

**25th**  
**ANNUAL REPORT**  
**2011-2012**



**TRINETRA CEMENT LIMITED**

## **25<sup>th</sup> Annual General Meeting**

Date : 5<sup>th</sup> September 2012

Time : 11.00 A.M.

Venue : 'Coromandel Towers',  
93, Santhome High Road,  
Karpagam Avenue,  
R.A.Puram,  
Chennai 600028.

### **A REQUEST**

Shareholders are requested to bring their copy  
of the Annual Report to the meeting.

## **CONTENTS**

Page No.

Notice to Shareholders	2
Directors' Report	8
Management Discussion and Analysis	13
Corporate Governance	15
Auditors' Report	24
Balance Sheet	26
Statement of Profit & Loss	27
Cash Flow Statement	28
Notes to the Financial Statements	29



# TRINETRA CEMENT LIMITED

## BOARD OF DIRECTORS :

**Sri N.Srinivasan, Chairman**

**Dr. B.S.Adityan**

**Sri Arun Datta**

**Sri R.K.Das**

**Sri N.R.Krishnan**

**Sri A.Sankarakrishnan**

**Sri L.Sabaretnam**

**Sri T.S.Raghupathy**

**Sri PL.Subramanian**

**Sri R.Srinivasan**

**Sri V.M.Mohan**

## AUDITORS :

M/s. Chaturvedi SK & Fellows,  
Chartered Accountants,  
410, Dev Plaza, SV Road,  
Andheri West,  
Mumbai - 400 058.

## REGISTERED OFFICE :

'Dhun Building',  
827, Anna Salai,  
Chennai - 600 002.

## CORPORATE OFFICE :

'Coromandel Towers',  
93, Santhome High Road,  
Karpagam Avenue, R.A.Puram,  
Chennai - 600028.

## CEMENT PLANT :

Nokhla Village,  
Wajwana Post,  
Banswara District,  
Rajasthan.

# TRINETRA CEMENT LIMITED

## Registered Office:

'Dhun Building' 827, Anna Salai, Chennai - 600 002.

## Corporate Office:

'Coromandel Towers', 93, Santhome High Road, Karpagam Avenue, R.A.Puram, Chennai 600028.

### NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twentyfifth Annual General Meeting of Trinetra Cement Limited will be held at 11.00 A.M. on Wednesday, the 5<sup>th</sup> September 2012 at 'Coromandel Towers', 93, Santhome High Road, Karpagam Avenue, R.A.Puram, Chennai 600028 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and the accounts of the Company for the year ended 31<sup>st</sup> March 2012 and the Auditors' Report thereon.
2. To appoint a Director in the place of Mr.N.R.Krishnan who retires by rotation and is eligible for reappointment.
3. To appoint a Director in the place of Mr.A.Sankar Krishnan who retires by rotation and is eligible for reappointment.
4. To appoint a Director in the place of Mr.L.Sabaretnam who retires by rotation and is eligible for reappointment.
5. To appoint a Director in the place of Mr.T.S.Raghupathy who retires by rotation and is eligible for reappointment.
6. To appoint Auditors and fix their remuneration:  
To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT M/s.Chaturvedi SK & Fellows (Registration No.112627W) Chartered Accountants, Mumbai, be and are hereby appointed Auditors of the Company to hold office from the conclusion of the Twentyfifth Annual General Meeting until conclusion of the Twentysixth Annual General Meeting and that their remuneration be and is hereby fixed at Rs.5,00,000/- exclusive of service tax, all travelling and out of pocket expenses which shall be reimbursed to them."

### SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT pursuant to Sections 94 and 16 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory

modification(s) thereto or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company:

- a) The Authorised Share Capital of the Company be and is hereby increased from Rs.675,00,00,000/- (Rupees Six Hundred and Seventy Five Crores Only) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs.10/- (Rupees Ten only) each and 6,15,00,000 (Six Crores Fifteen Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred only) each to Rs.875,00,00,000/- (Rupees Eight Hundred and Seventy Five Crores Only) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs.10/- (Rupees Ten only) each and 8,15,00,000 (Eight Crores Fifteen Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred only) each.
- b) The existing Clause V(a) of the Memorandum of Association of the Company be and is hereby amended to read as follows:

The Authorised Share Capital of the Company is Rs.875,00,00,000 (Rupees Eight Hundred and Seventy Five Crores Only) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs.10/- (Rupees Ten only) each and 8,15,00,000 (Eight Crores Fifteen Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred only) each. The Company shall have power to increase or reduce or consolidate or subdivide the capital of the Company from time to time. Any shares of the original or increased capital may from time to time be issued with guarantee or any right of the preference whether in respect of dividend or of repayment of capital or both or any other special privilege or advantage over any shares previously issued, or then about to be issued or with deferred or qualified rights as compared with any share previously issued or subject to any provisions or conditions and with any special right, without any right of voting and generally on such terms as the Company may from time to time determine."

8. To consider and if thought fit, to pass with or without modification(s) the following Resolutions as SPECIAL RESOLUTIONS:

"RESOLVED THAT pursuant to Sections 80, 81 and all other applicable provisions, if any, of the



Companies Act, 1956 (including any statutory modification(s) thereto or re-enactment(s) thereof for the time being in force) and subject to the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with Stock Exchanges where the securities of the Company are listed and subject to the necessary approvals, consents, permissions and/or sanctions, as may be necessary of banks, financial institutions and all other concerned authorities and Departments, if and to the extent necessary and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions which the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) may agree to, at its sole discretion, consent of the Company be and is hereby accorded to the Board to offer, issue and allot such number of Non-Convertible Redeemable Preference Shares of the face value of Rs.100/- each (hereinafter referred to as "Preference Shares") for an amount not exceeding Rs.200 Crores (Rupees Two Hundred Crores only) as the Board at its sole discretion may at any time or times hereafter decide, to various persons and / or entities including promoters and / or promoter group companies and / or their associates, whether or not such investors are Members of the Company, through private placement / preferential basis, in one or more tranches, at such price and on such terms and conditions, including the number of shares to be issued, terms of payment, rate of dividend, cumulative or non-cumulative, premium / discount, if any, on issue / redemption, redemption period, manner and terms of redemption as the Board may in its absolute discretion thinks fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot subject to the Memorandum and Articles of Association of the Company, such number of Preference Shares, as may be required to be issued and allotted in accordance with the terms of offer and the said preference shares shall rank pari passu in all respects with the existing preference shares of the Company for and from the financial year in which they are allotted save and except that the said new preference shares shall be entitled to such dividend as and when declared at any time after allotment thereof on the amount paid up thereon on pro-rata basis."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolutions, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, at its discretion deem necessary or desirable for such purpose, with power to settle any questions, difficulties or doubts that may arise in regard to this issue and the allotment of preference shares."

#### NOTES:

1. Explanatory Statement is annexed to the Notice of the Twentyfifth Annual General Meeting of the Company as required by Section 173(2) of the Companies Act, 1956 in respect of items no.7 and 8.
2. Details pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking reappointment at the Annual General Meeting are annexed hereto for items no. 2 to 5.
3. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 30<sup>th</sup> August 2012 to 5<sup>th</sup> September 2012 (both days inclusive).
5. Members are requested to contact the Registrar and Share Transfer Agent (RTA) for all matters connected with the Company's shares at Integrated Enterprises (India) Limited, 2<sup>nd</sup> Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai 600017. Tel.:044-28140801 to 28140803 & Fax : 044-28142479 Email: corpserve@integratedindia.in
6. Members holding Share Certificate(s) in the name of Indo Zinc Limited are requested to send the same to the RTA to get the new name viz., 'Trineta Cement Limited', affixed on the Share Certificate(s).
7. The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the members to dematerialize the equity shares of the Company. The ISIN Number allotted by NSDL and CDSL for dematerializing the Company's shares is INE031L01014.

## TRINETRA CEMENT LIMITED

8. Members holding shares in physical form are requested to notify change of address, if any, to the RTA. Members holding shares in physical form in more than one folio are requested to write to the RTA immediately enclosing their share certificates for consolidation of their holdings into one folio.
9. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, etc. to their Depository Participant (DP). These changes will be automatically reflected in the Company's records.
10. Under the provisions of Sections 109A and 109B of the Companies Act, 1956, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their shares in the Company, shall vest after his/her/their lifetime. Members who are holding shares in physical form and are interested in availing this nomination facility are requested to write to the Company/RTA.
11. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and jointholder(s) respectively, along with necessary documents at the time of lodgement of request for transfer / transmission / transposition, is now mandatory.
12. The Ministry of Corporate Affairs, vide Circular No. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively, clarified that a company would have complied with Section 53 of the Companies Act, 1956, if the service of document has been made through electronic mode provided the company has obtained e-mail addresses of its members for sending the notice / documents through e-mail. An amendment to the listing agreement with the stock exchanges permits companies to send soft copies of the annual reports to all those shareholders who have registered their e-mail address for the said purpose. Members are requested to register their e-mail address and changes therein from time to time, with their Depository Participant (in case of shares held in dematerialized form) or with the Company's Share Transfer Agent (in case of shares held in physical form) for receiving annual reports electronically.

(By order of the Board)  
for TRINETRA CEMENT LIMITED

Place: Chennai  
Date : 25<sup>th</sup> April, 2012

S. SRIDHARAN  
Company Secretary

### PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE REAPPOINTED, VIDE ITEMS NO. 2 TO 5 OF NOTICE DATED 25<sup>TH</sup> APRIL, 2012

(i)	Name of the Director	: Mr.N.R.Krishnan
	Date of Birth	: 20 <sup>th</sup> June 1938
	Date of appointment on the Board as Director	: 25 <sup>th</sup> March 2010
	Date of last reappointment as Director	: 30 <sup>th</sup> September 2010
	Expertise in specific functional areas	: Indian Administrative Service (Retd.)
	Qualification	: B.Sc. (Hons.) Chemistry, M.Sc. Chemistry
	Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	: Nil
	List of outside Directorships held in Public Companies	: 1. Ponni Sugars (Erode) Limited 2. Tamil Nadu Petroproducts Limited 3. Tamil Nadu Road Development Company Limited 4. The India Cements Limited
	Chairman / Member of the Committees of Board of Directors of the Company	: Audit Committee - Member



	Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director	: 1. Ponni Sugars (Erode) Limited - Audit Committee - Member 2. Tamil Nadu Petroproducts Limited - Audit Committee - Member 3. Tamil Nadu Road Development Company Limited - Audit Committee - Chairman
	Relationship with other Directors	: Nil
(ii)	Name of the Director	: Mr.A.Sankarakrishnan
	Date of Birth	: 27 <sup>th</sup> October 1942
	Date of appointment on the Board as Director	: 25 <sup>th</sup> March 2010
	Date of last reappointment as Director	: 30 <sup>th</sup> September 2010
	Expertise in specific functional areas	: Industry
	Qualification	: B.E.(Mechanical)
	Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	: Nil
	List of outside Directorships held in Public Companies	: 1. Allsec Technologies Limited 2. India Cements Capital Limited 3. India Cements Investment Services Ltd 4. The India Cements Limited
	Chairman / Member of the Committees of Board of Directors of the Company	: Audit Committee - Chairman
	Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director	: 1. Allsec Technologies Limited - Audit Committee - Member 2. India Cements Capital Limited - Audit Committee - Member Shareholders' / Investors' Grievance Committee - Member
	Relationship with other Directors	: Nil
(iii)	Name of the Director	: Mr.L.Sabaretnam
	Date of Birth	: 19 <sup>th</sup> June 1940
	Date of appointment on the Board as Director	: 28 <sup>th</sup> May 2010
	Date of last reappointment as Director	: 30 <sup>th</sup> September 2010
	Expertise in specific functional areas	: Advisor
	Qualification	: M.B.A (Marketing)
	Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	: Nil
	List of outside Directorships held in Public Companies	: 1. Biosynth Life Sciences India Ltd 2. Chennai Petroleum Corporation Ltd 3. Coromandel Sugars Ltd
	Chairman / Member of the Committees of Board of Directors of the Company	: Nil
	Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director	: Chennai Petroleum Corporation Ltd - Audit Committee - Chairman Shareholders' / Investors' Grievance Committee - Chairman
	Relationship with other Directors	: Nil

## TRINETRA CEMENT LIMITED

(iv)	Name of the Director	:	Mr.T.S.Raghupathy
	Date of Birth	:	4 <sup>th</sup> November 1951
	Date of appointment on the Board as Director	:	9 <sup>th</sup> October 2009
	Date of last reappointment as Director	:	30 <sup>th</sup> September 2010
	Expertise in specific functional areas	:	Marketing
	Qualification	:	B.Com., MMSC
	Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	:	50
	List of outside Directorships held in Public Companies	:	1. Coromandel Electric Company Limited 2. Coromandel eServices Limited 3. Coromandel Infotech India Limited 4. Coromandel Sugars Limited 5. ICL Financial Services Limited 6. ICL International Limited 7. ICL Securities Limited 8. ICL Shipping Limited 9. India Cements Capital Limited 10. India Cements Investment Services Limited 11. Industrial Chemicals & Monomers Limited 12. Jhunjhunu Cement Limited 13. Raasi Cement Limited 14. Trishul Concrete Products Limited
	Chairman / Member of the Committees of Board of Directors of the Company	:	Audit Committee - Member Shareholders' / Investors' Grievance Committee - Member
	Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director	:	India Cements Capital Limited - Audit Committee - Member
	Relationship with other Directors	:	Nil





**EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE TWENTYFIFTH ANNUAL GENERAL MEETING OF THE COMPANY IN RESPECT OF ITEMS NO.7 AND 8 OF NOTICE DATED 25<sup>TH</sup> APRIL, 2012**

**Item No. 7:**

The Company proposes to offer, issue and allot Preference Shares for an amount not exceeding Rs.200 crores to various persons and / or entities including promoters and / or promoter group companies and / or their associates, on private placement / preferential basis as set out under item no.8 of the accompanying Notice.

At present, the Authorised Share Capital of the Company is Rs.675 Crores (Rupees Six Hundred and Seventy Five Crores only) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs.10/- (Rupees Ten only) each and 6,15,00,000 (Six Crores Fifteen Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred only) each. The present issued Share Capital of the Company is 45,00,000 Equity Shares of Rs.10/- each and 615,00,000 Preference Shares of Rs.100/- each.

The proposed issue of Preference Shares as aforesaid will lead to increase in the Subscribed and Paid-up Share Capital of the Company beyond the present limit of Authorised Share Capital of Rs.675 Crores.

Hence, a resolution is proposed to increase the Authorised Share Capital from Rs.675 Crores to Rs.875 Crores (Rupees Eight Hundred and Seventy Five Crores only) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs.10/- (Rupees Ten only) each and 8,15,00,000 (Eight Crores Fifteen Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred only) each and to make consequent amendment in the relevant Clause of the Memorandum of Association of the Company.

The Board of Directors recommends the resolution set out in Item No.7 of the accompanying Notice for your approval.

**Inspection of Documents:**

The Memorandum and Articles of Association of the Company will be available for inspection by the shareholders at the Registered Office of the Company between 10.00 a.m. and 12.00 Noon on any working day prior to the date of the meeting and will also be available for inspection at the meeting.

**Interest of Directors:**

The Directors of the Company may be deemed to be interested or concerned in the resolutions to the extent of preference shares that may be offered to or subscribed by them or by the Companies / entities in

which they are Directors or Members or employees or otherwise interested.

**Item No.8:**

The Company's 1.5 million tonne per annum cement plant commissioned its operations in January 2011, stabilized in stages and has crossed one million tonne mark in its first full year of operations 2011 - 12. Further, the Company's 20 MW Thermal Captive Power Plant was commissioned during February 2012.

The Company has availed loans and advances from time to time from promoters, banks and other entities for the aforesaid purposes and it may be necessary to avail further financial assistance for meeting various requirements including capital expenditure, operations and working capital requirements of the Company.

The Company is in the process of acquiring lands for mining and for the plant to take care of future expansion and incur additional cost in acquiring machineries / equipments for improving efficiencies.

Considering the above as well as for other corporate purposes, the Board of Directors proposes to issue, offer and allot Non-convertible Redeemable Preference Shares for an amount not exceeding Rs.200 crores (Rupees Two Hundred Crores only) to various persons and / or entities including promoters and / or promoter group companies and / or their associates, against loans and advances and / or share application money received and to be received.

The Board of Directors recommends the special resolutions set out in Item No.8 of the accompanying Notice for your approval.

**Interest of Directors:**

The Directors of the Company may be deemed to be interested or concerned in the resolutions to the extent of preference shares that may be offered to or subscribed by them or by the Companies / entities in which they are Directors or Members or employees or otherwise interested.

(By order of the Board)  
for TRINETRA CEMENT LIMITED

Place: Chennai  
Date : 25.04.2012

S. SRIDHARAN  
Company Secretary

# TRINETRA CEMENT LIMITED

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twentyfifth Annual Report together with the audited accounts for the year ended 31<sup>st</sup> March 2012.

## FINANCIAL RESULTS

	(Rs. in Lakhs)	
	For the year ended 31 <sup>st</sup> March	
	2012	2011
Profit/(Loss) before Interest & Depreciation	2680.57	92.60
Less: Interest	3543.22	879.07
Less: Depreciation	2820.78	513.53
Less: Forex Fluctuation Loss	497.62	—
Profit/(Loss) before Tax	(4181.05)	(1300.00)
Provision for Tax	0.00	0.00
Profit/(Loss) after Tax	(4181.05)	(1300.00)

## DIVIDEND

In view of the loss incurred, your Directors do not recommend any dividend for the year ended 31.03.2012.

## SHARE CAPITAL

During the year, the Authorised Share Capital of the Company increased to Rs.675 Crores from Rs.350 Crores. The Company has allotted 605,00,000 - 9% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up, at par, amounting to Rs.605 Crores to The India Cements Limited, the holding company, in February 2012, on adjustment of outstanding loans / advances.

## RIGHTS ISSUE

The Company deferred its decision on the proposed rights issue in view of adverse market conditions.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956:

"We confirm

1. That in the preparation of the accounts for the year ended 31<sup>st</sup> March 2012, the applicable Accounting Standards have been followed.
2. That such Accounting Policies have been selected and applied consistently and made judgements and

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2012 and of the loss of the Company for the year ended on that date.

3. 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.
4. That the annual accounts for the year ended 31<sup>st</sup> March 2012 have been prepared on a going concern basis."

## OPERATIONS

The performance of the Company has been discussed in detail in the "Management Discussion and Analysis" section.

The Company's 1.5 million tonne per annum cement plant which commenced its operations in January 2011 stabilized in stages and has crossed one million tonne mark in its first full year of operation.

The 20 MW captive power plant has been commissioned during March 2012 and is expected to supply uninterrupted power during the current financial year.

The capacity of the limestone stacker and reclaimer was enhanced during the year after obtaining the additional area of land for that purpose.

During the second quarter of the financial year, the fly-ash handling system at Wankbhori Thermal Power Plant in Gujarat was also commissioned and has started supplying fly-ash to your Company.

With regard to acquisition of further lands for expansion and for mining lease, necessary applications have been made and are being processed by the State Government.

## MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report is given as addition to this report.

## CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, a report on Corporate Governance along with Auditors' Certificate of its compliance is included as part of the Annual Report of the Company.