

26th
ANNUAL REPORT
2012-2013



TRINETRA CEMENT LIMITED

26th Annual General Meeting

Date : 27th September 2013

Time : 3.00 P.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.

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TRINETRA CEMENT LIMITED

BOARD OF DIRECTORS :

Sri N.Srinivasan, Chairman
Dr. B.S.Adityan (till 19.04.2013)
Sri Arun Datta
Sri R.K.Das
Sri N.R.Krishnan
Sri A.Sankarakrishnan (till 09.04.2013)
Sri L.Sabaretnam
Sri T.S.Raghupathy
Sri PL.Subramanian
Sri R.Srinivasan
Sri V.M.Mohan
Sri N.Srinivasan (from 20.05.2013)

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 - 600 028.

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 Twentysixth Annual General Meeting of Trinetra Cement Limited will be held at 3.00 P.M. on Friday, the 27th September, 2013 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 31st March 2013 and the Auditors' Report thereon.
2. To appoint a Director in the place of Sri PL.Subramanian who retires by rotation and is eligible for reappointment.
3. To appoint a Director in the place of Sri R.Srinivasan who retires by rotation and is eligible for reappointment.
4. To appoint a Director in the place of Sri V.M.Mohan who retires by rotation and is eligible for reappointment.
5. 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 Twentysixth Annual General Meeting until conclusion of the Twentyseventh 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:

6. To consider and if thought fit, to pass with or without modification(s), the following resolutions as ORDINARY RESOLUTIONS:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 387 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act (including any statutory modification(s) thereto and/or re-enactment(s) thereof for the time being in force) and subject to such other approvals as may be

required, approval of the Company be and is hereby accorded for the appointment of Sri T.S.Raghupathy, Director, as 'Manager' of the Company for a period of three years with effect from 12th November, 2013 without any remuneration and on the terms and conditions as set out in the Explanatory Statement attached to the Notice convening the Twentysixth Annual General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to the above resolution."

7. To consider and if thought fit, to pass with or without modification(s), the following resolutions as ORDINARY RESOLUTIONS:

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to mortgaging and / or charging by the Board of Directors of the Company by way of second and subservient mortgage/charge of all / or any of the immovable and movable properties of the Company, wheresoever situate, present and future, ranking pari passu and /or conferring power to enter upon and to take possession of the assets of the Company in certain events to or in favour of Axis Bank Limited to secure additional financial facilities of Rs.30 Crores (Rupees Thirty Crores only) availed / to be availed for working capital and other requirements of the Company, together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, costs, charges, expenses and other monies payable by the Company to the aforesaid Bank in terms of its heads of agreement(s) / loan agreement(s) / hypothecation agreement(s) / letter of sanction / memorandum of terms and conditions entered into / to be entered into by the Company in respect of the said facilities."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the aforesaid Bank the documents for creating the aforesaid mortgage and / or charge and to do all such acts and things as may be necessary for giving effect to the above resolution."



NOTES:

1. Explanatory Statement is annexed to the Notice of the Twenty-sixth Annual General Meeting of the Company as required by Section 173(2) of the Companies Act, 1956 in respect of items no.6 and 7.
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 4.
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 20th September 2013 to 27th September 2013 (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, 2nd 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. 'Trinetra 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.
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 dematerialised 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 (MCA) has taken a Green Initiative in Corporate Governance allowing paperless compliance by Companies through electronic mode. In line with the Green Initiative of the MCA, your Company has decided to send all correspondence like notices of general meetings, abstracts, audited financial statements (Annual Report) through electronic means to the Registered e-mail addresses of the Shareholders. In case any Shareholder desires to receive the above document(s) in Physical form, such Shareholder is required to send an e-mail to corpserve@integratedindia.in quoting DP ID and Client ID Number in case the shares are held in electronic form and Folio Number in case the shares are held in physical form. Members, who have not registered their e-mail addresses and wish to receive the above mentioned documents through electronic mode, are requested to register their e-mail addresses with (i) the Depository Participants if the shares are held in electronic form and (ii) with the Company / Registrar & Share Transfer Agent of the Company if the shares are held in physical form.

(By order of the Board)
for TRINETRA CEMENT LIMITED

S. SRIDHARAN
Company Secretary

Place : Chennai
Dates : 20th May, 2013 &
12th August, 2013

TRINETRA CEMENT LIMITED

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 4 OF NOTICE DATED 20th MAY 2013 & 12th AUGUST 2013.

(i)	<p>Name of the Director : Sri PL.Subramanian</p> <p>Date of Birth : 16th May 1945</p> <p>Date of appointment on the Board as Director : 9th October 2009</p> <p>Date of last reappointment as Director : 30th September 2010</p> <p>Expertise in specific functional areas : Technical</p> <p>Qualification : B.E.(Mechanical)</p> <p>Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis : 50</p> <p>List of outside Directorships held in Public Companies : 1. Andhra Pradesh Gas Power Corporation Limited 2. Coromandel Electric Company Limited 3. India Cements Infrastructures Limited 4. Trishul Concrete Products Limited</p> <p>Chairman / Member of the Committees of Board of Directors of the Company : Nil</p> <p>Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director : Coromandel Electric Company Limited Audit Committee - Member</p> <p>Relationship with other Directors : Nil</p>
(ii)	<p>Name of the Director : Sri R.Srinivasan</p> <p>Date of Birth : 4th April 1956</p> <p>Date of appointment on the Board as Director : 9th October 2009</p> <p>Date of last reappointment as Director : 30th September 2010</p> <p>Expertise in specific functional areas : Finance</p> <p>Qualification : A.C.A.</p> <p>Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis : 50</p> <p>List of outside Directorships held in Public Companies : 1. Biosynth Life Sciences India Limited 2. Coromandel eServices Limited 3. Coromandel Infotech India Limited 4. Coromandel Travels Limited 5. ICL Financial Services Limited 6. ICL Securities Limited 7. India Cements Infrastructures Limited 8. Industrial Chemicals & Monomers Limited 9. Jhunjhunu Cement Limited</p>



	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	: Nil
	Relationship with other Directors	: Nil
(iii)	Name of the Director	: Sri V.M.Mohan
	Date of Birth	: 19 th May 1956
	Date of appointment on the Board as Director	: 9 th October 2009
	Date of last reappointment as Director	: 30 th September 2010
	Expertise in specific functional areas	: Finance
	Qualification	: B.Com., A.C.A., A.C.S., AICWAI
	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 eServices Limited 2. Coromandel Infotech India Limited 3. Coromandel Travels Limited 4. Jhunjhunu Cement Limited
	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	: Nil
	Relationship with other Directors	: Nil

TRINETRA CEMENT LIMITED

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE TWENTYSIXTH ANNUAL GENERAL MEETING OF THE COMPANY IN RESPECT OF ITEMS NO.6 AND 7 OF THE NOTICE DATED 20TH MAY 2013 & 12TH AUGUST 2013

Item No.6:

Pursuant to the provisions of the Companies Act, 1956, the Board of Directors at its meeting held on 12.11.2010 appointed Sri Karan Vashisht as 'Manager' of the Company for a period of three years with effect from 12.11.2010 and the same was approved by the Shareholders by way of Postal Ballot on 21.02.2011. The period of office of Sri Karan Vashisht as 'Manager' will expire by the close of office hours of 11.11.2013.

The Board of Directors of the Company have at their meeting held on 12th August, 2013 appointed Sri T.S.Raghupathy, Director, as 'Manager' of the Company for a period of three years with effect from 12th November, 2013 without any remuneration, subject to the approval of the Shareholders of the Company in this Annual General Meeting.

Sri T.S.Raghupathy shall, subject to the superintendence, control and direction of the Board of Directors, perform such duties and services and exercise such powers as may from time to time be entrusted to or conferred on him, by the Board.

Sri T.S.Raghupathy is presently the Senior Executive President of The India Cements Limited and has rich and varied experience in various capacities for about 3 decades in Cement Industry. He has been on the Board of Directors of the Company since October, 2009.

The Board of Directors accordingly recommends the ordinary resolution set out at Item No.6 of the accompanying Notice for the approval of the Shareholders.

This explanatory statement together with the accompanying notice may be treated as an abstract of the terms and conditions of appointment of Sri T.S.Raghupathy as Manager pursuant to Section 302 of the Companies Act, 1956.

Interest of Directors:

Sri T.S.Raghupathy may be deemed to be interested in the resolution as it concerns his appointment. No other Director is directly or indirectly concerned or interested in this resolution.

Item No.7:

The Company has been sanctioned additional financial facilities aggregating to Rs.30 Crores by Axis Bank Limited for meeting the working capital and other requirements of the Company. One of the terms and conditions set out by the Bank is that the said financial assistance is required to be secured, inter alia, by way of second and subservient mortgage/charge of all/any of the immovable and movable properties of the Company wheresoever situate, present and future.

Section 293(1)(a) of the Companies Act, 1956, provides, inter alia, that the Board of Directors of a public company shall not, without the consent of such public company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking. Since the mortgaging by the Company of its immovable and movable properties as aforesaid may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956, for creation of the said mortgage / charge. Hence the resolution.

Inspection of Documents:

Copies of Letter(s) of sanction received from Axis Bank Limited are available for inspection by the shareholders at the Registered Office / Corporate Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day prior to the date of the meeting and will also be available for inspection at the meeting.

Interest of Directors:

No Director of the Company is directly or indirectly concerned or interested in this resolution.

(By order of the Board)
for TRINETRA CEMENT LIMITED

S. SRIDHARAN
Company Secretary

Place : Chennai
Dates : 20th May, 2013 &
12th August, 2013



DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twentysixth Annual Report together with the audited accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

	(Rs. in Lakhs)	
	For the year ended 31 st March	
	2013	2012
Profit/(Loss) before Interest & Depreciation	8432.61	2680.57
Less: Interest	5075.22	3543.22
Less: Depreciation	3663.17	2820.78
Less: Forex Fluctuation Loss	266.22	497.62
Profit / (Loss) before Tax	(572.00)	(4181.05)
Provision for Tax	0.00	0.00
Profit / (Loss) after Tax	(572.00)	(4181.05)

DIVIDEND

In view of the loss incurred, your Directors do not recommend any dividend for the year ended 31st March 2013.

SHARE CAPITAL

During the year, the Authorised Share Capital of the Company increased from Rs.675 Crores to Rs.875 Crores. The Company has allotted 90,00,000 - 9% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs.100/- each fully paid-up, at par, amounting to Rs.90 crores to The India Cements Limited, the holding company, in November 2012, on adjustment of outstanding loans / advances.

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 31st March 2013, 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 31st March 2013 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 31st March 2013 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 achieved further improvement in the operations of the plant during the second full year of operations. The unit achieved its highest clinker production during the month of March 2013 at 0.96 lakh tons. The overall clinker production for the year was 8.92 lakh tons (7.80 lakh tons) with a growth of 14% while the cement production further improved to 11.38 lakh tons (10.07 lakh tons) and the sale of cement was brisk at 11.28 lakh tons as compared to 10.08 lakh tons in the previous year with a growth of 12%. The operating parameters further improved during the year resulting in lower power and fuel consumption with the stabilized operations of the plant.

With the usage of low cost petcoke at the plant, the fuel cost has been substantially brought down and the unit has turned into profit during the last quarter of the financial year.

With regard to acquisition of additional lands for expansion and for mining lease, the applications are processed by the State Government and the modalities are being worked out.

20 MW POWER PLANT

On 19th April 2013, there was a mechanical problem in the chain link conveyor feeding coal to the boiler which resulted in the breakdown of the power plant after a minor explosion. After complete investigation by the experts, necessary orders have been placed for replacing the damaged parts. Based on delivery time of the pressure parts and time required for dismantling

TRINETRA CEMENT LIMITED

and re-erection, it is expected that the power plant will be ready in another 4 to 5 months time. The Company has made necessary insurance claim covering this. The Company does not foresee any shortage of power due to the stoppage of power plant as there is sufficient quota available from State Electricity Board and also from the power exchange and private power producers.

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.

FINANCIAL POSITION

The Company was discharged from the purview of SICA/BIFR by the Board for Industrial and Financial Reconstruction (BIFR), vide its order No.277/98 dated 17th March 2009. However, as per the audited annual accounts as on 31st March 2010, the Company had become a potentially sick company in terms of Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and the prescribed form was filed with BIFR on 11th October 2010. Even at the time of discharge of the Company from the purview of SICA, the accumulated losses were more than 50% of the peak network.

Consequent to the issue of Preference Share Capital during the years 2010-11 to 2012-13 aggregating to Rs.705 Crores in favour of The India Cements Limited, the holding company, the network of the Company has increased substantially and the same was intimated to BIFR.

PUBLIC DEPOSITS

During the year under review, the Company has neither invited nor accepted any public deposits within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975. Also there were no outstanding public deposits at the beginning or end of the year.

CONSERVATION OF ENERGY, ETC.

The prescribed details, as required under Section 217(1)(e) of the Companies Act, 1956, are set out in the Annexure 'A'.

PERSONNEL

Industrial relations were cordial during the year.

The Company has no employee drawing a salary of Rs.5 lakhs per month or above or which in aggregate was not less than Rs.60 lakhs during the year.

DIRECTORS

With profound grief, the Board condoles the demise of Dr.B.S.Adityan and Sri A.Sankarakrishnan, Directors of the Company, on 19th April, 2013 and 9th April, 2013 respectively. The Board records the excellent contribution made by Dr.B.S.Adityan and Sri A.Sankarakrishnan during their tenure as Directors of the Company.

Sri N.Srinivasan (Retd. Sr. Partner M/s. Fraser & Ross) was appointed as a casual vacancy director in the place of Sri A.Sankarakrishnan with effect from 20.05.2013.

Sri PL.Subramanian, Sri R.Srinivasan and Sri V.M.Mohan, retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

Brief particulars of Directors eligible for reappointment in terms of Clause 49 of the Listing Agreement are annexed to the Notice convening the 26th Annual General Meeting.

AUDITORS

M/s.Chaturvedi SK & Fellows, Chartered Accountants, Mumbai, Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

Sri S.A.Murali Prasad, Cost Accountant, Chennai, has been appointed as Cost Auditor for the year 2013-14 subject to approval by the Government of India.

M/s.Brahmayya & Co., Chartered Accountants, Chennai, have been appointed as Internal Auditors for the year 2013-14.

ACKNOWLEDGEMENT

The Directors are thankful to the Bankers for their continued support. The Directors also thank the Central Government and the State Governments for their support. The Directors are appreciative of the performance of the stockists during the year. The continued dedication and sense of commitment shown by the employees at all levels during the year deserve special mention.

for and on behalf of the Board

Place: Chennai
Date : 20th May, 2013

N.SRINIVASAN
Chairman