level" assurance requirements of AA1000 Assurance Standards 2008 only for safety performance data as per CSI safety protocol

  Under this standard, we have reviewed the accuracy and quality of sustainability performance data/information disclosed by UltraTech and evaluated UltraTech's adherence to the following AA1000 Accountability Principles (2008):
  - Inclusivity: To assess if UltraTech has included stakeholders in developing and achieving an accountable and strategic response to sustainability.
  - Materiality: To assess if UltraTech has included in its report the material information required by its stakeholders to be able to make informed judgements, decisions and actions.
  - Responsiveness: To assess if UltraTech has responded to stakeholder concerns, policies and relevant standards and adequately communicated these in the Report.
- The WBCSD Cement Sustainability Initiative (CSI) Cement CO_2 Protocol: CO_2 Accounting and Reporting Standard for the Cement Industry, June 2005;
- The WBCSD guidelines 'CSI Safety in the Cement Industry: Guidelines for measuring and reporting', updated October 2008 (Version 3.0);
- Regulatory Acts and Rules applicable to Cement Industries

How we maintained our independence?
We conducted our engagement in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

What were the limitations in conducting the assurance?
Our assurance process was subject to the following limitations:

- Verification of claims was limited to data and information presented for the period 01 April 2008 to 31 March 2010. Data and information outside this reporting period was not subject to any verification.
- Any statement indicating intention, opinion, belief and / or aspiration by UltraTech was excluded from the scope of assurance.
- The assurance statement does not include verification of financial performance indicators that were sourced from UltraTech's 2008 – 09 and 2009-10 annual reports.

What did we do to arrive at conclusions and observations?
The assurance work was executed by KPMG's multi-disciplinary team comprising of environmental and social experts who have prior experience of working on assurance engagements. Our work was planned and executed to obtain all the evidence, information and explanations that were considered necessary in relation to the above scope. Our work included the following procedures involving a range of evidence-gathering activities as explained below:

- Interaction with the UltraTech's senior management and sustainability core group at the corporate office and units level.
- Review of the stakeholder consultation processes and the methodology used for determining the material issues;
- Assessment of report contents to ensure consistency with the requirements of the GRI G3 guidelines (principles and performance indicators) and AA1000 AS 2008 principles;

- Evaluation of the existence and operation of the systems and methods used to collect, process and aggregate the performance data presented in the Report.
- Testing the reliability of underlying data and information for the performance data within the scope of our assurance;

What are our conclusions?
Based on our review, nothing has come to our attention to indicate that the information presented in the Report is not consistent with the findings of our work as described below:

- The outcome of assurance engagement provided confidence on the systems and processes used by UltraTech for presenting the sustainability performance data and information in terms of reliability along with fair and accurate representation within the reporting period. Further adherence to AA1000AS 2008 principles can be stated as follows:

  - ***Principle of Inclusivity:*** The stakeholder engagement process is integrated, ongoing and applied across UltraTech for both internal and external stakeholders. However the process of analyzing stakeholder feedback can be further strengthened, especially in case of community.

  - ***Principle of Materiality:*** The material issues are arrived through a consultation process involving internal and a select few external stakeholders. There is no case of material misinterpretation in terms of disclosures that may affect stakeholder's actions and behavior. UltraTech has provided adequate information on issues related to direct financial impacts, policy related performance, organisational peer based norms, and societal norms.

  - ***Principle of Responsiveness:*** UltraTech has deployed adequate resources towards managing the sustainability performance of the company with appropriate governance mechanism at the board level and the report includes the Company's sustainability commitments with goals and targets. UltraTech has used external GRI G3 guidelines, WBCSD CSI CO_2 protocol, WBCSD CSI Safety and monitoring guidelines to communicate its progress to the stakeholders.

What were the other key observations?
- The report successfully attempts to establish linkage between stakeholder engagement and materiality issues.
- The environmental compliance to rules with respect to water act and water cess act, and hazardous waste management needs improvement especially at new manufacturing units. The action plan to address the same was evidenced.
- Ground water monitoring mechanisms at some locations were based on estimates and the same can be made more robust and consistent across sites.
- The performance data with respect to GHG emissions inventory of the operating units was based on WBCSD CSI CO_2 protocol and minor changes, specifically in terms of fuel consumption and clinker production, were observed at two sites and were corrected.
- Air emissions monitoring (SOx and NOx) has been initiated recently at several sites affecting data completeness in the FY 2008 -09, 2009 - 10 report.
- Safety performance monitoring and reporting systems were based on "WBCSD CSI Safety Guidelines for measuring and reporting" and were restricted to Integrated Plants and Grinding units. The data for manhours worked was revised post assurance.
- Effective monitoring mechanisms were in place at plant and corporate levels for energy and emission related indicators. The same approach can be extended to other indicators.

How are the responsibilities assigned?
The Management of UltraTech is responsible for development of the Report and its contents. UltraTech is responsible for identification of stakeholders and material issues, define commitments with respect to sustainability performance, establish and maintain appropriate performance management and internal control systems from which reported information is derived.

Our responsibility is to express our conclusions in relation to the scope mentioned above. This assurance statement is made solely to UltraTech in accordance with the terms of our engagement. Our work has been undertaken so that we might state to UltraTech those matters we have been engaged to state in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than UltraTech for our work, for this report, or for the conclusions we have reached. By reading this assurance statement, the stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

Arvind Sharma
Director
KPMG, India
20 December 2010.

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[1] Location details

Integrated Plants:
- Khor, Madhya Pradesh
- Shambhupura, Rajasthan
- Kharia Khangar, Rajasthan
- Kotputli, Rajasthan
- Tadipatri, Andhra Pradesh
- Rawan, Chhattisgarh
- Himi, Chhattisgarh
- Malkhed, Karnataka
- Awarpur, Maharashtra
- Jaffarabad, Gujarat
- Kovaya, Gujarat
- Reddipalayam, Tamil Nadu

Grinding Units:
- Jharsuguda, Orissa
- Hotgi, Maharashtra
- Panipat, Haryana
- Bathinda, Punjab
- Surat, Gujarat
- Ratnagiri, Maharashtra
- Arakkonam, Tamil Nadu
- Durgapur, West Bengal
- Aligarh, Uttar Pradesh
- Dadri, Uttar Pradesh
- Ginigera, Karnataka

Bulk Cement Units:
Mumbai, Bangalore, and Mangalore

Ready Mix Concrete Plants
Navi Mumbai, Jaipur, Bangalore, Hyderabad, Panchkula, Nagpur, Mangalore, Chennai, Kolkata & Noida

Statement
GRI Application Level Check

GRI hereby states that **UltraTech Cement Limited** has presented its report "Alternatives In Action" (2008-2010) to GRI's Report Services which have concluded that the report fulfills the requirements of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

18 January 2011, Amsterdam

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative

The "+" has been added to this Application Level because UltraTech Cement Limited has submitted (part of) this report for external assurance. GRI accepts the reporter's own judgment for choosing its assurance Provider and for deciding the scope of the assurance.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

***Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 22 December 2010. GRI explicitly excludes the statement being applied to any later changes to such material.*

In the true spirit of Sustainability, any feedback that can help make the organisation's sustainability report better is genuinely appreciated. If you have any suggestions, feedback or even just a query, please contact:

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