

THE CEMENT MARKETING COMPANY OF INDIA LIMITED

DIRECTORS' REPORT

The Directors hereby present their SEVENTY-FIFTH Annual Report together with the Statement of Accounts for the year ended March 31, 2004

2. The Profit and Loss Account shows a profit of Rupees Sixteen thousand six hundred forty four only which is carried to the Balance Sheet. The aforesaid amount is arrived at after providing an amount of Rupees Nine thousand five hundred only for Income Tax.
3. In accordance with the provisions of the Companies Act, 1956, Mr A K Jain, Director retires by rotation and is eligible for reappointment.
4. The Shareholders of the Company are requested to appoint Auditors and to fix their remuneration.
5. Directors' Responsibility Statements

Directors' Responsibility

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act 1956:

(i) that in the preparation of the annual accounts for the year ended 31st March, 2004, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any

ii) that such accounting policies as mentioned in the Notes to the Accounts have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2004 and of the profit of the Company for the year ended on that date;

(iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis.

For and on behalf of the Board,

M L Narula
Chairman

Mumbai, April 27, 2004
Registered Office
'Cement House'
121, Maharshi Karve Road,
Mumbai 400 020.

AUDITORS' REPORT

THE MEMBERS OF
THE CEMENT MARKETING COMPANY INDIA LIMITED

We have audited the attached Balance Sheet of THE CEMENT MARKETING COMPANY OF INDIA LIMITED as at 31st March, 2004 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matter specified in paragraphs 4 and 5 of the said Order.

Further to the above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the Directors, as on 31st March, 2004 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2004; and
 - b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

Place : Mumbai
Date : April 27, 2004

For Arjun K. S. Aiyar & Co.
Chartered Accountants
V G Ginde
Proprietor
Membership No. : 34229

THE CEMENT MARKETING COMPANY OF INDIA LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date on the Accounts for the year ended 31st March, 2004 of THE CEMENT MARKETING COMPANY OF INDIA LIMITED)

In our opinion, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that:

- i. The Company does not have Fixed Assets and hence the directions in this regard are not applicable.
- ii. The Company does not maintain any inventory and therefore the directions in this regard are not applicable.
- iii. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the directions in this regard are not applicable.
- iv. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business. The Company has neither made purchases of fixed assets nor made sale of goods/ services during the year.
- v. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under Section 301. The other direction in this regard is therefore not applicable.
- vi. The Company has not accepted any deposit from public and consequently the directives issued by the Reserve Bank of India, provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company.
- vii. The Company neither has a paid-up capital and reserves exceeding Rs. 50 lakhs as at the commencement of the financial year, nor does it have an average annual turnover exceeding Rs. 5 Crore for a period of three consecutive financial years immediately preceding the financial year and therefore, the directions in respect of internal audit are not applicable to the Company.
- viii. The Company is not a manufacturing Company and no cost records have been prescribed under Section 209(1)(d) of the Companies Act, 1956.
- ix.
 - a) During the year there were no employees in the employment of the Company. Accordingly, the directions relating to Provident Fund and Employee's State Insurance are not applicable to the Company. Further, based on our examination of the records maintained during the year, the Company is not liable to make any payments towards investor education protection fund, sales tax, wealth tax, customs duty, excise duty, cess. The Company has been regular in depositing Profession Tax and Income Tax dues with the appropriate authority and there were no undisputed amounts payable thereof which are outstanding, as at 31st March, 2004 for a period of more than six months from the date they became payable.
 - b) According to the records of the Company, there are no disputed dues of sales tax, income-tax, customs, wealth-tax, excise duty and cess and therefore, the direction in this regard is not applicable.
- x. The Company neither has accumulated losses at the end of the financial year, nor cash losses for the financial year.

- xi. The Company has not taken any loans from any bank or financial institutions and has not issued any debentures.
- xii. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund, nidhi / mutual benefit fund and therefore, the requirement pertaining to such class of companies are not applicable.
- xiv. The Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. During the year Company has not raised any term loan.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. Long term funds aggregating Rs. 5.17 lacs have been used to finance short-term investments of Rs. 4.45 lacs and current assets and permanent working capital of Rs. 0.72 lac.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the companies Act, 1956.
- xix. The Company has not issued any debentures during the financial year and therefore, the question of creating security in respect thereof does not arise.
- xx. The Company has not raised any funds from public issue.
- xxi. Based upon the audit procedures performed and informations and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Arjun K.S. Aiyar & Co.
Chartered Accountants

V.G. Ginde
Proprietor
Membership No. 34229

Place : Mumbai
Date : April 27, 2004

THE CEMENT MARKETING COMPANY OF INDIA LIMITED

BALANCE SHEET AS AT MARCH 31, 2004

	Schedule	Rupees	Rupees	Previous Year Rupees
I. SOURCES OF FUNDS :				
SHARE HOLDERS' FUNDS				
(a) SHARE CAPITAL				
Authorised -				
5,000 Equity Shares of Rs 100/= each		500,000		500,000
Issued and Subscribed -				
5,000 Equity Shares of Rs.100/= each		500,000		500,000
Fully paid up - all held by the Holding Company, The Associated Cement Companies Limited, and their nominees.				
(b) RESERVES AND SURPLUS				
Profit and Loss Account		16,644		6,415
TOTAL		516,644		506,415
II. APPLICATION OF FUNDS :				
INVESTMENT - Current	A	445,074		—
CURRENT ASSETS, LOANS AND ADVANCES				
(a) Cash and Bank Balances -				
On Current Account with a Scheduled Bank		35,566		469,048
Fixed Deposit with Central Bank Of India		35,000		35,000
(b) Interest accrued and due on Fixed Deposit		1,750		2,113
(c) Tax Deducted at Source - on Fixed Deposit (Bal.)		794		794
(d) Advance Tax		8,500		—
		81,610		506,955
LESS - CURRENT LIABILITIES AND PROVISIONS -				
(a) Sundry Liabilities		540		540
(b) Provision for Taxation		9,500		—
		10,040		540
NET CURRENT ASSETS		71,570		506,415
TOTAL		516,644		506,415

Per Our Report Attached

For Arjun K S Aiyar & Co.
Chartered Accountants

V. G. GINDE
Proprietor

Mumbai, April 27, 2004

For and on behalf of the Board,

M. L. Narula Chairman

A. K. Jain }
P. K. Sinor } Directors

Mumbai, April 27, 2004

INVESTMENTS - SCHEDULE A

Current Investments

Held in Mutual Fund Units

Tata Balanced Fund - Dividend
Tata Monthly Income Fund
Total

Face Value Per unit Rupees	Number Of Units.	As at March 31,2004 Rupees	Previous Year Rupees
10	10,572.26	220,074	—
10	18,762.67	225,000	—
		445,074	—

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2004

	Rupees	Previous Year Rupees
INCOME :		
Interest on Fixed Deposit	3,500	3,500
Dividend received on Tata Balanced Fund	14,786	—
Profit on sale of Investment	26,291	—
	44,577	3,500
EXPENDITURE :		
Establishment and other Expenses		
1. Rates and Taxes	1,734	1,700
2. Reduction in value of Current Investments	20,711	—
3. General Charges	1,500	1,680
4. Auditor's Fees	540	540
5. Other Expenses	363	—
	24,848	3,920
Profit before Taxation / (Loss)	19,729	(420)
Current Tax	9,500	—
Net Profit after Taxation / (Loss)	10,229	(420)
Balance brought forward from Previous Year	6,415	6,835
Balance Carried to Balance Sheet	16,644	6,415

Per Our report Attached

For Arjun K S Aiyar & Co.
Chartered Accountants

V. G. GINDE
Proprietor

Mumbai, April 27, 2004

For and on behalf of the Board,

M. L. Narula Chairman

A. K. Jain }
P. K. Sinor } Directors

Mumbai, April 27, 2004

Note :

Aggregate Net Cost and Market Value of Company's Investment.

	As at Aggregate Net Cost	31-03-2004 Market Value	Previous Year Aggregate Net Cost	Market Value
Quoted Investments	465,785	450,234	—	—
Unquoted Investments	—	—	—	—
	465,785	450,234	—	—

THE CEMENT MARKETING COMPANY OF INDIA LIMITED

NOTES ON ACCOUNTS

1. Accounting Policy : All expenditure and income are on accrual basis.

2. Taxation :

Income tax expense comprises current tax and deferred tax charge or credit. The deferred tax charge or credit is recognised using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets / liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case law to reassess realisation / liabilities

3. Deferred Tax Asset / Liability

The Company does not have deferred tax liability during the year and deferred tax assets have not been recognised on a prudent basis.

4. Investments :

Current investments are stated at Cost or Market value, whichever is lower. Cost is determined on weighted average basis. During the year the Company had purchased and sold units in Mutual Funds as below :

Name of the Fund	Amount Rs.	Face Value Rs. Per Unit	No. of Units
TBFD TATA Balanced Fund - Dividend	224,000.00	10	10,454.64

5. Related Party Disclosures :

(i) The details in terms of Accounting Standard 18 regarding Related Party Disclosures, are provided here below :

(a) Particulars of Subsidiary/Associate/ Companies

Name	Nature of Relationship
The Associated Cement Company Limited	Holding Company
Damodhar Cement & Slag Limited	Fellow Subsidiary Company
ACC Machinery Company Limited	Fellow Subsidiary Company
ACC Nihon Castings Limited	Fellow Subsidiary Company
Bulk Cement Corporation (India) Limited	Fellow Subsidiary Company
Everest Industries Limited (Formerly Known as Eternit Everest Limited)	Fellow Subsidiary Company from February 2002
Bargarh Cement Limited (Formerly known as IDCOL Cement Limited)	Fellow Subsidiary Company from December 2003
Almatis ACC Limited (Formerly Alcoa ACC Industrial Chemicals Limited)	Associate of Holding Company
International Ferrites Limited	Associate of Holding Company upto November 2002
ACC RIO Tinto Exploration Limited	Associate of Holding Company upto December 2002

(b) Key Management Personnel

MR M L NARULA	Chairman
MR A K JAIN	} Directors
MR P K SINOR	

(ii) Transactions with Related Parties during the year :

The Associated Cement Companies Ltd	Amount Rs.
(i) Purchase of Finished/ Unfinished goods	NIL
(ii) Sale of Finished / Unfinished goods	NIL
(iii) Reimbursement of Expenses/Cost of Material/Stores	NIL
(iv) Rendering of Services	1,500
(v) Receiving of Services	NIL
(vi) Purchase/Sale of Fixed Assets	NIL
(vii) Interest on Inter Corporate Deposit received during the year	NIL
(viii) Interest on Inter Corporate Deposit paid during the year	NIL
(ix) Outstanding balance included in Current Assets	NIL
(x) Outstanding balance included in Current Liabilities	NIL
(xi) Inter Corporate Deposits given during the year	NIL
(xii) Inter Corporate Deposits liquidated during the year	NIL
(xiii) Intercompany Deposits received and repaid during the year	NIL
(xiv) Conversion of Intercompany Deposit into Equity during the year	NIL
(xv) Equity Contributions received in cash during the year	NIL
(xvi) Inter Corporate Deposits as at the end of the year	NIL
(xvii) Bank Guarantees/Collateral Securities/Indemnities outstanding as at the year end	NIL
(xviii) Provision for Contingencies -	NIL
6. Additional information pursuant to the provisions of paragraphs 3 & 4 of Part II of Schedule VI to the Companies Act, 1956, is not applicable in absence of any trading activity.	

Per Our Report Attached

For Arjun K S Aiyar & Co.
Chartered Accountants

For and on behalf of the Board,

M. L. Narula Chairman

V. G. GINDE
Proprietor

A. K. Jain
P. K. Sinor } Directors

Mumbai, April 27, 2004

Mumbai, April 27, 2004

SOURCES OF FUNDS

[illegible]

--	--

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----